



Financial Statements

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

December 31, 2011

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Independent Auditor's Report

Grant Thornton LLP
Royal Bank Plaza
19th Floor, South Tower
200 Bay Street, Box 55
Toronto, ON
M5J 2P9
T + 1 416 366 0100
F + 1 416 360 4949
E Toronto@ca.gt.com
www.GrantThornton.ca

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, 2011, 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, 2011, 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 23, 2012

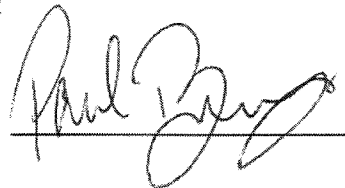
Chartered Accountants
Licensed Public Accountants

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

December 31	2011	2010
Financial assets		
Cash and short term deposits	\$ 275,160	\$ 391,609
Receivables	139,459	73,874
Inventories	3,879	4,065
Amount due from the City of Toronto (Note 3)	91,095	98,955
Amounts to be recovered - City of Toronto (Note 4)	<u>88,134</u>	<u>97,078</u>
	<u>597,727</u>	<u>665,581</u>
Liabilities		
Payables and accruals		
City of Toronto	340,651	325,069
Other	72,706	64,227
Deferred revenue	44,131	123,169
Deposits	10,312	14,243
Employee benefits payable (Note 5)	<u>129,927</u>	<u>138,873</u>
	<u>597,727</u>	<u>665,581</u>
Net financial assets	-	-
Non-financial assets		
Tangible capital assets (Page 17)	<u>2,815</u>	<u>4,222</u>
Accumulated surplus	\$ <u>2,815</u>	\$ <u>4,222</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	2011	2010
Revenue		
Arena	\$ 523,715	\$ 499,270
Pool	205,187	207,096
Banquet/Meeting Room	78,008	90,989
Snack Bar and vending	43,063	49,806
Other income	<u>17,091</u>	<u>20,239</u>
	<u>867,064</u>	<u>867,400</u>
Expenditure		
Arena	311,671	317,298
Pool	123,808	126,406
Banquet/Meeting Room	47,304	53,081
Snack Bar and vending	42,318	45,847
Allocations	<u>325,510</u>	<u>322,758</u>
	<u>850,611</u>	<u>865,390</u>
Surplus of revenue over expenditure before the following	16,453	2,010
Vehicle and equipment reserve contribution (Note 7)	<u>(10,000)</u>	<u>(2,638)</u>
Net surplus (deficit)	6,453	(628)
Net surplus payable to the City of Toronto	<u>(7,860)</u>	<u>(779)</u>
Annual deficit	(1,407)	(1,407)
Opening accumulated surplus	<u>4,222</u>	<u>5,629</u>
Ending accumulated surplus	<u>\$ 2,815</u>	<u>\$ 4,222</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	2011	2010
Annual deficit	\$ (1,407)	\$ (1,407)
Acquisition of tangible capital assets	-	-
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

2011

2010

Increase (decrease) in cash and short term investments

Cash flows from operating transactions

Annual deficit \$ (1,407) \$ (1,407)

Non-cash charges to operations:

Amortization	1,407	1,407
Receivables	(65,585)	15,298
Inventories	186	(138)
Net revenue due to the City of Toronto	7,860	(6,290)
Payables and accruals - City of Toronto	15,582	13,172
- Other	8,477	(14,750)
Deferred revenue	(79,038)	123,169
Deposits	(3,931)	1,825
Amounts to be recovered - City of Toronto	8,944	9,193
Employee benefits payable	(8,944)	(9,191)
Cash provided by operating transactions	<u>115,042</u>	<u>133,695</u>

Net (decrease) increase in cash and short term investments **(116,449)** 132,288

Cash and short term investments, beginning of year **391,609** 259,321

Cash and short term investments, end of year **\$ 275,160** \$ 391,609

See accompanying notes to the financial statements.

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

December 31, 2011

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, 2011

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 and deferred revenue

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

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 judgment 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>2011</u>	<u>2010</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)	(17,928)
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	(779)	(779)
2011 net revenue payable	<u>(7,860)</u>	<u>-</u>
	\$ <u>91,095</u>	\$ <u>98,955</u>

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

December 31, 2011

4. Amounts to be recovered - City of Toronto	<u>2011</u>	<u>2010</u>
Employee benefits - post-retirement benefits	\$ 68,134	\$ 77,078
Expansion	<u>20,000</u>	<u>20,000</u>
	<u>\$ 88,134</u>	<u>\$ 97,078</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 \$122,308 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, 2011. The actuarial valuation has resulted in an actuarial gain of \$65,483 which is being amortized on a straight-line basis over a period of between 12.8 years and 16 years.

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

	<u>2011</u>	<u>2010</u>
Post retirement benefits	\$ 17,294	\$ 14,208
Sick leave benefits	<u>47,150</u>	<u>41,701</u>
	<u>64,444</u>	55,909
Add: unamortized actuarial gain	<u>65,483</u>	<u>82,962</u>
Employee benefit liability	<u>\$ 129,927</u>	<u>\$ 138,871</u>

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

December 31, 2011

5. Employee benefits (continued)

The continuity of the accrued benefit obligation during 2011 is as follows:

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 138,871	\$ 148,064
Current service cost	662	583
Interest cost	2,522	2,434
Amortization of actuarial gain	(11,634)	(11,697)
Expected benefits paid	<u>(494)</u>	<u>(513)</u>
 Balance, end of year	 \$ <u>129,927</u>	 \$ <u>138,871</u>

Expenditures in 2011 relating to employee benefits are included as employee benefit expenses for administration on the statement of operations and include the following components:

	<u>2011</u>	<u>2010</u>
Current service cost	\$ 662	\$ 583
Interest cost	2,522	2,434
Amortization of actuarial gain	(11,634)	(11,697)
Less expected benefits paid during the year	<u>(494)</u>	<u>(513)</u>
Total expenditures related to post-retirement and post-employment benefits	 \$ <u>(8,944)</u>	 \$ <u>(9,193)</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.

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, 2011, \$205,187 (2010 - \$207,096) 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.

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

December 31, 2011

7. 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 2011, the contribution was \$10,000 (2010 - \$2,638).

8. Expansion Plans

The Arena has 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 is \$12.5 million. Of this up to \$7.5 million will be provided by the City through recoverable debt repayable over 30 years, and Infrastructure Ontario will provide up to \$1.5 million through a subordinated non-recourse loan repayable over 20 years. The City of Toronto will provide \$1.0 million from reserve funding. The Board has met its fundraising goal of \$2.5 million and construction is expected to begin in July 2012. The funds raised are being held in trust by the East York Foundation and will be released to the City of Toronto as required

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.

10. Comparatives

Certain comparative numbers have been released to confirm to current years presentation.

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

Year Ended December 31 2011 2010

Revenue		
Arena ice rental	\$ 505,165	\$ 486,060
Dasher board rental	<u>18,550</u>	<u>13,210</u>
	<u>523,715</u>	<u>499,270</u>
Expenditure		
Amortization	-	1,407
Wages	168,206	164,968
Equipment repairs and maintenance	17,544	16,157
Building repairs and maintenance	21,161	23,838
Ice resurfacers	10,512	10,868
Hydro	72,404	75,911
Gas	<u>21,844</u>	<u>24,149</u>
	<u>311,671</u>	<u>317,298</u>
Allocated expenses		
Office/management salaries	115,524	114,961
Office supplies	7,562	5,590
Telephone/fax	3,927	3,394
Amortization	943	-
Advertising/promotion	100	3,078
Bank service charges	362	390
Travel expense	2,499	2,135
Employee benefits	63,831	60,977
Garbage removal	890	-
General supplies	2,463	1,195
Security	742	2,351
Professional fees	4,392	8,380
Weekend paging	2,530	2,444
Insurance	8,189	7,874
Uniforms	2,806	2,658
Professional upgrade	<u>1,331</u>	<u>821</u>
	<u>218,091</u>	<u>216,248</u>
	<u>529,762</u>	<u>533,546</u>
Balance before the following	(6,407)	(34,276)
Vehicle and equipment reserve contributions (Note 7)	<u>(10,000)</u>	<u>(2,638)</u>
Net expense	\$ <u>(16,407)</u>	\$ <u>(36,914)</u>

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

Year Ended December 31 2011 2010

Revenue		
Pool	\$ <u>205,187</u>	\$ <u>207,096</u>
Expenditure		
Wages	64,017	62,322
Building repairs and maintenance	21,552	25,271
Shop supplies	7,007	6,328
Hydro	<u>31,232</u>	<u>32,485</u>
	<u>123,808</u>	<u>126,406</u>
 Allocated expenses		
Office/management salaries	43,106	42,896
Office supplies	2,822	2,086
Telephone/fax	1,465	1,266
Amortization	352	-
Advertising/promotion	38	1,149
Bank service charges	135	145
Travel expense	932	797
Employee benefits	23,818	22,753
Garbage removal	332	-
General supplies	919	446
Security	277	877
Professional fees	1,639	3,127
Weekend paging	944	912
Insurance	3,056	2,938
Uniforms	1,047	992
Professional upgrade	<u>497</u>	<u>306</u>
	<u>81,379</u>	<u>80,690</u>
	<u>205,187</u>	<u>207,096</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

2011

2010

Revenue		
Banquet/meeting room	\$ <u>78,008</u>	\$ <u>90,989</u>
Expenditure		
Food and bar purchases	573	423
Other purchases	4,793	6,708
Wages - full time	15,290	14,441
Wages - part time	13,697	12,100
Building repairs and maintenance	5,534	7,393
Hydro	7,345	7,664
Equipment repairs and maintenance	72	2,020
Advertising and promotion	-	2,332
	<u>47,304</u>	<u>53,081</u>
Allocated expenses		
Office/management salaries	13,794	13,727
Office supplies	903	668
Telephone/fax	469	405
Amortization	112	-
Advertising/promotion	12	368
Bank service charges	43	47
Travel expense	298	254
Employee benefits	7,622	7,281
Garbage removal	107	-
General supplies	295	143
Security	88	280
Professional fees	524	1,001
Weekend paging	302	292
Insurance	977	940
Uniforms	335	317
Professional upgrade	159	98
	<u>26,040</u>	<u>25,821</u>
	<u>73,344</u>	<u>78,902</u>
Net revenue	\$ <u>4,664</u>	\$ <u>12,087</u>

**Board of Management for the
Leaside Memorial Community Gardens
Schedule of Snack Bar and Vending Operations**

Year Ended December 31

2011

2010

Revenue

Snack bar and vending

\$ 43,063

\$ 49,806

Expenditure

Snack bar and vending

23,910

28,300

Wages

18,408

17,547

42,318

45,847

Net revenue

\$ 745

\$ 3,959

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

Year Ended December 31	2011	2010
Other income		
Sign rental	\$ 4,270	\$ 6,229
Mediacom sign revenue	8,860	8,601
Parking lot	2,787	2,095
Miscellaneous income	-	3,090
Interest income	<u>1,174</u>	<u>224</u>
	\$ <u>17,091</u>	\$ <u>20,239</u>

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

Year Ended December 31, 2011

Furniture and Equipment	<u>2011</u>	<u>2010</u>
Cost		
Balance, beginning of year	\$ 7,037	\$ 7,037
Add: Additions during the year	<u>-</u>	<u>-</u>
	<u>7,037</u>	<u>7,037</u>
Accumulated amortization		
Balance, beginning of year	2,815	1,408
Add: Amortization during the year	<u>1,407</u>	<u>1,407</u>
	<u>4,222</u>	<u>2,815</u>
Net book value of tangible capital assets	\$ <u>2,815</u>	\$ <u>4,222</u>