



## STAFF REPORT ACTION REQUIRED

### 2015 Audited Financial Statements of Business Improvement Areas (BIAs) – Report No. 2

<b>Date:</b>	October 13, 2016
<b>To:</b>	Audit Committee
<b>From:</b>	Treasurer Director, Business Growth Services, Economic Development and Culture
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2016\Internal Services\acc\ac16016acc (AFS 23824)

#### SUMMARY

---

The purpose of this report is to present the 2015 audited financial statements and management letters for thirty-seven (37) Business Improvement Areas (BIAs) and 2014 audited financial statement and management letter for one (1) Business Improvement Area (BIA) to Audit Committee and City Council for its approval.

#### RECOMMENDATIONS

---

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

1. City Council approve the 2015 audited financial statements and management letters of the thirty-seven (37) Business Improvement Areas and also approve 2014 audited financial statement and management letter of the one (1) Business Improvement Area attached as Appendices A to AL of this report.

#### Financial Impact

There are no financial implications resulting from this report.

The Deputy City Manager & 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 Meeting and submit it 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.

## ISSUE BACKGROUND

The City's 2015 Consolidated Financial Statements have included the financial results of 81 BIAs. The thirty-seven (37) 2015 audited financial statements and management letters and one (1) 2014 audited financial statement and management letter attached to this report as appendices A to AL have been approved by the respective Board of Management of the BIA.

The 2015 audited financial statements and a management letter for forty-three (43) other 2015 BIAs and two (2) other 2014 BIAs were presented to the Audit Committee at its July 4<sup>th</sup>, 2016 meeting and contained in AU6.6 adopted by Council at its meeting of July 12<sup>th</sup> 2016.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.AU6.6>

The Historic Queen East BIA has failed to approve operating budgets for 2009 through 2015 and accordingly has not incurred any actual revenue or expenditures for presentation.

## COMMENTS

Included in this report are a total of thirty-eight (38) BIA financial statements and their respective management letters.

For 2015 financial statements for the Hillcrest Village BIA, the auditor has identified few management letter issues as detailed in Appendix Q-1. These issues mainly relate to lack of segregation of duties, non-declaration of conflict of interest, lack of prior management approval for transactions including debit card charges and not preparing periodic financial statements with explanation of budget variances for the Board's approval. The Board of Management of the BIA have acknowledged all identified weaknesses and have agreed to take corrective actions.

The 2015 (37) and 2014 (1) 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
<b>Albion Islington Square</b>	NO	<b>Little Portugal</b>	NO
<b>Bloor Annex</b>	NO	<b>Long Branch</b>	NO
<b>Bloor By The Park</b>	NO	<b>Midtown Yonge</b>	NO
<b>Bloordale Village</b>	NO	<b>Mimico By The Lake</b>	NO

	Management Letter Issues YES/NO		Management Letter Issues YES/NO
<b>Cabbage Town</b>	NO	<b>Mount Pleasant</b>	NO
<b>College Promenade</b>	NO	<b>Oakwood Village (2014 &amp; 2015)</b>	NO
<b>College West</b>	NO	<b>Ossington Avenue</b>	NO
<b>Danforth Village</b>	NO	<b>Pape Village</b>	NO
<b>Dovercourt Village</b>	NO	<b>Queen Street West</b>	NO
<b>Downtown Yonge</b>	NO	<b>Regal Heights Village</b>	NO
<b>Dufferin Wingold</b>	NO	<b>Roncesvalles Village</b>	NO
<b>Dundas West</b>	NO	<b>shoptheQueensway.com</b>	NO
<b>Dupont By The Castle</b>	NO	<b>The Beach</b>	NO
<b>Eglinton Hill</b>	NO	<b>Toronto Entertainment District</b>	NO
<b>Emery Village</b>	NO	<b>Trinity Bellwoods</b>	NO
<b>Gerrard India Bazaar</b>	NO	<b>Upper Village</b>	NO
<b>Hillcrest Village</b>	YES	<b>Weston Village</b>	NO
<b>Kensington Market</b>	NO	<b>Wychwood Heights</b>	NO
<b>Lakeshore Village</b>	NO		

## CONTACT

Iqbal M. Ali  
Acting Director, Accounting Services  
Tel: (416) 397-4438  
Fax: (416) 392-8003  
Email: [iali@toronto.ca](mailto:iali@toronto.ca)

Mike Major  
Manager, BIA Office  
Economic Development and Culture  
Tel: (416) 392-0623  
Fax: (416) 392-1380  
Email: [mmajor@toronto.ca](mailto:mmajor@toronto.ca)

## SIGNATURE

---

Mike St. Amant  
Treasurer

---

George Spezza  
Director, Business Growth Services  
Economic Development and Culture

## ATTACHMENTS

Appendix A: Albion Islington Financial Statements  
Appendix B: Bloor Annex Financial Statements  
Appendix C: Bloor By The Park Financial Statements  
Appendix D: Bloordale Village Financial Statements  
Appendix E: Cabbage Town Financial Statements

Appendix F:	College Promenade Financial Statements
Appendix G:	College West Financial Statements
Appendix H:	Danforth Village Financial Statements
Appendix I:	Dovercourt Village Financial Statements
Appendix I-1:	Dovercourt Village Management Letter
Appendix J:	Downtown Yonge Financial Statements
Appendix J-1:	Downtown Yonge Management Letter
Appendix K:	Dufferin Wingold Financial Statements
Appendix L:	Dundas West Financial Statements
Appendix L-1:	Dundas West Management Letter
Appendix M:	Dupont By The Castle Financial Statements
Appendix M-1:	Dupont By The Castle Management Letter
Appendix N:	Eglinton Hill Financial Statements
Appendix O:	Emery Village Financial Statements
Appendix P:	Gerrard India Bazaar Financial Statements
Appendix Q:	Hillcrest Village Financial Statements
Appendix Q-1:	Hillcrest Village Management Letter
Appendix R:	Kensington Market Financial Statements
Appendix R-1:	Kensington Market Management Letter
Appendix S:	Lakeshore Village Financial Statements
Appendix S-1:	Lakeshore Village Management Letter
Appendix T:	Little Portugal Financial Statements
Appendix U:	Long Branch Financial Statements
Appendix V:	Midtown Yonge Financial Statements
Appendix V-1:	Midtown Yonge Management Letter
Appendix W:	Mimico By The Lake Financial Statements
Appendix X:	Mount Pleasant Financial Statements
Appendix Y:	Oakwood Village 2015 Financial Statements
Appendix Y-1:	Oakwood Village 2014 Financial Statements
Appendix Z:	Ossington Avenue Financial Statements
Appendix Z-1:	Ossington Avenue Management Letter
Appendix AA:	Pape Village Financial Statements
Appendix AB:	Queen Street West Financial Statements
Appendix AB-1:	Queen Street West Management Letter
Appendix AC:	Regal Heights Village Financial Statements
Appendix AD:	Roncesvalles Village Financial Statements
Appendix AE:	shoptheQueensway.com Financial Statements
Appendix AE-1:	shoptheQueensway.com Management Letter
Appendix AF:	The Beach Financial Statements
Appendix AG:	Toronto Entertainment District Financial Statements
Appendix AG-1:	Toronto Entertainment District Management Letter
Appendix AH:	Trinity Bellwoods Financial Statements
Appendix AH-1:	Trinity Bellwoods Management Letter
Appendix AI:	Upper Village Financial Statements
Appendix AI-1:	Upper Village Management Letter
Appendix AJ:	Weston Village Financial Statements

Appendix AK:  
Appendix AL:

Wychwood Heights Financial statements

A letter from the auditor Rafiq Dosani dated September 30<sup>th</sup>, 2016 stating that there were no significant management letter identified for the twenty four (24) of the BIAs audited by him and appended. The only appended BIA for which he had issued a management letter is reported in Appendix Q-1.