

**Committee of Management for the
William H. Bolton Arena
Financial Statements
December 31, 2006**

Grant Thornton 

TO BE SIGNED AND
RETURNED TO
GRANT THORNTON

Contents

	<u>Page</u>
Auditors' Report	1
Balance Sheet	2
Statement of Revenue and Expenditure	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6
Schedule of Snack Bar and Vending Machine Operations	7
Schedule of Pro Shop Operations	8

Auditor's Report

To the Council of the Corporation of the
City of Toronto and the Committee of Management for the
William H. Bolton Arena

We have audited the balance sheet of the **Committee of Management for the William H. Bolton 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 **William H. Bolton 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 19, 2007

Grant Thornton LLP
Chartered Accountants
Licensed Public Accountants

**Committee of Management for the
William H. Bolton Arena
Balance Sheet**

December 31 2006 2005

Assets

Current

Cash and short term deposits	\$ 194,103	\$ 226,065
Receivables - ice rentals and other	36,542	64,476
Interest receivable	1,688	3,405
Inventories	26,154	22,030
Operating deficit due from the City of Toronto (Note 4)	<u>10,036</u>	<u>2,080</u>
	\$ <u>268,523</u>	\$ <u>318,056</u>

Liabilities

Current

Payables and accruals		
- City of Toronto (Note 3)	\$ 12,498	\$ 16,025
- Other	31,518	58,583
Deferred revenue	<u>174,006</u>	<u>196,728</u>
	<u>218,022</u>	<u>271,336</u>

Long term

Employee related liabilities (Note 5)	40,501	36,720
City of Toronto - working capital advance	<u>10,000</u>	<u>10,000</u>
	<u>50,501</u>	<u>46,720</u>
	\$ <u>268,523</u>	\$ <u>318,056</u>

Approved on behalf of the Committee of Management

 Chair

 Member

See accompanying notes to the financial statements.

**Committee of Management for the
William H. Bolton Arena
Statement of Revenue and Expenditure**

Year Ended December 31 2006 2005

Revenue

Ice rentals	\$ 269,692	\$ 263,835
Program registration	344,594	319,703
Snack bar and vending machine operations (Page 7)	38,328	37,148
Pro shop operations (Page 8)	31,334	20,381
Interest	1,688	3,788
Other	<u>1,659</u>	<u>16,114</u>
	<u>687,295</u>	<u>660,969</u>

Expenditure

Salaries and wages	303,798	291,665
Employee benefits	72,899	64,739
Utilities	100,648	92,934
Program material and supplies	113,116	102,830
Maintenance and repairs	61,211	88,580
General administration	22,868	26,219
Insurance	8,964	8,150
Professional fees	3,790	2,991
Furniture and equipment	<u>537</u>	<u>4,824</u>
	<u>687,831</u>	<u>682,932</u>

Operating deficit (536) (21,963)

Vehicle and equipment replacement reserve contribution
(Note 6) 9,500 9,355

Deficit due from the City of Toronto \$ (10,036) \$ (31,318)

See accompanying notes to the financial statements.

**Committee of Management for the
William H. Bolton Arena
Statement of Cash Flows**

Year Ended December 31

2006

2005

Increase (decrease) in cash and short term deposits

Operating activities		
Excess of expenditures over revenues	\$ (10,036)	\$ (31,318)
Increase (decrease) resulting from changes in:		
Receivables	27,934	(1,810)
Inventories	(4,124)	496
Payables and accruals - City of Toronto	(3,527)	(158)
Payables and accruals - other	(27,065)	41,299
Interest receivable	1,717	(3,405)
Employee related liabilities	3,781	4,483
Deferred revenue	<u>(22,722)</u>	<u>(1,704)</u>
	<u>(34,042)</u>	<u>7,883</u>
Financing activity		
Funding from City of Toronto - net	<u>2,080</u>	<u>(4,232)</u>
Net (decrease) increase in cash and short term deposits	(31,962)	3,651
Cash and short term deposits, beginning of year	<u>226,065</u>	<u>222,414</u>
Cash and short term deposits, end of year	\$ <u>194,103</u>	\$ <u>226,065</u>

See accompanying notes to the financial statements.

Committee of Management for the William H. Bolton Arena

Notes to the Financial Statements

December 31, 2006

1. Establishment and operations

The William H. Bolton 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. 318-71, 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.

2. Summary of 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.

Future and equipment

The cost of furniture and equipment is charged to operations in the year of acquisition.

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.

The vested sick leave benefit is calculated at the salary levels in effect at the end of each year for all unused vested sick pay credit accruing to employees.

**Committee of Management for the
William H. Bolton Arena
Notes to the Financial Statements**

December 31, 2006

3. Accrued liabilities owing to the City of Toronto 2006 2005

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

Water	\$ -	\$ 4,015
Employee benefit	-	2,063
Hydro	<u>12,498</u>	<u>9,947</u>
Balance due, end of year	<u>\$ 12,498</u>	<u>\$ 16,025</u>

4. Operating deficit due from the City of Toronto 2006 2005

The amount due (from) to the City of Toronto consists of the following:

Balance, beginning of year	\$ (2,080)	\$ 33,470
Net settled during year	16,519	-
Current year's operating deficit	(10,036)	(31,318)
Paid during the year	(22,109)	(4,232)
City funding 2004	8,413	-
City adjustments 2004 and 2005	<u>(743)</u>	<u>-</u>
Balance, end of year	<u>\$ (10,036)</u>	<u>\$ (2,080)</u>

5. Employee-related liabilities

The Committee provides pension and other benefits to its employees including health, dental, life insurance and long term disability benefits.

The Committee participates in the Ontario Municipal Employees Retirement Systems (OMERS), which is a multi-employed plan, on behalf of its full time employees. The 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 rates 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. The board will contribute \$9,355 per year for the first two years and \$9,500 per year for three years for the Vehicle and Equipment reserve commencing in 2004.

**Committee of Management for the
William H. Bolton Arena
Schedule of Snack Bar and Vending Machine Operations**

Year Ended December 31 2006 2005

Sales			
Snack Bar	\$	56,191	\$ 52,378
Vending machine		<u>20,182</u>	<u>21,110</u>
		76,373	73,488
Cost of goods sold		<u>38,045</u>	<u>36,340</u>
Gross profit	\$	<u>38,328</u>	\$ <u>37,148</u>

**Committee of Management for the
William H. Bolton Arena
Schedule of Pro Shop Operations**

Year Ended December 31

2006

2005

Sales

Pro shop	\$ 40,394	\$ 36,345
Skate sharpening	<u>18,139</u>	<u>13,391</u>
	58,533	49,736
 Cost of goods sold	 <u>27,199</u>	 <u>29,355</u>
 Gross profit	 \$ <u>31,334</u>	 \$ <u>20,381</u>