



June 26, 2019

**Members of the Audit Committee, Sub Committee of City Council  
City of Toronto**

Dear Members of the Audit Committee:

PricewaterhouseCoopers LLP (PwC or we) previously communicated our *2018 year-end report to the Audit Committee* dated June 14, 2019 (our June report) for our audit of the consolidated financial statements of the City of Toronto (the City) prepared in accordance with Canadian public sector accounting standards for the year ended December 31, 2018. As a result of our audit to date, we noted additional unadjusted items to those communicated in Appendix B of our June report. We have included an amended Summary of Unadjusted items as Appendix B (amended) to this report.

Yours very truly,

*PricewaterhouseCoopers LLP*

Michael Hawtin  
Partner  
Assurance

c.c.: Mr. Chris Murray, City Manager  
Ms. Heather Taylor, Chief Financial Officer and Treasurer  
Ms. Beverly Romeo-Beehler, Auditor General

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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

## Appendix B (amended): Summary of unadjusted items

### Unadjusted items

As a result of our audit to date, we noted the following unadjusted items:

<i>(in millions of dollars)</i>				
<i>Description</i>	<i>Assets at December 31, 2018 \$</i>	<i>Liabilities at December 31, 2018 \$</i>	<i>Opening accumulated surplus at January 1, 2018 \$</i>	<i>Annual surplus for year ended December 31, 2018 \$</i>
	<i>DR/(CR)</i>	<i>DR/(CR)</i>	<i>DR/(CR)</i>	<i>DR/(CR)</i>
<i>To adjust for elimination of intercompany payables to TTC related to a prior year.</i>				
<i>Dr. Opening accumulated surplus Cr. Transportation expenses</i>			85	(85)
<i>To adjust for a revenue reclassification between user charges and other revenues.</i>				
<i>Dr. User charges Cr. Other revenues</i>				53 (53)
<i>To account for TCHC cash under restrictions with external lenders as a separate financial statement line item.</i>				
<i>Dr. Restricted cash Cr. Investments</i>	117 (117)			
<i>To accrue for amounts owing related to a capital project.</i>				
<i>Dr. Transportation expenses Cr. Accounts payable and accrued liabilities</i>		(51)		51
<b>Total</b>	-	<b>(51)</b>	<b>85</b>	<b>(34)</b>

### Other items

We're required to communicate the effects of any unadjusted items that relate to prior periods or those that could impact future periods. As noted above, we identified one item relating to prior periods.

As a result of our audit to date, we conclude that the above unadjusted items are immaterial - individually and in total - to the financial statements taken as a whole.

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.

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