

Consolidated Clause in Audit Committee Report 3, which was considered by City Council on July 19, 20, 21 and 26, 2005.

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**2004 Audited Financial Statements and Summary
Management Letter - Community Centres and Arenas**

City Council on July 19, 20, 21 and 26, 2005, adopted this Clause without amendment.

The Audit Committee recommends that City Council receive the 2004 Financial Statements and related Management Letters of the following Community Centres and Arenas as attached to the report (June 28, 2005) from the Auditor General, and submitted under separate cover:

**Applegrove Community Complex
Cecil Street Community Centre
Central Eglinton Community Centre
Eastview Neighbourhood Community Centre
Harbourfront Community Centre
Community Centre 55
Ralph Thornton Community Centre
Scadding Court Community Centre
519 Church Street Community Centre
Swansea Town Hall Community Centre
Leaside Memorial Community Gardens
McCormick Playground Arena
William H. Bolton Arena**

The Audit Committee submits the report (June 28, 2005) from the Auditor General:

Purpose:

To present the 2004 Audited Financial Statements and Summary Management Letter of Community Centres and Arenas and to provide the Audit Committee with a status report on those financial statements of Arenas not yet completed.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendation:

It is recommended that this report be received for information.

Background:

The Protocol relating to financial statements and management letters for Agencies, Boards and Commissions requires that “the governing body of each entity, subsequent to approval and review, be required to submit to the Audit Committee, for information purposes, copies of audited financial statements and management letters. Management responses should be appended to each management letter”. Audit Committee also requested that the Financial Statements and Management Letters of all Community Centres and Arenas be submitted to Audit Committee at the same time.

Comments:

This report includes the 2004 financial statements of ten Community Centres and three Arenas that have been audited by Grant Thornton LLP and approved by their respective Boards of Management. Based on our discussions with Grant Thornton, they have confirmed that management letters have not been issued to each of these entities, as there are no material control deficiencies to report.

Appended to this report are the following 2004 financial statements:

Community Centres:

- Applegrove Community Centre
- Cecil Community Centre
- Central Eglinton Community Centre
- 519 Church Street Community Centre
- Community Centre 55
- Eastview Neighbourhood Community Centre
- Harbourfront Community Centre
- Ralph Thornton Community Centre
- Scadding Court Community Centre
- Swansea Town Hall Community Centre

Arenas:

- Leaside Memorial Community Gardens
- McCormick Playground Arena
- William H. Bolton Arena

In addition to the above, appended to this report is a summary management letter from Grant Thornton relating to the results of the 2004 audits of the Community Centres and Arenas.

It is anticipated that all outstanding audited financial statements will be available for the next Audit Committee meeting. The status of outstanding financial audits is as follows:

<u>Arenas</u>	<u>Status</u>
Forest Hill	Financial Statements awaiting Board approval
George Bell	Financial Statements awaiting Board approval
Moss Park	Financial Statements awaiting Board approval
North Toronto Memorial	Financial Statements awaiting Board approval
Ted Reeve	Financial Statements awaiting Board approval

Conclusions:

The 2004 audited financial statements for ten Community Centres and three Arenas appended to this report are presented for information to Audit Committee after approval by their respective Boards of Management. According to Grant Thornton, the financial auditor for each of these entities, management letters were not issued for these Community Centres and Arenas, as there were no material control issues. The only separate management letter issued by Grant Thornton relates to Heritage Toronto. The results of this entity will be reported separately.

Grant Thornton has provided a summary management letter outlining the results of the 2004 financial audits of Community Centres and Arenas. It is expected that all outstanding financial statements will be available at the next Audit Committee meeting.

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The Audit Committee also had before it 2004 Audited Financial Statements – Community Centres, 2004 Audited Financial Statements – Arenas, and 2004 Summary Management Letter of the Audits of the City's Arenas and Community Centres, and copies have been forwarded to Members of Council under separate cover.