F I N A N C I A L S T A T E M E N T S

For

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

For the year ended

DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the

CITY OF TORONTO AND
COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

We have audited the accompanying financial statements of the Committee of Management of McCormick Playground Arena, which comprise the statement of financial position as at December 31, 2013, statements of operations, change in net financial assets (liability) 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.

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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 McCormick Playground Arena as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of the Committee of Management of McCormick Playground Arena for the year ended December 31, 2012, were audited by another auditor who expressed an unmodified opinion on those statements on May 29, 2013.

Welch LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
May 28, 2014.

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash	$ 52,959	$ 66,194
Investments	-	36,700
Accounts receivable	9,492	13,926
Due from the City of Toronto - operating deficit (note 6)	43,284	-
Inventories	3,527	4,323
	109,262	121,143
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities - City of Toronto (note 5)	33,403	31,230
Accounts payable and accrued liabilities - other	39,124	37,688
Due to the City of Toronto - operating surplus (note 6)	-	25,345
Deferred revenue	26,735	16,880
City of Toronto - working capital advance	10,000	10,000
	109,262	121,143
NET FINANCIAL ASSETS (LIABILITY)	-	-
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	12,180	16,850
ACCUMULATED SURPLUS	$ 12,180	$ 16,850

Approved by the Board:

.... Chair

....................CPA............ Member

(See accompanying notes)

Welch LLP

An Independent Member of BKR International

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	2013	2012
Revenue		
Ice rentals	$ 642,539	$ 626,604
Snack bar and vending machine operations (Schedule A)	6,543	6,777
Pro shop operations (Schedule A)	7,865	7,166
Interest	374	94
Other	870	7,801
	658,191	648,442
Expenses		
Salaries and wages	354,553	353,199
Employee benefits	98,974	90,406
Utilities	156,091	133,160
Maintenance and repairs	26,345	26,055
General administration	21,151	17,503
Insurance	10,427	9,898
Professional fees	6,345	5,510
Amortization	4,670	4,670
	678,556	640,401
Excess revenue over expenses before the following	(20,365)	8,041
Vehicle and equipment reserve contribution (note 8)	(10,000)	(10,000)
Net expenditure receivable from the City of Toronto (note 6)	25,695	17,589
Annual surplus (deficit)	(4,670)	15,630
Accumulated surplus, beginning of year	16,850	1,220
Accumulated surplus, end of year	$ 12,180	$ 16,850

(See accompanying notes)

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (LIABILITY)

YEAR ENDED DECEMBER 31, 2013

	2013	2012
Annual surplus (deficit)	$ (4,670)	$ 15,630
Acquisition of tangible capital assets	-	(20,300)
Amortization of tangible capital assets	4,670	4,670
Change in net financial assets	-	-
Net financial assets, (liability) beginning of year	-	-
Net financial assets (liability), end of year	$ -	$ -

(See accompanying notes)

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus (deficit)	$ (4,670)	$ 15,630
Adjustments for:		
Amortization	4,670	4,670
	-	20,300
Non-cash changes to operations:		
Accounts receivable	4,434	(11,326)
Due from the City of Toronto - operating deficit	(43,284)	-
Inventories	796	(124)
Accounts payable and accrued liabilities - City of Toronto	2,173	144
Accounts payable and accrued liabilities - other	1,436	(17,994)
Due to the City of Toronto - operating surplus	(25,345)	(16,679)
Deferred revenue	9,855	(2,970)
Cash flows used in operating activities	(49,935)	(28,649)
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	-	(20,300)
Cash flows used in capital transactions	-	(20,300)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	36,700	-
Cash flows from investing activities	36,700	-
DECREASE IN CASH	(13,235)	(48,949)
CASH, AT BEGINNING OF YEAR	66,194	115,143
CASH, AT END OF YEAR	$ 52,959	$ 66,194

(See accompanying notes)

1. NATURE OF OPERATIONS

The Committee of Management of McCormick Playground Arena ("the Arena") was established as a community recreation centre underthe Community Recreation Centres Act, pursuant to Chapter 25 of the City of Toronto Municipal Code, By-Law No.319-71, 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 cash 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 paid 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, accounts receivable and amounts due from the City of Toronto.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and amounts due to the City of Toronto.

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:

Computer equipment	- 3 years straight-line
Furniture and equipment	- 5 years straight-line

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

Contributed materials and services

Major capital expenditures are financed by the City of Toronto, which 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.

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 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, accounts receivable and amounts due from the City of Toronto. The Arena’s cash is with a Canadian chartered bank and as a result management believes the risk of loss on this item 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.

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 earns interest at prevailing market rates and the interest rate exposure related to this financial instrument 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, and amounts due to the City of Toronto.

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 changes in the Arena's risk exposures from the prior year.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2013		2012	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and equipment	$ 23,351	$ 11,171	$ 23,351	$ 6,501
Accumulated amortization	11,171		6,501	
	$ 12,180		$ 16,850	

5. ACCRUED LIABILITIES OWING TO THE CITY OF TORONTO

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

	2013	2012
Light and power	$ 33,403	$ 31,230

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

The payable to the City of Toronto consists of the following:

	2013	2012
Balance, beginning of year	$ 25,345	$ 42,024
Current year's operating deficit	(30,365)	(1,959)
Current year's capital assets purchases	-	(20,300)
Current year's amortization	4,670	4,670
Net expenditure receivable from the City of Toronto	(25,695)	(17,589)
Received (paid) during the current year	(42,934)	910
Balance, end of year	$ (43,284)	$ 25,345

7. EMPLOYEE-RELATED LIABILITIES

The Arena makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its employees. This 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 rate of pay. Employer contributions to this pension plan amounted to $32,898 (2012 - $29,548)

The most recent actuarial valuation of the OMERS plan as at December 31, 2013 indicates the Plan is not fully funded and the plan's December 31, 2013 financial statements indicate a deficit of $8.6 billion (less an additional $341 million of deferred gains that must 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 benefits. At this time, the Arena's contributions accounted for 0.0019% 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 resurface machines required by the Arena Boards in future years. The contribution for the year was $10,000 (2012 - $10,000).

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

YEAR ENDED DECEMBER 31, 2013

SNACK BAR AND VENDING OPERATIONS

	2013	2012
Sales		
Snack bar	$ 6,524	$ 8,571
Vending machine	18,199	18,285
	24,723	26,856
Cost of goods sold	14,212	15,421
Gross profit	10,511	11,435
Wages - snack bar	3,968	4,658
Net revenue	$ 6,543	$ 6,777

PRO SHOP OPERATIONS

	2013	2012
Sales	$ 9,679	$ 8,969
Cost of goods sold	1,814	1,803
Gross profit	$ 7,865	$ 7,166

REPORT TO THE

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

For the year ended December 31, 2013

Prepared by
Welch LLP

AUDIT STATUS

Our audit of the financial statements of the Committee of Management of McCormick Playground Arena for the year ended December 31, 2013 is substantially complete and we expect to release our auditors' report after the following outstanding matters are completed:

- Receipt of the signed management representation letter
- Subsequent events review

If any significant matters arise between the date of this report and the signing of our audit report we will raise them with you. The following paragraphs provide information we are required to communicate with you in accordance with Canadian generally accepted auditing standards.

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES AND FINANCIAL REPORTING

Our audit includes consideration of the qualitative aspects of the financial reporting process, including matters that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided in the financial statements.

There are no matters with respect to the qualitative aspects of accounting practices that we wish to draw to your attention in relation to the financial statements for the 2013 fiscal year.

MANAGEMENT LETTER OF REPRESENTATION

It is necessary for us to obtain written representations from management as an acknowledgement of their responsibility for the fair presentation of the financial statements and as audit evidence on matters material to the financial statements. We have provided a draft of the letter of representation in Appendix A. The Executive Director has committed to provide us with a signed copy of the letter on a date to coincides with the date of our auditors’ report.

MISSTATEMENTS

The corrected misstatements identified during our audit are included in Appendix A.

The uncorrected misstatements identified during our audit are included in Appendix B.

Canadian generally accepted auditing standards require that we request that management correct all the misstatements that we present to them.

The uncorrected misstatements identified are as follows;

During our expense testing, we noted that hydro expense was overstated by $1,268 due to underclaim of HST input tax credit of $1,268. Management has decided not to adjust the financial statement for this item due to the small dollar value.

We also noted the skate sharpening equipment purchased 40 years ago, amounted to $1,530, was classified as inventory rather than capital assets. As a result, the effect of unadjusted errors from prior year is overstatement of inventory and net surplus by $1,530.

If you disagree with management, and would like management to make the proposed adjustment(s), we request that you inform management and us accordingly.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL

During our audit we identified the following significant deficiencies in internal control:

Issue - Lack of segregation of duties - cash receipts

At present revenues are being recorded by the same person(s) who receive(s) cash, perform(s) physical bank deposits and record(s) the cash receipts in the accounting system. This process has a lack of segregation of duties. We recommend, that a person independent from the accounting function prepare and make the bank deposit.

Management's Comments

The manager was the only person to deal with all deposits and cash inputs, it was suggested by the last auditor that this be done by more than one person. A staff was brought in to do some office input duties with disbursements and deposits. Every employee in the Arena collects monies at some point, where a receipt is issued.

At present the manager strongly feels there is plenty of segregation of duties. Two people looking at what one person did before. The arena only has five employees, including the manager.

Issue - Employee files

During our audit we noted that employee contracts are not in place. We recommend that management update the current employee files with signed employee contracts, and provide formal employment contracts or letters when hiring new employees.

Management's Comments

This request has never been asked for since the current manager has been in position. All employee hirings are in the minutes of past years in question. OMERS reflects all hiring dates as each new full-time employee must be entered in this pension plan. Board of Management made all the hirings that took place.

When hiring new employees the management will adapt your recommendations and have employee contracts and letter of employment signed and be kept on file. The five present employees hirings are on record.

INDEPENDENCE

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between Committee of Management of McCormick Playground Arena and us that, in our professional judgment, may reasonably be thought to bear on our independence.

We evaluated our role and relationship with the organization and determined that there were no independence issues, as outlined in the Rules of Professional Conduct that govern our profession, that would prevent us from performing the audit.

FINANCIAL STATEMENT PRESENTATION

1. Significant Accounting Policies

The organization's significant accounting policies are disclosed in the notes to the financial statements.

During the year there were no new accounting policies or changes to existing accounting policies.

2. Management's Judgments and Accounting Estimates

During the audit we did not encounter any situations that required significant judgements on the part of management or involved significant estimates.

DIFFICULTIES ENCOUNTERED DURING THE AUDIT

During the course of our audit we received the full co-operation of management and did not encounter any difficulties during our audit. There were no limitations on the scope of our audit work and we did not have any disagreements with management.

MATTERS SPECIFICALLY REQUIRED BY OTHER CANADIAN AUDITING STANDARDS TO BE COMMUNICATED

Other sections of Canadian Auditing Standards require us to communicate with those charged with governance in a number of specific circumstances:

- Where we encounter unusual related party transactions or significant matters related to related party transactions;
- Where we encounter other transactions that were unusual or not in the normal course of business;
- Where we suspect or detect fraud;
- Where there is inconsistency between the financial statements and other information in documents containing the financial statements; and
- Where we believe there may be non-compliance with legislative or regulatory requirements.

We did not encounter any such matters during the course of our audit.

ACKNOWLEDGEMENTS

During the course of our audit, we received considerable assistance from the organization's staff and management. We would like to take this opportunity to thank them for efforts and for their constructive approach to the audit.

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

179 Brock Avenue
Toronto, Ontario
M6K 2L7

Date to be determined

Welch LLP
36 Toronto Street
Suite 530
Toronto, ON
M5C 2C5

Dear Sirs:

We are providing this letter in connection with your audit of the financial statements of Committee of Management of McCormick Playground Arena as of December 31, 2013 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Committee of Management of McCormick Playground Arena in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations and for the design and implementation of internal controls to prevent and detect fraud and error.

We acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 25, 2013, for the preparation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.

2. The significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Information Provided

1. We have provided you with:

   (a) Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;

   (b) Additional information that you have requested from us for the purpose of the audit; and

   (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence

2. All transactions have been recorded in the accounting records and are reflected in the financial statements

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have assessed this risk as low.

4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:

   (a) Management;

   (b) Employees who have significant roles in internal control; or

   (c) Others where the fraud could have a material effect on the financial statements.

5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

7. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Accounts Receivable

1. Accounts receivable are correctly described in the records and represent valid claims as at the year-end against the persons or companies indicated. These accounts are expected to be collected within twelve months.

2. The accounts receivable are free from hypothecation or assignment except as disclosed in the notes to the financial statements.

3. Adequate allowance has been made for any losses from uncollectible accounts, costs or expenses that may be incurred with respect to sales made or services rendered prior to the year-end, including allowance for quantity discounts and expenses under service or repair contracts.

Inventories

1. The inventories were correctly and properly taken by competent employees under the supervision of management as at the year-end and the quantities were determined by actual count, weight or measurement.
2. The inventories were priced at the lower of cost and market and on the same basis as in the previous year.
3. The inventory does not include items not paid for and for which the liability had not been taken into account at the year-end.
4. The inventory does not include any goods on consignment from others or goods invoiced to customers.
5. Adequate provision has been made for slow-moving or obsolete inventory that is unfit for sale.
6. The inventories as recorded in the books were the property of the organization free from all liens and encumbrances.

Capital Assets

1. All charges to capital asset accounts during the year represent actual additions to and no expenditures of a capital nature were charged to the operations of the organization during the year.
2. All capital assets sold or dismantled have been properly accounted for in the books of the organization.
3. Appropriate rates have been used to amortize the assets over their estimated useful lives and the provisions were calculated on a basis consistent with that of the previous period.
4. The organization has good title to the properties represented by the balance carried in the capital asset accounts, and there are no liens, mortgages or other charges against any of the capital assets shown on the books of the organization.
5. Where the value of any capital assets has been impaired, this fact has been disclosed to you.

Liabilities and Commitments

1. At the year end, with the exception of relatively immaterial obligations for which invoices had not been received or which otherwise could not readily be determined or estimated, all known liabilities of the organization are included and fairly stated on the statement of financial position.
2. At the year-end there were no contingent liabilities (e.g., discounted receivables or drafts, guarantees, pending or unsettled suits, matters in dispute).
3. At the year-end, the organization had no unusual commitments or contractual obligations of any sort that were not in the ordinary course of business or that might have an adverse effect upon the organization.
4. All claims outstanding against the organization or possible claims have been disclosed to you and, where appropriate, reflected in the financial statements or notes thereto.
5. We understand that any illegal or possibly illegal act could damage the organization or its reputation or give rise to a claim or claims against the organization. We are not aware of any violations or possible violations of law or regulations the effects of which should be considered for disclosure in the financial statements or as the basis for recording a contingent loss.

Statement of Operations

1. All of the revenues of the organization for the year has been recorded in the books of account and disclosed in the financial statements.

2. The statement of operations contains no extraordinary or non-recurring items of material amount except as shown thereon.

Corporate Minutes

The minute books of the organization contain an accurate record of all of the business transacted at meetings of directors and committees of directors up to the date of this letter.

Controlled and Related Entities

The organization does not have relationships with any companies or other not-for-profit organizations that involve control, joint control, or significant influence nor does the organization have an economic interest in any other not-for-profit organization.

Related Party Transactions

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards for government not-for-profit organizations.

Recognition, Measurement and Disclosure

1. Significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

2. The organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

3. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

Going Concern

We confirm that we have assessed the entity's ability to continue as a going concern, taking into account all information which is at least twelve months from the year-end date, and we conclude that the entity is able to continue as a going concern for the foreseeable future.

General

1. We are unaware of any frauds or possible frauds having been committed by the organization, its employees or any of its directors and officers and we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

2. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements.

3. We acknowledge that we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error.

4. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.

5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

6. In the course of your audit of our financial statements for the year ended December 31, 2013, you have recommended certain journal entries and adjustments to our books and records as attached to this letter. We hereby acknowledge that we understand, agree with and approve of the attached journal entries which have been considered necessary to present fairly the financial position and operating results of our organization.

Events Subsequent to the Year-end

No facts have been discovered which necessitate material adjustment to the year-end figures.

Yours very truly,

COMMITTEE OF MANAGEMENT OF MCCORMICK PLAYGROUND ARENA

Per____

Mike Roach, Arena Manager

Committee of Management of McCormick Playground Arena
Year End: December 31, 2013
Adjustments
Rev. 10/10/01
Date: 01/01/2013 To 31/12/2013

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	31/12/2013	Accumulated depreciation	1582	K1			1,422.20		
1	31/12/2013	Depreciation	5729	K1		1,422.20			
		Adjust amortization							
2	31/12/2013	General Bank Account	1055	A1		52,815.26			
2	31/12/2013	Accounts Payaable Correction	2151	A1			52,815.26		
		adjust for backdated cheques							
						54,237.46	**54,237.46**		

Net Income (Loss) **-30,366.36**

Prepared by	Reviewed by	Reviewed by
AZ 15/04/2014		BH 24/04/2014

Committee of Management of McCormick Playground Arena

Period ending: December 31, 2013
Summary of unadjusted errors
Rev. 2012-1

Preliminary overall materiality is $13,500; Final overall materiality is $13,500.
All misstatements over $540 are to be recorded on this summary. Misstatements below this threshold are considered trivial.
The tax rate used in this schedule is nil%.

		INCOME STATEMENT Overstated or (Understated)			BALANCE SHEET Overstated or (Understated)				
Description of Possible Misstatement	**WP Ref.**	**Identified Mis-statement**	**Likely Aggregate Mis-statement**	**Likely Aggregate Mis-statement After Tax**	**Assets**	**Liabilities**	**Closing Equity**	**F/S Disclosures**	**Corr-ected?**
Understatement of HST-ITC	PL1	1,268	1,268	1,268	(1,268)		(1,268)		No
Total			1,268	1,268	(1,268)		(1,268)		
Effect of Unadjusted Errors From Prior Years			1,530	1,530	1,530		1,530		
Aggregate Likely Misstatements			2,798	2,798	262		262		
Further Possible Misstatements									
Maximum Possible Misstatements			2,798	2,798	262		262		
Corrected Misstatements									
Uncorrected Misstatements			2,798	2,798	262		262		
Materiality			13,500	13,500	13,500	13,500	13,500	13,500	
Margin Remaining For Further Possible Misstatements			10,702	10,702	13,238	13,500	13,238	13,500	

Prepared by	Reviewed by	Reviewed by
AZ 15/04/2014		

Document is up to date

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