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June 30, 2007

Mr. Michael Sinopoli, Chair
College Promenade Business Improvement Area
TORONTO, ON

Dear Mr. Sinopoli:

**MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2006**

The audit of the financial statements of the College Promenade Business Improvement Area (BIA) for the year ended December 31, 2006 has recently been completed. The primary purpose of the audit was to express an opinion on the financial position of the BIA as at that date and on the results of its operations for the year then ended.

Given the test nature of my audit, you will appreciate that reliance must be placed on adequate methods of internal control as the Board's principal safeguard against irregularities which a test examination may not disclose. This letter provides my comments and recommendations on matters arising from the audit for your consideration.

INSURANCE

Observation:

The BIA has no insurance coverage for Directors' and Officers' liability. The BIA board members are personally liable for any negligent act such as for the non-payment of employee deductions to Revenue Canada, breach of contractual obligations etc. In order to assist its members, the Toronto Association of Business Improvement Areas has obtained a competitive group rate for all BIA members of the Association.

Page...2

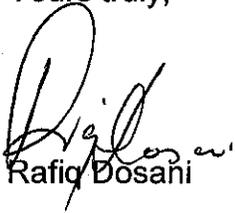
Recommendation:

In order to protect its directors, The Board should consider obtaining directors' liability insurance.

Management Response:

As recommended the Treasurer will be contacting the Toronto Association of Business Improvement Areas to obtain directors' liability insurance.

Yours truly,


Rafiq Dosani