Exhibition Place

June 24, 2020

PricewaterhouseCoopers LLP
PwC Tower
18 York Street, Suite 2600
Toronto, Ontario
M5J 0B2

We are providing this letter in connection with your audit of the financial statements of Board of Governors of Exhibition Place (the Board) 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 the Board, 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 November 30, 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 the Board is subject. We have prepared the Board's financial statements on the basis that the Board 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 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 the Board's operations and the Board's financial results and financial position as set out in the financial statements.

Accounting policies
We confirm that we have reviewed the Board'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 the Board's particular circumstances.

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

Internal control over financial reporting
We have designed disclosure controls and procedures to ensure material information relating to the Board is made known to us by others.

We have designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with Canadian public sector accounting standards.

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.

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

Completeness of transactions
All contractual arrangements entered into by the Board 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. the Board 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 the Board 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 the Board's financial statements communicated by employees, former employees 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 management, directors and committees of directors. The most recent meetings held were held on February 11, 2020;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.

We have no knowledge of any allegations of fraud or suspected fraud affecting the Board received in communications from employees, former employees or others.

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 the Board 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 the Board'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 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 the Board's related parties as defined by 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 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 the Board'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 the Board'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 the Board's assets and assets pledged as collateral, to the extent material, have been disclosed in 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 the Board is contingently liable in accordance with 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.

The effects of the uncorrected misstatements in the financial statements, as summarized in Appendix B, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We confirm that we are not aware of any uncorrected misstatements other than those included in Appendix B.

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 the Board.

All cash balances are under the control of the Board, 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 the Board.

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 the Board are included in the financial statements.

Statements of operations, changes in net debt

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

All amounts have been appropriately classified within the statements of operations and net debt (or statement of net financial assets).

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 the Board 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 the Board, except as hereunder stated.

Tangible capital assets (including energy retrofit assets and building improvements)

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 the Board 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 the Board have been disclosed to you and classified in accordance with CPA Canada Public Sector Accounting Handbook Guideline PSG-02, *Leased Tangible Capital Assets*.

There have been no events, conditions or changes in circumstances that indicate that a capital asset no longer contributes to the Board's ability to provide goods and services.

Long-term debt

All borrowings and financial obligations of the Board of which we are aware are included in the financial statements as at year end, as appropriate. We have fully disclosed to you all borrowing arrangements of which we are aware.

The Board has appropriately classified as current and non-current its loans with the City of Toronto, Federation of Canadian Municipalities and Toronto Atmospheric Fund in the Board's classified balance sheet as at year end in accordance with the appropriate authoritative guidance. In evaluating the appropriate classification of its borrowings, the Board considered all relevant facts and circumstances, for example, contractual terms, the existence of call options, subjective acceleration clauses, material adverse changes clauses, lock-box arrangements, covenant violations, renewal features, conversion features, redemption features and ability and intent to refinance.

The Board has not violated any covenants on loans with the City of Toronto, Federation of Canadian Municipalities and Toronto Atmospheric Fund during any of the periods reported. We have fully disclosed to you all covenants and information related to how we determined our compliance with the terms of the covenants.

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

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.

The details of all pension plan amendments since December 31, 2019, the date of the last actuarial valuation, have been identified to you.

The actuarial assumptions and methods used to measure liabilities and costs for financial accounting purposes for pension and other post-retirement benefits are appropriate in the circumstances.

The Board's actuaries have been provided with all information required to complete their valuation as at December 31, 2019.

The employee future benefit costs, assets and obligations have been determined, accounted for and disclosed in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3250, *Retirement Benefits* and CPA Canada Public Sector Accounting Handbook Section PS 3255, *Post-employment Benefits, Compensated Absences and Termination Benefits*. In particular:

- The significant accounting policies that the Board has adopted in applying CPA Canada Public Sector Accounting Handbook Section PS 3250, *Retirement Benefits*, and CPA Canada Public Sector Accounting Handbook Section PS 3255, *Post-employment Benefits, Compensated Absences and Termination Benefits*, are accurately and completely disclosed in the notes to the financial statements. Each of the best estimate assumptions used reflects management's judgment of the most likely outcomes of future events.
- The best estimate assumptions used are, as a whole, internally consistent, and consistent with the asset valuation method adopted.
- The discount rate used to determine the accrued benefit obligation was determined by reference to using assumptions that are internally consistent with other actuarial assumptions used in the calculation of the accrued benefit obligation and plan assets.
- The assumptions included in the actuarial valuation are those that management instructed Morneau Shepell to use in computing amounts to be used by management in determining pension costs and obligations and in making required disclosures in the above-named financial statements, in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3250, *Retirement Benefits*.

In arriving at these assumptions, management has obtained the advice of Morneau Shepell, but has retained the final responsibility for the assumptions.

The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.

Liabilities for contaminated sites
Liabilities for remediation of contaminated sites were recognized and accounted for in accordance with CPA Canada Public Sector Accounting Handbook Section PS 3260, *Liability for Contaminated Sites*. We believe that such an estimate is reasonable based on available information and that the liabilities have been adequately described in the Board's financial statements.

Participation rent
For tenants where the Board is entitled to a participation rent based on revenues or other financial data provided by the tenant, we have obtained the audited financial information to verify the calculation of revenue earned from participation rent. In circumstances where audited financial information has not been provided, we have waived our right to the audited financial information and have accepted the data provided by the tenant in calculating the percentage rent earned.

Government transfers
We have disclosed all significant terms and agreements in respect of transfers received from governments.

Transfers without eligibility criteria or stipulations have been recognized as revenue once the transfer has been authorized.

Transfers with eligibility criteria but without stipulations have been recognized as revenue once the transfer has been authorized and all eligibility criteria have been met.

Transfers with or without eligibility criteria but with stipulations have been recognized as revenue in the year the transfer has been authorized and all eligibility criteria have been met, except when, and to the extent that, the transfer gives rise to an obligation that meets the definition of a liability for the recipient government in accordance with CPA Canada Public Sector Accounting Handbook PS 3200, Liabilities.

The major kinds of transfers recognized have all been disclosed in the financial statements as well as the nature and terms of liabilities arising from government transfers received.

Budgetary Data
We have included budgetary data in our financial statements, which is relevant to the users of financial statements and consistent with that originally planned and approved by Toronto City Council. Planned results were presented for the same scope of activities and on a basis consistent with that used for actual results.

Yours truly,

Board of Governors of Exhibition Place

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Hardat Persaud, Chief Financial Officer and Corporate Secretary

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Steven Nushis, Director Accounting Services

Appendix A: Related parties

- City of Toronto (the City)
- The Board is related to the City and its agencies, boards and commissions in terms of the City's ability to affect the operating, investing and financing policies of these entities. The Board enters into transactions with these related parties in the normal course of business at the agreed on exchange amount.

- Board Members*:
  - Councillor Mark Grimes – Chair
  - Councillor Stephen Holyday – Vice Chair
  - Councillor Joe Cressy
  - Councillor Jim Karygiannis
  - Peter Leon
  - Howard Lichtman
  - Paula Oliveira
  - Councillor Anthony Perruzza
  - Tess Romain
- Senior Management*:
  - Don Boyle, Chief Executive Officer
  - Hardat Persaud – Chief Financial Officer and Corporate Secretary
  - Steven Nushis — Director Accounting Services

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

- Agencies and Corporations:
  - Toronto Zoo
  - Toronto Board of Health
  - Board of Management of the Toronto Zoo
  - Toronto Community Housing Corporation (TCHC)
  - Build Toronto Inc. (BTI)
  - Toronto Licensing Commission
  - Casa Loma Corporation
  - Toronto Pan Am Sports Centre Inc. (TPASC)
  - Heritage Toronto
  - Invest Toronto Inc.
  - Toronto Police Services Board

- Lakeshore Arena Corporation
- Toronto Public Library Board
- Toronto Transit Commission (TTC)
- Toronto Waterfront Revitalization Corporation (TWRC)
- Yonge-Dundas Square
- Toronto Atmospheric Fund (TAF)
- Civic Theatres Toronto

• Government Business Enterprises:
  - Toronto Parking Authority
  - Toronto Hydro Corporation
  - City of Toronto Economic Development Corporation
  - Toronto Port Lands (TPLC)

• Arenas:
  - Forest Hill Memorial
  - Moss Park
  - George Bell
  - North Toronto Memorial
  - Leaside Memorial Community Gardens
  - McCormick Playground
  - Ted Reeve Community
  - William H. Bolton

• Community Centres:
  - 519 Church Street
  - Eastview Neighbourhood
  - Applegrove
  - Waterfront Neighbourhood
  - Cecil Street
  - Ralph Thornton
  - Central Eglinton
  - Scadding Court
  - Community Centre 55
  - Swansea Town Hall

• Business Improvement Areas (BIA):
  - Albion Islington Square
  - Forest Hill Village

- Riverside District
- Baby Point Gates
- Gerrard India Bazaar
- Roncesvalles Village
- Bayview Leaside
- Greektown on the Danforth
- Rosedale Main Street
- Bloor Annex
- Harbord Street
- Sheppard East Village
- Bloor By The Park
- Hillcrest Village
- shoptheQueensway.com
- Bloor Street
- Historic Queen East
- St. Clair Gardens
- Bloor West Village
- Junction Gardens
- St. Lawrence Market
- Bloor Yorkville
- Kennedy Road Neighbourhood
- Bloorcourt Village
- Kensington Market
- The Beach
- Bloordale Village
- Korea Town
- The Danforth
- Cabbagetown
- Lakeshore Village
- The Eglinton Way
- Chinatown
- Leslieville
- The Kingsway
- Church Wellesley Village
- Liberty Village
- The Waterfront

- City Place & Fort York
- Little Italy
- Toronto Entertainment
- College Promenade
- Little Portugal District
- College West
- Corso Italia
- Long Branch
- Marketo District
- Trinity Bellwoods
- Upper Village
- Crossroads of the Danforth
- Midtown Yonge
- Uptown Yonge
- Danforth Mosaic
- Mimico by the Lake
- Village of Islington
- Danforth Village
- Mimico Village
- West Queen West
- Dovercourt Village
- Mirvish Village
- Weston Village
- Downtown Yonge
- Mount Dennis
- Wexford Heights
- DuKe Heights
- Mount Pleasant
- Wilson Village
- Dundas West
- Oakwood Village
- Wychwood Heights
- Dupont by the Castle
- Ossington Avenue
- Yonge Lawrence Village
- Eglinton Hill

- Pape Village
- York Eglinton
- Emery Village
- Parkdale Village
- Fairbank Village
- Financial District
- Queen Street West
- Regal Heights Village

Appendix B: Summary of unadjusted misstatements

Unadjusted item

The materiality levels (as previously communicated to you) were $187,000. As a result of our audit, we noted the following item with an impact on the balance sheet as at December 31, 2019.

Description		*Assets* *$*	*Liabilities* *$*	*Net assets* *$*	*Excess of revenue over expenditures* *$*
Reclass of accrual regarding monies received to renovate premises to deferred revenues	Dr. Accruals, provisions and other liabilities		300,000		
	Cr. Deferred and unearned revenue		(300,000)		
Total		**-**	**-**	**-**	**-**