

Consolidated Entities – 2020 Audited Financial Statements

Date: October 19, 2021

To: Audit Committee

From: Controller and Interim 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.

For the 2020 fiscal period, there were a total of 82 active BIAs. This report contains the 2020 audited financial statements and management letters for 59 entities. In July 2021, the Audit Committee approved the 2020 audited financial statements and management letters of 2 entities. The 2020 audited financial statements and management letters for 21 other BIAs are in the process of being prepared, audited, or awaiting approval of the respective Boards.

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

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

1. City Council approve the 2020 audited financial statements and management letters of the 59 Business Improvement Areas as attached in Appendices A to BH to this report.

FINANCIAL IMPACT

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 impact information as identified in this section.

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

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.AU9.21>

COMMENTS

The audited financial statements and management letters for fiscal 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 BH. Unqualified audit opinions were issued to all of the BIAs' audited financial statements.

The 2020 audited financial statements and management letters for 21 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 to enhance internal controls, record keeping or operations 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 and operations. 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.
- Gerrard India Bazaar:
 - The Canada Emergency Business Account Loan applied and received \$40,000 from the Government of Canada should be repaid immediately, as the BIA is not entitled to this loan. The BIA has since repaid this loan.
- Liberty Village:
 - The City's Auditor General conducted an investigation of a suspected fraud incident and concluded that no fraud had occurred. The external auditors reaffirmed that they were also not aware of any fraud or suspected fraud involving management, employees, or other parties.
- Shopthequeensway.com:
 - The BIA was advised to remit its statutory deductions and associated filings to the Canada Revenue Agency when employer-employee relationships have been established, as well as to provide periodic financial statements, including actual and budget amounts, to the Board.
- York Eglinton:
 - An annual Cash Flow Statement should be prepared, and excess funds not immediately required should be invested in order to generate additional revenue for the BIA.

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

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

ATTACHMENTS

Appendix A: Multiple Business Improvement Areas - Management Letters (2020)
Appendix B: Baby Point Gates Financial Statements (2020)
Appendix C: Bayview Leaside Financial Statements (2020)
Appendix D: Bloor By The Park Financial Statements (2020)
Appendix E: Bloor Street Financial Statements (2020)
Appendix F: Bloor West Village Financial Statements (2020)
Appendix G: Bloor Yorkville Financial Statements (2020)
Appendix H: Bloordale Village Financial Statements and Management Letter (2020)
Appendix I: Broadview Danforth Financial Statements (2020)
Appendix J: Cabbagetown Financial Statements (2020)
Appendix K: Chinatown Financial Statements (2020)
Appendix L: Church Wellesley Financial Statements (2020)
Appendix M: College Promenade Financial Statements (2020)
Appendix N: College West Financial Statements (2020)
Appendix O: Corso Italia Financial Statements (2020)
Appendix P: Crossroads of the Danforth Financial Statements (2020)
Appendix Q: Danforth Mosaic Financial Statements (2020)
Appendix R: Danforth Village Financial Statements (2020)
Appendix S: Downtown Yonge Financial Statements and Management Letter (2020)
Appendix T: Duke Heights Financial Statements (2020)
Appendix U: Dupont By The Castle Financial Statements (2020)
Appendix V: Eglinton Hill Financial Statements (2020)
Appendix W: Emery Village Financial Statements (2020)
Appendix X: Fairbank Village Financial Statements (2020)
Appendix Y: Forest Hill Village Financial Statements (2020)
Appendix Z: Gerrard India Bazaar Financial Statements and Management Letter (2020)
Appendix AA: Greektown on the Danforth Financial Statements (2020)
Appendix AB: Harbord Street Financial Statements (2020)
Appendix AC: Hillcrest Village Financial Statements (2020)
Appendix AD: Kensington Market Financial Statements and Management Letter (2020)
Appendix AE: Korea Town Financial Statements (2020)
Appendix AF: Lakeshore Village Financial Statements and Management Letter (2020)
Appendix AG: Leslieville Financial Statements (2020)
Appendix AH: Liberty Village Financial Statements and Management Letter (2020)
Appendix AI: Little Italy Financial Statements (2020)
Appendix AJ: Little Portugal on Dundas Financial Statements (2020)
Appendix AK: Marketo District Financial Statements (2020)
Appendix AL: Midtown Yonge Financial Statements and Management Letter (2020)
Appendix AM: Mount Dennis Financial Statements (2020)
Appendix AN: Mount Pleasant Village Financial Statements (2020)
Appendix AO: Oakwood Village Financial Statements (2020)
Appendix AP: Ossington Avenue Financial Statements and Management Letter (2020)
Appendix AQ: Pape Village Financial Statements (2020)
Appendix AR: Parkdale Village Financial Statements (2020)
Appendix AS: Queen Street West Financial Statements (2020)

Appendix AT: Riverside District Financial Statements (2020)
Appendix AU: Roncesvalles Village Financial Statements (2020)
Appendix AV: Rosedale Main Street Financial Statements (2020)
Appendix AW: Sheppard East Village Financial Statements (2020)
Appendix AX: Shopthequeensway.com Financial Statements and Management Letter (2020)
Appendix AY: St. Clair Gardens Financial Statements (2020)
Appendix AZ: St. Lawrence Market Neighbourhood Financial Statements and Management Letter (2020)
Appendix BA: The Eglinton Way Financial Statements (2020)
Appendix BB: The Kingsway Financial Statements (2020)
Appendix BC: The Waterfront Financial Statements (2020)
Appendix BD: Upper Village Financial Statements (2020)
Appendix BE: Uptown Yonge Financial Statements (2020)
Appendix BF: Wexford Heights Financial Statements (2020)
Appendix BG: Yonge Lawrence Village Financial Statements (2020)
Appendix BH: York Eglinton Financial Statements and Management Letter (2020)