

June 7, 2010

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Dear Mr. Griffiths:

Re: 2009 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, the arenas prepared satisfactory working papers as requested. 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 reconciling the City of Toronto account for one of the Arenas. We recommend the Arenas ensure that their surplus and other City of Toronto accounts reconcile to the balance provided by the City of Toronto.

Of course, many of the arenas have less than ideal segregation of duties because of the limited number of accounting staff. One person in the organization will perform more than one of the following functions: initiation, authorization, processing and delivery. We recommend that the arena Boards continue to review the financial results presented at their meetings and work with the arena managers to update the Board package with any additional information they require to fulfill their governance duties. We did note 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



Kirk Vanblarcom, C.A.
Partner