

Re: AU6.9c

# TO Live Audit results for the year ended 2019

For presentation to the Audit Committee  
Prepared as of June 8, 2020



## A message from Michael Hawtin

**I am pleased to provide you with the results of our audit of the financial statements of TO Live (formerly operating as The Board of Directors of the Hummingbird Centre for the Performing Arts) for the year ended December 31, 2019.**

The accompanying report is prepared 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 audit, accounting and financial reporting matters from our audit that we believe would be of greatest interest to the Audit Committee.

We have substantially completed our audit work and will be issuing an unqualified audit opinion on the financial statements, pending resolution of outstanding items noted in this report. Our draft auditor's report is included as Appendix 1.

We look forward to discussing our report with you on June 23, 2020. If you have any questions or concerns prior to the Audit Committee meeting, please do not hesitate to contact me in advance.

Yours very truly,

**(Signed) "PricewaterhouseCoopers LLP"**

**Michael Hawtin**  
Partner  
Assurance



On behalf of our team, I would like to express our sincere gratitude to the management and staff of TO Live for their cooperation and assistance throughout the course of our audit.



Michael Hawtin  
Partner

We are reimagining the possible, investing in our people and our technology to provide you with a digitally amplified and insightful audit.



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## 01 Status of the audit →



We have substantially completed our audit of the 2019 financial statements.

Outstanding items at the time of mailing are referred to in this report.

## 02 Significant audit, accounting and financial reporting matters →

1. Risk of Fraud with respect to revenue recognition
2. Risk of Management of override of controls
3. Other Key Matters for discussion

## 03 Audit findings →

### Misstatements

0 Unadjusted      0 Adjusted

### Control deficiencies

0 Significant deficiencies      0 Material weaknesses

## 04 Other items for discussion →

## 05 Appendices →

## 01

# Status of the audit



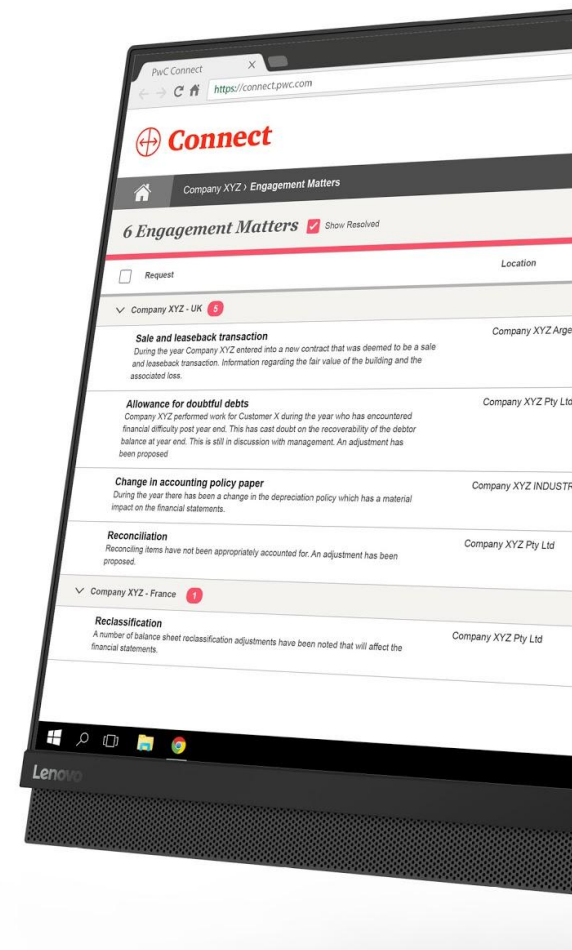
We have substantially completed our audit of the 2019 financial statements.



The following items are outstanding at the time of mailing and need to be addressed before we can issue our auditor's report. We will provide an update on the status of these items at our upcoming meeting:



1. Receipt of signed management representation letter
2. Receipt of legal confirmations
3. Completion of subsequent events procedures
4. Review and approval of the financial statements by the Board of Directors



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Requests

TO Live employees



02

# Significant audit, accounting and financial reporting matters



We are responsible for discussing our views about the significant qualitative aspects of TO Live's accounting practices, including accounting policies, accounting estimates and financial statement disclosures.



## Significant audit, accounting and financial reporting matters

# Audit risks and results

### Risk of fraud with respect to revenue recognition

#### Background information

Canadian Auditing Standards (CAS) assume a rebuttable presumption, that there is a significant risk of fraud in revenue recognition in all organizations. We assessed this risk through the consideration of TO Live's revenue recognition policies, the incentive/pressure and opportunity to fraudulently misstate revenue.

Management recognizes revenue based on separate criteria per revenue stream as outlined in note 2 to the financial statements. Management has also ensured that proper processes are in place to record revenue accurately and in the correct period.

#### PwC's views

- We performed sample based testing over revenue transactions for the year and agreed amounts recorded in the general ledger to supporting documentation including Ticketmaster statements, dates of shows held during the year, point of sale support, confirmations to related parties or other available evidence, to test for proper occurrence, completeness, cut-off and accuracy of the amounts recorded.
- Amounts deferred on the statements of financial position were also tested on a sample basis.
- We also completed journal entry testing using computer assisted auditing techniques to identify and test revenue related journal entries following a risk based approach.

We completed our audit procedures as planned and have no matters to report.



## Significant audit, accounting and financial reporting matters

# Audit risks and results

### Risk of management override of controls

#### Background information

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Canadian Auditing Standards (CAS) require that the risk of material misstatement due to management override of controls be considered a significant risk on every audit engagement.

Management has the following controls and procedures in place to mitigate the risk of fraud from management override of controls:

- Entity level controls and processes are in place such as confidentiality and employment policies.
- Management has also implemented segregation of duties in order to reduce the opportunity of management override of controls.
- There are transactional level controls in place such as review of journal entries prior to posting.

#### PwC's views

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To address the risk of management override of controls, we have completed the following audit procedures:

- We have performed fraud inquiries with TO Live's management and completed journal entry testing using PwC's computer automated software "Halo for Journals" agreeing journal entries to supporting documentation following a risk based approach. As well, we have performed unpredictability procedures by varying the nature and scope of our detailed testing.
- In addition, we have performed testing over accruals, estimates, and other areas involving significant estimation and judgment.

We completed our audit procedures as planned and have no matters to report.

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## Significant audit, accounting and financial reporting matters

# Other key matters for discussion

### Intercompany payable to the City of Toronto

- During the year, the City of Toronto (the City) and the Board engaged in discussions with respect to an amount owing by the Board to the City in the amount of \$3.7 million, which was incurred during the period from 2001 to 2007.
- It was determined that this amount was not supportable. In accordance with City by-laws related to write-offs of inter-agency receivables and payables, a motion was brought forward by City management and approved by City Council in December 2019 to write off this amount owing to the City. This write-off has been reflected in the 2019 financial statements.
- We reviewed the City Council approval for write-off in December 2019 and agree with the accounting treatment and presentation and disclosure of this matter in the financial statements.

### Toronto Live Foundation

- Toronto Live Foundation (the Foundation) was incorporated on November 30, 2018 for the purposes of raising funds and making grants to TO Live and all activities ancillary thereto, and is a registered charity under the Income Tax Act. Per the Memorandum of Understanding (MOU) between the Toronto Live Foundation and TO Live, the Foundation is to operate as independent entity, securing philanthropic donations to help fund TO Live's operating and capital expenses.
- During the year, TO Live provided a grant in the amount of \$2.3 million to the Foundation pursuant to the terms of grant agreement.
- We note that TO Live has disclosed the relationship with the Foundation and the key financial activities of the Foundation as required under Public Sector Accounting Standards.





## Significant audit, accounting and financial reporting matters

# Other key matters for discussion

### Legal claim

- In the prior year, the City and the Board of Directors of Sony Centre (i.e. now operating as TO Live) received a claim from Ferncastle (developer of the L Tower development sitting on top of Meridian Hall) in the amount of \$9.7 million for damages resulting from breach of contract arising from the redevelopment of the Sony Centre (now Meridian Hall).
- The claim is proceeding to arbitration. The City and the Board are being jointly defended by lawyers from the Legal Services Division of the City. Defence counsel advise that the claim is in the early stages of discovery. The outcome of the claim is not determinable at this time. No amounts have been accrued in relation to this claim at year-end.
- We discussed the status of the claim with management and the City solicitor and note the status of the matter is also supported by a response we received from external legal counsel.



# 03

## Audit findings



We are required to communicate any unadjusted and adjusted items, including disclosures and items that relate to prior periods or could impact future periods, and the effect that they may have on our opinion.



## Audit findings

# Summary of unadjusted and adjusted items

Our responsibility is to issue an opinion as to whether the financial statements are free of material misstatement.

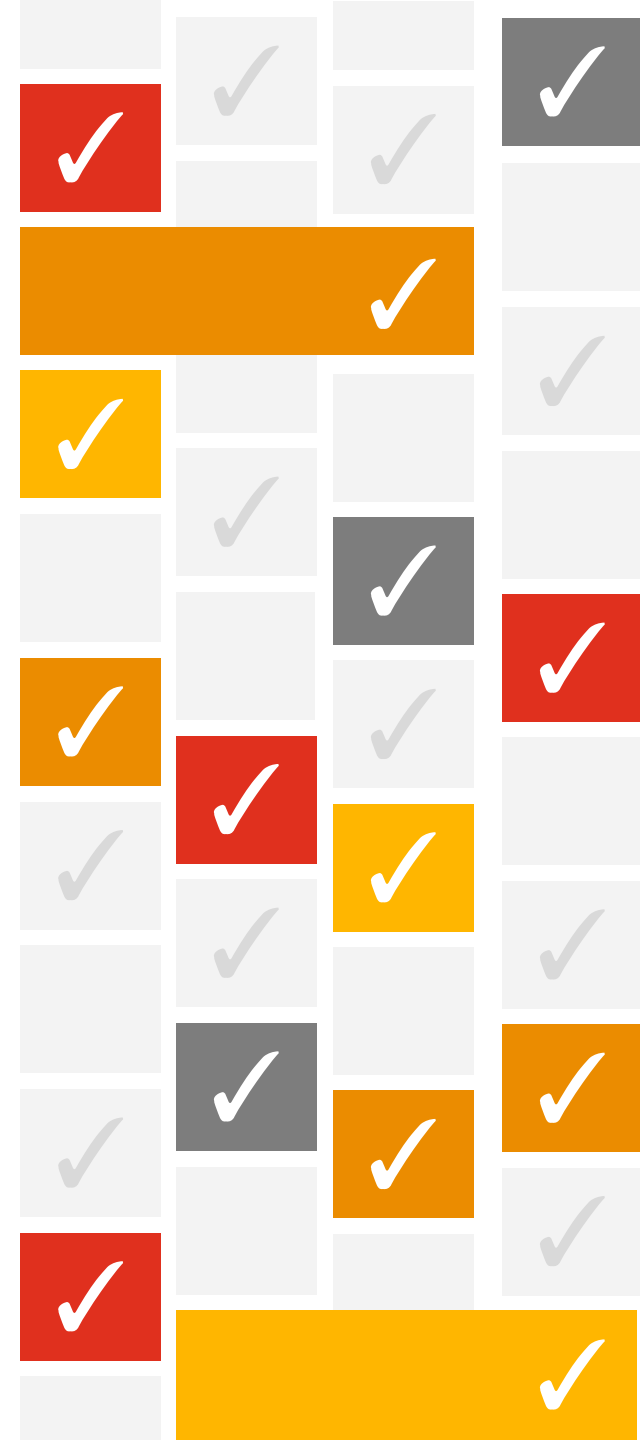
The materiality levels used for the purposes of the audit is \$1,168,000.

## Unadjusted items

We did not identify any items that remain unadjusted in the financial statements.

## Adjusted items

We did not identify any items that were communicated to management and subsequently corrected in the financial statements.





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## Other items for discussion



Working in harmony with you, we combine our judgment and experience to communicate matters that may assist you in overseeing both management's financial reporting process and our commitment to an effective audit.



Other items for discussion

# Required communications

<b>Draft auditor's report</b>	The draft auditor's report is included in Appendix 1.
<b>Management's representations</b>	<p>We are required to inform you of the representations we are requesting from management. A copy of the management representation letter is included in Appendix 2.</p> <p>We requested our standard representations.</p>
<b>Significant deficiencies in internal control</b>	We have no significant internal control recommendations to report.
<b>Fraud and illegal acts</b>	<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.</p> <p>We would like to reconfirm that the Audit Committee is not aware of any such fraud or illegal acts not previously discussed with us.</p>
<b>Subsequent events</b>	<p>No subsequent events which would impact the financial statements other than those disclosed have come to our attention.</p> <p>We note that subsequent event disclosure has been included in the financial statements related to the impacts of COVID-19.</p> <p>We would like to confirm that the Audit Committee is not aware of any other subsequent events that might affect the financial statements.</p>





## Other items for discussion

# PwC Canada's response to COVID-19

One of our core values is care. This means personally caring about each and every person who works for our organization, our clients, and is part of our communities. The health and safety of all these individuals, and their families, is our number one priority. Therefore, a component of our business continuity efforts is around pandemic planning. We believe pandemic planning and response efforts are a continuous cycle of information sharing and teaming with experts to help prevent, contain and recover from infectious diseases and viruses impacting our people and our clients.

While this coronavirus presents new challenges, PwC's approach to managing external risks remains the same — including our commitment to the safety of our people and having an open dialogue with internal and external stakeholders.

PwC has a well established Business Continuity and Disaster Recovery plan which includes pandemic planning to ensure that the firm can respond and operate within a range of scenarios. With regards to COVID-19, PwC has taken the necessary steps including implementing travel restrictions and equipping our staff with the tools they need to work remotely to continue to assist you in this challenging time.

Our technology enabled approach allows us to continue to deliver our services seamlessly:

- Our teams are working remotely and have the technology needed to do so. We also have the ability to conduct essential meetings with management and Audit Committees via voice/video conferencing and expect no disruption in this regard.
- We will stay connected with local management and be responsive to changes, particularly in terms of your policies and working practices.
- We have digital tools, like Connect, DocuSign and Google Visitor Sharing, to electronically administer the secure sharing of supporting documentation and deliverables between PwC and you.
- Our National office is evaluating the most effective way to address remote work options for procedures ordinarily conducted in person. We will work with management to complete these procedures safely and consistently with the policies instituted by both of our institutions.

We appreciate the potentially significant challenges this may have on your people, your operations and results. We are committed and prepared to support you and ensure continuity of our services during this difficult time.



Use PwC's COVID-19 Navigator tool to assess the potential impact to your business and gauge your readiness to respond.

<https://www.pwc.com/ca/en/covid-19/response-navigator.html>



# Appendices

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- 1 Draft auditor's report
- 2 Management representation letter



## Appendix 1

# Draft auditor's report





## *Independent auditor's report*

To the Board of Directors of TO Live

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### *Our opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TO Live (the Entity) as at December 31, 2019 and the results of its operations, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **What we have audited**

The Entity's financial statements comprise:

- the statement of financial position as at December 31, 2019;
- the statement of operations and changes in net assets (deficit) for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### *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 Entity 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.

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### *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.

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*PricewaterhouseCoopers LLP*  
*PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2*  
*T: +1 416 863 1133, F: +1 416 365 8215*

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



In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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### *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 Entity'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 Entity'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 Entity 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.

(to be signed - PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.)

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
June @@, 2020

DRAFT



## Appendix 2

# Management representation letter

[CLIENT LETTERHEAD]

June @@, 2020

Mr. Michael Hawtin  
PricewaterhouseCoopers LLP  
PwC Tower  
18 York Street, Suite 2600  
Toronto ON M5J 0B2

Dear Mr. Hawtin:

We are providing this letter in connection with your audit of the financial statements of TO Live (formerly operating as The Board of Directors of the Hummingbird Centre for the Performing Arts) (TO Live) as at December 31, 2019 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 of TO Live, results of its operations, its remeasurement gains and losses and its cash flows in accordance with Canadian public sector accounting standards (the financial statements).

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 18, 2015.

We confirm the following representations:

- the preparation and fair presentation of the financial statements are in accordance with Canadian public sector accounting standards including disclosures;
- we designed, implemented and maintained 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;
- we designed, implemented and maintained an effective system of internal control to prevent and detect fraud;
- we provided you with all relevant information and access, as agreed in the terms of the audit engagement; and
- we ensured all transactions have been recorded in the accounting records and are reflected in the financial statements.

**Preparation of financial statements**

The financial statements are fairly presented in accordance with Canadian public sector accounting standards, and include all disclosures necessary for such fair presentation and disclosures otherwise required to be included therein by the laws and regulations to which TO Live is subject. We have prepared TO Live's financial statements on the basis that TO Live is able to continue as a going concern.

We have appropriately reconciled our books and records (e.g. general ledger accounts) underlying the financial statements to their related supporting information (e.g. subledger 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. All intra-entity and inter-entity accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.

### **Other information**

We confirm to you that we are not required by law, regulation or custom and do not intend to issue a document (which would include or accompany the financial statements and our auditor's report thereon) with information on TO Live's operations and TO Live's financial results and financial position as set out in the financial statements.

### **Accounting policies**

We confirm that we have reviewed TO Live'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 TO Live's particular circumstances.

We are eligible to and have selected to apply the standards for government not-for-profit organizations in the CPA Canada Public Sector Accounting Handbook Sections PS 4200 to PS 4270.

### **Internal control over financial reporting**

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 of.

### **Minutes**

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

### **Completeness of transactions**

All contractual arrangements entered into by TO Live 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. TO Live has 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 TO Live 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 TO Live's financial statements communicated by employees, former employees, analysts, regulators, investors 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 shareholders, management, directors and committees of directors;
- additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to persons within TO Live from whom you determined it necessary to obtain audit evidence.

### **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 any known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.

### **Accounting estimates and fair value measurements**

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

### **Related parties**

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

The identity and relationship of, and balances and transactions with, related parties have been properly recorded and adequately disclosed in the financial statements as required by the CPA Canada Public Sector Accounting Handbook Section PS 2200, *Related Party Disclosures*. We provided support for any assertion that a transaction with a related party was conducted on terms equivalent to those prevailing in an arm's length transaction.

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

### **Going concern**

There are no events or conditions that, individually or collectively, may cast significant doubt on TO Live's ability to continue as a 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 TO Live's assets and assets pledged as collateral, to the extent material, have been disclosed in notes to 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 TO Live 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 as at December 31, 2019 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**

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.

We confirm there are no uncorrected misstatements in the financial statements.

### **Events after balance sheet date**

We have identified all events that occurred between December 31, 2019 and the date of this letter that may require adjustment of, or disclosure in, the financial statements, and have effected such adjustment or disclosure.

**For the following specific representations, the terms "year-end" and "year" are defined as each year-end and each year respectively, covered by the audit of the financial statements as stated above.**

### **Cash and banks**

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

All cash balances are under the control of TO Live, 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 TO Live.

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 TO Live are included in the financial statements.

### **Statements of operations, changes in net assets and remeasurement gains and losses**

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



All amounts have been appropriately classified within the statements of operations, changes in net assets and remeasurement gains and losses.

Any changes to internal fund restrictions that are reflected in the financial statements, but not yet approved by the Board of Directors will be approved prior to the Board of Directors approving the financial statements.

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

#### **Accounts receivable**

All amounts receivable by TO Live were recorded in the books and records.

All contributions receivable that are recorded in the balance sheet are reasonably assured of collection and we have made you aware of all relevant facts and circumstances in making this determination. Recognized contributions receivable do not include any bequests.

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.

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

#### **Credit risk**

The following information about each class of financial asset, both recognized and unrecognized, has been properly disclosed in the financial statements:

- amount of the maximum credit risk exposure without regard to collateral; and
- significant connections of credit.

#### **HST – input tax credits**

TO Live is subject to HST and has appropriately computed the input tax credits (ITC) receivable on the payment on HST on purchases throughout the year. The 'net tax method for charities' has been used to compute tax credits and the related receivable in the financial statements is complete and accurate.

#### **Funds of TO Live held at the City of Toronto**

TO Live has various funds, as disclosed in note 3 of the financial statements, with the city of Toronto. We confirm that the transactions and balances disclosed are complete and accurate and all amounts have been agreed to and confirmed with the City of Toronto.

#### **Financial instruments**

TO Live has decided to apply PS 3450 for financial instruments. All financial instruments have been appropriately recognized under PS3450 and all disclosures made are appropriate.

#### **Deferred revenue and deferred contributions**

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

#### **Capital assets**

All charges to capital asset accounts represented the actual cost of additions or the fair value at the date of contribution.

All contributed tangible capital assets have been recorded at fair value at the date of the contribution.

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 TO Live 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 TO Live have been disclosed to you and classified in accordance with the 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 capital asset no longer contributes to TO Live's ability to provide goods and services.

**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.

TO Live does not plan to make frequent amendments to the pension or other post-retirement benefit plans.

Yours truly,

**TO Live (formerly operating as The Board of Directors of the Hummingbird Centre for the Performing Arts)**

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Clyde Wagner, President and Chief Executive Officer

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William Milne, Vice President of Finance & Administration

## **Appendix A**

### **Board Members**

- Paul Bernards
- Gary Crawford
- John Fillion
- Paula Fletcher
- Robert J. Foster
- Kevin Garland
- Steven Levitan
- Cynthia Lickers-Sage
- Gabriel Michaan
- Kathleen Sharpe
- Charles C. Smith
- Gillian Smith
- Kerry Swanson

### **Senior Management**

- Clyde Wagner, President and CEO
- Madeleine Skoggard, Director of Programming
- William Milne, VP of Finance and Administration
- Mary Ann Farrell, VP of Marketing & Communications
- Matthew Farrell, VP of Operations
- Sandra Bellisario, VP of Development
- Kristopher Dell, Director of Production

### **Entities:**

- Toronto Live Foundation

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



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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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