

THE BOARD OF MANAGEMENT FOR THE  
LONG BRANCH BUSINESS IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2006

**ALLEN C. MORRIS**  
CHARTERED ACCOUNTANT

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AUDITOR'S REPORT

To the Board of Management  
of  
LONG BRANCH BUSINESS IMPROVEMENT AREA

I have audited the balance sheet of the Board of Management for the Long Branch Business Improvement Area, as at December 31, 2006, and the statements of income and surplus and cash flow for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2006, and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

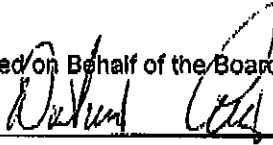
Brampton, Ontario  
January 31, 2007

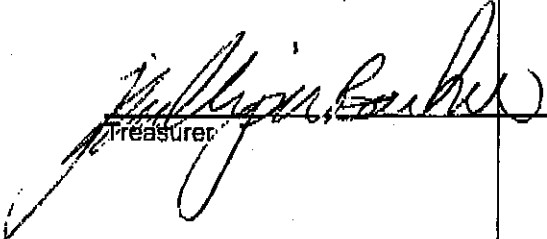
  
CHARTERED ACCOUNTANT  
LICENSED PUBLIC ACCOUNTANT

THE BOARD OF MANAGEMENT FOR THE  
LONG BRANCH BUSINESS IMPROVEMENT AREA  
BALANCE SHEET  
AS AT DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
<u>CURRENT</u>		
Cash	\$ 221,066	\$ 233,042
Accounts receivable - Note 3	2,597	8,925
Accounts receivable - City of Toronto	13,712	-
	<u>\$ 237,375</u>	<u>\$ 241,967</u>
<u>LIABILITIES</u>		
<u>CURRENT</u>		
Accounts payable and accrued liabilities		
City of Toronto	\$ -	\$ 18,220
Other	963	963
	<u>963</u>	<u>19,183</u>
<u>SURPLUS</u>	<u>236,412</u>	<u>222,784</u>
	<u>\$ 237,375</u>	<u>\$ 241,967</u>

Approved on Behalf of the Board of Management:

  
 \_\_\_\_\_  
 Chair

  
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 Treasurer

THE BOARD OF MANAGEMENT FOR THE  
LONG BRANCH BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE AND EXPENSES AND MEMBERS' SURPLUSES  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
<b><u>REVENUE</u></b>		
City of Toronto - special charges	\$ 51,458	\$ 58,994
Interest	5,704	5,188
Other	<u>3,063</u>	<u>3,763</u>
	<u>60,225</u>	<u>67,945</u>
<b><u>EXPENSES</u></b>		
Administration	6,184	5,556
Promotion	12,788	20,740
Capital and maintenance	25,029	58,138
Provision for uncollected special charges - Note 3	<u>2,696</u>	<u>1,240</u>
	<u>46,597</u>	<u>85,674</u>
<b><u>EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</u></b>	13,628	(17,729)
<b><u>SURPLUS, beginning</u></b>	<u>222,784</u>	<u>240,513</u>
<b><u>SURPLUS, ending</u></b>	<u>\$ 236,412</u>	<u>\$ 222,784</u>

THE BOARD OF MANAGEMENT FOR THE  
LONG BRANCH BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
<b><u>CASH GENERATED FROM (USED FOR) OPERATIONS</u></b>		
Net income (loss) for the year	\$ 13,628	(17,729)
Changes in non-cash working capital components		
Accounts receivable	6,328	(2,593)
Accounts receivable - City of Toronto	(13,712)	-
Accounts payable - City of Toronto	<u>(18,220)</u>	<u>(4,960)</u>
	<u>(11,976)</u>	<u>(25,282)</u>
<b><u>DECREASE IN CASH DURING THE YEAR</u></b>	<b>(11,976)</b>	<b>(25,282)</b>
<b><u>CASH, opening</u></b>	<b><u>233,042</u></b>	<b><u>258,324</u></b>
<b><u>CASH, closing</u></b>	<b><u>\$ 221,066</u></b>	<b><u>\$ 233,042</u></b>

Supplement cash flow information

Interest received	\$ 5,704	\$ 5,188
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THE BOARD OF MANAGEMENT FOR THE  
LONG BRANCH BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2006

**Note 1: ESTABLISHMENT OF OPERATIONS**

The Long Branch Business Improvement Area (BIA) is established as a Business Improvement 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.

**Note 2: SIGNIFICANT ACCOUNTING POLICIES**

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

- (a) Revenues and expenditures are recorded using the accrual basis of accounting.
- (b) Capital expenditures are charged to operations in the year of acquisition.
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.
- (d) Cash equivalents and short term investments with maturities of three months or more are included in cash and are recorded at cost which approximates market value.
- (e) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the years. Actual results could differ from those estimates.

**Note 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:

	<u>2006</u>	<u>2005</u>
Total special charges outstanding	\$ 8,597	\$ 14,025
Less: allowance for uncollected special charges	<u>6,000</u>	<u>5,100</u>
Special charges receivable	\$ <u>2,597</u>	\$ <u>8,925</u>

**THE BOARD OF MANAGEMENT FOR THE**  
**LONG BRANCH BUSINESS IMPROVEMENT AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2006**

**Note 3: CITY OF TORONTO - SPECIAL CHARGES (Continues)**

The provision for uncollected levies reported on the Statement of Income and Retained Earnings comprises:

	<u>2006</u>	<u>2005</u>
Special charges written-off	\$ 1,696	\$ 540
Increase in allowance for uncollected special charges	<u>900</u>	<u>700</u>
	<u>\$ 2,596</u>	<u>\$ 1,240</u>

**Note 4: 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.

**Note 5: COMMITMENTS**

The Board has a commitment to the City of Toronto of \$12,000 (2005 - \$12,780).

**Note 6: REVENUE RECOGNITION**

Revenue is recognized when it is allocated by the city of Toronto. All other revenue is recognized when it is received.