



Financial statements

Committee of Management of  
George Bell Arena

December 31, 2024

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**Management’s responsibility for the financial statements**

The financial statements of the Committee of Management of George Bell Arena (the "Arena") are the responsibility of management and have been approved by the Board 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 Management is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board 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:  
  
A8817CC209B16A1... Chairperson

DocuSigned by:  
  
77E9878E208445B... Treasurer

# Independent Auditor's Report

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To the Council of the Corporation of the City of Toronto and the Committee of Management of  
**George Bell Arena**

## Opinion

We have audited the financial statements of George Bell Arena (the "Arena"), which comprise the statement of financial position as at December 31, 2024, and the statement 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 George Bell Arena as at December 31, 2024, 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.

## 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 27, 2024

Chartered Professional Accountants  
Licensed Public Accountants

## Committee of Management of George Bell Arena Statement of financial position

December 31	2024	2023
<b>Financial assets</b>		
Cash	\$ 193,195	\$ 150,753
Accounts receivable	86,211	12,241
Post-employment benefits receivable (Note 4)	<u>16,005</u>	<u>1,972</u>
	<u><b>295,411</b></u>	<u>164,966</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	105,812	59,889
Deferred revenue	23,018	25,098
Due to City of Toronto – reserve	30,000	-
Due to City of Toronto – operating surplus (Note 5)	105,576	63,007
Due to City of Toronto – working capital advance (Note 6)	15,000	15,000
Due to City of Toronto – post-employment benefits (Note 4)	<u>16,005</u>	<u>1,972</u>
	<u><b>295,411</b></u>	<u>164,966</u>
<b>Net debt</b>	<u>-</u>	<u>-</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 7)	<u>75,074</u>	<u>28,314</u>
<b>Accumulated surplus</b>	<u><b>\$ 75,074</b></u>	<u><b>\$ 28,314</b></u>

Approved by the Board:

  
 \_\_\_\_\_ Chair

DocuSigned by:  
  
 \_\_\_\_\_ Member

See accompanying notes to the financial statements.

# Committee of Management of George Bell Arena

## Statement of operations

Year ended December 31

	Budget (Note 10)	2024	2023
<b>Revenue</b>			
Ice rentals	\$ 242,200	\$ 789,122	\$ 368,565
City of Toronto funding (Note 8)	10,000	210,423	313,506
Facility rentals	17,600	56,123	48,177
Program fees	26,700	71,526	28,715
Other	3,500	10,365	4,772
City of Toronto employee related costs (Note 4)	-	17,977	(20,244)
	<u>300,000</u>	<u>1,155,536</u>	<u>743,491</u>
<b>Expenses</b>			
Salaries and wages	303,800	371,270	267,215
Maintenance and repairs	147,900	237,307	198,795
Utilities	122,000	199,976	129,515
Employee benefits	90,000	115,493	62,305
Professional fees	39,800	40,276	68,200
General administration	11,400	27,586	11,366
Program expenses	3,600	19,050	6,730
Amortization	16,965	16,965	13,968
Insurance	1,500	8,284	4,941
	<u>736,965</u>	<u>1,036,207</u>	<u>763,035</u>
<b>Excess (deficiency) of revenue over expenses before items below</b>	(436,965)	119,329	(19,544)
Vehicle and equipment reserve contribution (Note 9)	(30,000)	(30,000)	(16,000)
Excess of revenue over expenses (expenses over revenue) before government transfer to the City of Toronto	(466,965)	89,329	(35,544)
Government transfer (to) from the City of Toronto (Note 5)	-	(42,569)	27,894
<b>Annual surplus (deficit)</b>	(466,965)	46,760	(7,650)
<b>Accumulated surplus, beginning of year</b>	28,314	28,314	35,964
<b>Accumulated surplus, end of year</b>	\$ (438,651)	\$ 75,074	\$ 28,314

See accompanying notes to the financial statements.

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## Committee of Management of George Bell Arena

### Statement of changes in net debt

December 31

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	Budget	<b>2024</b>	2023
Annual surplus (deficit)	\$ (466,965)	\$ <b>46,760</b>	\$ (7,650)
Acquisition of tangible capital assets	-	<b>(63,725)</b>	(6,318)
Amortization of tangible capital assets	16,965	<b>16,965</b>	13,968
Changes in net debt	(450,000)	-	-
Net debt, beginning of year	-	-	-
Net debt, end of year	<b>\$ (450,000)</b>	<b>\$ -</b>	<b>\$ -</b>

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See accompanying notes to the financial statements.

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## Committee of Management of George Bell Arena

### Statement of cash flows

Year ended December 31

2024

2023

Increase (decrease) in cash

**Operating**

Annual surplus (deficit)	\$ 46,760	\$ (7,650)
Item not affecting cash		
Amortization of tangible capital assets	16,965	13,968
	<u>63,725</u>	<u>6,318</u>
Change in non-cash working capital items		
Accounts receivable	(73,970)	(5,789)
Post-employment benefits receivable/ payable	(14,033)	(20,244)
Accounts payable and accrued liabilities	45,923	3,999
Deferred revenue	(2,080)	22,459
Due to the City of Toronto – reserve	30,000	-
Due to City of Toronto – operating surplus	42,569	(106,941)
Due to/ from City of Toronto – post employment benefits	14,033	20,244
	<u>106,167</u>	<u>(79,954)</u>

**Investing**

Purchase of tangible capital assets	<u>(63,725)</u>	<u>(6,318)</u>
Increase (decrease) in cash	42,442	(86,272)
Cash, beginning of year	<u>150,753</u>	<u>237,025</u>
Cash, end of year	<u>\$ 193,195</u>	<u>\$ 150,753</u>

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See accompanying notes to the financial statements.

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# **Committee of Management of George Bell Arena**

## **Notes to the financial statements**

December 31, 2024

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### **1. Nature of operations**

The Committee of Management of George Bell 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 By-law No. 319-71, 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 expenses resulting from or incidental to the management and control of the premises.

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### **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**

Revenues for exchange transactions with performance obligations are recognized when performance obligations are met by providing the goods or services to the payor. Ice rentals received in advance are recorded as deferred revenue.

Revenue from transactions with no performance obligations are recognized when the Arena has the right to claim or retain an inflow of economic resources and the transaction gives rise to an asset.

#### **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, HST payable, amounts due to the City of Toronto and post-employment benefits payable.

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# Committee of Management of George Bell Arena

## Notes to the financial statements

December 31, 2024

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### 2. Significant accounting policies (continued)

#### 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:

Furniture and equipment	5 years straight-line
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#### Contributed materials and services

Major capital expenditures are financed by the City, 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. Other contributed materials and services are not recognized in the financial statements due to the difficulty of determining their fair value.

#### Employee related costs

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

- a) The City offers a multi-employer defined benefit pension plan to the Arena's employees. Due to the nature of this plan, the Arena does not have sufficient information to account for it 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.
- b) The Arena also offers its eligible employees a defined benefit health and dental plan, a long-term disability plan and continuation of health, dental and life insurance benefits to disabled employees. The accrued benefit obligations are determined using an actuarial valuation based on the projected benefit method prorated on service, incorporating management's best estimate of future salary levels, inflation, sick day usage estimates, ages of employees and other actuarial factors.

Net actuarial gains and losses that arise are amortized over the expected average remaining service life of the employee group.

The Arena recognizes an accrued benefit receivable on the statement of financial position, which is the net of the amount of the accrued benefit obligations and the unamortized actuarial gains/ losses.

#### Use of estimates

The preparation of financial statements in accordance 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 revenue 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, significant accrued liabilities and the post-employment benefits liabilities. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

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# Committee of Management of George Bell Arena

## Notes to the financial statements

December 31, 2024

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### 3. Change in accounting policy

Effective January 1, 2024, the Arena adopted PS3400 *Revenues* retroactively with no restatement required.

PS 3400 Revenues establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

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### 4. Post-employment benefits payable and amount receivable

The Arena participates in a benefit plan provided by the City. The Arena provides administrative employees with long-term disability benefits and the continuation of health, dental and life insurance benefits to disabled employees.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2021 with projections to December 31, 2024. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2.0%
- assumed health care cost trends - range from 3.0% to 6.0%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 4.7%, post-employment 4.1%, sick leave 4.2%

Information about the Arena's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	<u>2024</u>	<u>2023</u>
Continuation of benefits to disabled employees	\$ 166,954	\$ 169,979
Post-employment income benefits	<u>295,479</u>	<u>320,355</u>
	462,433	490,334
Unrealized actuarial loss	<u>(446,428)</u>	<u>(492,306)</u>
Post-employment benefit (receivable) liability	<u>\$ 16,005</u>	<u>\$ (1,972)</u>

# Committee of Management of George Bell Arena

## Notes to the financial statements

December 31, 2024

### 4. Post-employment benefits payable and amount receivable (continued)

The continuity of the accrued benefit obligation is as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ (1,972)	\$ 18,272
Interest cost	17,765	20,639
Amortization of actuarial loss	45,878	45,232
Expected benefits paid	<u>(45,666)</u>	<u>(86,115)</u>
Balance, end of year	<u>\$ 16,005</u>	<u>\$ (1,972)</u>

A payable to the City of \$16,005 in 2024 (2023 – receivable of \$1,972) has resulted from recording sick leave and post retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of administrative staff that may be incurred by the Arena.

The Arena also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its eligible 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 \$30,758 (2023 - \$17,793).

The most recent actuarial valuation of the Plan as at December 31, 2024 indicates the Plan is in a deficit position and the Plan's December 31, 2024 financial statements indicate a net deficit of \$4,319 million (a deficit of \$2,913 million plus adjustment of \$1,406 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's 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.

### 5. Due to City of Toronto – operating surplus

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ (63,007)	\$ (169,948)
Operating (surplus) deficit	(89,329)	35,544
Tangible capital assets purchases	63,725	6,318
Amortization of tangible capital assets	<u>(16,965)</u>	<u>(13,968)</u>
Net (revenue payable to) expenditures receivable from the City of Toronto	(42,569)	27,894
Paid to the City	<u>-</u>	<u>79,047</u>
	<u>(42,569)</u>	<u>106,941</u>
Balance, end of year	<u>\$ (105,576)</u>	<u>\$ (63,007)</u>

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# Committee of Management of George Bell Arena

## Notes to the financial statements

December 31, 2024

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### 5. Due from (to) City of Toronto – operating deficit (surplus) (continued)

The due to City of Toronto balance is comprised of:

2022 operating surplus	\$ (90,901)	\$ (90,901)
2023 operating deficit	27,894	27,894
2024 operating surplus	<u>(42,569)</u>	<u>-</u>
	<u>\$ (105,576)</u>	<u>\$ (63,007)</u>

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### 6. Due to City of Toronto – working capital advance

The Committee of Management retains a working capital advance of \$15,000 (2023 - \$15,000) 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.

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### 7. Tangible capital assets

Tangible capital assets consist of the following:

	<u>2024</u>	<u>2023</u>
Cost		
Beginning of year	\$ 170,894	\$ 164,576
Add: additions during the year	63,725	6,318
Less: disposals during the year	<u>-</u>	<u>-</u>
End of year	<u>234,619</u>	<u>170,894</u>
Accumulated amortization		
Beginning of year	142,580	128,612
Add: amortization during the year	16,965	13,968
Less: disposals during the year	<u>-</u>	<u>-</u>
End of year	<u>159,545</u>	<u>142,580</u>
Net book value	<u>\$ 75,074</u>	<u>\$ 28,314</u>

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### 8. City of Toronto funding

The Arena received \$210,423 (2023 - \$313,506) from the City of Toronto to support cash shortfall due to a closure in 2023 for repairs and the closure due to COVID-19 in 2022.

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### 9. Vehicle and equipment reserve contributions

These contributions are for the financing of replacement ice resurfacer machines required by the Arenas in future years. In the year, the required contribution was \$30,000 (2023 - \$16,000).

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# Committee of Management of George Bell Arena

## Notes to the financial statements

December 31, 2024

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### 10. 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 Debt represent the budget adopted by the Arena with the following adjustments:

Budgeted annual operating surplus	\$ (450,000)
Less:	
Amortization of tangible capital assets	<u>(16,965)</u>
Budgeted annual operating deficit per Statement of Operations	<u>\$ (466,965)</u>

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### 11. Financial instruments

Transactions involving 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 these items to be remote.

Management believes that the Arena's credit risk with respect to accounts receivable is limited. The Arena manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

#### 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. Management believes its overall liquidity risk to be minimal as the Arena's financial assets are considered to be highly liquid.

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# Committee of Management of George Bell Arena

## Notes to the financial statements

December 31, 2023

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### 11. Financial instruments (continued)

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest risk and other price risk.

#### *Currency risk*

Currency risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Arena's financial instruments are denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. As a result, management does not believe the Arena is exposed to interest rate risk as the Arena does not currently have any interest bearing debt.

#### *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market prices (other than those arising from currency risk or interest rate risk), whether these changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Management does not believe the Arena is exposed to significant other price risks.

#### *Changes in risk*

There have been no significant changes in the Arena's risk exposures from the prior year.

Committee of Management  
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June 19, 2025

In connection with our audit of the financial statements of George Bell Arena (the "Arena") as of December 31, 2024 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

### Lack of segregation duties

In common with other organizations with a small accounting team, we noted an issue surrounding segregation of duties. It was noted that the Bookkeeper has the ability to post and approve journal entries in Sage and is also part of the financial reporting process.

Management should implement a mitigating control whereby members of the Committee of Management are provided with a monthly financial package, comparing actual results to budget with explanations for variances, and which includes the journal entries for review.

## 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 June 19, 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*

Melanie Dugard, CPA, CA

Principal



Oct 2<sup>nd</sup>, 2025

Thank you for your correspondence reiterating the expectations regarding the submission of annual financial audit materials. The George Bell Arena Board of Management acknowledges the requirements set forth in the Relationship Framework and confirm that George Bell Arena is committed to full compliance. As part of our annual reporting process, we are submitting the Signed Audited Financial Report developed by Doane Grant and our and Management letter. We will comply with the recommendations as outlined in the report. As outlined in the Doane Grant report, lack of segregation duties in common with other organizations with a small accounting team, they noted an issue surrounding segregation of duties. It was noted that the Bookkeeper has the ability to post and approve journal entries in Sage and is also part of the financial reporting process. Management should implement a mitigating control whereby members of the Committee of Management are provided with a monthly financial package, comparing actual results to budget with explanations for variances, and which includes the journal entries for review. The Management response to this report is that the Management believes the current controls are appropriate given the size and complexity of the Arena. While the Bookkeeper can post and approve journal entries, entries are not posted without review. The Committee of Management receives a monthly financial package that is reviewed during Board meetings. Budget-to-actual comparisons, variance explanations, and a summary review of journal entries have been added to this package, providing additional oversight and mitigating the matter. We appreciate the City's continued guidance and oversight, and we remain dedicated to upholding transparency and accountability in our financial practices. Should you require any additional documentation or clarification, please do not hesitate to reach out.

Charlene Patfield

A handwritten signature in black ink that reads "C. Patfield". The signature is written in a cursive, flowing style.

Chair, George Bell Arena