

April 24, 2017

Yonge-Dundas Square
2 Carlton Street
Suite 1707
Toronto, Ontario
M5G 2C2

PRIVATE AND CONFIDENTIAL

Attention: Mr. TaylorRaths

Dear Sir:

Re: Audit of the December 31, 2016 Financial Statements

During the course of our audit of the financial statements for the year ended December 31, 2016, we identified some matters which may be of interest to management.

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose defalcations and other irregularities and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

As a result of our observations, we have outlined matters below along with some suggestions for your consideration.

Please note that under Canadian generally accepted auditing standards we must report significant deficiencies to those charged with governance.

This letter is not exhaustive, and deals with the more important matters that came to our attention during the audit. Minor matters were discussed verbally with your staff. We have discussed the matters in this report with the management and received his comments thereon.

Issue - Differences noted in supplier reconciliations and YDS event reconciliations

During our audit we noted instances where the hours base used to charge the customer for event support costs differed slightly from the hours charged to Yonge-Dundas Square by the supplier. It is recommended that as part of the event reconciliation approval process, a check is done to ensure the hours charged to Yonge-Dundas Square by the supplier are the same as the hours being charged to the customer.

Management's Comments

Management will ensure that the hours charged to the customer are identical to the hours charged by the supplier and the activity logs for each event.

We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from the management and their staff.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

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.

Yours very truly,

Welch LLP



Kathy Steffan, CPA, CA
Partner



Bryan Haralovich, CPA, CA, CPA(Illinois)
Partner