



Grant Thornton

TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Financial Statements

Board of Management for the Moss Park Arena

December 31, 2010

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Grant Thornton

Independent Auditor's Report

Grant Thornton LLP
19th Floor, Royal Bank Plaza South Tower
200 Bay Street, Box 55
Toronto, ON
M5J 2P9
T + 1 416 366 0100
F + 1 416 360 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 accompanying financial statements of the Board of Management for the Moss Park Arena which comprise the statement of financial position as at December 31, 2010, and the statement of operations and net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe, that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the *Board of Management for the Moss Park Arena* as at December 31, 2010, 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 25, 2011

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

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

Statement of Operations

Year Ended December 31	2010	2009
Revenue		
Ice rentals	\$ 386,756	\$ 380,923
Hockey School, camps and league operations (Page 10)	288,521	259,685
Snack bar and vending operations (Page 11)	17,954	16,859
Pro shop and skate sharpening (Page 12)	21,612	17,806
Facility rentals	5,271	5,249
Other	3,334	2,238
Funding from the City of Toronto for employee related costs (Note 5)	<u>3,314</u>	<u>16,641</u>
	<u>726,762</u>	<u>699,401</u>
Expenditures		
Salaries and wages	342,326	311,670
Utilities	128,530	114,317
Employee benefits	85,873	74,571
General administration	52,734	43,434
Maintenance and repairs	50,034	62,799
Professional fees	6,000	5,640
Insurance	9,969	9,960
Amortization	3,568	1,558
Employee related costs (Note 5)	<u>3,314</u>	<u>16,641</u>
	<u>682,348</u>	<u>640,590</u>
Net revenue	44,414	58,811
Vehicle and equipment reserve contribution (Note 6)	(10,000)	(10,000)
Net revenue payable to the City of Toronto	<u>(28,913)</u>	<u>(28,342)</u>
Annual surplus	5,501	20,469
Opening accumulated surplus	<u>20,469</u>	<u>-</u>
Ending accumulated surplus	<u>\$ 25,970</u>	<u>\$ 20,469</u>

See accompanying notes to the financial statements.

Board of Management for the
Moss Park Arena

Statement of Net Assets


Year Ended December 31	2010	2009
Annual surplus	\$ 5,501	\$ 20,469
Acquisition of tangible capital assets	(9,069)	(22,027)
Amortization of tangible capital assets	<u>3,568</u>	<u>1,558</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**

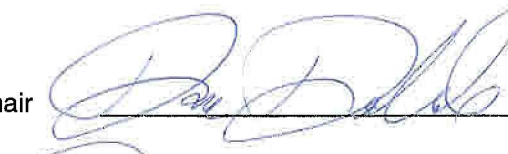
December 31	2010	2009
Financial Assets		
Cash and short term deposits	\$ 54,400	\$ 61,219
Receivables	137,013	129,305
Prepays	794	416
Inventories	4,476	5,176
Due from the City of Toronto - employee benefits (Note 5)	<u>303,660</u>	<u>300,345</u>
	<u>500,343</u>	<u>496,461</u>
Liabilities		
Payables and accruals		
- City of Toronto (Note 3)	18,730	17,692
- City of Toronto (Note 4)	57,255	62,728
- Other	31,263	33,526
Deferred revenue	79,435	72,170
City of Toronto - working cash advance (Note 1)	10,000	10,000
- employee benefits payable (Note 5)	<u>303,660</u>	<u>300,345</u>
	<u>500,343</u>	<u>496,461</u>
Net financial assets	-	-
Non-financial assets		
Tangible capital assets (net) (Note 7)	<u>25,970</u>	<u>20,469</u>
Accumulated surplus	<u>\$ 25,970</u>	<u>\$ 20,469</u>

Approved on behalf of the Board of Management



Paul Dineen

Chair



D. '00

Member

See accompanying notes to the financial statements.

Board of Management for the
Moss Park Arena

Statement of Cash Flows

Year Ended December 31

2010

2009

Increase (decrease) in cash and short term deposits

Cash flows from operating transactions

Annual surplus \$ 5,501 \$ 20,469

Non-cash charges to operations

Amortization 3,568 1,558

Receivables (7,708) (9,993)

Inventories 700 742

Prepays (378) -

Payable to the City of Toronto 1,038 (2,382)

Net revenue payable to the City of Toronto (5,473) 28,342

Payables and accruals (2,263) (64,469)

Deferred revenue 7,265 (954)

Cash used by operating transactions 2,250 (26,687)

Capital transactions

Purchase of tangible capital assets (9,069) (22,027)

Cash used in capital transactions (9,069) (22,027)

Net decrease in cash (6,819) (48,714)

Cash, beginning of year 61,219 109,933

Cash, end of year \$ 54,400 \$ 61,219

See accompanying notes to the financial statements.

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

Notes to the Financial Statements

December 31, 2010

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

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, 2009

3. Payable to the City of Toronto 2010 2009

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

Light, power and water	\$ <u>18,730</u>	\$ <u>17,692</u>
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4. Payable to the City of Toronto 2010 2009

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

Surplus 2007	\$ -	\$ 3,972
Surplus 2008	-	30,414
Net revenue payable 2009	<u>28,342</u>	28,342
Net revenue payable 2010	<u>28,913</u>	<u>-</u>
Balance, end of year	\$ <u>57,255</u>	\$ <u>62,728</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.

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>2010</u>	<u>2009</u>
Continuation of benefits to disabled employees	\$ <u>154,338</u>	\$ 153,230
Income benefits	<u>253,006</u>	261,054
Sick leave benefits	<u>49,691</u>	51,755
Deduct: Unamortized actuarial loss	<u>(153,375)</u>	<u>(165,694)</u>
Employee benefit liability	\$ <u>303,660</u>	\$ <u>300,345</u>

The continuity of the accrued benefit obligation is as follows:

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ <u>300,345</u>	\$ 283,704
Current service cost	<u>2,599</u>	2,500
Interest cost	<u>19,634</u>	24,412
Amortization of actuarial loss	<u>23,089</u>	23,244
Expected benefits paid	<u>(42,008)</u>	<u>(33,515)</u>
Balance, end of year	\$ <u>303,660</u>	\$ <u>300,345</u>

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

Notes to the Financial Statements

December 31, 2010

5. Employee-related liabilities (continued)

Expenditures in 2010 relating to employee benefits are included on the statement of operations and include the following components:

	<u>2010</u>	<u>2009</u>
Current services cost	\$ 2,599	\$ 2,500
Interest cost	19,634	24,412
Amortization of actuarial loss	<u>23,089</u>	<u>23,244</u>
	45,322	50,156
Less: Expected benefits paid	<u>(42,008)</u>	<u>(33,515)</u>
Total expenditures related to post-retirement benefits	\$ <u>3,314</u>	\$ <u>16,641</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. This year's contributed was \$10,000 (2009 - \$10,000).

7. Tangible Capital assets

	<u>Computer Equipment</u>	<u>Machinery and Equipment</u>	<u>2010</u>	<u>2009</u>
Cost				
Balance, beginning of year	\$ 3,910	\$ 18,118	\$ 22,028	\$ 22,028
Add: Additions during the year	<u>-</u>	<u>9,069</u>	<u>9,069</u>	<u>22,027</u>
	3,910	27,187	31,097	22,028
Accumulated amortization				
Balance, beginning of year	652	907	1,559	1,559
Add: Amortization during the year	<u>1,303</u>	<u>2,265</u>	<u>3,568</u>	<u>1,558</u>
	1,955	3,172	5,127	1,559
	\$ <u>1,955</u>	\$ <u>24,015</u>	\$ <u>25,970</u>	\$ <u>20,469</u>

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

Schedule of Hockey School, Camp and League Operations

Year Ended December 31

2010

2009

Sales

Hockey League Registration	\$ 167,115	\$ 158,086
Hockey Winter League	41,103	45,461
Hockey School Camp	69,064	55,839
Hockey School Registration	<u>62,768</u>	<u>58,679</u>
	<u>340,050</u>	<u>318,065</u>

Direct expenses

Hockey League Referees	30,020	32,940
Hockey League (trophies and bequests)	7,842	8,395
Hockey School and Camp	9,247	855
Hockey School and Camp Instructors	<u>4,420</u>	<u>16,190</u>
	<u>51,529</u>	<u>58,380</u>

Gross profit

	\$ <u>288,521</u>	\$ <u>259,685</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

2010

2009

Sales

Snack bar	\$ 21,539	\$ 20,048
Vending machines	<u>16,602</u>	<u>13,876</u>
	38,141	33,924
Less: Cost of goods sold	<u>20,187</u>	<u>17,065</u>
Gross profit	\$ <u>17,954</u>	\$ <u>16,859</u>

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

Year Ended December 31

2010

2009

Sales

Pro Shop	\$ 19,254	\$ 7,622
Skate sharpening	<u>16,369</u>	<u>14,035</u>
	35,623	21,657
Less: Cost of goods sold	<u>14,011</u>	<u>3,851</u>

Gross profit

\$ 21,612 **\$ 17,806**