



AU7.2 Appendix Y

June 7, 2019

Confidential

Dupont by the Castle Business Improvement Area
316 Dupont Street
Toronto ON M5R1V9

Attention: Mr. Robert Chee, Chair

Dear Robert:

The objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement; our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

During the course of our audit of Dupont by the Castle Business Improvement Area for the year ended December 31, 2018, we did not identify any of the following matters: misstatements, other than trivial errors; fraud; misstatements that may cause future financial statements to be materially misstated; illegal or possibly illegal acts, other than ones considered inconsequential; or significant weaknesses in internal control.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours truly,

Bob Gore, CPA,CA

ROBERT GORE & ASSOCIATES

Chartered Professional Accountants

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
Financial Statements
Year Ended December 31, 2018

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Dupont by the Castle Business Improvement Area

Opinion

We have audited the financial statements of Dupont by the Castle Business Improvement Area (the Organization), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)

Independent Auditor's Report to the Members of Dupont by the Castle Business Improvement Area
(continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Handwritten signature in black ink that reads "Robert J. Me" followed by a plus sign and the word "ASSOCIATES".

Toronto, Ontario
June 7, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants


DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

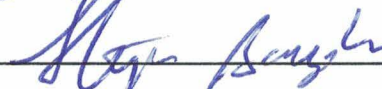
December 31, 2018

	2018	2017
FINANCIAL ASSETS		
CURRENT		
Cash	\$ 77,857.00	\$ 67,465
City of Toronto - Special charges receivable (Note 4)	3,957.00	5,812
Other		
HST rebate receivable	4,430.00	2,614
	<u>\$ 86,244</u>	<u>\$ 75,891</u>
 LIABILITIES		
CURRENT		
Accounts payable	<u>\$ 6,589</u>	<u>\$ 3,718</u>
 NET FINANCIAL ASSETS		
	<u>79,655</u>	<u>72,173</u>
 NON FINANCIAL ASSETS		
Tangible capital assets (note 3)	<u>41,987</u>	<u>35,412</u>
 ACCUMULATED SURPLUS		
	<u>\$ 121,642</u>	<u>\$ 107,585</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to the financial statements

Robert Gore & Associates
Chartered Accountants

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	Budget 2018	Total 2018	Total 2017
RECEIPTS			
City of Toronto - special charges	\$ 98,563	\$ 98,563	\$ 84,828
Interest and other	5,000	3,596	7,614
	<u>103,563</u>	<u>102,159</u>	<u>92,442</u>
DISBURSEMENTS			
Capital / Amortization	35,150	16,289	12,324
Bad debts	8,960	3,790	3,325
Interest and bank charges	-	1	-
Administration	43,170	52,805	42,076
Promotion and advertising	23,700	13,442	20,487
Maintenance	9,600	1,772	21,645
	<u>120,580</u>	<u>88,099</u>	<u>99,857</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS FROM OPERATIONS	(17,017)	14,060	(7,415)
OTHER INCOME	-	-	(1,120)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>\$ (17,017)</u>	<u>\$ 14,060</u>	<u>\$ (8,535)</u>

See notes to financial statements

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
Statement of Changes in Net Assets
Year Ended December 31, 2018

	2017 Balance	Excess of receipts over disbursements	Contributions	Withdrawals	2018 Balance
Accumulated surplus	\$ 107,582	\$ 14,060	\$ -	\$ -	\$ 121,642

See notes to financial statements

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA**Statement of Cash Flows****Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of receipts over disbursements	\$ 14,060	\$ (8,535)
Item not affecting cash:		
Amortization of property and equipment	16,289	12,324
	<u>30,349</u>	<u>3,789</u>
Changes in non-cash working capital:		
City of Toronto- special charges receivable	1,855	232
City of Toronto	403	1,627
Prepaid expenses	-	1,501
HST rebate receivable	(1,816)	3,319
Other accounts payable and accruals	2,467	(7,034)
	<u>2,909</u>	<u>(355)</u>
Cash flow from operating activities	<u>33,258</u>	<u>3,434</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(22,864)</u>	<u>(17,894)</u>
Cash flow used by investing activity	<u>(22,864)</u>	<u>(17,894)</u>
INCREASE (DECREASE) IN CASH FLOW	10,394	(14,460)
Cash - beginning of year	<u>67,463</u>	<u>81,923</u>
CASH - END OF YEAR (Note 9)	<u>\$ 77,857</u>	<u>\$ 67,463</u>

See notes to financial statements

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2018

1.

Dupont by the Castle Business Improvement Area (the "organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Board is entrusted with the improvements, beautification and maintenance of the municipally owned lands, buildings and structures in the area, together with the promotion of the area as a business or shopping area. Funding is provided by property owners of the BIA who are levied a special property tax charge based on an annual operating budget prepared by the Board and approved by Council under Section 220(17) of the municipal act, as amended.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of property, plant and equipment and goodwill;
- the estimated useful lives of assets;
- the recoverability of tangible assets;

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Street signage	5 years	straight-line method
Flags and banners	5 years	straight-line method

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Dupont by the Castle Business Improvement Area recognizes revenue on an accrual basis from the following sources.

City of Toronto Special Charges.

These charges are levied to business properties within the BIA on a calendar year basis through the property tax system. The city remits the collected funds to the BIA as well as administering the collection of any unpaid levies. The BIA accounts for the total amount of the levy determined by the City. A general allowance for appeals and reassessments is booked as a provision against the total levies, and any uncollectable levies, as determined by the City of Toronto, are written off to bad debts in the year the City identifies them as uncollectable.

City of Toronto Section 37 Funds.

Donated goods

From time to time, the organization receives donations of goods to be used in fundraising activities. These donations are recorded as revenue based upon appraised or assessed value of the goods or services. As the selling price or realized value of in kind items cannot be determined at the time they are donated, the total value is also expensed as fundraising expense at the time of receipt. Upon subsequent sale, the net proceeds are recorded as fundraising income to partially offset the expense noted above. No donations for services in kind were received during 2017 or 2018.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Flags and banners	\$ 5,150	\$ 2,060	\$ 3,090	\$ 4,120
Street signage and improvements	79,332	40,435	38,897	31,292
	<u>\$ 84,482</u>	<u>\$ 42,495</u>	<u>\$ 41,987</u>	<u>\$ 35,412</u>

4. CITY OF TORONTO - SPECIAL CHARGES

Special charges levied by the City are collected and remitted to the Board by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted to the Board and amounts uncollected by the City.

	2018	2017
Total special charges outstanding	\$ 9,057	\$ 10,212
Less: allowance for uncollected special charges	<u>(5,100)</u>	<u>(4,400)</u>
Special charges receivable	<u>\$ 3,957</u>	<u>\$ 5,812</u>

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2018

5. PROVISION FOR UNCOLLECTED SPECIAL CHARGES

The provision for uncollected levies reported on the Statement of Revenue and Expenditures is comprised of:

	<u>2018</u>	<u>2017</u>
Special Charges Written Off	\$ 3,090	\$ 2,025
Provision for uncollected special charges	700	1,300
	<u>\$ 3,790</u>	<u>\$ 3,325</u>

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2018.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization's revenue is collected by the City of Toronto by way of a special property tax levy which more or less eliminates credit risk.

7. INSURANCE

The Board is required to deposit with the Treasurer, City of Toronto, insurance policies indemnifying the City against public liability and property damage in respect of the activities of the Board. Insurance coverage providing \$5,000,000 for each occurrence or incident has been obtained by the Board through the City of Toronto.

8. BUDGET

Budget Figures are for comparative purposes only and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

9. CASH

	<u>2018</u>	<u>2017</u>
Cash	\$ 77,857	\$ 67,463

**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2019**

DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the
Board of Management for the DUPONT BY THE CASTLE Business Improvement Area

Opinion

I have audited the financial statements of DUPONT BY THE CASTLE Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2019, and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the BIA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.


Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Toronto, Ontario
July 20, 2020

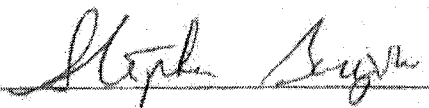
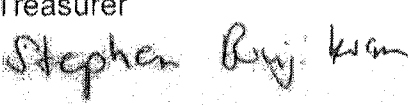

Chartered Professional Accountant
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE
 DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2019

	2019 \$	2018 \$
FINANCIAL ASSETS		
CURRENT		
Cash	182,128	77,857
Accounts receivable		
City of Toronto (Note 3)	2,373	3,957
Other	7,348	4,430
	<u>191,849</u>	<u>86,244</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities		
City of Toronto	6,789	-
Other	4,800	6,589
	<u>11,589</u>	<u>6,589</u>
NET FINANCIAL ASSETS	180,260	79,655
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	37,786	41,967
ACCUMULATED SURPLUS	<u>218,046</u>	<u>121,642</u>

Approved on behalf of the Board of Management:


 Chair 
 July 20/20


 Treasurer 
 July 20, 2020

THE BOARD OF MANAGEMENT FOR THE

**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019 \$ Budget (Note 9)	2019 \$ Actual	2018 \$ Actual
REVENUE			
City of Toronto – special charges	128,481	131,050	98,563
Section 37 contribution (Note 5)	-	50,000	-
Interest and other	500	242	3,596
	<u>128,981</u>	<u>181,292</u>	<u>102,159</u>
EXPENSES			
Administration	42,685	46,693	52,806
Promotion and Marketing	24,200	5,408	13,442
Maintenance	4,500	969	1,772
Capital (Note 6)	100,000	-	-
Amortization	-	20,070	16,289
Provision for (recovery of) uncollected special charges (Note 3)	7,596	11,748	3,790
	<u>178,981</u>	<u>84,888</u>	<u>88,099</u>
SURPLUS (DEFICIT) FOR THE YEAR	(50,000)	96,404	14,060
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>121,642</u>	<u>121,642</u>	<u>107,582</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>71,642</u>	<u>218,046</u>	<u>121,642</u>

**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
	\$	\$
Surplus for the year	96,404	14,060
Acquisition of tangible capital assets	(15,869)	(22,867)
Amortization of tangible capital assets	20,070	16,289
	100,605	7,482
Balance - Beginning of year	79,655	72,173
Balance - End of year	<u>180,260</u>	<u>79,655</u>

**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019 \$	2018 \$
Cash flows from operating transactions		
Surplus for the year	96,404	14,060
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	20,070	16,289
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	1,584	2,258
Accounts receivable – Other	(2,918)	(1,816)
Accounts payable – City of Toronto	6,789	-
Accounts payable - Other	(1,789)	2,467
	<hr/>	<hr/>
Cash Provided By Operations	120,140	33,258
	<hr/>	<hr/>
Investing Activities		
Purchase of tangible capital assets	(15,869)	(22,864)
	<hr/>	<hr/>
Cash, Beginning Of Year	77,857	67,463
	<hr/>	<hr/>
Cash, End Of Year	182,128	77,857
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**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. ESTABLISHMENT AND OPERATIONS

The DUPONT BY THE CASTLE Business Improvement Area (BIA) is established as a Business Improvement Area under the management and control of a Board of Management appointed by Council of the City of Toronto.

The Board is entrusted with the improvements, beautification and maintenance of municipally owned lands, buildings and structures in the area, together with the promotion of the area as a business or shopping area. Funding is provided by property owners of the BIA who are levied a special charge based on an annual operating budget prepared by the Board and approved by Council under Section 220(17) of the Municipal Act, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), the most significant of which are as follows:

Revenue recognition:

The BIA receives special charges from its members which are levied and collected by the City of Toronto. It also receives cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is being recorded upon the signing of contracts and when collection can be reasonably ascertained.

Short-term investments:

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. BIA classifies short-term investments as current assets and reports them at their fair market value.

Capital assets:

Purchased capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Street signage	5 years
Flags and banners	3 years

Contributed services:

Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

Financial instruments:

Financial instruments are recorded at the approximated fair value.

**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2019**

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of estimates:

The preparation of these financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include determining the useful lives of tangible capital assets for amortization, the allowance for uncollectible levies and accounts receivable and contingent liabilities. Actual results could differ from management's best estimates, as additional information becomes available in the future.

3. CITY OF TORONTO – SPECIAL CHARGES

Special charges levied by the City are collected and remitted to the Board by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted to the Board and amounts uncollected by the City.

The Board records special charges receivable net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	2019	2018
	\$	\$
Total special charges outstanding	5,273	9,057
Less: allowance for uncollected special charges	(2,900)	(5,100)
Special charges receivable	2,373	3,957

The provision for (recovery of) uncollected levies reported on the Statement of Operations and Accumulated Surplus comprises of:

	2019	2018
	\$	\$
Special charges written-off	13,948	3,090
Change in provision for assessment appeals	(2,200)	700
	11,748	3,790

**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2019**

4. TANGIBLE CAPITAL ASSETS

	2019		
	Flags and Banners	Street scape	Total
Cost			
Beginning	5,150	79,332	84,482
Additions	-	15,869	15,869
Disposals	-	-	-
Ending	5,150	95,201	100,351
Accumulated Amortization			
Beginning	2,060	40,435	42,495
Amortization	1,030	19,040	20,070
Disposals	-	-	-
Ending	3,090	59,475	62,565
Net Book Value	2,060	35,726	37,786
2018			
	Flags and Banners	Street scape	Total
Cost			
Beginning	5,150	56,468	61,618
Additions	-	22,864	22,864
Disposals	-	-	-
Ending	5,150	79,332	84,482
Accumulated Amortization			
Beginning	1,030	25,176	26,206
Amortization	1,030	15,259	16,289
Disposals	-	-	-
Ending	2,060	40,435	42,495
Net Book Value	3,090	38,897	41,987

**THE BOARD OF MANAGEMENT FOR THE
DUPONT BY THE CASTLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2019**

5. SECTION 37 CONTRIBUTION

Section 37 funds were provided to the BIA for the streetscape improvements. The BIA is in the process of acquiring these tangible assets. In the meantime, these funds are included in the BIA's accumulated surplus and will be disbursed when the assets have been purchased.

6. CAPITAL EXPENSES

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as operating surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason, the actual expenses in a given year could significantly differ from the amount budgeted for the year. Any excess actual capital expenses are financed out of the accumulated surplus

7. INSURANCE

The Board is required to deposit with the Treasurer, City of Toronto, insurance policies indemnifying the City against public liability and property damage in respect of the activities of the Board. Insurance coverage providing \$5,000,000 for each occurrence or accident has been obtained by the Board through the City of Toronto.

8. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximates their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these instruments are short-term investments the risk is minimal.

9. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.

10. COMPARATIVE FIGURES

Comparative figures were audited by another Chartered Professional accounting firm who expressed an unqualified audit opinion on 2018 financial statements.