

## OVERALL FINDINGS

### Financial Ratings

Administration has reviewed the financial status of community associations and social recreation organizations on City-owned land and found the following:

Of the 177 organizations rated for 2016:

- 110 were rated as good (low risk);
- 42 were rated as satisfactory (low risk);
- 17 were rated as marginal (elevated risk);
- five were rated as organization of concern (high risk); and
- three were rated insufficient (elevated risk).

Of the remaining 12 organizations not rated:

- three reported financial statements were with their auditors;
- two have been received but a rating has not been completed in time for this report
- four are not required as they have not yet held their annual general meeting
- three are overdue; therefore, are not compliant with their lease/license of occupation agreement

### Business Plan Ratings

Of the 138 organizations required to submit a business plan;

- 81 were rated low risk (received)
- 41 were rated as elevated risk (in process); and
- 16 were rated as high risk (overdue)

**Compliance Results**

Attachment 4 outlines organizations not compliant with their lease/license of occupation due to overdue financial statements or overdue insurance submissions. It also includes organizations that have not yet entered into a new agreement; therefore, the agreement is in "overhold". At the time of writing this report, financial statements were overdue for three organizations, six groups had not submitted proof of insurance and 13 groups currently have agreements in overhold; therefore, have not submitted their lease payment.

In 2012, Council approved policy CSPS2011 Lease/License of Occupation to Community Organizations which added the requirement for organizations to submit business plans. At that time, recognizing this as a new requirement, Administration accepted business plans that met a minimum standard for compliance. In 2016, City liaisons focused on supporting organizations in the development of quality business plans, including reference to the organization's financial capacity and resources required to implement the plan. In 2015, 93 per cent of groups completed a business plan; however, the quality of plans is much higher in 2016 with 88 per cent of groups with a completed plan or in process of completing a plan.

**Financial Review Results**

Prior to this report, Administration notified Councillors of the financial review ratings and mitigation strategies (if applicable) for organizations within their ward. Following Councillor notification, City liaisons communicate the financial ratings and mitigation strategies (if applicable) to each organization. With support from Finance, mitigation strategies are created and through the implementation of these strategies, City liaisons support organizations to improve financial accountability and sustainability. Mitigation strategies for high-risk organizations are outlined in Attachment 5. Administration appreciates the opportunity to work with Councillors and organizations to address opportunities and financial challenges.