



June 15, 2012

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

Grant Thornton LLP
Royal Bank Plaza
19th Floor, South Tower
200 Bay Street, Box 55
Toronto, ON M5J 2P9
T +1 416 366 0100
F +1 416 360 4949
www.GrantThornton.ca

Dear Mr. Griffiths:

Re: 2011 Audits of the City's Board managed arenas

We have completed our audits of the various Arenas, 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 Arenas 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. However, the majority of the Arenas did not provide us with draft financial statements. The majority of the Arenas required few, if any, adjusting entries, we did however, need to spend a fair amount of time adjusting the records of one of the arenas, we will be issuing a separate letter for this arena.

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.

We are pleased to report that we received the co-operation of the various staffs at the Arenas 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



Donnie Morris, CA
Principal