



TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statements

**Board of Management for the Leaside Memorial
Community Gardens**

December 31, 2009



Grant Thornton

Auditors' Report

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To the Council of the Corporation of the
City of Toronto and the Board of Management for the
Leaside Memorial Community Gardens

We have audited the statement of financial position of the **Board of Management for the Leaside Memorial Community Gardens** as at December 31, 2009 and the statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Leaside's management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the **Board of Management for the Leaside Memorial Community Gardens** as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
May 12, 2010

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

Contents

	Page
Auditors' Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10
Schedule of Arena Operations	11
Schedule of Pool Operations	12
Schedule of Banquet/Meeting Room Operations	13
Schedule of Snack Bar Operations	14
Schedule of Vending Operations and Other Income	15
Schedule of Tangible Capital Assets	16

**Board of Management for the
Leaside Memorial Community Gardens
Statement of Financial Position**

December 31	2009	2008
Financial assets		
Cash and short term deposits	\$ 259,321	\$ 208,068
Receivables	89,172	65,923
Inventories	3,927	5,506
Amount due from the City of Toronto (Note 3)	92,665	157,114
Amounts to be recovered - City of Toronto (Note 4)	<u>106,271</u>	<u>116,742</u>
	<u>551,356</u>	<u>553,353</u>
Liabilities		
Payables and accruals		
City of Toronto	311,897	310,681
Other	28,977	77,496
Deposits	12,418	6,639
Employee benefits payable (Note 6)	<u>148,064</u>	<u>158,537</u>
	<u>551,356</u>	<u>553,353</u>
Net financial assets	-	-
Non-financial assets		
Tangible capital assets (Page 16)	<u>5,629</u>	-
Accumulated surplus	<u>\$ 5,629</u>	<u>\$ -</u>

Approved on behalf of the Board of Management

 Chair

 Treasurer

See accompanying notes to the financial statements.

**Board of Management for the
Leaside Memorial Community Gardens
Statement of Operations**

Year Ended December 31	2009	2008
Revenue		
Arena	\$ 505,431	\$ 490,197
Pool	200,211	196,471
Banquet/Meeting Room	68,710	96,978
Snack Bar	42,893	46,045
Vending	7,001	7,362
Miscellaneous	70,629	12,564
Parking	6,515	4,688
	<u>901,390</u>	<u>854,305</u>
Expenditure		
Arena	285,292	332,628
Pool	127,254	125,167
Banquet/Meeting Room	42,521	47,411
Snack Bar	46,893	40,735
Vending	2,144	5,539
Allocations	317,208	310,018
	<u>821,312</u>	<u>861,498</u>
Surplus (deficiency) of revenue over expenditure before the following	80,078	(7,193)
Vehicle and equipment reserve contribution (Note 8)	(10,000)	(9,355)
Debt repayment - principal	-	(3,278)
- interest	-	(148)
	<u>70,078</u>	<u>(19,974)</u>
Net revenue (expense)	70,078	(19,974)
Net (payable to) receivable from the City of Toronto	<u>(64,449)</u>	<u>19,974</u>
Annual surplus	5,629	-
Opening accumulated surplus	-	-
Ending accumulated surplus	<u>\$ 5,629</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**Board of Management for the
Leaside Memorial Community Gardens
Statement of Cash Flows**

Year Ended December 31	2009	2008
Annual surplus	\$ 5,629	\$ -
Acquisition of tangible capital assets	(7,036)	-
Amortization of tangible capital assets	<u>1,407</u>	<u>-</u>
Change in net financial assets	-	-
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 to the financial statements.

**Board of Management for the
Leaside Memorial Community Gardens
Statement of Cash Flows**

Year Ended December 31

2009

2008

Increase (decrease) in cash and short term investments

Cash flows from operating transactions

Annual surplus	\$ <u>5,629</u>	\$ _____
Non-cash charges to operations:		
Amortization	1,407	-
Receivables	(23,249)	9,625
Inventories	1,579	(2,085)
Net revenue due to the City of Toronto	71,485	24,987
Payables and accruals - City of Toronto	1,216	27,533
- Other	(5,555)	(1,458)
Deposits	5,779	(2,273)
Current portion of long term debt	-	(3,278)
Amounts to be recovered - City of Toronto	10,471	8,095
Employee benefits payable	<u>(10,473)</u>	<u>(4,819)</u>
Cash provided by operating transactions	<u>52,660</u>	<u>56,329</u>
Capital transactions		
Purchase of tangible capital assets	<u>(7,036)</u>	_____
Cash used in capital transactions	<u>(7,036)</u>	_____
Net increase in cash and short term investments	51,253	56,329
Cash and short term investments, beginning of year	<u>208,068</u>	<u>151,739</u>
Cash and short term investments, end of year	\$ <u>259,321</u>	\$ <u>208,068</u>

See accompanying notes to the financial statements.

Board of Management for the Leaside Memorial Community Gardens Notes to the Financial Statements

December 31, 2009

1. Establishment and 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 Memorial Community Centre (the Centre) 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

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Revenue recognition

Revenues and expenditures are recorded on an accrual basis.

Inventories

Inventories held for resale are valued at cost.

Tangible capital assets

Any acquisitions greater than \$500 are recorded as capital assets 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

Major capital expenditures are financed by the City of Toronto, which owns the facility. Major capital expenditures and services provided without charge by the City are not recorded in these financial statements.

Employee related costs

The Arena's contributions to a multi-employer, defined benefit pension plan, and health care costs are expensed when contributions are made. The costs of other employee benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation and expected health care costs.

For post-retirement benefits, the obligation is recorded as a long term employee benefit liability and represents costs, which will be funded by the City of Toronto as benefits are paid.

Board of Management for the Leaside Memorial Community Gardens Notes to the Financial Statements

December 31, 2009

2. Significant accounting policies (continued)

Sick leave benefit

The sick leave benefit is calculated at the salary levels in effect at the end of the year for all vested sick pay credits accruing to employees.

Deposits

Ice rentals and rental deposits for the auditorium paid in advance are recorded as deposits.

Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 income and expenses for the year. Liabilities established for employee benefits and related costs charged to the statement of operation depend on certain actuarial and economic assumptions. These estimates and assumptions are based on the Arena's best information and judgement and may change significantly with the next detailed valuation.

Contributed material and services

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

3. Amount due from the City of Toronto

	<u>2009</u>	<u>2008</u>
2002 operating deficit due, as restated	\$ 178,906	\$ 178,906
2007 deficit	43,794	43,794
2007 advance	(92,760)	(92,760)
2008 operating deficit	19,974	19,974
2008 advance	(44,961)	(44,961)
Adjustment to 2004 deficit due to change in accounting policy	9,355	9,355
Adjustment to 2006 deficit due to change in accounting policy	449	449
Loan payments made for 2003 and 2006	42,357	42,357
2009 net revenue payable	<u>(64,449)</u>	<u>-</u>
	\$ 92,665	\$ 157,114

Board of Management for the Leaside Memorial Community Gardens Notes to the Financial Statements

December 31, 2009

4. Amounts to be recovered - City of Toronto	<u>2009</u>	<u>2008</u>
Employee benefits - post-retirement benefits	\$ 86,271	\$ 96,742
Expansion	<u>20,000</u>	<u>20,000</u>
	\$ <u>106,271</u>	\$ <u>116,742</u>

The amounts shown above will ultimately be received from the City when the post-retirement benefits are paid and the expansion funds are repaid.

5. Interest and debt repayment - long term debt

Charges for interest on long term debt and debt repayment which are reported on the Statement of Revenue and Expenditures are \$Nil (2008 - \$148).

6. Employee benefits

Leaside participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits. Under the sick leave plan for administration staff, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave Leaside's employment. The actual liability for these accumulated days is \$112,034 and represents the extent to which they have vested and could be taken in cash by an employee on terminating. Leaside also provides health, dental, life insurance and long term disability benefits to employees. The same health, dental and life insurance benefits are provided to administration retirees until age 65 and reduced benefits thereafter.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed in 2010 and has been used to provide the accrued benefit obligation as of December 31, 2009. The actuarial valuation has resulted in an actuarial gain of \$95,677 which is being amortized on a straight-line basis over a period of between 12.8 years and 16 years.

Board of Management for the Leaside Memorial Community Gardens Notes to the Financial Statements

December 31, 2009

6. Employee benefits (continued)

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

	<u>2009</u>	<u>2008</u>
Post retirement benefits	\$ 11,942	\$ -
Continuation of benefits to disabled employees	-	3,766
Income benefits	-	11,358
Sick leave benefits	<u>40,445</u>	<u>-</u>
	<u>52,387</u>	15,124
Add: unamortized actuarial gain	<u>95,677</u>	<u>143,411</u>
Employee benefit liability	<u>\$ 148,064</u>	<u>\$ 158,535</u>

The continuity of the accrued benefit obligation during 2009 is as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 158,535	\$ 163,352
Current service cost	498	7,618
Interest cost	728	690
Amortization of actuarial gain	(11,697)	(12,325)
Expected benefits paid	<u>-</u>	<u>(800)</u>
Balance, end of year	<u>\$ 148,064</u>	<u>\$ 158,535</u>

Expenditures in 2009 relating to employee benefits are included as employee benefit expenses for administration on the Statement of Revenue and Expenditure and include the following components:

	<u>2009</u>	<u>2008</u>
Current service cost	\$ 498	\$ 7,618
Interest cost	728	690
Amortization of actuarial gain	<u>(11,697)</u>	<u>(12,325)</u>
Total expenditures related to post-retirement and post-employment benefits	<u>\$ (10,471)</u>	<u>\$ (4,017)</u>

In addition, the Board makes contributions to the Ontario Municipal Employees Retirement Systems (OMERS), which is a multi-employed 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.

Board of Management for the Leaside Memorial Community Gardens Notes to the Financial Statements

December 31, 2009

7. 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, 2009, \$200,211 (2008 - \$196,471) is receivable from the City of Toronto for rental fees owing to Leaside Memorial Community Gardens for the current year. This amount has been included in the balance sheet as a reduction to accounts payable and accrued liabilities - City of Toronto.

8. Vehicle and equipment replacement reserve

These contributions are for the financing of replacement ice resurfacers machines required by the Arena Boards in future years. The Board will contribute \$9,355 per year for the first five years for the Vehicle and Equipment reserve commencing in the year 2004. In 2009, the City of Toronto increased the contribution to \$10,000.

9. Expansion Plans

The Arena has expansion plans of constructing a second pad of ice on property adjacent to Leaside Gardens owned by the Province of Ontario. There is a business plan where private lenders have proposed financing the entire project with the City's covenant. The land has been purchased by the City for \$1.2 million and the cost to build the rink is estimated at \$10 million.

10. Fair value of financial instruments

The carrying value of cash, accounts receivable, due from and to City of Toronto, accounts payable and accrued liabilities reflected in the balance sheet approximate their respective fair value, due to the relatively short term nature of the instruments and/or due to the interest rates on the borrowing.

**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Arena Operations**

Year Ended December 31

2009

2008

Revenue

Arena ice rental	\$ 487,546	\$ 476,177
Dasher board rental	<u>17,885</u>	<u>14,020</u>
	<u>505,431</u>	<u>490,197</u>

Expenditure

Amortization	1,407	-
Wages	148,683	161,420
Equipment repairs and maintenance	5,492	4,070
Building repairs and maintenance	13,887	41,718
Ice resurfacer	16,117	10,233
Hydro	65,438	70,858
Gas	<u>34,268</u>	<u>44,329</u>
	<u>285,292</u>	<u>332,628</u>

Allocated expenses

Garbage removal	-	1,861
Office/management salaries	116,077	108,988
Office supplies	9,803	9,984
Telephone/fax	3,776	3,083
Advertising/promotion	179	-
Bank service charges	295	367
Travel expense	2,582	2,319
Employee benefits	61,569	60,132
General supplies	1,739	1,171
Security	3,161	1,974
Professional fees	5,172	8,749
Weekend paging	2,360	2,401
Insurance	8,108	8,168
Uniforms	3,207	2,666
Professional upgrade	845	1,683
Bad debt	-	366
	<u>218,873</u>	<u>213,912</u>
	<u>504,165</u>	<u>546,540</u>

Balance before the following	1,266	(56,343)
Vehicle and equipment reserve contributions (Note 10)	(10,000)	(9,355)
Debt repayment	-	(3,278)
Interest	-	(148)
Net expense	\$ (8,734)	\$ (69,124)

**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Pool Operations**

Year Ended December 31

2009

2008

Revenue		
Pool	\$ <u>200,211</u>	\$ <u>196,471</u>
Expenditure		
Wages	64,570	56,381
Building repairs and maintenance	26,424	24,576
Shop supplies	5,898	5,811
Hydro	27,358	27,828
Gas	<u>3,004</u>	<u>10,571</u>
	<u>127,254</u>	<u>125,167</u>
Allocated expenses		
Garbage removal	-	620
Office/management salaries	38,692	36,329
Office supplies	3,268	3,328
Telephone/fax	1,259	1,028
Advertising/promotion	60	-
Bank service charges	98	122
Travel expense	860	773
Employee benefits	20,522	20,044
General supplies	580	390
Security	1,054	658
Professional fees	1,724	2,917
Weekend paging	786	800
Insurance	2,703	2,723
Uniforms	1,069	889
Professional upgrade	282	561
Bad debt	-	122
	<u>72,957</u>	<u>71,304</u>
	<u>200,211</u>	<u>196,471</u>
Net revenue	\$ <u>-</u>	\$ <u>-</u>

**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Banquet/Meeting Room Operations**

Year Ended December 31

2009

2008

Revenue

Banquet/meeting room	\$ <u>68,710</u>	\$ <u>96,978</u>
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Expenditure

Food and bar purchases	2,053	309
Other purchases	4,040	2,987
Wages - full time	13,843	17,724
Wages - part time	8,437	4,747
Building repairs and maintenance	4,179	9,843
Hydro	6,248	7,135
Equipment repairs and maintenance	401	143
Advertising and promotion	<u>3,320</u>	<u>4,523</u>
	<u>42,521</u>	<u>47,411</u>

Allocated expenses

Garbage removal	-	216
Office/management salaries	13,459	12,636
Office supplies	1,137	1,158
Telephone/fax	438	357
Advertising/promotion	21	-
Bank service charges	34	43
Travel expense	300	269
Employee benefits	7,138	6,972
General supplies	202	136
Security	366	229
Professional fees	599	1,014
Weekend paging	274	279
Insurance	940	947
Uniforms	372	309
Professional upgrade	98	195
Bad debt	-	42
	<u>25,378</u>	<u>24,802</u>
	<u>67,899</u>	<u>72,213</u>

Net revenue

	\$ <u>811</u>	\$ <u>24,765</u>
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**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Snack Bar Operations**

Year Ended December 31

2009

2008

Revenue

Snack bar/snack vending

\$ 42,893

\$ 46,045

Expenditure

Snack bar/snack vending

25,933

24,294

Wages

20,960

16,441

46,893

40,735

Net (expense) revenue

\$ (4,000)

\$ 5,310

**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Vending Operations and Other Income**

Year Ended December 31

2009

2008

Revenue

Vending \$ 7,001 \$ 7,362

Expenditure

Vending purchases 2,144 5,539

Net vending revenue

\$ 3,492 \$ 1,823

Other Income

Sign rental \$ 3,509 \$ 2,550

Mediacom sign revenue 8,351 8,108

Miscellaneous income 52,875 158

Interest income 5,894 1,748

\$ 70,629 \$ 12,564

**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Tangible Capital Assets**

Year Ended December 31, 2009

	Furniture and Equipment	<u>2009</u>	<u>2008</u>
Cost			
Balance, beginning of year	\$ 1	\$ 1	\$ 1
Add: Additions during the year	7,036	7,036	-
Less: Disposals during the year	-	-	-
	<u>7,037</u>	<u>7,037</u>	<u>1</u>
Accumulated amortization			
Balance, beginning of year	1	1	1
Add: Amortization during the year	1,407	1,407	-
Less: Amortization on disposals	-	-	-
	<u>1,408</u>	<u>1,408</u>	<u>1</u>
Net book value of Tangible Capital Assets	\$ <u>5,629</u>	\$ <u>5,629</u>	\$ <u>-</u>