

Arena Boards of Management Settlement of Operating Results for the Year Ended 2024

Date: July 7, 2026

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: 5, 8, 9, 11, 13, 15, 19

SUMMARY

On an annual basis, the City of Toronto receives the audited financial statements from eight Arena Boards of Management (Arenas). The audited financial statements assist the City to determine whether additional operating subsidy payments need to be provided to or clawed back from the Arenas to settle their operating deficits or surpluses. City staff report annually on the Arenas' operating surpluses and deficits once the respective Boards financial statements have been audited and approved by Council. The audited financial statements are based on the Public Sector Accounting Board (PSAB) requirements for government not-for-profit entities while the operating deficits or surpluses align with the modified cash basis of accounting.

This report recommends the settlement of eight of the Arenas' operating surpluses and deficits for 2024 based on their audited financial statements for the year ended December 31, 2024, with operating surpluses payable to the City and operating deficits funded by the City upon Council's approval.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council direct that the 2024 operating surpluses totalling \$204,163 from three Arenas (George Bell, William H. Bolton, and Forest Hill) be paid to the City of Toronto and be used to partially fund the payment of operating deficit of \$201,746 for four Arenas (McCormick, Moss Park, Ted Reeve and North Toronto), resulting in a net operating surplus of \$2,417 payable to the City, as illustrated in Appendix A, of the report.
2. City Council direct that the net operating surplus of \$210,055 of Leaside Arena be used as a prepayment of the loan principal outstanding balance as illustrated in Appendix A of the report.

FINANCIAL IMPACT

The final net settlement for the year 2024 for seven of the City's eight Arenas, requires that surplus funds of \$204,163 be paid to the City from three Arenas in 2024 (George Bell, William H. Bolton, and Forest Hill), and be used to partially fund the operating deficit of \$201,746 from four Arenas in 2024 (McCormick, Moss Park, Ted Reeve, and North Toronto), resulting in a net operating surplus of \$2,417 payable to the City. A summary of net funding to the Arenas and surpluses payable to the City are detailed in Appendix A.

Since the combined Arenas did not have an excess of actual operating net surplus over the 2024 budget, as illustrated in Appendix A, there will be no proportional allocation to the Vehicle Reserve (XQ1705) for those Arena Boards that actually exceeded their individual budgeted surplus.

The Leaside Memorial Gardens Arena's 2024 settlement is treated separately from the other Arenas due to specific terms in the City's loan agreement with Leaside Arena. The Arena generated a surplus of \$210,055 after meeting its debt obligations, which was used to prepay the outstanding loan principal balances as directed by Council in May 21 and 22, 2025 (EX23.8). The outstanding principal balances of the loans, as at Dec 31 2025, were

- City of Toronto loan: \$4,956,651; and
- Infrastructure Ontario (IO) loan: \$395,094

DECISION HISTORY

The approval by City Council of the 2024 audited financial statements for all Arenas takes multiple phases subject to the completion of the annual audit process undertaken by external auditor. City Council received eight of the 2024 Audited Financial Statements, Management Letters (where applicable), and Independent Auditor's Reports through the following City Council meeting:

<https://www.toronto.ca/legdocs/mmis/2025/au/bgrd/backgroundfile-256834.pdf>

<https://www.toronto.ca/legdocs/mmis/2025/au/bgrd/backgroundfile-259579.pdf>

<https://www.toronto.ca/legdocs/mmis/2026/au/bgrd/backgroundfile-264751.pdf>

<https://www.toronto.ca/legdocs/mmis/2026/au/bgrd/backgroundfile-286243.pdf>

At its meeting on May 21-22, 2025, City Council adopted Executive Committee Report entitled "Leaside Memorial Community Gardens: City Loan Agreement; 2020, 2021 and 2022 Settlement", Recommendation #2 to authorize an exemption to waive the requirement of the existing City Loan Agreement to add Leaside Memorial Community Gardens Arena operating deficits to the principal balance of the City loan for the fiscal years 2018 to 2024.

<https://www.toronto.ca/legdocs/mmis/2025/ex/bgrd/backgroundfile-255000.pdf>

At its meeting on April 19-23 and 26-28, 2004, City Council adopted Policy and Finance Committee Report No. 3, Clause 2, entitled "City of Toronto 2004 Budget Advisory

Committee Recommended Operating Budget”, Recommendation HH(95)(g) that directed “any audited year-end net surplus in excess of the Council approved budget for the Arena Boards of Management Program be transferred to the Arena Boards of Management account in the Vehicle and Equipment Replacement Reserve (XQ1705) and applied proportionately among those Arenas who are in a surplus position and exceeded their budget target”, such funds to be used to finance future ice resurfacer replacements for the Arena Boards of Management.

<http://www.toronto.ca/legdocs/2004/agendas/council/cc040419/pof3rpt/cl002.pdf>

At its meeting on March 4 - 8, 2002, City Council adopted Policy and Finance Committee Report No. 4, Clause 1, entitled “City of Toronto 2002 Recommended Operating Budget”, Recommendation #134 that directed the City Auditor and Chief Financial Officer and Treasurer, beginning in 2002, report annually to the Policy and Finance Committee on the Arena Boards’ annual operating surpluses and deficits once the Boards’ annual financial statements have been audited, with any net payment to be funded by the City.

<http://www.toronto.ca/legdocs/2002/agendas/council/cc020304/pof4rpt/cl001.pdf>

COMMENTS

Since 2005, the Arenas’ financial statements are prepared under the Public Sector Accounting Board (PSAB) requirements for public sector entities. Accounting and reporting under PSAB require that all known liabilities, including liabilities related to post-employment benefits as well as those related to retirees, be reflected in the public sector financial statements.

Eight Arena Boards of Management operate and manage ice arenas on behalf of the City of Toronto in accordance with the former Chapter 25 of the Toronto Municipal Code for community recreation centres. Under the by-law established for each individual Arena Board of Management, the Board shall, at the end of each fiscal year, pay to the City all revenue received by the Board in excess of the money required to pay all the charges, costs and expenses resulting from or incidental to the management and control of the premises. Any operating deficit incurred by the arena will be funded by the City.

Settlement of 2024 Operating Results

A review of the audited financial statements for the year ended December 31, 2024, indicates that four Arenas (McCormick, Moss Park, Ted Reeve, and North Toronto) reported a cumulative deficit of \$201,746 and four Arenas (George Bell, William H. Bolton, Forest Hill, and Leaside) reported a surplus amounting to \$414,218. This results in an overall surplus of \$212,472.

Table 1 below summarizes the actual operating surplus/deficit each of the Arena Board for the year 2024:

Table 1 Arena Boards of Management	Adjusted Audited Actual Operating Surplus/(Deficit)
	\$
George Bell Arena	42,569
William H. Bolton Arena	127,261
Forest Hill Memorial Arena	34,333
McCormick Arena	(1,978)
Moss Park Arena	(37,654)
Ted Reeve Arena	(1,598)
North Toronto Memorial Arena	(160,516)
Leaside Arena	210,055
Total 2024 Program Net Surplus/(Deficit)	212,472

The key 2024 year-end financial results are driven by:

- George Bell and William H. Bolton Arenas generated an operating surplus of \$169,830 due to higher-than-expected program revenues as a result of delaying the Arenas closure for the roof repair State of Good Repair Capital project.
- Forest Hill and Leaside Arenas generated an operating surplus of \$244,388 due to higher-than-expected program revenues from ice rentals as a result of volume changes and lower utilities and maintenance cost.
- Moss Park Arena generated lower than projected ice rental revenues due to impacts from Ontario Line construction, resulting in a deficit of \$37,654.
- North Toronto Memorial Arena experienced one-time salary and benefits costs to support a staff transition, critical repairs to the roof, entrance and hot water tank, increased utility rates, and higher professional fees for audit services, resulting in a deficit of \$160,516.

Leaside Memorial Gardens Arena's Operating Surplus/Deficit

The report "Leaside Arena 2nd Pad Expansion Project" was adopted and approved by City Council on January 17, 2012 (BU21.1ai/EX14.1ai – 2012), including authority for a loan agreement between the City, Leaside Memorial Gardens Arena Board of Management, and Infrastructure Ontario to facilitate the construction of a second ice pad. The general terms and conditions associated with the City loan included the following:

"10. All Unrestricted Cash Flows after the Scheduled Payments of principal and interest on the Loans, shall be deposited monthly into the Debt Service Reserve Fund established by the City until that reserve fund holds funds equal to one year of Scheduled Payments. Thereafter, Unrestricted Cash Flows shall be distributed to the City for prepayment on principal on both Loans on a pro-rata basis"
<http://www.toronto.ca/legdocs/mmis/2012/ex/bgrrd/backgroundfile-44225.pdf>)

At its meeting of December 13, 2016, Council adopted the recommendations of report EX 20.16, amending the terms of the loan to enable Leaside to make early debt repayments. Once the reserve fund limit is reached, Leaside may apply the remaining excess revenues as a prepayment of up to 15% of the loan principal outstanding on each loan proportionally in any year.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.16>

At its meeting of May 21-22, 2025, City Council adopted the recommendations of a Report entitled “Leaside Memorial Community Gardens: City Loan Agreement; 2020, 2021 and 2022 Settlement”, which further amended the terms of the loan agreement to “ensure that loan prepayments employing excess revenues do not result in an operating deficit for Leaside”.

<https://www.toronto.ca/legdocs/mmis/2025/ex/bgrd/backgroundfile-255000.pdf>

In 2024, Leaside Memorial Gardens Arena generated a surplus of \$210,055 after meeting its debt obligations, which was used to prepay the outstanding loan principal balances. The outstanding principal balances of the loans, as at Dec 31 2025, were

- City of Toronto loan: \$4,956,651; and
- Infrastructure Ontario (IO) loan: \$395,094

Allocation of Net Surpluses to the Arena Boards of Management Program’s Vehicle and Equipment Replacement Reserve

In April 2004, City Council directed that any year-end net surplus, calculated using the audited financial statements, in excess of the Council approved budget for the Arena Boards of Management Program be transferred to the Arena Boards of Management Vehicle and Equipment Replacement Reserve (XQ1705) and applied proportionately among those Arenas who are in a surplus position and exceeded their budget target, with funds to be used to finance future ice resurfacer replacements for the Arena Boards.

Since the 2024 audited year-end results for Arena Boards of Management as a whole did not result in surpluses in excess of the Council approved budget, no funds can be allocated to the Arena Boards' Vehicle and Equipment and Replacement Reserve for the year. This Reserve is primarily funded through the annual contribution from the eight Arena Boards' operating budgets. The balance of this Reserve on December 31, 2025 was \$1,005,718.

CONTACT

Althea Hutchinson, Executive Director, Financial Planning Division, 416-338-7840, Althea.Hutchinson@toronto.ca

Duri Lee, Director, Accounting Services Division, 416-392-8009, Duri.Lee@toronto.ca

SIGNATURE

Stephen Conforti
Chief Financial Officer & Treasurer

ATTACHMENTS

Appendix A – Arena Boards of Management – Summary of 2024 Operating
Surplus/Deficit Net Settlement

Appendix A – Arena Boards of Management – Summary of 2024 Operating Surplus/Deficit Net Settlement

	City Funding	Adjusted Actual Operating Surplus/(Deficit)			Distribution of Operating Surplus/(Deficit)		
Arena	Approved City Funding \$	Audited Actual Operating Net Surplus/(Deficit) \$	PSAB and Other Adjustments \$	Adjusted Actual Operating Surplus/(Deficit) \$	Adjusted Funding Required From the City \$	Surplus In Excess of Funding From the City \$	Surplus Payable to / (Deficit) Payable from the City \$
	(a)	(b)	(c)	(d) = (b) + (c)			
George Bell Arena	450,000	119,329	(76,760)	42,569	407,431		42,569
William H. Bolton Arena	244,573	350,639	(223,378)	127,261	117,312		127,261
Forest Hill Memorial Arena	22,950	116,839	(82,506)	34,333		11,383	34,333
McCormick Arena	5,308	7,934	(9,912)	(1,978)	7,286		(1,978)
Moss Park Arena	18,435	(15,545)	(22,109)	(37,654)	56,089		(37,654)
Ted Reeve Arena	0	0	(1,598)	(1,598)	1,598		(1,598)
North Toronto Memorial Arena	31,538	(113,741)	(46,775)	(160,516)	192,054		(160,516)
Subtotal w/o Leaside	772,804	465,455	(463,038)	2,417	781,770	11,383	2,417
Leaside Gardens Arena	0	1,009,182	(799,127)	210,055		210,055	210,055
TOTAL	772,804	1,474,637	(1,262,165)	212,472	781,770	221,438	212,472

2024 Program Summary:

Total Payable to City/(Arena) before Reserve Allocation	A	212,472
Allocation to Vehicle & Equipment Replacement Reserve (XQ1705)	B	0
Allocation of Leaside Gardens Surplus toward loan principal (2025.EX23.8)	C	210,055
Net Payable to City/(Arena) after Allocation to Reserve	D = A - B - C	2,417