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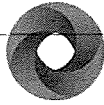
Financial Statements

Board of Management for the Moss Park Arena

December 31, 2011

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Grant Thornton

Independent Auditor's 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 accompanying financial statements of Board of Management for Moss Park Arena, which comprise the financial position as at December 31, 2011, and the statement of operations and net assets, 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 [consolidated] 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 of Moss Park Arena as at December 31, 2011, 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 23, 2012



Chartered Accountants
Licensed Public Accountants

Board of Management for the Moss Park Arena Statement of Operations

Year Ended December 31

2011

2010

Revenue

Ice rentals	\$ 384,277	\$ 386,756
Hockey School, camps and league operations (Page 10)	278,351	288,521
Snack bar and vending operations (Page 11)	19,217	17,954
Pro shop and skate sharpening (Page 12)	21,618	21,612
Facility rentals	4,835	5,271
Other	667	3,334
Funding from the City of Toronto for employee related costs (Note 5)	<u>2,819</u>	<u>3,314</u>
	<u>711,784</u>	<u>726,762</u>

Expenditures

Salaries and wages	361,437	342,326
Utilities	130,497	128,530
Employee benefits	90,094	85,873
General administration	48,416	52,734
Maintenance and repairs	46,368	50,034
Professional fees	6,354	6,000
Insurance	10,368	9,969
Amortization	4,084	3,568
Employee related costs (Note 5)	<u>2,819</u>	<u>3,314</u>
	<u>700,437</u>	<u>682,348</u>

Net revenue	11,347	44,414
Vehicle and equipment reserve contribution (Note 6)	(10,000)	(10,000)
Net revenue payable to the City of Toronto	<u>(4,181)</u>	<u>(28,913)</u>
Annual (deficit) surplus	(2,834)	5,501
Opening accumulated surplus	<u>25,970</u>	<u>20,469</u>
Ending accumulated surplus	\$ <u>23,136</u>	\$ <u>25,970</u>

See accompanying notes to the financial statements.

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

Year Ended December 31	2011	2010
Annual (deficit) surplus	\$ (2,834)	\$ 5,501
Acquisition of tangible capital assets	(1,250)	(9,069)
Amortization of tangible capital assets	<u>4,084</u>	<u>3,568</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 2011 2010

Financial Assets

Cash and short term deposits	\$ 94,270	\$ 54,400
Receivables	121,918	137,013
Prepays	439	794
Inventories	6,091	4,476
Due from the City of Toronto - employee benefits (Note 5)	<u>306,478</u>	<u>303,660</u>
	<u>529,196</u>	<u>500,343</u>

Liabilities

Payables and accruals		
- City of Toronto (Note 3)	18,496	18,730
- City of Toronto (Note 4)	61,436	57,255
- Other	45,436	31,263
Deferred revenue	87,350	79,435
City of Toronto - working cash advance (Note 1)	10,000	10,000
- employee benefits payable (Note 5)	<u>306,478</u>	<u>303,660</u>
	<u>529,196</u>	<u>500,343</u>

Net financial assets

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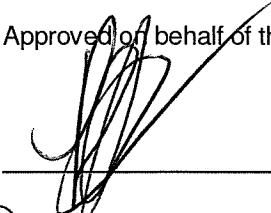
Non-financial assets

Tangible capital assets (net) (Note 7)	<u>23,136</u>	<u>25,970</u>
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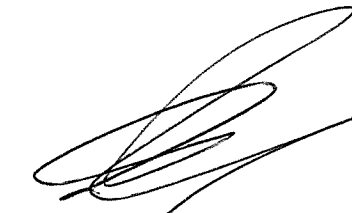
Accumulated surplus

\$ 23,136 \$ 25,970

Approved on behalf of the Board of Management



Chair
PAUL DiNENNO



Member
EDWARD DEXTRICOLA

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

Year Ended December 31

2011

2010

Increase (decrease) in cash and short term deposits

Cash flows from operating transactions

Annual (deficit) surplus	\$ (2,834)	\$ 5,501
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Non-cash charges to operations

Amortization	4,084	3,568
Receivables	15,094	(7,708)
Inventories	(1,615)	700
Prepays	355	(378)
Payable to the City of Toronto	(234)	1,038
Net revenue payable to the City of Toronto	4,181	(5,473)
Payables and accruals	14,174	(2,263)
Deferred revenue	<u>7,915</u>	<u>7,265</u>
Cash used by operating transactions	<u>41,120</u>	<u>2,250</u>

Capital transactions

Purchase of tangible capital assets	<u>(1,250)</u>	<u>(9,069)</u>
Cash used in capital transactions	<u>(1,250)</u>	<u>(9,069)</u>

Net increase (decrease) in cash	39,870	(6,819)
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Cash, beginning of year	<u>54,400</u>	<u>61,219</u>
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Cash, end of year	\$ <u>94,270</u>	\$ <u>54,400</u>
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See accompanying notes to the financial statements.

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

December 31, 2011

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, 2010

3. Payable to the City of Toronto 2011 2010

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

Light, power and water	\$ <u>18,496</u>	\$ <u>18,730</u>
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4. Payable to the City of Toronto 2011 2010

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

Net revenue payable 2009	\$ 28,342	\$ 28,342
Net revenue payable 2010	28,913	28,913
Net revenue payable 2011	<u>4,181</u>	<u>-</u>
Balance, end of year	\$ <u>61,436</u>	\$ <u>57,255</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 2010.

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

	<u>2011</u>	<u>2010</u>
Continuation of benefits to disabled employees	\$ 159,674	\$ 154,338
Income benefits	251,469	253,006
Sick leave benefits	51,913	49,691
Deduct: Unamortized actuarial loss	<u>(156,578)</u>	<u>(153,375)</u>
Employee benefit liability	\$ <u>306,478</u>	\$ <u>303,660</u>

	<u>2011</u>	<u>2010</u>
The continuity of the accrued benefit obligation is as follows:		
Balance, beginning of year	\$ 303,660	\$ 300,345
Current service cost	2,516	2,599
Interest cost	17,698	19,634
Amortization of actuarial loss	23,763	23,089
Expected benefits paid	<u>(41,158)</u>	<u>(42,008)</u>
Balance, end of year	\$ <u>306,478</u>	\$ <u>303,660</u>

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

December 31, 2011

5. Employee-related liabilities (continued)

Expenditures in 2011 relating to employee benefits are included on the statement of operations and include the following components:

	<u>2011</u>	<u>2010</u>
Current service cost	\$ 2,516	\$ 2,599
Interest cost	17,698	19,634
Amortization of actuarial loss	<u>23,763</u>	<u>23,089</u>
	43,977	45,322
Less: Expected benefits paid	<u>(41,158)</u>	<u>(42,008)</u>
Total expenditures related to post-retirement benefits	\$ <u>2,819</u>	\$ <u>3,314</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 contribution was \$10,000 (2010 - \$10,000).

7. Tangible Capital assets

	<u>Computer Equipment</u>	<u>Machinery and Equipment</u>	<u>2011</u>	<u>2010</u>
Cost				
Balance, beginning of year	\$ 3,910	\$ 27,187	\$ 31,097	\$ 22,028
Add: Additions during the year	<u>-</u>	<u>1,250</u>	<u>1,250</u>	<u>9,069</u>
	3,910	28,437	32,347	31,097
Accumulated amortization				
Balance, beginning of year	1,955	3,172	5,127	1,559
Add: Amortization during the year	<u>1,303</u>	<u>2,781</u>	<u>4,084</u>	<u>3,568</u>
	3,258	5,953	9,211	5,127
	\$ <u>652</u>	\$ <u>22,484</u>	\$ <u>23,136</u>	\$ <u>25,970</u>

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

Year Ended December 31

2011

2010

Sales

Hockey League Registration	\$ 158,916	\$ 167,115
Hockey Winter League	42,990	41,103
Hockey School Camp	55,736	69,064
Hockey School Registration	<u>65,280</u>	<u>62,768</u>
	<u>322,922</u>	<u>340,050</u>

Direct expenses

Hockey League Referees	30,575	30,020
Hockey League (trophies and bequests)	7,854	7,842
Hockey School and Camp	667	9,247
Hockey School and Camp Instructors	<u>5,475</u>	<u>4,420</u>
	<u>44,571</u>	<u>51,529</u>

Gross profit

\$ 278,351 \$ 288,521

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

Year Ended December 31 2011 2010

Sales		
Snack bar	\$ 24,211	\$ 21,539
Vending machines	<u>15,388</u>	<u>16,602</u>
	39,599	38,141
Less: Cost of goods sold	<u>20,382</u>	<u>20,187</u>
Gross profit	\$ <u>19,217</u>	\$ <u>17,954</u>

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

Year Ended December 31

2011

2010

Sales

Pro Shop	\$ 23,807	\$ 19,254
Skate sharpening	<u>15,746</u>	<u>16,369</u>
	39,553	35,623
Less: Cost of goods sold	<u>17,935</u>	<u>14,011</u>
Gross profit	\$ <u>21,618</u>	\$ <u>21,612</u>