



TO BE SIGNED AND
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GRANT THORNTON

Financial Statements

Committee of Management for the
William H. Bolton Arena

December 31, 2010

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Independent 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 accompanying financial statements of the Committee of Management for the William H. Bolton Arena, which comprise the Statement of Financial Position as at December 31, 2010, statement of operations and accumulated surplus, statement of 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 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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of as at December 31, 2010, 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
April 19, 2011

Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

**Committee of Management for the
William H. Bolton Arena
Statement of Financial Position**

December 31 2010 2009

Financial Assets

Cash and short term deposits	\$ 203,009	\$ 200,186
Receivables - ice rentals and other	13,752	68,254
Interest receivable	10	421
Operating deficit due from the City of Toronto (Note 4)	51,917	42,456
Inventory	<u>30,553</u>	<u>28,249</u>
	<u>299,241</u>	<u>339,566</u>

Liabilities

Payables and accruals		
- City of Toronto (Note 3)	12,000	13,568
- Other	28,824	23,828
Deferred revenue	191,725	239,574
Employee related liabilities (Note 5)	56,692	52,596
City of Toronto - working capital advance	<u>10,000</u>	<u>10,000</u>
	<u>299,241</u>	<u>339,566</u>

Net Financial Liabilities

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Non Financial Assets

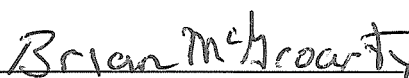
Tangible capital assets (Page 12)	<u>2,579</u>	<u>3,784</u>
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Accumulated surplus

\$ 2,579 \$ 3,784

Approved on behalf of the Committee of Management


_____ Chair

 Member

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

Year Ended December 31 2010 2009

Revenue

Ice rentals	\$ 242,322	\$ 250,636
Program registration	461,934	423,534
Snack bar and vending machine operations (Page 10)	26,867	30,719
Pro shop operations (Page 11)	33,285	28,780
Interest	16	1,496
Other	<u>6,231</u>	<u>4,236</u>
	<u>770,655</u>	<u>739,401</u>

Expenditure

Salaries and wages	336,268	325,972
Employee benefits	78,247	77,620
Utilities	104,660	108,758
Program material and supplies	142,836	136,592
Maintenance and repairs	87,358	51,622
General administration	29,933	24,799
Insurance	10,285	10,034
Professional fees	5,000	5,000
Amortization	<u>1,205</u>	<u>1,205</u>
	<u>795,792</u>	<u>741,602</u>

Net expenditure (25,137) (2,201)

Vehicle and equipment replacement reserve contribution
(Note 6) (11,000) (11,000)

Net revenue receivable from the City of Toronto 34,932 16,985

Annual (deficit) surplus (1,205) 3,784

Opening accumulated surplus 3,784 -

Ending accumulated surplus \$ 2,579 \$ 3,784

See accompanying notes to the financial statements.

**Committee of Management for the
William H. Bolton Arena
Statement of Net Assets**

Year Ended December 31	2010	2009
Annual (deficit) surplus	\$ (1,205)	\$ 3,784
Acquisition of tangible capital assets	-	(4,989)
Amortization of tangible capital assets	<u>1,205</u>	<u>1,205</u>
Change in net financial assets	-	-
Net financial assets (liabilities), beginning of year	<u>-</u>	<u>-</u>
Net financial assets (liabilities), end of year	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes to the financial statements.

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

Year Ended December 31 2010 2009

Increase (decrease) in cash and short term deposits

Cash flows from operating transactions

Annual (deficit) surplus \$ (1,205) \$ 3,784

Non cash charges to operations

Amortization	1,205	1,205
Receivables	54,502	(35,897)
Inventories	(2,304)	3,655
Net receivable from City of Toronto	(11,029)	15,288
Payables and accruals - other	4,996	(9,603)
Interest receivable	411	2,437
Employee related liabilities	4,096	5,080
Deferred revenue	<u>(47,849)</u>	<u>28,565</u>
	<u>2,823</u>	<u>14,514</u>

Capital transactions

Purchase of tangible capital assets	<u>-</u>	<u>(4,989)</u>
Cash used in capital transactions	<u>-</u>	<u>(4,989)</u>

Net increase in cash and short term deposits 2,823 9,525

Cash and short term deposits, beginning of year 200,186 190,661

Cash and short term deposits, end of year \$ 203,009 \$ 200,186

See accompanying notes to the financial statements.

Committee of Management for the William H. Bolton Arena

Notes to the Financial Statements

December 31, 2010

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.

Tangible capital assets

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
Furniture and equipment	- 5 years straight-line

Prior to 2009, it was the Arena's policy to expense these purchases in the period acquired. Commencing January 2009, Canadian generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board required entities to retroactively record these purchases as capital assets and amortize them over their useful lives, except in those circumstances where the necessary financial information was not reasonably determinable. As the Arena could not readily determine the financial information necessary to retroactively record capital assets, all capital asset purchases prior to 2009 have been recorded at a nominal amount and all capital assets acquired subsequent are being capitalized and amortized in accordance with the Arena's policies.

Committee of Management for the William H. Bolton Arena

Notes to the Financial Statements

December 31, 2010

2. Summary of significant accounting policies

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.

3. Accrued liabilities owing to the City of Toronto

	<u>2010</u>	<u>2009</u>
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The amount due to the City of Toronto consists of the following:

Hydro	\$ <u>12,000</u>	\$ <u>13,568</u>
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4. Operating deficit due from the City of Toronto

	<u>2010</u>	<u>2009</u>
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The amount due from the City of Toronto consists of the following:

Balance, beginning of year	\$ 42,456	\$ 82,391
Net settled during year	(24,958)	(56,920)
Current year's receivable	34,932	16,985
Adjustment	<u>(513)</u>	<u>-</u>
Balance, end of year	\$ <u>51,917</u>	\$ <u>42,456</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. Sick leave benefits payable amounts to \$56,692(2009 - \$52,596).

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. Total contribution by the Arena and the employees during the year was \$17,918 (2009 - \$17,243).

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

December 31, 2010

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 that will be provided by the City of Toronto. Currently the contribution is \$11,000 per year.

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

Year Ended December 31

2010

2009

Sales

Snack Bar	\$ 39,316	\$ 40,261
Vending machine	<u>18,793</u>	<u>21,667</u>
	58,109	61,928
 Cost of goods sold	 <u>31,242</u>	 <u>31,209</u>
 Gross profit	 \$ <u>26,867</u>	 \$ <u>30,719</u>

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

Year Ended December 31

2010

2009

Sales

Pro shop	\$ 38,311	\$ 35,059
Skate sharpening	<u>22,088</u>	<u>19,398</u>
	60,399	54,457
 Cost of goods sold	 <u>27,114</u>	 <u>25,677</u>
 Gross profit	 \$ <u>33,285</u>	 \$ <u>28,780</u>

**Committee of Management for the
William H. Bolton Arena
Schedule of Tangible Capital Assets**

Year Ended December 31, 2010

	<u>Computer Equipment</u>	<u>Furniture and Equipment</u>	<u>2010</u>	<u>2009</u>
Cost				
Balance, beginning of year	\$ 1,554	\$ 3,436	\$ 4,990	\$ 1
Add: Additions during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,989</u>
	<u>1,554</u>	<u>3,436</u>	<u>4,990</u>	<u>4,990</u>
Accumulated amortization				
Balance, beginning of year	518	688	1,206	1
Add: Amortization during the year	<u>518</u>	<u>687</u>	<u>1,205</u>	<u>1,205</u>
	<u>1,036</u>	<u>1,375</u>	<u>2,411</u>	<u>1,206</u>
Net book value of Tangible Capital Assets	<u>\$ 518</u>	<u>\$ 2,061</u>	<u>\$ 2,579</u>	<u>\$ 3,784</u>