

April 2, 2008

Sample Company Inc.
123 First Avenue
Vancouver, B.C. A1A 1A1

Attention: Mr. Richard Smart

Dear Richard:

Further to our review of the financial statements to December 31, 2007, we are pleased to offer the following comments and recommendations for your consideration.

Tax payments

We enclose your copy of the corporation income tax return with supporting schedules. We have prepared the return based on the information you have provided us.

The return shows a refund of \$2,500. Once signed, we will submit the tax return on your behalf.

Based on your records and any adjustments we have made, you should remit GST in the amount of \$1405.00. Please refer to the enclosed GST/HST analysis for the details.

Management remuneration

Please ensure that the following payroll information is recorded and included on the 2007 T4 report:

Employee	Benefit type	Amount to add to T4
John Director	Company automobile benefit	\$ <u>5,977.00</u>

We recommend you declare dividends of \$25,000 on May 1, 2008. With your approval, we will advise your lawyer, so the resolution can be prepared. We can also prepare the T5 reports for you in February.

Accounting recommendations

We enclose a copy of our adjusting entries and trial balance for your records. We also enclose a disk on which we have posted these entries. Please ensure that this disk is used for all current year transactions.

During the course of our review, we identified the following items which should receive your attention:

In order to safeguard the deductibility of your vehicle use, a detailed log should be maintained, showing the purpose and mileage for all business-related use. The odometer reading at the beginning and end of each business year is also required.

Tax Planning

As part of our ongoing review of your financial affairs, we have identified the following issue(s) for your consideration:

A review of your personal and business debt may offer some opportunity for tax savings.

It may be advisable to change your business year-end date. There are several issues to consider, which we should discuss.

We would be pleased to expand our engagement to provide additional planning assistance on these or other matters, if desired.

Estate Planning

An important part of your business and estate planning should be a buy/sell agreement. We would be happy to meet with you and your lawyer to assist in the design of the agreement.

It was a pleasure providing our financial statement and tax return preparation services to you; please do not hesitate to call us if you would like more information or assistance.

We enclose our invoice for your approval. As a business owner, you can appreciate the importance of prompt payments from your customers; likewise, your prompt payment of our invoice will be appreciated.

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.

Sincerely,
Firm Name

per: Partner Name