



Grant Thornton

TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statements

Board of Management for the Moss Park Arena

December 31, 2008

Contents

	Page
Auditors' Report	1
Statement of Revenue and Expenditure	2
Balance Sheet	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 7
Schedule of Hockey School, Camp and League Operations	8
Schedule of Snack Bar and Vending Machine Operations	9
Schedule of Pro Shop and Sharpening Operations	10



Grant Thornton

Auditors' Report

Grant Thornton LLP
Royal Bank Plaza
19th Floor, South Tower
200 Bay Street, Box 55
Toronto, ON
M5J 2P9
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

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, 2008 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, 2008 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 19, 2009

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

Board of Management for the Moss Park Arena Statement of Revenue and Expenditure

Year Ended December 31

2008

2007

Revenue

Ice rentals	\$ 377,947	\$ 371,206
Hockey School, camps and league operations	277,316	276,387
Snack bar and vending operations	16,639	18,375
Pro shop and skate sharpening	18,601	15,528
Facility rentals	4,941	4,436
Interest income	-	1,907
Other	1,763	2,151
Funding from the City of Toronto for employee related costs (Note 5)	<u>18,450</u>	<u>340</u>
	<u>715,657</u>	<u>690,330</u>

Expenditures

Salaries and wages	303,592	308,182
Utilities	116,352	112,283
Employee benefits	81,983	81,737
General administration	50,313	54,434
Maintenance and repairs	103,361	84,497
Professional fees	5,119	4,002
Insurance	9,969	9,789
Furniture and equipment	4,567	31,094
Employee related costs (Note 5)	<u>9,987</u>	<u>340</u>
	<u>685,243</u>	<u>686,358</u>

Operating surplus	30,414	3,972
Vehicle and equipment reserve contribution (Note 6)	<u>-</u>	<u>-</u>
Surplus for the year, payable to the City of Toronto	\$ <u>30,414</u>	\$ <u>3,972</u>

See accompanying notes to the financial statements.

Board of Management for the Moss Park Arena Balance Sheet

December 31 2008 2007

Assets

Current

Cash and short term deposits	\$ 109,933	\$ 83,615
Receivable - others	119,312	126,667
Prepaid	416	375
Inventories	<u>5,918</u>	<u>6,592</u>
	<u>235,579</u>	<u>217,249</u>

Long term

Due from the City of Toronto - employee benefits (Note 5)	<u>283,704</u>	<u>265,254</u>
	<u>\$ 519,283</u>	<u>\$ 482,503</u>

Liabilities

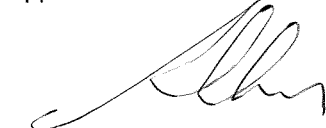
Current

Payables and accruals		
- City of Toronto (Note 3)	\$ 20,074	\$ 16,388
- Other	97,995	85,646
Operating surplus due to the City of Toronto (Note 4)	34,386	25,486
Deferred revenue	<u>73,124</u>	<u>79,729</u>
	<u>225,579</u>	<u>207,249</u>

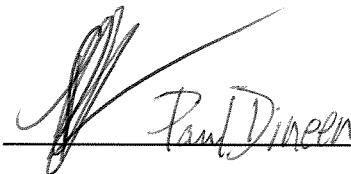
Long term

City of Toronto - working cash advance (Note 1)	10,000	10,000
- employee benefits payable (Note 5)	<u>283,704</u>	<u>265,254</u>
	<u>293,704</u>	<u>275,254</u>
	<u>\$ 519,283</u>	<u>\$ 482,503</u>

Approved on behalf of the Board of Management



Chair



Member

See accompanying notes to the financial statements.

Year Ended December 31

2007

Operating activities

Net increase (decrease) in cash and short term investments	26,318	(185,022)
Cash and short term investments, beginning of year	<u>83,615</u>	<u>268,637</u>
Cash and short term investments, end of year	\$ 109,933	\$ 83,615

4

Board of Management for the Moss Park Arena

Notes to the Financial Statements

December 31, 2008

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.

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.

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

December 31, 2008

3. Payable to the City of Toronto 2008 2007

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

Light, power and water	\$ <u>20,074</u>	\$ <u>16,388</u>
------------------------	------------------	------------------

4. Operating surplus due to the City of Toronto 2008 2007

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

Deficit 2003	\$ -	\$ (14,927)
Surplus 2006 (repaid in 2008)	-	36,441
Surplus 2007	3,972	3,972
Surplus 2008	<u>30,414</u>	<u>-</u>
Balance, end of year	\$ <u>34,386</u>	\$ <u>25,486</u>

5. Employee-related liabilities

The Arena participates in a benefit plan provided by the City of Toronto. The Arena provides administrative employees with long term disability benefits and the continuation of health, dental and life insurance benefits to disabled employees.

In 2008, the City of Toronto directed the Arena to record an estimate of long term employee related liabilities which will be funded by the City of Toronto. Consequently, the Arena has recorded the obligation in 2008 and has also restated the comparative figures for 2007 to record the corresponding amounts for the prior year.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed during 2008 and has been extrapolated to provide the accrued benefit obligation as at December 31, 2008.

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

	<u>2008</u>	<u>2007</u>
Post retirement benefits	\$ 107,510	\$ 103,935
Continuation of benefits to disabled employees	132,694	133,369
Income benefits	242,700	253,014
Sick leave benefits	44,524	16,075
Deduct: Unamortized actuarial loss	<u>(243,724)</u>	<u>(241,139)</u>
Employee benefit liability	\$ <u>283,704</u>	\$ <u>265,254</u>

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

December 31, 2008

5. Employee-related liabilities (continued) 2008 2007

The continuity of the accrued benefit obligation during 2008 is as follows:

Balance, beginning of year	\$ 265,254	\$ 264,914
Current service cost	11,184	10,194
Interest cost	24,321	24,214
Amortization of actuarial loss	30,802	24,114
Expected benefits paid	<u>(47,857)</u>	<u>(58,182)</u>
Balance, end of year	\$ <u>283,704</u>	\$ <u>265,254</u>

Expenditures in 2008 relating to employee benefits are included on the statement of operations and include the following components:

	<u>2008</u>	<u>2007</u>
Current services cost	\$ 11,184	\$ 10,194
Interest cost	24,321	24,214
Amortization of actuarial loss	<u>30,802</u>	<u>24,114</u>
	66,307	58,522
Less: Expected benefits paid	<u>(47,857)</u>	<u>(58,182)</u>
Total expenditures related to post-retirement benefits	\$ <u>18,450</u>	\$ <u>340</u>

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. This 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 rate of pay.

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. There was no contribution in 2007 and 2008, as the Arena reached the required amount in 2006. The contribution will commence again in 2009.

Year Ended December 31	2008	2007
------------------------	------	------

2008

2007

Hockey League Registration	\$ 163,395	\$ 155,209
Hockey Winter League	53,388	53,701
Hockey School Camp	52,480	60,584
Hockey School Registration	68,851	71,083
	<u>338,114</u>	<u>340,577</u>

Hockey League Referees	33,900	35,350
Hockey League (trophies and bequests)	8,461	7,826
Hockey School and Camp	4,727	8,974
Hockey School and Camp Instructors	<u>13,710</u>	<u>12,040</u>
	<u>60,798</u>	<u>64,190</u>

Gross profit	\$ <u>277,316</u>	\$ <u>276,387</u>
---------------------	--------------------------	--------------------------

**Board of Management for the
Moss Park Arena
Schedule of Snack Bar and Vending Machine Operations**

Year Ended December 31

2008

2007

Sales

Snack bar	\$ 18,863	\$ 20,430
Vending machines	<u>15,301</u>	<u>15,646</u>
	34,165	36,076
Less: Cost of goods sold	<u>17,525</u>	<u>17,701</u>

Gross profit

\$ <u>16,639</u>	\$ <u>18,375</u>
------------------	------------------

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

Year Ended December 31

2008

2007

Sales

Pro Shop	\$ 15,957	\$ 19,371
Skate sharpening	<u>13,136</u>	<u>10,955</u>
	29,093	30,326
Less: Cost of goods sold	<u>10,492</u>	<u>14,798</u>

Gross profit	\$ <u>18,601</u>	\$ <u>15,528</u>
---------------------	-------------------------	-------------------------