

Rosenswig McRae Thorpe LLP

Chartered Accountants
Associated worldwide with CPA Associates International, Inc.

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May 4, 2011

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, 2010 we wish to report to you on our findings.

As mandated by the Institute of Chartered Accountants of Ontario, we inform you that we are independent of your organization. The parameters of independency are outlined in our separate letter of independence.

We wish to thank Sue and the organization's staff for assisting us during the audit. Attached is our list of adjustments we have identified during the audit which have not been adjusted for. Based on our materiality of \$25,000, there are no material differences nor were there any significant unrecorded items.

Related party transactions

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

Other matters


It was noted during our audit that a liability associated with the Toronto Entertainment District Association in the amount of \$123,000 which was recorded in 2009 remains outstanding. From past discussions with S. Kilbride the amount was recorded as a liability as founding members of TEDA were going to be honoured in some capacity. The Board should consider the use of the funds in attempt to remove the liability from the financial statements.

We have not noted any significant internal control matters. The segregation of duties is important to having a high degree of internal controls, however similar to other small organizations, we understand that this may not be feasible.

We would be pleased to discuss these items with you in more detail and assist you with any such implementation that you require.

Yours very truly,

ROSENSWIG McRAE THORPE LLP


Tony Rosso
TR/lv