



STAFF REPORT INFORMATION ONLY

13.

Audit Year-End Report – December 31, 2017 – Toronto Public Library Board

Date:	May 28, 2018
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

As part of their audit function, the external auditors, PricewaterhouseCoopers LLP (PwC), is required to produce a year-end report to the Toronto Public Library Board. The attached report from PwC summarizes the results of their audit of the 2017 financial statements for Toronto Public Library (TPL).

FINANCIAL IMPACT

PwC's fee for the 2017 audit is \$25,000, inclusive of expenses and exclusive of Harmonized Sales Tax (2016 – \$25,000). The amount was charged against the 2017 operating budget.

The Director, Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

ISSUE BACKGROUND

At the Board meeting of November 20, 2017, PwC's report on the Audit Plan for the Year Ending December 31, 2017, which outlined their approach to the audit, was received for information. This is the third year of a five-year audit contract that the City has negotiated. The fee will remain unchanged for the duration of the contract.

As part of the annual audit, PwC is required to provide a year-end report to the Library Board upon completion of the audit.

COMMENTS

Attached is PwC's 2017 year-end report to the Board for the audit of the December 31, 2017 financial statements. PwC's report includes: status of the audit; significant audit risks; unadjusted and adjusted items; internal control recommendations, if any; and other required communications.

PwC proposes to issue an unqualified report when four outstanding matters are cleared: update on legal confirmations; receipt of a signed management representation letter as of the May 28 Board meeting date; subsequent events procedures; and Board approval of the draft financial statements.

In the Internal Control Recommendations on page 4 of Attachment 1, it is noted there are no significant internal control recommendations to report.

A representative from PwC will be in attendance at the Board meeting and as part of their audit procedures, PwC will reconfirm that the Board is not aware of any known, suspected or alleged incidents of fraud or illegal acts.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
Email: lhughsam@torontopubliclibrary.ca

SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Toronto Public Library Board – 2017 Year-End Report to the Board

Toronto Public Library Board

*2017 year-end report
to the Board*

*Prepared as of
May 9, 2018*





May 9, 2018

**The Board Members
Toronto Public Library Board**

Dear Board Members:

We have substantially completed our audit of the financial statements of the Toronto Public Library Board (The Board) prepared in accordance with Canadian public sector accounting standards (PSAS) for the year ended December 31, 2017. We propose to issue our auditor's report on those financial statements, pending resolution of outstanding items outlined on page 1. Our draft auditor's report is included as Appendix A.

We prepared the accompanying report to assist you in your review of the financial statements. It includes an update on the status of our work, as well as a discussion on the significant accounting and financial reporting matters dealt with during the audit process.

We will review the key elements of this report at the upcoming meeting and discuss our findings with you.

We would like to express our sincere thanks to the management and staff of the organization who have assisted us in carrying out our work, and we look forward to your meeting on May 28, 2018. If you have any questions or concerns prior to the meeting, please do not hesitate to contact me in advance.

Yours very truly,

PricewaterhouseCoopers LLP

**Terri McKinnon
Partner
Assurance**

**c.c.: Vickery Bowles, City Librarian
Larry Hughsam, Director, Finance & Treasurer**

**PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: 416 863 1133 F: 416 365 8215 www.pwc.com/ca**

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership

Communications to the Board

Key matters for discussion

Status of the audit

Significant accounting, auditing and reporting matters discussed with management

Risk of material misstatement due to management override (significant risk)

Accounting regulatory authorities require that the risk of material misstatement due to management override of controls be considered a significant risk on every audit engagement.

Risk of fraud in revenue recognition (significant risk)

Auditing standards assume a rebuttable presumption, that there is a significant risk of fraud in revenue recognition in all businesses.

Comments

PricewaterhouseCoopers LLP (PwC or we) have substantially completed our audit of the financial statements (the financial statements).

Significant outstanding items at time of mailing include the following:

- update on legal confirmations;
- receipt of signed management representation letter;
- subsequent events procedures; and
- approval of the financial statements by the Board.

To address the risk of management override of controls, and as part of our fraud procedures, we performed the following:

- obtained an understanding of the entity's financial reporting processes and the controls over major business processes;
- identified risk criteria specific to the entity to scope in journal entries for testing;
- inquired of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments; and
- incorporated an element of unpredictability into the current year audit procedures.

We performed testing over a selection of journal entries for appropriateness and authorization. As a result of this testing, we did not note any matters that require your attention.

In addition, for the unpredictable procedure we performed testing over existence of employees in local library branches. There were no significant matters to bring to your attention.

In order to address this risk, we performed the following procedures:

- confirmed all revenues received and receivable with the City of Toronto;
- obtained confirmations from the Province of Ontario for significant funding grants; and
- agreed grants received from the Toronto Public Library Foundation (the Foundation) to the records of the Foundation.

We did not note any matters to bring to your attention.

Key matters for discussion	Comment
Fraud and illegal acts	<p>No fraud involving senior management, or employees with a significant role in internal control or that would cause a material misstatement of the financial statements and no illegal acts came to our attention as a result of our audit procedures.</p> <p>We wish to reconfirm that the Board is not aware of any known, suspected or alleged incidents of fraud or illegal acts not previously discussed with us.</p>
Summary of unadjusted and adjusted items	<p>Final materiality level determined for the year ended December 31, 2017 was \$6,180,000 (previously communicated a materiality level of \$6,140,000) as a result of actual results being higher than the initial estimate.</p>
	<p>As a result of our testing, we identified an understatement of both accounts receivable from City of Toronto and accounts payable to City of Toronto of \$7,932,954 due to the offsetting of financial assets and financial liabilities. Of this amount, \$6,016,570 relates to unspent capital advances and other capital project funding and was adjusted in the financial statements. The remaining \$1,916,384 relates to operating amounts and has not been adjusted in the financial statements. Please refer to Appendix C for details.</p>
	<p>As a result of our audit, we conclude the above unadjusted items are immaterial to the financial statements taken as a whole.</p>
Internal control recommendations	<p>We have no significant internal control recommendations to report.</p>
Subsequent events	<p>No subsequent events which would impact the financial statements other than those disclosed have come to our attention.</p>
	<p>We would like to reconfirm that the Board is not aware of any other subsequent events that might affect the financial statements.</p>
Significant difficulties or disagreements that occurred during the audit	<p>We have no significant difficulties or disagreements during the course of the audit.</p>
Significant related party transactions	<p>PwC reviewed related party transactions conducted in the normal course of operations related to the transfer of grants or other funding from the Foundation or the City of Toronto to the Board and the allocation of certain shared costs. No other non-routine transactions were noted.</p>

The matters raised in this and other reports that will flow from the audit are only those that have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising and, in particular, we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. Comments and conclusions should only be taken in context of the financial statements as a whole, as we do not mean to express an opinion on any individual item or accounting estimate. This report has been prepared solely for your use. It was not prepared for, and is not intended for, any other purpose. No other person or entity shall place any reliance upon the accuracy or completeness of statements made herein. PwC does not assume responsibility to any third party and, in no event, shall PwC have any liability for damages, costs or losses suffered by reason of any reliance upon the contents of this report by any person or entity other than you.

Appendix A: Draft auditor's report

See Final Financial Statements –

December 31, 2017

Report No. 14 –

Attachment 1

Appendix B: Draft management representation letter



May 28, 2018

PricewaterhouseCoopers LLP
PwC Tower
18 York Street, Suite 2600
Toronto ON M5J 0B2

We are providing this letter in connection with your audit of the financial statements of Toronto Public Library Board (The Board) as at December 31, 2017 and for the year then ended for the purpose of expressing an opinion as to whether such financial statements present fairly, in all material respects, the financial position, results of operations, changes in net debt and cash flows of The Board in accordance with Canadian public sector accounting standards.

Management's responsibilities

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 18, 2015. In particular, we confirm to you that:

- we are responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards;
- we are responsible for designing, implementing and maintaining an effective system of internal control over financial reporting to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. In this regard, we are responsible for establishing policies and procedures that pertain to the maintenance of accounting systems and records, the authorization of receipts and disbursements, the safeguarding of assets and for reporting financial information;
- we have provided you with all relevant information and access, as agreed in the terms of the audit engagement; and
- all transactions have been recorded in the accounting records and are reflected in the financial statements.

We confirm the following representations:

Preparation of financial statements

The financial statements include all disclosures necessary for fair presentation in accordance with Canadian public sector accounting standards and disclosures otherwise required to be included therein by the laws and regulations to which The Board is subject.

We have appropriately reconciled our books and records (e.g. general ledger accounts) underlying the financial statements to their related supporting information (e.g. sub ledger or third party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to a profit and loss account and vice versa.

Accounting policies

We confirm that we have reviewed The Board's accounting policies and, having regard to the possible alternative policies, our selection and application of accounting policies and estimation techniques used for the preparation and presentation of the financial statements is appropriate in The Board's particular circumstances to present fairly in all material respects its financial position, results of operations, changes in net debt and cash flows in accordance with Canadian public sector accounting standards.

Internal controls over financial reporting

We have designed disclosure controls and procedures to ensure material information relating to The Board is made known to us by others.

We have designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with Canadian public sector accounting standards.

We have disclosed to you all deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting that we are aware.

Minutes

All matters requiring disclosure to or approval of the Board have been brought before them at appropriate meetings and are reflected in the minutes.

Completeness of transactions

All contractual arrangements entered into by The Board with third parties have been properly reflected in the accounting records or/and, where material (or potentially material) to the financial statements, have been disclosed to you. We have complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There are no side agreements or other arrangements (either written or oral) undisclosed to you.

Fraud

We have disclosed to you:

- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all information in relation to fraud or suspected fraud of which we are aware affecting The Board involving management, employees who have significant roles in internal control or others where the fraud could have a material effect on the financial statements; and
- all information in relation to any allegations of fraud, or suspected fraud, affecting The Board's financial statements, communicated by employees, former employees, analysts, regulators or others.

Disclosure of information

We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters including:
 - contracts and related data;
 - information regarding significant transactions and arrangements that are outside the normal course of business;
 - minutes of the meetings of the board and committees the board. The most recent meetings held were May 28, 2018.

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

We have no knowledge of any allegations of fraud or suspected fraud affecting The Board received in communications from employees, former employees, analysts, regulators, short sellers, or others.

Compliance with laws and regulations

We have disclosed to you all aspects of laws, regulations and contractual agreements that may affect the financial statements, including actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

We are not aware of any illegal or possibly illegal acts committed by The Board's directors, officers or employees acting on The Board's behalf.

Accounting estimates and fair value measurements

Significant assumptions used by The Board in making accounting estimates, including fair value accounting estimates, are reasonable.

For recorded or disclosed amounts in the financial statements that incorporate fair value measurements, we confirm that:

- the measurement methods are appropriate and consistently applied;
- the significant assumptions used in determining fair value measurements represent our best estimates, are reasonable and have been consistently applied;
- no subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements; and
- the significant assumptions used in determining fair value measurements are consistent with The Board's planned courses of action. We have no plans or intentions that have not been disclosed to you, which may materially affect the recorded or disclosed fair values of assets or liabilities.

Significant estimates and measurement uncertainties known to management that are required to be disclosed in accordance with CPA Canada Public Sector Accounting Handbook Section PS 2130, *Measurement Uncertainty*, have been appropriately disclosed.

Related parties

We confirm that we have disclosed to you the identity of The Board's related parties as defined by CPA Canada Public Sector Accounting Handbook Section 2200, *Related Party Disclosures*, and all the related party relationships and transactions.

The identity of, relationship, balances and transactions with related parties have been properly recorded and adequately disclosed in the financial statements, as required by CPA Canada Public Sector Accounting Handbook Section 2200, *Related Party Disclosures*.

The list of related parties attached to this letter as Appendix A accurately and completely describes The Board's related parties and the relationships with such parties.

Going concern

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements (e.g. to dispose of the business or to cease operations).

Assets and liabilities

We have satisfactory title or control over all assets. All liens or encumbrances on The Board's assets and assets pledged as collateral, to the extent material, have been disclosed in the financial statements.

We have recorded or disclosed, as appropriate, all liabilities, in accordance with Canadian public sector accounting standards. All liabilities and contingencies, including those associated with guarantees, whether written or oral, under which The Board is contingently liable in accordance with the CPA Canada Public Sector Accounting Handbook Section PS 3300, *Contingent Liabilities*, have been disclosed to you and are appropriately reflected in the financial statements.

Litigation and claims

All known actual or possible litigation and claims, which existed at the statement of financial position date or exist now, have been disclosed to you and accounted for and disclosed in accordance with Canadian public sector accounting standards, whether or not they have been discussed with legal counsel.

Misstatements detected during the audit

Certain representations in this letter are described as being limited to those matters that are material. Items are also considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

We confirm that the financial statements are free of material misstatements, including omissions.

There is one adjusted misstatement identified during your audit, which is an understatement of both accounts receivable from City of Toronto and accounts payable to City of Toronto in relation to capital advances and other capital project funding of \$6,016,570 due to offsetting of financial assets and financial liabilities. Adjusted item is summarized in the accompanying schedule (Appendix B).

We confirm there is one unadjusted misstatement identified during your audit which is an understatement of both accounts receivable from City of Toronto and accounts payable to City of Toronto in relation to operating amounts of \$1,196,384 due to offsetting of financial assets and financial liabilities. The effect of the uncorrected misstatement in the financial statement is summarized in the accompanying schedule (Appendix B).

Events after balance sheet date

We have identified all events that occurred between the statement of financial position date and the date of this letter that may require adjustment of, or disclosure in, the financial statements, and have effected such adjustment or disclosure.

Cash and banks

The books and records properly reflect and record all transactions affecting cash funds, bank accounts and bank indebtedness of The Board.

All cash balances are under the control of The Board, free from assignment or other charges, and unrestricted as to use, except as disclosed to you.

The amount shown for cash on hand or in bank accounts excludes trust or other amounts, which are not the property of The Board.

Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.

All cash and bank accounts and all other properties and assets of The Board are included in the financial statements as at December 31, 2017.

Accounts receivable

All amounts receivable by The Board were recorded in the books and records.

Receivables recorded in the financial statements, represent bona fide claims against debtors for sales or other charges arising on or before the balance sheet date and are not subject to discount except for normal cash discounts.

Amounts receivable amounted to \$21,378,971 and are considered to be fully collectible.

All receivables were free from hypothecation or assignment as security for advances to The Board, except as hereunder stated.

The Board has disclosed to us all transfers of receivables (including securitizations) that have occurred during the year.

Receivables, other than transfers receivable accounted for in accordance with the CPA Canada Public Sector Accounting Handbook Section PS 3410, Government transfers and taxes receivable accounting for in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3510, *Tax Revenue*, recorded in the financial statements, represent bona fide claims against debtors for sales or other charges arising on or before the balance sheet date and are not subject to discount except for normal cash discounts.

Tangible capital assets

All charges to capital asset accounts represented the actual cost of additions to tangible capital assets.

No significant capital asset additions were charged to repairs and maintenance or other expense accounts.

Book values of capital assets sold, destroyed, abandoned or otherwise disposed of have been eliminated from the accounts.

Capital assets owned by The Board are being depreciated on a systematic basis over their estimated useful lives, and the provision for depreciation was calculated on a basis consistent with that of the previous date. During the year, we reviewed the appropriateness of the depreciation policy and estimate of useful lives for tangible capital assets, taking into account all pertinent factors. Any changes in our assessment from the prior year have been adequately disclosed and reflected in the financial statements.

All lease agreements covering property leased by or from The Board have been disclosed to you and classified in accordance with CPA Canada Public Sector Accounting Handbook Guideline PSG-02, *Leased Tangible Capital Assets*.

Assets held under capital leases are being amortized on a systematic basis over the period of expected use.

There have been no events, conditions or changes in circumstances that indicate that a tangible capital asset no longer contributes to The Board's ability to provide goods and services or that the value of future economic benefits associated with the tangible capital asset is less than its net book value. We believe that the carrying amount of The Board's long-lived tangible capital assets is fully recoverable in accordance with CPA Canada Public Sector Accounting Handbook PS 3150.

Long-term debt

All borrowings and financial obligations of The Board of which we are aware are included in the financial statements as at December 31, 2017, as appropriate. We have fully disclosed to you all borrowing arrangements of which we are aware.

Deferred revenue

All material amounts of deferred revenue were appropriately recorded in the books and records.

Retirement benefits, post-employment benefits, compensated absences and termination benefits

All arrangements to provide retirement benefits, post-employment benefits, compensated absences and termination benefits have been identified to you and have been included in the actuarial valuation as required.

The details of all pension plan amendments since December 31, 2015, the date of the last actuarial valuation, have been identified to you.

The actuarial valuation dated December 31, 2015 incorporates management's best estimates, detailed as follows:

The actuarial assumptions and methods used to measure liabilities and costs for financial accounting purposes for pension and other post-retirement benefits are appropriate in the circumstances.

The Board plans to continue to make frequent amendments to the pension or other post-retirement benefit plans, which may affect the amortization period of the prior service cost.

The employee future benefit costs, assets and obligations have been determined, accounted for and disclosed in accordance with CPA Canada Public Sector Accounting Handbook PS 3250, Retirement Benefits and CPA Canada Public Sector Accounting Handbook PS 3255, *Post-employment Benefits, Compensated Absences and Termination Benefits*. In particular:

The significant accounting policies that The Board has adopted in applying CPA Canada Public Sector Accounting Handbook Section PS 3250 and CPA Canada Public Sector Accounting Handbook Section PS 3255 are accurately and completely disclosed in the notes to the financial statements.

Each of the best estimate assumptions used reflects management's judgment of the most likely outcomes of future events.

The best estimate assumptions used are, as a whole, internally consistent, and consistent with the asset valuation method adopted.

The discount rate used to determine the accrued benefit obligation was determined by reference to The City's borrowing rate using assumptions that are internally consistent with other actuarial assumptions used in the calculation of the accrued benefit obligation and plan assets.

The assumptions included in the actuarial valuation are those that management instructed Morneau Shepell to use in computing amounts to be used by management in determining pension costs and obligations and in making required disclosures in the above-named financial statements, in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3250. In arriving at these assumptions, management has obtained the advice of Morneau Shepell but has retained the final responsibility for them.

The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.

The percentage of the market value of total plan assets represented by each major category held at the measurement date is not disclosed because it is not expected to be useful in understanding the risks and expected long-term rate of return for the plan assets.

All changes to plan provisions or events occurring subsequent to the date of the actuarial valuation and up to the date of this letter have been considered in the determination of pension costs and obligations and as such have been communicated to you as well as to the actuary.

Use of a specialist

We assume responsibility for the findings of specialists in evaluating the accrued benefit obligation and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Environmental matters

There are no liabilities or contingencies arising from environmental matters that have not already been disclosed to the auditor.

Liabilities or contingencies related to environmental matters have been recognized, measured and disclosed, as appropriate, in the financial statements.

We have considered the effect of environmental matters and the carrying value of the relevant assets is recognized, measured and disclosed, as appropriate, in the financial statements.

All commitments related to environmental matters have been measured and disclosed, as appropriate in the financial statements.

Government transfers

We have disclosed all significant terms and agreements in respect of transfers received from governments.

Transfers without eligibility criteria or stipulations have been recognized as revenue once the transfer has been authorized.

Transfers with eligibility criteria but without stipulations have been recognized as revenue once the transfer has been authorized and all eligibility criteria have been met.

Transfers with or without eligibility criteria but with stipulations have been recognized as revenue in the year the transfer has been authorized and all eligibility criteria have been met, except when, and to the extent that, the transfer gives rise to an obligation that meets the definition of a liability for the recipient government in accordance with CPA Canada Public Sector Accounting Handbook PS 3200, *Liabilities*.

Statements of operations and changes in net debt

All transactions entered into by The Board have been recorded in the books and records presented to you.

All amounts have been appropriately classified within the statements of operations and changes in net debt.

The accounting principles and policies followed throughout the year were consistent with prior year's practices (except as disclosed in the financial statements).

Budgetary data

We have included budgetary data in our financial statements, which is relevant to the users of the financial statements and consistent with that originally planned and approved. Planned results were presented for the same scope of activities and on a basis consistent with that used for actual results.

Yours truly,

Toronto Public Library Board

Vickery Bowles, City Librarian

**Larry Hughsam, Director of Finance and
Treasurer**

Wayne Lam, Manager, Accounting and Payroll

Appendix A – Related parties

Board Members*:

Mr. Sue Graham-Nutter, Chair
Ms. Strahan McCarten, Vice Chair
Mr. Paul Ainslie
Ms. Sarah Doucette
Ms. Mary Fragedakis
Mr. Jim Hart
Ms. Dianne LeBreton
Mr. Ross Parry
Ms. Archana Shah
Ms. Eva Svec
Mr. Daniel Rotsztain

Senior Management*:

Vickery Bowles, City Librarian
Larry Hughsam, Director of Finance and Treasurer

***Although not explicitly listed, immediate family members are considered included as related parties by this reference.**

Toronto Public Library Foundation

American Foundation for Toronto Public Library

City of Toronto

Entities associated with City of Toronto as follows:

Appendix A: List of related entities

Agencies and Corporations:

- Board of Governors of Exhibition Place
- Toronto Board of Health
- Board of Management of the Toronto Zoo
- Toronto Community Housing Corporation ("TCHC")
- Build Toronto Inc.
- Toronto Licensing Commission
- Casa Loma Corporation
- Toronto Pan Am Sports Centre Inc. ("TPASC")
- Heritage Toronto (50% proportionately)
- Invest Toronto Inc.
- Toronto Police Services Board
- Lakeshore Arena Corporation
- Toronto Public Library Board
- St. Lawrence Centre for the Arts
- Toronto Transit Commission ("TTC")
- The North York Performing Arts Centre
- Toronto Waterfront Revitalization Corporation
- Corporation ("TWRC") (1/3rd proportionately)
- The Sony Centre for the Performing Arts
- Yonge-Dundas Square
- Toronto Atmospheric Fund ("TAF")

Arenas:

- Forest Hill Memorial
- Moss Park
- George Bell
- North Toronto Memorial
- Leaside Memorial Community Gardens
- Ted Reeve Community
- McCormick Playground
- William H. Bolton

Community Centres:

- 519 Church Street

Eastview Neighbourhood

- Applegrove
- Harbourfront
- Cecil Street
- Ralph Thornton
- Central Eglinton
- Scadding Court
- Community Centre 55
- Swansea Town Hall

Business Improvement Areas:

- Albion Islington Square
- Baby Point Gates
- Bloor Annex
- Bloor By The Park
- Bloor Street
- Bloor West Village
- Bloor Yorkville
- Bloorcourt Village
- Bloordale Village
- Cabbagetown
- Chinatown
- Church Wellesley Village
- College Promenade
- College West
- Corso Italia
- Crossroads of the Danforth
- Danforth Mosaic
- Danforth Village
- Dovercourt Village
- Downtown Yonge
- Duke Heights
- Dundas West
- Dupont by the Castle
- Eglinton Hill
- Emery Village
- Fairbank Village
- Financial District
- Forest Hill Village
- Gerrard India Bazaar
- Greektown on the Danforth
- Harbord Street
- Hillcrest Village
- Historic Queen East
- Junction Gardens
- Kennedy Road
- Kensington Market

Korea Town

- Lakeshore Village
- Leslieville
- Liberty Village
- Little Italy
- Little Portugal
- Long Branch
- Marketo District
- Mimico by the Lake
- Mimico Village
- Mirvish Village
- Mount Dennis
- Mount Pleasant
- Oakwood Village
- Ossington Avenue
- Pape Village
- Parkdale Village
- Queen Street West
- Regal Heights Village
- Riverside District
- Roncesvalles Village
- Rosedale Main Street
- Sheppard East Village
- shoptheQueensway.com
- St. Clair Gardens
- St. Lawrence Market
- Yonge and St. Clair

Neighbourhood

- The Beach
- The Danforth
- The Eglinton Way
- The Kingsway
- The Waterfront
- Toronto Entertainment

District

- Trinity Bellwoods
- Upper Village
- Uptown Yonge
- Village of Islington
- West Queen West
- Weston Village
- Wexford Heights
- Wilson Village
- Wychwood Heights
- Yonge Lawrence Village
- York Eglinton

Government business enterprises (GBEs)

- **Enwave Energy Corporation (Enwave)**
- **Toronto Hydro Corporation**
- **Toronto Parking Authority**
- **City of Toronto Economic Development Corporation c.o.b. Toronto Port Lands Company (TPLC)**
(recognized as a GBE effective January 1, 2011)

Please see pages 20 and 21 for an update.

Appendix B – Summary of unadjusted and adjusted misstatements

a) Adjusted items

Description	Excess of revenue over expenses	Statement of financial position		
	(under) over stated	Assets under (over) stated	Liabilities (under) over stated	Net assets (under) over stated
To account for offsetting of City of Toronto capital amounts receivable at December 31, 2017		6,016,570		
DR. Accounts receivable			(6,016,570)	
CR. Accounts payable				
Total	\$nil	\$6,016.570	(\$6,016.570)	\$nil

b) Unadjusted items

Description	Excess of revenue over expenses	Statement of financial position		
	(under) over stated	Assets under (over) stated	Liabilities (under) over stated	Net assets (under) over stated
To account for offsetting of City of Toronto operating amounts receivable at December 31, 2017				
DR. Accounts receivable		1,916.384		
CR. Accounts payable			(1,916.384)	
Total	\$nil	\$1,916.384	(\$1,916.384)	\$nil

Appendix C: Summary of adjusted and unadjusted misstatements

a) Adjusted item

Description	Excess of revenue over expenses (under) over stated	Statement of financial position		
		Assets	Liabilities	Net assets
To account for offsetting of City of Toronto capital amounts receivable at December 31, 2017				
DR. Accounts receivable		6,016,570		
CR. Accounts payable			(6,016,570)	
Total	\$nil	\$6,016,570	(\$6,016,570)	\$nil

b) Unadjusted item

Description	Excess of revenue over expenses (under) over stated	Statement of financial position		
		Assets	Liabilities	Net assets
To account for offsetting of City of Toronto operating amounts receivable at December 31, 2017				
DR. Accounts receivable		1,916,384		
CR. Accounts payable			(1,916,384)	
Total	\$nil	\$1,916,384	(\$1,916,384)	\$nil

Pages 20 and 21 were distributed at May 28, 2018 meeting replacing Page 18 (Appendix B)

The information on pages 20 and 21 also replaces Appendix C on Page 19.

Appendix B: Summary of adjusted and unadjusted misstatements

a) Adjusted item

Description	Excess of revenue over expenses (under) over stated	Statement of financial position		
		Assets under (over) stated	Liabilities (under) over stated	Net assets (under) over stated
To account for offsetting of City of Toronto capital amounts receivable at December 31, 2017				
DR. Accounts receivable		6,016,570		
CR. Accounts payable			(6,016,570)	
Total	\$nil	\$6,016,570	(\$6,016,570)	\$nil

Pages 20 and 21 were distributed at May 28, 2018 meeting replacing Page 18 (Appendix B)

The information on pages 20 and 21 also replaces Appendix C on Page 19.

b) *Unadjusted item*

Description	Excess of revenue over expenses	Statement of financial position		
	(under) over stated	Assets under (over) stated	Liabilities (under) over stated	Net assets (under) over stated
To account for offsetting of City of Toronto operating amounts receivable at December 31, 2017				
DR. Accounts receivable		1,916,384		
CR. Accounts payable			(1,916,384)	
To account for client adjustment to other accounts receivable for Canada 150 grant at December 31, 2017				
DR. Accounts payable – City of Toronto				661.375
CR. Accounts receivable			(661,375)	
To account for funding differences with the City of Toronto				
DR. City of Toronto revenue	665,930			
CR. Accounts receivable – City of Toronto			(665,930)	
Total	\$665,930	\$589,079	(\$1,255,009)	\$nil

Disclosure item:

We also identified an unadjusted reclassification item of \$1,097,500 with the budget in the statement of operations and accumulated surplus, resulting in an overstatement of the budgeted figures of Fines and user charges and an understatement in Other income.