

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

October 28, 2008

Ms. Henny Varga, Chair
Kingsway Business Improvement Area
3029 Bloor Street West
TORONTO, ON M8X 1C5

Dear Ms. Varga:

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

The audit of the financial statements of the Kingsway 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.

During the course of the audit I followed up actions taken on recommendations made in the previous management letter and noted that the BIA has implemented all of my recommendations. This letter provides my observations and recommendations on matters arising from the 2007 audit for your consideration

FINANCIAL STATEMENTS

Observation:

All BIAs are required to provide audited financial statements to the City by April 30, following the year-end. The Kingsway BIA did not provide the draft financial statements for an audit until October 17, 2008. Consequently, the BIA was almost six months late in providing audited financial statements to the City.

Recommendation:

- 1. In future, the Treasurer should ensure that the draft financial statements be provided to the auditor one month prior to the City deadline so that audited financial statements could be provided to the City on time.**

Management Response:

Agreed with the recommendation. In the early part of 2008 the BIA Treasure, a TD Bank Manager, was transferred to another branch and the BIA could not fill the position in time. In addition, the BIA had a number of software problems. In future, the BIA's audited financial statements would be provided to the City on time.

GST

Observations:

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

Recommendations:

- 2. 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.

Yours truly,



Rafiq Dosani