

## **Business Improvement Areas (BIAs) – 2019 and 2020 Audited Financial Statements**

**Date:** June 21, 2021

**To:** Audit Committee

**From:** Controller and Interim 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.

This report contains the 2019 audited financial statements and management letters for 16 entities and the 2020 audited financial statements and management letters for 2 entities. All 2019 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.

### **RECOMMENDATIONS**

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

1. City Council approve the 2019 audited financial statements and management letters of the 16 Business Improvement Areas and the 2020 audited financial statements and management letters of the 2 Business Improvement Areas as attached in Appendices A to S to this report.

## **FINANCIAL IMPACT**

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There are no current or known future year financial impacts arising from the recommendation contained in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in this section.

## **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 and consolidated into the City's consolidated financial statements.

Below is a link to the 2019 financial statements and management letters presented to the Audit Committee in 2020. No similar reports have been presented to the Audit Committee in 2021:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.AU7.2>

## **COMMENTS**

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The City's 2020 Consolidated Financial Statements include the financial results of 81 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 BIA audited financial statements and management letters for fiscal 2019 and 2020, 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 S. Unqualified opinions were given to all statements.

The remaining 2020 BIA audited financial statements and management letters 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. Reported 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:

- Wychwood Heights Village:
  - Periodic financial statements, including actual and budget amounts, should be prepared for review by the Board
  - Audited financial statements should be provided to the City by the established deadline
  - HST rebate returns should be filed every six months as required by the CRA and to maximize cash flows, and
  - The current working arrangement with the Coordinator should be reviewed to determine if an employer-employee arrangement exists, requiring the application of CRA statutory deductions
- Financial District:
  - Lack of segregation of duties due to limited personnel available.
- Toronto Entertainment District:
  - Lack of segregation of duties due to limited personnel available.

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

## **CONTACT**

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## **SIGNATURE**

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Andrew Flynn  
Controller

Cheryl Blackman  
General Manager (Interim), Economic Development and Culture

## ATTACHMENTS

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Appendix A: Multiple Business Improvement Areas - Management Letters (2019)  
Appendix B: Bloorcourt Village Financial Statements (2019)  
Appendix C: Cityplace and Fort York Financial Statements (2019)  
Appendix D: College Promenade Financial Statements (2019)  
Appendix E: Danforth Village Financial Statements (2019)  
Appendix F: Dovercourt Village Financial Statements (2019)  
Appendix G: Gerrard India Bazaar Financial Statements (2019)  
Appendix H: Kennedy Road Financial Statements (2019)  
Appendix I: Little Portugal on Dundas Financial Statements (2019)  
Appendix J: Long Branch Financial Statements (2019)  
Appendix K: Mimico by the Lake Financial Statements (2019)  
Appendix L: Mimico Village Financial Statements (2019)  
Appendix M: Shopthequeensway.com Financial Statements (2019)  
Appendix N: West Queen West Financial Statements (2019)  
Appendix O: Bloordale Village Financial Statements and Management Letter (2019)  
Appendix P: Kensington Market Financial Statements and Management Letter (2019)  
Appendix Q: Wychwood Financial Statements and Management Letter (2019)  
Appendix R: Financial District Financial Statements and Management Letter (2020)  
Appendix S: Toronto Entertainment District Financial Statements and Management Letter (2020)