

RAFIQ DOSANI, B.Comm. CPA, CA
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160
E-mail: dosani23@sympatico.ca

June 22, 2014

Mr. Martin S. Jose, Treasurer
Little Italy Business Improvement Area
556 College Street
Toronto, Ontario M6G 1B1

Dear Mr. Jose:

**MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2013**

The audit of the financial statements of the Little Italy Business Improvement Area (BIA) for the year ended December 31, 2013 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 observation and recommendation on a matter arising from the 2013 audit for your consideration.

Observation:

Supporting Documents

Expenses paid by the festival coordinator for the BIA activities are sometimes reimbursed based on copies of credit card statements or statements from the coordinator without original supporting invoices. The BIA is entitled to 100 percent of the Federal portion of the HST rebate and 78% of the Provincial portion of the HST rebate. Because of the lack of documentation, it is not possible to determine the exact amount of HST payments made by the coordinator. In addition, the Revenue Canada Agency requires original invoices for the HST rebate.

Recommendation:

In order to comply with the Revenue Canada Agency guidelines all reimbursements of expenses should be supported by original invoices.

Management Response:

We agreed with the audit recommendation. Effective immediately all expense reimbursements will be supported by original receipts.

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

Yours truly,



Rafiq Dosani