

Audit Committee Meeting Report No. 6

November 3, 2011

A regular meeting was convened at 5:00 pm, Thursday, November 3, 2011, at 43 Millwood Road, 3rd Floor, Toronto, Ontario, with David Crombie presiding as (Acting) Chair.

The following members participated via telephone: Jerry Chadwick and Jane Marshall.

Also in attendance: P. Jesty and A. Mifsud, Deloitte Chartered Accountants, and L. Kivlichan and R. Nelson, TDSB.

1. Call to Order

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

2. Approval of the Agenda

J. Marshall, seconded by J. Chadwick, 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. 2010-11 Auditor's Report Presentation by Paula Jesty, Deloitte Chartered Accountants

Year-end Communication, Toronto Lands Corporation, year ended August 31, 2011
Committee members had for their consideration the above noted report. S. Hoy invited Paula Jesty, Deloitte Chartered Accountants, to present the *Year-end Communication* report to Committee members.

P. Jesty spoke to the above noted document, providing an overview of the Executive Summary and explaining the other various components which comprise the *Year-end Communication*. P. Jesty provided the following highlights:

- The Audit is being presented in accordance with the plan presented to the TLC Audit Committee in June 2011.
- Deloitte is in a position to render an audit opinion only. Final statements will be issued when approval is provided by the TLC Board (November 8, 2011). Only minor modifications are expected at that time and will be made in conjunction with the TLC Board's approval.
- All information required was provided by staff (TLC and TDSB) to the Audit firm.

S. Hoy expressed her appreciation to TDSB Business Services staff and staff from other departments in the TDSB, who contributed to the completion of the TLC audit.

J. Chadwick, seconded by J. Marshall, moved:

That the Auditor's report (Year-end Communication, Toronto Lands Corporation, for the year ended August 31, 2011) be received.

The motion was carried.

S. Hoy invited P. Jesty to review the second report prepared by the Audit firm: *Financial Statements of Toronto Lands Corporation, August 31, 2011.*

P. Jesty reviewed the financials outlined in the draft financial statements. The following highlights were provided:

- The 'net debt' is a key indicator for auditors, however, it does not fit well with the TLC, given that the TLC does not own assets, nor require long-term borrowing. However, this is a requirement and component of public sector reporting.
- Next year, given the TLC's completion of the capital repairs to pools project (\$15.8M), its statement of financial position will be significantly reduced.
- The TDSB's contributions to the TLC cover its total administrative expenses, therefore, no surplus or deficit is shown. This approach is now a part of the Shareholder's Direction due to a recent amendment introduced by the TLC and approved by the TDSB in June 2011.

J. Marshall, seconded by J. Chadwick, moved:

That the draft audited financial statements of the Toronto Lands Corporation, for its fiscal year ending August 31, 2011, be approved.

The motion was carried.

5. Private Matters

Committee members moved to the In-camera portion of the meeting at approximately 5:20 pm.

At approximately 5:25 pm, Committee members returned to the public session of the meeting and proceeded to adjournment.

6. New Business

Nil

7. Adjournment

At 5:26 p.m., on a motion of J. Chadwick, seconded by J. Marshall, the meeting adjourned.