

June 21, 2018
Confidential

Midtown Yonge Business Improvement Area
1984 Yonge Street
Toronto Ontario M4S 1Z7

Attention: Ms. Jennifer Gittins, Chair

Dear Jennifer:

During the course of our audit of Midtown Yonge Business Improvement Area for the year ended December 31, 2017, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

The matters identified were as follows:

Evidence of Approvals

Although Board meeting minutes verify the requirement for 2 signatures on payment cheques provides implicit approval for all payments, we recommend that all invoices be approved by two Board members prior to payment, ideally including the treasurer and the relevant committee chair or Board Chair.

Implications

The lack of sign off before payment leaves it possible that unauthorized items may be presented for payment.

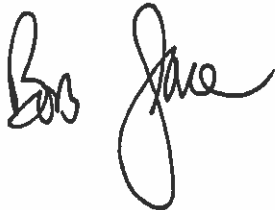
Recommendations

We recommend that all purchase invoices, including the monthly Visa statements be signed off by 2 Board members prior to submission for payment and that, if possible at least one signatory on the payment cheques be a different person than those in the invoice approval process.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read "Bob Gore". The signature is fluid and cursive, with the first name "Bob" and the last name "Gore" clearly distinguishable.

Bob Gore, CPA, CA

ROBERT GORE & ASSOCIATES

Chartered Professional Accountants