



Grant Thornton

April 21, 2008

Board of Directors
William Bolton Arena
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Toronto, Ontario
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Dear Members of the Board:

Re: 2007 Audit of the William Bolton Arena

We have completed our audit of the Arena. The objective of an audit is to obtain reasonable assurance whether the financial statements of the Arena are free of material misstatement, and was not designed to identify all matters that may be of interest to the Board. We do want to communicate the following observation made during the course of our audit:

Segregation of Duties and Board Oversight

Observation:

The manager is currently the only person who performs the accounting and finance function within the Arena. He performs many functions, including the following:

- accounts payable processing
- preparation and posting of journal entries
- compiling financial results.

Implications:

Segregation of duties is a key internal control within an organization and is fundamental in preventing fraud, or for errors or irregularities to be detected.

Recommendation:

We understand the practical consideration of having a small number of staff. Nevertheless we would emphasize that strong Board oversight of the finance and accounting function helps, in part, to compensate for the lack of segregation of duties.

We are pleased to report that we received the co-operation during our audit of the Arena and there were no difficulties encountered.

We trust this letter will be of interest to Board. If there are any questions we would be pleased to discuss any matter with you.

Yours sincerely,
Grant Thornton LLP



Allister Byrne, F.C.A.
Partner

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CITY OF TORONTO

William H. 'Bill' Bolton Arena40 ROSSMORE ROAD, TORONTO, ONTARIO M6G 2M7
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June 24, 2008

Allister Byrne
Grant Thornton LLP
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Dear Mr. Byrne;

RE: Management letter Bill Bolton Arena

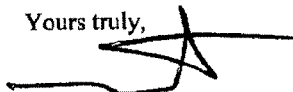
The board of management at its April Meeting approved the Audit report presented by your company. This board works very hard to keep a very close eye on the financial operations of the arena. As you are well aware we have limited staff in the arena and it is difficult to move staff duties around.

We understand the importance of segregation of duties and we will try over the next year to see if some of the duties can be spread out to other employees without changing job descriptions and wage changes.

It should be noted that we meet nine times a year and the staff have never failed to have a full financial report for the board and the board will not put off financial reports for a month. During the summer months the manger meets with members to consult on issues that he may need advise on and if needed schedule a meeting if necessary. Also all cheques require two signatures.

As a board we will continue to work hard to over see the financial operations of this facility and continue to look into ways of segregation of the accounting procedures of this facility.

Yours truly,

Brian McGroarty
Chair
Bill Bolton Arena*WE PRIDE OURSELVES IN THE TYPE OF SERVICE WE GIVE*