

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

April 19, 2008

Mr. Harbhajan Dhillon, Chair
Emery Village Business Improvement Area
217-3100 Weston Road
Toronto, ON M9M 2S7

Dear Mr. Dhillon:

**MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2007**

The audit of the financial statements of the Emery Village Business Improvement Area (BIA) for the year ended December 31, 2007 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.

CASH

Observation:

It is the BIA policy to invest cash not immediately required in short-term investments. However, on an average, throughout the year the BIA maintained a monthly balance of \$300,000 in a current account earning no interest. Consequently, the BIA lost interest income of over \$7,500 for the year.

Recommendation:

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 audit recommendation. Monthly the BIA Executive Director will identify excess cash to be invested in short-term investments.

Yours truly,

Rafiq Dosani