



Grant Thornton

TO BE SIGNED AND  
RETURNED TO  
GRANT THORNTON

## Financial Statements

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Committee of Management for the Ted Reeve  
Community Arena

December 31, 2008

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# Grant Thornton

## Auditors' Report

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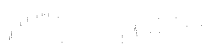
To the Council of the Corporation of the  
City of Toronto and the Committee of Management for  
the Ted Reeve Community Arena

We have audited the balance sheet of the Committee of Management for the Ted Reeve Community Arena as at December 31, 2008 and the statements of revenue and expenditure, 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 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.

Budget figures are provided for comparative purposes only and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.



Toronto, Ontario  
May 6, 2009

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Account

# Committee of Management for the Ted Reeve Community Arena Balance Sheet

December 31 2008 2007

## Assets

### Current

Cash	\$ 120,728	\$ 156,379
Receivables	101,917	52,790
Inventories	<u>6,070</u>	<u>6,400</u>
	228,715	215,569

### Long term

Future energy retrofit savings (Note 3)	<u>207,253</u>	-
	\$ <u>435,968</u>	\$ <u>215,569</u>

## Liabilities

### Current

Payables and accruals	\$ 106,321	\$ 62,428
- City of Toronto (Note 4)	59,941	83,480
- Other	<u>47,453</u>	<u>54,661</u>
Deferred revenue (Note 5)	213,715	200,569

### Long term

City of Toronto - Working cash advance (Note 1)	15,000	15,000
- Energy retrofit (Note 6)	<u>207,253</u>	-
	\$ <u>435,968</u>	\$ <u>215,569</u>

Approved on behalf of the Committee of Management

Kurt Bly

Chair

Jeff Price

Treasurer

See accompanying notes to the financial statements.

**Committee of Management for the  
Ted Reeve Community Arena  
Statement of Revenue and Expenditure**

Year Ended December 31

2008

2007

	<u>Budget</u> (Unaudited)	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>			
Ice rentals	\$ 468,000	\$ 509,476	\$ 468,209
Snack bar and vending machine operations (Schedule 1)	34,500	39,912	41,067
Contracted services - outdoor rink (Schedule 2)	30,000	24,000	24,000
Lacrosse rentals	17,000	18,008	13,246
Other	<u>9,000</u>	<u>12,263</u>	<u>17,781</u>
	<u>558,500</u>	<u>603,659</u>	<u>564,303</u>
<b>Expenditures</b>			
Salaries and wages	291,850	265,873	257,636
Employee benefits	53,200	22,444	24,966
Utilities	88,500	108,807	97,668
Maintenance and repairs	52,400	91,548	109,548
General administration	11,250	25,897	11,059
Insurance	10,000	10,068	9,882
Professional fees	6,300	9,575	6,300
Furniture and equipment	<u>2,000</u>	<u>50,975</u>	<u>5,435</u>
	<u>515,500</u>	<u>585,187</u>	<u>522,494</u>
Operating surplus before other items	43,000	18,472	41,809
Energy retrofit program debt repayment	(33,645)	(33,645)	(33,645)
Energy retrofit savings shortfall (Note 6)	-	46,290	-
Vehicle and equipment replacement <i>reserve contribution</i>	<u>(9,355)</u>	<u>(9,355)</u>	<u>(9,355)</u>
Operating surplus (deficit) (receivable from) payable to the City of Toronto (Note 4)	\$ <u>-</u>	\$ <u>21,762</u>	\$ <u>(1,191)</u>

See accompanying notes to the financial statements.

# Committee of Management for the Ted Reeve Community Arena Statement of Cash Flows

Year Ended December 31

2008

2007

Increase (decrease) in cash

## Operating activities

Operating surplus (deficit) (receivable from) payable  
to the City of Toronto

\$ 21,762 \$ (1,191)

Increase (decrease) resulting from changes in:

Accounts receivable - City of Toronto

(207,253) -

Receivables - other

(49,127) 4,172

Inventories

330 (1,259)

Accounts payable to City of Toronto

22,131 42,700

Accounts payable to City of Toronto - long term

207,253 -

Payable and accruals - other

(23,539) (64,129)

Deferred revenue

(7,208) 17,805

Net decrease in cash

(35,651) (1,902)

Cash, beginning of year

156,379 158,281

Cash, end of year

\$ 120,728 \$ 156,379

See accompanying notes to the financial statements.

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# **Committee of Management for the Ted Reeve Community Arena**

## **Notes to the Financial Statements**

December 31, 2008

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### **1. Establishment and operations**

Ted Reeve Community 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-Law No. 318-71, as amended. The Committee of Management operates and manages the Arena on behalf of the City of Toronto.

Under the By-Law, the Committee of Management, at the end of each fiscal year, shall pay to the City all revenue received by the Committee 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 Committee 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 Committee'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 governments 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 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, and are not recorded in these financial statements.

Ice rentals, hockey schools and camp fees paid in advance are recorded as deposits.

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

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# Committee of Management for the Ted Reeve Community Arena

## Notes to the Financial Statements

December 31, 2008

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### 3. Future energy retrofit savings (see also Note 6)

On February 22, 2006, the Arena signed a letter of Agreement with the City of Toronto for capital improvements, specifically an energy retrofit, of \$274,543. On completion of the project the City advised the Arena Board that the annual repayment to the City will be \$33,645 over 8.16 years for a total amount of \$274,543. This amount has been reported as both capital funding and as an expense in 2008. Corresponding amounts have been recorded as future energy retrofit savings and to the extent there are shortfalls in the savings, the City will recover the amounts, for the benefit of the Arena, under a guarantee from the supplier.

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### 4. Payables to the City of Toronto

The net amount payable to the City of Toronto consist of the following:

	<u>2008</u>	<u>2007</u>
Hydro	\$ 9,105	\$ 20,619
Prior year's operating deficit	(1,191)	-
Current year's operating surplus (deficit)	21,762	(1,191)
Vehicle and equipment reserve advance	9,355	9,355
Energy retrofit program debt payments due	<u>67,290</u>	<u>33,645</u>
Net payable to the City	\$ <u>106,321</u>	\$ <u>62,428</u>

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### 5. Deferred revenue

Deferred revenue consists of amounts received in advance for the follows:

	<u>2008</u>	<u>2007</u>
Advertising	\$ -	\$ 1,500
Ice rentals	25,286	30,994
Donations	<u>22,167</u>	<u>22,167</u>
	\$ <u>47,453</u>	\$ <u>54,661</u>

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### 6. Loan payable to the City of Toronto - energy retrofit

This amount represents a long-term payable to City for the energy retrofit work done. It is anticipated that the Arena would save adequate utility costs over the term of the contract to generate adequate cash flow to repay this project cost to City. In the event there is any short fall, the City will recover it, under guarantee from the supplier. The estimated shortfall to date (from July 1, 2007 to December 31, 2008) has been estimated at \$46,290 and has been recorded as receivable by the Arena.



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**Committee of Management for the  
Ted Reeve Community Arena  
Notes to the Financial Statements**

December 31, 2008

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**6. Loan payable to the City of Toronto - energy retrofit (continued)**

The loan is non-interest bearing and repayable in annual instalments of \$33,645.

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	<u>2008</u>	<u>2007</u>
City of Toronto - loan payable	\$ 274,543	\$ -
Less: Amount repayable within one year	<u>67,290</u>	<u>-</u>
	\$ <u>207,253</u>	\$ <u>-</u>

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**7. Vehicle and equipment replacement reserve**

This reserve represents contributions made to the City for the financing of replacement ice resurface machines required by the Arena Boards in future years. The Committee will contribute \$9,355 per year for the first five years for the vehicle and equipment reserve commencing 2004.

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**8. Outdoor rink**

In 2003, the City of Toronto in conjunction with the Committee signed an agreement with Sports Centre Design & Management to operate and manage a permanent outdoor ice rink. The Committee provides the services of certain management, administrative, maintenance and operation staff members. Monthly the Sports Centre is required to reimburse the Committee for utility costs and the wage and employee benefits costs for maintenance and operation staff members. In addition, the Sports Centre is also required to pay to the Committee \$24,000 (adjusted annually) for administration and the General Managers services.

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**Committee of Management for the  
Ted Reeve Community Arena  
Snack Bar and Vending Machine Operations**

Schedule 1

Year Ended December 31

**2008**

**2007**

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**Sales**

Snack bar	\$ 96,369	\$ 99,383
Vending machine	<u>19,355</u>	<u>20,335</u>
	<b>115,724</b>	<b>119,718</b>

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Less: Cost of goods sold

**50,082**      **51,550**

Gross profit

**65,642**      **68,168**

**Direct expenses**

Wages and benefits	<u><b>25,730</b></u>	<u><b>27,101</b></u>
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Net profit

**\$ 39,912**      **\$ 41,067**

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**Committee of Management for the  
Ted Reeve Community Arena  
Contracted Services – Outdoor Rink**

Year Ended December 31

**2008**

Schedule 2

**2007**

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**Revenue**

Administration	\$ 24,000	\$ 24,000
Recovery of expenses	<u>107,906</u>	<u>107,681</u>
	<u>131,906</u>	<u>131,681</u>

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**Expenditure**

Wages	48,163	45,231
Employee benefits	4,458	3,952
Utilities	33,841	41,229
Maintenance and repairs	9,137	13,819
Miscellaneous	<u>12,307</u>	<u>3,450</u>
	<u>107,906</u>	<u>107,681</u>

Net revenue	\$ <u>24,000</u>	\$ <u>24,000</u>
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