

**Committee of Management for the  
George Bell Arena  
Financial Statements  
December 31, 2006**

**Grant Thornton** 

TO BE SIGNED AND  
RETURNED TO  
GRANT THORNTON

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## Auditor's Report

To the Council of the Corporation of the  
City of Toronto and the Committee of Management for the  
George Bell Arena

We have audited the balance sheet of the **Committee of Management for the George Bell Arena** as at December 31, 2006 and the statements of revenue and expenditure, changes in 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 **George Bell Arena** as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Toronto, Canada  
February 9, 2007

Grant Thornton LLP  
Chartered Accountants  
Licensed Public Accountants

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Committee of Management for the  
George Bell Arena

**Balance Sheet**

December 31 2006 2005

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**Assets**

Current

Cash and short term deposits	\$ 42,019	\$ 52,734
Receivables - ice rentals and other	51,415	46,182
Prepays	535	535
Inventories	5,188	8,480
Due from City of Toronto (Note 3)	<u>19,223</u>	<u>-</u>
	<u>\$ 118,380</u>	<u>\$ 107,931</u>

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**Liabilities**

Current

Payables and accruals		
- City of Toronto (Note 3)	\$ -	\$ 42,780
- Other	81,615	32,187
Deferred revenue	<u>21,765</u>	<u>17,964</u>
	<u>103,380</u>	<u>92,931</u>

Long term

City of Toronto - working cash advance	<u>15,000</u>	<u>15,000</u>
	<u>\$ 118,380</u>	<u>\$ 107,931</u>

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Approved on behalf of the Committee of Management

Chair

Member

See accompanying notes to the financial statements.

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**Committee of Management for the  
George Bell Arena  
Statement of Revenue and Expenditure**

Year Ended December 31 2006 2005

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<b>Revenue</b>		
Ice rentals	\$ 376,468	\$ 354,674
Snack bar and vending machine operations (Page 7)	1,217	6,127
Pro shop operations (Page 8)	(5,196)	637
Facility rentals	3,374	2,496
Interest	-	31
Other	<u>7,459</u>	<u>11,115</u>
	<u><b>383,322</b></u>	<u><b>375,080</b></u>
 <b>Expenditures</b>		
Salaries and wages	229,498	179,792
Employee benefits	63,679	58,515
Utilities	94,392	88,230
Maintenance and repairs	109,289	28,143
General administration	12,039	9,522
Insurance	8,964	8,150
Professional fees	<u>7,344</u>	<u>3,195</u>
	<u><b>525,205</b></u>	<u><b>375,547</b></u>
Receivable from City of Toronto	(141,883)	(467)
Vehicle and equipment replacement reserve (Note 5)	<u>9,355</u>	<u>9,355</u>
Deficit due from the City of Toronto	<u><b>\$ (151,238)</b></u>	<u><b>\$ (9,822)</b></u>

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See accompanying notes to the financial statements.

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**Committee of Management for the  
George Bell Arena  
Statement of Cash Flows**

Year Ended December 31

2006

2005

Increase (decrease) in cash and short term deposits

	2006	2005
<b>Operating activities</b>		
Excess of expenditures over revenues	\$ (151,238)	\$ (9,822)
Increase (decrease) resulting from changes in		
Receivables	(5,233)	(23,416)
Prepays	-	(100)
Inventories	3,292	(332)
Payables and accruals - City of Toronto	(10)	52,185
- Other	49,428	(62,925)
Deferred revenue	<u>3,801</u>	<u>(5,851)</u>
	<u>(99,960)</u>	<u>(50,261)</u>
 <b>Financing activity</b>		
Payment of operating deficit	<u>89,245</u>	<u>41,813</u>
 Net decrease in cash and short term deposits	(10,715)	(8,448)
 Cash and short term deposits, beginning of year	<u>52,734</u>	<u>61,182</u>
 Cash and short term deposits, end of year	\$ <u>42,019</u>	\$ <u>52,734</u>

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See accompanying notes to the financial statements.

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## Committee of Management for the George Bell Arena

### Notes to the Financial Statements

December 31, 2006

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#### 1. Establishment and operations

The George Bell 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. 21259, as amended. 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.

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#### 2. Significant accounting policies

- (a) Revenues and expenditures are recorded on an accrual basis.
- (b) Inventories are valued at cost.
- (c) As per Canadian generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board (PSAB), capital assets are recorded as expenditures in the year of acquisition.
- (d) 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.
- (e) Ice rentals paid in advance are recorded as deferred revenue.
- (f) Services provided without charge by the City are not recorded in these financial statements.

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**Committee of Management for the  
George Bell Arena**

**Notes to the Financial Statements**

December 31, 2006

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**3. Operating deficit receivable from (payable to) the City of Toronto**

	<u>2006</u>	<u>2005</u>
The amount due from (to) the City of Toronto consists of the following:		
Balance, beginning of year	\$ (42,780)	\$ 41,396
Funds received adjusted	(10)	-
Vehicle and equipment replacement reserve paid (due)	20	(20)
Current year's operating deficit	151,238	9,822
Funds received during the year	(89,245)	(41,813)
OMERS adjustment	<u>-</u>	<u>(52,165)</u>
Balance, end of year	\$ <u>19,223</u>	\$ <u>(42,780)</u>

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**4. Employee-related liabilities**

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. OMERS declared a temporary contribution holiday for all active employees and participating employers between August 1, 1998 and December 31, 2002 due to significant surpluses in the Plan. Contributions by employees and employer recommenced in January 2003. Employer contributions to this pension plan amounted to \$10,469 in 2006 and \$10,513 in 2005.

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**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. Each arena will contribute \$9,355 per year for the first five years for vehicle and equipment replacement reserve commencing in 2004.



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**Committee of Management for the  
George Bell Arena  
Schedule of Snack Bar and Vending Machine Operations**

Year Ended December 31

**2006**

**2005**

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Sales		
Snack bar	\$ 35,183	\$ 29,569
Cost of goods sold	<u>21,804</u>	<u>14,750</u>
Gross profit	13,379	14,819
Commission on vending machines	-	2,373
Direct expenses		
Wages and benefits	<u>12,162</u>	<u>11,065</u>
Net profit	\$ <u>1,217</u>	\$ <u>6,127</u>

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**Committee of Management for the  
George Bell Arena  
Schedule of Pro Shop Operations**

Year Ended December 31	2006	2005
Sales	\$ 4,831	\$ 7,265
Cost of goods sold	<u>5,272</u>	<u>5,101</u>
Gross (loss) profit	(441)	2,164
Direct expenses		
Wages and benefits	<u>4,755</u>	<u>1,527</u>
Net (loss) profit	\$ <u>(5,196)</u>	\$ <u>637</u>