

TORONTO WATERFRONT REVITALIZATION CORPORATION
(“Corporation”)
MINUTES OF THE AUDIT COMMITTEE MEETING
HELD AT THE OFFICES OF THE CORPORATION
ON THURSDAY JUNE 21, 2007 AT 2:30 P.M.

Committee Members Present: Vivien Dzau (Chair),
Renato Discenza
John Ronson

Committee Members Absent: Bill Charnetski

Also present with the consent of the Committee throughout the meeting were: Robert Siddall and Indra Latchu of the Corporation, and Paula Jesty and Trevor Ferguson of Deloitte and Touche LLP, External Auditors.

Vivien Dzau took the chair and appointed Indra Latchu to act as secretary of the meeting.

At 2:45 p.m. the Chair, Vivien Dzau, declared the meeting to be duly constituted for the transaction of business.

1. Approval of Meeting Minutes – February 19, 2007

The minutes of the Audit Committee meeting held on February 19, 2007 were tabled. **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the meeting minutes be approved.

2. Action Items arising from the Previous Meeting – February 19, 2007

The Committee was satisfied with management responses to action items #59 and #60 from the previous meeting.

Mr. Siddall referred the Committee to action item #56 – “Prioritizing the Three Year Strategic Audit Work Plan”. He stated that the draft letter, addressed to the three levels of Government that recommended the integration of the Corporation’s internal audit plan with the Government’s “wish list” for audits is on hold, pending a decision with the Audit Committee meeting of a revised internal audit plan. Mr. Siddall recommended to the Committee that the internal audit plan be refocused to have PWC support the continued implementation of the Corporation’s performance management and enterprise risk management processes.

Mr. Siddall recommended he take the revised plan forward to the Finance and Risk Management Committee for their review, prior to asking for Audit Committee approval. The Committee agreed in concept to the changes in the internal audit plan and asked that it be brought back for approval after review by the Finance and Risk Management Committee.

3. CFO Report for the Year Ended March 31, 2007

a. Financial Results for the Year Ended March 31, 2007

Mr. Siddall referred the Committee to highlights of the financial statements for the fiscal year ending March 31, 2007.

b. Discussion on the Notes to the Financial Statements

Mr. Siddall provided an overview of the Financial Statement Notes.

4. External Auditor – Deloitte & Touche LLP

The Chair invited Paula Jesty, Audit Engagement Partner and Trevor Ferguson, Senior Manager of Deloitte & Touche LLP, the Corporation's external auditors, to present their findings (as tabled for the Committee) for the year ended March 31, 2007 as follows:

Audit Scope

- The scope of their audit; in their report on the Audit, Deloitte went through their report with the committee indicating the following items:

- The auditors' responsibility in performing an audit of the financial statements is in accordance with Canadian Generally Accepted Auditing Standards. The intention is to express an opinion on the fairness of financial statements as presented.

- In accordance with Generally Accepted Accounting Principles, Deloitte was not aware of any modifications to be made to the financial statements of the Corporation

- Nothing has come to the attention of the auditors that has caused them to believe that the Corporation's financial statements are materially misstated.

- Management is responsible for the preparation of the financial statements. This includes responsibilities related to internal controls, such as designating and maintaining accounting records, selecting and applying accounting policies, safeguarding assets and preventing and detecting fraud and error.

- The status of the audit including their intention to issue a clear opinion on the Corporation's financial statements for the year ended March 31, 2007.

- Their reliance on the Corporation's actuary when testing the Corporation's accrued benefit liability; their requirement to communicate to the Audit Committee at least annually on matters relating to their independence. The independence letter for the year was attached to their report for review by the Committee.

- The findings encountered during the audit included one adjustment made during the audit for \$71,000 for accrued professional fees; in concurrence with management; and that the Corporation is required to use "the Available for Sale Method" in accounting for financial assets. It was recommended that the Corporation classify its financial instruments.

The Corporation will be required to fair value embedded derivatives (if any), and record them on the Statement of Financial Position for June 30, 2007, the end of the first quarter in the new fiscal year.

Management agreed to provide an analysis of the effect of the implementation of the financial instruments accounting standards to the Audit Committee, including an assessment of the related risks and the day 1 adjustments. Any required adjustments will be reflected in the Q1 2007-08 financial statements. Ms. Jesty assured the Committee there will be no ramification to the Financial Statements at this time

Mr. Siddall and Ms. Latchu left the meeting for ten minutes while the Committee had a closed discussion with the Auditors.

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the Financial Statements for the year ended March 31, 2007 be recommended for approval by the Board of Directors.

5. Total Cash Requirement Budget and Corporate Budget 2007-08

Ms. Latchu described the process used in the preparation of the 2007-08 cash budget in conjunction with Sandra Tran, Director of Finance. The Corporation adopted the proposed amount for the current year from the IGSC Long Term Plan negotiated with the three levels of Government. .

Mr. Siddall advised that the Corporate Budget was within the negotiated amount of \$9,361,000. Program Managers costs and certain non-payroll costs were charged to specific projects as outlined in “Schedule B” of the approved CA’s. The Corporate budget includes adequate provision to support the needs of the various departments in the infrastructure growth for the new fiscal year.

6. Status of Internal Audit Plan and Recommended Changes

This item was tabled for the next meeting as the discussion under Action Item #56 addressed the new directions.

7. Value for Money Audit Implementation Plan

Mr. Siddall distributed a “Key Message Questions and Answers” on the VFM Audit Report. The Committee agreed the report was a good management guide to follow and Mr. Siddall recommended the Committee monitor the progress of the action plan to ensure goal delivery and value for dollars.

8. Chair of the Board and CEO Expenses

The Chair reviewed the details of the expense reports ahead of the meeting and approved the expenses for payment.

9. Summary of Commitments Report – 2006/07

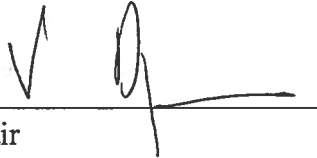
The report was reviewed and discussed under the Committee’s review of the Notes to Financial Statements.

10. Compliance Report – Tax Filings

The Chair of the Audit Committee reviewed the summary report and was satisfied that the Corporation is in compliance with the remittances by due dates for Payroll Source Deductions, EHT, and GST.

11. Termination of the Meeting

There being no further business, and on **MOTION** duly made, seconded and carried; it was **RESOLVED** that the meeting be terminated at approximately 4:10 P.M.



Chair
Vivien Dzau



Secretary