



2005/06



TORONTO WATERFRONT
REVITALIZATION CORPORATION

Annual Report



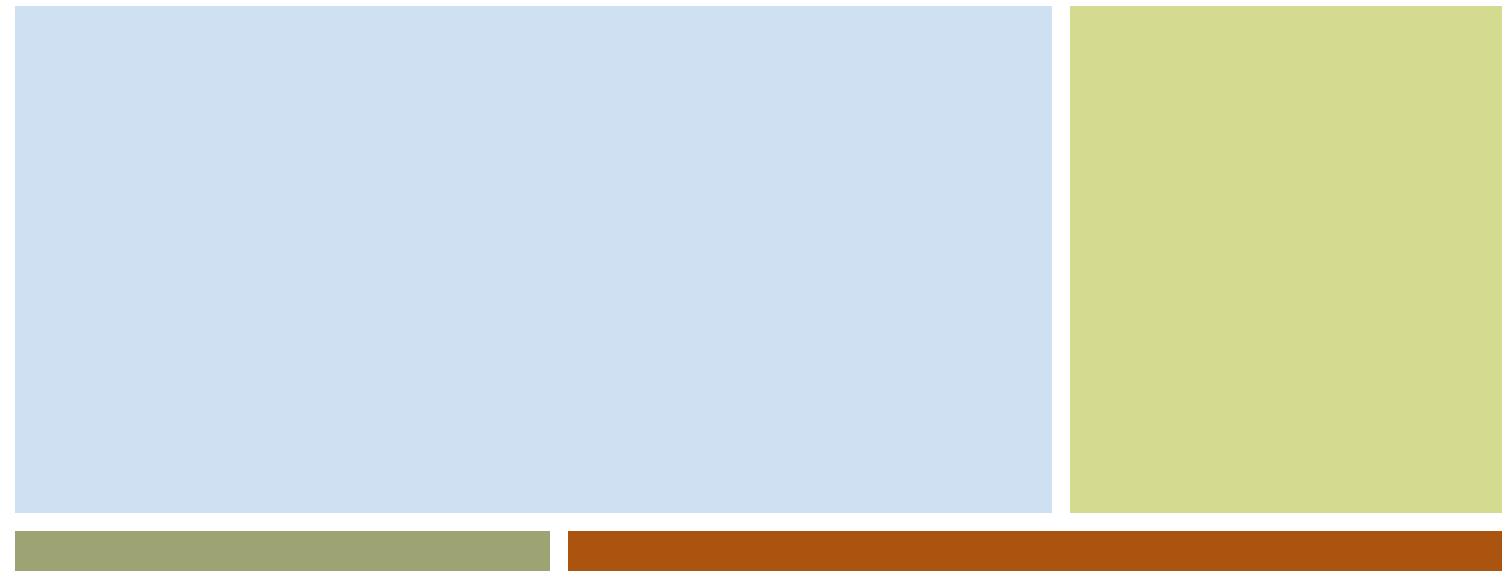


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Message from the CEO

The Toronto Waterfront Revitalization Corporation's (TWRC) major objective for 2005/06 was to expand the corporation's focus from planning to implementation, to provide the people of Toronto with tangible evidence of the progress that is being made to revitalize our city's waterfront.

Throughout the year, strong support from our government partners and continued collaboration with waterfront stakeholders enabled TWRC to fulfill this objective.

The most anticipated milestone for 2005/06 was the start of work in the West Don Lands, the first new waterfront neighbourhood that will be developed. Work officially got under way in March.

Public accessibility, design excellence, sustainable development and innovation are the main drivers of waterfront revitalization.

In 2005/06, TWRC made real progress in all four areas.

PUBLIC ACCESSIBILITY

Leading revitalization with the development of parks and public spaces is the main way TWRC is fulfilling its commitment to public accessibility. In 2005/06, TWRC had shovels in the ground on six parks projects – *the Western Beaches Watercourse, York Quay Promenade, John Quay Promenade, Marilyn Bell Park improvements, expansion of the Martin Goodman Trail from Marilyn Bell Park to Ontario Place, and the construction of phase one of the new Port Union Waterfront Park*. All six projects are now complete.

DESIGN EXCELLENCE

In June 2005, TWRC appointed members to the *Waterfront Design Review Panel* to provide the corporation with expert advice on the quality of waterfront public realm and architecture projects. All TWRC projects with a design component are now reviewed by the panel at monthly meetings which are open to the public. The corporation's commitment to design excellence was also evident in *the design competition* TWRC held for the central waterfront public realm which attracted widespread professional and public interest.

SUSTAINABLE DEVELOPMENT

In 2005/06, we finalized our green standards for the development of buildings on the waterfront. TWRC is striving to develop the first LEED Gold community. *With 12,000 units of housing planned for in West Don Lands and East Bayfront*, TWRC has the opportunity to change how housing is built in Toronto. TWRC has made compliance with these standards a mandatory requirement for all waterfront development including development on privately-owned land.

INNOVATION

TWRC believes that the creation of a low-cost ultra-broadband intelligent communications infrastructure — *what TWRC is calling i-Waterfront*Net* — will set the waterfront apart, and attract high-value 21st century jobs to Toronto. In 2005/06, TWRC started laying the foundation to implement the network.

Progress on these and other waterfront projects in 2005/06 was facilitated by some important tools provided by our government partners. The three governments reached agreement on a 10-year funding plan for the corporation providing greater clarity on how and when the \$1.5 billion public investment in waterfront revitalization will be spent. TWRC also signed Memorandums of Understanding with the city and province. The MOUs set out roles and responsibilities for TWRC and the governments' agencies for developing the West Don Lands, East Bayfront and the Port Lands.

This year, TWRC's priorities continue to be the development of the West Don Lands and East Bayfront and starting the implementation of the winning design from the Central Waterfront Design Competition. *Public realm projects including the construction of a new waterside park in Mimico, the construction of sport fields in the Port Lands, the greening of Leslie Street and additional improvements to the Martin Goodman Trail are also under way.*

On behalf of TWRC I would like to thank our government partners for their ongoing support and collaboration in helping us achieve the progress we have made over the last year.

I would also like to acknowledge and thank the many dedicated members of the community who continue to make such an important contribution to waterfront revitalization. The quality of the corporation's work has been greatly enhanced through their efforts.

Yours sincerely, 

John W. Campbell, *President & CEO*

2005/06 Achievements

May '05

June '05

July '05

August '05

September '05

Design Review Panel Appointed

7 Queens Quay
Purchased

York Quay Promenade
Completed

City Council Approval
WDL Precinct Plan

10-Year Plan Approved by
Three Governments

Mouth of Don Naturalization
EA Started

TWRC/ORC/PIR MOU Signed

October '05

November '05

December '05

January '06

February '06

March '06

Watercourse Construction Started

Construction of
John Quay Promenade
Started

TWRC/TEDCO/City MOU Signed

EAs for New
Waterfront Transit
Lines Started

Work in
West Don Lands
Started

Construction of
Martin Goodman Trail
& Marilyn Bell Park
Improvements Started

City Council Approved
East Bayfront Precinct Plan

Intelligent Community
Advisory Council Established

Design of
Don River Park
Started

Central Waterfront
Innovative Design
Competition Launched

TWRC/TCMC MOU
for Waterfront
Affordable Housing
Signed



WEST DON LANDS

May 2005 – City Council approved TWRC's Precinct Plan for the West Don Lands, the first step in the municipal approvals process for the development of the 32 hectares community which will be home to 5,800 new residences, all built to the highest levels of sustainability, more than eight hectares of parks and a new transit line.

September 2005 – TWRC, the Ontario Ministry of Public Infrastructure Renewal and the Ontario Realty Corporation signed a Memorandum of Understanding for West Don Lands development. By setting out who is responsible for what, the MOU is an important tool in getting on with "shovel in the ground" work.

February 2006 – TWRC and TTC launched an environmental assessment for the new West Don Lands transit line. All residences in the West Don Lands will be within a five-minute walk of public transit. The EA will be complete in 2007. Construction will start in 2008 and be complete in 2009.

March 2006 – Work officially started for the first phase of development in the West Don Lands. Site preparation and the widening of the CN rail bridge over the Don River will be followed by the construction of a berm for flood protection, the Don River Park and 600 new residences on the McCord site in the north-east corner of the new community.

March 2006 – TWRC and Toronto Community Housing Corporation (TCHC) signed a Memorandum of Understanding for phase one affordable rental housing in the West Don Lands. Twenty percent of all new waterfront housing will be affordable rental housing. The TCHC project is located on the McCord site. Construction will start in fall 2007.

EAST BAYFRONT

December 2005 – City Council approved the East Bayfront Precinct Plan. The award-winning plan calls for the development of a vibrant new lakeside community that includes a major new employment district, tourist destinations and a new residential neighbourhood like the ones that Toronto is so well-known for.

February 2006 – TWRC and the City of Toronto reached agreement on a Memorandum of Understanding that sets out roles and responsibilities for TWRC and the Toronto Economic Development Corporation for the development of the East Bayfront and the Port Lands.

February 2006 – TWRC and TTC launched the environmental assessment for a Queens Quay East transit line. Like the West Don Lands, all East Bayfront residences will be within a five-minute walk of public transit. Construction on the new transit line will start in 2009.



EAST BAYFRONT



WEST DON LANDS START OF WORK

CENTRAL WATERFRONT INNOVATIVE DESIGN COMPETITION

February 2006 – TWRC launched the Central Waterfront Innovative Design Competition to create a continuous water's edge promenade from Bathurst Street to Parliament Street and to transform Queens Quay into an iconic waterfront boulevard. Thirty eight teams representing fifteen countries on four continents submitted proposals for the competition. The competition also generated significant public and media interest and reignited hope in waterfront revitalization. A team led by West 8 in partnership with du Toit Allsopp Hillier won the competition.



WEST DON LANDS SITE PREPARATION

WESTERN BEACHES WATERCOURSE

October 2005 – Construction started on the \$23 million Western Beaches Watercourse.

Construction was complete in April 2006. In August, the watercourse was used for the International Club Crew Dragon Boat World Championships. In addition to the watercourse, TWRC also completed major improvements to Marilyn Bell Park.



MCCORD SITE – WEST DON LANDS

MARTIN GOODMAN TRAIL IMPROVEMENTS

October 2005 – Construction started on improvements and expansion of the Martin Goodman Trail through Marilyn Bell Park to Ontario Place. A new trail was constructed along the northern edge of the park. Next to the lake, what was once a road has been turned into a car-free dedicated trail. Construction will be complete in fall 2006 on trail improvements between Marilyn Bell Park and Ontario Place.

April 2005 – March 2006 – TWRC oversaw the installation of 21 Martin Goodman Trail signs starting at Marie Curtis Park in Etobicoke in the west and ending at the foot of Silver Birch Avenue in the Eastern beaches.

JOHN QUAY PROMENADE

December 2005 – Construction started on improvements to the water's edge promenade at John Quay. The work was complete in July 2006. The project included a total restructuring of the water's edge around the quay and featured extensive landscaping improvements, the widening of the promenade and the addition of a five-metre-wide wooden boardwalk on the lakeside. The project builds on and complements the successful refurbishment of the York Quay Promenade that was complete in the summer of 2005 and both are compatible with the winning design from the Central Waterfront Innovative Design Competition.

FOOT OF YONGE STREET

September 2005 – TWRC acquired a property at the foot of Yonge Street starting a process to once again open up this significant waterfront to the public. This year, TWRC is continuing discussions with the neighbouring private landowners about opening up more of the site for public use.

DON RIVER PARK

February 2006 – Design work started for the West Don Lands' Don River Park. The seven-hectare park will be the cornerstone for the new neighbourhood as well as a destination for the entire city. The park design will be complete in fall 2006. Construction of the park, which will sit on top of the West Don Lands' flood protection berm, will be coordinated with the berm construction, slated to start in 2007.

i-WATERFRONT ADVISORY COUNCIL

November 2005 – TWRC established the i-Waterfront Advisory Council to provide the corporation with advice on the creation of a ultra-broadband intelligent communications infrastructure for Toronto's revitalized waterfront. Council members include senior representatives from government, academic and research institutions, telecommunications companies and the healthcare, finance, arts and entertainment sectors. TWRC believes that a low-cost ultra-broadband infrastructure will be a key incentive for attracting leading knowledge-based employers to the waterfront.

PUBLIC CONSULTATION

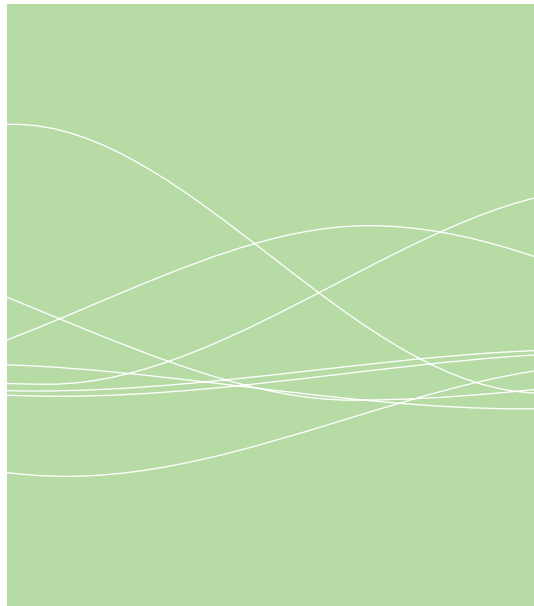
Throughout 2005/06 TWRC continued to show leadership in the area of public consultation and community engagement. All major projects included a meaningful consultation component resulting in 31 community meetings over the course of the year. In 2006/07, a key objective is to develop strategies to communicate with residents across the city in recognition of the fact that the waterfront is a city-wide resource.



DON RIVER PARK



WEST DON LANDS



QUAY TO THE CITY



MARILYN BELL PARK



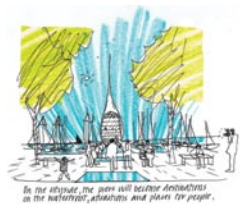
Central Waterfront Innovative Design Competition

IN FEBRUARY 2006, TWRC LAUNCHED THE CENTRAL WATERFRONT INNOVATIVE DESIGN COMPETITION, A COMPETITION TO PROVIDE THE PUBLIC WITH CONTINUOUS PUBLIC ACCESS ACROSS THE CENTRAL WATERFRONT FROM BATHURST STREET IN THE WEST TO PARLIAMENT STREET IN THE EAST.

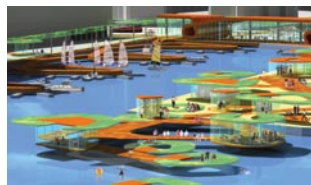
The design competition rekindled a high level of interest, excitement and hope in waterfront revitalization.

Thirty-eight teams from fifteen countries responded to a Request for Qualifications. TWRC selected five to participate in the competition:

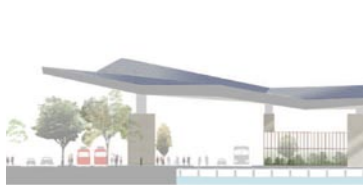
- **Foster and Partners**, London, UK and **Atelier Dreiseitl**, Uberlingen, Germany (FOSTER AND PARTNERS)
- **Stan Allen Architects**, Princeton and **Sarah Whiting and Ron Witte Architects**, Princeton (WASAW)
- **Tod Williams Billie Tsien Architects**, New York and **Martínez Lapena-Torres Architects**, Barcelona (TWBT)
- **West 8**, Rotterdam and **du Toit Allsopp Hillier**, Toronto (WEST 8+DTAH)
- **Snøhetta**, Norway, **Sasaki Associates**, New York, **nARCHITECTS**, New York, **Weisz + Yoes Architecture**, New York, **H3**, New York, **Balmori Associates**, New York and **Halcrow Yolles HPA**, New York (PORT)



FOSTER AND PARTNERS



WASAW



TWBT



PORT



WEST 8 + DTAH

WINNING DESIGN

A jury chaired by Toronto architect Brigitte Shim selected the West 8 + DTAH design. The jury felt that the West 8 + DTAH design best met the competition's key objective of providing continuous public access and transforming Queens Quay into an iconic waterfront boulevard. The jury felt the winning design was "bold, beautiful and buildable."

The winning design is defined by two big moves – **creating a continuous water's edge public promenade for the length of the central waterfront** and **transforming Queens Quay into an iconic boulevard where the "city kisses the lake."**

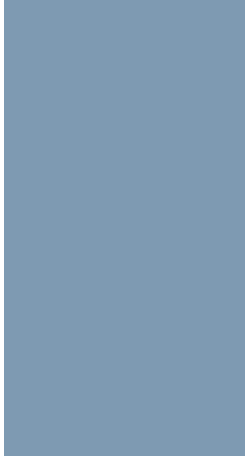
The water's edge is envisioned as an 18-metre promenade that includes a wooden boardwalk, floating finger piers and a new "green foot" for Toronto – a double row of large, native trees just to the north of the lakeside promenade. A series of bridges rising out of the wooden boardwalk and spanning the ends of the slips provide continuous public access right along the edge of the lake.

The West 8 + DTAH design also transforms Queens Quay from the waterfront's Achilles' heel into one of its most important assets. Traffic is shifted to the north side of the streetcar tracks, which remain in place, leaving four metres on the south side for the completion of the Martin Goodman Trail and the creation of a new generous pedestrian promenade. This new walkway in turn opens up the heads of slips as important public spaces, gracious in scale to match the promenade itself.



PORT





Quay to the City: Summer '06

In August 2006, TWRC held Quay to the City, a 10-day event that was intended to immediately allow residents and visitors the opportunity to experience the benefits of the winning West 8 + DTAH design.

During Quay to the City, the eastbound lanes of Queens Quay were closed and a one-kilometre lawn was installed between Spadina and York Street in the curbside lane. The other lane became an extension of the Martin Goodman Trail with a one-kilometre flower garden made up of 12,000 geraniums providing a barrier between the trail and the TTC right of way.

Implementation of the winning West 8 + DTAH design will get under way in the fall of 2006.



East Bayfront

Starting development in the East Bayfront is one of TWRC's top priorities for 2006/07. Located right next to the lake, East Bayfront will become a significant new city destination, major employment district and a vibrant mixed-use neighbourhood. Like West Don Lands, East Bayfront will meet the highest standards for both design and sustainability.

Following City Council approval of the precinct plan in December 2005, TWRC started work on a new zoning by-law as well as a detailed business and implementation plan. City Council approved the business and implementation plan in July 2006 and in September passed the zoning by-law.

It will take 15 years and \$320 million in public funding to revitalize the East Bayfront. This public sector funding for infrastructure and parks will leverage an additional \$2.5 billion in private investment.

The creation of high value, knowledge-based jobs on the waterfront is a fundamental part of TWRC's waterfront vision. TWRC's employment strategy for the East Bayfront targets the creation of 8,000 jobs over the 15-year build out. Seventy-five percent, or 6,000 jobs, will be in the information and communication technology sector with a particular focus on digital media and financial services software.



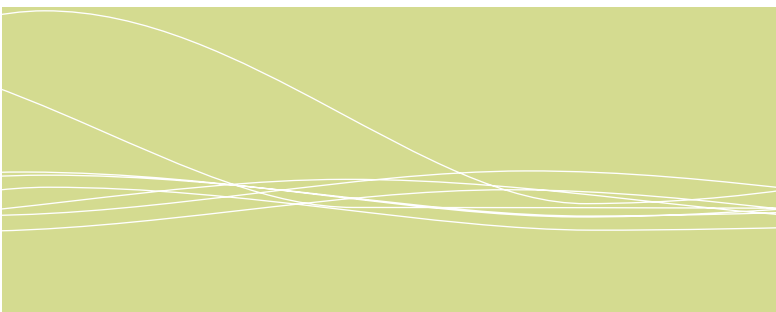
In addition to being a significant employment district, East Bayfront must also be a destination for city residents and visitors. TWRC has adopted a strategy to locate cultural, entertainment and retail uses in the ground floor of buildings on the major streets and along the water's edge to generate a critical mass of visitors to make East Bayfront a major regional attraction.

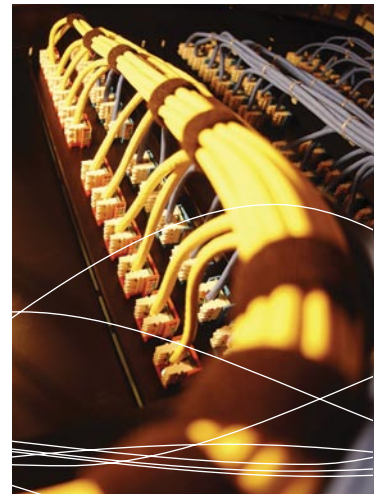
The first phase of TWRC development in East Bayfront includes the area south of Queens Quay between the Jarvis Street slip and the new Sherbourne Park. Development of the private land on the north side of Queens Quay also will likely start in the near future. Development on the private lands must meet standards for design, sustainability and affordable housing similar to the development on the public lands.

Phase one of East Bayfront development will take approximately seven years to complete and includes:

- **Sherbourne Park, including the water's edge promenade**
- **Public transit line on Queens Quay East**
- **1,300 residential units including 260 units of affordable rental housing**
- **2,300 jobs in 37,000 m² of employment space**
- **14,000 m² of ground floor cultural, retail, service and entertainment uses**

In the fall of 2006, TWRC will launch the design process for Sherbourne Park, start work on relocating existing businesses and determine servicing and other infrastructure requirements for phase one development. TWRC plans to start the process for selecting a phase one development partner in the spring of 2007.





Intelligent Communities

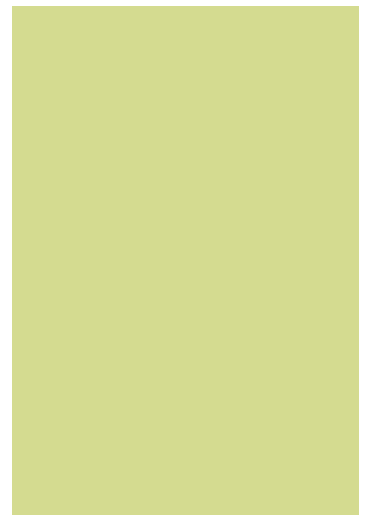
Economic development is a fundamental part of TWRC's vision for waterfront revitalization. Attracting creative, knowledge-based companies and institutions is the key strategy for fulfilling the corporation's economic development mandate.

To be successful, Toronto's waterfront needs to offer unique advantages for locating here. TWRC believes that what will set the waterfront and Toronto apart and attract high-value 21st century jobs, is the creation of a low-cost ultra-broadband intelligent communications infrastructure, or what TWRC is calling **i-Waterfront*Net**.

An "intelligent" community gets its initial competitive advantage by implementing a more advanced broadband communications infrastructure than its neighbours. The infrastructure becomes the foundation upon which members of the community collaborate more effectively and implement advanced applications in business, education, healthcare, research, culture, entertainment and community services.

TWRC's i-Waterfront Advisory Council, made up of senior representatives from government, academic and research institutions, telecommunications companies and the healthcare, finance, arts and entertainment sectors, is providing advice on how best to implement the network.

Infrastructure for both East Bayfront and the West Don Lands is being designed to accommodate the main cable ducts and fibre required for **i-Waterfront*Net**. In the coming months, TWRC will start discussions with companies interested in participating in the development of the network and a detailed business plan, including financing options which will be prepared for approval by TWRC's Board of Directors. Initial implementation of the network will coincide with the installation of infrastructure in the West Don Lands and the East Bayfront.



i-Waterfront Advisory Council

Members of the i-Waterfront Advisory Council are senior representatives of the stakeholder communities who together will advise and assist TWRC to achieve world-class standing as an intelligent community.

EDUCATION

Robert Gordon, President, Humber College

Ann Buller, President, Centennial College

Veronica Lacy, President and CEO, The Learning Partnership

Janet Murphy, Director, Advanced Broadband Learning Initiative, York University

Ann Kerr, Principal, Ursula Franklin Academy

MEDIA AND ENTERTAINMENT

Ana Serrano, Director, Habitat New Media Lab, Canadian Film Centre

Danielle Parr, Executive Director, Entertainment Software Association of Canada

Kathleen Webb, Director, New Media Business Alliance

ARTS & CULTURE

Catherine Henderson, Past President, Ontario College of Art & Past President, Centennial College

Tim Jones, President, Artscape

Brian Porter, Director, Interactive Media, Royal Ontario Museum

HEALTHCARE

Alex Jadad, Director, Centre for Global eHealth Innovation, Canada Research Chair in eHealth Innovation, University Health Network and University of Toronto

RESEARCH

Stan Shapson, Vice-President, Research and Innovation, York University

Phil Baker, President and CEO, Ontario's Research and Education Network

Gale Moore, Director, Knowledge Management Design Institute, University of Toronto

Paul Hearty, Rogers Communications Centre, Ryerson University

Ross McGregor, President and CEO, Toronto Regional Research Alliance

INFORMATION, COMMUNICATIONS AND TECHNOLOGY COMPANIES

William Bangert, Sr. Vice-President, Bell Canada

Doug McCuaig, Sr. Vice-President & General Manager, Ontario & Atlantic Canada, CGI

Walter Stewart, Past President, SGI Grid Computing, Past Chair, CANARIE Inc.

Bob Courteau, President, SAP Canada

Ibrahim Gedeon, Chief Technology Officer, Telus

Bob Milne, Vice-President Americas, Cisco

Barry Burke, Vice-President Ontario Public Sector, Cisco Alternate

Ian Oliver, Vice-President, Telecommunications, IBI

Rosemary Walker, Vice-President, Telecommunications Sector, IBM

Peter Carbone, Chief Technology Officer (Acting), Nortel

David Dobbin, President, Toronto Hydro Telecom Inc.

Allan Steel, Canadian General Manager, Autodesk

SOCIAL AND GOVERNMENT SERVICES

Peter Myall, City of Toronto, Economic Development

CITY OF TORONTO LIAISON GROUP

John Davies, Executive Director, Information Technology Division

Cel Gianotta, Director, Information Technology Services, Toronto Police Services

John Cannon, Chief Information Officer, Toronto Transit Commission

INTERNATIONAL BUSINESS PROMOTION

John Jung, Vice-President, Greater Toronto Marketing Alliance & Global Chair, Intelligent Community Forum

FINANCIAL SERVICES INDUSTRIES

Renah Persofsky, Past President and CEO, Dexit Inc. & CEBRA

Steve Tennyson, Sr. Vice-President and Corporate CIO, TD Bank Financial Group

OUTDOOR MEDIA

Luc Beaulieu, Vice-President, Development, Astral Media Outdoor, L.P.

CONSTRUCTION INDUSTRY

Mike Lee, Member of the Board of Directors, Continental Automated Building Association (CABA), Vice-President & Chief Strategy Officer, Rogers Communications Inc.

Management Discussion & Analysis

RESULTS

In 2005/06, TWRC continued to have both successes and challenges similar to those experienced in previous years. While the corporation continued to make significant progress on implementation as outlined in the “2005/06 Achievements” section of this report, the target of \$162 million in spending was not achieved. The major reasons for this are related to delays in securing funding and or delays in the regulatory approval processes associated with the corporation’s activities. TWRC continues to work with its three government partners to improve the corporation’s ability to secure funds on a timely basis and to streamline the regulatory approval processes where appropriate.

TWRC’s business plan for 2006/07 reflects that the corporation is moving further into project implementation with the expectation of construction across the waterfront. TWRC’s top priorities are the development of the West Don Lands and East Bayfront and the implementation of the Central Waterfront redesign of the water’s edge and Queens Quay. This year, TWRC has already launched construction on the second subway platform at Union Station and a new waterfront park in Mimico, and completed the construction of the John Quay Promenade, the Western Beaches Watercourse, improvements to the Martin Goodman Trail and Marilyn Bell Park and the first phase of the new Port Union Waterfront Park.

RISKS AND CRITICAL RESOURCES

There are a number of risks and critical resources that could impact the successful implementation of the corporation’s 2006/07 business plan and 30-year vision.

The corporation continues to work with its government partners to secure the funding required to complete its planned projects on a timely basis. To date, \$539 million in project funding has been secured through contribution agreements, with another \$124 million expected to be in place by March 31, 2007. The next phase of implementation requires significant investment in the construction of major infrastructure and the development of partnerships with the private sector, making secured funding in advance of project implementation even more critical.

TWRC also continues to work with its government partners to resolve important intergovernmental and governance issues. Moving into implementation has raised issues around environmental liability, risk allocation, and indemnity exposure for the corporation’s government partners. TWRC and the governments recognize the importance of resolving these issues on a priority basis.

TWRC and the governments are also discussing granting TWRC the authorities the corporation requires to effectively carry out development. This means reaching an agreement with the three governments to allow TWRC to create subsidiaries, raise and retain revenues outside of government contributions, and to borrow to finance its activities in order to achieve the corporation’s 30-year vision. A September 2004 independent governance review of the corporation also recommended that TWRC become a fully empowered corporation with appropriate tools and resources.

In addition, the corporation is working closely with the Government of Canada on the federal government’s Sunset Review of the corporation’s first 5 years of activities. The purpose of the review is to decide whether to extend the Government of Canada’s funding beyond the current March 31, 2008 end-date. The decision to re-profile and extend federal funding will be made in 2007. TWRC remains confident of the federal government’s continued support for waterfront revitalization.

ACCOUNTABILITY

TWRC continues to improve its commitment to a high level of accountability. In addition to its annual audited financial statements and annual business plans, the corporation made further improvements to the board committee structure including: the creation of a Finance & Risk Management Committee; improving the corporation’s risk management processes with the expectation of implementing an enterprise risk management process in 2006/07; completing internal audits of the corporation’s procurement processes and payroll and human resource policies and procedures; and carrying out an external value-for-money audit and organizational review which are expected to be complete in fall 2006. TWRC expects that the value-for-money audit and organizational review will result in further improvements to the corporation’s accountability and governance practices.

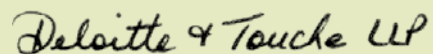
Auditors' Report

to the Board of the Toronto Waterfront Revitalization Corporation

We have audited the statement of financial position of the Toronto Waterfront Revitalization Corporation as at March 31, 2006 and the statements of financial activities and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted Canadian auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted Canadian accounting principles.

The logo for Deloitte & Touche LLP, featuring the company name in a stylized, cursive script.

Chartered Accountants
Toronto, Ontario
April 21, 2006 (except for Note 13 which is dated May 5, 2006)



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Statement of Financial Position

March 31, 2006

	2006	2005
Assets		
Cash and cash equivalents	\$ 29,488,245	\$ 23,670,094
Contributions receivable (Note 3)	3,801,427	–
GST receivable	232,044	321,587
Accrued interest	98,193	46,526
Prepaid expenses and other	42,664	6,602
	33,662,573	24,044,809
Capital assets (Note 4)	13,279,995	342,049
Accrued benefit asset (Note 12)	–	19,910
Other assets (Note 5)	122,672	–
	\$ 47,065,240	\$ 24,406,768
Liabilities and net assets		
Accounts payable and accrued liabilities (Note 6)	\$ 15,251,286	\$ 9,136,155
Other liabilities (Note 7)	439,435	–
Accrued benefit liability (Note 12)	11,264	–
Deferred contributions (Note 8)	18,812,268	15,270,613
	34,514,253	24,406,768
Net asset	12,550,987	–
	\$ 47,065,240	\$ 24,406,768

Commitments (Note 13)

APPROVED BY THE BOARD



Vivien Dzau
Director



Mark J. Wilson
Director

Statement of Financial Activities and Net Assets

Year ended March 31, 2006

	2006	2005
Revenue		
Government contributions		
Government of Canada	\$ 35,375,466	\$ 12,831,719
Province of Ontario	12,462,283	7,601,977
City of Toronto	14,471,591	9,837,748
	62,309,340	30,271,444
Less contributions for land acquisition	(12,550,987)	–
Less increase in deferred contributions related to future periods	(3,541,655)	(9,483,696)
Net government contributions (Note 9)	46,216,698	20,787,748
Interest and other	591,079	322,071
	46,807,777	21,109,819
Expenses		
Eligible recipient costs (Note 10)		
Construction/implementation	25,520,168	8,534,731
Property acquisition	2,778,324	646,761
Design, approvals and site preparation	2,202,249	1,424,406
Project management and other internal	1,710,634	405,943
Other	450,000	–
	32,661,375	11,011,841
TWRC costs		
Program manager fees	3,079,214	2,015,642
Salaries, benefits and directors' fees	2,998,910	2,552,450
Design, approvals and site preparation	2,067,204	2,172,885
Legal fees	1,838,262	792,635
Construction/implementation	997,981	27,325
Audit, finance and other professional fees	963,498	609,233
Occupancy, IT and office expenses	805,948	588,305
Communications and public consultation	604,340	340,008
Amortization	222,232	161,943
	13,577,589	9,260,426
Non-recoverable GST	568,813	(162,083)
	46,807,777	20,110,184
Excess of revenue over expenses	–	999,635
Net assets, beginning of year	–	(999,635)
Add government contributions for land acquisition	12,550,987	–
Net assets, end of year	\$ 12,550,987	

Statement of Cash Flows

Year ended March 31, 2006

	2006	2005
Net inflow (outflow) of cash related to the following activities		
Operating		
Excess of revenue over expenses	\$ –	\$ 999,635
Amortization which does not involve cash	222,232	161,943
	222,232	1,161,578
Changes in non-cash operating items		
Increase in GST receivable, accrued interest, prepaid expenses and other assets	(120,858)	(370,450)
(Increase) decrease in contributions receivable	(3,801,427)	2,057,191
Increase (decrease) in accounts payable and accrued liabilities	6,115,131	(1,316,008)
Increase in other liabilities	439,435	–
Increase in deferred contributions	3,541,655	9,483,697
	6,396,168	11,016,008
Investing		
Acquisition of capital assets	(13,160,178)	(39,238)
Increase in accrued benefit asset/liability	31,174	(19,910)
	(13,129,004)	(59,148)
Financing		
Government contributions for non-amortized capital assets	12,550,987	–
Net inflow of cash and cash equivalents	5,818,151	10,956,860
Cash and cash equivalents, beginning of year	23,670,094	12,713,234
Cash and cash equivalents, end of year	\$ 29,488,245	\$ 23,670,094

Notes to the Financial Statements

March 31, 2006

1. DESCRIPTION OF THE CORPORATION

The TWRC was initially incorporated on November 1, 2001 under the Ontario Business Corporations Act with the Province of Ontario being its sole shareholder. The mandate of the Corporation is to develop and implement a long-term plan to environmentally improve and economically rejuvenate Toronto's waterfront. The table below sets out the Contribution Agreements in place under which Her Majesty The Queen in right of Canada ("Government of Canada"), Her Majesty The Queen, in right of the Province of Ontario ("Province of Ontario") and/or City of Toronto (collectively, the "Governments") have agreed to provide the Corporation with funds to pay for Eligible Costs in respect of Project Activities.

Contribution Agreement	City of Toronto	Province of Ontario	Government of Canada	Total	Expiry Date
1. Priority Projects					
Development Plan & Business Strategy	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 3,000,000	31-Mar-2008
Front Street Extension	56,666,667	56,666,667	56,666,667	170,000,000	31-Mar-2008
Union Station Second Platform	19,333,333	19,333,333	19,333,333	58,000,000	31-Mar-2008
Lower Don River Environmental Assessments	1,000,000	1,000,000	1,000,000	3,000,000	31-Mar-2008
Port Lands Preparation	20,233,333	20,233,333	20,233,333	60,700,000	31-Mar-2008
Total Priority Projects	\$ 98,233,333	\$ 98,233,333	\$ 98,233,333	\$ 294,700,000	
2. Core Projects					
Harbourfront Water's Edge	\$ 6,200,000	\$ 6,200,000	\$ 6,200,000	\$ 18,600,000	30-Sep-2006
Mimico Park	2,166,667	2,166,667	2,166,667	6,500,000	31-Mar-2008
Port Union Waterfront	5,333,333	5,333,333	5,333,333	16,000,000	31-Mar-2008
Precinct Planning	2,352,333	2,352,333	2,352,333	7,057,000	31-Mar-2007
Total Core Projects	\$ 16,052,333	\$ 16,052,333	\$ 16,052,333	\$ 48,157,000	
3. Commissioners Park Land	\$ 3,333,333	\$ 3,333,333	\$ 3,333,333	\$ 10,000,000	31-Mar-2006
4. Western Beaches Watercourse Facilit	—	—	200,000	200,000	30-Sep-2004
5. Western Beaches Watercourse Facility	4,000,000	4,000,000	19,000,000	27,000,000	30-Nov-2006
6. Shakespeare Works	—	—	1,475,576	1,475,576	30-Sep-2006
7. Tommy Thompson Park	—	—	8,000,000	8,000,000	31-Mar-2008
8. Lake Ontario Park Plan	—	—	1,000,000	1,000,000	31-Mar-2007
9. Port Lands Permanent Beautification	2,580,000	2,580,000	10,000,000	15,160,000	31-Mar-2008
10. West Don Lands Phase 1	54,410,000	24,290,000	—	78,700,000	31-Mar-2010
11. University for Peace	—	—	2,938,267	2,938,267	1-Dec-2006
12. Strategic Land Acquisition	—	—	13,237,906	13,237,906	31-Mar-2008
13. Port Lands Interim Sports Fields	—	—	5,000,000	5,000,000	30-Sep-2006
14. Don River Park Phase 1	—	—	1,485,000	1,485,000	31-Mar-2008
15. PL Regional Sports Complex Phase 1	—	—	200,000	200,000	30-Jun-2006
	\$ 178,609,000	\$ 148,489,000	\$ 180,155,749	\$ 507,253,749	

Notes to the Financial Statements

March 31, 2006

1. DESCRIPTION OF THE CORPORATION (CONTINUED)

Pursuant to the Toronto Waterfront Revitalization Corporation Act, 2002 (the "Act"), the Corporation was continued as a corporation without share capital on May 15, 2003. The Corporation is deemed not to be a Crown Agency within the meaning of the Crown Agency Act.

Under the Act, the Corporation's objects are to:

- (a) implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and create an accessible and active waterfront for living, working and recreation and to do so in a fiscally and environmentally responsible manner;
- (b) ensure that ongoing development in the designated waterfront area can continue in a financially self-sustaining manner;
- (c) promote and encourage involvement of the private sector in the development of the designated waterfront area;
- (d) encourage public input into the development of the designated waterfront area; and
- (e) engage in such other activities as may be prescribed by regulation.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of presentation*

These financial statements have been prepared in accordance with generally accepted Canadian accounting principles for not-for-profit organizations.

(b) *Revenue recognition*

The Corporation follows the deferral method of accounting for contributions from the Governments. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(c) *Contributions receivable and deferred contributions*

Annual contribution commitments by the Governments under signed Contribution Agreements which have not been received by the Corporation are recorded as contributions receivable when the amount is determinable and the ultimate collection is likely.

Under the Contribution Agreement, contributions from the Governments can be applied only towards payments of Eligible Costs in respect of Project Activities, as defined in the Agreements. Accordingly, all unspent funds are recorded as deferred contributions.

Contributions from the Governments for the purchase of amortized capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Contributions for the purchase of non-amortized capital assets are recognized as a direct contribution to net assets.

(d) *Recognition of expenditures incurred by Eligible Recipients*

The Corporation has entered into agreements with Eligible Recipients responsible for managing various projects on Toronto's waterfront. Expenditures related to these projects are recorded in the financial statements of the Corporation on an accrual basis based upon funding requests submitted by the Eligible Recipients in accordance with approved project work plans.

Notes to the Financial Statements

March 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) *Cash and cash equivalents*

Cash and cash equivalents consist of cash and short-term investments with original terms of less than 90 days.

(f) *Capital assets*

Capital assets are recorded at cost less accumulated amortization. With the exception of land which is not amortized, capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and fixtures	5 years
Equipment	5 years
Computer hardware and software	3 years
Leasehold improvements	5 years

Betterments, which extend the estimated life of an asset, are capitalized. Repairs and maintenance costs are charged to expense. Capital costs incurred by TWRC on assets for which TWRC does not have legal title are charged to expense.

(g) *Income taxes*

The Corporation is exempt from income taxes pursuant to paragraph 149(1)(d.3) of the Income Tax Act (Canada).

(h) *Employee future benefits*

The Corporation accrues its obligations under employee benefit plans and the related costs, net of plan assets. The Corporation has adopted the following policies:

- The cost of pension benefits earned by employees is actuarially determined using the projected unit credit method pro-rated on service and management's best estimate of expected plan performance, salary escalation and retirement ages of employees.
- For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.
- Actuarial gains (losses) arise from the difference between actual long-term rate of return on plan assets for the year or from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees. The average remaining service period of active employees expected to receive benefits under the pension plan is 7 years.

(i) *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Notes to the Financial Statements

March 31, 2006

3. CONTRIBUTIONS RECEIVABLE

	2006		2005	
Government of Canada	\$	3,801,427	\$	–

Contributions receivable from the Government of Canada relate to funding receivable as at March 31, 2006 for Western Beaches Watercourse (\$2,899,000) and Shakespeare Works (\$902,427).

4. CAPITAL ASSETS

	2006			2005	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Land	\$ 12,990,422	\$ –	\$ 12,990,422	\$	–
Leasehold improvements	157,500	124,883	32,617		82,987
Furniture and fixtures	352,675	256,229	96,446		166,510
Computer hardware and software	329,461	186,124	143,337		75,058
Equipment	38,301	21,128	17,173		17,494
Long-term portion	\$ 13,868,359	\$ 588,364	\$ 13,279,995	\$	342,049

5. OTHER ASSETS

Other Assets of \$137,142 (March 31, 2005 - \$nil) represent the portion of environmental impairment liability insurance coverage paid in advance by the Corporation. The Corporation's coverage is for a 10-year period ending September 22, 2015. The total cost is being amortized on a straight-line basis. Other assets are presented as follows:

	2006		2005	
Total other assets	\$	137,142	\$	–
Less current portion		14,470		
Long-term portion	\$	122,672	\$	–

Notes to the Financial Statements

March 31, 2006

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Accounts Payable		
Eligible recipients	\$ 1,794,580	\$ 349,343
Other	614,895	387,996
Accrued Liabilities		
Eligible recipients	10,004,517	6,376,776
Other	1,131,601	2,022,040
Holdbacks Payable	1,705,693	–
	\$ 15,251,286	\$ 9,136,155

Eligible recipient accrued liabilities include \$4,408,914 (March 31, 2005 - \$4,695,873) for completion of a property acquisition related to the Front Street extension. Under the terms of the Contribution Agreement, the Corporation cannot release payment to the eligible recipient, City of Toronto, until completion of the Canadian Environmental Assessment Agency approval process.

7. OTHER LIABILITIES

As part of the Agreement of Purchase and Sale (“the Agreement”) dated August 31, 2005 for property at 7 Queens Quay East, the Corporation entered into a ground lease to lease the property to the vendor (tenant) for a period of 17 months, ending February 21, 2007. Under the terms of the lease, for base rent of \$1 paid to the Corporation, the vendor (tenant) is entitled to collect all net revenues arising from the property and is responsible for all operating costs such as utilities and realty taxes. The Corporation has the right to terminate the ground lease early upon 45 days’ notice to the vendor. In the event that the Corporation terminates the lease early, the Corporation shall be liable for lost net revenues to the vendor (tenant).

The total net revenues forgone by the Corporation of \$696,000 have been included in the cost of land in Capital Assets and also recognized as a liability in Other Liabilities. The liability represents the net revenue derived from the land prior to its readiness for use and is being amortized against the cost of the land over the period of the ground lease.

Other liabilities at March 31, 2006 represent the unamortized balance of net lease revenue forgone by the Corporation.

	2006	2005
Other liabilities, opening balance	\$ –	\$ –
Forgone net revenue upon acquisition of land	696,000	–
Amortization to cost of land	(256,565)	–
Other liabilities, closing balance	\$ 439,435	\$ –

Notes to the Financial Statements

March 31, 2006

8. DEFERRED CONTRIBUTIONS

Deferred contributions represent contributions from the Governments which have not been applied to Eligible Costs at March 31, 2006, as well as contributions received for the purchase of capital assets.

	2006	2005
Expenses of Future Periods		
Balance, beginning of year	\$ 14,928,564	\$ 5,322,162
Additional contributions received	49,149,162	5,322,162
Less amounts recognized as revenue	(45,994,466)	(20,625,805)
Balance, end of year	18,083,260	14,928,564
Capital Contributions		
Balance, beginning of year	342,049	464,754
Additional contributions received	13,160,178	39,238
Less direct contribution to net assets	(12,550,987)	—
Less amount amortized to revenue	(222,232)	(161,943)
Balance, end of year	729,008	342,049
	\$ 18,812,268	\$ 15,270,613

Notes to the Financial Statements

March 31, 2006

9. GOVERNMENT CONTRIBUTIONS

Government contributions are based on each level of government contributing a share of Eligible Costs net of other revenue sources, in accordance with the Contribution Agreements.

	2006	2005	Inception to March 31, 2006
Government contributions			
Government of Canada	\$ 35,375,466	\$ 12,831,719	\$ 62,141,741
Province of Ontario	12,462,283	7,601,977	39,028,561
City of Toronto	14,471,591	9,837,748	41,000,339
	62,309,340	30,271,444	142,170,641
Add opening deferred contributions			
Government of Canada	4,634,859	—	—
Province of Ontario	5,285,081	4,030,108	—
City of Toronto	5,350,673	1,756,808	—
	15,270,613	5,786,916	—
Less contributions for land acquisition			
Government of Canada	(12,550,987)	—	(12,550,987)
Less closing deferred contributions			
Government of Canada	(4,709,799)	(4,634,859)	(4,709,799)
Province of Ontario	(5,546,784)	(5,285,081)	(5,546,784)
City of Toronto	(8,555,685)	(5,350,673)	(8,555,685)
	(18,812,268)	(15,270,613)	(18,812,268)
Government contributions recognized as revenue			
Government of Canada	22,749,539	8,196,861	44,880,955
Province of Ontario	12,200,580	6,347,004	33,481,777
City of Toronto	11,266,579	6,243,883	32,444,654
	\$ 46,216,698	\$ 20,787,748	\$ 110,807,386

Notes to the Financial Statements

March 31, 2006

10. ELIGIBLE RECIPIENT COSTS

The Corporation has agreements with Eligible Recipients who are responsible for managing various projects on Toronto's waterfront. Under the terms of the agreements, the Corporation does not assume ownership or ongoing operational responsibility upon project completion.

The Corporation has paid or accrued Eligible Costs pursuant to agreements with Eligible Recipients as follows. These costs (recoveries) are exclusive of TWRC costs for these projects:

	2006	2005
City of Toronto		
Front Street Extension	\$ (286,959)	\$ —
Toronto Transit Commission		
Union Station Second Platform	350,250	371,871
Transit Environmental Assessments	38,000	—
Toronto and Region Conservation Authority		
Lower Don River Environmental Assessments	447,243	545,264
Mimico Park	2,594,481	619,669
Port Union Waterfront Park	2,656,129	2,247,284
Western Beaches Watercourse Facility	18,181,076	50,000
Tommy Thompson Park	383,013	—
West Don Lands Phase 1	1,530,090	—
Canada Lands Company		
Cherry Beach Improvements	(5,000)	295,018
Soil Remediation Framework	—	—
Toronto Economic Development Corporation		
Port Lands Site Preparation and Cleanup	—	153,022
Port Lands Permanent Beautification	369,272	—
Harbourfront Corporation		
Harbourfront Water's Edge	5,026,739	6,379,538
Shakespeare Works	896,709	350,175
University for Peace	480,332	—
	\$ 32,661,375	\$ 11,011,841

Notes to the Financial Statements

March 31, 2006

11. REMUNERATION

The Corporation's Board of Directors and senior management team receive annual compensation as follows:

	Salary/ Director Fees	Bonus	Employee Future Benefits and Other
Chairman	\$ 150,000	\$ –	\$ –
President & CEO	\$ 300,000 up to	\$ 75,000	\$ 85,000
Chief Financial Officer	\$ 238,700 up to	\$ 47,740	\$ –
Board of Directors	\$ 5,000	\$ –	\$ 500 per meeting

In addition, the Chairman, Chief Executive Officer and Chief Financial Officer are entitled to participate in the benefit program sponsored by the Corporation.

12. EMPLOYEE FUTURE BENEFITS

The Corporation maintains a registered pension plan known as "The Pension Plan for Presidents of TWRC" ("the Plan"). The Plan is a defined benefit plan and was transferred from the President's previous employer to the Corporation, pursuant to the President's employment contract. The Plan was registered in the Corporation's name April 21, 2003 with no assets or liabilities until January 1, 2005 when a transfer was affected from the President's previous employer. The Plan provides pension benefits based on length of service and final average earnings.

The Corporation measures its accrued benefit obligation and the fair value of plan assets for accounting purposes as at March 31 of each year. The most recent actuarial valuation of the Plan was as of March 31, 2006. The last valuation for funding purposes was as of April 21, 2003.

A reconciliation of the funded status of the Plan to the amount recorded in the financial statements is as follows:

	2006	2005
Accrued benefit obligation	\$ 1,136,188	\$ 850,706
Fair value of plan assets	924,173	898,430
Funded status – plan (deficit) surplus	(212,015)	47,724
Unamortized net actuarial loss (gain)	200,751	(27,814)
Accrued benefit (liability) asset	\$ (11,264)	\$ 19,910

Notes to the Financial Statements

March 31, 2006

12. EMPLOYEE FUTURE BENEFITS (CONTINUED)

Details of the accrued benefit obligation are as follows:

	2006		2005	
Accrued benefit obligation, beginning of year	\$	850,706	\$	–
Current service cost		31,886		24,563
Transfer of past service costs		–		826,143
Interest cost on accrued benefit obligation		39,717		46,789
Actuarial loss (gain) on accrued benefit obligation		213,879		(46,789)
Accrued benefit obligation, end of year	\$	1,136,188	\$	850,706

The Plan expense for the year is determined as follows:

	2006		2005	
Current service cost	\$	31,886	\$	24,563
Interest cost on accrued benefit obligation		39,717		46,789
Expected return on plan assets		(40,429)		(24,553)
Plan expense	\$	31,174	\$	46,799

The significant actuarial assumptions adopted in measuring the accrued benefit obligation are as follows:

	2006		2005	
Discount rate		4.50%		5.50%
Expected long-term rate of return on plan assets		4.50%		5.50%
Rate of salary escalation		2.50%		2.50%

Notes to the Financial Statements

March 31, 2006

13. COMMITMENTS

The Corporation is committed to payments under operating leases for equipment and office space through 2012 in the amount of \$1,300,620. Annual payments for the next five fiscal years and thereafter are as follows:

2007	\$	366,941
2008		219,474
2009		198,781
2010		219,891
2011		235,723
Thereafter		59,810
	\$	1,300,620

In addition, the Corporation has other commitments of \$48,334,000. These commitments comprise contracts directly entered into by the Corporation or delivery agreements with Eligible Recipients who are responsible for managing various projects on Toronto's waterfront.

On February 17, 2006 the Corporation entered into a Master Agreement with a third party with respect to a strategic land transaction. Under the terms of the Agreement, the Corporation is required to pay a deposit of \$23,161,180. This deposit, which will be secured by the third party with a letter of credit, is fully refundable to the Corporation, subject to certain terms and conditions. Payment of this deposit is conditional upon receipt by the Corporation of federal government approval and funding by May 5, 2006. As federal approval and funding was not received by May 5, 2006, the Agreement terminated subsequent to year end.

Notes to the Financial Statements

March 31, 2006

14. GUARANTEES

- (a) Under the Contribution Agreement the Corporation provides an indemnity to the City of Toronto, Province of Ontario and Government of Canada and their respective officers, employees and agents, from and against liability with respect to injury to persons, damage or loss of property, economic loss or infringement of rights arising directly or indirectly from:
 - (i) a project,
 - (ii) the performance of a contract or breach of any term or condition, or
 - (iii) any omission or willful or negligent act of the Corporation's officers, employees or agents.

The indemnity extends to all costs and liabilities the level of government may incur as a result of appointing members to the Board of Directors of the Corporation where the Corporation is acting as an agent or incurring obligations on behalf of that level of government.

The Corporation requires all Eligible Recipients to indemnify the Corporation from and against liability on the same basis outlined above.

The Corporation requires all third party contractors to indemnify each level of government and the TWRC, its officers, employees and agents against all claims and liabilities caused by or arising from:

- (i) the breach of any term or condition of the contract by the third party contractor or its officers, employees or agents; or
 - (ii) any negligent or willful act or omission of the third party contractor or its officers, employees or agents, in relation to the applicable project.
- (b) Under the Delivery Agreement with each Eligible Recipient respectively, the Corporation provides an indemnity to the Eligible Recipient and its respective officers, employees and agents, from and against any claims with respect to direct loss arising from:
 - (i) any breach by the Corporation of the Delivery Agreement or documents or certificates given pursuant to the Agreement, or
 - (ii) any negligent or willful acts or omissions of the Corporation, its officers, directors, employees or agents, in relation to the project.

The nature of the indemnifications prevents management of the Corporation from making a reasonable estimate of the maximum potential liability the Corporation could be exposed to. Management, however, attempts to limit the Corporation's exposure under these indemnifications through the purchase of directors' and officers' insurance, the allocation of risk to Eligible Recipients and contractors (outlined above) and through enforcing the Corporation's and Eligible Recipients' policies and procedures, as well as intense oversight where appropriate.

15. COMPARATIVE FIGURES

Certain of the prior years' comparative figures have been reclassified to conform to the current year's financial statement presentation.

Schedule A:

Schedule of Financial Activities by Project (Unaudited)

Year ended March 31, 2006

	PRIORITY PROJECTS ¹			CORE PROJECTS ²		
	2006	2005	Inception to March 31, 2006	2006	2005	Inception to March 31, 2006
REVENUE						
Government contributions						
Government of Canada	\$ 2,257,421	\$ 3,254,936	\$ 13,156,293	\$ 3,179,426	\$ 7,258,476	\$ 11,079,373
Province of Ontario	(1,387,924)	2,575,569	11,602,429	5,131,687	3,268,222	13,031,633
City of Toronto	1,559,779	2,340,227	14,021,440	4,047,995	2,816,206	11,462,339
	2,429,276	8,170,732	38,780,162	12,359,108	13,342,904	35,573,345
Less contributions for land acquisition	–	–	–	–	–	–
Contributions related to future periods	(629,059)	(2,796,076)	(4,058,175)	(701,803)	451,923	(3,845,734)
Net government contributions	1,800,217	5,374,656	34,721,987	11,657,305	13,794,827	31,727,611
Interest and other	–	–	–	–	–	–
	1,800,217	5,374,656	34,721,987	11,657,305	13,794,827	31,727,611
EXPENSES						
Eligible recipient costs						
Construction/implementation	(17,115)	438,821	1,505,078	7,010,256	7,759,335	18,687,027
Property acquisition	(286,959)	–	13,874,554	2,652,284	646,761	3,705,969
Design, approvals and site preparation	705,355	819,522	4,542,994	312,556	604,884	1,782,644
Project management and other internal	142,252	106,831	992,732	302,252	235,512	1,079,763
Other	–	–	87,395	–	–	–
	543,533	1,365,174	21,002,753	10,277,348	9,246,492	25,255,403
TWRC costs						
Program manager fees	518,405	957,974	5,201,984	278,312	445,244	1,279,672
Salaries, benefits and directors' fees	–	–	–	–	–	–
Design, approvals and site preparation	260,580	331,185	2,096,721	458,806	1,179,458	2,967,418
Legal fees	4,538	83,553	613,937	169,052	105,119	406,461
Construction/implementation	304,798	27,325	332,123	105,112	–	105,114
Audit, finance and other professional fees	3,273	4,772	945,125	39,750	66,061	171,912
Occupancy, IT and office expenses	9,177	3,836	23,674	37,485	(8,139)	56,367
Communications and public consultation	131,157	137,227	585,321	56,767	105,024	332,270
Amortization	–	–	–	–	–	–
Corporate allocation	–	200,857	3,355,926	–	195,969	525,162
	1,231,928	1,746,729	13,154,811	1,145,284	2,088,736	5,844,376
Non-recoverable GST	24,756	(46,118)	564,423	234,673	284,091	627,832
	1,800,217	3,065,785	34,721,987	11,657,305	11,619,319	31,727,611
EXCESS OF REVENUE OVER EXPENSES	–	2,308,871	–	–	2,175,508	–
NET ASSETS, BEGINNING OF YEAR	–	–	–	–	–	–
ADD GOVERNMENT CONTRIBUTIONS FOR LAND ACQUISITION	–	–	–	–	–	–
NET ASSETS, END OF YEAR	\$ –	\$ 2,308,871	\$ –	\$ –	\$ 2,175,508	\$ –

¹ Priority Projects includes Development Plan & Business Strategy, Front Street Extension, Union Station Second Platform, Lower Don River Environmental Assessments and Port Lands Preparation

² Core Projects includes Harbourfront Water's Edge, Mimico Park, Port Union Waterfront and Precinct Planning

³ Land Initiatives includes Commissioners Park and Strategic Land Acquisition

⁴ Parks, Open Space and Recreation Initiatives includes Tommy Thompson Park, Lake Ontario Park Plan, Don River Park Phase 1, Port Lands Interim Sports Fields, Port Lands Regional Sports Complex, Shakespeare Works and University for Peace

⁵ Other Projects includes West Don Lands Phase 2 Planning and East Bayfront Implementation

LAND INITIATIVES³			WESTERN BEACHES WATERCOURSE			PARKS, OPEN SPACE AND RECREATION INITIATIVES⁴			PORT LANDS PERMANENT BEAUTIFICATION		
		Inception to March 31, 2006			Inception to March 31, 2006			Inception to March 31, 2006			Inception to March 31, 2006
2006	2005		2006	2005		2006	2005		2006	2005	
\$ 13,483,878	\$ 1,333,333	\$ 14,817,538	\$ 10,778,522	\$ 550,000	\$ 11,328,522	\$ 3,653,043	\$ 2,025,000	\$ 5,678,043	\$ 1,635,698	\$ –	\$ 1,635,698
(22,319)	1,333,333	1,311,341	2,568,296	550,000	3,118,296	–	–	–	547,691	–	547,691
–	3,333,333	3,333,333	4,000,000	–	4,000,000	–	–	–	547,690	–	547,690
13,461,559	5,999,999	19,462,212	17,346,818	1,100,000	18,446,818	3,653,043	2,025,000	5,678,043	2,731,079	–	2,731,079
(12,550,987)	–	(12,550,987)	–	–	–	–	–	–	–	–	–
(556,264)	(5,667,529)	(6,224,447)	1,634,346	(408,853)	1,225,493	(1,542,020)	(1,657,655)	(3,199,675)	(1,555,863)	–	(1,555,863)
354,308	332,470	686,778	18,981,164	691,147	19,672,311	2,111,023	367,345	2,478,368	1,175,216	–	1,175,216
–	–	–	–	–	–	–	–	–	–	–	–
354,308	332,470	686,778	18,981,164	691,147	19,672,311	2,111,023	367,345	2,478,368	1,175,216	–	1,175,216
–	–	–	17,431,002	–	17,431,002	973,485	336,575	1,310,060	122,540	–	122,540
–	–	–	31,738	–	31,738	–	–	–	–	–	–
–	–	–	181,738	–	181,738	33,959	–	33,959	212,732	–	212,732
–	–	–	536,599	50,000	586,599	302,610	13,600	316,210	34,000	–	34,000
–	–	–	–	–	–	450,000	–	450,000	–	–	–
–	–	–	18,181,077	50,000	18,231,077	1,760,054	350,175	2,110,229	369,272	–	369,272
48,635	86,332	134,966	73,484	74,571	148,055	231,321	13,743	245,063	205,983	–	205,983
–	–	–	–	–	–	–	–	–	–	–	–
56,069	53,394	109,463	577,952	530,071	1,108,023	98,938	–	98,938	217,280	–	217,280
236,225	124,299	360,524	70,707	2,581	73,288	6,440	–	6,440	18,671	–	18,671
4,430	–	4,430	58	–	58	–	–	–	334,258	–	334,258
(33,637)	41,800	8,163	–	–	–	–	–	–	–	–	–
12,647	75	12,722	8,950	1,824	10,774	603	86	690	1,266	–	1,266
16,129	103	16,233	32,367	4,380	36,748	13,073	3,338	16,411	12,861	–	12,861
–	–	–	–	–	–	–	–	–	–	–	–
–	24,153	24,153	–	21,697	21,697	–	–	–	–	–	–
340,498	330,156	670,654	763,518	635,124	1,398,643	350,375	17,167	367,542	790,319	–	790,319
13,810	2,314	16,124	36,569	6,023	42,591	594	3	597	15,625	–	15,625
354,308	332,470	686,778	18,981,164	691,147	19,672,311	2,111,023	367,345	2,478,368	1,175,216	–	1,175,216
–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–
12,550,987	–	12,550,987	–	–	–	–	–	–	–	–	–
\$ 12,550,987	\$ –	\$ 12,550,987	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

Board of Directors

Robert Fung, Chair
July 4, 2001
(term ended May 15, 2006)

William Charnetski
July 5, 2004

Murray Chusid
December 6, 2001
(term ended June 15, 2006)

Renato Discenza
June 15, 2006

Tony Dionisio
December 6, 2001
(resigned Nov. 2, 2005)

Vivien Dzau
August 11, 2004

Kevin Garland
June 11, 2004

Janet Graham
June 15, 2006

Marilyn Knox
January 28, 2002
(resigned Jan. 31, 2006)

David Miller
December 14, 2005

Ross McGregor
June 11, 2004

John Ronson
November 5, 2003

Peter Smith
November 5, 2003
Interim Chair,
May 15 – October 10, 2006

Mark J. Wilson
January 28, 2002
Reappointed June 15, 2006
Interim Chair,
October 10, 2006 – January 31, 2007

Board Committees

Audit Committee
Vivien Dzau (Chair)
Mark J. Wilson
William Charnetski
John Ronson (permanent invitee)

Finance & Risk Management Committee
John Ronson (Chair)
Peter Smith
Kevin Garland
Janet Graham
Vivien Dzau (permanent invitee)
John W. Campbell (permanent invitee)

Governance Committee
Mark J. Wilson (Chair)
Board Chair
Support – Alan Bell,
Bennett Jones LLP

Communications and Government Relations Committee
Ross McGregor (Chair)
Renato Discenza
John Ronson

Compensation Committee
Peter Smith (Chair)
Kevin Garland
Ross McGregor

Executive Team

John W. Campbell
President & CEO

Edward Dato
Chief Financial Officer
(resigned June 2006)

Christopher Glaisek
Vice President Planning & Design

Andrew Gray
Vice President East Bayfront

Kristin Jenkins
Vice President
Communications & Marketing

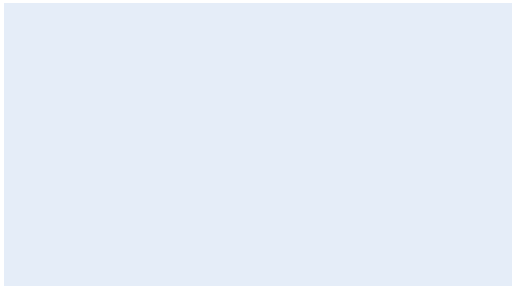
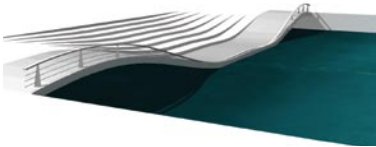
Marisa Piattelli
Vice President
Government Relations
& Special Projects

Brad Searchfield
Vice President West Don Lands

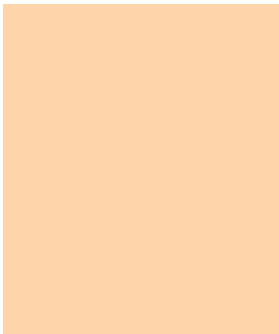
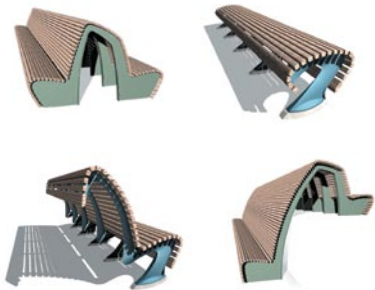
Robert Siddall
Chief Financial Officer


David Whyte
Vice President Construction

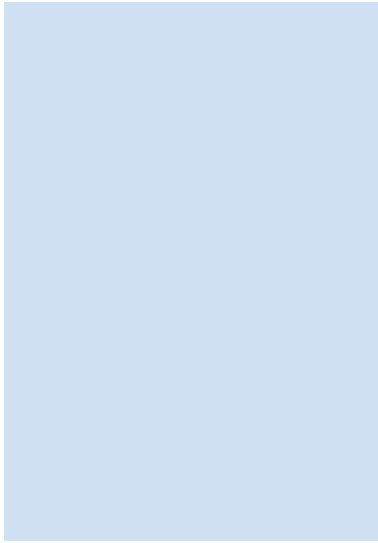
Victor Wong
Vice President Legal



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TORONTO WATERFRONT
REVITALIZATION CORPORATION
20 Bay Street, Suite 1310
Toronto ON
M5J 2N8



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