



STAFF REPORT ACTION REQUIRED

TEDCO – 2006 Audited Financial Statements

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|--------------------------|--|
| Date: | September 11, 2007 |
| To: | Audit Committee |
| From: | Joseph P. Pennachetti, Deputy City Manager and Chief Financial Officer |
| Wards: | All |
| Reference Number: | P:\2007\Internal Services\Cf\au07037Cf – et (AFS #5977) |

SUMMARY

The purpose of this report is to provide Audit Committee and City Council with the 2006 Audited financial Statements of the City of Toronto Economic Development Corporation (“TEDCO”).

The 2006 consolidated financial statements for TEDCO, audited by Ernst & Young LLP, Chartered Accountants are presented to Audit Committee after approval by TEDCO Board of Directors.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council receive the attached 2006 Audited Financial Statements from TEDCO.

Financial Impact

The recommendation in this report has no financial impact.

DECISION HISTORY

TEDCO's 2005 statements went to the June 2007 meeting of the Audit Committee following a direction of City Council. The Audit Committee discussed the possibility that TEDCO's 2006 statements be available for the September 24, 2007 meeting.

ISSUE BACKGROUND

Toronto City Council is the sole shareholder of TEDCO, a corporation incorporated pursuant to the provisions of the City of Toronto Act, 1985 under the Business Corporations Act (*Ontario*) ("OBCA") on March 24, 1986.

TEDCO's 2006 Audited Consolidated Financial Statements were approved by the TEDCO Board of Directors on September 6, 2007 and received by the Deputy City Manager and Chief Financial Officer on September 10, 2007.

COMMENTS

Section 8.3 of the Shareholder Direction requires the Corporation to deliver its audited consolidated annual financial statements to the Shareholder within 120 days of its fiscal year end. These documents are filed with the City Clerk's office.

This report provides City Council with the 2006 Audited Financial Statements.

CONTACT

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SIGNATURE

Joseph P. Pennachetti
Deputy City Manager and Chief Financial Officer

ATTACHMENTS

Attachment 1 - TEDCO Financial Summary
Attachment 2 - TEDCO - 2006 Financial Statements

Attachment 1

TEDCO - Financial Summary

Financial Results

For the fiscal year ended December 31, 2006, the Corporation generated a consolidated Excess of Revenue over Expenses of \$3.4 million, compared to a loss of \$2.3 million for 2005. The major reason for the improvement in the 2006 results was the \$6.5 million gain on the sale of the CANPAR site in South Etobicoke.

Total consolidated assets totalled \$81.9 million as at 2006 fiscal year end compared to \$79.4 million for 2005.

Key consolidated results of TEDCO (“the Corporation”) are as follows:

| Consolidated Financial Results of TEDCO | | |
|--|------------------------------------|------------------------------------|
| (\$ millions) | | |
| | Year ended Dec 31, 2006 | Year ended Dec 31, 2005 |
| | Actual | Actual |
| Excess of Revenue over Expenses | \$3.4 | (\$2.3) |
| Shareholder’s Equity | \$13.9 | \$10.6 |
| Total Assets | \$81.9 | \$79.4 |
| Cash at end of period | \$2.8 | \$2.9 |