



Financial statements

Committee of Management of Ted Reeve
Community Arena

December 31, 2023

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Management's responsibility for the financial statements

The financial statements of the Committee of Management of Ted Reeve Community Arena (the "Arena") are the responsibility of management and have been approved by the Committee of Management.

The financial statements have been prepared in compliance with the Canadian public sector accounting standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Arena's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Committee is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Committee reviews the Arena's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Doane Grant Thornton LLP, independent external auditors appointed by the City of Toronto's City Council, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Arena's financial statements.

Signed by:  Chairperson
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Independent auditor's report

Doane Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T +1 416 366 0100
F +1 416 360 4949
www.GrantThornton.ca

To the Council of the Corporation of the City of Toronto and the
Committee of Management of
Ted Reeve Community Arena

Opinion

We have audited the financial statements of Ted Reeve Community Arena (the "Arena"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ted Reeve Community Arena as at December 31, 2023, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Arena in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 3 of the financial statements which describes that certain comparative information for the year ended December 31, 2022 presented in these financial statements has been restated. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Arena for the year ended December 31, 2022, were audited by another auditor who expressed an unqualified opinion on those financial statements April 20, 2024.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Arena's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Arena or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Arena's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Arena's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Arena's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Arena to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Doane Grant Thornton LLP

Toronto, Canada
June 24, 2025


Chartered Professional Accountants
Licensed Public Accountants


Committee of Management of Ted Reeve Community Arena

Statement of financial position

December 31	2023	2022
		(Note 3 – as restated)
Financial assets		
Cash	\$ 41,612	\$ 631,951
Portfolio investments (Note 5)	300,000	-
Accounts receivable	9,963	56,771
Inventories held for resale	276	8,603
	<u>351,851</u>	<u>697,325</u>
Liabilities		
Accounts payable and accrued liabilities	62,817	243,223
Due to City of Toronto - operating surplus (Note 7)	260,330	418,659
Deferred revenue	13,704	20,443
Due to City of Toronto – working capital advance (Note 1)	15,000	15,000
	<u>351,851</u>	<u>697,325</u>
Net debt	<u>-</u>	<u>-</u>
Non-financial assets		
Tangible capital assets (Note 6)	<u>202,546</u>	<u>230,518</u>
Accumulated surplus	<u>\$ 202,546</u>	<u>\$ 230,518</u>

Approved by the Board:

Signed by:

 Chair
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 Treasurer
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See accompanying notes to the financial statements.

Committee of Management of Ted Reeve Community Arena

Statement of operations

Year ended December 31

	2023 Budget	2023 Actual	2022 Actual (Note 3 – as restated)
Revenue			
Ice rentals	\$ 940,000	\$ 523,687	\$ 1,093,529
Meeting room rentals (Note 9)	94,000	92,333	84,000
Other	10,200	6,715	26,865
Snack bar and vending machine operations (Schedule A)	7,200	(5,343)	(3,464)
Lacrosse and summer rentals	-	-	41,364
	<u>1,051,400</u>	<u>617,392</u>	<u>1,242,294</u>
Expenses			
Salaries and wages	502,000	360,289	463,339
Employee benefits	77,700	96,655	112,148
Utilities	239,300	133,695	208,955
Maintenance and repairs	121,500	107,068	170,740
Professional fees	15,000	31,600	28,070
Office and administration	44,900	31,351	54,647
Amortization	29,971	29,971	33,126
Short-term disability benefits	36,200	9,200	-
Insurance	1,300	3,864	2,065
	<u>1,067,871</u>	<u>803,693</u>	<u>1,073,090</u>
Excess of (expenses over revenue) revenue over expenses before vehicle and equipment reserve contribution and government transfer to City	(16,471)	(186,301)	169,204
Vehicle and equipment reserve contribution (Note 8)	-	-	(24,000)
Excess of (expenses over revenue) revenue over expenses before government transfer to the City	(16,471)	(186,301)	145,204
Government transfer to (from) the City of Toronto (Note 7)	(1,500)	158,329	(113,199)
Annual (deficit) surplus	(17,971)	(27,972)	32,005
Accumulated surplus, beginning of year	<u>230,518</u>	<u>230,518</u>	<u>198,513</u>
Accumulated surplus, end of year	<u>\$ 212,547</u>	<u>\$ 202,546</u>	<u>\$ 230,518</u>

See accompanying notes to the financial statements.

Committee of Management of Ted Reeve Community Arena

Statement of changes in net debt

December 31

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
Annual (deficit) surplus	\$ (17,971)	\$ (27,972)	\$ 32,005
Acquisition of tangible capital assets	(12,000)	(1,999)	(65,131)
Amortization of tangible capital assets	<u>29,971</u>	<u>29,971</u>	<u>33,126</u>
Changes in net debt	-	-	-
Net debt, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net debt, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Committee of Management of Ted Reeve Community Arena

Statement of cash flows

Year ended December 31

2023

2022

(Note 3 –
as restated)

Cash flows from operating activities

Annual (deficit) surplus	\$ (27,972)	\$ 32,005
Adjustment for item not requiring cash:		
Amortization	<u>29,971</u>	<u>33,126</u>
	1,999	65,131

Non-cash items:

Accounts receivable	46,808	73,670
Inventories held for resale	8,327	(8,386)
Accounts payable and accrued liabilities	(180,406)	46,149
Due to City of Toronto – operating surplus	(158,329)	269,277
Deferred revenue	<u>(6,739)</u>	<u>(13,157)</u>

Cash flows (used in) from operating activities	<u>(288,340)</u>	<u>432,684</u>
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Cash flows from capital transactions

Purchase of tangible capital assets	<u>(1,999)</u>	<u>(65,131)</u>
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Cash flows from investing transactions

Purchase of portfolio investments	<u>(300,000)</u>	<u>-</u>
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(Decrease) increase in cash	(590,339)	367,553
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Cash, beginning of year	<u>631,951</u>	<u>264,398</u>
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Cash, end of year	<u>\$ 41,612</u>	<u>\$ 631,951</u>
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See accompanying notes to the financial statements.

Committee of Management of Ted Reeve Community Arena

Notes to the financial statements

December 31, 2023

1. Nature of operations

The Toronto East Arena Gardens Incorporated operating as the Committee of Management of Ted Reeve Community Arena (the "Arena") was established as a community recreation centre under the Community Recreation Centres Act, pursuant to Chapter 25, Community and Recreation Centres of the Corporation of the City of Toronto Municipal Code, By-Law No 19484, as amended. The Committee of Management operates and manages the Arena on behalf of the City of Toronto (the "City").

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 expense resulting from or incidental to the management and control of the premises.

The Committee of Management retains a working cash advance of \$15,000 provided by the City, 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") of the Chartered Professional Accountants of Canada.

A statement of remeasurement gains and losses is not presented as the Arena has no accumulated remeasurement gains and losses and no remeasurement gains or losses in the current or prior fiscal period.

Revenue recognition

Revenue for exchange transactions with performance obligations are recognized when performance obligations are met by providing the goods or services to the payor.

For rental and other revenues, performance obligations are met when the service has been provided. Ice rentals paid in advance are recorded as deferred revenue.

Snack bar and vending revenues are recognized when the goods have been provided.

Financial instruments

The Arena considers any contract creating a financial asset or liability as a financial instrument.

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

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

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

Committee of Management of Ted Reeve Community Arena

Notes to the financial statements

December 31, 2023

2. Significant accounting policies (continued)

Portfolio investments

Portfolio investments include guaranteed investment certificates ("GICs") with maturity dates within twelve months from the date of the statement of financial position.

If there is a loss in value of a portfolio investments other than a temporary decline, the investment is written down to recognize the loss in the statement of operations. A write-down is not subsequently reversed.

Inventories

Inventories held for resale are initially valued 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 less accumulated amortization and write-downs, if any. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	4 - 15 years straight-line
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Tangible capital assets are written-down when conditions indicate that the value of future economic benefits associated with the tangible capital asset is less than net book value. Write-downs are recognized in the statement of operations. Any write-downs are not reversed.

Employee related costs-pension plan

The City of Toronto offers a multi-employer 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 multi-employer 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.

Employee related costs-short term disability plan

The Arena has established a self-funded short term disability plan, which provides a top up to the employment insurance sickness benefit. Benefits paid under this plan are expensed in the statement of operations as incurred.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimate 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 the 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.

Committee of Management of Ted Reeve Community Arena

Notes to the financial statements

December 31, 2023

2. Significant accounting policies (continued)

Use of estimates (continued)

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. Restated comparative information

In 2022, the Arena incorrectly established a liability for potential short-term absences which also impacts the net receivable (payable) to the City. Under public sector accounting standards, such a liability is recognized in the period when an event that obligates the Arena occurs and is measured at the expected cost of providing the benefits. As a result, the following adjustments have been recorded to the comparative information.

	<u>Previously Reported</u>	<u>Adjustment</u>	<u>Restated</u>
<i>Statement of financial position</i>			
Due to City of Toronto – operating surplus	\$ 305,659	\$ 113,000	\$ 418,659
Short term disability plan payable	113,000	(113,000)	-
<i>Statement of operations</i>			
Employee benefits	\$ 225,148	\$ (113,000)	\$ 112,148
Excess of (expenses over revenue) revenue over expenses before government transfer to the City of Toronto	32,204	113,000	145,204
Government transfer to (from) the City of Toronto	(199)	(113,000)	(113,199)
<i>Statement of cash flows</i>			
Non-cash changes to operation			
Accounts payable and accrued liabilities – other	46,149	113,000	159,149
Short term disability	113,000	(113,000)	-

4. Change in accounting policy

Effective January 1, 2023, the Arena adopted new Public Sector Accounting Standards Sections PS3450 *Financial Instruments* and PS1201 *Financial Statement Presentation* along with related amendments. New Section PS3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, liabilities, or both on a fair value basis.

The measurement requirements were applied prospectively. There were no adjustments required and there are no remeasurement gains or losses or embedded derivatives requiring the presentation of a Statement of Remeasurement Gains or Losses.

Committee of Management of Ted Reeve Community Arena

Notes to the financial statements

December 31, 2023

5. Portfolio investments

	<u>2023</u>	<u>2022</u>
GIC maturing November 10, 2024, bearing interest at 4.75%	<u>\$ 300,000</u>	<u>\$ -</u>

6. Tangible capital assets

Tangible capital assets consist of the following:

	<u>2023</u>	<u>2022</u>
Cost		
Beginning of year	\$ 379,397	\$ 314,266
Add: additions during the year	1,999	65,131
Less: disposals during the year	-	-
End of year	<u>381,396</u>	<u>379,397</u>
Accumulated amortization		
Beginning of year	148,879	115,753
Add: amortization during the year	29,971	33,126
Less: disposals during the year	-	-
End of year	<u>178,850</u>	<u>148,879</u>
Net book value	<u>\$ 202,546</u>	<u>\$ 230,518</u>

7. Due to City of Toronto – operating surplus

The amount due to the City of Toronto are non-interest bearing and due on demand. The balance consists of the following:

	<u>2023</u>	<u>2022</u> (Note 3 – as restated)
Balance, beginning of year	\$ (418,659)	\$ (149,382)
Current year's operating (surplus) deficit	186,301	(145,204)
Current year's capital asset purchases	1,999	65,131
Current year's amortization	<u>(29,971)</u>	<u>(33,126)</u>
Net receivable (payable) to the City of Toronto	158,329	(113,199)
Received during the current year	<u>-</u>	<u>(156,078)</u>
Balance, end of year	<u>\$ (260,330)</u>	<u>\$ (418,659)</u>

Committee of Management of Ted Reeve Community Arena

Notes to the financial statements

December 31, 2023

7. Due to City of Toronto – operating surplus (continued)

The balance at the end of 2023 is comprised of the following:

	<u>2023</u>	<u>2022</u> (Note 3 – as restated)
2018 operating surplus payable	\$ (78,587)	\$ (78,587)
2019 operating surplus payable	(17,927)	(17,927)
2021 operating surplus payable	(208,946)	(208,946)
2022 operating surplus payable	(113,199)	(113,199)
2023 operating deficit receivable	<u>158,329</u>	<u>-</u>
	<u>\$ (260,330)</u>	<u>\$ (418,659)</u>

8. Vehicle and equipment reserve contributions

This reserve represents contribution made to the City for the financing of replacement ice resurface machine required by the Arena in future years. The contribution for the year was \$Nil (2022 - \$24,000)

9. Contractual rights

In December 2018, the Arena entered into a 5-year lease agreement with Community Centre 55, commencing on February 1, 2018 and ending January 31, 2023. After the 5-year term, Community Centre 55 continues to rent the space on a month-by-month basis with a monthly rental of \$7,000.

10. Employee related expenses

Pension plan

The Arena makes contribution to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of most of its employees. The OMERS plan (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 \$32,449 (2022 - \$34,907).

The most recent actuarial valuation of the Plan as at December 31, 2023 indicates the Plan is in a deficit position and the Plan's December 31, 2023 financial statements indicate a net deficit of \$7,571 million (a deficit of \$4,202 million plus adjustment of \$3,369 million of unrecognized investment returns above or below the discount rate that is being smoothed and recognized over a five-year period). 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 an insignificant portion of the Plan's total employer contribution. Additional contributions, if any, required to address the Arena's proportionate share of the deficit will be expensed during the period incurred.

Committee of Management of Ted Reeve Community Arena

Notes to the financial statements

December 31, 2023

10. Employee related expenses (continued)

Self-funded short term disability plan

This Plan provides income protection to eligible employees, by way of a top up from the date of injury/illness, if the disability is due to an accident or resulting in immediate hospitalization, or after seven consecutive calendar days of absence for all other disabilities up to the protection provided by the insured Long-Term Disability Plan. The Arena will top up Canada's Employment Insurance benefit to 100% of the employee's pre-disability wages. In addition to providing the important top up benefit, the short-term disability plan enables employees to access supportive, disability case management and rehabilitation services throughout their absence and their return to work.

Any payments made under this plan are expensed in the statement of operations as incurred.

11. Financial instruments

The Arena uses comprehensive risk management procedures to limit the risk inherent in the use of financial instruments. Risks may include credit, currency, interest rate, market and liquidity risk. The significant risks that the Arena is exposed to are noted below.

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 and amounts due from the City of Toronto is limited. The Arena manages its credit risk by reviewing account 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 earns 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 paying its liabilities as they become due. The Arena manages its liquidity risk by monitoring its operating requirements to ensure financial resources are available.

The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities.

Committee of Management of Ted Reeve Community Arena

Notes to the financial statements

December 31, 2023

11. Financial instruments (continued)

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 62,817	\$ -	\$ -	\$ -	\$ 62,817
Due to City of Toronto	260,330	-	-	15,000	275,330
Total	\$ 323,147	\$ -	\$ -	\$ 15,000	\$ 338,147

12. Budget

The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the Statement of Operations and Statement of Change in Net Financial Assets represent the budget adopted by the Arena with the following adjustments:

Budgeted annual operating surplus	\$ -
Add: Acquisition of tangible capital assets	12,000
Less: Amortization of tangible capital assets	<u>(29,971)</u>
Budgeted annual operating deficit per statement of operations	\$ <u>(17,971)</u>

13. Comparative figures

Comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Committee of Management of Ted Reeve Community Arena

Schedule A: Snack bar and vending operations

December 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Sales			
Snack bar and vending	\$ 65,000	\$ 27,383	\$ 15,275
Vending machine	<u>6,500</u>	<u>1,147</u>	<u>1,074</u>
	71,500	28,530	16,349
Cost of good sold	<u>37,300</u>	<u>17,332</u>	<u>12,287</u>
	<u>34,200</u>	<u>11,198</u>	<u>4,062</u>
Expenses			
Wages	27,000	16,541	7,526
Maintenance	<u>-</u>	<u>-</u>	<u>-</u>
	<u>27,000</u>	<u>16,541</u>	<u>7,526</u>
Excess (expenses over revenue)			
revenue over expenses	<u>\$ 7,200</u>	<u>\$ (5,343)</u>	<u>\$ (3,464)</u>

May 21, 2025

Committee of Management
Ted Reeve Community Arena
175 Main Street
Toronto, ON
M4E 2W2

Doane Grant Thornton LLP

11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4

T +1 416 366 0100
F +1 416 360 4949

In connection with our audit of the financial statements of Committee of Management of Ted Reeve Community Arena (the "Arena") as of December 31, 2023 and for the year then ended, we considered internal control over financial reporting ("internal control") as a basis for designing appropriate audit procedures. The purpose of our audit was to express an opinion on the financial statements, not to identify internal control matters. Therefore, we express no opinion on the effectiveness of internal control and it would be inappropriate to conclude that no internal control matters, including significant control deficiencies, exist beyond those included in this communication.

A deficiency in internal control exists where the design, implementation, operation or absence of a control means that internal controls are unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis. The Canadian Auditing Standards require that, where we identify internal control deficiencies during an audit, we assess their importance and severity and communicate them to management and those charged with governance, as appropriate. Deficiencies that are of sufficient importance to merit the attention of those charged with governance are described as "significant deficiencies".

Significant control deficiencies

Pervasive lack of segregation of duties

As identified in the significant risk section of this letter, we have identified an internal control deficiency relating to a segregation of duties issue surrounding the financial reporting process. Similar to other smaller organizations, the achievement of a high degree of internal controls is not always practical. There is a segregation of duties issue being that the Arena Manager is involved in all business processes, performs all tasks related to maintaining the financial records of the Arena, and has full access to all records associated with the financial reporting process.

The Arena Manager processes revenue transactions and deposits collections allowing them the ability to misappropriate cash. Further, the Arena Manager has the ability to approve, record, and pay expenses. This creates the risk of inappropriate expenses or payments.

We recommend a periodic documented review of actual results against operating budgets and the review of financial information by the Board of Directors. The Board's ongoing supervision over financial recording and reporting can compensate for the inability to segregate to the appropriate level.

Other deficiencies

Lack of complete documentation retained for large ice rental revenue contracts and pricing provided to individual renters

During our audit procedures, we noted that complete signed documentation relating to large rental contracts or formal pricing documentation relating to rentals provided to individuals was not retained,

We recommend that management revisit the procedures surrounding this as it is best practice to retain signed customer contracts and price matrices for services provided.

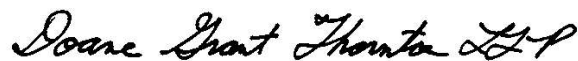
Conclusion

The matters reported in this communication are limited to those deficiencies we identified during the audit that we considered to be of sufficient importance to communicate to management and, in the case of significant deficiencies, those charged with governance. Had we performed more extensive procedures on internal control, including procedures subsequent to May 21, 2025, we might have identified more deficiencies or reached different conclusions about the deficiencies included in this communication.

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

Yours sincerely,

Doane Grant Thornton LLP

A handwritten signature in black ink that reads "Doane Grant Thornton LLP". The signature is written in a cursive, flowing style.

Melanie Dugard, CPA, CA
Principal