

# Rosenswig McRae Thorpe LLP

Chartered Accountants

Associated worldwide with CPA Associates International, Inc.

Appendix AN-1

David Westerveld  
Tony Rosso

January 24, 2014

Board of Directors  
Toronto Entertainment District Business Improvement Area  
100 Simcoe Street, Suite 110  
Toronto, Ontario  
M5H 3G2

Dear Board of Directors:

As part of our annual audit of your financial statements for the year ended December 31, 2013 we wish to report to you on our findings.

We wish to thank Janice Solomon and the organization's staff for assisting us during the audit. During the audit, it was noted that there were expenditures recorded pertaining to future projects for a total of \$392,000. As these amounts relate to a future period and are not a liability to the organization in 2013, they have been reversed from expenditures. The amounts are disclosed as a commitment in the notes to financial statements. In addition, it was noted that though the organization has large capital expenditures, some of these items when viewed individually, are below the capitalization threshold which is currently set at \$1,000 and above. These items have been expensed in the year. Based on our materiality of \$35,000, there were no additional identified items that have not been adjusted for.

### *Related party transactions*

We have not identified any related party transaction in the course of our audit.

### *Other matters*

We have not noted any significant internal control matters. Though the segregation of duties is important to having a high degree of internal controls, we understand that this may not be feasible due to the limited number of personnel in the accounting and finance areas.

Yours very truly,

ROENSWIG McRAE THORPE LLP



Tony Rosso  
TR/dl