

## **2018 Audited Financial Statements of Business Improvement Areas (BIAs) – Report No. 1**

**Date:** June 3, 2019  
**To:** Audit Committee  
**From:** Controller and General Manager, Economic Development and Culture  
**Wards:** All

### **SUMMARY**

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

The report contains the 2018 audited financial statements and management letters for forty-nine (49) entities and the 2017 audited financial statements and management letters for nine (9) entities. All 2017 audited financial statements have now been presented for approval, with the exception of Historic Queen BIA, which has not presented a budget request for approval since 2009, therefore, does not have any revenues or expenses to report.

Audit recommendations, accepted by the respective BIA Boards of Management, are included in the attached management letters.

### **RECOMMENDATIONS**

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

1. City Council approve the 2018 audited financial statements and management letters of the forty-nine (49) Business Improvement Areas and the 2017 audited financial statements and management letters of the nine (9) Business Improvement Areas attached as Appendices A to BK of this report.

## **FINANCIAL IMPACT**

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There are no financial implications contained in this report.

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

## **DECISION HISTORY**

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In accordance with Chapter 19-4.3 of the City Municipal Code, each BIA Board is required to approve and submit its audited financial statements annually to City Council for approval. For financial reporting purposes, BIAs are classified as Other Government Organizations when consolidated into the City's consolidated financial statements.

Below is a link to the 2017 financial statements and management letters submitted in 2018:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU12.6>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU13.8>

## **COMMENTS**

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The City's 2018 Consolidated Financial Statements will include the financial results of 82 BIAs. The results of Historic Queen BIA have not been included, although the entity is noted as a Consolidated Entity, as audited financial statements have not been received since 2009.

The fifty-eight (58) audited financial statements and management letters attached to this report as Appendices A to BK have been approved by the respective Boards of Management of the BIAs.

The 2018 audited financial statements and management letters for thirty-three (33) other BIAs are in the process of being prepared, audited or awaiting approval of the respective Boards and are expected to be presented at the next available Audit Committee meeting.

### **Management Letter Issues**

In determining the fair presentation of each BIA's financial statements, auditors perform audit procedures that include review of supporting documents and applicable internal controls.

Improvement opportunities are submitted to the respective Boards of Management as a management letter. Two management letters contained observations by the respective auditors.

In the Korea Town BIA 2017 management letter, the auditor indicated that for 2017, the Treasurer had not prepared or submitted financial statements for approval until January, 2019. The auditor recommended that the BIA take steps to prepare bookkeeping entries and draft financial statements on a timely basis to ensure timely submission for approval. The Board of Management agreed with this recommendation.

The auditor also observed that a number of supporting invoices were not available for the audit. The auditor recommended that the BIA retain all financial documents as required by City and CRA retention requirements. The Board of Management agreed with this recommendation.

In the Queen Street West BIA 2017 management letter, the auditor recommended the timely completion of the draft financial statements to allow audit completion by the end of February and recommended that all supporting documents be maintained. These recommendations have been brought to the attention of the Board of Management.

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

The 2017 and 2018 audited financial statements and related management letters for the following BIAs are included as appendices to this report.

## **CONTACT**

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Sandra Califaretti, Director, Accounting Services, Tel: 416-397-4438,  
Email: [sandra.califaretti@toronto.ca](mailto:sandra.califaretti@toronto.ca)

Mike Major, Manager, BIA Office, Economic Development and Culture, Tel: 416-392-0623, Email: [mike.major@toronto.ca](mailto:mike.major@toronto.ca)

## **SIGNATURE**

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Andrew Flynn  
Controller

Michael Williams  
General Manger  
Economic Development and Culture

## **ATTACHMENTS**

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### **2017 Financial Statements and Management Letters**

Appendix A:	Bloordale Village Financial Statements
Appendix A-1:	Bloordale Village Management Letter
Appendix B:	Kensington Market Financial Statements
Appendix B-1:	Kensington Market Management Letter
Appendix C:	Korea Town Financial Statements
Appendix C-1:	Korea Town Management Letter
Appendix D:	Liberty Village Financial Statements
Appendix D-1:	Liberty Village Management Letter
Appendix E:	Little Italy Financial Statements
Appendix F:	Ossington Avenue Financial Statements
Appendix F-1:	Ossington Avenue Management Letter
Appendix G:	Queen Street West Financial Statements
Appendix G-1:	Queen Street West Management Letter
Appendix H:	Upper Village Financial Statements
Appendix H-1:	Upper Village Management Letter
Appendix I:	Wychwood Heights Financial Statements
Appendix J:	A letter from the auditor, Rafiq Dosani, dated January 10, 2019 stating that there were no significant management letter issues identified for two (2) of the 2017 BIAs audited by him and appended.

### **2018 Financial Statements and Management Letters**

Appendix K:	Baby Point Gates Financial Statements
Appendix L:	Bayview Leaside Financial Statements
Appendix M:	Bloor Annex Financial Statements
Appendix N:	Bloor Street Financial Statements
Appendix O:	Bloor West Village Financial Statements
Appendix P:	Bloor Yorkville Financial Statements
Appendix Q:	Cabbagetown Financial Statements
Appendix R:	Chinatown Financial Statements
Appendix S:	Church Wellesley Village Financial Statements
Appendix T:	Corso Italia Financial Statements
Appendix U:	Crossroads of the Danforth Financial Statements
Appendix V:	Duke Heights Financial Statements
Appendix W:	Dundas West Financial Statements
Appendix X:	Eglinton Hill Financial Statements
Appendix Y:	Fairbank Village Financial Statements
Appendix Z:	Financial District Financial Statements
Appendix Z-1:	Financial District Management Letter

## **2018 Financial Statements and Management Letters**

Appendix AA:	Forest Hill Village Financial Statements
Appendix AB:	Greektown on the Danforth Financial Statements
Appendix AC:	Harbord Street Financial Statements
Appendix AD:	Hillcrest Village Financial Statements
Appendix AE:	Korea Town Financial Statements
Appendix AF:	Lakeshore Village Financial Statements
Appendix AF-1:	Lakeshore Village Management Letter
Appendix AG:	Leslieville Financial Statements
Appendix AH:	Liberty Village Financial Statements
Appendix AH-1:	Liberty Village Management Letter
Appendix AI:	Little Portugal Financial Statements
Appendix AJ:	Mirvish Village Financial Statements
Appendix AK:	Mount Dennis Financial Statements
Appendix AL:	Ossington Avenue Financial Statements
Appendix AL-1:	Ossington Avenue Management Letter
Appendix AM:	Parkdale Village Financial Statements
Appendix AN:	Regal Heights Village Financial Statements
Appendix AO:	Riverside District Financial Statements
Appendix AP:	Roncesvalles Village Financial Statements
Appendix AQ:	Rosedale Main Street Financial Statements
Appendix AR:	Sheppard East Village Financial Statements
Appendix AS:	ShoptheQueensway.com Financial Statements
Appendix AT:	St. Clair Gardens Financial Statements
Appendix AU:	St. Lawrence Market Neighbourhood Financial Statements
Appendix AV:	The Danforth Financial Statements
Appendix AW:	The Eglinton Way Financial Statements
Appendix AX:	The Kingsway Financial Statements
Appendix AY:	The Waterfront Financial Statements
Appendix AZ:	Toronto Entertainment District Financial Statements
Appendix AZ-1:	Toronto Entertainment District Management Letter
Appendix BA:	Uptown Yonge Financial Statements
Appendix BB:	Village of Islington Financial Statements
Appendix BC:	Weston Village Financial Statements
Appendix BD:	Wexford Heights Financial Statements
Appendix BE:	Wilson Village Financial Statements
Appendix BF:	Yonge and St. Clair Financial Statements
Appendix BG:	Yonge Lawrence Village Financial Statements
Appendix BH:	A letter from the auditor, Rafiq Dosani, dated March 27, 2019 stating that there were no significant management letter issues identified for eighteen (18) of the 2018 BIAs audited by him and appended.

## **2018 Financial Statements and Management Letters**

- Appendix BI: A letter from the auditor, Rafiq Dosani dated May 10, 2019 stating that there were no significant management letter issues identified for fourteen (14) of the 2018 BIAs audited by him and appended.
- Appendix BJ: A letter from the auditor, Rafiq Dosani, dated May 20, 2019 stating that there were no significant management letter issues identified for six (6) of the 2018 BIAs audited by him and appended.
- Appendix BK: A letter from the auditor, Rafiq Dosani, dated May 25, 2019 stating that there were no significant management letter issues identified for six (6) of the 2018 BIAs audited by him and appended.