April 26, 2012

Board of Directors
Committee of Management for the William H. Bolton Arena
40 Rossmor Road
Toronto, ON
M6G

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

T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

Ladies and Gentlemen:

In connection with our audit of William H. Bolton Arena (the "Arena") financial statements as of December 31, 2011 and for the year then ended, the Canadian Auditing Standards require that we advise management and the audit committee hereinafter referred to as "those charged with governance" of the following internal control matters identified during our audit.

Our responsibilities

Our responsibility, as prescribed by the Canadian Auditing Standards, is to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. An audit includes consideration of internal control over financial reporting (hereinafter referred to as "internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of identifying deficiencies in internal control or expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion on internal control effectiveness.

Identified deficiencies in internal control

We identified the following internal control matters that are of sufficient importance to merit your attention. The matters discussed herein are those that we noted as of April 26, 2012 and we did not update our procedures regarding these matters since that date to the current date.

Significant deficiencies

Our consideration of internal control would not necessarily identify all deficiencies in internal control that, individually or in combination, may be material weaknesses or significant deficiencies.

A deficiency in internal control ("control deficiency") exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting (also referred to as those charged with governance).

Our audit was also not designed to identify deficiencies in internal control that, individually or in combination, may be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting (also referred to as those charged with governance).

We consider the following identified control deficiencies to be significant deficiencies.

In our letter dated April 21, 2008, we communicated the following significant deficiency that has not been remediated.

1. Lack of segregation of duties at the arena, ie. All the accounting and financial reporting functions are performed by the manager.

   Recommendation - In our letter we had recommended that the board continue to provide oversight by reviewing the monthly financial results and by continuing to be the second signatory on all cheques.

Management's response:

In addition, during the audit of the 2011 records we noted the following significant deficiencies:

1. Posting of journal entries for which there is not proper supporting documentation. During the course of the audit, we noted that journal entries were prepared and posted that did not have any supporting documentation. For example, we noted that a material journal entry was posted to cash to reconcile the bank with no supporting documentation.

   Recommendation – We recommend that management produce a list of all journal entries prepared during the month for review at the monthly board meeting by the Treasurer.

Management's response:

2. Monthly financial reports and bank reconciliation We noted that the monthly bank reconciliations were incorrect which would impact on the financial reports prepared and presented to the board.

   Recommendation – Management should consider hiring an experienced bookkeeper to update the financial records and prepare the bank reconciliation monthly.

Management's response:

3. Preparation of Harmonized sales tax (HST) returns We noted that HST on deferred revenue (ice time invoiced in advance) was not remitted based on the dating of the invoice but rather on when the revenue was earned. This is not the correct procedure for remitting HST and could result in CRA audit adjustments.

   Recommendation – Management should consider hiring an experienced bookkeeper who will prepare the HST returns for review by the board.

Management's response:

4. Cash payments We noted that cash receipts were not deposited but were held for making cash payments to referees after games.

   Recommendation - We recommend that the Arena limit amounts paid out in cash to prevent any false claims being paid.

Management's response:

This communication is intended solely for the information and use of management and those charged with governance and is not intended to be and should not be used by anyone other than these specified parties.

Yours sincerely,
Grant Thornton LLP

Donnie Morris, CA
Principal

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