



Grant Thornton

April 17, 2012

Chair and Members of the Board of Directors
Toronto Atmospheric Fund
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Dear Sirs/Mesdames:

We are pleased to report that we have now substantially completed our audit of the financial statements of Toronto Atmospheric Fund for the year ended December 31, 2011. 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:

- Receipt of responses for all legal letters issued;
- Approval of the financial statements by the board of directors; and
- Receipt of signed management representation letter.

Our responsibility

Our function as auditors of Toronto Atmospheric Fund is to report to the directors by expressing an opinion on whether the financial statements are free from material misstatement and present fairly the financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. We conducted our audits in accordance with Canadian generally accepted auditing standards. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 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.

The audit of the financial statements does not relieve management of those charged with governance of their responsibilities. Our audit was undertaken on a risk based approach; more audit effort is directed in areas where there is a higher risk of material misstatement.

Independence

We have a rigorous process where we continually monitor and maintain our independence. The process of maintaining our independence includes, but is not limited to:

- Identification of threats to our independence and putting into place safeguards to mitigate those threats. For example, we evaluate the independence threat of any non-audit services provided to Toronto Atmospheric Fund; and
- Confirming the independence of our engagement team members.

In accordance with the *Canadian Institute of Chartered Accountants (CICA) Handbook* Section 260.17, we advise that we are independent of Toronto Atmospheric Fund.

Internal control

The primary objective of an audit is to express an opinion on the financial statements. To meet this objective, we obtained an understanding of internal control relevant to the audit when identifying and assessing the risks of material misstatement. In making those risk assessments, we considered internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

During the course of performing our audit, we identified a segregation of duties issue in internal control as in prior years. Our comments and recommendations on the matter have been provided in an internal control letter at the conclusion of the 2010 audit.

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 or regulatory issues

Our audit procedures included an enquiry of legal counsel regarding legal contingencies. Furthermore, our audit procedures included consideration of any regulatory issues that affect the operation or financial reporting framework of the entity. There were no legal matters reported by legal counsel that require disclosure in the financial statements.

There were no regulatory matters reported by entity regulators that require disclosure in the financial statements.

Summary of misstatements

Our audit identified the adjusted and/or unadjusted non-trivial misstatements noted below.

Misstatements identified and adjusted in the financial statements by Toronto Atmospheric Fund as a result of our audit procedures were as follows:

	Over/(Under) statement of:			
Adjusted misstatements	Assets	Liabilities	Equity	Earnings
To adjust interest and principal repayment for Nuvo Green loan	\$5,143	\$	\$5,143	\$ 5,143
Estimated income tax effect				
Total adjusted misstatements after estimated tax effect	\$5,143	\$	\$5,143	\$5,143
Percentage of financial statement amounts	2 %	%	0.02%	0.6%

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.

Accounting and auditing standards

The following recent changes in accounting and auditing standards will impact future financial reporting. These areas are as follows:

- The Public Sector Accounting Board (PSAB) have issued Public Sector Accounting Standards, which are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2012. The standards are applicable to all government not-for-profit organizations. Toronto Atmospheric Fund is currently assessing the impact of the accounting standards on the organization's financial statements.

Yours sincerely,
Grant Thornton LLP



Donnie Morris, CA
Principal

cc: Julia Langer, Executive Director
Richard Rysak, Director of Finance