

Appendix AC:

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Mr. Phil Carter, Chair
West Queen West Business Improvement Area
789 Queen Street West
Toronto, Ontario

Dear Mr. Carter:

**MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2011**

The audit of the financial statements of the West Queen West Business Improvement Area (BIA) for the year ended December 31, 2011 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 the recommendations. This letter provides my observations and recommendation on matters arising from the 2011 audit for your consideration.

Financial statements

Observation:

At the monthly Board meeting a list of cheques paid is presented to the Board members for their review and approval. However, no interim financial statements are presented. Periodically interim financial statements with comparison of actual to budgeted expenses should be presented to the Board members. Explanation should be provided for all significant variance.

Recommendation:

- 1. In order to assist Board members in making better financial decision, periodically interim financial statements should be provided to the Board members.**

Management Response:

The BIA recently retained a bookkeeper who will be writing-up books on a monthly basis and providing interim financial statements to the Board for their review and approval.

T-4s and T-4 Summary

Observation:

All employers are required to file copies of T-4s and a T-4 Summary with Revenue Canada Agency by February 28th of the following year. At the time of the audit no 2011 T-4s nor a T-4 Summary had been filed with Revenue Canada Agency. Late filing of T-4s and the T-4 Summary is subject to a penalty of up to \$1,000.

Recommendation:

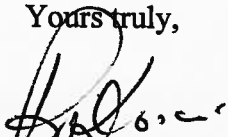
- 2. In order to comply with the Revenue Canada Agency guidelines 2011 T-4s and a T-4 Summary should be filed as soon as practical. In order to avoid late filing penalty, in future T-4s and the T-4 Summary should be filed on a timely basis.**

Management Response:

We agreed with the audit recommendation. Effective immediately the BIA bookkeeper will be filing 2011 T-4s and T-4 Summary by September 30th. In future T-4s and a Summary will be filed before the Revenue Canada Agency deadline.

I would like to extent my appreciation to you for your cooperation and assistance throughout the audit.

Yours truly,



Rafiq Dosani