

FINANCIAL STATEMENTS
For
BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS
For the year ended
DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the

**CITY OF TORONTO AND
BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS**

We have audited the accompanying financial statements of the Board of Management of Leaside Memorial Community Gardens, which comprise the statement of financial position as at December 31, 2013, statements of operations, change in net financial assets (liabilities) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board of Management of Leaside Memorial Community Gardens as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of the Board of Management of Leaside Memorial Community Gardens for the year ended December 31, 2012, were audited by another auditor who expressed an unmodified opinion on those statements on May 15, 2013.

A handwritten signature in black ink that reads "Welch LLP". The signature is written in a cursive, flowing style.

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
May 22, 2014.

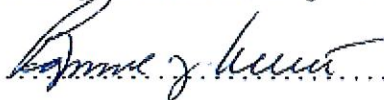
BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash	\$ 345,997	\$ 109,556
Accounts receivable - ice rentals and other	155,887	139,780
Accounts receivable - City of Toronto (note 9)	201,268	-
Due from City of Toronto - operating deficit (note 5)	401,061	256,701
Inventories	3,137	3,615
Amounts to be recovered - City of Toronto (note 6)	<u>8,425,109</u>	<u>79,488</u>
	<u>9,532,459</u>	<u>589,140</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities - City of Toronto (notes 10 and 11)	695,578	347,726
Accounts payable and accrued liabilities - Other	143,759	61,349
Deferred revenue	205,867	54,762
Deposits	20,353	4,022
Loans payable (note 10)	8,354,534	-
Post-employment benefits payable (note 7)	<u>112,368</u>	<u>121,281</u>
	<u>9,532,459</u>	<u>589,140</u>
NET FINANCIAL ASSETS (LIABILITIES)	-	-
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	<u>1,926</u>	<u>3,976</u>
ACCUMULATED SURPLUS	<u>\$ 1,926</u>	<u>\$ 3,976</u>

Approved by the Board of Management:

 Chair

 Treasurer

(See accompanying notes)

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Arena (Schedule A)	\$ 790,874	\$ 498,046
Pool (Schedule B)	201,268	198,316
Banquet/Meeting room (Schedule C)	7,198	41,017
Snack bar and vending (Schedule D)	39,911	38,321
Other income (Schedule E)	<u>13,405</u>	<u>6,618</u>
	<u>1,052,656</u>	<u>782,318</u>
Expenses		
Arena (Schedule A)	620,970	352,082
Pool (Schedule B)	113,256	116,115
Banquet/Meeting room (Schedule C)	13,662	24,997
Snack bar and vending (Schedule D)	43,546	41,678
Allocations	<u>352,047</u>	<u>328,803</u>
	<u>1,143,481</u>	<u>863,675</u>
Excess of expenses over revenues before the following	(90,825)	(81,357)
Debt reserve (note 11)	(35,585)	-
Vehicle and equipment reserve contributions (note 8)	<u>(20,000)</u>	<u>(10,000)</u>
Operating deficit	(146,410)	(91,357)
Net expenditure receivable from the City of Toronto (note 5)	<u>144,360</u>	<u>92,518</u>
Annual surplus (deficit)	(2,050)	1,161
Accumulated surplus, beginning of year	<u>3,976</u>	<u>2,815</u>
Accumulated surplus, end of year	\$ <u>1,926</u>	\$ <u>3,976</u>

(See accompanying notes)

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (LIABILITIES)
YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Annual surplus (deficit)	\$ (2,050)	\$ 1,161
Acquisition of tangible capital assets	-	(3,211)
Amortization of tangible capital assets	<u>2,050</u>	<u>2,050</u>
Change in net financial assets (liabilities)	-	-
Net financial assets (liabilities), beginning of year	<u>-</u>	<u>-</u>
Net financial assets (liabilities), end of year	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual deficit	\$ (2,050)	\$ 1,161
Adjustments for:		
Amortization	<u>2,050</u>	<u>2,050</u>
	-	3,211
Non-cash changes to operations:		
Accounts receivable - ice rentals and other	(16,107)	(321)
Accounts receivable - City of Toronto	(201,268)	-
Inventories	478	264
Due from City of Toronto - operating deficit	(144,360)	(165,606)
Amounts to be recovered - City of Toronto	(8,345,621)	8,646
Accounts payable and accrued liabilities - City of Toronto	347,852	7,075
Accounts payable and accrued liabilities - Other	82,410	(11,357)
Deferred revenue	151,105	10,631
Deposits	16,331	(6,290)
Post-employment benefits payable	<u>(8,913)</u>	<u>(8,646)</u>
Cash flows used in operating activities	<u>(8,118,093)</u>	<u>(162,393)</u>
 CASH FLOWS FROM CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	<u>-</u>	<u>(3,211)</u>
Cash flows used in capital transactions	<u>-</u>	<u>(3,211)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Advances of long term debt	<u>8,354,534</u>	<u>-</u>
Cash flows from financing activities	<u>8,354,534</u>	<u>-</u>
 INCREASE IN CASH	236,441	(165,604)
 CASH AT BEGINNING OF YEAR	<u>109,556</u>	<u>275,160</u>
 CASH AT END OF YEAR	<u>\$ 345,997</u>	<u>\$ 109,556</u>

(See accompanying notes)

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

1. NATURE OF OPERATIONS

The Leaside Memorial Community Gardens was established as a Memorial Community Centre under the Community Recreation Centres Act (RSO 1990, Chapter C.22), pursuant to Chapter 25 of the City of Toronto Municipal Code, by By-law No. 1374 (former Town of Leaside, December 17, 1951), as amended. The Board of Management operates and manages the Leaside Memorial Gardens Arena (the Arena) on behalf of the City of Toronto.

Under the By-law, the Board of Management, at the end of each fiscal year, shall pay to the City all revenue received by the Board over and above that necessary to pay all the charges, costs and expenses resulting from or incidental to the management and control of the premises.

The start of the construction phase of the Leaside second pad expansion occurred in 2012. The construction continued in 2013 until completion in October. The construction brought several impacts to the operations in 2013 such as; the closure of the William Lea Room commencing in 2012 and the closure of the ice pad during the summer season, May to August, which resulted in lost rental revenue.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board (PSAB).

Revenue recognition

Revenues and expenditures are recorded on an accrual basis, when the service has been provided, evidence of an arrangement exists, the fee is fixed or determinable and the amount is collectible.

Ice rentals and rental deposits for the auditorium paid in advance are recorded as deposits or deferred revenue, if the amount has been invoiced.

Financial instruments

The Arena initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and amounts due from the City of Toronto.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and loans payable.

Inventories

Inventories held for resale are initially recorded at cost and subsequently measured at the lower of cost and net realizable value. The cost is determined on a first-in, first-out basis.

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Computer equipment	- 3 years straight-line
Furniture and equipment	- 5 years straight-line

Contributed material and services

Major capital expenditures are financed by the City of Toronto, which owns the facility and are not recorded in these financial statements.

Services provided without charge by the City are not recorded in these financial statements.

Employee related costs

The Arena has adopted the following policies with respect to employee benefit plans:

- (a) The City of Toronto offers a multiemployer defined benefit pension plan to the Arena's eligible employees. Due to the nature of the plan, the Arena does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multiemployer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.
- (b) The Arena also offers its eligible employees a defined benefit sick leave plan, a post-retirement life, health and dental plan, a long term disability plan and continuation of health, dental and life insurance benefits to disabled employees. The accrued benefit obligations are determined using an actuarial valuation based on the projected benefit method prorated on service, incorporating management's best estimate of future salary levels, inflation, sick day usage estimates, ages of employees and other actuarial factors.

Net actuarial gains and losses that arise are amortized over the expected average remaining service life of the employee group.

The Arena recognizes an accrued benefit liability on the statement of financial position, which is the net of the amount of the accrued benefit obligations and the unamortized actuarial gains / losses.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the useful life of its tangible capital assets, significant accrued liabilities, the postemployment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

3. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Arena's financial instruments.

Credit Risk

The Arena is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Arena's maximum exposure to credit risk represents the sum of the carrying value of its cash, accounts receivable and amounts receivable from the City of Toronto. The Arena's cash is with a Canadian chartered bank and as a result management believes the risk of loss on these items to be remote.

Management believes that the Arena's credit risk with respect to accounts receivable is limited. The organization manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Arena's cash earns interest at prevailing market rates. The Arena's loans payable bear interest at fixed rates. Consequently, the Arena's exposure to interest rate risk is negligible.

Liquidity risk

Liquidity risk refers to the adverse consequence that the Arena will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of accounts payable and accrued liabilities and loans payable.

The Arena manages liquidity risk by monitoring its cash flow requirements on a regular basis. The Arena believes its overall liquidity risk to be minimal as the Arena's financial assets are considered to be highly liquid.

Change in risk

There have been no changes in the Arena's risk exposures from the prior year.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Furniture and equipment	\$ 10,248	\$ 8,322	\$ 10,248	\$ 6,272
Accumulated amortization	<u>8,322</u>		<u>6,272</u>	
	<u>\$ 1,926</u>		<u>\$ 3,976</u>	

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

5. OPERATING DEFICIT DUE FROM THE CITY OF TORONTO

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ (256,701)	\$ (91,095)
Current year's operating surplus (deficit)	(146,410)	(91,357)
Current year's tangible capital assets purchase	-	(3,211)
Current year's amortization	<u>2,050</u>	<u>2,050</u>
Net expenditure receivable from the City of Toronto	(144,360)	(92,518)
Paid during the current year	<u>-</u>	<u>(73,088)</u>
Balance, end of year	\$ <u>(401,061)</u>	\$ <u>(256,701)</u>

The balance at the beginning of 2013 is comprised of the following:

2002 operating deficit due, as restated	\$ 178,906
2007 deficit	43,794
2007 advance	(92,760)
2007 receipt	(17,928)
2008 over payment (24,997-24,987)	10
Adjustment to 2004 deficit due to change in accounting policy	9,355
Adjustment to 2006 deficit due to change in accounting policy	449
Loan payments made for 2003 and 2006	42,357
2012 deficit	<u>92,518</u>
	\$ <u>256,701</u>

6. AMOUNTS TO BE RECOVERED - CITY OF TORONTO

	<u>2013</u>	<u>2012</u>
Employee benefits - post retirement benefits	\$ 50,575	\$ 59,488
Expansion deposit	20,000	20,000
Recovery related to expansion	<u>8,354,534</u>	<u>-</u>
	\$ <u>8,425,109</u>	\$ <u>79,488</u>

The amounts shown above will ultimately be received from the City of Toronto when the post-retirement benefits are paid, the expansion funds are used and the loan is paid.

7. POST-EMPLOYMENT BENEFITS PAYABLE AND ACCOUNTS RECEIVABLE

The Arena participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits to its eligible employees. Under the sick leave plan for administration staff, unused sick leave accumulates and eligible employees may be entitled to a cash payment when they leave the Arena's employment. The liability for these accumulated days represents the extent to which they have vested and can be taken in cash by an employee upon termination, retirement or death.

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

7. POST-EMPLOYMENT BENEFITS PAYABLE AND ACCOUNTS RECEIVABLE - Cont'd.

The Arena also provides health, dental, accidental death and disability, life insurance and long term disability benefits to eligible employees. Depending on length of service and individuals' election, management retirees are covered either by the former City of Toronto retirement benefit plan or by the current retirement benefit plan.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2012 with projections to December 31, 2013, 2014, and 2015. Assumptions used to project the accrued benefit obligations were as follows:

- long-term inflation rate - 2%
- assumed health care cost trends - range from 3.2% to 6.4 %
- rate of compensation increase - 3%
- discount rates - post-retirement 4.4%, post-employment 3.6 %, sick leave 4.1%

Information about the Arena's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	<u>2013</u>	<u>2012</u>
Sick leave benefits	\$ 47,747	\$ 15,764
Post-retirement benefits	<u>23,107</u>	<u>48,556</u>
	70,854	64,320
Add: unamortized actuarial gain	<u>41,514</u>	<u>56,961</u>
Employee benefit liability	\$ <u>112,368</u>	\$ <u>121,281</u>

The continuity of the accrued benefit obligation during 2013 is as follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 121,281	\$ 129,927
Current service cost	672	769
Interest cost	2,315	2,329
Amortization of actuarial gain	(11,450)	(11,268)
Expected benefits paid	<u>(450)</u>	<u>(476)</u>
Balance, end of year	\$ <u>112,368</u>	\$ <u>121,281</u>

Expenditures in 2013 relating to employee benefits are included in administration employee benefits on the statement of operations in the amount of (\$8,913) (2012 - (\$8,646)) and include the following components:

	<u>2013</u>	<u>2012</u>
Current service cost	\$ 672	\$ 769
Interest cost	2,315	2,329
Amortization of actuarial gain	(11,450)	(11,268)
Less expected benefits paid during the year	<u>(450)</u>	<u>(476)</u>
Total expenditures related to post-employment benefits	\$ <u>(8,913)</u>	\$ <u>(8,646)</u>

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

7. POST-EMPLOYMENT BENEFITS PAYABLE AND ACCOUNTS RECEIVABLE - Cont'd.

A long term receivable of \$50,575 (2012 - \$49,488) from the City has resulted from the recording of sick leave and post-retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of administration staff that may be incurred by the Arena.

In addition, the Arena makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to \$33,386 in 2013 (2012 - \$33,690).

The most recent actuarial valuation of the OMERS plan as at December 31, 2013 indicates the Plan is not fully funded and the plan's December 31, 2013 financial statements indicate a deficit of \$8.6 billion (less an additional \$341 million of deferred gains that must be recognized over the next four years). The plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Arena's contributions accounted for 0.0019% of the plan's total employer contributions. Additional contributions, if any, required to address the Arena's proportionate share of the deficit will be expensed during the period incurred.

8. VEHICLE AND EQUIPMENT REPLACEMENT RESERVE

These contributions are for the financing of replacement ice resurfacer machines required by the Arena Boards in future years. In 2013, the contribution was \$20,000 (2012 - \$10,000).

9. POOL AGREEMENT WITH CITY OF TORONTO

Under an agreement between the Board of Management of Leaside Memorial Community Gardens and the former Corporation of the Borough of East York and now the City of Toronto, the Board is appointed to operate, manage and maintain the swimming pool facility located at 1073 Millwood Road. The agreement commenced on October 1, 1996 and was for a one year period and without notice to terminate the agreement from either party, automatically renews for successive one year terms.

The agreement requires the City of Toronto to pay an annual rental fee to the Board of Management of Leaside Memorial Community Gardens for the swimming pool facility equal to the annual capital and operating deficits as authorized by the Board and approved by the City.

As at December 31, 2013, \$201,268 (2012 - \$198,316) is receivable from the City of Toronto for rental fees owing to Board of Management of Leaside Memorial Community Gardens for the current year. This amount has been included in the statement of financial position as accounts receivable - City of Toronto. In 2012 this amount was included as a reduction to accounts payable and accrued liabilities - City of Toronto.

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2013

10. **LOANS PAYABLE**

The Arena Board received approval from Toronto City Council through the 2012 capital budget for the construction of a second ice pad on adjacent lands acquired by the City of Toronto. The projected total cost of the project was \$12.5 million, of this up to \$7.5 million was to be provided through irrevocable debt repayable by the Arena Board over 30 years and Infrastructure Ontario was to provide up to \$1.5 million through a subordinate non-recourse loan repayable by the Arena Board over 20 years. The irrevocable debt repayable was included in an agreement between the Arena and the City dated May 15, 2012. The City of Toronto was to provide \$1.0 million from Reserve Funding. The Arena Board has met and paid its fundraising obligation to the City of Toronto of \$2.5 million.

On December 31, 2013 the City received the loan from Infrastructure Ontario in the amount of \$1,052,200 amortized and repayable by the Arena through the City over 20 years. The City has also provided an amount of \$7,302,334 for this Project as a recoverable debt loan, amortized and repayable by the Arena to the City over 30 years. The quarterly repayment to the City will commence in January 31, 2014. A long term account receivable from the City has been recorded in 2013 as a recovery of loan in an amount equal to the total loans payable. This amount will be deducted from operating surplus as the loan payments are made.

Loans payable is comprised of the following:

	<u>2013</u>	<u>2012</u>
Recoverable debt loan from the City - 4.6% amortized and repayable over 30 years, payable in blended quarterly payments of \$112,504.26	\$ 7,302,334	\$ -
Loan from Infrastructure Ontario - 4.52% amortized and repayable over 20 years, payable in blended quarterly payments of \$20,050.51	<u>1,052,200</u>	<u>-</u>
	<u>\$ 8,354,534</u>	<u>\$ -</u>

During the year \$95,867 of interest expense has been recorded related to the loans payable and is included in the payable to the City.

11. **DEBT RESERVE**

As part of the agreement between the Arena and the City, described in note 10, the Arena must charge a levy surcharge on the ice rental rates charged to all contracted users of the Arena during Prime Time of not less than \$20. The surcharge is to be remitted to the City to establish a debt service reserve fund and is to be levied until the reserve fund has reached an amount equal to four regular payments on the loans payable. The Arena began charging this surcharge at a rate of \$20 in October 2013. As at December 31, 2013 the debt reserve balance remitted to the City was \$35,585. The debt reserve payable to the City for 2013 has been included in the amount payable to the City of Toronto.

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

ARENA OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Arena ice rental	\$ 765,544	\$ 487,230
Dasher board rental	<u>25,330</u>	<u>10,816</u>
	<u>790,874</u>	<u>498,046</u>
Expenses		
Wages	205,325	174,792
Equipment repairs and maintenance	3,750	10,439
Building repairs and maintenance	154,223	59,171
Ice resurfacers	14,199	19,620
Hydro	115,091	68,389
Gas	32,515	19,671
Interest expense on loan	<u>95,867</u>	<u>-</u>
	<u>620,970</u>	<u>352,082</u>
Allocated expenses		
Office/management salaries	127,275	113,074
Employee benefits	73,151	66,869
Office supplies	5,628	6,892
Telephone/fax	3,619	3,921
Amortization	1,374	1,374
Bank service charges	178	288
Travel expenses	1,164	2,860
Garbage removal	67	3,015
General supplies	700	1,830
Security	3,091	1,730
Professional fees	5,156	5,028
Weekend paging	2,814	2,629
Insurance	8,295	7,874
Uniforms	2,959	2,914
Professional upgrade	<u>402</u>	<u>-</u>
	<u>235,873</u>	<u>220,298</u>
	<u>856,843</u>	<u>572,380</u>
Excess of expenses over revenue before the following	(65,969)	(74,334)
Debt reserve	(35,585)	-
Vehicle and equipment reserve contributions	<u>(20,000)</u>	<u>(10,000)</u>
Net surplus (deficit) - arena operations	<u>\$ (121,554)</u>	<u>\$ (84,334)</u>

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

POOL OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Pool	\$ <u>201,268</u>	\$ <u>198,316</u>
Expenses		
Wages	64,347	61,295
Building repairs and maintenance	20,027	23,107
Shop supplies	2,844	4,857
Hydro	24,217	26,856
Gas	<u>1,821</u>	<u>-</u>
	<u>113,256</u>	<u>116,115</u>
Allocated expenses		
Office/management salaries	47,491	42,192
Employee benefits	27,295	24,951
Office supplies	2,100	2,572
Telephone/fax	1,350	1,463
Amortization	513	513
Bank service charges	66	107
Travel expenses	435	1,067
Garbage removal	25	1,125
General supplies	261	683
Security	1,153	645
Professional fees	1,924	1,876
Weekend paging	1,050	982
Insurance	3,095	2,938
Uniforms	1,104	1,087
Professional upgrade	<u>150</u>	<u>-</u>
	<u>88,012</u>	<u>82,201</u>
	<u>201,268</u>	<u>198,316</u>
Net surplus - pool operations	<u>\$ -</u>	<u>\$ -</u>

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

BANQUET/MEETING ROOM OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Banquet/meeting room	\$ 7,198	\$ 41,017
Expenses		
Food and bar purchases	11	416
Other purchases	640	3,566
Wages - full time	1,100	7,875
Wages - part time	-	7,054
Building repairs and maintenance	11,841	1,078
Hydro	<u>70</u>	<u>5,008</u>
	<u>13,662</u>	<u>24,997</u>
Allocated expenses		
Office/management salaries	15,197	13,501
Employee benefits	8,734	7,984
Office supplies	672	823
Telephone/fax	432	468
Amortization	164	164
Bank service charges	21	34
Travel expenses	139	342
Garbage removal	8	360
General supplies	83	219
Security	369	207
Professional fees	616	600
Weekend paging	336	314
Insurance	990	940
Uniforms	353	348
Professional upgrade	<u>48</u>	<u>-</u>
	<u>28,162</u>	<u>26,304</u>
	<u>41,824</u>	<u>51,301</u>
Net deficit - Banquet/Meeting room operations	<u>\$ (34,626)</u>	<u>\$ (10,284)</u>

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS
SNACK BAR AND VENDING OPERATIONS
YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Snack bar and vending	\$ <u>39,911</u>	\$ <u>38,321</u>
Expenses		
Snack bar and vending	21,855	22,718
Wages	<u>21,691</u>	<u>18,960</u>
	<u>43,546</u>	<u>41,678</u>
Net deficit - Snack bar and vending operations	\$ <u>(3,635)</u>	\$ <u>(3,357)</u>

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

SCHEDULE OF OTHER INCOME

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Other income		
Sign rental	\$ 885	\$ 2,420
Mediacom sign revenue	9,431	3,042
Parking lot	5	613
Miscellaneous income	<u>3,084</u>	<u>543</u>
	<u>\$ 13,405</u>	<u>\$ 6,618</u>

REPORT TO THE

**BOARD OF MANAGEMENT OF LEASIDE
MEMORIAL COMMUNITY GARDENS**

For the year ended December 31, 2013

Prepared by:
Welch LLP

AUDIT STATUS

Our audit of the financial statements of Board of Management of Leaside Memorial Community Gardens for the year ended December 31, 2013 is substantially complete and we expect to release our auditors' report after the following outstanding matters are completed:

- Receipt of the signed management representation letter
- Receipt of signed bank confirmation
- Final subsequent events review
- Approval of the draft financial statements by the Board of Management

If any significant matters arise between the date of this report and the signing of our audit report we will raise them with you. The following paragraphs provide information we are required to communicate with you in accordance with Canadian generally accepted auditing standards.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES AND FINANCIAL REPORTING

Our audit includes consideration of the qualitative aspects of the financial reporting process, including matters that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided in the financial statements.

There are no matters with respect to the qualitative aspects of accounting practices that we wish to draw to your attention in relation to the financial statements for the 2013 fiscal year.

MANAGEMENT LETTER OF REPRESENTATION

It is necessary for us to obtain written representations from management as an acknowledgement of their responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements. We have provided a draft of the letter of representation in Appendix A. The management has committed to provide us with a signed copy of the letter on a date to coincide with the date of our auditors' report.

MISSTATEMENTS

The corrected and uncorrected misstatements identified during our audit are included in Appendix B and Appendix C respectively.

Canadian generally accepted auditing standards require that we request that management and the Board correct all the misstatements that we present to them. The uncorrected misstatements net impact is an overstated operating deficit and related receivable from the City of Toronto of \$4,570.

The uncorrected misstatements are comprised of, \$2,779 of snack shop and public skating revenues for the last few days of December 2013 which were deposited in early 2014 and not recorded in 2013.

\$2,498 of unaccrued employee benefits payable related to the salaries and wages accrued for the last few days of December 2013 which were processed in January 2014. Management has decided not to adjust the financial statements for this item due to the small dollar value involved.

MISSTATEMENTS - Cont'd.

\$8,319 of interest was expensed in excess of the interest payable on the loans payable. Management has decided not to adjust the financial statements for this item due to the interest amount being provided by the City of Toronto and management would like to be consistent with the City.

\$4,030 recorded as a Hydro credit for December 2012. Management has decided not to adjust the financial statements for this item due to the fact that the credit was provided by the City of Toronto to the auditor in the City's AP/AR reconciliation and the Arena had not received notification of the credit directly. We agree with management's decisions.

If you disagree with management, and would like management to make the proposed adjustment(s), we request that you inform management and us accordingly.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

During our audit we did not identify any significant deficiencies in internal control to report to the Board.

However, we identified some areas where there was room for improvement in procedures and internal controls and these have been included in a report to management. We have not provided a comprehensive statement of all weaknesses which may exist in internal control or all improvements which can be made, but have addressed only those matters which have come to our attention as a result of audit procedures we have performed. The areas we have identified for improvement are as follows:

Amounts to be recovered - City of Toronto

During our audit we noted that the amount included in the Amounts to be recovered - City of Toronto account related to the recognition of post-employment benefits does not equal the post-employment liability and the balances have not agreed for a number of years. The recoverable amount and liability should be equal so that the impact on the Arena's surplus/deficit is nil. We recommend that the Arena review how and when the difference originated and that the recovery be adjusted to agree to the liability and that the treatment of the adjusted be reviewed by the City.

Amount due from the City of Toronto

The amount due from the City of Toronto represents accumulation of annual surplus/deficit balances payable(receivable) from the City. At present the account consists of the 2012 and 2013 deficit balances receivable as well as surplus/deficit balances payable(receivable) and advances from 2002 to 2007. We recommend that the Arena address the balances related to years prior to 2012 with the City of Toronto during 2014 and have the balances settled.

Allocation of administrative expenses

At present the policy is to allocate administrative expenses to the various operations, arena, pool and auditorium on set allocation rates of 67%, 25% and 8% respectively. Given that the arena operations have expanded in the latter part of 2013 with the addition of a second ice pad, we recommend that the allocation percentages be reviewed and revised to take into account the increased arena operations.

INDEPENDENCE

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between Board of Management of Leaside Memorial Community Gardens and us that, in our professional judgment, may reasonably be thought to bear on our independence.

Prior to the commencement of our year-end audit fieldwork we provided an audit approach letter. In this communication we reported to you that there were no independence issues, as outlined in the Rules of Professional Conduct of the Institute of Chartered Accountants of the Province of Ontario that would prevent us from performing the audit.

Subsequent to the issuance of that letter, no other matters have been identified that would reasonably be thought to bear on our independence. As a result, we reconfirm that we remain independent.

FINANCIAL STATEMENT PRESENTATION

1. Significant Accounting Policies

The organization's significant accounting policies are disclosed in the notes to the financial statements.

During the year there were no new accounting policies or changes to existing accounting policies.

2. Management's Judgments and Accounting Estimates

During the audit we did not encounter any situations that required significant judgements on the part of management or involved significant estimates.

DIFFICULTIES ENCOUNTERED DURING THE AUDIT

During the course of our audit we received the full co-operation of management and did not encounter any difficulties during our audit. There were no limitations on the scope of our audit work and we did not have any disagreements with management.

MATTERS SPECIFICALLY REQUIRED BY OTHER CANADIAN AUDITING STANDARDS TO BE COMMUNICATED

Other sections of Canadian Auditing Standards require us to communicate with those charged with governance in a number of specific circumstances:

- Where we encounter unusual related party transactions or significant matters related to related party transactions;
- Where we encounter other transactions that were unusual or not in the normal course of business;
- Where we suspect or detect fraud;
- Where there is inconsistency between the financial statements and other information in documents containing the financial statements; and
- Where we believe there may be non-compliance with legislative or regulatory requirements.

We did not encounter any such matters during the course of our audit.

ACKNOWLEDGEMENTS

During the course of our audit, we received considerable assistance from the organization's staff and management. We would like to take this opportunity to thank them for efforts and for their constructive approach to the audit.

BOARD OF MANAGEMENT OF LEASIDE MEMORIAL COMMUNITY GARDENS

1073 Millwood Road
Toronto, Ontario
M4G 1X6

Date to be determined

Welch LLP
36 Toronto Street
Suite 530
Toronto, ON
M5C 2C5

Dear Sirs:

We are providing this letter in connection with your audit of the financial statements of Board of Management of Leaside Memorial Community Gardens as of December 31, 2013 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Board of Management of Leaside Memorial Community Gardens in accordance with Canadian public sector accounting standards.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error.

We acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 23, 2013, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; in particular, the financial statements are fairly presented in accordance therewith.
2. The significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Information Provided

1. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - (b) Additional information that you have requested from us for the purpose of the audit; and
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence
2. All transactions have been recorded in the accounting records and are reflected in the financial statements
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have assessed this risk as low.
4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - (a) Management;
 - (b) Employees who have significant roles in internal control; or
 - (c) Others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
7. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Accounts Receivable

1. Accounts receivable are correctly described in the records and represent valid claims as at the year-end against the persons or companies indicated. These accounts are expected to be collected within twelve months, with the exception of the amounts disclosed as long term.
2. All services rendered prior to the year-end have been recorded as sales of that period.
3. The accounts receivable are free from hypothecation or assignment except as disclosed in the notes to the financial statements.
4. Adequate allowance has been made for any losses from uncollectible accounts, costs or expenses that may be incurred with respect to sales made or services rendered prior to the year-end, including allowance for quantity discounts and expenses under service or repair contracts.
5. Accounts receivable represent valid claims relating to transactions made before the end of the fiscal year. Adequate provision has been made for losses which may be sustained in the collection of receivables.

Inventories

1. Inventory quantities were determined by actual count, weight or measurement by competent employees under the supervision of management as at December 31, 2013 and properly adjusted for subsequent receipts and shipments to year-end.
2. The inventories were priced at the lower of cost and market and on the same basis as in the previous year, which is as follows:

Raw materials and supplies - at the lower of average cost and market (i.e. estimated realizable value less costs to complete and sell).
3. Full allowance has been made for all slow-moving, unsaleable, depreciated and obsolete stock.
4. The inventory does not include items not paid for and for which the liability had not been taken into account at the year-end.
5. The inventory does not include any goods on consignment from others or goods invoiced to customers.
6. Adequate provision has been made for slow-moving or obsolete inventory that is unfit for sale.
7. The inventories as recorded in the books were the property of the organization free from all liens and encumbrances.

Capital Assets

1. All charges to capital asset accounts during the year represent actual additions to and no expenditures of a capital nature were charged to the operations of the organization during the year.
2. All capital assets sold or dismantled have been properly accounted for in the books of the organization.
3. Appropriate rates have been used to amortize the assets over their estimated useful lives and the provisions were calculated on a basis consistent with that of the previous period.
4. The organization has good title to the properties represented by the balance carried in the capital asset accounts, and there are no liens, mortgages or other charges against any of the capital assets shown on the books of the organization.
5. Where the value of any capital assets has been impaired, this fact has been disclosed to you.

Liabilities and Commitments

1. At the year end, with the exception of relatively immaterial obligations for which invoices had not been received or which otherwise could not readily be determined or estimated, all known liabilities of the organization are included and fairly stated on the balance sheet.
2. At the year-end there were no contingent liabilities (e.g., discounted receivables or drafts, guarantees, pending or unsettled suits, matters in dispute).
3. The organization has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
4. At the year-end, the organization had no unusual commitments or contractual obligations of any sort that were not in the ordinary course of business or that might have an adverse effect upon the organization.
5. All claims outstanding against the organization or possible claims have been disclosed to you and, where appropriate, reflected in the financial statements or notes thereto.
6. We understand that any illegal or possibly illegal act could damage the organization or its reputation or give rise to a claim or claims against the organization. We are not aware of any violations or possible violations of law or regulations the effects of which should be considered for disclosure in the financial statements or as the basis for recording a contingent loss.

Statement of Operations

1. All of the revenues of the organization for the year has been recorded in the books of account and disclosed in the financial statements.
2. The statement of operations contains no extraordinary or non-recurring items of material amount except as shown thereon.

Corporate Minutes

The minute books of the organization contain an accurate record of all of the business transacted at meetings of the Board of Management up to the date of this letter.

Controlled and Related Entities

The organization does not have relationships with any companies or other not-for-profit organizations that involve control, joint control, or significant influence nor does the organization have an economic interest in any other not-for-profit organization.

Related Party Transactions

1. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
2. There have been no exchanges of goods or services with any related parties for which appropriate accounting recognition and financial statement disclosure has not been given.

Recognition, Measurement and Disclosure

1. Significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
2. The organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
3. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
4. The actuarial assumptions and methods used to measure the pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Going Concern

We confirm that we have assessed the entity's ability to continue as a going concern, taking into account all information which is at least twelve months from the year-end date, and we conclude that the entity is able to continue as a going concern for the foreseeable future.

General

1. We are unaware of any frauds or possible frauds having been committed by the organization, its employees or any of its directors and officers and we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
2. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements.
3. We acknowledge that we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error.
4. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
6. In the course of your audit of our financial statements for the year ended December 31, 2013, you have recommended certain journal entries and adjustments to our books and records as attached to this letter. We hereby acknowledge that we understand, agree with and approve of the attached journal entries which have been considered necessary to present fairly the financial position and operating results of our organization.

Events Subsequent to the Year-end

All events subsequent to the date of these financial statements and for which Canadian public sector accounting standards require adjustment or disclosures have been adjusted or disclosed.

Yours very truly,

BOARD OF MANAGEMENT OF LEASIDE
MEMORIAL COMMUNITY GARDENS

Per _____
Anna Donadio

DRAFT
For Discussion Purposes Only

Board of Management of Leaside Memorial Community Gardens

Year End: December 31, 2013

Adjustments

Rev. 10/10/01

Date: 01/01/2013 To 31/12/2013

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	31/12/2013	Long Term Rec.-City of Toronto	1007	GG		8,913.00			
1	31/12/2013	Employee Benefits Payable	2004	GG		6,534.00			
1	31/12/2013	Unamortized Actuarial Gain	2006	GG			15,447.00		
1	31/12/2013	Employee Benefits	5003	GG		8,913.00			
1	31/12/2013	Post Retirement Costs	5043	GG			8,913.00		
To reverse client's post-employment benefits entries.									
2	31/12/2013	Long Term Rec.-City of Toronto	1007	GG1			8,913.00		
2	31/12/2013	Employee Benefits Payable	2004	GG1		8,913.00			
2	31/12/2013	Employee Benefits	5003	GG1		8,913.00			
2	31/12/2013	Post Retirement Costs	5043	GG1			8,913.00		
To record post-employment benefits per entries from City of Toronto									
3	31/12/2013	Accounts Receivable	1001	C1			2,467.81		
3	31/12/2013	DasherBoard Rental - Rink A	4003	C1		2,467.81			
AFDA for Edward Jones and Raycor dasherboard revenues									
4	31/12/2013	Accrued Liabilities	2003	BB4			9,047.33		
4	31/12/2013	Arena Hydro	5024	BB4		5,932.53			
4	31/12/2013	Arena Gas	5025	BB4		3,114.80			
To accrued Dec 2013 Hydro and Gas charges for Arena billed and paid in Jan/Feb 2014									
5	31/12/2013	Accrued Liabilities	2003	PL5-1			6,051.43		
5	31/12/2013	Mediacom Sign Rental	4017	PL5-1		6,051.43			
To defer 2014 Mediacom signage income									
6	31/12/2013	Allocations	5006	PL6		6,337.01			
6	31/12/2013	Arena Allocations	5027	PL6			4,245.80		
6	31/12/2013	Pool Allocations	5035	PL6			1,584.25		
6	31/12/2013	Auditorium Allocations	5042	PL6			506.96		
To adjust allocations after Welch adjusting entries									
7	31/12/2013	Accrued Liabilities	2003	PL2-1			11,531.02		
7	31/12/2013	Arena Hydro	5024	PL2-1			19,924.74		
7	31/12/2013	Pool Hydro	5033	PL2-1		31,455.76			
To allocate City Hydro credit to Arena Hydro account and accrue additional pool hydro expenses calculated									
8	31/12/2013	Long Term Rec.-City of Toronto	1007	WS2		8,354,534.14			
8	31/12/2013	Loan payable - long term	2012	WS2			8,354,534.14		
To set-up loan payable to City of Toronto re: new Ice Pad									
9	31/12/2013	Due to City of Toronto	2007	WS2			95,866.70		
9	31/12/2013	Interest expense on loans	5050	WS2		95,866.70			
To accrue interest payable on loan to City of Toronto per City									
10	31/12/2013	Payroll Clearing	2002	PL8		19,389.61			
10	31/12/2013	Management Salaries	5000	PL8			3,865.97		
10	31/12/2013	Office Salaries	5002	PL8			4,544.33		
10	31/12/2013	Arena Full Time Wages	5022	PL8			7,015.71		
10	31/12/2013	Arena Part Time Wages	5023	PL8			1,356.00		

Prepared by	Reviewed by	Reviewed by
VL 09/04/2014		

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Board of Management of Leaside Memorial Community Gardens

Year End: December 31, 2013

Adjustments

Rev. 10/10/01

Date: 01/01/2013 To 31/12/2013

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
10	31/12/2013	Pool Full Time Wages	5031	PL8			2,157.60		
10	31/12/2013	Pool Part Time Wages	5032	PL8			200.00		
10	31/12/2013	Auditorium Part Time Wages	5038	PL8			250.00		
To reverse payroll accrual for 2014 PP1 which was already included in 2013 Q4 billing from City									
11	31/12/2013	Due to City of Toronto	2007	GG2			4,777.99		
11	31/12/2013	Employee Benefits	5003	GG2		2,073.29			
11	31/12/2013	Arena Full Time Wages	5022	GG2		2,704.70			
To record salary for D. Ahier to match City of Toronto billing									
12	31/12/2013	Due to City of Toronto	2007	PL2		27,513.91			
12	31/12/2013	Pool Rental	4007	PL2			27,513.91		
To adjust pool revenue accrued to due to city of Toronto as a result of audit adjustments									
13	31/12/2013	Accts. Rec. - City of Toronto	1006	C2		144,360.32			
13	31/12/2013	Deficit	3000	C2			144,360.32		
To record net deficit for 2013 receivable from the City									
						8,743,988.01	8,743,988.01		

Net Income (Loss) -146,410.32

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Board of Management of Leaside Memorial Community Gardens

Period ending: December 31, 2013

Summary of unadjusted errors

Rev. 2012-1

Preliminary overall materiality is \$21,000; Final overall materiality is \$21,000.

All misstatements over \$840 are to be recorded on this summary. Misstatements below this threshold are considered trivial.

The tax rate used in this schedule is nil%.

Description of Possible Misstatement	WP Ref.	INCOME STATEMENT Overstated or (Understated)			BALANCE SHEET Overstated or (Understated)			F/S Disclosures	Corrected?
		Identified Mis-statement	Likely Aggregate Mis-statement	Likely Aggregate Mis-statement After Tax	Assets	Liabilities	Closing Equity		
Unrecorded snack shop and public skating revenue from Dec 2013 deposited in 2014	C3-1	(2,779)	(2,779)	(2,779)	(2,779)		(2,779)		No
Unaccrued employee benefits on 2014 p.p. .2 related to 2013	PL8-1	2,498	2,498	2,498		(2,498)	2,498		No
Overaccrued interest expense on loan	GG3	(8,319)	(8,319)	(8,319)		8,319	(8,319)		No
Unaccrued Hydro credit from City of Toronto for Dec 2012	GG4	4,030	4,030	4,030		(4,030)	4,030		No
Overstated deficit receivable from the City of Toronto as a result of uncorrected misstatements above					4,570		4,570		No
Total			(4,570)	(4,570)	1,791	1,791			
Effect of Unadjusted Errors From Prior Years									
Aggregate Likely Misstatements			(4,570)	(4,570)	1,791	1,791			
Further Possible Misstatements									
Maximum Possible Misstatements			(4,570)	(4,570)	1,791	1,791			
Corrected Misstatements									
Uncorrected Misstatements			(4,570)	(4,570)	1,791	1,791			
Materiality			21,000	21,000	21,000	21,000	21,000	21,000	
Margin Remaining For Further Possible Misstatements			16,430	16,430	19,209	19,209	21,000	21,000	

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VL 11/04/2014		

Document is up to date

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