



FINANCIAL STATEMENTS

Financial Statements

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

December 31, 2010

Contents

	Page
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Operations	4
Statement of Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 11
Schedule of Arena Operations	12
Schedule of Pool Operations	13
Schedule of Banquet/Meeting Room Operations	14
Schedule of Snack Bar Operations	15
Schedule of Vending Operations and Other Income	16
Schedule of Tangible Capital Assets	17



Grant Thornton

Independent Auditor's 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 accompanying financial statements of **Board of Management for the Leaside Memorial Community Gardens**, which comprise the Statement of Financial Position as at December 31, 2010, statements of operations, net assets 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 generally accepted accounting principles, 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.

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 for the Leaside Memorial Community Gardens as at December 31, 2010, 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
September 14, 2011

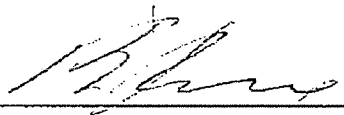
Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

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

December 31	2010	2009
Financial assets		
Cash and short term deposits	\$ 391,609	\$ 259,321
Receivables	73,874	89,172
Inventories	4,065	3,927
Amount due from the City of Toronto (Note 3)	98,955	92,665
Amounts to be recovered - City of Toronto (Note 4)	<u>97,078</u>	<u>106,271</u>
	<u>665,581</u>	<u>551,356</u>
Liabilities		
Payables and accruals		
City of Toronto	325,069	311,897
Other	64,227	78,977
Deferred revenue	123,169	-
Deposits	14,243	12,418
Employee benefits payable (Note 5)	<u>138,873</u>	<u>148,064</u>
	<u>665,581</u>	<u>551,356</u>
Net financial assets	-	-
Non-financial assets		
Tangible capital assets (Page 17)	<u>4,222</u>	<u>5,629</u>
Accumulated surplus	<u>\$ 4,222</u>	<u>\$ 5,629</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	2010	2009
Revenue		
Arena	\$ 499,270	\$ 505,431
Pool	207,096	200,211
Banquet/Meeting Room	90,989	68,710
Snack Bar	40,993	42,893
Vending	8,813	7,001
Miscellaneous	18,144	70,629
Parking	<u>2,095</u>	<u>6,515</u>
	<u>867,400</u>	<u>901,390</u>
Expenditure		
Arena	317,298	285,292
Pool	126,406	127,254
Banquet/Meeting Room	53,081	42,521
Snack Bar	40,496	46,893
Vending	5,351	2,144
Allocations	<u>322,758</u>	<u>317,208</u>
	<u>865,390</u>	<u>821,312</u>
Surplus of revenue over expenditure before the following	2,010	80,078
Vehicle and equipment reserve contribution (Note 7)	<u>(2,638)</u>	<u>(10,000)</u>
Net (deficit) surplus	(628)	70,078
Net payable to the City of Toronto	<u>(779)</u>	<u>(64,449)</u>
Annual (deficit) surplus	(1,407)	5,629
Opening accumulated surplus	<u>5,629</u>	<u>-</u>
Ending accumulated surplus	<u>\$ 4,222</u>	<u>\$ 5,629</u>

See accompanying notes to the financial statements.

**Board of Management for the
Leaside Memorial Community Gardens
Statement of Net Assets**

Year Ended December 31	2010	2009
Annual surplus	\$ (1,407)	\$ 5,629
Acquisition of tangible capital assets	-	(7,036)
Amortization of tangible capital assets	<u>1,407</u>	<u>1,407</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 2010 2009

Increase (decrease) in cash and short term investments

Cash flows from operating transactions

Annual (deficit) surplus \$ (1,407) \$ 5,629

Non-cash charges to operations:

Amortization	1,407	1,407
Receivables	15,298	(23,249)
Inventories	(138)	1,579
Net revenue due to the City of Toronto	(6,290)	71,485
Payables and accruals - City of Toronto	13,172	1,216
- Other	(14,750)	(5,555)
Deferred revenue	123,169	-
Deposits	1,825	5,779
Amounts to be recovered - City of Toronto	9,193	10,471
Employee benefits payable	<u>(9,191)</u>	<u>(10,473)</u>
Cash provided by operating transactions	<u>133,695</u>	<u>52,660</u>

Capital transactions

Purchase of tangible capital assets	-	<u>(7,036)</u>
Cash used in capital transactions	<u>-</u>	<u>(7,036)</u>

Net increase in cash and short term investments 132,288 51,253

Cash and short term investments, beginning of year 259,321 208,068

Cash and short term investments, end of year \$ 391,609 \$ 259,321

See accompanying notes to the financial statements.

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

December 31, 2010

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, 2010

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>2010</u>	<u>2009</u>
2002 operating deficit due, as restated	\$ 178,906	\$ 178,906
2007 deficit	43,794	43,794
2007 advance	(92,760)	(92,760)
2007 receipt	(17,928)	-
2008 operating deficit	19,974	19,974
2008 advance	(44,961)	(44,961)
2008 repayment	24,997	-
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	(64,449)	(64,449)
2010 net revenue payable	<u>(779)</u>	<u>-</u>
	\$ <u>98,955</u>	\$ <u>92,665</u>

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

December 31, 2010

4. Amounts to be recovered - City of Toronto	<u>2010</u>	<u>2009</u>
Employee benefits - post-retirement benefits	\$ 77,078	\$ 86,271
Expansion	<u>20,000</u>	<u>20,000</u>
	<u>\$ 97,078</u>	<u>\$ 106,271</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. 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 \$115,554 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 2011 and has been used to provide the accrued benefit obligation as of December 31, 2010. The actuarial valuation has resulted in an actuarial gain of \$82,962 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, 2010

5. Employee benefits (continued)

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

	<u>2010</u>	<u>2009</u>
Post retirement benefits	\$ 14,208	\$ 11,942
Continuation of benefits to disabled employees	-	-
Income benefits	-	-
Sick leave benefits	<u>41,701</u>	<u>40,445</u>
	<u>55,909</u>	<u>52,387</u>
Add: unamortized actuarial gain	<u>82,962</u>	<u>95,677</u>
Employee benefit liability	<u>\$ 138,871</u>	<u>\$ 148,064</u>

The continuity of the accrued benefit obligation during 2010 is as follows:

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 148,064	\$ 158,535
Current service cost	583	498
Interest cost	2,434	728
Amortization of actuarial gain	(11,697)	(11,697)
Expected benefits paid	<u>(513)</u>	<u>-</u>
Balance, end of year	<u>\$ 138,871</u>	<u>\$ 148,064</u>

Expenditures in 2010 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>2010</u>	<u>2009</u>
Current service cost	\$ 583	\$ 498
Interest cost	2,434	728
Amortization of actuarial gain	(11,697)	(11,697)
Less expected benefits paid during the year	<u>(513)</u>	<u>-</u>
Total expenditures related to post-retirement and post-employment benefits	<u>\$ (9,193)</u>	<u>\$ (10,471)</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, 2010

6. 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, 2010, \$205,715 (2009 - \$200,211) 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.

7. Vehicle and equipment replacement reserve

These contributions are for the financing of replacement ice resurfacers machines required by the Arena Boards in future years. In 2009, the City of Toronto increased the contribution to \$10,000 and in 2010 reduced it to \$2,638.

8. Expansion Plans

The Arena has plans for constructing a second pad of ice on adjacent lands recently acquired by the City of Toronto. City Council approved, as part of the 2011 capital budget, \$7 million towards the estimated \$9.5 million construction cost of the second pad. The \$7 million is to be repaid by the Board over 30 years. Construction is expected to begin in the fall of 2011.

9. 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

2010

2009

Revenue

Arena ice rental	\$ 486,060	\$ 487,546
Dasher board rental	<u>13,210</u>	<u>17,885</u>
	<u>499,270</u>	<u>505,431</u>

Expenditure

Amortization	1,407	1,407
Wages	164,968	148,683
Equipment repairs and maintenance	16,157	5,492
Building repairs and maintenance	23,838	13,887
Ice resurfacers	10,868	16,117
Hydro	75,911	65,438
Gas	<u>24,149</u>	<u>34,268</u>
	<u>317,298</u>	<u>285,292</u>

Allocated expenses

Office/management salaries	114,961	116,077
Office supplies	5,590	9,803
Telephone/fax	3,394	3,776
Advertising/promotion	3,078	179
Bank service charges	390	295
Travel expense	2,135	2,582
Employee benefits	60,977	61,569
General supplies	1,195	1,739
Security	2,351	3,161
Professional fees	8,380	5,172
Weekend paging	2,444	2,360
Insurance	7,874	8,108
Uniforms	2,658	3,207
Professional upgrade	<u>821</u>	<u>845</u>
	<u>216,248</u>	<u>218,873</u>
	<u>533,546</u>	<u>504,165</u>

Balance before the following	(34,276)	1,266
Vehicle and equipment reserve contributions (Note 7)	<u>(2,638)</u>	<u>(10,000)</u>

Net expense	\$ <u>(36,914)</u>	\$ <u>(8,734)</u>
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Board of Management for the Leaside Memorial Community Gardens Schedule of Pool Operations

Year Ended December 31 2010 2009

Revenue		
Pool	\$ <u>207,096</u>	\$ <u>200,211</u>
Expenditure		
Wages	62,322	64,570
Building repairs and maintenance	25,271	26,424
Shop supplies	6,328	5,898
Hydro	32,485	27,358
Gas	<u>-</u>	<u>3,004</u>
	<u>126,406</u>	<u>127,254</u>
Allocated expenses		
Office/management salaries	42,896	38,692
Office supplies	2,086	3,268
Telephone/fax	1,266	1,259
Advertising/promotion	1,149	60
Bank service charges	145	98
Travel expense	797	860
Employee benefits	22,753	20,522
General supplies	446	580
Security	877	1,054
Professional fees	3,127	1,724
Weekend paging	912	786
Insurance	2,938	2,703
Uniforms	992	1,069
Professional upgrade	<u>306</u>	<u>282</u>
	<u>80,690</u>	<u>72,957</u>
	<u>207,096</u>	<u>200,211</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

2010

2009

Revenue

Banquet/meeting room	\$ <u>90,989</u>	\$ <u>68,710</u>
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Expenditure

Food and bar purchases	423	2,053
Other purchases	6,708	4,040
Wages - full time	14,441	13,843
Wages - part time	12,100	8,437
Building repairs and maintenance	7,393	4,179
Hydro	7,664	6,248
Equipment repairs and maintenance	2,020	401
Advertising and promotion	<u>2,332</u>	<u>3,320</u>
	<u>53,081</u>	<u>42,521</u>

Allocated expenses

Office/management salaries	13,727	13,459
Office supplies	668	1,137
Telephone/fax	405	438
Advertising/promotion	368	21
Bank service charges	47	34
Travel expense	254	300
Employee benefits	7,281	7,138
General supplies	143	202
Security	280	366
Professional fees	1,001	599
Weekend paging	292	274
Insurance	940	940
Uniforms	317	372
Professional upgrade	<u>98</u>	<u>98</u>
	<u>25,821</u>	<u>25,378</u>
	<u>78,902</u>	<u>67,899</u>

Net revenue

	\$ <u>12,087</u>	\$ <u>811</u>
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**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Snack Bar Operations**

Year Ended December 31	2010	2009
Revenue		
Snack bar/snack vending	\$ <u>40,993</u>	\$ <u>42,893</u>
Expenditure		
Snack bar/snack vending	22,949	25,933
Wages	<u>17,547</u>	<u>20,960</u>
	<u>40,496</u>	<u>46,893</u>
Net revenue (expense)	\$ <u>497</u>	\$ <u>(4,000)</u>

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

Year Ended December 31 2010 2009

Revenue		
Vending	\$ 8,813	\$ 7,001
Expenditure		
Vending purchases	<u>5,351</u>	<u>2,144</u>
Net vending revenue	<u>\$ 3,462</u>	<u>\$ 3,492</u>
Other income		
Sign rental	\$ 6,229	\$ 3,509
Mediacom sign revenue	8,601	8,351
Miscellaneous income	3,090	52,875
Interest income	<u>224</u>	<u>5,894</u>
	<u>\$ 18,144</u>	<u>\$ 70,629</u>

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

Year Ended December 31, 2010

Furniture and Equipment	<u>2010</u>	<u>2009</u>
Cost		
Balance, beginning of year	\$ 7,037	\$ 1
Add: Additions during the year	<u>-</u>	<u>7,036</u>
	<u>7,037</u>	<u>7,037</u>
Accumulated amortization		
Balance, beginning of year	1,408	1
Add: Amortization during the year	<u>1,407</u>	<u>1,407</u>
	<u>2,815</u>	<u>1,408</u>
Net book value of tangible capital assets	<u>\$ 4,222</u>	<u>\$ 5,629</u>