

Board of Governors of Exhibition Place

Audit Results – Year Ended December 31, 2007

Report to the Finance and Audit Committee of the Board of Governors

 **ERNST & YOUNG**

Quality In Everything We Do



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April 7, 2008

Members of the Finance and Audit Committee of the Board of Governors
of Board of Governors of Exhibition Place

Dear Members of the Finance and Audit Committee:

We are pleased to present the results of our audit of the financial statements of the Board of Governors of Exhibition Place (the “organization” or the “Board”).

This report to the Finance and Audit Committee summarizes the issues of audit significance discussed with management and provides the communications required by our professional standards.

Our audit was designed to express an opinion on the December 31, 2007 financial statements of the organization. In planning the audit, we held discussions with management, considered current and emerging business risks, performed an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We received the full support and assistance of the organization’s personnel in conducting our audit.

This report is intended solely for the use of the Finance and Audit Committee, the Board of Governors, management, and ultimately the City of Toronto Council and is not intended to be and should not be used by anyone other than these specified parties. We disclaim any responsibility to any third party who may rely on it. Further, this report is a by-product of our audit of the December 31, 2007 financial statements and indicates matters identified during the course of our audit. Our audit did not necessarily identify all matters that may be of interest to the Finance and Audit Committee in fulfilling its responsibilities.

We appreciate this opportunity to meet with you to discuss the contents of this report and answer any questions you may have about these or any other audit-related matters.

Very truly yours,

Chartered Accountants
Licensed Public Accountants

Diana Brouwer
416-943-7177

Required Communications

Generally accepted auditing standards in Canada require the auditor to communicate certain matters to committee of the Board that may assist them in overseeing management's financial reporting and disclosure process. Below we summarize these required communications as they apply to your organization.

Area	Comments
<p>Auditors' Responsibilities Under Generally Accepted Auditing Standards (GAAS)</p> <p>As set out in the planning document presented to the Finance and Audit Committee, we designed our audit to express an opinion on your organization's financial statements.</p> <p>The financial statements are the responsibility of management. Our audit was designed in accordance with GAAS to obtain reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.</p> <p>As a part of our audit, we obtained a sufficient understanding of the internal control structure to plan our audit and to determine the nature, timing and extent of testing performed.</p>	<p>We anticipate issuing an unqualified audit opinion dated March 20, 2008 upon approval of the financial statements by the Board of Governors and completion of certain outstanding procedures. The following procedures are outstanding:</p> <ul style="list-style-type: none"> • Management representation letter; • Signed Sony agreement with BMO Field re. TV contra sponsorships; and • Confirmation from the Finance and Audit Committees that there are no areas of concern that have not been addressed in this document.
<p>Changes to Audit Approach Outlined in Planning Document</p> <p>In our planning document, we indicated that we would conduct our audit in accordance with Canadian generally accepted auditing standards in order to deliver to you our final report for your 2007 financial statements.</p> <p>Our plan to you indicated that our strategy would be to test and rely on controls around payroll and other disbursements, while the remainder of the audit would be substantive in nature with the use of confirmations and specific testing of account balances.</p>	<p>There were no changes to the audit approach outlined in the planning document.</p>

Required Communications (continued)

Area	Comments
<p>Adoption of, or Changes in, an Accounting Principle, Including Material Alternative Accounting Treatments Discussed with Management and Acceptability of a Particular Policy used by Management</p> <p>We determine that the Finance and Audit Committee are informed about the initial selection of, and any changes in, significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying the accounting principle, has a material effect on the financial statements.</p> <p>In addition, we report to the Finance and Audit Committee all alternative accounting treatments within Canadian generally accepted accounting principles (GAAP) for policies and practices related to material items (including recognition, measurement, presentation and disclosure alternatives) that have been discussed with management during the current audit period including acceptability of the policies or methods ultimately selected by management.</p>	<p>Refer to “Items of Audit Significance Discussed with Management” section.</p>
<p>Sensitive Accounting Estimates and Disclosures</p> <p>The preparation of financial statements requires the use of accounting estimates. Certain estimates and disclosures are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management’s current judgments.</p> <p>We determine that the Finance and Audit Committee are informed about management’s process for formulating particularly sensitive accounting estimates and disclosures and about the basis for our conclusions regarding the reasonableness of those estimates.</p>	<p>There are significant judgments or estimates required to prepare the financial statements where actual amounts may be significantly different from the estimates. Refer to the section on “Items of Significance Discussed with Management” for a discussion with respect to employee benefits.</p>
<p>Major Issues Discussed with Management Including Accounting for Significant Unusual Transactions and for Controversial or Emerging Areas</p> <p>We determine that the Finance and Audit Committee are informed about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>	<p>We are not aware of any significant unusual transactions recorded by the organization or of any significant accounting policies used by the organization related to controversial or emerging areas for which there is a lack of authoritative guidance.</p>

Required Communications (continued)

Area	Comments
<p>Significant Audit Adjustments and Unrecorded Audit Differences Considered by Management to be Immaterial</p> <p>We provide the Finance and Audit Committee with information about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the organization’s financial statements.</p> <p>We inform the Finance and Audit Committee about unrecorded audit differences accumulated by us (i.e. adjustments either identified by us or brought to our attention by management) during the current audit period and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.</p>	<p>There were eight recorded audit adjustments, all of which are related to the Board of Governors (three relate specifically to the operations of BMO Field and two specifically to DEC). Five of the eight adjustments were financial statement reclassifications and three had a minor impact on the operations for the year.</p> <p>Refer to “Summary of Audit Differences” section for unrecorded amounts.</p>
<p>Disagreements with Management</p>	<p>None.</p>
<p>Serious Difficulties Encountered in Dealing with Management when Performing the Audit</p>	<p>None.</p>
<p>Significant Weaknesses in Internal Controls</p> <p>We communicate all significant weaknesses in internal control over financial reporting that may have been identified during the course of our audit.</p>	<p>No significant weaknesses in internal control were identified.</p>
<p>Fraud and Illegal Acts</p>	
<p>We report to the Finance and Audit Committee fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement to the financial statements.</p>	<p>We are not aware of any matters that require communication.</p>
<p>We are also required to make inquiries of the Finance and Audit Committee related to fraud, including both (1) their views about the risks of fraud, and (2) their knowledge of any actual or suspected fraud.</p>	<p>We would request that the Finance and Audit Committee members raise with us any areas of risk not addressed in our communications and that they inform us of their knowledge of any actual or suspected fraud.</p>
<p>Consultation with Other Accountants</p>	<p>None of which we are aware.</p>

Required Communications (continued)

Area	Comments
Other Information in Documents Containing Audited Financial Statements	
Our financial statement audit opinion relates only to the financial statements and accompanying notes. However, we also review other information in the Annual Report, such as Management’s Discussion and Analysis, for consistency with the audited financial statements.	None of which we are aware.
Related Party Transactions	
Related party transactions identified by the auditor that are not in the normal course of operations or that involve significant judgments made by management concerning measurement or disclosure must be disclosed to the Finance and Audit Committee.	Related party amounts are with respect to the City of Toronto and are disclosed within the financial statements. The City’s transactions are conducted in the normal course of operations.
Major Issues Discussed with Management in Connection with Initial or Recurring Retention	None.
Matters Relating to Component Entities of the Organization	
When the financial statements of an organization (primary entity) include financial information from financial statements of a component entity (a subsidiary, investee (other than a portfolio investment), or joint venture; or an entity whose financial information from financial statements is included with those of the primary entity), the auditor communicates with the Finance and Audit Committee those matters relating to the component entities that in the auditor’s judgment are of significance in the context of the primary entity (for example, weaknesses in systems of internal control that have resulted, or could result, in material errors in the primary entity’s consolidated financial statements).	These statements include the balances of the Canadian National Exhibition Association. There is nothing, in our opinion, that is of further significance to report that is not already covered within this package.
Auditors’ Independence	
Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between your organization and Ernst & Young that, in our professional judgment, may reasonably be thought to bear on our independence.	Refer to “Independence Letter” section.

Required Communications (continued)

Area	Comments																														
Other Audit and Non-Audit Services Provided to Your Organization	In addition to the audit of the consolidated statements for the Board of Governors, we also audit the financial statements for the Canadian National Exhibition Association and the Canadian National Exhibition Association Foundation. The fees for these related entities are noted below.																														
Fees	<ul style="list-style-type: none"> A summary of our fees is included below for your reference. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; width: 15%;">2007</th> <th style="text-align: right; width: 15%;">2006</th> </tr> <tr> <th></th> <th style="text-align: right;">\$</th> <th style="text-align: right;">\$</th> </tr> </thead> <tbody> <tr> <td><i>Annual audit fees:</i> Board of Governors</td> <td style="text-align: right;">15,000</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td><i>Annual audit fees:</i> Canadian National Exhibition Association (CNEA)</td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td><i>Annual audit fees:</i> CNEA Foundation</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td><i>Annual audit fees:</i> BMO Field</td> <td style="text-align: right;">31,000</td> <td style="text-align: right;">nil</td> </tr> <tr> <td colspan="3"><i>Other fees:</i></td> </tr> <tr> <td>Ricoh Coliseum – Schedule of fixed operating costs for additional rents payable</td> <td style="text-align: right;">8,400</td> <td style="text-align: right;">nil</td> </tr> <tr> <td colspan="3"><i>Audit related fees:</i></td> </tr> <tr> <td>Assistance/work with respect to various accounting/auditing issues</td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">10,000</td> </tr> </tbody> </table> <p>Fees are inclusive of expenses and GST in accordance with our agreed proposal with the City of Toronto. Operations of BMO Field are new in 2007 and the fee is as agreed with management prior to the work commencing – the fee for this, the other annual audit fees and Ricoh, is inclusive of expenses but not GST.</p> <p>Audit related fees are for additional assistance provided during the course of the audit for various accounting/auditing issues are based on time incurred and have been agreed upon with management prior to billing.</p>		2007	2006		\$	\$	<i>Annual audit fees:</i> Board of Governors	15,000	15,000	<i>Annual audit fees:</i> Canadian National Exhibition Association (CNEA)	10,000	10,000	<i>Annual audit fees:</i> CNEA Foundation	5,000	5,000	<i>Annual audit fees:</i> BMO Field	31,000	nil	<i>Other fees:</i>			Ricoh Coliseum – Schedule of fixed operating costs for additional rents payable	8,400	nil	<i>Audit related fees:</i>			Assistance/work with respect to various accounting/auditing issues	10,000	10,000
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Items of Audit Significance Discussed with Management

During the course of planning and executing our audit, the following items/matters of audit significance were discussed with management:

Item	Description	Audit Results and Comments
National Soccer Stadium (BMO Field)	<ul style="list-style-type: none"> • 2007 marked the first year of operations for the new National Soccer Stadium (BMO Field). Operations began in April of 2007. • Under the terms of an agreement between the City, the Board and Maple Leaf Sports and Entertainment Ltd. (MLSE), MLSE manages the operations of BMO Field. • Through the operating agreement noted above, there are various agreements with respect to royalties, revenue sharing and contributions to various parties that are involved with BMO Field such as the Canadian Soccer Association. Any such distributions are done based on the results of the operations as at December 31, 2007. • BMO Field is accounted for on a separate accounting system through MLSE and is consolidated into the Board's records for financial statement reporting purposes at December 31, 2007. 	<ul style="list-style-type: none"> • Through our audit procedures, we obtained a copy of the signed management agreement. From this agreement we were able to develop our audit procedures around the transactions to gain comfort on the accounting and recording of the transactions within the records of BMO Field. • Through our review of the agreement, we believe the terminology used around the ticket surcharge money charged during the year, is for capital and as such should not be recognized to revenue unless it is used for that purpose or transferred to the City into the capital reserve account held in the City's records. As at December 31, 2007 the excess of ticket surcharge money received over the amount transferred to the City was \$92,733 and we have taken this to the summary of audit differences as an overstatement of revenue. We understand that the intent of this for both parties is as the accounting has been done; however, without clarification to the agreement this would not read as being generally accepted accounting principals. We have been working with management of the Board of Governors, MLSE and legal to seek a clarification to this in the agreement. We understand that the parties will work to resolve this in 2008. • With the exception of the above noted amount, we concur with the accounting for and disclosures of the operations of BMO Field in the Board's 2007 consolidated financial statements.

Items of Audit Significance Discussed with Management (continued)

Item	Description	Audit Results and Comments
Energy Retrofitting	<ul style="list-style-type: none"> • Commencing in 2006 and continuing in 2007, the City of Toronto together with management of Exhibition Place completed retrofitting work within various buildings on the Exhibition grounds. The project is part of a City wide program called the “Energy Retrofit Program”. • The City has funded the costs for the various projects through their own capital programs and, as such, these expenditures do not represent capital additions for the Board of Governors. The loans and grants provided for this work is accounted for in the City’s records. • The arrangement made with the City, is such that the Board will continue to pay utility costs as budgeted prior to the retrofitting with any excess of budget over actual being used to pay the City back for paying down the loans noted above. • Transfers to the City are recorded at the end of the year and shown as an expense in the statement of operations, together with note disclosure on the amounts transferred. 	<ul style="list-style-type: none"> • We have confirmed these arrangements with the City together with the details disclosed in note 3 of the financial statements. • We concur with the accounting for these amounts within the 2007 financial statements. • These transactions between the Board and the City, continue to be complex, especially since the capital is paid through and accounted for in the City’s capital budget. We encourage management to work with the City to verify the accounting of these transactions throughout the year as they occur to validate the agreement between them and how each entity is accounting for the transactions in their own records.
Employee Future Benefits	<ul style="list-style-type: none"> • Mercer Human Resources Consulting prepares the actuarial valuation of the employee future benefits on behalf of the Board of Governors of Exhibition Place. • The valuation, does not distinguish between employees of the CNEA and the Board of Governors and as such, management pro-rates the liability and associated costs based on their best estimates in order to have the appropriate disclosures within the CNEA statements. • This year, a new valuation was performed at December 31, 2006 with projections for accounting purposes from 2007 – 2010. 	<ul style="list-style-type: none"> • We reviewed management’s calculations on the pro-ration of costs and ensured that all the appropriate disclosures are made for financial statement purposes. • In addition, we confirm through our audit procedures that the data used by Mercer’s agrees to the records of all the Board. Furthermore, we assess that the assumptions used by Mercer’s in its valuation are reasonable. • We concur with the accounting and recording of amounts within the 2007 consolidated financial statements.

Items of Audit Significance Discussed with Management (continued)

Item	Description	Audit Results and Comments
Changes to Accounting Policies	<ul style="list-style-type: none"> • Note 2 sets out details of the changes in accounting policies related to the accounting for and disclosures related to financial instruments. The impact of these changes was not significant to the statements. • Note 2 also sets out new rules that are effective for fiscal 2008 and will be adopted by the Board next year. These changes will require some additional disclosures in the notes to the financial statements next year. 	<ul style="list-style-type: none"> • We concur with the accounting for and disclosures related to the new accounting standards related to financial instruments. • We concur with the disclosures related to the new rules not yet adopted.
Hydro Contract (Derivative)	<ul style="list-style-type: none"> • Effective January 1 2007, the City of Toronto entered into a new contract with various utility providers, for the delivery of hydro and gas to the City. Many of the City's ABC's have opted to be part of the umbrella agreement with the City for the delivery of their required utilities. The Board participates in this agreement. • In addition, the Board entered into its own energy swap contract for a small portion of its energy load. The contract started October 1, 2007 and expires on September 30, 2008. 	<ul style="list-style-type: none"> • The contracts were examined at the City for the appropriate treatment at the ABC level. There were no contracts at the City level related to the provision of utilities outstanding as at December 31, 2007 and therefore there is no impact on the accounting at the Board for these contracts. • The contract that the Board had entered into was confirmed with the provider and as at December 31, 2007 has a small loss of \$10k. This amount has not been recorded in the 2007 consolidated financial statements and is not included on our summary of audit differences as it is below our nominal amount and therefore insignificant to the overall operations of the Board for financial reporting purposes. • Disclosures have been made in the 2007 consolidated financial statements with respect to the accounting for these contracts. • We concur with the disclosures in the consolidated financial statements.

Items of Audit Significance Discussed with Management (continued)

Item	Description	Audit Results and Comments
Contingencies – 2005 Accident	<ul style="list-style-type: none"> • During 2005, two electricians were injured from an explosion of a transformer. • In August 2006, the Board was charged by the Ontario Court of Justice for four violations under the Ontario Health and Safety Act. In September 2007, the Board was found guilty and fined \$125k. • As a result of the guilty verdict, WSIB has also assessed BOG for amounts payable to the two former workers. These accruals total \$239k and represent amounts payable for damages, medical costs, and non-economic losses associated with the workers' who suffered injuries. • These amounts have been recorded as expenses in the financial statements. 	<ul style="list-style-type: none"> • Through our discussions with management in understanding the accident, we concur with the accounting for the costs in 2007.
Changes to the 2007 Financial Statements	<ul style="list-style-type: none"> • The following changes were made to the 2007 financial statements (as compared to the 2006 presentation): <ul style="list-style-type: none"> ○ Disclosures have been added in notes 1 and 3 and schedule 4 has been added for the operations of BMO Field. ○ Disclosures in note 1 have been revised to make the note focus on the operations of the Board and not on the relationship with the City which is now covered in note 3. ○ Disclosures in note 2 have been included to reflect the new and future accounting policies. ○ Note 3 was expanded to make this a related party note picking up on the disclosures previously included in note 1 and including the expanded detail for the energy retrofit arrangements. ○ Disclosures in note 6 have been revised to reflect the new sick leave policy. ○ Note 8 has been revised by removing the paragraph with respect to the old CNEA reserve fund that is no longer in existence. ○ Note 10 has been expanded to include details on the energy swaps. 	<ul style="list-style-type: none"> • We concur with the changes to the financial statements.

Items of Audit Significance Discussed with Management (continued)

Item	Description	Audit Results and Comments
Related Party Transactions	<ul style="list-style-type: none"> • The Board has many ongoing transactions with the City and its related Agencies, Boards and Commissions. Some of these transactions are just normal trade receivables and payables through the normal course of operations while others are through agreements. • Adding to the complexity of transactions are the energy agreements referred to in this section. Under current accounting rules at the City, capital projects such as the retrofitting done at the Board, are expensed in the year incurred through the City's capital accounts. While the City sees the loans and amounts payable back as due from the Board, the loan is really at the City level as it is financing the capital that is within the City's records. 	<ul style="list-style-type: none"> • Management provided a reconciliation of the City of Toronto balance to ensure that the year-end amounts were appropriately accounted for and in agreement with the City. • Through our audit procedures we receive a confirmation from the City and management has reconciled that to their records. Through this process, it was noted that there are still a number of old entries in the trade amounts dating back as late as 1998. We have not taken any of these amounts to the summary of audit differences for 2007 but we do recommend that management of the Board work with City Finance to resolve some of these old items in 2008. • We concur with the disclosures in the financial statements.
Changes in Accounting System for Fiscal 2008	<ul style="list-style-type: none"> • Management has indicated their intention to implement a new accounting system effective May 2008. 	<ul style="list-style-type: none"> • We have discussed the preliminary plans with management and will take this into consideration in planning the 2008 audit.

Items of Audit Significance Discussed with Management (continued)

Item	Description	Audit Results and Comments
New Direction in Accounting Standards	<ul style="list-style-type: none"> • Our 2007 audit planning package presented to you discussed new developments in accounting standards. • At the time we prepared our planning package, the Public Sector Accounting Board (PSAB) was reviewing the introduction of the Handbook to clarify what Canadian Generally Accepted Accounting Principles (GAAP) should be applied to government organizations. • Phase one of this project looked at government business enterprises and government business type organizations. In 2008, PSAB approved that these entities would apply GAAP for publicly accountable enterprises. 	<ul style="list-style-type: none"> • The Board is considered a government business type organization and as such these changes will apply. As a result, the Board must prepare its financial statements in accordance with International Financial Reporting Standards (IFRS). • This new reporting will be applicable to the Board for their 2011 financial reporting year, requiring restatement for 2010. • It is important that management start understanding the new rules and the impact they will have on the preparation of the financial statements of the Board. The information needed to comply with these new rules should be considered as new accounting systems are being implemented. • Given that there are other entities within the City that will be impacted by this change, we recommend that the Board work with the City of Toronto Finance group to develop a working group that will consult and work on defining the impact on their organizations of the new rules.

Summary of Audit Differences

During the course of our audit, we accumulate differences between amounts recorded by your organization and amounts that we believe are required to be recorded under generally accepted accounting principles. Following is a summary of those differences we have identified through the date of this report:

	Recording/Differences Would Have Increased (Decreased)	
	Net Income	
	<u>2007</u>	<u>2006</u>
	\$	\$
Overstatement of ticket surcharge revenue	(92,733)	—
General accrual with no support in accounts payable and accrued liabilities	<u>\$115,000</u>	<u>—</u>
Total Unadjusted Audit Differences Before Turnaround Effect of Prior Year Differences	22,267	—
Turnaround Effect of Prior Year Differences in Net Assets	<u>—</u>	
Total Unadjusted Audit Differences in Income After Turnaround Effect of Prior Year Differences	<u>\$22,267</u>	

Independence Letter

April 7, 2008

The Finance and Audit Committee of the Board of Governors
Board of Governors of Exhibition Place

We have been engaged to audit the financial statements of the Board of Governors of Exhibition Place ("Board") for the year ending December 31, 2007.

Pursuant to Canadian generally accepted auditing standards, we communicate at least annually with you regarding all relationships between Ernst & Young and its related entities and the Board that in our professional judgment, may reasonably be thought to bear on our independence.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since March 23, 2007, the date of our last letter.

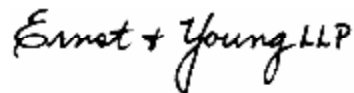
We are not aware of any relationships between Ernst & Young and the Board that, in our professional judgment, may reasonably be thought to bear on our independence, since March 23, 2007, the date of our last letter.

Canadian generally accepted auditing standards require that we confirm our independence to the Finance and Audit Committee of the Board of Directors in the context of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. Accordingly, we hereby confirm that we are independent with respect to the Board within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of April 7, 2008.

The total fees charged to the Board during the period January 1, 2007 to April 7, 2008 are set out in "Other Required Communications" in the Audit Results package.

This report is intended solely for the use of the Finance and Audit Committee, the Boards of Directors, management and others within the Board (ultimately the City of Toronto) and should not be used for any other purposes.

Yours truly,



Chartered Accountants
Licensed Public Accountants

Diana M. Brouwer
416-943-7177

Letter of Recommendations

April 7, 2008

Members of the Finance and Audit Committee
of the Board of Governors of the Board of Governors of Exhibition Place

Dear Members of the Finance and Audit Committee:

Re: 2007 Memorandum of Recommendations

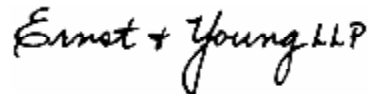
In planning and performing our audit of the financial statements of the Canadian Board of Governors of Exhibition Place for the year ended December 31, 2007, we considered the internal control structures to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. Our consideration of internal controls for the limited purpose of determining the nature, timing, and extent of our auditing procedures to express our opinions on the organization's 2007 financial statements would not necessarily disclose all deficiencies in internal control over financial reporting.

Our audit for the fiscal year ended December 31, 2007 did not discover any significant opportunities for improvements in the current control environment; however, we did note a few areas for consideration in 2008 and these are discussed within the "Items of Significance Discussed with Management" section of this document.

Our purpose was not to provide assurances on the internal control structure. This report is intended solely for the use of the Finance and Audit Committee, the Board of Directors, management, and ultimately the City of Toronto, and is not intended to be and should not be used by anyone other than these specified parties. We disclaim any responsibility to any third party who may rely on it.

We would be pleased to discuss the above matters or to respond to any questions, at your convenience.

Very truly yours,



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Licensed Public Accountants

Diana Brouwer
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ERNST & YOUNG LLP

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