



## STAFF REPORT ACTION REQUIRED

### Revisions to 2012 Audited Consolidated Financial Statements

<b>Date:</b>	June 27, 2013
<b>To:</b>	Audit Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer Treasurer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2013\Internal Services\acc\ac13008acc (AFS16922) (Revised Pages)

### RECOMMENDATIONS

**The Deputy City Manager and Chief Financial Officer and the Treasurer recommend that:**

1. City Council approve the 2012 Consolidated Financial Statements with the revisions outlined in this report.

### SUMMARY

For the 2012 financial statements, the City's external auditors have audited the budget numbers for the first time. Subsequent to forwarding of the financial statements to the Audit Committee, the auditors have requested a change to two budget values as a result of budgeting of tangible capital assets relating to the TTC. The adjustments changed budget values only, and have resulted in the following changes to the report and financial statements:

Staff Report page 20, Transportation expenses budget was reduced by \$134,379,000

S'000s	Budget as amended	Budget previously reported	Variance as amended	Variance previously reported
Transportation expenses	3,048,849	3,183,228	220,675	355,054
Total expenses	11,261,996	11,396,375	985,246	1,119,625
Annual surplus – budget	361,189	226,810	1,065,264	1,199,643

Staff Report page 23 was amended to change the Transportation variance from \$355M to \$221M, because the TTC variance changed from \$188.9M to \$53M.

Appendix A to the report, the consolidated financial statements were changed as follows:

**Page 6, Consolidated Statement of Operations and Accumulated Surplus**

S'000s	Budget as amended	Budget previously reported	Change
Transportation expenses	3,048,849	3,183,228	(134,379)
Total expenses	11,261,996	11,396,375	(134,379)
Annual surplus – budget	361,189	226,810	134,379
Accumulated surplus end of year	15,955,951	15,821,572	134,379

**Page 7 Consolidated Statement of Change in Net Debt**

S'000s	Budget as amended	Budget previously reported	Change
Acquisition of tangible capital assets	(2,837,989)	(2,285,699)	(552,290)
Change due to tangible capital assets	(2,033,954)	(1,481,664)	(552,290)
Increase in net debt	(1,672,765)	(1,254,854)	(417,911)
Net Debt end of year	(6,062,048)	(5,644,137)	(417,911)

**Page 37, Note 19 Budget data**

S'000s	Budget as amended	Budget previously reported	Change
Approved budgets: Operating	9,991,091	9,573,180	417,911
Total approved budgets	13,511,809	13,093,898	417,911
Adjustments: Tangible capital assets	(2,837,989)	(2,285,699)	(552,290)
Total expenses	11,261,996	11,396,375	(134,379)
Annual surplus	361,189	226,810	134,379

Attached are the substitute pages.

**CONTACT**

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**SIGNATURE**

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Roberto Rossini  
Deputy City Manager and  
Chief Financial Officer

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Giuliana Carbone  
Treasurer

## **ATTACHMENTS**

Revised Page 20, Staff Report Dated June 18, 2013: 2012 Consolidated Financial Statements

Revised Page 23, Staff Report Dated June 18, 2013: 2012 Consolidated Financial Statements

Revised Page 6, Appendix A: 2012 Consolidated Financial Statements

Revised Page 7, Appendix A: 2012 Consolidated Financial Statements

Revised Page 37, Appendix A: 2012 Consolidated Financial Statement