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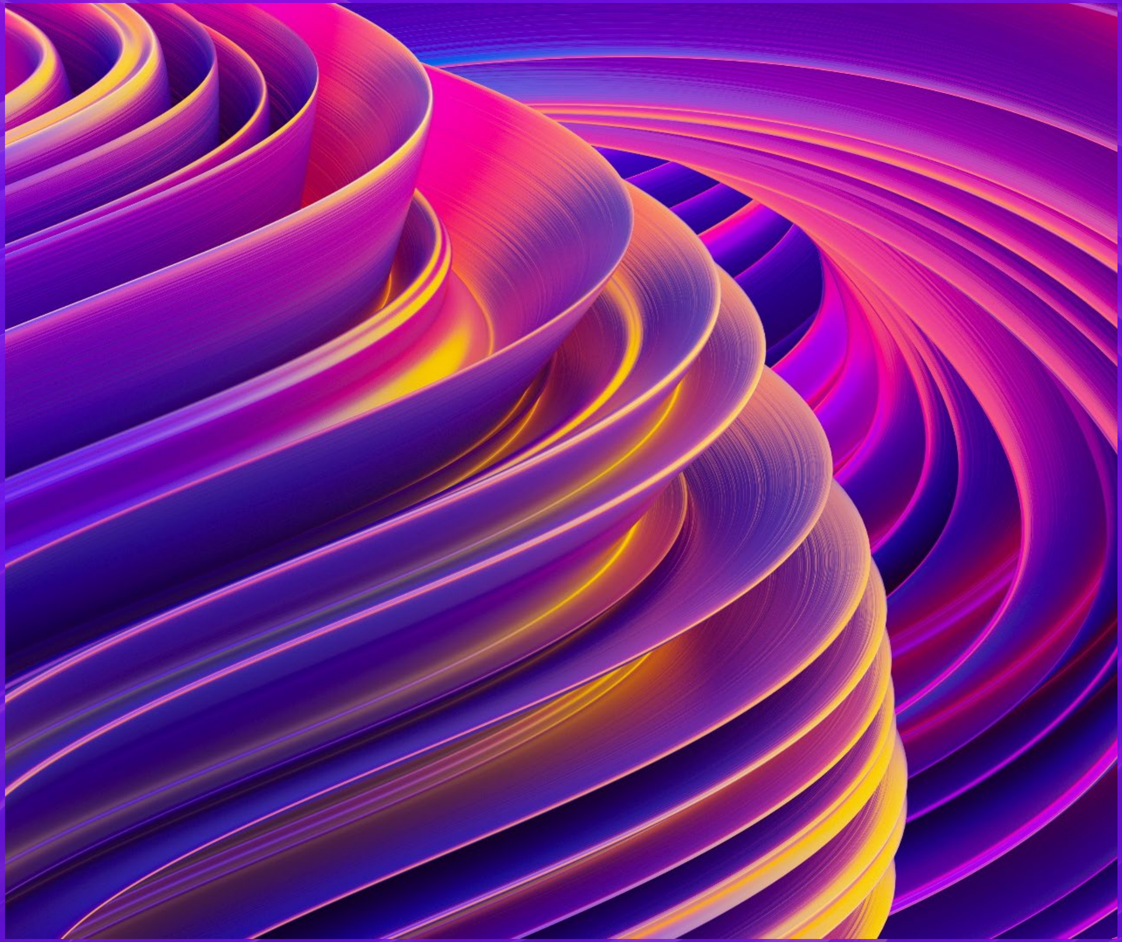

Audit Findings Report for the year ended December 31, 2025

Licensed Public Accountants

Prepared on April 17, 2026

Presentation on April 27, 2026

kpmg.ca/audit

KPMG contacts

Key contacts in connection with this engagement

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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.

Click on any item in the table of contents to navigate to that section.

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.

Significant changes

Significant changes since our audit plan

Risks and results & Significant unusual transactions

Significant risks

Other risks of material misstatement

Going concern matters

Significant unusual transactions

Policies and practices & Specific topics

Accounting policies and practices

Other financial reporting matters

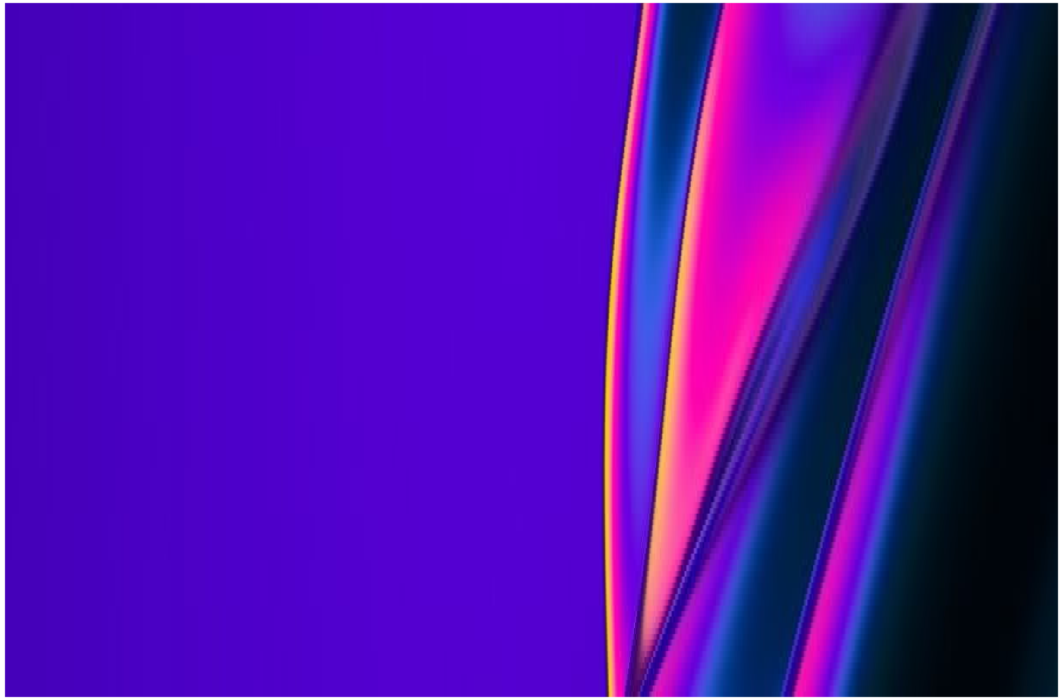
Specific topics

Misstatements - uncorrected

Uncorrected misstatements

Control deficiencies

Significant deficiencies



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The purpose of this report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Audit Committee, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Status

As of April 17, 2026, 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 Directors
- Obtaining evidence of the Board of Director's approval of the financial statements
- Receipt of the signed management representation letter (dated upon Board approval of the financial statements)
- Completion of subsequent events procedures, up to the date of approval of the financial statements

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

Our auditor's report, will be dated upon the completion of any remaining procedures.

KPMG Clara for Clients (KCc)

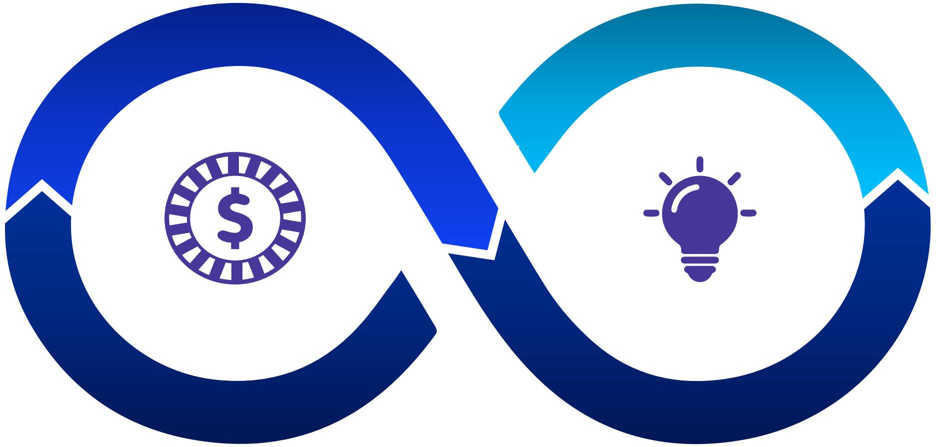
Real-time collaboration and transparency

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.

Learn more

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 judgement,*** 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:

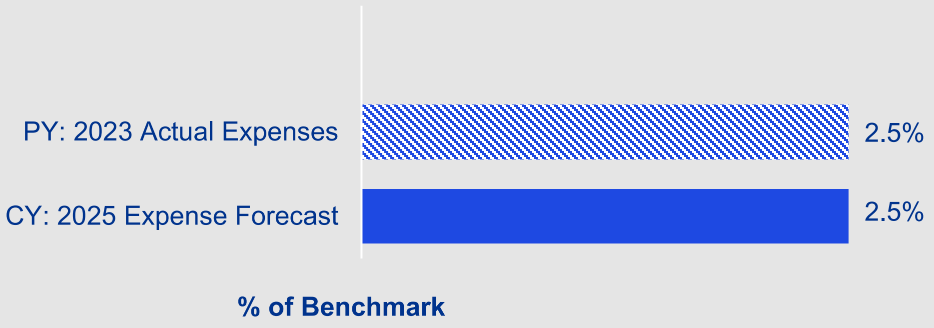
- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.

Materiality

Materiality

$360K

(2024: $412K)



Benchmark is based on forecast of expenses provided by management in November 2025.

Benchmark: Total Expenditures

$14,700,000

(2024: $16,558,402)

Audit Misstatement Posting Threshold (AMPT)

$18,000

(2024: $20,600)

Significant risks and results

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

Management Override of Controls

RISK OF
FRAUD

Significant risk

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

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.

Our response

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- testing of journal entries and other adjustments,
- evaluating the business rationale of significant unusual transactions.

Significant Findings

- We did not note any significant control deficiencies in our evaluation of the design and implementation.
- We tested all journal entries and other adjustments by using data routines. Using extractions from the complete general ledger, we selected a sample of journal entries meeting pre-determined high-risk criteria and verified if they were supported by proper documentation and appropriately recorded in the general ledger.
- We did not identify any significant unusual transactions or any specific additional risks of management override during our audit.

Significant risks and results

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

Presumed Fraud Risk on Revenue has been rebutted

RISK OF
FRAUD

Significant risk

As per ISA 571, there is a presumed fraud risk over revenue recognition.

Significant Findings

Based on the factors noted below, we have rebutted the fraud risk on revenue:

- No significant complexity.
- Revenue recognition does not require significant management judgement
- No or low volume of non-routine transactions
- No financial pressure on the management or incentive in the form of management bonuses to perpetuate fraud over revenue recognition.

Other risks and results

Management Fee & City Funding Revenue

Audit procedures and findings

- Obtained an understanding of the revenue recognition policy. Reviewed the underlying service agreement between Create TO, Build Toronto and Toronto Port Lands Corporation ("TPLC").
- Obtained confirmations from the City of Toronto to verify the total funds received as City funding as well as obtained confirmations for management fee cross charges recorded by Build Toronto and TPLC.
- No issues noted.

Accounts payable and operating expenses

Audit procedures and findings

- Performed a search for unrecorded liabilities by extracting lists of subsequent payments and accounts payable details and selected samples for testing. Reviewed supporting documentation for significant accruals.
- Selected a sample of expense transactions and agreed to original invoices to ensure the proper classification of expenses.
- No issues noted.

Legal claim liabilities

Audit procedures and findings

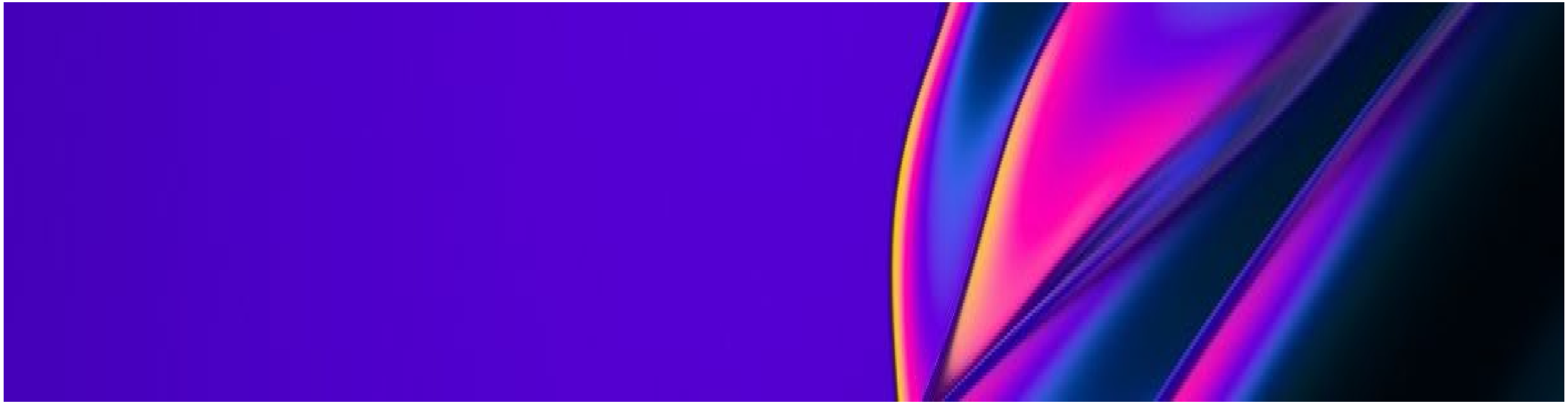
- Reviewed Board and Committee meeting minutes and discussed any outstanding litigations and claims with management.
- Evaluated whether significant contingent liabilities are appropriately disclosed and/or recorded.
- No issues noted.

Other risks and results

Indirect Tax

Audit procedures and findings

- During the year ended December 31, 2025, management recognized a provision of $975,000 related to indirect taxes on salaries and benefits, representing management’s best estimate of the amount payable as at the reporting date.
- KPMG performed audit procedures to evaluate the reasonableness of the provision recorded in fiscal 2025, including assessing the methodology applied, reasonableness of rates applied and the completeness and accuracy of underlying data supporting the estimate. Based on the procedures performed, no issues were identified, and the provision is considered reasonable as at December 31, 2025.



Other financial reporting matters

We also highlight the following:

Financial statement presentation - form, arrangement, and content	No matters to report.
Concerns regarding application of new accounting pronouncements	No matters to report.
Significant qualitative aspects of financial statement presentation and disclosure	No matters to report.

Appendices

A Required communications

B Audit Quality

C New accounting standards

D Insights

E Environmental, social and governance (ESG)

Appendix A: Other required communications

Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Board of Directors.

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: Audit quality - How do we deliver audit quality?

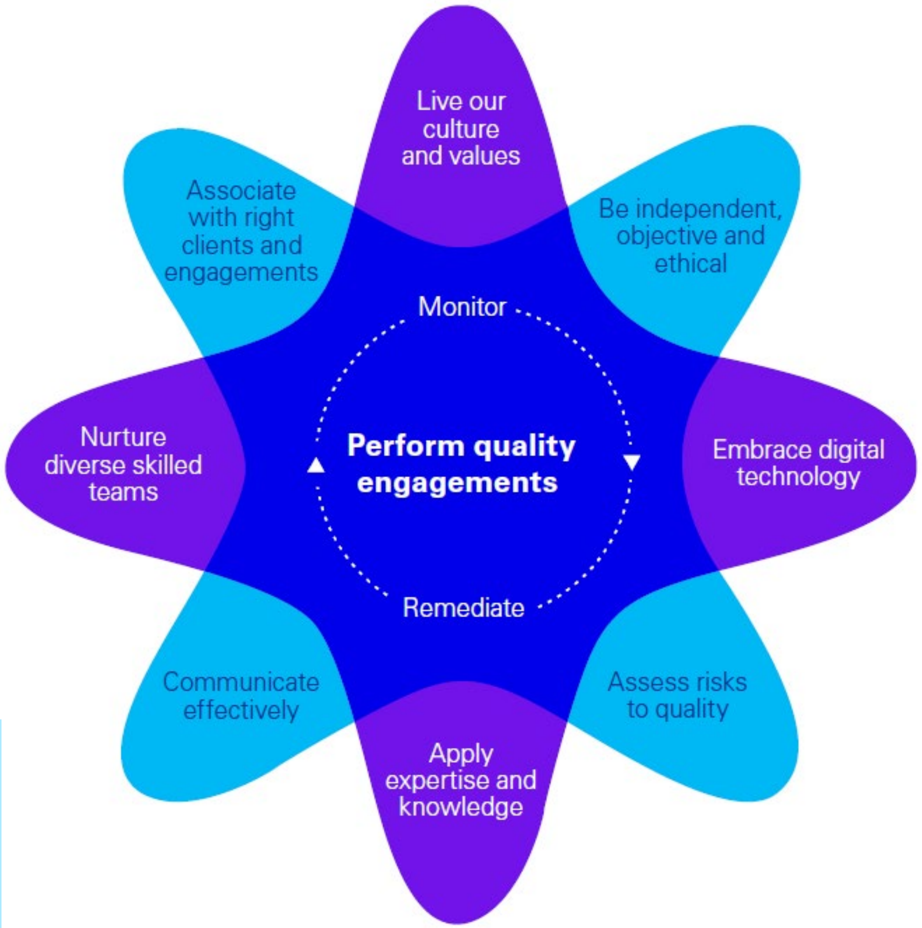
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet 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. Learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

KPMG Canada Transparency Report

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.**



Doing the right thing. Always.

Appendix C: Changes in accounting standards

Standard	Summary and implications

Lessee Accounting for Operating Leases of Tangible Capital Assets	• The Public Sector Accounting Board has issued the following amendments to PSG-2, Leased Tangible Capital Assets
	  • deleted an outdated cross-reference to Section 3065, Leases in former Part V of the CPA Canada Handbook – Accounting, pre-changeover accounting standards, in Appendix A to PSG-2, Leased Tangible Capital Assets;
	  • renamed Appendix A as the glossary is no longer identified as an appendix, consistent with other glossaries in the PSA Handbook;
	  • added paragraphs PSG-2.4A-4C of to set out minimal requirements for lessee accounting for operating leases of tangible capital assets; and
	  • replaced the deleted cross-reference in the appendix with a reference to new paragraphs PSG-2.4A-4C
	• These changes do not comprise a change in practice and are effective immediately.

Financial Statement Presentation	• The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*. PS 1202 *Financial statement presentation* will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.
	• The 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 C: Changes in accounting standards

Standard	Summary and implications
Employee benefits	• The Public Sector Accounting Board has initiated a review of sections PS 3250 Retirement benefits and PS 3255 Post-employment benefits, compensated absences and termination benefits. • The intention is to use principles from International Public Sector Accounting Standard 39 Employee benefits as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 Employee benefits will replace the current sections PS 3250 Retirement benefits and PS 3255 Post-employment benefits, compensated absences and termination benefits. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • Final approval of the standard is expected in Spring 2026, with an effective date of April 1, 2029.
2024-2025 Annual Improvements to Public Sector Accounting Standards	• The Public Sector Accounting Board has issued an exposure draft proposing terminology updates and amendments to align various sections of the PSA Handbook with PSAB’s Conceptual Framework and Reporting Model. • The comment period is closed. Final amendments are expected to be issued in November 2025, with an effective date of April 1, 2026.

Appendix C: Changes in accounting standards

Standard	Summary and implications

Tangible Capital Assets	• The Public Sector Accounting Board has issued amendments to Section PS 3150 in May 2025 as part of implementing its Government Not-for-Profit Strategy, which incorporates the PS 4200 series into public sector accounting standards with potential customizations.
	• The amendments add:
	  • a new criterion to the definition of a tangible capital asset;
	  • a new definition of a collection;
	  • new disclosure requirements for works of art, historical treasures and/or collections;
	  • new guidance for situations where an entity purchases a tangible capital asset at substantially below fair value; and
	  • new guidance for situations where an entity receives contributed materials and/or labour when constructing or developing a tangible capital asset
	• For public sector entities that have not applied the PS 4200 series, the amendments to this Section are effective for fiscal periods beginning on or after April 1, 2030.
	• The amendments would be applied retroactively with restatement of prior periods except for the amendments related to purchases of tangible capital assets at substantially below fair value and including in the cost of a constructed or developed tangible capital asset, the contributed materials and/or labour, which are applied only to new transactions or events from the date of change

Elevation of GAAP Designation of Application Guidance	• The Public Sector Accounting Board has issued amendments to elevate the level of generally accepted accounting principles (GAAP) designated for four CPA Canada Public Sector Accounting Handbook Appendices (i.e., what level of GAAP an appendix comprises)
	• The GAAP designation level (i) per GAAP hierarchy in paragraph 03(d) of Section PS 1150, Generally Accepted Accounting Principles has been specified and paragraphs renumbered as AG.02, AG.02, etc. for four application guidance appendices:
	  • Appendix A to Section PS 3400, Revenue;
	  • Appendix B to Section PS 3410, Government Transfers;
	  • Appendix A to Section PS 3450, Financial Instruments; and
	  • Appendix A to Section PS 4270, Disclosure of Allocated Expenses by Not-for-Profit Organizations.
	• The elevation of the GAAP designation of these four application guidance appendices is effective for fiscal years beginning on or after April 1, 2026

Appendix C: Changes in accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	• The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026, with earlier 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.
Intangible Assets, Proposed Section 3155	• The Public Sector Accounting Board has issued an exposure draft proposing a new intangible assets standard that will replace Public Sector Guideline (PSG) 8, Purchased Intangibles. • The proposed standard provides foundational guidance on intangible assets including the definition, recognition, measurement and required disclosures of intangible assets. • The proposed standard covers both acquired and internally generated intangible assets. • PSG-8 content has been incorporated into the new section, ensuring continuity of recognition for purchased intangibles. • The scope of the proposed standard excludes intangible assets addressed in other Sections of the PSA Handbook, as well as other intangible items such as exploration and extraction costs for non-renewable resources or intangible assets related to insurance contracts. • In alignment with PSAB's international strategy, the proposed guidance leveraged principles from the existing International Public Sector Accounting Standard (IPSAS) 31, Intangible Assets. • The comment period is closed and under review.

Appendix D: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

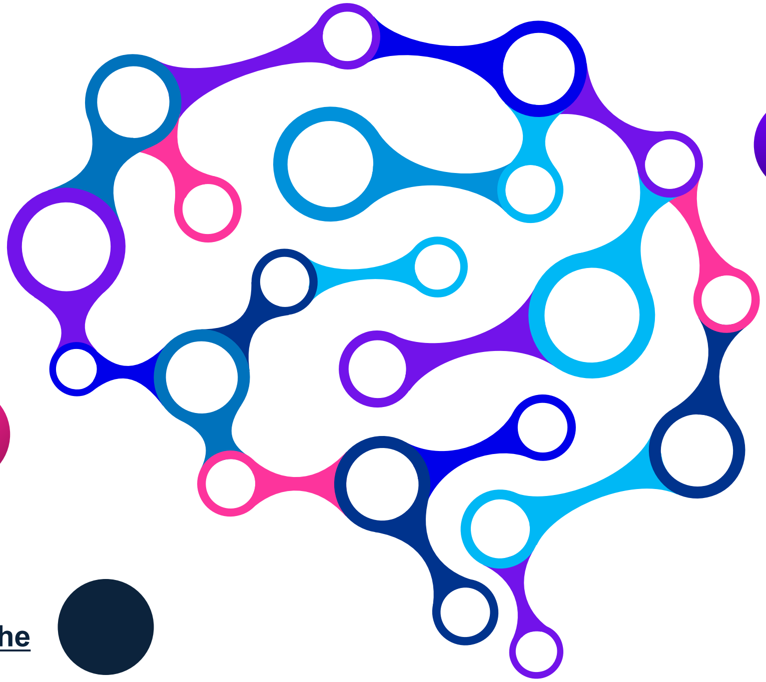
Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.



Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

Audit Committee Guide – Canadian Edition

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

Appendix E: Canadian sustainability reporting activities

What's here and what's coming?

Globally 2025 has seen a mix of progress and resistance in sustainability reporting. The EU continued to make strides on its proposals aimed to lessen the burden of sustainability reporting, while the ISSB published practical proposals to ease implementation. Meanwhile, in the US, California's climate laws took another step forward, but all state-level initiatives look set to face federal resistance. *In Canada, the CSSB released its first two voluntary reporting standards, but the CSA stated that they are pausing development of a new mandatory climate disclosure rule.*

Voluntary Canadian standards rollout

- In December 2024, the Canadian Sustainability Standards Board (CSSB) released its first two voluntary Canadian Sustainability Disclosure Standards (CSDS).
- The standards are aligned with the IFRS Sustainability Disclosure Standards, with the exception of a Canadian-specific effective date and incremental transition reliefs.

Road to mandatory application in Canada?

- Canada's regulators and legislators will determine if and when application of the standards should be mandated.
- In April 2025, the Canadian Securities Administrators (CSA) announced that they are pausing the development of a new mandatory climate disclosure rule and amendments to the existing diversity-related disclosure requirements in an effort "to support Canadian markets and issuers as they adapt to the recent developments in the US and globally." The CSA stated that they will monitor Canadian and international regulatory developments and expect to revisit these projects in future years.

Other Canadian regulatory developments

- Federally regulated financial institutions are required to comply with OSFI B-15 which is broadly based on the ISSB standards.
- Canadian government anti-greenwashing regulations introduced (Bill C-59).

What could you be doing now?

1 (Re) Establish reporting strategy

- Undertake a regulatory impact assessment to determine the sustainability reporting requirements that apply to your organization.
- Document your reporting strategy, including any planned voluntary reporting and assurance.
- Conduct a materiality assessment considering the frameworks you plan to comply with.

2 Assess current state

- Identify the differences between applicable regulations and/or standards and current reporting.
- Conduct a current state maturity analysis of processes, controls, people, technology and governance structures.
- Complete data gap assessment and develop plan to close gaps.

3 Design reporting policies & target operating model (TOM)

- Develop and/or adapt policies, regarding identified material risks and opportunities.
- Develop standard Key Performance Indicator (KPI) definitions and calculation methodologies.
- Determine TOM and solutions to support sustainability reporting and assurance.

4 Implement sustainability reporting roadmap

- Develop roadmap for delivery, identify milestones, interim and final targets.
- Design future reports.
- Rollout of TOM, including implementation and training required.

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