

Appendix AX-2:

RAFIQ DOSANI, B.Comm. CFE CA
CHARTERED ACCOUNTANT

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August 3, 2009

Ms. Steve Tasses, Chair
Eglinton Hill Business Improvement Area
2623 Eglinton Avenue West.
Toronto, ON M6M 1T6

Dear Ms. Tasses:

MANAGEMENT LETTER YEAR ENDED DECEMBER 31, 2008

The audit of the financial statements of the Eglinton Hill Business Improvement Area (BIA) for the year ended December 31, 2008 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 recommendation on matters arising from the audit for your consideration.

During the course of the audit I followed up actions taken on recommendations made in the previous management letters and noted that the BIA has implemented all of my recommendations. This letter provides my observation and recommendation on matters arising from the 2008 audit for your consideration.

INVOICES

Observation:

A number of suppliers' invoices were not available for audit verification. Although the amounts were not material for audit purposes, failure to maintain adequate documentation may result in the BIA being unable to claim the GST rebate for these amounts.

Recommendation:

In order to comply with the with the Canada Customs and Revenue Agency guidelines the BIA should keep all relevant documents for six years.

Management response:

Agreed with the audit recommendation.

CASH

Observation:

As at December 31, 2008 the BIA had a balance of \$43,600 in a current account earning no interest.

Recommendation:

- 2. 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. All funds not immediately required will be invested in short-term deposits.

Yours truly,

A handwritten signature in dark ink, appearing to read 'Rafiq Dosani', with a stylized flourish at the end.

Rafiq Dosani