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August 29, 2008

Mr. Nick Alampi, Chair
York-Eglinton BIA
1668 Eglinton Avenue West
TORONTO, ON

Dear Mr Alampi:

MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2007

The audit of the financial statements of the York-Eglinton 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.

CASH

Observation:

On average, throughout the year the BIA maintained a monthly balance of \$80,000 in a current account earning no interest. Consequently, the BIA lost interest income of over \$2,400 for the year.

Recommendation:

- 1. 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. Effective immediately the Board will be investing all excess funds in short-term investments.

INTERIM FINANCIAL STATEMENTS

Observation:

The books of the BIA are written-up once a year consequently no interim financial statements are provided to the Board for their review. Interim financial statements would provide a better financial position of the BIA to the Board.

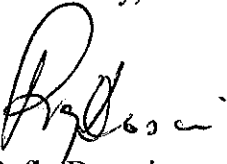
Recommendation:

- 2. Consideration should be given to writing-up books of accounts on an ongoing basis and periodically interim financial statements should be presented to the Board for their review and approval.**

Management response:

Agreed with the recommendation. The BIA will be retaining a local accounting firm to write-up books on an ongoing basis.

Yours truly,



Rafiq Dosani