

ONTARIO SAILING ASSOCIATION
AUDITORS' REPORT TO THE AUDIT COMMITTEE
YEAR ENDED MARCH 31, 2008

Hilborn Ellis Grant LLP
Chartered Accountants
Toronto, Ontario





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Auditors' Report to the Audit Committee

To the President and Members of the Audit Committee of
Ontario Sailing Association

Our report will document the findings of our financial statement audit of Ontario Sailing Association for the year ended March 31, 2008 and include representations and observations designed to assist you in discharging your responsibilities as Audit Committee members.

Our report is intended solely for the use of the Audit Committee of Ontario Sailing Association to assist it in discharging its responsibilities with respect to the financial statements and is not intended for any other purpose. We disclaim any responsibility or obligation to any third party who may rely on this report. The matters addressed in this report are a result of the financial statement audit and the audit would not necessarily identify all matters that may be of interest to the Audit Committee in fulfilling its responsibilities.

Toronto, Ontario
May 25, 2008

Chartered Accountants
Licensed Public Accountants



ONTARIO SAILING ASSOCIATION

Auditors' Report to the Audit Committee

Year ended March 31, 2008

1. The Auditors' Responsibility to Consider Fraud and Error in an Audit of Financial Statements

- we did not note any evidence of fraud during the course of the audit.
- no significant errors were noted during the course of the audit.

2. Misstatements - Illegal Acts

- we did not identify any illegal acts during the course of the audit.

3. Internal Control in the Context of an Audit

- we did not note any significant weaknesses in internal control during the course of the audit (see also 13. Segregation of Duties).

4. Audit of Related Party Transactions

- we did not note any related party transactions during the course of the audit.

5. Matters Having a Significant Effect on the Qualitative Aspect of Accounting Principles used in the Entity's Financial Reporting

- we did not note any significant qualitative aspects, including the selection of accounting policies, accounting estimates, management judgement, unusual transactions or other similar matters, that require communication with the Audit Committee during the course of the audit, other than described in this report.

6. Management Letter

- the issuance of a management letter was not considered necessary.

7. Materiality Levels

- income statement and balance sheet items \$18,000 (2% of revenues).

8. Independence

- we are independent of Ontario Sailing Association (see Independence Letter).



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Year ended March 31, 2008

9. Management's Letter of Representations

- management is responsible for the preparation and presentation of the financial statements.
- no changes were made to the standard response suggested by the CICA (see Management's Letter of Representations).

10. Audit Report

- we have completed our financial statement audit of Ontario Sailing Association for the year ended March 31, 2008 and intend on issuing an unqualified opinion to the shareholder and to the regulatory authorities.
- our report will be dated May 25, 2008
- our report will state that the balance sheet, statements of income, retained earnings and cash flows are fairly stated in all material respects.
- our report will state that the financial statements are presented in accordance with Canadian generally accepted accounting principles.

11. Audit Approach

- our audit approach was consistent with our audit plan and complies with Canadian generally accepted audit standards.
- no limitations were placed on the scope of our audit.

12. Directors' Responsibility

- directors have the responsibility of overseeing, reviewing and approving management's activities including, the preparation and presentation of financial statements; appropriate internal controls; assessment of significant transactions.

13. Segregation of Duties

- optimal segregation of accounting and approval functions is not possible because of the relatively small number of employees.

14. Control Environment

- the control environment includes and should continue to include the monitoring of management activities by the board of directors.



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15. Co-operation of Management

- we report that management co-operated fully with us during the course of our audit and there were no disagreements or difficulties encountered during our audit.

16. Regulatory Requirements

- we are not aware of any non-compliance.

17. Other Reportable Matters

- we are not aware of any actions that, if they become public, might cause embarrassment.
- we are not aware of any significant issues discussed with management that might influence our appointment as auditors or any management consultation with other accountants.

18. Financial Instruments

- the association has adopted the new CICA Handbook recommendations regarding financial instruments. Specifically the association has recorded its short-term investments at market value as at March 31, 2008. Previously these investments were recorded at amortized cost. As a result of adopting the "*held for trading*" method, no adjustment was required to the carrying value of these assets and no adjustment was required to opening net assets.





We give your business a hand to succeed.

Hilborn Ellis Grant LLP
Chartered Accountants
Since 1930

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