

May 30, 2007

Mr. Jeff Griffiths
Auditor General
City of Toronto
Metro Hall, 9th Floor
55 John Street
Toronto, ON
M5V 3C6

Dear Mr. Griffiths:

Re: 2006 Audits of the City's Community Centres

We have completed our audits of the various Community Centres, as specified in the audit proposal with the City of Toronto. The objective of our audits was to obtain reasonable assurance whether the financial statements of the various entities are free of material misstatement, and were not designed to identify all matters that may be of interest to management.

Many of the Community Centres have utilized the services of a person with bookkeeping/accounting experience to assist with their accounting records and financial reporting. Generally, a number of the entities prepared satisfactory working papers including fairly extensive variance analysis from budgets. Of course, there were exceptions, but for the most part, there was a conscientious effort to meet the standard and timing has improved for all arenas.

Of course, many of the entities have less than ideal segregation of duties because of the limited number of staff. One person in the organization will perform more than one of the following functions: initiation, authorization, processing and delivery.

We did note however that in many instances there is evidence of management oversight by the respective Boards. Minutes of meetings reflect careful review of financial results to budget as well as discussion and approval of any major expenditures.

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We are pleased to report that we received the co-operation of the various staffs at the Community Centres and that there were no difficulties encountered.

We trust this letter will be of interest to you and the Audit Committee. If there are any questions we would be pleased to discuss any matter with you.

Yours truly,

GRANT THORNTON LLP

Grant Thornton LLP

Allister Byrne, F.C.A.
Partner