

May 5, 2008

Board of Management Swansea Town Hall Community Centre 95 Lavinia Avenue Toronto, ON M6S 3H9 Grant Thornton LLP Royal Bank Plaza 19th Floor, South Tower 200 Bay Street, Box 55 Toronto, ON M5J 2P9

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Dear Members of the Board:

Re: Internal control findings from the 2007 audit

Receiving observations and findings on your financial reporting processes and controls is one of the benefits of an annual financial statement audit. Grant Thornton LLP implemented new processes and technology to address the changing standards of conducting a financial statement audit. This approach includes an increased emphasis on internal control.

Our audit is planned and conducted to enable us to express an audit opinion on the annual financial statements. The matters dealt with in this letter came to our attention during the conduct of our normal examination, and as a result, this letter does not necessarily include all matters that would be uncovered through a more extensive or special engagement.

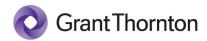
The standards of the public accounting profession require us to report annually to you our findings on certain weaknesses and deficiencies in your internal controls. We have categorized our findings as follows:

- Material weaknesses (individual or aggregated deficiencies that could result in a material misstatement in the financial statements due to fraud or error)
- Significant deficiencies
- · Other deficiencies and advisory comments

Significant deficiencies

1. Segregation of Duties

In an ideal internal control environment, there are certain accounting functions that should not be performed by the same person. For example the same individual should not initiate a purchase, authorize the same purchase and then sign the cheque. By segregating certain functions, a control environment is created that minimizes the risk of misstatements from fraud or error.



As is similar with many small organizations, limited resources restrict the Community Centre's ability to segregate each function to the appropriate extent. The Centre has implemented monitoring controls to compensate for the lack of a proper segregation of duties. The effectiveness of these monitoring controls depends on the timeliness of the review, the level of inquiry and the information reviewed. The Centre should continue to review the monitoring controls to ensure that:

- the reviews are completed on a timely basis;
- the information being reviewed is appropriate; and
- appropriate staff are completing the monitoring function.

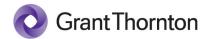
Management response

We are pleased to report that the Centre continues to review the monitoring controls noted on a regular basis to compensate for the less than ideal segregation of duties, given the size of our organization and the restrictions stemming from limited resources. A full list of control measures that are implemented at our Centre are documented in the system notes of our operations, which are reviewed annually with Grant Thornton staff at the time of audit field work.

Please be assured that the Board is committed to effective oversight of the Centre's operations to ensure that appropriate and workable fiscal controls are and will continue to be in place.

It is management's responsibility to weigh the costs of implementing controls against the benefits that the controls will achieve. The purpose of this letter is to provide you with the information related to the identified risks so that you can make the necessary decisions.

The matters discussed herein are those that have been noted as of March 11, 2008, and we have not updated our procedures regarding these matters to the current date. In addition, this communication is prepared solely for the information of management and is not intended for any other purposes; we accept no responsibility to a third party who uses this communication.



To complete our files, please provide us with a copy of your response to our comments in the space provided.

Should you require any further information or explanations, please contact us.

Yours sincerely, Grant Thornton LLP

Grant Thornton LLP

Allister Byrne, FCA

Partner

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