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NORTH TORONTO MEMORIAL ARENA

"A BOARD OF MANAGEMENT OPERATED ARENA"

174 ORCHARDVIEW BLVD., TORONTO, ONTARIO M4R 1C3

TEL: 416-485-0301 FAX: 416-485-0302

October 14, 2008

Grant Thornton LLP
Royal Bank Plaza
19th Floor, South Tower
200 Bay Street, Box 55
Toronto, Ontario
M5J 2P9

Attention Allister Byrne, FC

Dear Sirs:

Re: Internal Control Findings from the 2007 Audit of the North Toronto Memorial Arena

I am the Secretary-Treasurer of the Board of Management (the "Board") of the North Toronto Memorial Arena (the "Arena") and am writing to thank you for and to respond to your letter dated May 5, 2008 Re: Internal control findings from the 2007 audit.

Your audit identified a potential control issue where the same individual, the Manager of the Arena, was initiating purchases, authorising the purchases and signing the cheques relating to the purchases. Your letter stated that by segregating these functions a control environment could be created that minimised the risk of misstatement from fraud or error. Your letter, quite correctly, also recognised that the Arena's limited resources restricted the Arena's ability to segregate each function to the appropriate extent and suggested that the Board should continue to review monitoring controls to ensure timely review of appropriate information and that appropriate staff are completing the monitoring function.

I would suggest that, other than the Manager of the Arena, the Arena does not currently employ appropriate staff to complete the monitoring function and that it would not be cost effective to hire staff who could do so and who could also perform the other functions required of Arena staff.

I wish to advise that the current practice that the Board has in place with respect to the signing of cheques requires that all cheques be signed by at least one member of the Board and that all requests for cheques be demonstrated by appropriate backup before they are signed by the Board member.

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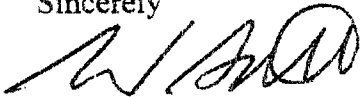
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I further wish to advise that, effective as of May 29, 2008, as Secretary-Treasurer I will review where practicable all invoices received by the Arena for payment and where appropriate will approve all such invoices before any cheques for payment of those invoices are signed. The approval process will be recorded by my signature appearing on the backup material relating to the cheques. Where I am unable to review backup material relating to a cheque before a cheque is signed, I will review the backup material as soon as possible thereafter. The current practice that all cheques must be signed by at least one member of the Board will continue in place.

Going ahead, the Board will investigate whether an appropriate system can be put in place that would 1) permit cheques below a certain dollar level to be signed without any prior approval by the Treasurer or any other Board member and 2) require cheques equal to or above that certain dollar level not be signed without the prior approval of the Treasurer or any other member of the Board authorised by the Board to approve the signing of cheques. I would not expect this to be considered before the autumn of 2008.

I would be pleased to receive and comments you might have and to discuss the foregoing with you or any of your colleagues at your convenience.

Sincerely



Crawford Spratt

cc: Gordon Thompson, Chair, North Toronto Board of Management