



Financial statements

Board of Management of
William H. Bolton Arena

December 31, 2024

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Management's responsibility for the financial statements

The financial statements of the Board of Management of William H. Bolton 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: 
7458A62967D9456... Chairperson

Signed by: 
405D7A9E702C2402... Treasurer

Independent auditor's report

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To the Council of the Corporation of the City of Toronto and the Board of Management of
[William H. Bolton Arena](#)

Opinion

We have audited the financial statements of the Board of Management of William H. Bolton 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 Board of Management of William H. Bolton 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 qualified 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
July 22, 2025

Chartered Professional Accountants
Licensed Public Accountants

Board of Management of William H. Bolton Arena Statement of financial position

December 31	2024	2023
Financial assets		
Cash	\$ 56,529	\$ 485,356
Portfolio investments (Note 4)	879,584	409,158
Government remittances receivable	24,535	4,242
Inventories held for resale	<u>20,398</u>	<u>22,444</u>
	<u>981,046</u>	<u>921,200</u>
Financial liabilities		
Accounts payable and accrued liabilities	76,231	154,526
Due to City of Toronto – operating surplus (Note 6)	390,625	263,364
Deferred revenue	504,190	493,372
Due to City of Toronto – working capital advances (Note 1)	<u>10,000</u>	<u>10,000</u>
	<u>981,046</u>	<u>921,262</u>
Net debt	<u>-</u>	<u>(62)</u>
Non-financial assets		
Tangible capital assets (Note 5)	234,181	35,803
Prepaid expenses	<u>-</u>	<u>62</u>
	<u>234,181</u>	<u>35,865</u>
Accumulated surplus	<u>\$ 234,181</u>	<u>\$ 35,803</u>

Approved by the Board:



 Signed by: _____ Chair



 Signed by: _____ Member

See accompanying notes to the financial statements.

Board of Management of William H. Bolton Arena

Statement of operations

Year ended December 31, 2024

	2024 Budget (Note 11)	2024 Actual	2023 Actual
Revenue			
Program registration	\$ 1,266,197	\$ 1,348,079	\$ 1,245,287
Ice rentals	163,000	183,943	216,424
Pro shop operations (Schedule A)	63,255	61,500	55,287
Snack bar operations (Schedule A)	39,650	49,294	37,375
Other revenue	-	32,563	9,158
City of Toronto funding (Note 10)	-	244,574	-
	<u>1,532,102</u>	<u>1,919,953</u>	<u>1,563,531</u>
Expenditures			
Salaries and wages	524,657	550,154	538,792
Program material and supplies	380,489	431,939	359,801
Office and administration	136,453	152,368	137,845
Utilities	155,562	148,010	146,337
Employee benefits	125,746	134,917	121,754
Maintenance and repairs	160,473	78,765	199,034
Amortization	41,141	41,141	17,190
Professional fees	22,000	28,758	22,725
Insurance	3,338	3,262	4,590
	<u>1,549,859</u>	<u>1,569,314</u>	<u>1,548,068</u>
Excess (deficiency) of revenue over expenditures for the year before vehicle and equipment reserve contribution	(17,757)	350,639	15,463
Vehicle and equipment reserve contribution (Note 8)	<u>(13,910)</u>	<u>(25,000)</u>	<u>(15,000)</u>
Excess (deficiency) of revenue over expenses before government transfer to the City	<u>(31,667)</u>	<u>325,639</u>	<u>463</u>
Government transfer (to) from the City of Toronto (Note 6)	<u>-</u>	<u>(127,261)</u>	<u>(17,653)</u>
Annual surplus (deficit)	(31,667)	198,378	(17,190)
Accumulated surplus, beginning of year	<u>35,803</u>	<u>35,803</u>	<u>52,993</u>
Accumulated surplus, end of year	<u>4,136</u>	<u>\$ 234,181</u>	<u>\$ 35,803</u>

See accompanying notes to the financial statements.

Board of Management of William H. Bolton Arena

Statement of changes in net debt

December 31

	<u>2024</u> <u>Budget</u> <small>(Note 11)</small>	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Annual surplus (deficit)	\$ (31,667)	\$ 198,378	\$ (17,190)
Acquisition of tangible capital assets	(20,600)	(239,519)	-
Amortization of tangible capital assets	41,141	41,141	17,190
Decrease (increase) in prepaid expenses	<u>-</u>	<u>62</u>	<u>(62)</u>
Changes in net debt	(11,126)	62	(62)
Net debt, beginning of year	<u>-</u>	<u>(62)</u>	<u>-</u>
Net debt, end of year	<u>\$ (11,126)</u>	<u>\$ -</u>	<u>\$ (62)</u>

See accompanying notes to the financial statements.

Board of Management of William H. Bolton Arena

Statement of cash flows

Year ended December 31

2024

2023

Cash flows from operating activities

Annual surplus (deficit)	\$ 198,378	\$ (17,190)
Adjustment for item not requiring cash:		
Amortization	<u>41,141</u>	<u>17,190</u>
	<u>239,519</u>	<u>-</u>

Non-cash changes to operation

Government remittances receivable	(20,293)	(2,000)
Inventories held for resale	2,046	1,372
Accounts payable and accrued liabilities	(78,295)	109,401
Due to City of Toronto – operating surplus	127,261	(97,524)
Deferred revenue	10,818	44,722
Prepaid expenses	<u>62</u>	<u>(62)</u>
	<u>281,118</u>	<u>55,909</u>

Cash flows from investing transactions

Purchase of tangible capital assets	(239,519)	-
Purchase of and accrued interest on portfolio investments	<u>(470,426)</u>	<u>(409,158)</u>
	<u>(709,945)</u>	<u>(409,158)</u>

(Decrease) in cash	(428,827)	(353,249)
Cash, beginning of year	<u>485,356</u>	<u>838,605</u>
Cash, end of year	<u>\$ 56,529</u>	<u>\$ 485,356</u>

See accompanying notes to the financial statements.

Board of management of William H. Bolton Arena

Notes to the financial statements

December 31, 2024

1. Nature of operations

The Board 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 Board of Management operates and manages the Arena on behalf of the City of Toronto.

Under the By-Law, the Board of Management, at the end of each fiscal year, shall pay to the City of Toronto all revenue received by the Board 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 Board of Management retains a working cash advance of \$10,000 provided by the City of Toronto, for the management and control of the premises, to be returned to the City of Toronto upon the Board 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

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, hockey schools and camp fees 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.

Portfolio investments

Portfolio investments include guaranteed investment certificates (GICs) with maturity dates within twelve months from the date of the Statement of Financial Position.

Financial instruments

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

Board of management of William H. Bolton Arena

Notes to the financial statements

December 31, 2024

2. Significant accounting policies (continued)

Financial instruments (continued)

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 government remittances receivable.

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

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. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

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

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.

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 of Toronto are not recorded in these financial statements. Other contributed materials and services are not recognized in the financial statements due to difficulty of determining their fair value.

Employee related costs

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.

Board of management of William H. Bolton Arena

Notes to the financial statements

December 31, 2024

2. Significant accounting policies (continued)

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, accessing 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. 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.

4. Portfolio Investments

	<u>2024</u>	<u>2023</u>
GIC maturing February 3, 2025, bearing interest at 4.30%	\$ 107,561	\$ 103,208
GIC maturing February 3, 2025, bearing interest at 4.25%	107,723	103,117
GIC maturing August 25, 2025, bearing interest at 3.75%	210,654	202,833
GIC maturing October 2, 2025, bearing interest at 3.25%	<u>453,646</u>	<u>-</u>
	<u>\$ 879,584</u>	<u>\$ 409,158</u>

Board of management of William H. Bolton Arena

Notes to the financial statements

December 31, 2024

5. Tangible capital assets

Tangible capital assets consist of the following:

	Furniture and equipment	Computer equipment	<u>2024</u>	<u>2023</u>
Cost				
Beginning of year	\$ 123,161	\$ 36,537	\$ 159,698	\$ 159,698
Add: additions during the year	239,519	-	239,519	-
Less: disposals during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>362,680</u>	<u>36,537</u>	<u>399,217</u>	<u>159,698</u>
Accumulated amortization				
Beginning of year	105,627	18,268	123,895	106,705
Add: amortization during the year	28,962	12,179	41,141	17,190
Less: disposals during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>134,589</u>	<u>30,447</u>	<u>165,036</u>	<u>123,895</u>
Net book value	<u>\$ 228,091</u>	<u>\$ 6,090</u>	<u>\$ 234,181</u>	<u>\$ 35,803</u>

6. Due to the City of Toronto – Operating surplus

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ (263,364)	\$ (360,888)
Current year's operating surplus	(325,639)	(463)
Current year's capital assets purchase	239,519	-
Current year's amortization	<u>(41,141)</u>	<u>(17,190)</u>
Net payable to the City of Toronto	(127,261)	(17,653)
Paid to the City of Toronto during the current year	<u>-</u>	<u>115,177</u>
Balance, end of year	<u>\$ (390,625)</u>	<u>\$ (263,364)</u>

The amount due from (to) City of Toronto balance is comprised of:

2022 surplus payable	\$ (245,711)	\$ (245,711)
2023 surplus payable	(17,653)	(17,653)
2024 surplus payable	<u>(127,261)</u>	<u>-</u>
	<u>\$ (390,625)</u>	<u>\$ (263,364)</u>

Board of management of William H. Bolton Arena

Notes to the financial statements

December 31, 2024

7. Employee related expenses

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 \$32,463 (2023 - \$30,803).

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.

8. Vehicle and equipment reserve contribution

This contribution is for the financing of replacement ice resurfacer machine required by the Arena in future years. The contribution for the year was \$25,000 (2023 - \$15,000).

9. 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. The Arena's cash is with Canadian chartered bank and as a result management believes the risk of loss on this item to be remote.

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.

Board of management of William H. Bolton Arena

Notes to the financial statements

December 31, 2024

9. Financial instruments (continued)

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.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 76,231	\$ -	\$ -	\$ -	\$ 76,231
Due to City of Toronto	390,625	-	-	10,000	400,625
					\$
Total	\$ 466,856	\$ -	\$ -	\$ 10,000	476,856

Change in risk

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

10. City of Toronto funding

The Arena received \$244,574 (2023 - \$Nil) from the City of Toronto to support cash shortfall due to expected closures for repair in 2024.

Board of management of William H. Bolton Arena

Notes to the financial statements

December 31, 2024

11. 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 deficit	\$ (11,126)
Add:	
Acquisition of tangible capital assets	20,600
Less:	
Amortization of tangible capital assets	<u>(41,141)</u>
Budgeted annual operating deficit per Statement of Operations	<u>\$ (31,667)</u>

Board of management of William H. Bolton Arena

Schedule of operations

December 31, 2024

Pro Shop Operations

	2024 <u>Budget</u> (Note 11)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue			
Pro shop sales	\$ 52,925	\$ 48,383	\$ 50,264
Skate sharpening	<u>53,240</u>	<u>49,784</u>	<u>51,478</u>
	<u>106,165</u>	<u>98,167</u>	<u>101,742</u>
Cost of goods sold	<u>42,910</u>	<u>36,667</u>	<u>46,455</u>
Gross profit	<u>\$ 63,255</u>	<u>\$ 61,500</u>	<u>\$ 55,287</u>

Snack Bar Operations

	2024 <u>Budget</u> (Note 11)	2024 <u>Actual</u>	2023 <u>Actual</u>
Revenue			
Snack bar	\$ 81,175	\$ 85,143	\$ 81,268
Vending machine	<u>15,357</u>	<u>12,702</u>	<u>13,083</u>
	<u>96,532</u>	<u>97,845</u>	<u>94,351</u>
Cost of goods sold	<u>56,882</u>	<u>48,551</u>	<u>56,976</u>
Gross profit	<u>\$ 39,650</u>	<u>\$ 49,294</u>	<u>\$ 37,375</u>

June 19, 2025

The Board of Management
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In connection with our audit of the financial statements of William H. Bolton 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

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.

The Arena Manager processes revenue transactions and creates the deposit slips allowing them the ability to misappropriate cash. The Arena Manager performs all tasks related to maintaining the financial records of the Arena and has admin access to all financial systems and records associated with the financial reporting process. This creates an opportunity for manipulation of the financial results.

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

Reconciliation of program revenue registration system to general ledger and bank

During our audit procedures, we noted variances between the program revenue registration system and general ledger.

We recommend that management perform monthly or quarterly and annual reconciliations of the program revenue registration system to the general ledger and bank. Further, we recommend a review of the reconciliations to reduce the risk of error.

Capitalization policy

We noted that the Arena does not have a formal capital asset policy. It does not maintain or review a detailed asset register.

We recommend that the Arena implement a capitalization policy. As part of this, we recommend that the Arena complete a review of the capital asset balance in the accounting system with the capital assets in use to ensure that all assets in use have been appropriately accounted for and are reflected appropriately in the capital asset continuity.

Inventory counts and assessment of obsolescence

We noted that inventory is generally counted annually, however no snack bar inventory was counted at year-end 2024. No reconciliation between inventory movements and sales transactions were performed.

We recommend that management revisit its procedures and controls around inventory. Periodic counts and reconciliations to sales data could also aid with inventory management and reduce risk of misappropriation.

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



Bill Bolton Arena Board of Management Response to 2024 Internal Controls Deficiencies Letter prepared by Doane Grant Thornton

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.

The Arena Manager processes revenue transactions and creates the deposit slips allowing them the ability to misappropriate cash. The Arena Manager performs all tasks related to maintaining the financial records of the Arena and has admin access to all financial systems and records associated with the financial reporting process. This creates an opportunity for manipulation of the financial results.

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.

Management comments:

Management has engaged the services of an experienced accountant (with a CPA designation) to provide monthly accounting services to the Arena to reduce the reliance on the Arena Manager in processing the daily financial transactions of the Arena.

The accountant has reviewed the Arena's accounting system and made recommendations on improving the financial function at Bill Bolton Arena. Management has implemented these changes to simplify the accounting processes and system, as well as to improve the level of segregation of duties in the Arena's financial function.

The accountant now enters all accounting transactions into the Arena's Sage 50 accounting system with the Arena manager responsible for reviewing and approving the transactions.

Monthly Sage 50 financial reports along with internal summary financial reports are prepared by the accountant for the Arena Manager and the Treasurer to review the monthly operating results against budget. Banking and transaction reports are also provided to review the accountant's entries into Sage 50.

The internal summary financial reports (balance sheet and income statement) are presented to the Board at the monthly Board meeting.

Other deficiencies

Reconciliation of program revenue registration system to general ledger and bank

During our audit procedures, we noted variances between the program revenue registration system and general ledger. We recommend that management perform monthly or quarterly and annual reconciliations of the program revenue registration system to the general ledger and bank. Further, we recommend a review of the reconciliations to reduce the risk of error.

Management comments:

In 2025, program registration fee revenue from the Amilia online registration system is no longer recorded as part of the daily sales from the pro shop, snack bar and office POS terminal operations.



Instead, this revenue stream is recorded separately in Sage 50 on a weekly basis. This financial data is prepared for entry into Sage 50 from the Amilia online reports and reconciled to the bank transfers by Paysafe Merchant Services prior to entry into Sage 50.

The pro shop and snack bar sales, as well as ice rentals and program registration fees from the various POS terminals at the Arena, are also recorded in Sage 50 on a weekly basis in 2025, rather than on a daily basis.

This second revenue stream is recorded separately in Sage 50 on a weekly basis, as well. The financial data is gathered from the pro shop and snack bar Cash Out sheets prepared by staff and is reconciled by the accountant to the daily bank transfers by Payment Tech prior to entry into Sage 50.

In this way, the Arena's revenue streams from the supporting documentation and online reporting are reconciled to the bank on a weekly basis prior to the revenue data being entered into the Sage 50 general ledger.

This approach will also provide an improved audit trail and should result in easier testing during the Arena's annual audit.

Capitalization policy

We noted that the Arena does not have a formal capital asset policy. It does not maintain or review a detailed asset register. We recommend that the Arena implement a capitalization policy. As part of this, we recommend that the Arena complete a review of the capital asset balance in the accounting system with the capital assets in use to ensure that all assets in use have been appropriately accounted for and are reflected appropriately in the capital asset continuity.

Management comments:

While assisting the Arena with finishing off its 2024 audit, the accountant reviewed the Arena's capital asset purchases with the Arena Manager and reclassified the capital purchases from an operating expense account to a capital asset account in the Arena's general ledger.

Going forward, capital asset purchases in excess of \$500 will be capitalized and recorded on the Arena's balance sheet as an asset to be amortized. Such capital asset additions will be tracked on a capital asset worksheet by the accountant.

The Board will formally adopt this as an accounting policy of the Arena.

Inventory counts and assessment of obsolescence

We noted that inventory is generally counted annually, however no snack bar inventory was counted at year-end 2024. No reconciliation between inventory movements and sales transactions were performed.

We recommend that management revisit its procedures and controls around inventory. Periodic counts and reconciliations to sales data could also aid with inventory management and reduce risk of misappropriation.


Management comments:

Inventory will be counted at the end of the current fiscal year as preparation for the 2025 audit.

Management will review its procedures in managing the Arena's inventory and will continue to monitor the sales and supplies expense in its pro shop and snack bar operations on a monthly basis as part of its inventory controls.



Sincerely,

 E-SIGNED by Michael Kane, Scotia Wealth Management
on 2025-10-11 00:37:39 GMT

Michael Kane

Chairperson

The Board of Management

William H. Bolton Arena

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