



Grant Thornton

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GRANT THORNTON

Financial Statements

Committee of Management for the

William H. Bolton Arena

December 31, 2007

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Grant Thornton

Auditor's Report

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**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, 2007 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, 2007 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
February 22, 2008

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

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

December 31 2007 2006

Assets

Current

Cash and short term deposits	\$ 108,163	\$ 194,103
Receivables - ice rentals and other	52,330	36,542
Interest receivable	2,325	1,688
Inventories	35,992	26,154
Operating deficit due from the City of Toronto (Note 5)	<u>118,585</u>	<u>10,036</u>
	\$ 317,395	\$ 268,523

Liabilities

Current

Payables and accruals		
- City of Toronto (Note 4)	\$ 17,217	\$ 12,498
- Other	24,580	31,518
Deferred revenue	<u>221,195</u>	<u>174,006</u>
	<u>262,992</u>	<u>218,022</u>

Long term

Employee related liabilities (Note 6)	44,403	40,501
City of Toronto - working capital advance	<u>10,000</u>	<u>10,000</u>
	<u>54,403</u>	<u>50,501</u>
	\$ 317,395	\$ 268,523

Approved on behalf of the Committee of Management

Peter S. Cronos Vice Chair

[Signature] 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

2007

2006

Revenue

Ice rentals	\$ 202,266	\$ 269,692
Program registration	310,887	344,594
Snack bar and vending machine operations (Page 7)	28,453	38,328
Pro shop operations (Page 8)	22,602	31,334
Interest	2,413	1,688
Other	6,340	1,659
	<u>572,961</u>	<u>687,295</u>

Expenditure

Salaries and wages	305,301	303,798
Employee benefits	69,057	72,899
Utilities	101,191	100,648
Program material and supplies	105,704	113,116
Maintenance and repairs	65,099	61,211
General administration	17,397	22,868
Insurance	9,819	8,964
Professional fees	3,992	3,790
Furniture and equipment	4,486	537
	<u>682,046</u>	<u>687,831</u>

Operating deficit (109,085) (536)

Vehicle and equipment replacement reserve contribution
(Note 7) 9,500 9,500

Deficit due from the City of Toronto \$ (118,585) \$ (10,036)

See accompanying notes to the financial statements.

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

Year Ended December 31

2007

2006

Increase (decrease) in cash and short term deposits

Operating activities

Excess of expenditures over revenues	\$ (118,585)	\$ (10,036)
Increase (decrease) resulting from changes in:		
Receivables	(15,788)	27,934
Inventories	(9,838)	(4,124)
Payables and accruals - City of Toronto	4,719	(3,527)
Payables and accruals - other	(6,938)	(27,065)
Interest receivable	(637)	1,717
Employee related liabilities	3,902	3,781
Deferred revenue	<u>47,189</u>	<u>(22,722)</u>
	<u>(95,976)</u>	<u>(34,042)</u>

Financing activity

Funding from City of Toronto - net	<u>10,036</u>	<u>2,080</u>
Net decrease in cash and short term deposits	(85,940)	(31,962)
Cash and short term deposits, beginning of year	<u>194,103</u>	<u>226,065</u>
Cash and short term deposits, end of year	\$ <u>108,163</u>	\$ <u>194,103</u>

See accompanying notes to the financial statements.

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

December 31, 2007

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. Change in accounting policy

The Canadian Institute of Chartered Accountants issued Handbook Section 3855, "Financial Instruments – Recognition and Measurement" the application of which is mandatory for these annual financial statements for the period commencing January 1, 2007.

The new standard requires The Arena to classify all financial assets included on the balance sheet as either held-for-trading, held-to-maturity investments, loans and receivables or available-for-sale categories. In addition, the standards require that all financial assets be measured at fair value with the exception of loans, receivables, and investments classified as held-to-maturity which are measured at amortized cost.

The gain or loss arising from a change in the fair value of a financial asset classified as held for trading is included in excess of revenues over expenditures in the period in which it arises. If the financial asset is classified as available for sale, the gain or loss is recognized in a separate account within the general fund balance until the financial asset is derecognized and the cumulative gains and losses are then recognized in excess of revenues over expenditures. On initial adoption of these accounting policies prior period comparative financial information would not be restated and the opening adjustment would be made to the opening general fund balance.

Similarly, the standard requires that all financial liabilities be measured at fair value on the balance sheet when they are held for trading. Other financial liabilities are measured at amortized cost.

The Arena has classified its cash and short term deposits, receivables and payables and accruals as held-for-trading. Upon adoption, as of January 1, 2007, there is no impact from this change in accounting policy.

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

December 31, 2007

3. 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.

Furniture 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.

4. Accrued liabilities owing to the City of Toronto

	<u>2007</u>	<u>2006</u>
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The amount due to the City of Toronto consists of the following:

Hydro	\$ <u>17,218</u>	\$ <u>12,498</u>
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Committee of Management for the William H. Bolton Arena Notes to the Financial Statements

December 31, 2007

5. Operating deficit due from the City of Toronto

	<u>2007</u>	<u>2006</u>
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The amount due (from) to the City of Toronto consists of the following:

Balance, beginning of year	\$ (10,036)	\$ (2,080)
Net settled during year	10,036	16,519
Current year's operating deficit	118,585	(10,036)
Paid during the year	-	(22,109)
City funding 2004	-	8,413
City adjustments 2004 and 2005	-	(743)
	<hr/>	<hr/>
Balance, end of year	\$ <u>118,585</u>	\$ <u>(10,036)</u>

6. Employee-related liabilities

The Committee provides pension and other benefits to its employees including health, dental, life insurance and long term disability benefits. Sick leave benefit payable amounts to \$44,403 (2006 - \$40,501).

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.

7. 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

2007

2006

Sales		
Snack Bar	\$ 42,447	\$ 56,191
Vending machine	<u>17,686</u>	<u>20,182</u>
	60,133	76,373
Cost of goods sold	<u>31,680</u>	<u>38,045</u>
Gross profit	\$ <u>28,453</u>	\$ <u>38,328</u>

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

Year Ended December 31

2007

2006

Sales

Pro shop

\$ 22,846

\$ 40,394

Skate sharpening

14,506

18,139

37,352

58,533

Cost of goods sold

14,750

27,199

Gross profit

\$ 22,602

\$ 31,334