



April 22, 2010

Toronto Atmospheric Fund  
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Attention: Board of Directors

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To the members of the board of **Toronto Atmospheric Fund**

We are pleased to report that we have now substantially completed our audit of the consolidated financial statements of **Toronto Atmospheric Fund** for the year ended **December 31, 2009**. The results of these audits are included in this letter

#### **Status of the audit**

The following items need to be addressed/completed before the release of our audit report:

- Approval of the **consolidated** financial statements by the Board of Directors;

#### **Our Responsibility**

Our function as auditors of **Toronto Atmospheric Fund** is to report to the Directors by expressing an opinion on the fairness with which the financial statements present the financial position, results of operations and cash flows in accordance with generally accepted accounting principles. We conducted our audits in accordance with Canadian generally accepted auditing standards.

Canadian generally accepted auditing standards require us to plan and perform the audit to obtain reasonable assurance that the financial statements, taken as a whole, are not materially misstated. In conducting our audits, we performed tests of the accounting records and such other procedures as we considered necessary in the circumstances to provide a reasonable basis for our opinion on the financial statements. We examined on a test basis, evidence supporting the amounts and disclosures in the financial statements. We also assessed the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our audit was designed to provide reasonable but not absolute assurance that there are no misstatements in the financial statements resulting from fraud because fraud is usually accompanied by acts designed to conceal its existence. Our audit examined internal controls upon which we intended to rely. We did not examine internal controls upon which we did not intend to rely.

Our audit was undertaken on a risk based approach. Where the risk of material error was higher than other areas, we focused more audit effort on that area. Where the risk of material error was low, the audit effort was less.

### **Independence**

We have a rigorous process where we continually monitor and maintain our independence. In accordance with the Canadian Institute of Chartered Accountants (CICA) Handbook Section 5751, we advise that we are independent of **Toronto Atmospheric Fund** and have confirmed this in a separate letter dated **December 30<sup>th</sup>, 2009**.

### **Internal control**

The primary objective of an audit is to express an opinion on the financial statements. To meet this objective, we review your system of internal control to establish the extent to which we can rely on the system in designing our audit procedures. However, this review cannot be expected to disclose all matters which a special review of internal control of **Toronto Atmospheric Fund** might identify.

Management is responsible for the design and operation of an effective system of internal control that provides reasonable assurance that the accounting system provides timely, accurate and reliable financial information, and safeguards the assets of the entity.

Through our role as auditors of your financial statements we possess an understanding of the entity and its environment, including internal control. However, a financial statement audit is not designed to provide assurance on internal control. Professional standards do require us to communicate to the Board of Directors significant deficiencies and material weaknesses in internal control that have come to our attention in the course of performing the audit.

During the course of performing our audit, we identified areas for improvement in internal control. Our comments and recommendations on the matter have been provided in an internal control letter dated **March 30, 2010**.

### **Fraud and illegal acts**

Our inquiries of management did not reveal any fraud or illegal acts. Furthermore, nothing has come to our attention that indicates any director, officer or senior employee may have an interest that is in conflict with their responsibilities to **Toronto Atmospheric Fund**.

### **Legal issues**

Our audit procedures included an enquiry of legal counsel regarding legal contingencies. There were no matters reported by legal counsel that require disclosure in the financial statements.

### **Summary of misstatements**

Our audit did not identify any misstatements.

**Summary of disclosure matters**

Our audit did not identify any misstatements of disclosure.

**Significant new accounting policies**

There were no significant new accounting policies noted in the year.

**Cooperation during the audit**

We report that we received cooperation from management and the employees of **Toronto Atmospheric Fund**. To our knowledge, we were provided access to all necessary records and other documentation and any issues that arose as a result of our audit were discussed with management and have been resolved to our satisfaction.

**Consultations with other accountants**

To our knowledge, management did not seek the advice or opinion of other external accountants on financial reporting or accounting matters.

Yours sincerely,  
**Grant Thornton LLP**



Kirk VanBlarcom, CA  
Partner

cc: Julia Langer, Executive Director  
Sid Markowski, Director of Finance and Accounting