

2016 Audited Financial Statements of Business Improvement Areas (BIAs) – Report No. 2

Date: October 13, 2017

To: Audit Committee

From: Treasurer and Director, Business Growth Services, Economic Development and Culture

Wards: All

SUMMARY

The purpose of this report is to present the 2016 audited financial statements and management letters for the final twenty-seven (27) Business Improvement Areas (BIAs) to Audit Committee and City Council for approval.

RECOMMENDATIONS

The Treasurer and the Director of Business Growth Services, Economic Development and Culture recommend that:

1. City Council approve the 2016 audited financial statements and management letters of twenty-seven (27) Business Improvement Areas attached as Appendices A to AB of this report.

FINANCIAL IMPACT

There are no financial implications contained in this report.

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

DECISION HISTORY

Annually, members of individual BIAs approve their budget at their respective Annual General Meetings and submit to City Council for approval. For financial reporting purposes, BIAs are classified as Other Government Organizations and their financial statements 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 annually to City Council for approval.

COMMENTS

The City's 2016 Consolidated Financial Statements include the financial results of 82 BIAs. The twenty-seven (27) 2016 audited financial statements and management letters attached to this report as appendices A to AB have been approved by the respective Board of Management of the BIA.

The 2016 audited financial statements and a management letter for fifty-four (54) other 2016 BIAs were presented to the Audit Committee at its June 27th, 2017 meeting and contained in AU9.8 adopted by Council at its meeting of July 4th 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.AU9.8>

Historic Queen Street BIA has failed to approve operating budgets for 2009 through 2016 and accordingly has not incurred any actual revenue or expenditures for presentation.

In the Hillcrest Village BIA management letter, the auditor identified two recommendations that were not implemented:

- a) Periodic interim financial statements should be presented to the Board for review and approval with explanation of significant variances between authorized budget and actual spending, and
- b) Expenditures reimbursed to Board members should be properly approved and where conflicts of interest exist, Board members should declare such conflicts. In addition, no expenditures should be approved at values significantly above actual costs.

The Board of Management had agreed to both recommendations. In the summer of 2017, the Board completed a comprehensive search for a Bookkeeper, therefore it is anticipated that interim financial statements will be provided going forward. For the second issue, the board has taken appropriate action to ensure no Board members can provide services to the BIA without declaring a conflict of interest and the charges to the BIA would not be over the actual cost. In addition, the Board is in the process of collecting all over payments from the previous Vice Chair.

There are no other management letter issues identified for any of the other BIAs by their respective auditors.

The 2016 audited financial statements and related management letters for the following BIAs are included as appendices to this report.

Table 1

	Management Letter Issues YES/NO		Management Letter Issues YES/NO
Albion Islington Square	NO	Leslieville	NO
Bloor Annex	NO	Long Branch	NO
Bloordale Village	NO	Marketo District (previously called Dufferin Wingold)	NO
Corso Italia	NO	Mimico By The Lake	NO
Danforth Village	NO	Mirvish Village	NO
Dovercourt Village	NO	Oakwood Village	NO
Emery Village	NO	Ossington Avenue	NO
Gerrard India Bazaar	NO	Queen Street West	NO
Greektown on the Danforth	NO	St. Clair Gardens	NO
Hillcrest Village	YES	The Beach	NO
Kennedy Road	NO	The Danforth	NO
Kensington Market	NO	Trinity Bellwoods	NO
Korea Town	NO	Upper Village	NO
Lakeshore Village	NO		

CONTACT

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SIGNATURE

Mike St. Amant
Treasurer

George Spezza
Director, Business Growth Services
Economic Development and Culture

ATTACHMENTS

Appendix A:	Albion Islington Square Financial Statements
Appendix B:	Bloor Annex Financial Statements
Appendix C:	Bloordale Village Financial Statements
Appendix D:	Corso Italia Financial Statements
Appendix E:	Danforth Village Financial Statements
Appendix F:	Dovercourt Village Financial Statements
Appendix F1:	Dovercourt Village Management Letter
Appendix G:	Emery Village Financial Statements
Appendix H:	Gerrard India Bazaar Financial Statements
Appendix I:	Greektown on the Danforth Financial Statements
Appendix J:	Hillcrest Village Financial Statements
Appendix J1:	Hillcrest Village Management Letter
Appendix K:	Kennedy Road Financial Statements
Appendix L:	Kensington Market Financial Statements
Appendix L-1:	Kensington Market Management Letter
Appendix M:	Korea Town Financial Statements
Appendix N:	Lakeshore Village Financial Statements
Appendix N1:	Lakeshore Village Management Letter
Appendix O:	Leslieville Financial Statements
Appendix P:	Long Branch Financial Statements
Appendix Q:	Marketo District Financial Statements
Appendix R:	Mimico By The Lake Financial Statements
Appendix S:	Mirvish Village Financial Statements
Appendix T:	Oakwood Village Financial Statements
Appendix U:	Ossington Avenue Financial Statements
Appendix U1:	Ossington Avenue Management Letter
Appendix V:	Queen Street West Financial Statements
Appendix V1:	Queen Street West Management Letter
Appendix W:	St.Clair Gardens Financial Statements
Appendix X:	The Beach Financial Statements
Appendix Y:	The Danforth Financial Statements
Appendix Z:	Trinity Bellwoods Financial Statements
Appendix Z1:	Trinity Bellwoods Management Letter
Appendix AA:	Upper Village Financial Statements
Appendix AA1:	Upper Village Management Letter
Appendix AB:	A letter from the auditor, Rafiq Dosani dated September 20, 2017 stating that there were no significant management letter issues identified for nineteen (19) of the BIAs audited by him and appended.