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August 5, 2008

Mr. G. B. Mahtani, Chair
Gerrard India Bazaar Business Improvement Area
1449 Gerrard Street East
TORONTO, ON M4L 1Z8

MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2007

The audit of the financial statements of the Gerrard India Bazaar 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 place 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.

GST

Observations:

The Business Improvement Area is entitled to a rebate of 100 percent of all GST paid. However, in some cases the BIA paid GST but no GST registration numbers were provided by the suppliers.

Recommendations:

- 1. In order to comply with the Canada Customs and Revenue Agency guidelines, the BIA should not pay GST to a supplier unless the supplier provides a GST registration number.**

Management response:

In order to obtain GST registration numbers the BIA will be contacting those suppliers who charged GST but have not yet provided their GST registration numbers.

SUPPORTING DOCUMENTS

Observation:

The expenses paid by the festival coordinator for the BIA activities are sometimes reimbursed based on copies of credit card statements. In certain cases copies of invoices are attached. The BIA is entitled to 100 percent GST rebate. Because of the lack of documentation, it is not possible to determine the exact amount of GST payments made by the coordinator. In addition, the Revenue Canada Agency requires original invoices for the GST rebate.

Recommendation:


- 2. In order to comply with the Revenue Canada Agency guidelines all reimbursements of expenses should be supported by original invoices.**

Management Response:

Agreed with the audit recommendation. Effective immediately all expense reimbursements will be supported by original receipts.

I would like to extent my appreciation to you for your cooperation and assistance throughout the audit.

Yours truly,



Rafiq Dosani