

RAFIQ DOSANI, B.Comm. CFE CA
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160
E-mail: dosani23@sympatico.ca

June 9, 2007

Mr. George Dimitrakopoulos, Chair
Greektown on the Danforth BIA
201-396 Danforth Avenue
TORONTO, ON M4K 1P3

Dear Mr Dimitrakopoulos:

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

The audit of the financial statements of the Greektown on the Danforth 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.

During the course of the audit I followed up actions taken on recommendations made in the previous years and noted that the BIA has implemented a number of these recommendations. This letter provides my comments and recommendations on the issues not yet resolved and on additional issues identified during the current year audit for your consideration.

BUDGET

Observations:

Due to uncertainty in predicting revenue, the BIA did not budget for the Taste of Greektown revenue and expenditures.

Recommendation:

- 1. In order to present a realistic budget to the BIA members and City Council, the BIA should budget for the Taste of Greektown revenue and expenditures. Any significant variances from the budget should be explained.**

Management Response:

Agreed with the recommendation. In future the BIA will be budgeting for estimated revenue and expenditure for the Taste of Greektown.

CASH

Observation:

On an average, throughout the year the BIA maintained a monthly balance of \$40,000 in a current account earning no interest. Consequently, the BIA lost interest income of over \$1,200 for the year.

Recommendation:

- 2. The Board should prepare a cash flow statement and all excess funds not immediately required should be invested in short-term deposits or guaranteed investment certificates in order to generate additional revenue for the BIA.**

Management Response:

Agreed with the recommendation. The new Board has already invested all excess funds in short-term investments.

GST

Observation:

The Greektown on the Danforth BIA is entitled to a rebate of 100 percent of all GST paid. During the audit, however it was noted that in a number of cases the BIA paid GST to suppliers but no rebate was recorded. It should be noted that after consulting the bookkeeper, appropriate adjustments have been made to reflect an accurate rebate receivable.

Recommendation:

- 3. The Treasure should ensure that the BIA has been recording all GST rebates to which it is entitled.**

Management Response:

Agreed with the audit recommendation. The BIA will review all 2007 paid invoices to ensure that all GST rebates are recorded appropriately.

EMPLOYEE DEDUCIONS

Observation:

The BIA is required to remit all monthly employee deductions by the 15th of the following month. During the audit it was noted that in a number of cases the BIA was late in remitting employee deductions resulting in the payment of penalties and interest.

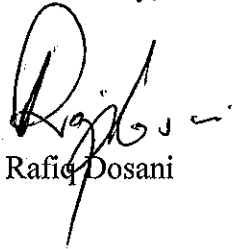
Recommendation:

- 4. In order to avoid penalties and interest, all monthly employees deductions should be paid on a timely basis.**

Management Response:

Agreed with the audit recommendation. Effective immediately employee deductions will be paid on a timely basis.

Yours truly,



Rafiq Dosani