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## TEDCO – 2007 Audited Financial Statements

<b>Date:</b>	August 13, 2008
<b>To:</b>	Executive Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer

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### Disclosure of Financial Results:

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.

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 a summary of the Audited 2007 Financial Statements.

### Draft Financial Results

The City of Toronto Economic Development Corporation (TEDCO) is a wholly owned subsidiary of the City of Toronto but operates as an arms length corporation. As such TEDCO is completely self-financing.

TEDCO generated operating profit of \$1.4 million in 2007, the same amount recorded in 2006.

TEDCO’s financial statements report a consolidated surplus (excess revenue over expenses) for the fiscal year ended December 31, 2007 of \$3.0 million compared to \$3.4 million for 2006.

Shareholder’s Equity increased by \$3.0 million to \$16.9 million at year-end 2007 compared with \$13.9 million at year-end 2006. Consolidated assets totalled \$91.1 million compared to \$81.9 million for 2006.

A summary of the results for TEDCO are as follows:

<b>Consolidated Financial Results of TEDCO</b>			
<b>(\$ millions)</b>			
	Year ended Dec 31, 2007	Year ended Dec 31, 2006	Year ended Dec 31, 2005
	Audited	Audited	Audited
Operating Revenue	\$9.5	\$11.0	\$8.8
Operating Expenses	<u>\$8.1</u>	<u>\$9.6</u>	<u>\$6.6</u>
Operating Profit	\$1.4	\$1.4	\$2.2
Non-recurring income *	\$1.1	\$6.5	-
Reduction in environmental liability **	\$4.7	-	-
Tax Increment Equivalent Grant	\$0.2	-	-
Less: Grants Expense	(\$3.7)	(\$3.7)	(\$3.7)
Less: Amortization Expense	<u>(\$0.7)</u>	<u>(\$0.8)</u>	<u>(\$0.8)</u>
Excess (Shortfall) of Revenue over Expenses	<u>\$3.0</u>	<u>\$3.4</u>	<u>(\$2.3)</u>
Shareholder's Equity	\$16.9	\$13.9	\$10.6
Total Assets	\$91.1	\$81.9	\$79.4
Cash at end of period	\$0.9	\$2.8	\$2.9

\* for 2006 \$6.5 million is for gain on property sale.

\*\* based on current estimates, the Corporation reduced its environmental costs liability by \$4.7 million in 2007.

## **CONTACT**

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## **SIGNATURE**

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Deputy City Manager and Chief Financial Officer