



TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statements

Board of Management for the Moss Park Arena

December 31, 2009

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Auditors' Report

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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 statement of financial position of the City of Toronto and the Board of Management for the Moss Park Arena as at December 31, 2009 and the statements of operations, 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 City of Toronto and the Board of Management for the Moss Park Arena as at December 31, 2009 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 11, 2010

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

**Board of Management for the
Moss Park Arena
Statement of Operations**

Year Ended December 31

2009

2008

Revenue

Ice rentals	\$ 380,923	\$ 377,947
Hockey School, camps and league operations	259,685	277,316
Snack bar and vending operations	16,859	16,639
Pro shop and skate sharpening	17,806	18,601
Facility rentals	5,249	4,941
Other	2,238	1,763
Funding from the City of Toronto for employee related costs (Note 5)	<u>16,641</u>	<u>18,450</u>
	<u>699,401</u>	<u>715,657</u>

Expenditures

Salaries and wages	311,670	303,592
Utilities	114,317	116,352
Employee benefits	74,571	81,983
General administration	43,434	50,313
Maintenance and repairs	62,799	103,361
Professional fees	5,640	5,119
Insurance	9,960	9,969
Furniture and equipment	-	4,567
Amortization	1,558	-
Employee related costs (Note 5)	<u>16,641</u>	<u>9,987</u>
	<u>640,590</u>	<u>685,243</u>

Net revenue	58,811	30,414
Vehicle and equipment reserve contribution (Note 6)	(10,000)	-
Net revenue payable to the City of Toronto	<u>(28,342)</u>	<u>(30,414)</u>
Annual surplus	20,469	-
Opening accumulated surplus	<u>-</u>	<u>-</u>
Ending accumulated surplus	\$ <u>20,469</u>	\$ <u>-</u>

See accompanying notes to the financial statements.

**Board of Management for the
Moss Park Arena
Statement of Net Assets**

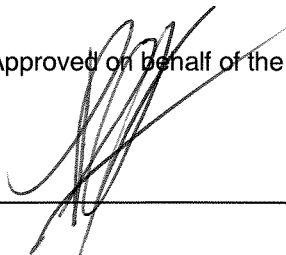
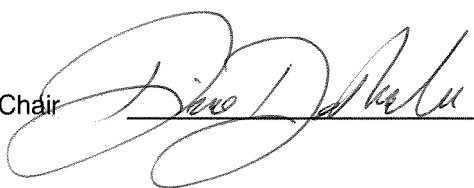
Year Ended December 31	2009	2008
Annual surplus	\$ 20,469	\$ -
Acquisition of tangible capital assets	(22,027)	-
Amortization of tangible capital assets	<u>1,558</u>	<u>-</u>
Change in net financial assets	-	-
Net financial assets, beginning of year	<u>-</u>	<u>-</u>
Net financial assets, end of year	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes to the financial statements.

**Board of Management for the
Moss Park Arena
Statement of Financial Position**

December 31	2009	2008
Financial Assets		
Cash and short term deposits	\$ 61,219	\$ 109,933
Receivables	129,305	119,312
Prepays	416	416
Inventories	5,176	5,918
Due from the City of Toronto - employee benefits (Note 5)	<u>300,345</u>	<u>283,704</u>
	<u>496,461</u>	<u>519,283</u>
Liabilities		
Payables and accruals		
- City of Toronto (Note 3)	17,692	20,074
- City of Toronto (Note 4)	62,728	34,386
- Other	33,526	97,995
Deferred revenue	72,170	73,124
City of Toronto - working cash advance (Note 1)	10,000	10,000
- employee benefits payable (Note 5)	<u>300,345</u>	<u>283,704</u>
	<u>496,461</u>	<u>519,283</u>
Net financial assets	-	-
Non-financial assets		
Tangible capital assets (net) (Note 7)	<u>20,469</u>	-
Accumulated surplus	<u>\$ 20,469</u>	<u>\$ -</u>

Approved on behalf of the Board of Management

_____ Chair _____ Member

See accompanying notes to the financial statements.

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

Year Ended December 31

2009

2008

Increase (decrease) in cash and short term deposits

Cash flows from operating transactions

Annual surplus	\$ 20,469	\$ -
Non-cash charges to operations		
Amortization	1,558	-
Receivables	(9,993)	7,355
Inventories	742	674
Prepays	-	41
Payable to the City of Toronto	(2,382)	3,686
Net revenue payable to the City of Toronto	28,342	8,900
Payables and accruals	(64,469)	12,349
Deferred revenue	(954)	(6,605)
Cash provided (used) by operating transactions	<u>(26,687)</u>	<u>26,318</u>

Capital transactions

Purchase of tangible capital assets	<u>(22,027)</u>	-
Cash used in capital transactions	<u>(22,027)</u>	-
Net increase (decrease) in cash	(48,714)	26,318
Cash, beginning of year	<u>109,933</u>	<u>83,615</u>
Cash, end of year	<u>\$ 61,219</u>	<u>\$ 109,933</u>

See accompanying notes to the financial statements.

Board of Management for the Moss Park Arena

Notes to the Financial Statements

December 31, 2009

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.

Tangible capital assets

Acquisitions are recorded at cost. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Computer equipment	- 3 years straight-line
Machine and equipment	- 10 years straight-line

The Arena acquired capital assets from 1995 to 2008. During this period, it was the Arena's policy to expense these purchases in the period acquired. Commencing January 2009, Canadian generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board required entities to retroactively record these purchases as capital assets and amortize them over their useful lives, except in those circumstances where the necessary financial information was not reasonably determinable.

Board of Management for the Moss Park Arena

Notes to the Financial Statements

December 31, 2009

2. Summary of significant accounting policies (continued)

As the Arena could not readily determine the financial information necessary to retroactively record capital assets, all capital asset purchases prior to 2009 have been recorded at a nominal amount and all capital assets acquired subsequent are being capitalized and amortized in accordance with the Arena's policies.

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.

3. Payable to the City of Toronto

	<u>2009</u>	<u>2008</u>
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The amount due to the City of Toronto consists of the following:

Light, power and water	\$ <u>17,692</u>	\$ <u>20,074</u>
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4. Payable to the City of Toronto

	<u>2009</u>	<u>2008</u>
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The amount due to the City of Toronto consists of the follows:

Surplus 2007	\$ 3,972	\$ 3,972
Surplus 2008	30,414	30,414
Net revenue payable 2009	<u>28,342</u>	-
Balance, end of year	\$ <u>62,728</u>	\$ <u>34,386</u>

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

December 31, 2009

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.

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 2009.

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

	<u>2009</u>	<u>2008</u>
Post retirement benefits	\$ -	\$ 107,510
Continuation of benefits to disabled employees	153,230	132,694
Income benefits	261,054	242,700
Sick leave benefits	51,755	44,524
Deduct: Unamortized actuarial loss	<u>(165,694)</u>	<u>(243,724)</u>
Employee benefit liability	\$ <u>300,345</u>	\$ <u>283,704</u>

2009 2008

The continuity of the accrued benefit obligation during 2009 is as follows:

Balance, beginning of year	\$ 283,704	\$ 265,254
Current service cost	2,500	11,184
Interest cost	24,412	24,321
Amortization of actuarial loss	23,244	30,802
Expected benefits paid	<u>(33,515)</u>	<u>(47,857)</u>
Balance, end of year	\$ <u>300,345</u>	\$ <u>283,704</u>

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

December 31, 2009

5. Employee-related liabilities (continued)

Expenditures in 2009 relating to employee benefits are included on the statement of operations and include the following components:

	<u>2009</u>	<u>2008</u>
Current services cost	\$ 2,500	\$ 11,184
Interest cost	24,412	24,321
Amortization of actuarial loss	<u>23,244</u>	<u>30,802</u>
	<u>50,156</u>	66,307
Less: Expected benefits paid	<u>(33,515)</u>	<u>(47,857)</u>
Total expenditures related to post-retirement benefits	<u>\$ 16,641</u>	<u>\$ 18,450</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

These contributions are for the financing of replacement ice resurfacer machines required by the Arena Boards in future years. Each board contributed \$10,000 (2008 - \$Nil). Contributions to this reserve fund recommenced in 2009.

7. Tangible Capital assets

	<u>Computer Equipment</u>	<u>Machinery and Equipment</u>	<u>2009</u>	<u>2008</u>
Cost				
Balance, beginning of year	\$ -	\$ 1	\$ 1	\$ -
Add: Additions during the year	<u>3,910</u>	<u>18,117</u>	<u>22,027</u>	-
	<u>3,910</u>	<u>18,118</u>	<u>22,028</u>	-
Accumulated amortization				
Balance, beginning of year	-	1	1	-
Add: Amortization during the year	<u>652</u>	<u>906</u>	<u>1,558</u>	-
	<u>652</u>	<u>907</u>	<u>1,559</u>	-
	<u>\$ 3,258</u>	<u>\$ 17,211</u>	<u>\$ 20,469</u>	<u>\$ -</u>

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

Year Ended December 31 2009 2008

Sales

Hockey League Registration	\$ 158,086	\$ 163,395
Hockey Winter League	45,461	53,388
Hockey School Camp	55,839	52,480
Hockey School Registration	<u>58,679</u>	<u>68,851</u>
	<u>318,065</u>	<u>338,114</u>

Direct expenses

Hockey League Referees	32,940	33,900
Hockey League (trophies and bequests)	8,395	8,461
Hockey School and Camp	855	4,727
Hockey School and Camp Instructors	<u>16,190</u>	<u>13,710</u>
	<u>58,380</u>	<u>60,798</u>

Gross profit	\$ <u>259,685</u>	\$ <u>277,316</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 2009 2008

Sales		
Snack bar	\$ 20,048	\$ 18,863
Vending machines	<u>13,876</u>	<u>15,301</u>
	33,924	34,165
Less: Cost of goods sold	<u>17,065</u>	<u>17,525</u>
Gross profit	\$ <u>16,859</u>	\$ <u>16,639</u>

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

Year Ended December 31

2009

2008

Sales

Pro Shop	\$ 7,622	\$ 15,957
Skate sharpening	<u>14,035</u>	<u>13,136</u>
	21,657	29,093
Less: Cost of goods sold	<u>3,851</u>	<u>10,492</u>

Gross profit

\$ 17,806 **\$ 18,601**