

## **Audit Committee Meeting Report No. 8**

November 20, 2012

A regular meeting was convened at 5:00 pm, Tuesday, November 20, 2012, at 43 Millwood Road, 3<sup>rd</sup> Floor, Toronto, Ontario (offices of the Toronto Lands Corporation), with David Crombie presiding as (Acting) Chair.

The following member was in attendance: J. Chadwick.

Regrets were received from J. Marshall.

Also in attendance: P. Jesty and L. Cheung, Deloitte Chartered Accountants, and T. Ellis, L. Kivlichan and J. Lagaev, TDSB.

### **1. Call to Order**

The meeting was called to order by David Crombie, (Acting) Chair, presiding.

### **2. Approval of the Agenda**

J. Chadwick, seconded by D. Crombie, moved: **That the agenda be approved as distributed.**

### **3. Declarations of Possible Conflict of Interest**

There were no declarations of possible conflict of interest.

### **4. Auditor's Report**

#### **Presentation by Paula Jesty, Deloitte Chartered Accountants**

Committee members had for their consideration two reports titled, *Year-end Communication (to the Audit Committee)* and *Draft TLC Financial Statements, August 31, 2012.*

D. Crombie invited Paula Jesty, Deloitte Chartered Accountants, to present the Year-end Communication to Committee Members. P. Jesty reviewed key highlights associated with the Communication. On behalf of Deloitte, Lilian Cheung was asked to present the Draft Financial Statements for the TLC, for 2011-12.

The following two changes were presented and approved by the Audit Committee in relation to Page 7 of the *Notes to the Financial Statements*.

**Note 1, Paragraph 3 to be replaced with the following update:**

*The Department of Finance issued a Notice of Ways and Means Motion to implement certain proposed tax amendments, on October 24, 2012. Existing Paragraph 149(1)(d.5) of the Canadian Income Tax Act exempts from tax, subject to an income test, the taxable income of any corporation, commission or association at least 90% of the capital of which is owned by one or more municipalities in Canada. The proposed amendment extends the exemption from tax to include any corporation, commission or association at least 90% of the capital of which was owned by one or more entities each of which is a municipal or public body performing a function of government in Canada. Although the amendment has not been enacted, the Corporation intends to continue its operations as if it were a tax exempt Corporation.*

*This proposed amendment applies to taxation years that begin after May 8, 2000 and therefore will apply to all years of the Corporation if it is enacted in its current form.*

**Note 3 (f), Final sentence to be amended as follows:**

*As a result, TLC will now be provided coverage for directors and officers, as well as errors and omissions, by the TDSB.*

J. Chadwick, seconded by D. Crombie, moved:

- a) **That the Auditor's report to the Audit Committee (*Year-end Communication*) be received; and**
- b) **That the draft audited financial statements of the Toronto Lands Corporation, for its fiscal year ending August 31, 2012, be approved.**

**The motion was carried.**

**5. Private Matters**

See In-camera notes.

**6. New Business**

Nil

## **7. Adjournment**

At 5:35 p.m., on a motion of J. Chadwick, seconded by D. Crombie, the meeting adjourned.