

# HERITAGE TORONTO

157 King Street East  
3rd Floor  
Toronto, Ontario  
M5C 1G9

June 1, 2018

Welch LLP  
36 Toronto Street  
Suite 1070  
Toronto, ON  
M5C 2C5

Dear Sirs:

We are providing this letter in connection with your audit of the financial statements of Heritage Toronto as of December 31, 2017 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Heritage Toronto in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

We acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated April 25, 2013, for the preparation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations.; in particular, the financial statements are fairly presented in accordance therewith.
2. The significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

## **Information Provided**

1. We have provided you with:
  - (a) 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;
  - (b) Additional information that you have requested from us for the purpose of the audit; and
  - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence
2. All transactions have been recorded in the accounting records and are reflected in the financial statements
3. 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. We have assessed this risk as low.
4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - (a) Management;
  - (b) Employees who have significant roles in internal control; or
  - (c) Others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
7. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

## **Accounts Receivable**

1. Accounts receivable are correctly described in the records and represent valid claims as at the year-end against the persons or companies indicated. These accounts are expected to be collected within twelve months.
2. All services rendered prior to the year-end have been recorded as sales of that period.

3. Accounts receivable do not include any amount with respect to goods on consignment to others.
4. Adequate allowance has been made for any losses from uncollectible accounts, costs or expenses that may be incurred with respect to sales made or services rendered prior to the year-end.

### **Temporary and Portfolio Investments**

1. All investments that are owned by the organization are recorded in the accounts.
2. The organization has good title to all investments recorded in the accounts and these investments are free from hypothecation.
3. These investments were measured at their fair market value as at December 31, 2017.
4. All income earned on the investments for the year has been recorded in the accounts.

### **Liabilities and Commitments**

1. At the year end, with the exception of relatively immaterial obligations for which invoices had not been received or which otherwise could not readily be determined or estimated, all known liabilities of the organization are included and fairly stated on the balance sheet.
2. At the year-end there were no contingent liabilities (e.g., discounted receivables or drafts, guarantees, pending or unsettled suits, matters in dispute).
3. The organization has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
4. At the year-end, the organization had no unusual commitments or contractual obligations of any sort that were not in the ordinary course of business or that might have an adverse effect upon the organization.
5. All claims outstanding against the organization or possible claims have been disclosed to you and, where appropriate, reflected in the financial statements or notes thereto.
6. We understand that any illegal or possibly illegal act could damage the organization or its reputation or give rise to a claim or claims against the organization. We are not aware of any violations or possible violations of law or regulations the effects of which should be considered for disclosure in the financial statements or as the basis for recording a contingent loss.

### **Statement of Operations**

1. All of the revenues of the organization for the year has been recorded in the books of account and disclosed in the financial statements.
2. The statement of operations contains no extraordinary or non-recurring items of material amount except as shown thereon.

### **Restrictions**

1. All restrictions on the use of the organization's funds or assets, as well as all requirements or conditions imposed by third parties, have been brought to your attention and are appropriately disclosed in the financial statements. The organization complied with all restrictions, requirements or conditions which, in the event of non-compliance could have a significant effect on the financial statements.
2. All assets subject to a lien, pledged or assigned as security or guarantee for liabilities were brought to your attention and are appropriately disclosed in the financial statements.

### **Corporate Minutes**

The minute books of the organization contain an accurate record of all of the business transacted at meetings of directors and committees of directors up to the date of this letter.

### **Controlled and Related Entities**

The organization does not have relationships with any companies or other not-for profit organizations that involve control, joint control or significant influence nor does the organization have an economic interest in any other not-for-profit organization.

### **Related Party Transactions**

1. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards for government not-for-profit organizations..
2. There have been no exchanges of goods or services with any related parties for which appropriate accounting recognition and financial statement disclosure has not been given.

### **Recognition, Measurement and Disclosure**

1. Significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

2. The organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
3. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

### **Going Concern**

We confirm that we have assessed the entity's ability to continue as a going concern, taking into account all information which is at least twelve months from the year-end date, and we conclude that the entity is able to continue as a going concern for the foreseeable future.

### **General**


1. We are unaware of any frauds or possible frauds having been committed by the organization, its employees or any of its directors and officers and 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.
2. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements.
3. We acknowledge that we are responsible for the implementation and operation of internal controls that are designed to prevent and detect fraud and error.
4. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
6. In the course of your audit of our financial statements for the year ended December 31, 2017, you have recommended certain journal entries and adjustments to our books and records as attached to this letter. We hereby acknowledge that we understand, agree with and approve of the attached journal entries which have been considered necessary to present fairly the financial position and operating results of our organization.

**Events Subsequent to the Year-end**

No facts have been discovered which necessitate material adjustment to the year-end figures.

Yours very truly,

HERITAGE TORONTO

Per   
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Allison Bain, Executive Director

**Heritage Toronto**

Year End: December 31, 2017

Adjustments

Rev. 10/10/01

Date: 2017-01-01 To 2017-12-31

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	2017-12-31	Plaque Program Transfers from Maintenance	4855	PL		9,250.78			
1	2017-12-31	Programs Plaque Expenses Plaque Maintenance	5140	PL			9,250.78		
To adjust overstatement of revenue and expenses in operating fund for plaque costs that have been recorded in maintenance fund.									
2	2017-12-31	Plaque Program Maintenance Fund	4010	PL			14,085.00		
2	2017-12-31	Plaque Program Maintenance Fund	4010	PL		6,003.15			
2	2017-12-31	Plaque Program Transfers - HT Fees	4840	PL		14,085.00			
2	2017-12-31	Programs Plaque Expenses Plaque Markers	5130	PL			6,003.15		
To adjust overstatement of revenue and expenses in operating fund for plaque costs that have been recorded in maintenance fund.									
3	2017-12-31	Deferred Revenue General Plaque Program Sp	2210	HH		7,500.00			
3	2017-12-31	Deferred Revenue Plaque Revenue Reserved I	2310	HH			7,500.00		
To record adjustment for recognition of sponsorship revenue put to deferred plaque fees in error.									
4	2017-12-31	Deferred Revenue Plaque Revenue Reserved I	2310	PL			29,144.59		
4	2017-12-31	Deferred Revenue Plaque Revenue Reserved I	2310	PL		4,081.49			
4	2017-12-31	Plaque Program Transfers - HT Fees	4840	PL			4,081.49		
4	2017-12-31	Plaque Program Transfers - Expenses	4845	PL		29,144.59			
To correct adjustment made to match plaque expenses to revenue									
5	2017-12-31	Deferred Revenue Plaque Revenue Reserved I	2310	HH2		21,105.60			
5	2017-12-31	Plaque Program Transfers - HT Fees	4840	HH2			21,105.60		
To reallocated deferred revenue into income									
6	2017-12-31	Accounts Payable - Other	2120	BB/PL			8,315.20		
6	2017-12-31	Legal & Accounting	5205	BB/PL		8,000.00			
6	2017-12-31	Legal & Accounting	5205	BB/PL		315.20			
To record bookkeeping accrual for fees related to the 2017F audit. (entry provided by client)									
7	2017-12-31	Plaque Program Maintenance Fund	4010	PL/JJ		8,081.85			
7	2017-12-31	Transfer to reserve funds	5470	PL/JJ			8,081.85		
To record transfer between operating fund and plaque maintenance fund as requested by client and to be approved by board of directors.									
						<b>107,567.66</b>	<b>107,567.66</b>		
<b>Net Income (Loss)</b>			<b>59,747.02</b>						

Prepared by	Reviewed by	Reviewed by	Reviewed by
AJ 2018-04-09	SKS 2018-04-17		

# Heritage Toronto

Period ending: December 31, 2017

Summary of unadjusted errors

Rev. 2018-03

Materiality (Sch. 400):

Preliminary overall materiality is \$25,000; Final overall materiality is \$25,000.

All misstatements over \$1,250 are to be recorded on this summary. Misstatements below this threshold are considered trivial. The tax rate used in this schedule is nil%.

Description of Possible Misstatement	WP Ref.	INCOME STATEMENT Overstated or (Understated)			BALANCE SHEET Overstated or (Understated)			F/S Disclosures	Corrected?
		Identified Mis-statement	Likely Aggregate Mis-statement	Likely Aggregate Mis-statement After Tax	Assets	Liabilities	Closing Equity		
Overstatement of membership revenue	<a href="#">PL3</a>	9,711	9,711	9,711		(9,711)	9,711		No
<b>Total</b>			9,711	9,711		(9,711)	9,711		
<b>Effect of Unadjusted Errors From Prior Years</b>			(5,085)	(5,085)					
<b>Aggregate Likely Misstatements</b>			4,626	4,626		(9,711)	9,711		
<b>Further Possible Misstatements</b>									
<b>Maximum Possible Misstatements</b>			4,626	4,626		(9,711)	9,711		
<b>Corrected Misstatements</b>									
<b>Uncorrected Misstatements</b>			4,626	4,626		(9,711)	9,711		
<b>Materiality</b>			25,000	25,000	25,000	25,000	25,000	25,000	
<b>Margin Remaining For Further Possible Misstatements</b>			20,374	20,374	25,000	15,289	15,289	25,000	

Prepared by	Reviewed by	Reviewed by	Reviewed by
AJ 2018-04-09	SKS 2018-04-18	CLC 2018-04-25	

Document is up to date

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