

**2006 Audited Financial Statements of Business  
Improvement Areas (BIAs) – Report No. 2**

<b>Date:</b>	October 30, 2007
<b>To:</b>	Audit Committee
<b>From:</b>	Treasurer Acting Director, Small Business and Local Partnerships, Economic Development, Culture & Tourism
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2007\Internal Services\acc\ac07021acc (AFS#6218)

**SUMMARY**

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The purpose of this report is to present the 2006 audited financial statements and management letters of twenty-four Business Improvement Areas (BIAs) to the Audit Committee.

The twenty-four financial statements and management letters attached to this report have been approved by the respective Boards of Management of BIAs. The 2006 audited financial statements and management letters for twenty-eight other BIAs were presented at the September 24, 2007 Audit Committee meeting. The remaining two BIA's financial statements are in the process of being prepared and audited. Upon completion of their respective audits and Board approvals, they will also be presented, for information, to the Audit Committee.

**Financial Impact**

There are no financial implications resulting from this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

**DECISION HISTORY**

Every year, members of individual BIAs approve its budget at their respective Annual General Meeting and submit it to City Council for approval. For financial reporting purposes, BIAs are classified as Other Government Organization and included in the City's consolidated financial statements.

In accordance with City of Toronto By-law 683-2003, each individual BIA Board is required to approve and submit its audited financial statements and management letters annually to the Audit Committee for information.

2006 audited financial statements and related management letters for the following BIAs are found as appendices to this report:

Bloor By The Park	Little Italy
Bloordale Village	Long Branch
Church-Wellesley	Mimico Village
College Promenade	Pape Village
Dovercourt Village	Roncesvalles Village
Downtown Yonge	Rosedale Main Street
Eglinton Hill	The Danforth
Forest Hill Village	Weston Village
Greektown on the Danforth	West Queen West
Junction Gardens	Wexford Heights
Kingsway	Wychwood Heights
Korea Town	Yonge Lawrence Village

Letters indicating names of BIAs where no matters of concern were identified for these entities during the year are also included in the appendices.

## **ISSUE BACKGROUND**

Twelve of the BIAs identified in this report did not have any management letter issues identified by their respective auditors. For the remaining twelve BIA's, the major issues identified by the auditor include the following:

- Seven BIAs paying remuneration to Coordinators and Executive Directors without any statutory deductions;
- Three BIAs maintaining large amounts of cash in the current bank accounts earning minimum interest;
- Two BIAs not claiming all the GST rebates which they are entitled to;
- Two BIAs paying vendor invoices where GST is being charged but the GST registration number is not indicated on the invoice;
- Two BIAs where there is no insurance coverage for Directors' and Officers' liability insurance;
- One BIA not remitting employee deductions on timely basis resulting in payment of interest and penalties; and
- Three BIAs each had issues relating to budgets, periodic financial statements and timely bank deposits, respectively.

## COMMENTS

The Management of BIAs have agreed with the auditors recommendations and have or will take the following actions in response to issues identified in the management letter:

- will review the Canada Revenue Agency guidelines with respect to statutory deductions and will abide by it;
- have invested surplus funds into short-term investments;
- have claimed the GST and will follow the GST guideline procedures to ensure GST rebates are maximized;
- have acquired the missing GST registration numbers and will monitor to ensure that vendors include their GST registration number if they are charging GST on their invoices;
- are in the process of obtaining appropriate liability insurance for its Directors and Officers;
- will remit employee deductions on timely basis to avoid payment of interest and penalties; and
- will estimate and include all its budgeted revenue and expenses, has organized training for the Co-ordinator to prepare financial statements and has set up direct deposit system with the City to ensure BIA levy funds are deposited directly in their bank account.

## CONTACT

Mo Lewis  
Director, Accounting Services  
Tel: (416) 397 – 4438  
Fax: (416) 392 – 8003  
Email: [molewis@toronto.ca](mailto:molewis@toronto.ca)

Mike Major  
Acting Director, Small Business & Local  
Partnerships, EDCT  
Tel: (416) 392 – 0623  
Fax: (416) 392 – 1380  
Email: [mmajor@toronto.ca](mailto:mmajor@toronto.ca)

## SIGNATURE

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Cam Weldon  
Treasurer

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Mike Major  
Acting Director, Small Business & Local  
Partnerships

## ATTACHMENTS

Appendix A-1: Bloor By The Park Financial Statements  
Appendix B-1: Bloordale Village Financial Statements  
Appendix C-1: Church-Wellesley Financial Statements  
Appendix D-1: College Promenade Financial Statements  
Appendix D-2: College Promenade Management Letter  
Appendix E-1: Dovercourt Village Financial Statements  
Appendix F-1: Downtown Yonge Financial Statements

- Appendix G-1: Eglinton Hill Financial Statements
- Appendix H-1: Forest Hill Village Financial Statements
- Appendix H-2: Forest Hill Village Management Letter
- Appendix I-1: Greektown On The Danforth Financial Statements
- Appendix I -2: Greektown On The Danforth Management Letter
- Appendix J-1: Junction Gardens Financial Statements
- Appendix J-2: Junction Gardens Management Letter
- Appendix K-1: Kingsway Financial Statements
- Appendix K-2: Kingsway Management Letter
- Appendix L-1: Korea Town Financial Statements
- Appendix M-1: Little Italy Financial Statements
- Appendix M-2: Little Italy Management Letter
- Appendix N-1: Long Branch Financial Statements
- Appendix N-2: Long Branch Management Letter
- Appendix O-1: Mimico Village Financial Statements
- Appendix P-1: Pape Village Financial Statements
- Appendix Q-1: Roncesvalles Village Financial Statements
- Appendix Q-2: Roncesvalles Village Management Letter
- Appendix R-1: Rosedale Main Street Financial Statements
- Appendix R-2: Rosedale Main Street Management Letter
- Appendix S-1: The Danforth Financial Statements
- Appendix S-2: The Danforth Management Letter
- Appendix S-3: The Danforth Management Letter Response
- Appendix T-1: Weston Village Financial Statements
- Appendix U-1: West Queen West Financial Statements
- Appendix U-2: West Queen West Management Letter
- Appendix V-1: Wexford Heights Financial Statements
- Appendix W-1: Wychwood Heights Financial Statements
- Appendix W-2: Wychwood Heights Management Letter
- Appendix X-1: Yonge- Lawrence Village Financial Statements
- Appendix X-2: Yonge-Lawrence Village Management Letter
- Appendix Y-1: A letter from the auditor, Rafiq Dosani dated September 21, 2007 identifying BIAs where there are no significant management letter issues.
- Appendix Z-1: A letter from the auditor, Rafiq Dosani dated October 15, 2007 identifying BIAs where there are no significant management letter issues.
- Appendix AA-1: A letter from the auditor, Rosenwig McRae Thorpe LLP dated October 25, 2007 indicating that there were no significant management letter issues.
- Appendix AB-1: A letter from the auditor, James D. Peros dated October 10, 2007 indicating that there were no significant management letter issues.