Attachment 1

EX7.19

Invest Toronto Inc.

Financial Statements
December 31, 2018 and June 12, 2019

Independent auditor's report

To the Shareholder of Invest Toronto Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Invest Toronto Inc. (the Corporation) as at December 31, 2018 and June 12, 2019 and the results of its operations, changes in its net debt, its remeasurement gains and losses and its cash flows for the year ended December 31, 2018 and the period ended June 12, 2019 in accordance with Canadian public sector accounting standards.

What we have audited

The Corporation's financial statements comprise:

- the statements of financial position as at December 31, 2018 and June 12, 2019;
- the statement of operations for the year ended December 31, 2018 and the period ended June 12, 2019;
- the statement of changes in net debt for the year ended December 31, 2018 and the period ended June 12, 2019;
- the statement of cash flows for the year ended December 31, 2018 and the period ended June 12, 2019; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
June 18, 2019

Invest Toronto Inc.
Statements of Financial Position
As at December 31, 2018 & June 12, 2019

	Note	June 12, 2019	December 31, 2018	December 31, 2017
		$	$	$
Financial assets				
Cash	5	-	68,419	193,657
Amounts receivable		1	-	699,813
		1	68,419	893,470
Liabilities				
Accounts payable and accrued liabilities		-	4,142	107,944
Due to related party	3b	-	-	718,828
Deferred contributions	3a	-	64,276	66,697
		-	68,418	893,469
Share capital				
Authorized and issued				
1 common share		1	1	1
		1	68,419	893,470
Net debt		-	-	-
		-	-	-
Operating surplus		-	-	-

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board

_______________________________ Director _______________________________ Director

Invest Toronto Inc.
Statement of Operations
For the year ended December 31, 2018, and
period ended June 12, 2019

	Note	June 12, 2019	December 31, 2018	December 31, 2017
		$	$	$
Revenues				
Operating grant from TPLC	3a	60,036	2,421	260,658
Amortization of deferred capital contributions		-	-	10,167
ICCI contribution	4	-	-	49,809
Other income		376	8,775	2,002
Total revenue		60,412	11,196	322,636
Expenses				
Salaries and benefits		55,564	10,260	185,415
Professional fees and project costs		3,671	358	94,341
Office expenses		1,177	578	27,360
Promotion and marketing		-	-	7,688
Office rent		-	-	(2,335)
Amortization of tangible capital assets		-	-	10,167
Total expenses		60,412	11,196	322,636
Operating surplus (loss)		-	-	-

The accompanying notes are an integral part of these financial statements.

Invest Toronto Inc.
Statement of Changes in Net Debt
For the year ended December 31, 2018, and
period ended June 12, 2019

	June 12, 2019	December 31, 2018	December 31, 2017
	$	$	$
Operating surplus (loss)	-	-	-
Proceeds on disposal of tangible capital assets	-	-	86,977
Amortization of tangible capital assets	-	-	10,167
	-	-	97,144
Use of prepaid expenses	-	-	21,830
	-	-	21,830
(Increase) decrease in net debt	-	-	118,974
Net debt at beginning of year	-	-	(118,974)
Net debt at end of year	-	-	-

The accompanying notes are an integral part of these financial statements.

Invest Toronto Inc.
Statement of Cash Flows
For the year ended December 31, 2018, and
period ended June 12, 2019

	June 12, 2019	December 31, 2018	December 31, 2017
	$	$	$
Operating transactions			
Operating surplus (loss)	-	-	-
Amortization of tangible capital assets	-	-	10,167
Amortization of deferred capital contributions	-	-	(10,167)
	-	-	-
Change in non-cash working capital balances			
Accrual of interest on restricted investments	-	-	49
Amounts receivable	(1)	699,813	370,157
Prepaid expenses	-	-	21,830
Accounts payable and accrued liabilities	(4,142)	(103,802)	(261,806)
Deferred contributions	(64,276)	(2,421)	(260,659)
Due to related party	-	(718,828)	47,101
Proceeds from sale of tangible capital assets	-	-	86,977
	(68,419)	(125,238)	3,649
Cash (used in) operating transactions	(68,419)	(125,238)	3,649
Investing transactions			
Proceeds from sale of investment	-	-	50,000
Cash provided by investing transactions	-	-	50,000
Increase (decrease) in cash during the year	(68,419)	(125,238)	53,649
Cash at beginning of year	68,419	193,657	140,008
Cash at end of year	-	68,419	193,657

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

Invest Toronto Inc. (the Corporation) was incorporated on November 13, 2008 under the *Business Corporations Act* (Ontario) pursuant to S.148 of City of Toronto Act, 2006 and Ontario Regulation 609/06, City Services Corporations.

The City of Toronto owns the one issued common share of the Corporation. The mandate of the Corporation is to engage in promotional activities and services to encourage economic development to and in the City of Toronto and all ancillary and collateral matters relating thereto (see Note 6). The Corporation has been classified as an other governmental organization.

As a municipal corporation under Section 149(1) of the *Income Tax Act* (Canada), the Corporation is exempt from income taxes.

On July 12, 2016, the City of Toronto directed that the affairs of the Corporation be wound up after an orderly transition to GTA Region Investment Attraction operating as Toronto Global, and requested the Board of Directors of the Corporation to submit for approval a proposal for the winding up of the business, affairs and distribution of the assets of the Corporation.

The Corporation has ceased its operations on June 12, 2019.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS). The significant accounting policies are as summarized below.

Share capital

The Corporation's one issued common share is recognized as debt and presented separately in the statement of financial position.

Revenue recognition

Revenue is reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes measurable and collection is reasonably assured.

The Corporation receives transfers of funds from the Government of Canada and the Toronto Port Lands Company (TPLC), which have certain stipulations associated with the use of the funds. These transfers are recognized as revenue in the year in which these stipulations have been met, except to the extent that the transfers give rise to a liability. A liability recognized in this manner is reduced and an equivalent amount of revenue is recognized as the liability is settled.

Transfers used for the purchase of tangible capital assets are deferred and amortized into revenues at a rate corresponding to the amortization rate of the related asset.

Financial instruments

The following table presents the classification of financial instruments:

Assets/Liabilities	**Measurement**
Cash	fair value
Due to related party	amortized cost
Amounts receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost

Use of estimates

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are based on the information available at the date of preparation and reviewed annually to reflect new information as it is available. Actual results could differ from those estimates.

3. Related party transactions

a) The Corporation has historically received a grant from TPLC, an affiliated company owned by the City of Toronto, to cover operating and capital expenditures incurred during the year. This is pursuant to a Grant agreement entered into by the two corporations for a five-year period starting in 2009, with a provision for an automatic renewal for subsequent periods of one year each until terminated by either party. At the end of the five-year term ended December 31, 2013, the agreement was automatically renewed for two additional one-year periods for a grant amount agreed to by the Board of Directors of both companies (see Note 6). The total value of the grant provided by TPLC in the year ended December 31, 2016 was $2,025,000. Of this, $1,702,703 was used to fund operations in 2016, $81,918 was used to fund capital additions during 2016 and $240,379 was used to fund operations during 2017.

   During 2017, an amount of $ 86,977 was recovered from the sale of Tangible capital assets to Toronto Global and was transferred from Deferred Capital Contributions to Deferred Contributions. Of this, an amount of $2,421 (December 31, 2017 - $20,279) was used to fund operations during 2018, $ 60,036 was used to fund operations during 2019 and the remaining amount was returned to the City of Toronto.

   No additional grants were provided by TPLC in 2017, 2018 and 2019.

b) The due to related party amount of $718,828 at December 31, 2017, was reimbursed by the Corporation to TPLC during 2018.

c) The Corporation has agreed with TPLC to share certain administrative, accounting and other corporate services on a cost allocation basis. During the year ended December 31, 2018 and the period ended June 12, 2019, the Corporation has paid to TPLC nil (December 31, 2017 - $26,356) as shared services costs.

4. ICCI contribution

The Corporation received a contribution of nil in 2018 and 2019 (December 31, 2017 - $49,809) from the Government of Canada toward eligible expenditures incurred pursuant to the Invest Canada-Community Initiatives (ICCI) of the Global Commerce Support Program.

5. Financial instruments

Fair value

The Corporation's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and due to related parties. The carrying values approximate their fair values due to their short-term maturity.

The Chartered Professionals Accountants of Canada Public Sector Accounting Handbook Section 3450 requires disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of a financial asset or a financial liability at the financial statement date. The three levels are defined as follows:

- Level 1 – Fair value is based on quoted market prices in active markets for identical financial assets or financial liabilities.
- Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) financial assets or financial liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for sustainability over the full term of the financial assets or financial liabilities.
- Level 3 – Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the financial assets or financial liabilities.

As at December 31, 2018, cash of $68,419 (December 31, 2017 - $193,657) is classified as Level 1.

Risk management

The Corporation's operating activities expose it to a range of financial risks. These risks include credit risk and liquidity risk, which are described as follows:

- Credit risk

  Credit risk on financial instruments is the risk of a financial loss occurring as a result of default or insolvency of a counterparty on its obligation to the Corporation. The total carrying value of cash and amounts receivable as presented in the statement of financial position represents the maximum credit risk exposure as at the date of the financial statements. The Corporation was not exposed to any credit risk at June 12, 2019.

- Liquidity risk

  Liquidity risk is the risk of being unable to settle or meet commitments as they come due. As at June 12, 2019, the Corporation ceased its operations and had no remaining obligations.

6. Economic dependence

The Corporation does not earn sufficient revenues from sources other than TPLC to fund its current operations. As a result, the Corporation is economically dependent on TPLC to fund its ongoing operations.

The Corporation and TPLC entered into a grant agreement for a five-year period starting in 2009, with a provision for an automatic renewal for subsequent periods of one year each until terminated by either party. At the end of the five-year term ended December 31, 2013, the agreement was automatically renewed for two additional one-year periods for a grant amount agreed to by the Board of Directors of both companies. This agreement was terminated by TPLC effective December 31, 2015 pursuant to the City’s decision to create a regional foreign direct investment agency and the transition of the corporation to the same.

Quarterly grant agreements were entered into by the two corporations for a period of three quarters ending September 30, 2016, for a grant amount agreed to by the Board of Directors of both companies as a transitional funding arrangement until such time that the regional agency is fully functional. The grant agreement was not renewed on October 1, 2016. There can be no assurance that further financial support will be provided. Management believes it has sufficient resources on hand for the orderly wind up of the business.