



Financial Statements

**Committee of Management for
the North Toronto Memorial Arena**

December 31, 2010

Contents

	Page
Independent Auditor's Report	1-2
Statement of Operations	3
Statement of Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-9
Schedule 1 - Snack Bar and Vending Machine Operations	10
Schedule 2 - Pro Shop Operations	11



Independent Auditor's Report

Grant Thornton LLP
Royal Bank Plaza
19th Floor, 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 Committee of Management for the
North Toronto Memorial Arena

We have audited the accompanying financial statements of the **Committee of Management for the North Toronto Memorial Arena** which comprise the statement of financial position as at December 31, 2010, the statements 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 **Committee of Management for the North Toronto Memorial 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
June 7, 2011

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

**Committee of Management for the
North Toronto Memorial Arena
Statement of Operations**

Year Ended December 31

2010

2009

Revenue		
Ice rentals	\$ 526,868	\$ 505,973
City of Toronto - recovery of expenses (Note 4)	54,855	51,750
Gate receipts	51,014	45,796
Snack bar and vending machine operations (Schedule 1)	34,929	38,718
Pro shop operations (Schedule 2)	22,125	16,663
Arena floor rentals	890	848
Banquet room rentals	22,345	21,058
Advertising	3,000	5,000
Zamboni replacement – Contribution	10,000	10,000
Interest Income	227	-
	<u>726,253</u>	<u>695,806</u>
Expenditures		
Salaries and wages	358,082	342,243
Employee benefits	92,442	88,851
Utilities	142,294	135,914
Maintenance and repairs	68,355	64,297
General administration	31,283	27,621
Professional fees	5,630	6,130
Insurance	10,085	10,085
Bad debt expense	-	1,630
Amortization	770	367
	<u>708,941</u>	<u>677,138</u>
Net revenue	17,312	18,668
Vehicle and equipment reserve contribution (Note 5)	10,000	10,000
Net revenue payable to the City of Toronto	<u>2,538</u>	<u>145</u>
Annual surplus	4,774	8,523
Opening accumulated surplus	<u>8,523</u>	-
Ending accumulated surplus	<u>\$ 13,297</u>	<u>\$ 8,523</u>

See accompanying notes to the financial statements.

**Committee of Management for the
North Toronto Memorial Arena
Statement of Net Assets**

Year Ended December 31	2010	2009
Annual surplus	\$ 4,774	\$ 8,523
Acquisition of tangible capital assets (Note 6)	(5,544)	(8,890)
Amortization of tangible capital assets	<u>770</u>	<u>367</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.

**Committee of Management for the
North Toronto Memorial Arena
Statement of Financial Position**

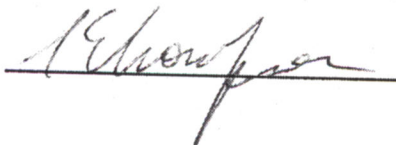
December 31

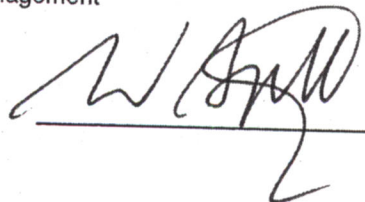
2010

2009

Financial Assets		
Cash		
Receivables	\$ 66,717	\$ -
Inventories	85,934	81,405
	<u>90,403</u>	<u>92,826</u>
	<u>243,054</u>	<u>174,231</u>
 Liabilities		
Bank indebtedness	-	11,230
Payables and accruals - City of Toronto	33,080	23,306
- Other	120,126	119,672
Deferred revenue	72,165	4,543
Net revenue payable to City of Toronto (Note 3)	2,683	480
City of Toronto - working cash advance (Note 1)	<u>15,000</u>	<u>15,000</u>
	<u>243,054</u>	<u>174,231</u>
 Net financial assets		
-		
 Non-financial assets		
Tangible capital assets (net) (Note 6)	<u>13,297</u>	<u>8,523</u>
Accumulated surplus	\$ <u>13,297</u>	\$ <u>8,523</u>

Approved on behalf of the Committee of Management


Chair


Member

See accompanying notes to the financial statements.

**Committee of Management for the
North Toronto Memorial Arena
Statement of Cash Flows**

Year Ended December 31

2010

2009

Increase (decrease) in cash and short term deposits		
Cash flow from operating transactions		
Annual surplus	\$ 4,774	\$ 8,523
Non-cash charges to operations		
Amortization	770	367
Receivables	(4,529)	(8,338)
Inventories	2,423	9,301
Net revenue payable to the City of Toronto	2,203	145
Payable and accruals		
City of Toronto	9,774	6,897
Other	454	16,852
Deferred revenue	67,622	(850)
Cash provided by operating transactions	<u>83,491</u>	<u>32,897</u>
Capital transactions		
Purchase of tangible capital assets	<u>(5,544)</u>	<u>(8,890)</u>
Cash used in capital transactions	<u>(5,544)</u>	<u>(8,890)</u>
Net increase in cash	77,947	24,007
Bank indebtedness, beginning of year	<u>(11,230)</u>	<u>(35,237)</u>
Cash (bank indebtedness), end of year	\$ <u>66,717</u>	\$ <u>(11,230)</u>

See accompanying notes to the financial statements.

Committee of Management for the North Toronto Memorial Arena Notes to the Financial Statements

December 31, 2010

1. Establishment and operations

The North Toronto Memorial 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. 1995 - 0448, as amended. The Arena is located at 174 Orchardview Boulevard. 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.

2. 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.

Tangible capital assets

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

Machinery and equipment	- 15 years straight-line
Leasehold improvements	- 20 years straight-line

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.

**Committee of Management for the
North Toronto Memorial Arena
Notes to the Financial Statements**

December 31, 2010

3. Net revenue payable to the City of Toronto

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

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 480	\$ 335
Current year's	2,538	145
Payment of prior year's operating surplus	<u>(335)</u>	<u>-</u>
Balance, end of year	<u>\$ 2,683</u>	<u>\$ 480</u>

4. City of Toronto - recovery of expenses

Under an arrangement with the City of Toronto, the Committee services an artificial outdoor rink located adjacent to the Arena. The Committee is reimbursed \$54,855 by the City for expenditures incurred in servicing this rink, based upon a budgetary provision, which may not be exceeded without prior approval from the City.

5. Vehicle and equipment replacement reserve

These contributions are for the financing of replacement ice resurfacer machines required by the Arena Boards in future years. The 2010 contribution was \$10,000 (2009 - \$10,000). Contributions to this reserve fund commenced in 2004.

6. Tangible Capital assets

	<u>Leasehold improvements</u>	<u>Machinery and Equipment</u>	<u>2010</u>	<u>2009</u>
Cost				
Balance, beginning of year	\$ 4,049	\$ 4,842	\$ 8,891	\$ 1
Add: Additions during the year	<u>-</u>	<u>5,544</u>	<u>5,544</u>	<u>8,890</u>
	<u>4,049</u>	<u>10,386</u>	<u>14,435</u>	<u>8,891</u>
Accumulated amortization				
Balance, beginning of year	102	266	368	1
Add: Amortization during the year	<u>202</u>	<u>568</u>	<u>770</u>	<u>367</u>
	<u>304</u>	<u>834</u>	<u>1,138</u>	<u>368</u>
	<u>\$ 3,745</u>	<u>\$ 9,552</u>	<u>\$ 13,297</u>	<u>\$ 8,523</u>

**Committee of Management for the
North Toronto Memorial Arena
Notes to the Financial Statements**

December 31, 2010

7. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

**Committee of Management for the
North Toronto Memorial Arena
Schedule 1 - Snack Bar and Vending Machine Operations**

Year Ended December 31

2010

2009

Sales

Snack bar and vending machine

Less: Cost of goods sold

\$ 104,918

\$ 110,058

42,804

43,953

62,114

66,106

Direct expenses

Wages

Maintenance

26,767

26,722

418

666

27,185

27,388

\$ 34,929

\$ 38,718

**Committee of Management for the
North Toronto Memorial Arena
Schedule 2 - Pro Shop Operations**

Year Ended December 31

2010

2009

Sales

Pro shop		
Less: Cost of goods sold	\$ 60,624	\$ 56,297
	<u>33,372</u>	<u>34,196</u>
	<u>27,252</u>	<u>22,101</u>

Direct expenses

Wages	3,895	3,675
Equipment maintenance	<u>1,232</u>	<u>1,763</u>
	<u>5,127</u>	<u>5,438</u>
	\$ <u>22,125</u>	\$ <u>16,663</u>