

**FINANCIAL STATEMENTS**  
**For**  
**COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA**  
**For the year ended**  
**DECEMBER 31, 2017**

**INDEPENDENT AUDITOR'S REPORT**

To the Council of the Corporation of the

**CITY OF TORONTO AND COMMITTEE OF MANAGEMENT OF  
WILLIAM H. BOLTON ARENA**

We have audited the accompanying financial statements of the Committee of Management of William H. Bolton Arena, which comprise the statement of financial position as at December 31, 2017, statements of operations, changes in net debt and 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 public sector accounting standards, 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 of William H. Bolton Arena as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
June 14, 2018.


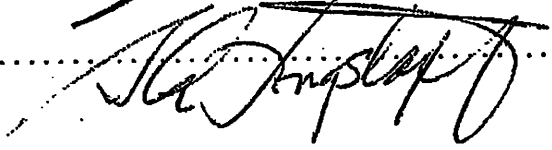
**COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 340,741	\$ 258,432
Investment (note 5)	53,314	53,045
Accounts receivable	4,554	-
Commodity receivable	9,500	-
Due from City of Toronto (note 6)	-	<u>37,972</u>
	<u>408,109</u>	<u>349,449</u>
<b>FINANCIAL LIABILITIES</b>		
Due to City of Toronto (note 6)	33,523	-
Accounts payable and accrued liabilities	96,449	68,021
Deferred revenue	287,306	289,963
City of Toronto - working capital advance	<u>10,000</u>	<u>10,000</u>
	<u>427,278</u>	<u>367,984</u>
<b>NET DEBT</b>	(19,169)	(18,535)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 4)	40,843	29,947
Inventories	16,443	15,809
Prepaid expenses	<u>2,726</u>	<u>2,726</u>
	<u>60,012</u>	<u>48,482</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 40,843</u>	<u>\$ 29,947</u>

Approved on behalf of the Committee of Management:

.....Chair  
  
 .....Member  


(See accompanying notes)

**COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2017**

	<u>Budget</u> (unaudited)	<u>2017</u>	<u>2016</u>
<b>Revenue</b>			
Program registration	\$ 742,466	\$ 773,531	\$ 716,702
Ice rentals	276,853	264,784	276,853
Pro shop operations (Schedule A)	40,335	42,004	38,979
Snack bar and vending machine operations (Schedule A)	23,151	25,986	22,344
Other	12,200	14,481	12,863
Interest	<u>1,500</u>	<u>269</u>	<u>964</u>
	<u>1,096,505</u>	<u>1,121,055</u>	<u>1,068,705</u>
<b>Expenses</b>			
Salaries and wages	365,038	368,427	386,875
Program material and supplies	200,994	195,131	198,702
Utilities	182,741	179,934	165,655
Repairs and maintenance	90,990	114,986	83,440
Employee benefits	99,538	115,583	97,510
General administration	105,691	88,547	68,341
Insurance	11,106	10,835	10,835
Professional fees	6,451	10,047	6,333
Amortization	<u>-</u>	<u>14,554</u>	<u>12,460</u>
	<u>1,062,549</u>	<u>1,098,044</u>	<u>1,030,151</u>
<b>Excess revenues over expenses before the undernoted</b>	33,956	23,011	38,554
<b>Vehicle and equipment reserve contribution (note 8)</b>	<u>(11,000)</u>	<u>(11,000)</u>	<u>(11,000)</u>
<b>Operating surplus</b>	<u>\$ 22,956</u>	12,011	27,554
<b>Net payable to the City of Toronto (note 6)</b>		<u>(1,115)</u>	<u>(32,408)</u>
<b>Annual surplus (deficit)</b>		10,896	(4,854)
<b>Accumulated surplus, beginning of year</b>		<u>29,947</u>	<u>34,801</u>
<b>Accumulated surplus, end of year</b>		<u>\$ 40,843</u>	<u>\$ 29,947</u>

(See accompanying notes)

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Annual surplus (deficit)	\$ 10,896	\$ (4,854)
Acquisition of tangible capital assets	(25,450)	(7,606)
Amortization of tangible capital assets	14,554	12,460
Purchase of inventories, net	(634)	-
Utilization of prepaid expenses, net	<u>-</u>	<u>2,178</u>
Changes in net debt	(634)	2,178
Net debt, beginning of year	<u>(18,535)</u>	<u>(20,713)</u>
Net debt, end of year	<u>\$ (19,169)</u>	<u>\$ (18,535)</u>

(See accompanying notes)

**Welch LLP**

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 10,896	\$ (4,854)
Adjustments:		
Amortization of tangible capital assets	14,554	12,460
Unrealized gain on investment	<u>(269)</u>	<u>(293)</u>
	25,181	7,313
Non-cash changes to operations:		
Accounts receivable	(4,554)	-
Prepaid expenses	-	2,178
Inventories	(634)	-
Due from City of Toronto	37,972	32,408
Due to City of Toronto	33,523	-
Accounts payable and accrued liabilities	28,428	7,435
Deferred revenue	(2,657)	36,119
HST Receivable	<u>(9,500)</u>	<u>-</u>
<b>Cash flows from operating activities</b>	<u>107,759</u>	<u>85,453</u>
<b>CASH FLOWS FROM CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	<u>(25,450)</u>	<u>(7,606)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of investments	<u>-</u>	<u>100,629</u>
<b>INCREASE IN CASH</b>	82,309	178,476
<b>CASH AT BEGINNING OF YEAR</b>	<u>258,432</u>	<u>79,956</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 340,741</u>	<u>\$ 258,432</u>

(See accompanying notes)

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

1. NATURE OF OPERATIONS

The Committee of Management of William H. Bolton Arena (the "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 of Management retains a working capital advance provided by the City, for the management and control of the premises, to be returned to the City upon the Committee of Management ceasing to function for any reason.

2. SIGNIFICANT ACCOUNTING POLICIES

*Basis of accounting*

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board (PSAB).

*Revenue recognition*

Revenues and expenditures are recorded on an accrual basis, when the service has been provided, evidence of an arrangement exists, the fee is fixed or determinable and the amount is collectible.

Ice rentals, hockey schools and camp fees received in advance are recorded as deferred revenue.

*Financial instruments*

The Arena initially measures its financial assets and financial liabilities at fair value.

The Arena subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investment, accounts receivable and amounts due from the City of Toronto.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

*Inventories*

Inventories held for resale are initially recorded at cost and subsequently measured at the lower of cost and net realizable value. The cost is determined on a first-in, first-out basis.

*Tangible capital assets*

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	- 5 years straight line
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COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2017

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

*Contributed materials and services*

Major capital expenditures are financed by the City of Toronto, who owns the facility, and are not recorded in these financial statements.

Services provided without charge by the City are not recorded in these financial statements.

*Employee related costs*

The Arena has adopted the following policy with respect to employee benefit plans:

(a) The City of Toronto offers a multi-employer defined benefit pension plan (the "Plan") to the Arena's eligible employees. Due to the nature of the Plan, the Arena does not have sufficient information to account for the Plan as a defined benefit plan; therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.

(b) The Arena offered to its eligible employees a sick leave benefit until December 31, 2012, which vested and was calculated at the salary levels in effect at the end of each year for all unused vested sick pay credit accruing to employees. The Arena accrued for the accumulated and unused vested sick leave benefits as at December 31, 2012 for those employees that were grandfathered.

*Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining useful life of its tangible capital assets, assessing the allowance of doubtful accounts, and significant accrued liabilities. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and in any future years affected.

3. **FINANCIAL INSTRUMENTS**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Arena's financial instruments.

*Credit risk*

The Arena is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Arena's maximum exposure to credit risk represents the sum of the carrying value of its cash, investment and accounts receivable. The Arena's cash and investment are with a Canadian chartered bank and as a result management believes the risk of loss on these items to be remote.

Management believes that the Arena's credit risk with respect to accounts receivable is limited. The organization manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.



COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED DECEMBER 31, 2017

3. **FINANCIAL INSTRUMENTS - Cont'd.**

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Arena's cash and investment earn interest at prevailing market rates and the interest rate exposure related to these financial instruments is negligible.

*Liquidity risk*

Liquidity risk refers to the adverse consequence that the Arena will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of accounts payable and accrued liabilities. The Arena manages liquidity risk by monitoring its cash flow requirements on a regular basis. The Arena believes its overall liquidity risk to be minimal as the Arena's financial assets are considered to be highly liquid.

Changes in risk

There have been no significant changes in the Arena's risk exposures from the prior year.

4. **TANGIBLE CAPITAL ASSETS**

Tangible capital assets consist of the following:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Furniture and equipment	<u>\$ 95,100</u>	<u>\$ 54,257</u>	<u>\$ 69,650</u>	<u>\$ 39,703</u>
Accumulated amortization	<u>54,257</u>		<u>39,703</u>	
	<u>\$ 40,843</u>		<u>\$ 29,947</u>	

5. **INVESTMENT**

The investment consists of a one-year cashable guarantee investment certificate which has an interest rate of 0.60% maturing on January 27, 2017.

**COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA**

**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**

**YEAR ENDED DECEMBER 31, 2017**

**6. OPERATING DEFICIT DUE FROM (SURPLUS DUE TO) THE CITY OF TORONTO**

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

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 37,972	\$ 70,380
Current year's operating surplus	(12,011)	(27,554)
Current year's tangible capital asset purchases	25,450	7,606
Current year's amortization	<u>(14,554)</u>	<u>(12,460)</u>
Net payable to the City of Toronto	(1,115)	(32,408)
Amounts received during the current year	<u>(70,380)</u>	<u>-</u>
Balance, end of year	\$ <u>(33,523)</u>	\$ <u>37,972</u>

**7. EMPLOYEE-RELATED COSTS**

The Arena makes contributions to the Ontario Municipal Employees Retirement System (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. Employer contributions to this pension plan amounted to \$54,625 (2016 - \$27,412).

The most recent actuarial valuation of the OMERS plan as at December 31, 2017 indicates the Plan is in a surplus position and the Plan's December 31, 2017 financial statements indicate a net surplus of \$605 million (a deficit of \$5.403 billion netted against unrecognized investment returns of \$6.008 billion that will be recognized over the next four years). The Plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan assets and future investment earnings will be sufficient to provide for all future contributions. The Arena's contributions is insignificant portion of the Plan's total employer contributions. Additional contributions, if any, required to address the Arena's proportionate share of the deficit will be expensed during the period incurred.

**8. VEHICLE AND EQUIPMENT REPLACEMENT RESERVE**

This reserve represents contributions made to the City of Toronto for the financing of replacement ice resurfacer machines required by the Arena Boards in the future years. The contribution amount for the year was \$11,000 (2016 - \$11,000).

**9. COMPARATIVE FIGURES**

Comparative figures have been reclassified where necessary to conform to presentation adopted in the current year.

**COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA**  
**YEAR ENDED DECEMBER 31, 2017**

**SCHEDULE A**

**SNACK BAR AND VENDING MACHINE OPERATIONS**

	<u>Budget</u> (unaudited)	<u>2017</u>	<u>2016</u>
<b>Sales</b>			
Snack bar	\$ 40,616	\$ 43,577	\$ 39,433
Vending machine	<u>10,477</u>	<u>8,821</u>	<u>10,172</u>
	51,093	52,398	49,605
 <b>Cost of goods sold</b>	 <u>27,942</u>	 <u>26,412</u>	 <u>27,261</u>
 <b>Gross profit</b>	 <u>\$ 23,151</u>	 <u>\$ 25,986</u>	 <u>\$ 22,344</u>

**PRO SHOP OPERATIONS**

	<u>Budget</u> (unaudited)	<u>2017</u>	<u>2016</u>
<b>Sales</b>			
Pro shop sales	\$ 49,850	\$ 48,132	\$ 48,398
Skate sharpening	<u>28,818</u>	<u>35,312</u>	<u>27,979</u>
	78,668	83,444	76,377
 <b>Cost of goods sold</b>	 <u>38,333</u>	 <u>41,440</u>	 <u>37,398</u>
 <b>Gross profit</b>	 <u>\$ 40,335</u>	 <u>\$ 42,004</u>	 <u>\$ 38,979</u>