



Financial Statements

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

December 31, 2011

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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, 2011, 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

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Committee of Management for the William H. Bolton Arena** as at December 31, 2011, 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
June 22, 2012


Grant Thornton LLP

Chartered Accountants
Licensed Public Accountants

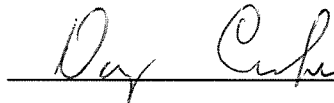
**Committee of Management for the
William H. Bolton Arena
Statement of Financial Position**

December 31	2011	2010
Financial Assets		
Cash and short term deposits	\$ 119,214	\$ 203,009
Receivables - ice rentals and other	68,105	13,752
Interest receivable	468	10
Operating deficit due from the City of Toronto (Note 4)	168,766	51,917
Inventory	<u>18,189</u>	<u>30,553</u>
	<u>374,742</u>	<u>299,241</u>
Liabilities		
Payables and accruals		
- City of Toronto (Note 3)	18,749	12,000
- Other	33,077	28,824
Deferred revenue	298,872	191,725
Employee related liabilities (Note 5)	18,284	56,692
City of Toronto - working capital advance	<u>10,000</u>	<u>10,000</u>
	<u>378,982</u>	<u>299,241</u>
Net Financial assets (liabilities)	(4,240)	-
Non Financial Assets		
Prepays	4,240	-
Tangible capital assets (Page 12)	<u>6,008</u>	<u>2,579</u>
Accumulated surplus	\$ <u>6,008</u>	\$ <u>2,579</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 Operations**

Year Ended December 31

2011

2010

Revenue

Ice rentals	\$ 241,047	\$ 242,322
Program registration	500,111	461,934
Snack bar and vending machine operations (Page 10)	20,663	26,867
Pro shop operations (Page 11)	18,806	33,285
Interest	1,023	16
Other	<u>3,758</u>	<u>6,231</u>
	<u>785,408</u>	<u>770,655</u>

Expenditure

Salaries and wages	349,405	336,268
Employee benefits	82,369	78,247
Utilities	115,397	104,660
Program material and supplies	168,885	142,836
Maintenance and repairs	110,980	87,358
General administration	40,079	29,933
Insurance	10,696	10,285
Professional fees	7,277	5,000
Amortization	<u>2,740</u>	<u>1,205</u>
	<u>887,828</u>	<u>795,792</u>

Net expenditure (102,420) (25,137)

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

Net revenue receivable from the City of Toronto 116,849 34,932

Annual surplus (deficit) 3,429 (1,205)

Opening accumulated surplus 2,579 3,784

Ending accumulated surplus \$ 6,008 \$ 2,579

See accompanying notes to the financial statements.

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

Year Ended December 31	2011	2010
Annual surplus (deficit)	\$ 3,429	\$ (1,205)
Acquisition of tangible capital assets	(6,169)	-
Amortization of tangible capital assets	2,740	1,205
Cost of prepaids	<u>(4,240)</u>	<u>-</u>
Change in net financial assets	(4,240)	-
Net financial (liabilities), beginning of year	<u>-</u>	<u>-</u>
Net financial (liabilities), end of year	\$ <u>(4,240)</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

2011

2010

Increase (decrease) in cash and short term deposits		
Cash flows from operating transactions		
Annual surplus (deficit)	\$ 3,429	\$ (1,205)
Non cash charges to operations		
Amortization	2,740	1,205
Receivables	(54,353)	54,502
Prepays	(4,240)	-
Inventories	12,364	(2,304)
Net receivable from City of Toronto	(110,100)	(11,029)
Payables and accruals - other	4,253	4,996
Interest receivable	(458)	411
Employee related liabilities	(38,408)	4,096
Deferred revenue	<u>107,147</u>	<u>(47,849)</u>
	<u>(77,626)</u>	<u>2,823</u>
Capital transactions		
Purchase of tangible capital assets	<u>(6,169)</u>	-
Cash used in capital transactions	<u>(6,169)</u>	-
Net increase in cash and short term deposits	(83,795)	2,823
Cash and short term deposits, beginning of year	<u>203,009</u>	<u>200,186</u>
Cash and short term deposits, end of year	\$ <u>119,214</u>	\$ <u>203,009</u>

See accompanying notes to the financial statements.

Committee of Management for the William H. Bolton Arena

Notes to the Financial Statements

December 31, 2011

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, 2011

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 2011 2010

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

Hydro	\$ <u>18,749</u>	\$ <u>12,000</u>
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4. Operating deficit due from the City of Toronto 2011 2010

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

Balance, beginning of year	\$ 51,917	\$ 42,456
Received during year	-	(24,958)
Current year's receivable	116,849	34,932
Adjustment	<u>-</u>	<u>(513)</u>
Balance, end of year	\$ <u>168,766</u>	\$ <u>51,917</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 \$18,284 (2010 - \$56,692).

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 \$20,033 (2010 - \$17,918).

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

December 31, 2011

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

2011

2010

Sales

Snack Bar	\$ 36,951	\$ 39,316
Vending machine	<u>15,319</u>	<u>18,793</u>
	52,270	58,109
Cost of goods sold	<u>31,607</u>	<u>31,242</u>
Gross profit	\$ <u>20,663</u>	\$ <u>26,867</u>

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

Year Ended December 31

2011

2010

Sales

Pro shop	\$ 29,431	\$ 38,311
Skate sharpening	<u>22,223</u>	<u>22,088</u>
	51,654	60,399
Cost of goods sold	<u>32,848</u>	<u>27,114</u>
Gross profit	\$ <u>18,806</u>	\$ <u>33,285</u>

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

Year Ended December 31, 2011

	<u>Computer Equipment</u>	<u>Furniture and Equipment</u>	<u>2011</u>	<u>2010</u>
Cost				
Balance, beginning of year	\$ 1,554	\$ 3,436	\$ 4,990	\$ 4,990
Add: Additions during the year	<u>2,255</u>	<u>3,914</u>	<u>6,169</u>	<u>-</u>
	<u>3,809</u>	<u>7,350</u>	<u>11,159</u>	<u>4,990</u>
Accumulated amortization				
Balance, beginning of year	1,036	1,375	2,411	1,206
Add: Amortization during the year	<u>1,270</u>	<u>1,470</u>	<u>2,740</u>	<u>1,205</u>
	<u>2,306</u>	<u>2,845</u>	<u>5,151</u>	<u>2,411</u>
Net book value of Tangible Capital Assets	\$ <u>1,503</u>	\$ <u>4,505</u>	\$ <u>6,008</u>	\$ <u>2,579</u>