

Community Services Briefing to

Regular Meeting of Council

2024 July 30

ISC: UNRESTRICTED

C2024-0344

2023 Audited Financial Statements for Business Improvement Areas

PURPOSE OF BRIEFING

This Briefing fulfills the requirement under the *Municipal Government Act* (Alberta) (MGA) and the Business Improvement Area Regulation (the Regulation) for Calgary’s 15 Business Improvement Areas (BIAs) to submit annual audited financial statements to Council.

SUPPORTING INFORMATION

Under the MGA, municipalities can establish BIAs for the purposes of improving, beautifying and maintaining property in the area; developing, improving and maintaining public parking; and promoting the area as a business or shopping area. The Regulation also outlines the responsibilities of the BIA and the municipality including the requirement for BIAs to submit their annual budgets, board member appointments and audited financial statements to Council.

This year, Administration is bringing the 2023 BIA audited financial statements to Council in the form of a Briefing to support efficiency in reporting. The City’s Law Department has confirmed this Briefing satisfies the requirements under the Regulation. This Briefing supports transparency and accountability by reporting how each BIA spent taxpayer funds collected through the BIA tax and other revenue sources in 2023.

For the 2023 fiscal year, all BIAs received an unqualified audit opinion from a third-party auditor of their choice. This means that, in the opinion of the auditors, the financial statements present fairly, in all material respects, the financial position of each individual BIA in accordance with Canadian Accounting standards for not-for-profit organizations.

BIAs provide valuable local economic development programs and services and support the vibrancy and success of their local business areas and communities. In addition to the revenue collected from the BIA tax, revenues declared by the BIAs include City of Calgary grants targeting areas such as bylaw compliance, safety, cleanliness, festivals and events, and improvements to the public realm. This additional funding supports both The City’s priorities and BIA capacity to provide enhanced services to their member businesses and invest in their communities. BIAs also successfully leverage tax dollars and The City’s investments by securing external grants and sponsorships, and engaging volunteers.

Each BIA’s 2023 audited financial statements are included as Attachments 1 through 15. A summary of each BIA’s Statement of Operations (Attachment 16) and Statement of Financial Position (Attachment 17) are also attached for reference. Caution should be exercised if comparing one BIA to another as each BIA maintains its accounting records based on its own business needs and accounting practices, and what is included in a particular category may differ from one BIA to another.

Administration has reviewed all financial statements from a risk management perspective to evaluate the financial health and ongoing ability of each BIA to meet their financial obligations, and each BIA was assigned a rating of low, elevated or high risk. This process helps manage The

City's exposure to third-party risks that are inherent in partnering. Based on this analysis, fourteen BIAs were rated as low risk, one BIA was rated as elevated risk, and no BIAs were rated as high risk.

For BIAs that are rated as elevated or high risk, Administration works with them to understand their mitigation strategies and provide support where appropriate. In the case of the one BIA that had an elevated risk rating, Administration has communicated with them, and the BIA Board and staff have already begun to take steps to mitigate their risks. Administration has also informed the respective Councillor's office.

Administration will continue to work with and support all the BIAs throughout the year, including the ongoing governance and capacity building project which will offer additional supports to enhance BIA governance and risk management practices.

ATTACHMENTS

1. 4th Street South West BIA
2. 17th Avenue Retail & Entertainment District BIA
3. Beltline BIA
4. Bridgeland BIA
5. Calgary Downtown Association BIA
6. Chinatown BIA
7. Crescent Heights Village BIA
8. Greenview Industrial BIA
9. Inglewood BIA
10. International Avenue BRZ
11. Kensington BRZ
12. Mainstreet Bowness BIA
13. Marda Loop BIA
14. Montgomery on the Bow BIA
15. Victoria Park BIA
16. 2023 Statement of Operations Summary
17. 2023 Statement of Financial Position Summary

Author: Partnerships business unit

General Manager Katie Black concurs with the information in this Briefing.