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October 21, 2023

Chair
York Eglinton Business Improvement Area
1704 Eglinton Avenue
Toronto, Ontario M6E 2H5

Dear Mr. :

**MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2022**

The audit of the financial statements of the York Eglinton Business Improvement Area (BIA) for the year ended December 31, 2022 has 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.

This letter provides my observations and recommendations on matters arising from the 2022 audit for your consideration.

Financial Statements

Observation:

The BIA is late in complying with the City deadlines to provide audited financial statements on a timely basis.

Recommendation:

- 1. It is imperative that the BIA should provide audited financial statements to its Board for approval and a copy of the audited financial statements to the City Accounting Services Division on or before the due date.**

Management Response:

Unfortunately, the BIA was without a coordinator for a number of months during 2022. Now we have employed a suitable coordinator and retained a part-time accountant. The BIA will be preparing draft financial statements in the early part of the 2024 and will be providing the City audited financial statements within the prescribed deadlines.

Short-term Investments**Observation:**

During 2022, the BIA maintained a significant amount of funds in the current account earning no interest income.

Recommendation:

- 2. The BIA should prepare a cash flow statement and invest funds not required immediately in short-term investments to generate additional revenue.**

Management Response:

Our coordinator with the help of our accountant will prepare a cash flow statement and the funds earmarked for capital projects will be invested in short-term investments.

Employee Deductions and T-4s**Observation:**

During the year the BIA had four part-time employees. At the year-end only two T-4s were issued and those employee deductions were remitted to Canada Revenue Agency.

Recommendation:

- 3. In order to comply with Canada Revenue Agency guidelines and minimize penalties, the BIA will immediately issue the remaining outstanding T-4s and make appropriate employee deductions.**

Management Response:

Our coordinator with the help of our accountant will prepare and file the outstanding T-4s and remit the required employee deductions to Canada Revenue Agency.

I will be available to discuss my observations and recommendations with the Board members at a mutually convenient time.

Yours truly,

Rafiq Dosani

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