



STAFF REPORT ACTION REQUIRED

2007 Audited Financial Statements of Business Improvement Areas (BIAs) – Report No. 3

Date:	January 19, 2009
To:	Audit Committee
From:	Acting Treasurer Director, Business Services, Economic Development, Culture and Tourism
Wards:	All
Reference Number:	P:\2009\Internal Services\acc\ac09001acc (AFS# 6431)

SUMMARY

The purpose of this report is to present the 2007 audited financial statements and management letters of three Business Improvement Areas (BIAs) to City Council for approval.

RECOMMENDATIONS

The Acting Treasurer and the Director, Business Services, Economic Development, Culture and Tourism recommend that:

1. The Audit Committee approve the 2007 audited financial statements and management letters of the three Business Improvement Areas attached as Appendices A-1 to C-2 of this report, and forward these to City Council for its approval.

Financial Impact

There are no financial implications resulting from this report.

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

DECISION HISTORY

The 2007 audited financial statements and management letters for twenty-four (24) other BIAs were presented to the Audit Committee at its July 10, 2008 meeting and approved by City Council at its meeting of September 24-25, 2008 (re: Audit Committee Report No. 8, Clause AU8.8). Below is the link to this report and decision:

<http://www.toronto.ca/legdocs/mmis/2008/au/decisions/2008-07-10-au08-dd.pdf>

Additionally, thirty-two (32) other BIAs were presented to the Audit Committee at its November 4, 2008 meeting and approved by City Council at its meeting of December 1-3, 2008 (re: Audit Committee Report No. 9, Clause AU9.17). Below is this link to this report and decision:

<http://www.toronto.ca/legdocs/mmis/2008/au/decisions/2008-11-04-au09-dd.pdf>

ISSUE BACKGROUND

Annually, members of individual BIAs approve their 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 are included in the City's consolidated financial statements.

In accordance with Chapter 19 of the City of Toronto Municipal Code, each BIA Board is required to approve and submit its audited financial statements and management letter annually to City Council for approval.

COMMENTS

Attached are the 2007 audited financial statements and related management letters for the following three (3) BIAs. These statements and management letters have been approved by the respective Board of Management of the BIA:

	Management Letter Issues: Yes / No	Attachment
Church-Wellesley	Yes	A-1 & A-2
Kingsway	Yes	B-1 & B-2
Mount Dennis	No	C-1 & C-2

Mount Dennis BIA, for which no management letter issues were identified, is documented in the letter which is included as appendices C-2 of this report. For the remaining two BIAs, the Management of the BIAs have agreed with the auditor's recommendations and have, or have committed to, take the actions as outlined in the specific management letters appended to this report.

The 2006, 2007 and 2008 financial statements of Knob Hill Plaza BIA are in the process of being prepared and audited. The Board of Management of Knob Hill Plaza had been inactive for the past three years, and as a result, the City Council repealed the establishing by-laws for the Knob Hill Plaza BIA and its Board of management at its meeting on May 26 & 27, 2008. However, upon completion of its audits these financial statements will also be presented, for approval, to Audit Committee and City Council.

The only remaining 2007 BIA, Old Queen Street BIA, failed to timely approve an operating budget for 2007 and accordingly it did not incur any actual expenditures for presentation.

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SIGNATURE

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Director, Business Services, EDCT

ATTACHMENTS

Appendix A-1:	Church-Wellesley Financial Statements
Appendix A-2:	Church - Wellesley Management Letter
Appendix B-1:	Kingsway Financial Statements
Appendix B-2:	Kingsway Management Letter
Appendix C-1:	Mount Dennis Financial Statements
Appendix C-2:	A letter from the auditor, Rafiq Dosani dated January 7, 2009 stating that there were no significant management letter issues identified.