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September 24, 2008

Mr. Neill Cunningham, Chair
Junction Gardens Business Improvement Area
3042 Dundas Street West.
Toronto, ON M6P 1Z3

Dear Mr. Cunningham:

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

The audit of the financial statements of the Junction Gardens 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.

FINANCIAL STATEMENTS

Observation:

The draft financial statements provided for audit and the books of accounts contained a number of basic accounting errors resulting in several audit adjustments.

Based on the draft financial statements and accounting records provided for audit it appears that Board members are not provided with accurate interim financial statements in order to make appropriate financial decisions.

Recommendation:

In order to obtain accurate interim financial statements, consideration should be given to retaining a part-time bookkeeper to maintain the BIA books on an ongoing basis. Alternatively, the Board may provide training to the Coordinator.

Management response:

Agreed with the audit recommendation. The BIA is in the process of recruiting a coordinator and it is expected that the coordinator will have adequate bookkeeping knowledge to maintain books and provide periodical financial statements to the Board.

Yours truly,



Rafiq Dosani