

2017 Audited Financial Statements of Business Improvement Areas (BIAs) – Report No. 1

Date: April 24, 2018

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 2017 audited financial statements and management letters for thirty-six (36) 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 2017 audited financial statements and management letters of thirty-six (36) Business Improvement Areas attached as Appendices A to AL of this report.

FINANCIAL IMPACT

There are no financial implications contained in this report.

The Interim 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 these 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 2017 Consolidated Financial Statements will include the financial results of 82 BIAs.

The thirty-six (36) audited financial statements and management letters attached to this report as Appendices A to AL have been approved by the respective Boards of Management of the BIAs.

The 2017 audited financial statements and management letters for forty-six (46) other BIAs are in the process of being prepared, audited or awaiting approval of the respective Board and are expected to be presented at the next Audit Committee meeting.

Historic Queen Street BIA has failed to approve operating budgets for 2009 through 2017 and accordingly has not incurred any actual revenue or expenditures for presentation.

Management Letter Issues

Hillcrest Village

In the Hillcrest Village BIA management letter, the auditor identified a 2016 recommendation which was not yet implemented at the end of 2017. The recommendation related to transactions processed through the Vice-Chair's company at a higher cost than typical for such services. It specifically stated "As a number of transactions were not approved by the board nor a conflict of interest declared by a board member, all payments over and above actual costs should be recovered".

The Board of Management agreed with this recommendation. The Board has taken appropriate action to ensure no Board members 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 seeking professional advice from its lawyer in order to collect all over payments from the previous Vice Chair.

West Queen West

In the West Queen West BIA management letter, the auditor made three observations, all of which were approved by the Board:

- 1) The bank account was only reconciled at year end. The auditor recommended that the BIA's accountant reconcile the bank accounts monthly and communicate with the bank to resolve any issues immediately.
- 2) During the year, the BIA did not file T4As with the Canada Revenue Agency to parties providing services valued at \$500 or more. The auditor recommended that the BIA comply with Canada Revenue Agency guidelines to avoid penalties and issue T4As on a timely basis.
- 3) The BIA retains a significant amount of cash in the bank in an account that does not pay interest. The auditor recommended that excess cash be invested in short term investments to generate additional revenue. Management has agreed to prepare monthly cash flow statements and invest any excess cash.

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

The 2017 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
Baby Point Gates	NO	Little Portugal	NO
Bayview Leaside	NO	Oakwood Village	NO
Bloor West Village	NO	Parkdale Village	NO
Bloorcourt Village	NO	Riverside District	NO
Cabbagetown	NO	Roncesvalles Village	NO
Chinatown	NO	Sheppard East Village	NO
Church Wellesley Village	NO	shoptheQueensway.com	NO
College Promenade	NO	The Beach	NO
College West	NO	The Danforth	NO
Corso Italia	NO	The Eglinton Way	NO
Crossroads of the Danforth	NO	The Kingsway	NO
Duke Heights	NO	Uptown Yonge	NO
Dundas West	NO	Village of Islington	NO
Fairbank Village	NO	West Queen West	YES
Financial District	NO	Weston Village	NO

	Management Letter Issues YES/NO		Management Letter Issues YES/NO
Greektown on the Danforth	NO	Wexford Heights	NO
Hillcrest Village	YES	Yonge Lawrence Village	NO
Leslieville	NO	York Eglinton	NO

CONTACT

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SIGNATURE

Mike St. Amant
Treasurer

George Spezza
Director, Business Growth Services
Economic Development and Culture

ATTACHMENTS

Appendix A:	Baby Point Gates Financial Statements
Appendix B:	Bayview Leaside Financial Statements
Appendix C:	Bloor West Village Financial Statements
Appendix D:	Bloorcourt Village Financial Statements
Appendix E:	Cabbagetown Financial Statements
Appendix F:	Chinatown Financial Statements
Appendix G:	Church Wellesley Village Financial Statements
Appendix H:	College Promenade Financial Statements
Appendix I:	College West Financial Statements
Appendix J:	Corso Italia Financial Statements
Appendix K:	Crossroads of the Danforth Financial Statements
Appendix L:	Duke Heights Financial Statements
Appendix M:	Dundas West Financial Statements
Appendix N:	Fairbank Village Financial Statements
Appendix O:	Financial District Financial Statements

Appendix O-1:	Financial District Management Letter
Appendix P:	Greektown on the Danforth Financial Statements
Appendix Q:	Hillcrest Village Management Letter
Appendix Q-1:	Hillcrest Village Management Letter
Appendix R:	Leslieville West Financial Statements
Appendix S:	Little Portugal Financial Statements
Appendix T:	Oakwood Village Financial Statements
Appendix U:	Parkdale Village Financial Statements
Appendix V:	Riverside District Financial Statements
Appendix W:	Roncesvalles Village Financial Statements
Appendix X:	Sheppard East Village Financial Statements
Appendix Y:	shopthQueensway.com Financial Statements
Appendix Z:	The Beach Financial Statements
Appendix AA:	The Danforth Financial Statements
Appendix AB:	The Eglinton Way Financial Statements
Appendix AC:	The Kingsway Financial Statements
Appendix AD:	Uptown Yonge Financial Statements
Appendix AE:	Village of Islington Financial Statements
Appendix AF:	West Queen West Financial Statements
Appendix AF-1:	West Queen West Management Letter
Appendix AG:	Weston Village Financial Statements
Appendix AH:	Wexford Heights Financial Statements
Appendix AI:	Yonge Lawrence Village Financial Statements
Appendix AJ	York Eglinton Financial Statements
Appendix AK:	A letter from the auditor, Rafiq Dosani dated April 12, 2018 stating that there were no significant management letter issues identified for twenty-nine (29) of the BIAs audited by him and appended.
Appendix AL:	A letter from the auditor, Rafiq Dosani dated April 18, 2018 stating that there were no significant management letter issues identified for four (4) of the BIAs audited by him and appended.