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

For

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

For the year ended

DECEMBER 31, 2013

Welch LLP

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, 2013, statements of operations, change 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.

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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 William H. Bolton 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 William H. Bolton Arena for the year ended December 31, 2012, were audited by another auditor who expressed an unmodified opinion on those statements on May 21, 2013.

Welch LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
June 17, 2014.

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash	$ 147,376	$ 98,047
Investments (note 5)	51,428	51,070
Accounts receivable - ice rentals and other	901	-
Interest receivable	523	332
Due from City of Toronto - operating deficit (note 6)	67,938	139,080
Inventories	10,779	13,576
	278,945	302,105
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities - Other	47,239	53,649
Deferred revenue	205,915	211,712
Employee related liabilities (note 7)	15,791	26,744
City of Toronto - working capital advance	10,000	10,000
	278,945	302,105
NET DEBT	-	-
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	14,526	3,268
ACCUMULATED SURPLUS	$ 14,526	$ 3,268

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, 2013

	2013	2012
Revenue		
Program registration	$ 635,016	$ 596,919
Ice rentals	235,065	235,581
Pro shop operations (Schedule A)	30,870	26,471
Snack bar and vending machine operations (Schedule A)	24,535	17,889
Interest	549	934
Other	2,960	2,958
	928,995	880,752
Expenses		
Salaries and Wages	389,278	349,516
Program material and supplies	181,031	183,720
Utilities	119,011	117,392
Employee Benefits	104,995	95,774
Repairs and Maintenance	84,074	90,379
General administration	53,918	37,880
Insurance	10,835	9,102
Professional Fees	6,135	8,220
Amortization	4,167	2,740
	953,444	894,723
Excess expenses over revenues before the following	(24,449)	(13,971)
Vehicle and equipment reserve contribution (note 8)	(10,000)	(11,000)
Operating deficit	(34,449)	(24,971)
Net expenditures receivable from the City of Toronto (note 6)	45,707	22,231
Annual surplus (deficit)	11,258	(2,740)
Accumulated surplus, beginning of year	3,268	6,008
Accumulated surplus, end of year	$ 14,526	$ 3,268

(See accompanying notes)

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED DECEMBER 31, 2013

	2013	2012
Annual deficit	$ 11,258	$ (2,740)
Acquisition of tangible capital assets	(15,425)	-
Amortization of tangible capital assets	4,167	2,740
Change in net debt	-	-
Net debt, beginning of year	-	-
Net debt, end of year	$ -	$ -

(See accompanying notes)

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus (deficit)	$ 11,258	$ (2,740)
Adjustments for:		
Amortization	4,167	2,740
	15,425	-
Non-cash changes to operations:		
Accounts receivable	(901)	68,105
Interest receivable	(191)	136
Inventories	2,797	4,613
Prepaid expenses	-	4,240
Due from City of Toronto - operating deficit	71,142	10,937
Accounts payable and accrued liabilities - Other	(6,410)	20,572
Deferred revenue	(5,797)	(87,160)
Employee related liabilities	(10,953)	8,460
Cash flows from operating activities	65,112	29,903
CASH FLOWS FROM CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(15,425)	-
Cash flows used in capital transactions	(15,425)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(358)	(506)
Cash flows used in investing activities	(358)	(506)
INCREASE IN CASH	49,329	29,397
CASH AT BEGINNING OF YEAR	98,047	68,650
CASH AT END OF YEAR	$ 147,376	$ 98,047

(See accompanying notes)

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 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, hockey schools and camp fees paid in advance are recorded as deferred revenue.

Financial instruments

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

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

Financial assets measured at amortized cost include cash, investments and accounts receivable.

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

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

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

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.

Employee related costs

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

(a) The City of Toronto offers a multiemployer defined benefit pension 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 multiemployer 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, investments, accounts receivable and amounts receivable from the City of Toronto. The Arena's cash and investments 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.

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 investments 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 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
Computer equipment	$ 4,309	$ 3,976	$ 3,809	$ 3,576
Furniture and equipment	22,275	8,082	7,350	4,315
	26,584	$ 12,058	11,159	$ 7,891
Accumulated amortization	12,058		7,891	
	$ 14,526		$ 3,268	

5. INVESTMENT

The investment consists of a one year cashable G.I.C which matures January 28, 2014.

6. OPERATING DEFICIT DUE FROM THE CITY OF TORONTO

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

	2013	2012
Balance, beginning of year	$ (139,080)	$ (168,766)
Current year's operating deficit	(34,449)	(24,971)
Current year's tangible capital asset purchases	(15,425)	-
Current year's amortization	4,167	2,740
Net expenditures receivable from the City of Toronto	(45,707)	(22,231)
Received paid during the current year	116,849	51,917
Balance, end of year	$ (67,938)	$ (139,080)

7. EMPLOYEE-RELATED LIABILITIES

The Arena makes contributions to the Ontario Municipal Employees Retirement Systems (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 $32,953 (2012 - $24,002).

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.

The Committee also provides a liability for employees' sick day entitlements. The sick leave benefit payable at year end is $15,791 (2012 - $26,744).

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 $10,000 (2012 - $11,000).

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

YEAR ENDED DECEMBER 31, 2013

SNACK BAR AND VENDING OPERATIONS

	2013	2012
Sales		
Snack bar	$ 37,688	$ 34,903
Vending machine	15,128	15,830
	52,816	50,733
Cost of goods sold	28,281	32,844
Excess revenue over expenses	$ 24,535	$ 17,889

PRO SHOP OPERATIONS

	2013	2012
Sales		
Pro shop sales	$ 27,928	$ 33,368
Skate sharpening	23,900	22,225
	51,828	55,593
Cost of goods sold	20,957	29,122
Excess revenue over expenses	$ 30,871	$ 26,471

REPORT TO THE

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

For the year ended December 31, 2013

Prepared by
Welch LLP

AUDIT STATUS

Our audit of the financial statements of Committee of Management of William H. Bolton 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
- Final review of subsequent events up to the date of our auditor's report
- Approval of the financial statements by the board of management

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.

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 manager 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 and uncorrected misstatements identified during our audit are included in Appendix A.

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

The uncorrected misstatements identified are as follows; $1,197 of understated inventory as a result of the price per unit used to calculate the year end inventory based on actual units counted not being the actual price paid for the inventory. We determined that the unit price used in the inventory valuation was often lower than the actual price paid. Management has decided not to adjust the financial statements for this item due to the small dollar value involved. We agree with management's decision.

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 did not identify any significant deficiencies in internal control to report to the committee of management.

However, we identified some areas where there was room for improvement in procedures and internal controls. We have not provided a comprehensive statement of all weaknesses which may exist in internal control or all improvements which can be made, but have addressed only those matters which have come to our attention as a result of audit procedures we have performed. The areas we have identified for improvement are as follows:

Undeposited items account

At present cash receipts and deposits are being processed through the accounting records using a clearing account "undeposited items". During our audit we determined that this account was not being reconciled on a regular basis and as a result there had been revenue not recorded in the accounting records but the deposit of the cash receipt had been. The amount of the unrecorded revenue was small and was adjusted during the audit (see Appendix A). We recommend that the undeposited items account be reconciled on a regular basis.

Management's Comments
The Bookkeeper will reconile the undeposited items each month.

Capital asset log

At present there is not a capital asset log which details the assets included in the Arena's books, when they were acquired and where they are located. We recommend the Arena create and maintain a capital asset log that details the assets that exist at the Arena, when assets are disposed of and when they are acquired as well as where they are located.

Management's Comments
The Manager will create a capital asset log this year.

Year-end inventory valuation

During our audit we determined that the unit prices used in calculating the year end inventory balances based on actual units counted did not agree to the unit prices paid per supplier invoices and as a result we determined that inventory may be understated as addressed in the misstatements section above. We recommend that management review the unit prices used in the year end inventory valuation calculation against the most recent supplier invoices received.

Management's Comments
The arena foreman that purchases the pro-shop and snack bar items will confirm and maintain the updated purchasing prices for the inventory sheets.

Invoicing of ice rental fees

At present the Arena does not have a process in place regarding ice rental revenues which is consistent across all users. The current process at the Arena is to invoice certain users which are on-going users and have a contract in place and to record the revenue for one-time users based on the cash receipt issue. During our audit we determined that invoices were not always prepared for users with contracts. We recommend that invoices be issued for all ice rental revenue regardless of the type of user and that the invoices be generated in Simply Accounting using the sales module. We recommend that for contract users, the invoices be created when the contract is signed for each month of the contract, dated the first day of each month and for one-time users that the invoice be created when the ice is booked and be dated for the date the ice is rented. This will enable better control of accounts receivable.

Management's Comments
Staff booking the ice at night or when the manager is off or on vacation does not have access to simply accounting. Therefore invoicing each group makes it difficult. Invoicing for yearly contracts is not a problem. Invoicing for each month can be done. If we invoice all at once we are then paying the HST up front for the entire year and that can become a financial problem for the arena.

Program registrations

During our audit we observed that program registrations, applications and cash receipts related to program fees for completed programs were not be filed together. We recommend that at the completion of a program the program registration log be filed together with the program applications and cash receipts for storage.

Management's Comments
On each program registration form there should be a receipt attached and then registration. During the year the program manager or the manager needs to look at the books. At the end of the year we can put both registration forms and books together.

Employee files

During our audit we noted that employee files are not up-to-date with employees current wage rates. We recommend that management document the current wage rate for each staff member and that the committee of management review and approve the current wage rates and the employee files be updated with the reviewed and approved wage rates.

Management's Comments
Employee files will be brought up to date. We will use our Employee action form for wage increases and then sign off by our chair person.

INDEPENDENCE

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

Prior to the commencement of our year-end audit fieldwork we provided an audit approach letter. In this communication we reported to you that there were no independence issues, as outlined in the Rules of Professional Conduct of the Institute of Chartered Accountants of the Province of Ontario that would prevent us from performing the audit.

Subsequent to the issuance of that letter, no other matters have been identified that would reasonably be thought to bear on our independence. As a result, we reconfirm that we remain independent.

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 WILLIAM H. BOLTON ARENA

40 Rossmore Road
Toronto, Ontario
M6G 2M7

Date to be determined

Welch LLP
151 Slater Street
12th Floor
Ottawa, ON
K1P 5H3

Dear Sirs:

We are providing this letter in connection with your audit of the financial statements of the Committee of Management of William H. Bolton 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 the Committee of Management of William H. Bolton Arena in accordance with Canadian public sector accounting standards.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian public sector accounting standards 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 23, 2013, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; 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, 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. All services rendered prior to the year-end have been recorded as sales of that period.

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

4. 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.

5. Accounts receivable represent valid claims relating to transactions made before the end of the fiscal year and do not include any amount relating to goods shipped on consignment. Adequate provision has been made for losses which may be sustained in the collection of receivables.

Temporary and Portfolio Investments

1. All investments that are owned by the organization are recorded in the accounts.

2. The organization has good title to all investments recorded in the accounts and these investments are free from hypothecation.

3. These investments were valued at cost computed on an average cost basis as at December 31, 2013.

4. All income earned on the investments for the year has been recorded in the accounts.

5. Where there has been a significant adverse change in the expected timing or amount of future cash flows from an investment, it has been appropriately written down.

Inventories

1. Inventory quantities were determined by actual count, weight or measurement by competent employees under the supervision of management as at December 31, 2013 and properly adjusted for subsequent receipts and shipments to year-end.

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 balance sheet.

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. The organization has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

4. 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.

5. 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.

6. 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 the committee of management 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

1. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.

2. There have been no exchanges of goods or services with any related parties for which appropriate accounting recognition and financial statement disclosure has not been given.

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

All events subsequent to the date of these financial statements and for which Canadian public sector accounting standards require adjustment or disclosures have been adjusted or disclosed.

Yours very truly,

COMMITTEE OF MANAGEMENT OF WILLIAM H. BOLTON ARENA

Per____

Larry Powers

Committee of Management of William H. Bolton 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	Term Deposits	1011	A2		358.47			
1	31/12/2013	Accrued Interest Term Dep.	2008	A2			332.00		
1	31/12/2013	Accrued Interest Term Dep.	2008	A2		522.85			
1	31/12/2013	Interest Income	4305	A2			26.47		
1	31/12/2013	Interest Income	4305	A2			522.85		
		To record interest received in 2013 and interest accrual for 2013							
2	31/12/2013	Surplus Due City	2007	JJ		139,080.00			
2	31/12/2013	Retained Earnings	3636	JJ			139,080.00		
		To reclassify retained earnings per books to due from City per stmt of Ops 2012							
3	31/12/2013	Undeposited Items	1115	A3		2,953.03			
3	31/12/2013	Vending Revenues	4103	A3			1,518.20		
3	31/12/2013	Cash Over & Short	4303	A3			1,434.83		
		To recognize overstated undeposited items as other revenue							
4	31/12/2013	Capital Assets	1310	PL5		499.92			
4	31/12/2013	Administrative Expenses	5001	PL5			1,159.70		
4	31/12/2013	Food and Beverage Purchases	5100	PL5		659.78			
		To capitalize printer and re-allocate KWIK purchases from acct 5001 to acct 5100							
5	31/12/2013	Capital Assets	1310	PL5		14,925.00			
5	31/12/2013	Refrigeration Plant	5670	PL5			14,925.00		
		To capitalize brine pump purchased during the year							
6	31/12/2013	Accumulated Depreciation	1320	KMEMO			4,166.87		
6	31/12/2013	Depreciation	5690	KMEMO		4,166.87			
		To record amortization for 2013							
7	31/12/2013	Pro Shop Inventory	1124	I1			3,464.18		
7	31/12/2013	Pro Shop Purchases	5120	I1		3,464.18			
		To adjust Pro Shop inventory to actual based on 2013 count							
8	31/12/2013	Snack Bar Inventory	1120	I2		666.58			
8	31/12/2013	Food and Beverage Purchases	5100	I2			666.58		
		To adjust Snack bar inventory to actual per 2013 count sheet							
9	31/12/2013	Other Accruals	2071	BB1-1			5,876.52		
9	31/12/2013	Administrative Services	5002	BB1-1		440.00			
9	31/12/2013	Food and Beverage Purchases	5100	BB1-1		440.28			
9	31/12/2013	Workplace Safety Board	5315	BB1-1		1,055.22			
9	31/12/2013	Water	5500	BB1-1		3,754.57			
9	31/12/2013	House League Expenses - Refs & Time	5700	BB1-1		186.45			
		To accrue 2013 invoices paid in 2014 (Water bill)							
10	31/12/2013	Other Accruals	2071	BB1-3			4,725.00		
10	31/12/2013	Audit Fees	5630	BB1-3		4,725.00			
		To record audit accrual for 2013							

Prepared by	Reviewed by	Reviewed by
VL 25/03/2014		BH 01/04/2014

Committee of Management of William H. Bolton 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
11	31/12/2013	Other Accruals	2071	BB1-2			1,366.71		
11	31/12/2013	Employee Health Tax	5320	BB1-2		1,366.71			
		To record EHT for 2013							
12	31/12/2013	Other Accruals	2071	BB5			11,803.68		
12	31/12/2013	Wages	5300	BB5		11,803.68			
		To accrue vacation owing as of December 31, 2013							
13	31/12/2013	Surplus Due City	2007	BB3		45,707.00			
13	31/12/2013	Retained Earnings	3636	BB3			45,707.00		
		To record 2013 deficit receivable from city							
14	31/12/2013	Other Accruals	2071	BB4			1,654.92		
14	31/12/2013	Wages	5300	BB4		1,654.92			
		To accrue wages for December 30-31, 2013							
						238,430.51	**238,430.51**		

Net Income (Loss) **-34,449.05**

Committee of Management of William H. Bolton Arena

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

Preliminary overall materiality is $19,500; Final overall materiality is $19,500.
All misstatements over $780 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?**
Possible understated inventory	D1	(1,197)	(1,197)	(1,197)	(1,197)		(1,197)		
Total			(1,197)	(1,197)	(1,197)		(1,197)		
Effect of Unadjusted Errors From Prior Years			7,775		1,137	(6,638)			
Aggregate Likely Misstatements			6,578	(1,197)	(60)	(6,638)	(1,197)		
Further Possible Misstatements									
Maximum Possible Misstatements			6,578	(1,197)	(60)	(6,638)	(1,197)		
Corrected Misstatements									
Uncorrected Misstatements			6,578	(1,197)	(60)	(6,638)	(1,197)		
Materiality			19,500	19,500	19,500	19,500	19,500	19,500	
Margin Remaining For Further Possible Misstatements			12,922	18,303	19,440	12,862	18,303	19,500	

Prepared by	Reviewed by	Reviewed by
VL 25/03/2014		

Document is up to date

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