



Financial statements

Board of Management of
Leaside Memorial Community Gardens

December 31, 2024

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Management's responsibility for the financial statements

The financial statements of the Board of Management of Leaside Memorial Community Gardens ("Leaside") are the responsibility of management and have been approved by the Board of Management.

The financial statements have been prepared in compliance with the Canadian public sector accounting standards, established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Leaside's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Management is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews Leaside's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Doane Grant Thornton LLP, independent external auditors appointed by the City of Toronto's City Council, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on Leaside's financial statements.


_____ Chairperson


_____ Treasurer

Independent auditor's report

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

Opinion

We have audited the financial statements of Leaside Memorial Community Gardens (the "Arena"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Leaside Memorial Community Gardens as at December 31, 2024, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Arena in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Arena's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Arena or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Arena's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

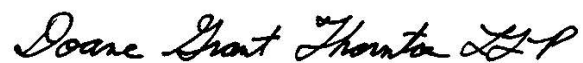
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Arena's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Arena's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Arena to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
July 28, 2025



Chartered Professional Accountants
Licensed Public Accountants

Board of Management of Leaside Memorial Community Gardens

Statement of financial position

December 31

2024

2023

Financial assets

Cash	\$ 712,675	\$ 425,472
Accounts receivable	39,134	104,555
Due from City of Toronto - post-employment benefits (Note 4)	94,025	99,057
- pool (Note 5)	<u>107,123</u>	<u>14,137</u>
	<u>952,957</u>	<u>643,221</u>

Financial liabilities

Accounts payable and accrued liabilities	121,155	162,297
Refundable customer deposits	85,259	62,163
Due to City of Toronto - operating surplus (Note 6)	73,567	30,225
- payroll and other (Note 4 and 8)	348,383	271,309
Loan payable (Note 7)	6,222,460	6,465,409
Deferred revenue	65,819	34,911
Post-employment benefits payable (Note 4)	<u>94,025</u>	<u>99,057</u>
	<u>7,010,668</u>	<u>7,125,371</u>

Net debt

(6,057,711) (6,482,150)

Non-financial assets

Prepaid expenses	-	13,328
Inventories	1,964	3,413
Arena expansion (Note 7)	<u>6,222,460</u>	<u>6,465,409</u>
	<u>6,224,424</u>	<u>6,482,150</u>

Accumulated surplus

\$ 166,713 \$ -

Approved by the Board:

 _____ Chair

 _____ Member

Board of Management of Leaside Memorial Community Gardens

Statement of operations

Year ended December 31

	Budget 2024	2024	2023
Revenue			
Arena ice rental	\$ 1,806,640	\$ 1,874,595	\$ 1,744,433
Pool (Note 5)	462,909	400,673	413,242
Non-operating income	-	166,713	-
Banquet/meeting room	128,600	148,136	122,786
Snack bar and vending	66,400	93,761	79,581
Other income	130,160	92,941	87,707
Dash board rental	47,325	71,550	42,686
Debt reserve surcharge (Note 8)	94,484	38,890	77,008
Pro shop	12,323	10,884	12,025
	<u>2,748,841</u>	<u>2,898,143</u>	<u>2,579,468</u>
Expenses			
Salaries and wages	727,901	807,188	720,916
Employee benefits	182,506	109,299	105,184
Utilities	541,530	436,060	393,930
Building repairs and maintenance	212,335	204,123	265,377
Professional fees	56,600	75,896	68,080
Supplies	22,559	67,332	39,065
Office expenses	98,508	52,918	35,479
Ice resurfacers costs	21,200	46,818	17,400
Food and other purchases	32,120	45,511	35,747
Equipment repairs and maintenance	126,632	22,559	54,476
Miscellaneous	16,739	16,567	20,599
Insurance	5,313	3,478	11,554
Advertising and promotions	6,000	1,212	3,294
	<u>2,049,943</u>	<u>1,888,961</u>	<u>1,771,101</u>
Excess of revenue over expenses before items below	698,898	1,009,182	808,367
Debt service reserve fund contributions (Note 8)	(94,484)	(38,890)	(77,008)
Vehicle and equipment reserve contributions (Note 9)	(60,000)	(60,000)	(20,004)
Amortization of arena expansion (Note 7)	(536,600)	(242,949)	(228,277)
Interest expense on loans payable (Note 7)	-	(290,575)	(304,452)
Excess of revenue over expenses before government transfer to the City of Toronto	7,814	376,768	178,626
Government transfer to the City of Toronto	(7,814)	(210,055)	(178,626)
Annual surplus	<u>-</u>	<u>166,713</u>	<u>-</u>
Accumulated surplus	<u>\$ -</u>	<u>\$ 166,713</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**Board of Management of Leaside Memorial Community
Gardens**
Statement of changes in net debt

December 31

	Budget 2024	2024	2023
Annual surplus	\$	\$ 166,713	\$ -
Amortization of arena expansion	536,600	242,949	228,277
Usage (purchase) of prepaid expenses	-	13,328	(13,328)
Sale (purchase) of inventories, net	-	1,449	(1,448)
Changes in net debt	536,600	424,439	213,501
Net debt, beginning of year	<u>(6,482,150)</u>	<u>(6,482,150)</u>	<u>(6,695,651)</u>
Net debt, end of year	<u>\$ (5,945,550)</u>	<u>\$ (6,057,711)</u>	<u>\$ (6,482,150)</u>

Board of Management of Leaside Memorial Community Gardens

Statement of cash flows

Year ended December 31	2024	2023
Increase (decrease in cash)		
Operating		
Annual surplus	\$ 166,713	\$ -
Items not affecting cash		
Amortization of arena expansion	242,949	228,277
Change in non-cash working capital items		
Accounts receivable	65,421	(68,801)
Prepaid expenses	13,328	(13,328)
Due from City of Toronto - operating deficit	-	281,711
- post-employment benefits	5,032	4,177
- pool	(92,986)	555,067
Accounts payable and accrued liabilities	18,858	30,011
Refundable customer deposits	23,096	1,378
Due to City of Toronto - operating surplus	43,342	30,225
- payroll and other	17,074	(772,857)
Deferred revenue	30,908	(8,023)
Post-employment benefits payable	(5,032)	(4,177)
Inventories	1,449	(1,448)
	<u>530,152</u>	<u>262,212</u>
Financing		
Repayment of loans payable	<u>(242,949)</u>	<u>(228,277)</u>
Increase in cash	287,203	33,935
Cash, beginning of year	<u>425,472</u>	<u>391,537</u>
Cash, end of year	<u>\$ 712,675</u>	<u>\$ 425,472</u>

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

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 (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.

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") of the Chartered Professional Accountants of Canada.

Revenue recognition

Revenue for exchange transactions with performance obligations are recognized when performance obligations are met by providing the goods or services to the payor.

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

Snack bar and vending revenues, and pro shop revenues are recognized when the goods have been provided.

Financial instruments

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

The Arena 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, government remittances payable, due to the City of Toronto and loan 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

December 31, 2024

2. Significant accounting policies (continued)

Arena expansion

Arena expansion is recorded at cost. Amortization is provided using the sinking fund method. The sinking fund method amortizes the arena expansion on the same basis as the loan repayments are required to be made.

Contributed materials 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 of Toronto are not recorded in these financial statements. Other contributed materials and services are not recognized in the financial statements due to the difficulty of determining their fair value.

Employee related costs

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

- a) The City of Toronto offers a multi-employer defined benefit pension plan to the Arena's employees. Due to the nature of this plan, the Arena does not have sufficient information to account for it as a defined benefit plan; therefore, the multi-employer 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 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 receivable 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 accordance 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 revenue and expenses during the reporting period. Management makes accounting estimates when determining useful life of its tangible capital assets, assessing the allowance of doubtful accounts, significant accrued liabilities and the post-employment benefits liabilities. 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

December 31, 2024

3. Change in accounting policy

Effective January 1, 2024, the Arena adopted PS3400 *Revenues* retroactively with no restatement required.

PS 3400 *Revenues* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

4. Post-employment benefits payable and amount receivable

The Arena participates in a number of defined benefit plans provided by the City of Toronto including pension, other retirement and post-employment benefits to its eligible employees. Under the sick leave plan for administrative staff, unused sick leave accumulates and eligible employees may be entitled to cash payment with 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.

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, 2024. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2.0%
- assumed health care cost trends - range from 3.0% to 6.0%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 4.3%, post-employment 3.8%, 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>2024</u>	<u>2023</u>
Post-retirement benefits	\$ 99,057	\$ 106,591
Add: unamortized actuarial gain	<u>(5,032)</u>	<u>(7,534)</u>
Employee benefit liability	<u>\$ 94,025</u>	<u>\$ 99,057</u>

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

4. Post-employment benefits payable and amount receivable (continued)

The continuity of the accrued benefit obligation is as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 99,057	\$ 103,234
Interest cost	4,177	4,785
Amortization of actuarial gain	5,055	4,588
Expected benefits paid	<u>(14,264)</u>	<u>(13,550)</u>
Balance, end of year	<u>\$ 94,025</u>	<u>\$ 99,057</u>

A payable of \$94,025 (2023 – \$99,057) 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 of Toronto as benefit costs are paid and the City of Toronto continues to be responsible for the benefit liabilities of administrative 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 OMERS plan (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 \$54,176 (2023 - \$53,904).

The most recent actuarial valuation of the Plan as at December 31, 2024 indicates the Plan is in a deficit position and the Plan's December 31, 2024 financial statements indicate a net deficit of \$4,319 million (a deficit of \$2,913 million plus adjustment of \$1,406 million of unrecognized investment returns above or below the discount rate that is being smoothed and recognized over a five-year period). The Plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan's assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Arena's contributions accounted for an insignificant portion of the Plan's total employer contribution. Additional contributions, if any, required to address the Arena's proportionate share of the deficit will be expensed during the period incurred.

5. Pool agreement with City of Toronto

Under an agreement commencing October 1, 1996, between the Arena and the former Corporation of the Borough of East York (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 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 Arena for the swimming pool facility equal to the annual capital and operating deficit as authorized by the Board of Management and approved by the City. In the year, the annual rental fee was \$400,673 (2023 - \$413,242).

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

6. Due (to) from City of Toronto – operating surplus

The balance due (to) from the City of Toronto consists of the following:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ <u>(30,225)</u>	\$ <u>281,711</u>
Operating surplus	(210,055)	(178,626)
Amortization of arena expansion	242,949	228,277
Principal loan repayments	(242,949)	(228,277)
Settlement of Due to City of Toronto balances from 2004 to 2018	-	(133,310)
Settlement of Due to City of Toronto balance from 2019	<u>166,713</u>	<u>-</u>
Net expenditure payable to the City of Toronto	<u>(43,342)</u>	<u>(311,936)</u>
Balance, end of year	<u>\$ (73,567)</u>	<u>\$ (30,225)</u>

The payable balance at the end of 2024 is comprised of the following:

2020 deficit	\$ 210,258
2021 surplus	(195,312)
2022 deficit	300,168
2023 surplus	(178,626)
2024 surplus	<u>(210,055)</u>
	<u>\$ (73,567)</u>

The loan agreement between the Arena and the City of Toronto as described in Note 7, requires that any annual operating deficits be added to the principal balance of the City of Toronto loan to the Arena and that a revised loan amortization schedule be prepared.

7. Arena expansion and loans payable

The Arena 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.

In 2013, the Arena received a bond loan of \$1,052,200 from Infrastructure Ontario, borrowed by the City of Toronto on the Arena's behalf. Included in an agreement between the Arena and the City of Toronto dated May 15, 2012, the Arena also received a recoverable debt loan of \$7,302,334.

In 2013, the arena expansion of \$8,354,534 was recorded as a tangible asset in the amount equal to the total loans payable.

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

7. Arena expansion and loans payable (continued)

Tangible capital assets consist of the following:

	<u>2024</u>	<u>2023</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Arena expansion	\$ 8,354,534	\$ 2,132,074	\$ 6,222,460	\$ 6,465,409

Loans payable is comprised of the following:

	<u>2024</u>	<u>2023</u>
Loan from Infrastructure Ontario through the City of Toronto – 4.52%, payable in blended quarterly payments of \$20,051 over 20 years	\$ 501,513	\$ 559,497
Recoverable debt loan from the City of Toronto – 4.60%, payable in blended quarterly payments of \$113,331 over 30 years	<u>5,720,947</u>	<u>5,905,912</u>
	<u>\$ 6,222,460</u>	<u>\$ 6,465,409</u>

Principal repayments over the next five years are estimated to be as follows:

2025	\$ 252,024
2026	263,755
2027	276,032
2028	288,881
2029	362,109
Thereafter	<u>4,779,659</u>
	<u>\$ 6,222,460</u>

During the year, \$290,575 (2023 - \$304,452) of interest expense was recorded related to the loans payable. Included in the balance due to the City of Toronto – payroll and other was \$25,213 (2023 - \$25,213) of accrued interest related to the loans payable.

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

8. Debt service reserve fund

As part of the agreement between the Arena and the City of Toronto dated May 15, 2012, described in Note 7, 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 levy surcharge is to be remitted to the City of Toronto 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 receivable of \$533,528. The Arena began charging this levy surcharge in October 2013. The debt service reserve fund consists of the following:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 575,166	\$ 331,445
Levy surcharges charged	38,890	77,008
2019 surplus	<u>-</u>	<u>166,713</u>
Balance, end of year	<u>\$ 614,056</u>	<u>\$ 575,166</u>

Included in the balance due to the City of Toronto – payroll and other was \$38,890 (2023 - \$77,008) of levy surcharges payable.

The agreement between the Arena and the City of Toronto also requires that operating surpluses be deposited into the Arena's debt service reserve fund. Toronto City Council authorized an amendment to the agreement to allow operating surpluses to be deposited into the debt service reserve fund at year-end, rather than at the four payment dates currently provided for in the agreement.

9. Vehicle and equipment reserve contributions

These contributions are for the financing of replacement ice resurfacer machines required by the Arenas in future years. In the year, the contribution was \$60,000 (2023 - \$20,004).

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

10. Allocated expenses

	<u>Arena</u>	<u>Pool</u>	<u>Banquet/ Meeting Room</u>	<u>2024 Total</u>
Salaries and wages	\$ 135,879	\$ 50,701	\$ 16,224	\$ 202,804
Employee benefits	76,602	28,583	9,146	114,331
Building repairs and maintenance	3,984	1,487	476	5,947
Supplies	27,816	10,379	3,321	41,516
Advertising and promotions	139	52	17	208
Insurance	2,331	870	277	3,478
Professional fees	50,851	18,974	6,071	75,896
Office expenses	15,362	5,732	1,836	22,930
Miscellaneous	11,100	4,142	1,325	16,567
	<u>\$ 324,064</u>	<u>\$ 120,920</u>	<u>\$ 38,693</u>	<u>\$ 483,677</u>

	<u>Arena</u>	<u>Pool</u>	<u>Banquet/ Meeting Room</u>	<u>2023 Total</u>
Salaries and wages	\$ 123,060	\$ 45,918	\$ 14,694	\$ 183,672
Employee benefits	73,272	27,340	8,749	109,361
Building repairs and maintenance	1,443	539	172	2,154
Supplies	18,195	6,789	2,173	27,157
Advertising and promotions	581	217	69	867
Insurance	7,741	2,889	924	11,554
Professional fees	45,614	17,020	5,446	68,080
Office expenses	12,086	4,510	1,443	18,039
Miscellaneous	13,801	5,150	1,648	20,599
	<u>\$ 295,793</u>	<u>\$ 110,372</u>	<u>\$ 35,318</u>	<u>\$ 441,483</u>

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

11. Financial instruments

Transactions involving 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 due 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 Arena manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

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

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest risk and other price risk.

Currency risk

Currency risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Arena's financial instruments are denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Arena's loans payable bear interest at fixed rates. As a result, management does not believe it is exposed to significant interest rate risk.

Board of Management of Leaside Memorial Community Gardens

Notes to the financial statements

December 31, 2024

11. Financial instruments (continued)

Market risk (continued)

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market prices (other than those arising from currency risk or interest rate risk), whether these changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Management does not believe the Arena is exposed to significant other price risks.

Changes in risk

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

12. Comparative figures

Comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Board of Management of Leaside Memorial Community Gardens

Supplemental Schedule – Arena Operations

December 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Arena ice rental	\$ 1,874,595	\$ 1,744,433
Dash board rental	71,550	42,686
Debt reserve surcharge	38,890	77,008
Pro shop	10,884	12,025
Other income	<u>92,941</u>	<u>87,707</u>
	<u>2,088,860</u>	<u>1,963,859</u>
Expenses		
Salaries and wages	320,433	290,952
Employee benefits (recovery)	(5,032)	(4,177)
Building repairs and maintenance	155,671	186,589
Equipment repairs and maintenance	17,591	23,744
Utilities	355,591	309,972
Office expenses	29,988	17,440
Ice resurfacers costs	46,818	17,400
Allocated expenses (Note 10)	<u>324,064</u>	<u>295,793</u>
	<u>1,245,124</u>	<u>1,137,713</u>
Excess of revenue over expenses before items below	843,736	826,146
Debt service reserve fund contributions (Note 8)	(38,890)	(77,008)
Vehicle and equipment reserve contributions (Note 9)	(60,000)	(20,004)
Amortization of arena expansion (Note 7)	(242,949)	(228,277)
Interest expense on loans payable (Note 7)	<u>(290,575)</u>	<u>(304,452)</u>
Annual surplus from arena operations	<u>\$ 211,322</u>	<u>\$ 196,405</u>

Board of Management of Leaside Memorial Community Gardens

Supplemental Schedule – Pool Operations

December 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Pool (Note 5)	\$ <u>400,673</u>	\$ <u>413,242</u>
Expenses		
Salaries and wages	139,360	130,564
Building repairs and maintenance	37,343	68,595
Equipment repairs and maintenance	3,641	17,915
Supplies	25,815	11,908
Utilities	80,470	83,958
Allocated expenses (Note 10)	<u>120,920</u>	<u>110,372</u>
	<u>407,549</u>	<u>423,312</u>
Annual deficit from pool operations	\$ <u>(6,876)</u>	\$ <u>(10,070)</u>

**Board of Management of Leaside Memorial Community
Gardens
Supplemental Schedule – Banquet/meeting room
Operations**

December 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Banquet/meeting room	\$ <u>148,136</u>	\$ <u>122,786</u>
Expenses		
Salaries and wages	81,786	72,738
Building and repairs and maintenance	5,162	8,039
Equipment repairs and maintenance	1,327	12,817
Advertising and promotion	1,004	2,427
Food and other purchases	287	400
Allocated expenses (Note 10)	<u>38,693</u>	<u>35,318</u>
	<u>128,259</u>	<u>131,739</u>
Annual surplus (deficit) from banquet/meeting room	\$ <u>19,877</u>	\$ <u>(8,953)</u>

Board of Management of Leaside Memorial Community Gardens

Supplemental Schedule – Snack bar operations

December 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Snack bar sales	\$ <u>93,761</u>	\$ <u>79,581</u>
Expenses		
Salaries and wages	<u>62,805</u>	42,990
Food and other purchases	<u>45,224</u>	<u>35,347</u>
	<u>108,029</u>	<u>78,337</u>
Annual (deficit) surplus from snack bar operations	\$ <u>(14,268)</u>	\$ <u>1,244</u>

May 27, 2025

Finance Committee and Board of Management of
Leaside Memorial Community Gardens Arena
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In connection with our audit of the financial statements of Leaside Memorial Community Gardens Arena (the "Arena") as of December 31, 2024 and for the year then ended, we considered internal control over financial reporting ("internal control") as a basis for designing appropriate audit procedures. The purpose of our audit was to express an opinion on the financial statements, not to identify internal control matters. Therefore, we express no opinion on the effectiveness of internal control, and it would be inappropriate to conclude that no internal control matters, including significant control deficiencies, exist beyond those included in this communication.

A deficiency in internal control exists where the design, implementation, operation or absence of a control means that internal controls are unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis. The Canadian Auditing Standards require that, where we identify internal control deficiencies during an audit, we assess their importance and severity and communicate them to management and those charged with governance, as appropriate. Deficiencies that are of sufficient importance to merit the attention of those charged with governance are described as "significant deficiencies".

Significant control deficiencies

Lack of segregation duties

In common with other organizations with a small accounting team, we noted an issue surrounding segregation of duties. It was noted that the Director, Business & Finance has administrative access to the accounting system and the ability to post and approve journal entries in QuickBooks and is also part of the financial reporting process.

While the Director, Business & Finance does not prepare or post journal entries, access created the segregation of duties risk.

Management has a mitigating control in place whereby members of the Finance Committee and Board of Management perform a monthly review of the financial package which includes the journal entries.

Management response:

Management believes that the current controls in place are sufficient given the size and complexity of the entity.

Journal entries with no description

We noted a number of journal entries that had no description. This provides a risk that an entry could be booked with error or fraud and it would be difficult to track. We recommend all journal entries include a description of the nature of the adjustment so it can be reviewed for reasonableness.

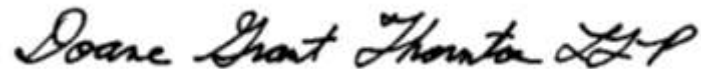
Conclusion

The matters reported in this communication are limited to those deficiencies we identified during the audit that we considered to be of sufficient importance to communicate to management and, in the case of significant deficiencies, those charged with governance. Had we performed more extensive procedures on internal control, including procedures subsequent to May 27, 2025, we might have identified more deficiencies or reached different conclusions about the deficiencies included in this communication.

This communication is intended solely for the information and use of management, those charged with governance, and others within the Arena and is not intended to be and should not be used by anyone other than these specified parties.

Yours sincerely,

Doane Grant Thornton LLP

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

Melanie Dugard, CPA, CA
Principal