



Board of Governors of Exhibition Place

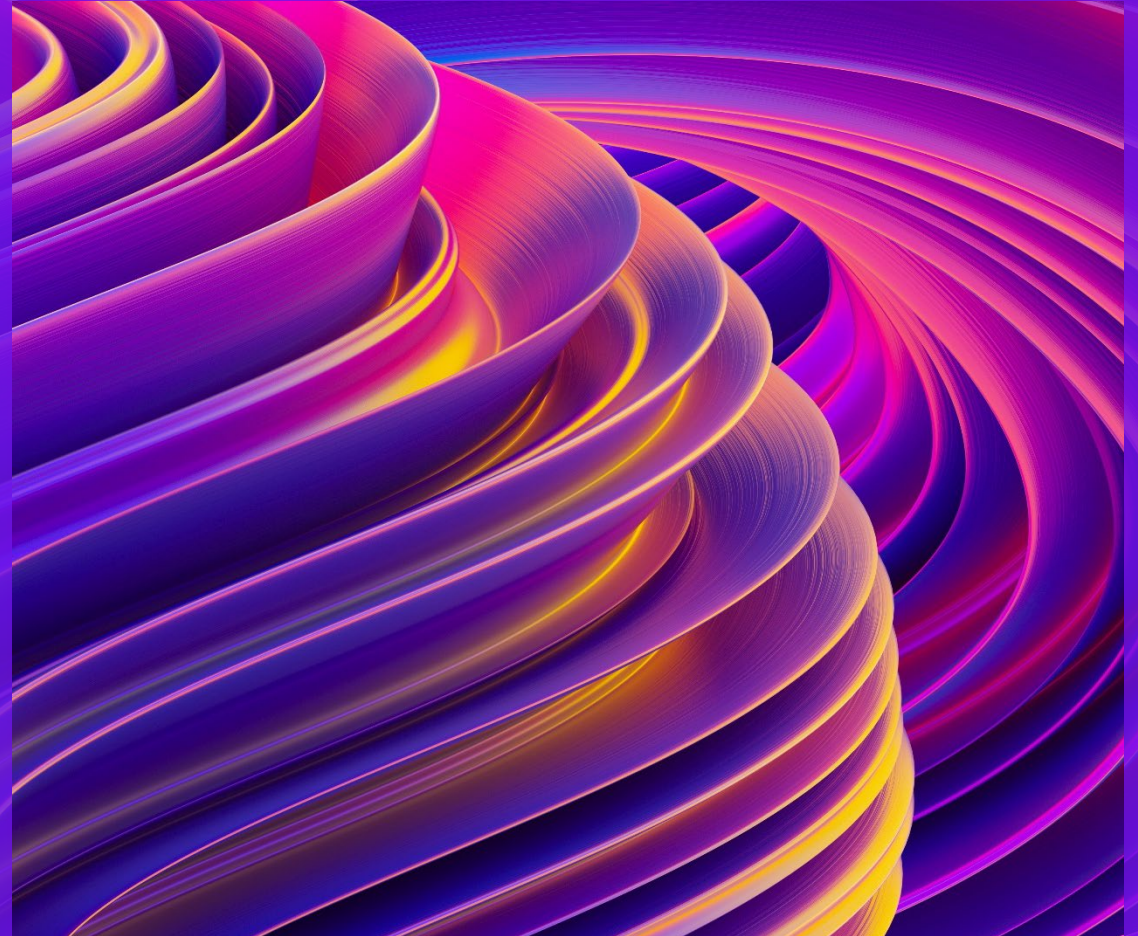
(A Board controlled by the City of Toronto)

**Audit Findings Report
for the year ended
December 31, 2025**

KPMG LLP

Prepared as of April 20, 2026

kpmg.ca/audit



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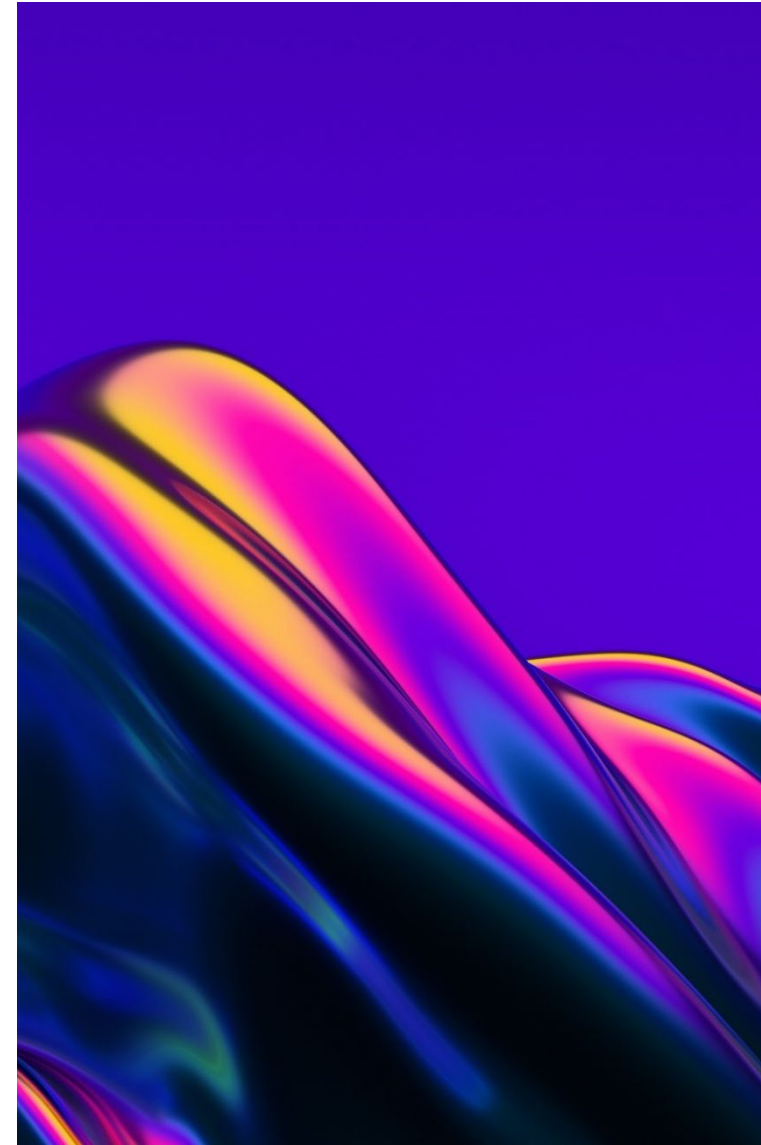


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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



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Audit highlights



No matters to report



Matters to report – see link for details

Status

We have completed the audit of the financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.



Risks and results & Significant unusual transactions



Management Override of Controls



Other risks of material misstatement



- Valuation of Accounts Receivable
- Employee Future Benefits
- Contingent Liabilities



Going concern matters



Significant unusual transactions

Policies and practices & Specific topics



Accounting policies and practices



Other financial reporting matters



Specific topics

Misstatements uncorrected



Uncorrected misstatements



- Refer to slide 13 for the impact to the financial statements

Misstatements Corrected



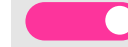
Corrected misstatements

Control deficiencies



Significant deficiencies

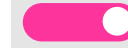
Audit Quality



Learn more about how we deliver audit quality.



Independence



Annual Statement of Compliance



Status

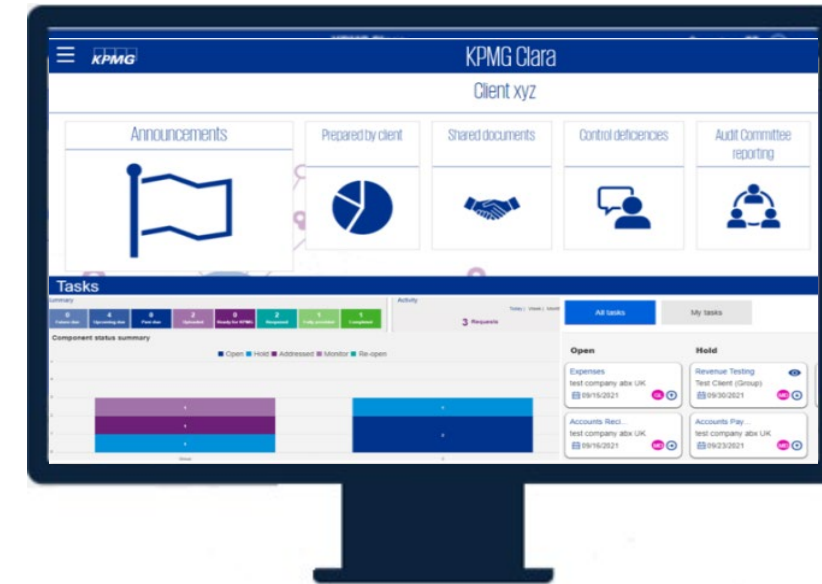
As the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Board of Governors
- Obtaining evidence of the Board of Governors' approval of the financial statements
- Completing subsequent events review, including legal updates, up to the date of approval of the financial statements
- Obtaining a signed management representation letter (to be signed upon financial statement approval to coincide with the audit report date);

We will update the Board, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in Appendix: Draft Auditor's Report (provided under separate cover).

KPMG Clara for Clients (KCc)



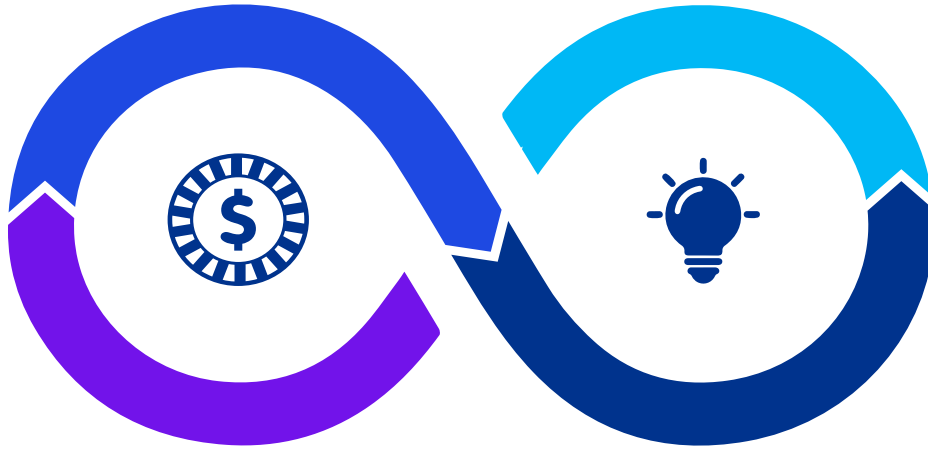
Real time collaboration and transparency

We leveraged **KCc** to facilitate real time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCc to coordinate requests with management.



Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgment**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

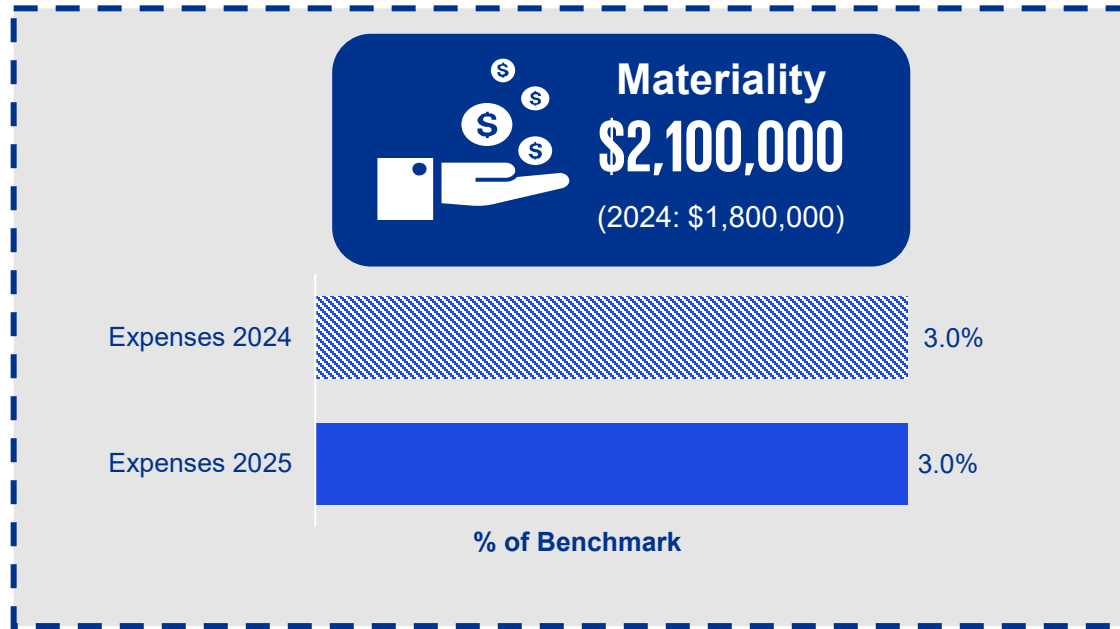
We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.

Initial materiality



Benchmark: Total Preliminary Expenses
\$71 million
(2024 : \$62 million)

Audit Misstatement Posting Treshold
\$105,000
(2024 : \$90,000)

Significant risks and results

We highlight our significant findings in respect of **significant risks**.



Presumption of the risk of fraud resulting from management override of controls

RISK OF

FRAUD

Significant risk

Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

Our response

As this risk is not rebuttable, our audit methodology incorporated the required procedures in professional standards to address this risk. These procedures included the testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions.

To test journal entries, we utilized Data & Analytics ("D&A") to enhance the quality and effectiveness of the audit:

- Evaluated the completeness of the journal entry population through a roll-forward of all accounts;
- Analyzed journal entries and determined sub-populations for more focused and risk-based testing;
- Applied certain criteria to sub-populations to identify potential high-risk journal entries to verify if they were supported by proper documentation and followed the journal entry initiation and approval controls and processes in place.
- Additionally, we incorporated an element of unpredictability whereby we perform an unpredictable procedure, or make changes to a standard procedure, to address the potential risk of fraud and management override.

Our findings

- We found that management's process for identifying accounting estimates is appropriate.
- We did not identify any issues through our roll-forward procedures.
- We did not identify any issues with journal entries meeting high-risk criteria.
- We did not identify any significant unusual transactions or any specific additional risks of management override during our audit.
- We did not identify any issues after completing our element of unpredictability.

Other risks of material misstatement and results



Valuation of Accounts Receivable

RISK OF

ERROR

Other risk of material misstatement

Estimate?

Accounts receivable are required to be recorded at their expected realizable value in accordance with Public Sector Accounting Standards (PSAS).

No

Our response

- Obtaining management's analysis of collectability of receivable balances and obtaining corroborative evidence of collectability for amounts not provided for.
- Performing a retrospective review of the estimate for doubtful accounts.
- Sending direct accounts receivable confirmations to customers to confirm the receivable balance as at year-end.

Our findings

- Trade receivables at year-end 2025 are \$8.3M (2024 - \$6.3M).
- The allowance of doubtful accounts increased by \$1,009K from 2024 (2024 – increase by \$747K).
- Management completed a detailed assessment by customer, with consideration of the age of the receivable.
- As this is an area of estimate, we evaluated management's analysis and concur with management's assessment.
- Through our testing we noted amounts included in deferred revenue where payment has yet to be received as of December 31, 2025, in the amount of \$758K. KPMG proposed adjustment which was uncorrected by management. Refer to management representation letter and slide 13.

Other risks of material misstatement and results

Employee Future Benefits (EFB)

RISK OF ERROR

Other risk of material misstatement	Estimate?
Management is required to disclose information in the financial statements about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities within the next financial year.	Yes, there is estimation uncertainty due to assumptions used by the actuary to calculate the liability for employee future benefits.
Our response	
• Reliance on actuaries (management specialist) engaged by the City; obtaining an understanding of the activities over the quality of information used, the assumptions made, the qualifications, competence and objectivity of the preparer of the estimate, and the historical accuracy of the estimates. • Assessing the method, data, and assumptions used by the actuary and management in the calculation of the EFB liability for reasonableness. • Communicating with actuaries and testing the HR data provided to the actuaries. • Utilizing KPMG specialists (KPMG Life & Pensions Actuarial Practice), we reviewed and evaluated the assumptions used in the actuarial reports. • Assessing the disclosures in the financial statements in accordance with the requirements of PSAS.	
Our findings	

- On behalf of Exhibition Place, the City engaged an external actuarial consultant (the “Actuary”) to undertake a valuation of the City’s non-pension retirement benefits and accumulated sick leave liability as at December 31, 2025. A valuation was performed to determine the liability as reported in the 2025 financial statements. Discount rates ranging from 3.4% to 4.5% (2024 – 3.5% to 4.3%) were used for the determination of the liability.
- The employee future benefits liability as at December 31, 2025 is described in note 6 to the financial statements.
- Based on our review of the Actuary’s report, we noted that the method applied for the estimate is acceptable per CIA and PSAS 3250 Retirement Benefits.
- We engaged KPMG Actuarial Specialists to assess the reasonableness of the key assumptions used in the valuation.
- We note that the discount rate used by the Actuary is a key assumption. We evaluated the discount rate used against the discount rate curve issued by different reliable sources including CIA, FIERA and KPMG LLP. Based on this evaluation, we conclude that the discount rate used is reasonable.
- The disclosures included in the financial statements are in accordance with the requirements of PSAS.
- We did not note any issues related to the calculation of Exhibition Place’s non-pension retirement benefits and accumulated sick leave liability as at December 31, 2025.

Other risks of material misstatement and results



Contingent Liabilities

RISK OF

ERROR

Other risk of material misstatement

PSAS 3300 Contingent Liabilities requires that Exhibition Place recognize a liability when it is likely that a future event will confirm that a liability has been incurred at the date of the financial statements; and the amount can be reasonably estimated.

Estimate?

Estimation uncertainty exists related to the likelihood and measurement of the contingent liability. However, this estimation uncertainty does not result in a risk of material misstatement.

Our response

- Obtained a listing of active litigation and potential claims from management and reviewed management's assessments of each matter and the process employed to develop and record the related estimated liabilities.
- Obtained legal confirmations from City legal and external counsel and evaluated the assessments made by management on the advice of legal counsel on the pending legal matters in terms of determination of likelihood and measurability.
- Reviewed Board meeting minutes to determine the completeness of contingencies and held discussions thereon with management.

Our findings

- At any point in time, Exhibition Place is subject to a number of employment grievances and other matters which could potentially result in the determination of a contingent liability as defined above, including, but not limited to matters such as legal claims, etc.
- Based on the audit work performed, we are satisfied that the method, data, and assumptions used by management are reasonable and consistent with industry norms, and there are no issues to report.

Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
Illegal acts, including noncompliance with laws and regulations, or fraud (identified or suspected)	No matters to report
Other information in documents containing the audited financial statements	No matters to report
Significant difficulties encountered during the audit	No matters to report
Difficult or contentious matters for which the auditor consulted	No matters to report
Management's consultation with other accountants	No matters to report
Disagreements with management	No matters to report
Related parties	Related Party balances and transactions are disclosed in note 2 of the financial statements.
Significant issues in connection with our appointment or retention	No matters to report
Other matters that are relevant matters of governance interest	No matters to report

Uncorrected misstatements

Uncorrected misstatements include financial presentation and disclosure omissions. As required by professional standards, we request these misstatements be corrected.



Impact of uncorrected misstatements – Not material to the financial statements

- The management representation letter includes the Summary of Uncorrected Misstatements, which discloses the impact of all uncorrected misstatements considered to be other than clearly trivial
- Based on both qualitative and quantitative considerations, management have decided not to correct certain misstatements and represented to us that the misstatements —individually and in the aggregate—are, in their judgment, not material to the financial statements. This management representation is included in the management representation letter.
- We concur with management's representation that the uncorrected misstatements are not material to the financial statements. Accordingly, the uncorrected misstatements have no effect on our auditor's report.
- Discussion about the uncorrected misstatements or matters underlying the uncorrected misstatements (e.g. control deficiencies) could potentially cause future-period financial statements to be materially misstated.

Below is a summary of the impact of the uncorrected misstatements:

Surplus (deficit)	(in \$'000s)	Total assets	(in \$'000s)
As currently presented	\$2,044,255	As currently presented	\$43,351,552
Uncorrected misstatements	\$189,190	Uncorrected misstatements	\$(758,529)
As a % of the balance	9.25%	As a % of the balance	(1.7)%



Control deficiencies

Consideration of internal control over financial reporting (ICFR)



In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting



A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting



A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.



Our commitment to delivering audit quality

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

Businesses are integrating technology in ways once unimaginable. Geopolitical changes and inflationary pressures continue to drive uncertainty, and businesses need to take action to respond to societal threats like climate change.

The pace and scale of change only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG.

Through sustained innovation, we aim to consistently deliver superior audit quality. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to our system of quality management to drive audit and assurance quality, enabling us to meet the requirements of the International Standard on Quality Management 1 (ISQM 1).
- We are utilising powerful technologies on audit and assurance engagements, including artificial intelligence, and leveraging our alliances with technology leaders such as Microsoft to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigour, quality, consistency and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, across the global organization we have deployed an assurance methodology, KPMG Clara workflow and learning tools to upskill and build teams to provide assurance on ESG reporting that helps our clients build a more sustainable future.

We encourage you to read our Transparency Report to learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:



[KPMG Canada Transparency Report](#)

How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.



'Perform quality engagements' sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.



Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.

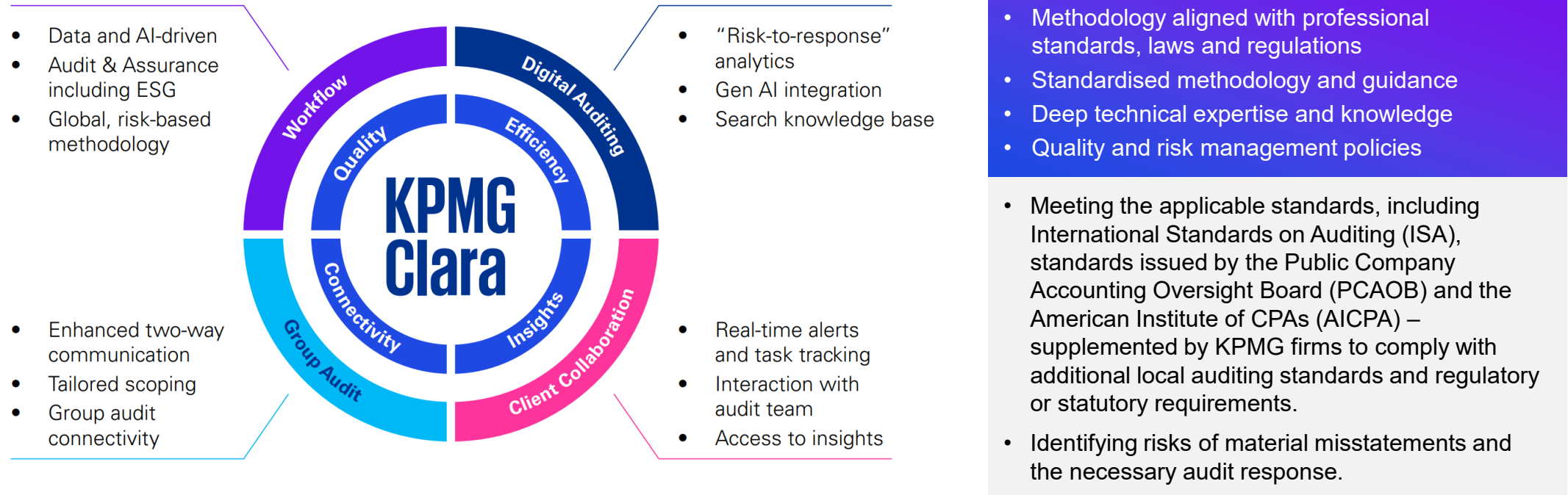


Doing the right thing. Always.

The KPMG Audit

Globally consistent audit and assurance methodology and tools

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG member firms. It enables delivery of KPMG audit and assurance methodologies through data-enabled workflows, which align with the applicable audit and assurance standards and provide an improved experience to audit and assurance professionals.



Independence

As a firm, we are committed to being and being seen to be independent. We apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada ("CPA code") that are relevant to audits of financial statements of reporting issuers or listed entities; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA independence rules") that are relevant to audits of financial statements of public interest entities.

The following processes and procedures have been established by the firm to ensure independence is maintained:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

Statement of Compliance

We confirm that, as of the date of this communication, **we are in compliance** with relevant ethical requirements regarding independence in Canada.

Appendices

A

Required communications

B

Draft Audit Report

C

Management Rep Letter

D

New auditing standards

E

Current Developments

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Insights

G

Continuous evolution



Appendix A: Other required communications



Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Audit Committee.



CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Regulatory Oversight Report: 2023 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2025 Interim Inspections Results](#)

Appendix B: Draft auditor's report

Included under separate cover

Appendix C: Management representation letter

Included under separate cover

Appendix D: Newly effective and upcoming changes to auditing standards

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

.....
Communications
with those charged
with governance

Summary of Changes:

New requirements for the auditor to communicate:

- about the relevant ethical requirements, including those related to independence, that the auditor applied to the audit of the financial statements; and
- any enhanced independence requirement that the auditor applied specific to the audit of financial statements of certain entities.

ISA 700/CAS 700

.....
Forming an opinion
and reporting on
the financial
statements

Summary of Changes:

New requirements for the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities WHEN the ethical requirements require public disclosure.

Appendix E: Current developments

Accounting standards

Conceptual Framework for Financial Reporting in the Public Sector

Effective for years commencing on or after April 1, 2026 with early adoption permitted.

- The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.
- The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

Financial Statement Presentation

Effective for years commencing on or after April 1, 2026 with early adoption permitted.

- The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*.
- The proposed section includes the following:
 - Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
 - Separating liabilities into financial liabilities and non-financial liabilities.
 - Restructuring the statement of financial position to present total assets followed by total liabilities.
 - Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
 - Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.
 - A new provision whereby an entity can use an amended budget in certain circumstances.
 - Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.

Appendix E: Current developments (continued)

Accounting standards (continued)

Employee Benefits

Effective for years commencing on or after April 1, 2029 with early adoption permitted.

- The Public Sector Accounting Board has issued a new standard PS 3251 *Employee benefits* which will replace the current sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*.
- The standard uses principles from International Public Sector Accounting Standard 39 *Employee benefits* as a basis for the Canadian standard.
- The standard results in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position.
- The standard also requires that fully funded post-employment benefit plans use a discount rate based on the expected market-based return of plan assets and underfunded plans use a discount rate based on the market yield of government bonds, high-quality corporate bonds or another appropriate financial instrument. A simplified approach to determining a plan's funding status is provided.
- The standard also requires that:
 - Deferral provisions – Remeasurement gains and losses are presented as part of accumulated remeasurement gains and losses.
 - Valuation of plan assets – Upon adoption, public sector entities may continue to recognize non-transferable financial instruments balances that meet the definition of plan assets under existing PS 3250 guidance. This transitional provision does not permit the recognition of additional amount after adoption that do not meet the revised definition of plan assets.
 - Joint defined benefit plans – Defined benefit accounting is used for measurement of the proportionate share of the plan, instead of previously proposed multi-employer plan accounting which permitted accounting based on defined contribution concepts where insufficient information exists to use defined benefit accounting.
 - Disclosure of other long-term employee benefits and termination benefits – The standard does not include prescriptive disclosure requirements for other long-term employee benefits and termination benefits.
- The standard's guidance will be applied retroactively, with or without prior period restatement.

Appendix E: Current developments (continued)

Accounting standards (continued)

Intangible Assets

Proposed to be effective for years commencing on or after April 1, 2030 with early adoption permitted.

- The Public Sector Accounting Standards Board has issued proposed new standard PS 3155 *Intangible Assets* which would replace Public Sector Guideline 8 *Purchased Intangibles*.
- The standard will include foundational guidance on acquired and internally generated intangibles. It excludes intangible assets addressed in other public sector accounting standards and other intangible items such as exploration and extraction costs for non-renewable resources or intangible assets related to insurance contracts.
- The definition of “intangible assets” requires an intangible resource to be separate and identifiable from goodwill. It also requires that the entity has control over the intangible resource, future economic benefits flow from the intangible resource, and the intangible resource is the result of a past transaction and/or other events.
- Internally generated goodwill is not permitted to be recognized as an asset.
- An intangible resource is recognized when it meets the definition of an intangible asset and the asset’s cost can be measured in a faithfully representative way. The generation of the asset is classified into a research phase and a development phase. Expenditures from the research phase of an internally generated project are expensed. An intangible asset arising from the development phase can be recognized if it meets certain requirements.
- Intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired through a non-exchange transaction are measured at fair value as of the date it is acquired.

Cloud Computing Arrangements

- As part of its intangible assets project, the Public Sector Accounting Standards Board is also developing guidance on cloud computing arrangements. To ensure the development of this accounting guidance reflects current practices and needs, a survey was used to gather insights. The survey will inform the Public Sector Accounting Board about the types of cloud computing arrangements being encountered, magnitude of costs, key arrangement terms, current accounting policies and unique challenges in practice.

Appendix F: Thought leadership and insights

Half of Public Servants Turn to AI Raising Risks

KPMG survey finds public sector unready for AI, low literacy, need for digital sovereignty.

While less than a quarter (**22 per cent**) of Canadian public sector organizations have adopted artificial intelligence (AI), half of the public servants who use AI in their jobs rely on publicly available AI tools, exposing governments to potential risks including data privacy and security breaches, intellectual property theft and exposure to biased or inaccurate information that can lead to legal and ethical issues, finds a new KPMG in Canada research.

[Click here for more information](#)

Intelligent Government

The emergence of generative AI, alongside advanced autonomous and agentic systems, is transforming how government and the public sector innovate and operate. Our findings reveal an actionable blueprint for governments and organizations aiming to leverage AI's potential to drive efficiency, reduce time to market and improve patient outcomes. This report provides insights into how they can take a value based approach to AI that helps to accelerate innovation, unlock new growth opportunities, and maximize the impact of their AI investments.

[Click here for more information](#)

KPMG 2025 Canadian CEO Outlook

Our 2025 CEO Outlook survey reveals a compelling paradox: Canadian CEOs are increasingly confident in the growth of their companies and industries, yet their optimism about the Canadian and global economies is waning.

Despite the evolving pressures, CEOs alike are proactively focusing on making their organizations more resilient to external shocks. They are not just reacting to changes, but are actively seeking ways to mitigate external risks, improve productivity and optimize revenue.

[Click here for more information](#)

Midyear Observations on the 2025 Board Agenda

Disruption, volatility, and uncertainty aren't new operating conditions by any means. But the assumptions that have long driven corporate thinking – the role of government, geopolitical norms, and consistency in US policies as administrations change, and the speed of technological advances – are being upended. Few business leaders have experienced the scope, complexity, and combination of issues companies are facing today – and many will earn their stripes in the months ahead.

[Click here for more information](#)

Accelerate

The Canadian business landscape is experiencing profound interconnected geopolitical, technological and sustainability challenges which are causing compound impacts on the balance sheet. The audit committee's role in stewarding their organization towards increased productivity, resilience, and growth has never been more essential.

Our *Accelerate* series strives to provide audit committees with actionable insights and clear guidance for navigating through these interconnected challenges.

[Click here for more information](#)

Appendix F: Thought leadership and insights (continued)

From Smart to Smarter Cities

Leveraging integration, data and enablement for sustainable and resilient urban transformations.

Cities are reaching a crisis point. City populations are growing. Citizen satisfaction with government services is weakening. And net zero deadlines are looming. Cities recognize that their traditional approaches to city planning, development, management and renewal will not get them to their goals in time. They must become smarter, more integrated, data driven and enabling.

From Smart to Smarter Cities explores how a focus on becoming more integrated, data driven and enabling can help city decision makers, infrastructure leaders and private companies accelerate their smart city agendas.

In this report, professionals from KPMG's global network join with experienced industry and city leaders to unpack these three priorities – integrated, data driven and enabling – across the lens of the six challenges facing cities today – urban planning, data and privacy, transportation and mobility, sustainability and social equity, governance and oversight, and funding and financing.

[Click here for more information](#)

Blueprint for Livable Economies

Unlocking livability through place-based business cases

Rapid urbanization, climate volatility, fiscal constraint and rising social expectations are exposing the limits of traditional approaches to urban planning and investment. The challenge is not a lack of ambition or funding, but rather how decisions are made, investments are structured and delivery is governed and coordinated. Addressing the gap between investment and outcomes requires cities to move beyond asset level justification towards integrated, geography specific portfolios and place based business cases that reflect how places function and are experienced in practice.

Developed in collaboration by KPMG International, Davos Baukultur Alliance and UN Habitat, this white paper supports that shift. Drawing on global case studies, executive insight and practical tools, it sets out how public sector leaders can apply a place based approach using levers already within their control.

At the center of the paper is the *Blueprint for livable economies*, a decision making framework designed to help city leaders, investors and partners align outcomes, economic pathways and delivery mechanisms.

[Click here for more information](#)

Appendix F: Thought leadership and insights (continued)

Our latest thinking on the issues that matter most to Boards, Committees and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit Committees and Boards.

Board Leadership Centre

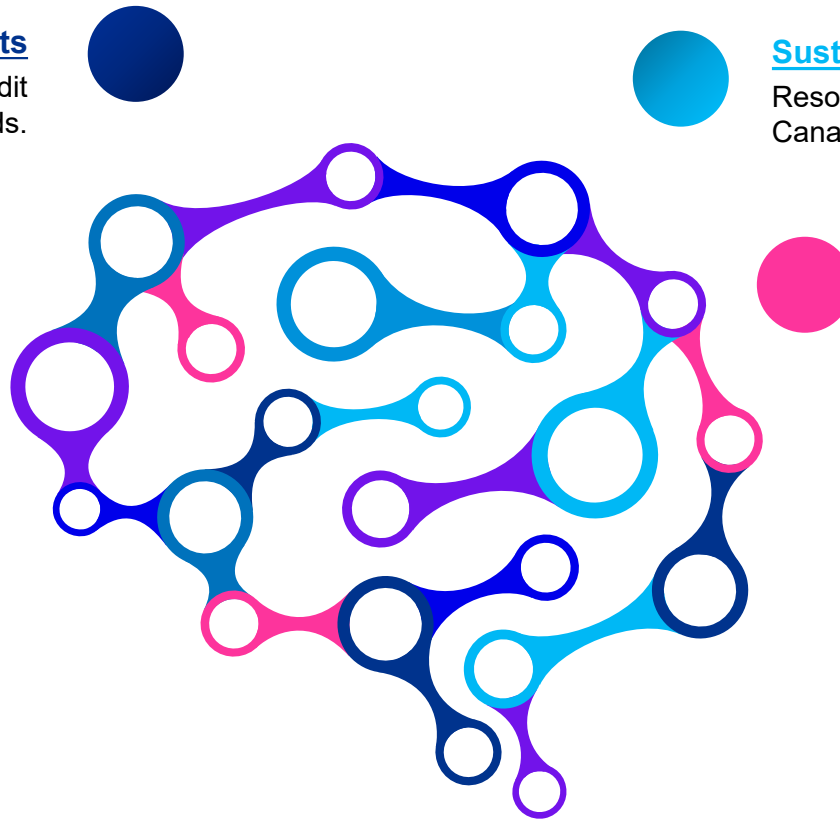
Leading insights to help board members maximize boardroom opportunities.

Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.



Appendix G: Continuous evolution

Our investment:

We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

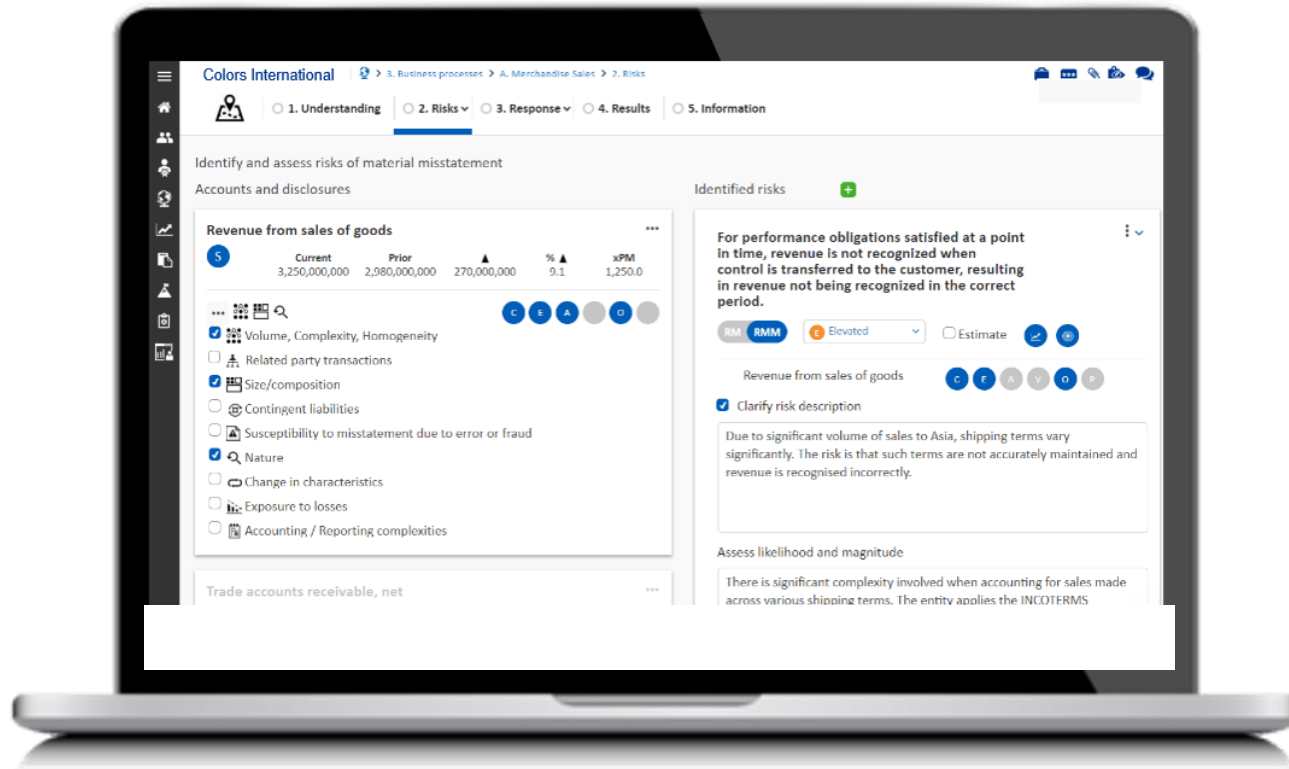
Result: A better experience

Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.



Appendix G: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.



Bolstered productivity

Focused on removing time consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.



Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.



Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.



<https://kpmg.com/ca/en/home.html>

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