



Business Improvement Areas (BIAs) – 2018 and 2019 Audited Financial Statements

Date: November 2, 2020

To: Audit Committee

From: Controller and General Manager, Economic Development and Culture

Wards: All

SUMMARY

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.

This report contains the 2019 audited financial statements and management letters for 63 entities and the 2018 audited financial statements and management letters for 33 entities. All 2018 audited financial statements have now been presented for approval, with the exception of Historic Queen BIA, which does not have any revenues or expenses to report.

All of the in-scope BIAs have received an unqualified audit opinion for their financial statements. Several BIAs received audit recommendations for minor internal control and process improvements that have been accepted by the respective BIA Boards of Management – these audit recommendations can be found in the attached management letters.

The City will provide a separate report to the Audit Committee in 2021 to disclose the results of any fiscal 2019 external audits that remain outstanding at this time.

RECOMMENDATIONS

The Controller and the General Manager, Economic Development and Culture recommend that:

1. City Council approve the 2018 audited financial statements and management letters of the 33 Business Improvement Areas and the 2019 audited financial statements and management letters of the 63 Business Improvement Areas as attached in Appendices A to CC to this report.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

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

DECISION HISTORY

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 and consolidated into the City's consolidated financial statements.

Below is a link to the 2018 financial statements and management letters presented to the Audit Committee in 2019. No similar reports have been presented to the Audit Committee in 2020:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.AU3.2>

COMMENTS

The City's 2019 Consolidated Financial Statements 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 audited financial statements and management letters for fiscal 2018 and 2019, included in this report, have been approved by the respective Boards of Management of the BIAs. A copy of these documents are attached to this report as Appendices A to CC. Unqualified opinions were given to all statements.

The 2019 audited financial statements and management letters for 18 other BIAs are in the process of being prepared, audited, or awaiting approval of the respective Boards. The financial results of these BIAs will be presented at the next available Audit Committee meeting.

Management Letter Issues

In determining the fair presentation of each BIA's financial statements, external auditors perform audit procedures that include a review of supporting documents and assessment of applicable internal controls. Improvement opportunities are submitted to the respective Boards of Management as a management letter.

Several of the BIAs received a management letter from their respective auditors. Improvement opportunities were considered to be minor in nature and consisted largely of measures aimed to strengthen internal controls. A summary of management letters issued by the BIAs' external auditors is as follows:

- Downtown Yonge: lack of segregation of duties due to limited personnel available;
- Midtown Yonge: need to obtain two (2) Board members' signatures for all payment requests. One of the two signatories for cheques should ideally be someone other than the person who approved the invoice;
- West Queen West: monthly bank reconciliations should be prepared and any discrepancies resolved with the bank, periodic financial statements should be prepared for review by the Board, audited financial statements should be provided to the City by the deadline, and the BIA should file HST returns every 6 months; and
- Wychwood Heights Village: periodic financial statements should be prepared for review by the Board, audited financial statements should be provided to the City by the deadline and the BIA should file HST returns every 6 months.

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

CONTACT

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SIGNATURE

Andrew Flynn
Controller

Michael Williams
General Manager, Economic Development and Culture

ATTACHMENTS

Appendix A: Albion-Islington Square Financial Statements (2018 and 2019)
Appendix B: Baby Point Gates Financial Statements (2019)
Appendix C: Bayview Leaside Village Financial Statements (2019)
Appendix D: Bloor Annex Financial Statements (2019)
Appendix E: Bloor by the Park Financial Statements (2018 and 2019)
Appendix F: Bloor Street Financial Statements (2019)
Appendix G: Bloor West Village Financial Statements (2019)
Appendix H: Bloor Yorkville Financial Statements (2019)
Appendix I: Bloorcourt Village Financial Statements (2018)
Appendix J: Bloordale Village Management Letter and Financial Statements (2018)
Appendix K: Broadview Danforth Financial Statements (2019)
Appendix L: Cabbagetown Financial Statements (2019)
Appendix M: Chinatown Financial Statements (2019)
Appendix N: Church-Wellesley Financial Statements (2019)
Appendix O: City Place and Fort York Financial Statements (2018)
Appendix P: College Promenade Financial Statements (2018)
Appendix Q: College West Financial Statements (2018 and 2019)
Appendix R: Corso Italia Financial Statements (2019)
Appendix S: Crossroads of the Danforth Financial Statements (2019)
Appendix T: Danforth Mosaic Financial Statements (2018 and 2019)
Appendix U: Danforth Village Financial Statements (2018)
Appendix V: Dovercourt Village Management Letter and Financial Statements (2018)
Appendix W: Downtown Yonge Management Letter (2018) and Financial Statements (2018 and 2019)
Appendix X: Duke Heights Financial Statements (2019)
Appendix Y: Dupont by the Castle Management Letter (2018) and Financial Statements (2018 and 2019)
Appendix Z: Eglinton Hill Financial Statements (2019)
Appendix AA: Emery Village Financial Statements (2018 and 2019)
Appendix AB: Fairbank Village Financial Statements (2019)
Appendix AC: Financial District Management Letter and Financial Statements (2019)
Appendix AD: Forest Hill Village Financial Statements (2019)
Appendix AE: Gerrard India Bazaar Financial Statements (2018)
Appendix AF: Greektown on the Danforth Financial Statements (2019)
Appendix AG: Harbord Street Financial Statements (2019)
Appendix AH: Hillcrest Village Financial Statements (2019)
Appendix AI: Junction Gardens Financial Statements (2018 and 2019)
Appendix AJ: Kennedy Road Financial Statements (2018)
Appendix AK: Kensington Market Management Letter and Financial Statements (2018)
Appendix AL: Koreatown Financial Statements (2019)
Appendix AM: Lakeshore Village Management Letter and Financial Statements (2019)
Appendix AN: Leslieville Financial Statements (2019)
Appendix AO: Liberty Village Management Letter and Financial Statements (2019)
Appendix AP: Little Italy Financial Statements (2018 and 2019)
Appendix AQ: Long Branch Financial Statements (2018)
Appendix AR: MarkeTO District Financial Statements (2018 and 2019)

Appendix AS: Midtown Yonge Management Letters and Financial Statements (2018 and 2019)
Appendix AT: Mimico by the Lake Financial Statements (2018)
Appendix AU: Mimico Village Financial Statements (2018)
Appendix AV: Mirvish Village Financial Statements (2019)
Appendix AW: Mount Dennis Financial Statements (2019)
Appendix AX: Mount Pleasant Financial Statements (2018 and 2019)
Appendix AY: Oakwood Village Financial Statements (2018 and 2019)
Appendix AZ: Ossington Avenue Management Letter and Financial Statements (2019)
Appendix BA: Pape Village Financial Statements (2018 and 2019)
Appendix BB: Parkdale Village Financial Statements (2019)
Appendix BC: Queen Street West Financial Statements (2018 and 2019)
Appendix BD: Regal Heights Village Financial Statements (2019)
Appendix BE: Riverside District Financial Statements (2019)
Appendix BF: Roncesvalles Village Financial Statements (2019)
Appendix BG: Rosedale Main Street Financial Statements (2019)
Appendix BH: Sheppard East Village Financial Statements (2019)
Appendix BI: St. Clair Gardens Financial Statements (2019)
Appendix BJ: St. Lawrence Market Neighbourhood Financial Statements (2019)
Appendix BK: The Beach Financial Statements (2018 and 2019)
Appendix BL: The Eglinton Way Financial Statements (2019)
Appendix BM: The Kingsway Financial Statements (2019)
Appendix BN: The Waterfront Financial Statements (2019)
Appendix BO: Toronto Entertainment District Management Letter and Financial Statements (2019)
Appendix BP: Trinity Bellwoods Management Letters and Financial Statements (2018 and 2019)
Appendix BQ: Upper Village Financial Statements (2018 and 2019)
Appendix BR: Uptown Yonge Financial Statements (2019)
Appendix BS: Village of Islington Financial Statements (2019)
Appendix BT: West Queen West Management Letter and Financial Statements (2018)
Appendix BU: Weston Village Financial Statements (2019)
Appendix BV: Wexford Heights Financial Statements (2019)
Appendix BW: Wilson Village Financial Statements (2019)
Appendix BX: Wychwood Village Management Letter and Financial Statements (2018)
Appendix BY: Yonge and St. Clair Financial Statements (2019)
Appendix BZ: Yonge-Lawrence Village Financial Statements (2019)
Appendix CA: York-Eglinton Financial Statements (2018 and 2019)
Appendix CB: Multiple Business Improvement Areas Management Letter (2018)
Appendix CC: Multiple Business Improvement Areas Management Letter (2018)