

**Board of Management for the  
Moss Park Arena  
Financial Statements  
December 31, 2006**

**Grant Thornton** 

TO BE SIGNED AND  
RETURNED TO  
GRANT THORNTON

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Grant Thornton LLP  
Chartered Accountants  
Management Consultants

## Auditor's Report

To the Council of the Corporation of the  
City of Toronto and the Board of Management for the  
Moss Park Arena

We have audited the balance sheet of the **Board of Management for the Moss Park Arena** as at December 31, 2006 and the statements of revenue and expenditure, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Arena'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 Moss Park Arena as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Toronto, Canada  
April 25, 2007

Grant Thornton LLP  
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**Board of Management for the  
Moss Park Arena  
Statement of Revenue and Expenditure**

Year Ended December 31 2006 2005

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**Revenue**

Ice rentals	\$ 358,331	\$ 240,096
Hockey School, camps and league operations	234,525	111,068
Snack bar and vending operations	16,437	12,400
Pro shop and skate sharpening	13,552	12,087
Facility rentals	3,506	1,682
Interest income	8,807	6,184
Other	<u>4,960</u>	<u>1,441</u>
	<u>640,118</u>	<u>384,958</u>

**Expenditures**

Salaries and wages	295,757	317,976
Utilities	101,100	66,902
Employee benefits	62,291	54,514
General administration	64,684	28,114
Maintenance and repairs	48,067	23,252
Professional fees	3,600	3,271
Insurance	8,964	8,150
Furniture and equipment	<u>9,860</u>	<u>-</u>
	<u>594,323</u>	<u>502,179</u>

Operating surplus (deficit) 45,795 (117,221)

Vehicle and equipment reserve contribution (Note 6) 9,355 9,355

Surplus (deficit) for the year, payable (receivable from)  
to the City of Toronto \$ 36,440 \$ (126,576)

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See accompanying notes to the financial statements.

# Board of Management for the Moss Park Arena Balance Sheet

December 31 2006 2005

## Assets

### Current

Cash and short term deposits	\$ 268,637	\$ 357,247
Receivable from City of Toronto (Note 3)	2,600	2,600
Receivable - others	120,218	18,633
Inventories	9,253	15,870
Other	<u>-</u>	<u>90</u>
	<b>\$ 400,708</b>	<b>\$ 394,440</b>

## Liabilities

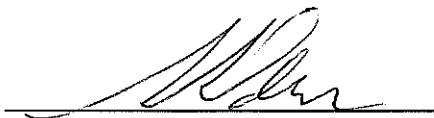
### Current

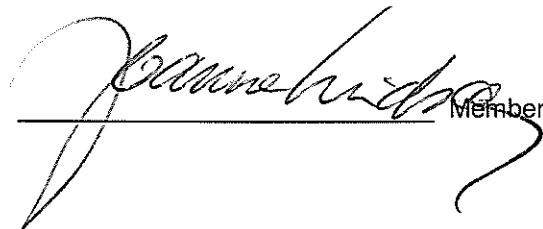
Payables and accruals		
- City of Toronto (Note 4)	\$ 15,729	\$ 15,088
- Other	64,427	28,702
Operating surplus due to the City of Toronto (Note 5)	239,516	70,863
Deferred revenue	<u>71,036</u>	<u>67,592</u>
	<b><u>390,708</u></b>	<b><u>182,245</u></b>

### Long term

City of Toronto - working cash advance (Note 1)	10,000	10,000
Liability for employee benefit obligation (Note 7)	<u>-</u>	<u>202,195</u>
	<b><u>10,000</u></b>	<b><u>212,195</u></b>
	<b>\$ 400,708</b>	<b>\$ 394,440</b>

Approved on behalf of the Board of Management

 Chair

 Member

See accompanying notes to the financial statements.

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**Board of Management for the  
Moss Park Arena  
Statement of Cash Flows**

Year Ended December 31 2006 2005

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Increase (decrease) in cash and short term investments

<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ 36,440	\$ (126,576)
Change in operating working capital		
Receivables - Other	(101,585)	(18,633)
Inventories	6,617	4,202
Other	90	1,520
Payables and accruals - City of Toronto	132,854	(20,403)
- Other	35,725	48,540
Deferred revenue	<u>3,444</u>	<u>15,469</u>
	<u>113,585</u>	<u>(95,881)</u>
<b>Financing activity</b>		
Received approved budget amount from the City of Toronto	<u>(202,195)</u>	<u>124,013</u>
Net (decrease) increase in cash and short term investments	<b>(88,610)</b>	28,132
Cash and short term investments, beginning of year	<u>357,247</u>	<u>329,115</u>
Cash and short term investments, end of year	<b>\$ <u>268,637</u></b>	<b>\$ <u>357,247</u></b>

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See accompanying notes to the financial statements.

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# Board of Management for the Moss Park Arena

## Notes to the Financial Statements

December 31, 2006

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### 1. Establishment and operations

The Moss Park Arena was established as a community recreation centre under the Community Recreation Centres Act, pursuant to Chapter 25 of the City of Toronto Municipal, Code, by By-law No. 1995 - 0448, as amended. The Board of Management operates and manages the Arena on behalf of the City of Toronto.

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

The Board retains a working cash advance provided by the City, for the management and control of the premises, to be returned to the City upon the Board's ceasing to function for any reason.

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### 2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government as prescribed by the Public Sector Accounting Board. Significant accounting policies included the following:

#### Revenue recognition

Revenues and expenditures are recorded on an accrual basis.

#### Inventories

Inventories held for resale are valued at cost.

#### Furniture and equipment

The cost of furniture and equipment is charged to operations in the year of acquisition.

#### Other

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.

Ice rentals paid in advance are recorded as deferred revenue.

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

The vested sick leave benefit is calculated at the salary level in effect at the end of each year for all unused vested sick pay credit accruing to employees.

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**Board of Management for the  
Moss Park Arena  
Notes to the Financial Statements**

December 31, 2006

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**3. Receivables owing by the City of Toronto** 2006 2005

The amount due from the City of Toronto consists of the following:

Light and power rebate	\$ <u>2,600</u>	\$ <u>2,600</u>
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**4. Payable to the City of Toronto** 2006 2005

The amount due to the City of Toronto consists of the following:

Light, power and water	\$ <u>15,729</u>	\$ <u>15,088</u>
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**5. Operating surplus due to the City of Toronto** 2006 2005

The amount due to the City of Toronto consists of the follows:

Balance, beginning of year	\$ 70,863	\$ 73,426
Approved budget amount received 2006	132,213	124,013
Current year's operating surplus (deficit)	<u>36,440</u>	<u>(126,576)</u>
Balance, end of year	\$ <u>239,516</u>	\$ <u>70,863</u>

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**6. Vehicle and equipment replacement reserve**

This reserve represents contributions made to the City for the financing of replacement ice resurfacer 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 current year.



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**Board of Management for the  
Moss Park Arena  
Schedule of Hockey School, Camp and League Operations**

Year Ended December 31

2006

2005

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**Sales**

Hockey League Registration	\$ 133,687	\$ 104,551
Hockey Winter League	42,646	28,073
Hockey School Camp	38,878	27,515
Hockey School Registration	<u>76,536</u>	<u>58,227</u>
	<u>291,747</u>	<u>218,366</u>

**Direct expenses**

Hockey League Referees	29,400	23,670
Hockey League (trophies and bequests)	7,390	50,313
Hockey School and Camp	1,952	7,322
Hockey School and Camp Instructors	<u>18,480</u>	<u>25,993</u>
	<u>57,222</u>	<u>107,298</u>

**Gross profit**

	\$ <u>234,525</u>	\$ <u>111,068</u>
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**Board of Management for the  
Moss Park Arena  
Schedule of Snack Bar and Vending Machine Operations**

Year Ended December 31 2006 2005

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<b>Sales</b>		
Snack bar	\$ 17,361	\$ 13,536
Vending machines	<u>13,343</u>	<u>9,984</u>
	<b>30,704</b>	<b>23,520</b>
Less: Cost of goods sold	<u>14,267</u>	<u>11,120</u>
<b>Gross profit</b>	<b>\$ <u>16,437</u></b>	<b>\$ <u>12,400</u></b>

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**Board of Management for the  
Moss Park Arena  
Schedule of Pro Shop and Sharpening Operations**

Year Ended December 31 2006 2005

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<b>Sales</b>		
Pro Shop	\$ 11,172	\$ 15,606
Skate sharpening	<u>10,501</u>	<u>7,440</u>
	21,673	23,046
Less: Cost of goods sold	<u>8,121</u>	<u>10,959</u>
<b>Gross profit</b>	<b>\$ <u>13,552</u></b>	<b>\$ <u>12,087</u></b>