



# Exhibition Place

3

May 13, 2016

To: The Board of Governors of Exhibition Place

**ACTION REQUIRED**

From: Dianne Young  
Chief Executive Officer

Subject: **2015 Consolidated Financial Statements for  
The Board of Governors of Exhibition Place**

## Summary:

This report submits the draft audited consolidated financial statements for the Board for the year ended December 31, 2015. These financial statements reflect the consolidated financial position of Exhibition Place as at December 31, 2015. The auditor of record for Exhibition Place, PricewaterhouseCoopers LLP (PWC), audited the financial statements in accordance with Canadian public sector accounting standards. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit is planned to provide an opinion that the financial statements present fairly, in all material respects, the financial position of Exhibition Place as at December 31, 2015 and the results of its operations, changes in net debt and its cash flows for the year then ended December 31, 2015 in accordance with Canadian public sector accounting standards. The financial position includes results of operations for Enercare Centre, Exhibition Place and Allstream Centre for the year ended December 31, 2015.

The final result of this audit is an opinion from the auditors that the consolidated financial statements present fairly, in all material respects, the financial position of Exhibition Place as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The consolidated Operating Budget for Exhibition Place is set on a cash basis as per the City directive. The 2015 consolidated net profit on a cash basis which will be transferred to the City is \$495,931 compared to an approved budgeted net income of \$252,308, for a favorable variance of \$243,623 or an achievement of 196.5%.

In accordance with the decision of City Council in December 2007, any surplus over the budget target will be deposited in the Exhibition Place Conference Centre Reserve Fund ("CCRF") to be held by the City of Toronto to provide a source of funding for any cash shortfalls with respect to Allstream Centre operations for the purpose of guaranteeing the loan of \$35.6M (\$38.675M with accrued interest on cash advances during construction) from the City of Toronto for the renovations of the Conference Centre.

## **Recommendations:**

**It is recommended that the Board approve:**

- 1) The Draft Consolidated Audited Financial Statements attached as Appendix "A" to this report pertaining to the consolidated operations of the Board of Governors of Exhibition Place for the year ended December 31, 2015; and**
- 2) That the total sum of \$495,931 be transferred to the Exhibition Place Conference Centre Reserve Fund.**

### Financial Impact:

There are no financial implications to this report.

### Decision History:

At its meeting of December 2007, City Council approved of a recommendation to deposit any annual surplus over budget into the Exhibition Place Conference Centre Reserve Account to provide a source of funding for any cash shortfalls with respect to Allstream Centre loan repayment.

On November 5, 2012, City Council approved of a recommendation to expand the purpose of the Exhibition Place Conference Centre Reserve Fund to provide a source of funding for both Allstream Centre loan repayments and also maintaining Enercare Centre and Allstream Centre in a state of good repair.

At its meeting on September 9, 2013 City Council recommended that Exhibition Place use its funds from the CCRF to fund the cost for the disposal of pre-existing contaminated soil dating from the early 1900's which expenditures are in keeping with Board's obligation and the terms of the lease agreement between Exhibition Place and Princes Gates Hotel LLP. As well City Council recommended that Exhibition Place will arrange in future years to replenish back this fund in its entirety from any operating surplus.

The Finance & Audit Committee were scheduled to meet on Friday, May 13, 2016 to consider subject report, however, the meeting needed to be cancelled for lack of quorum. Given the 2015 Consolidated Financial Statements for the Board is required to be submitted to City Council for its July meeting, it's being submitted directly to the Board.

### Issue Background:

Audited consolidated financial statements for Exhibition Place are required to be submitted on an annual basis to the Finance & Audit Committee, the Board, City of Toronto Audit Committee, and ultimately to City Council.

The Exhibition Place Finance Department is responsible for the preparation of the annual consolidated financial statements for Exhibition Place. These financial statements reflect the financial position and include the results from operations for Enercare Centre, Exhibition Place and Allstream Centre for the year ended December 31, 2015.

### Comments:

The auditor of record for Exhibition Place, PWC, audits these statements in accordance with Canadian public sector accounting standards. These standards require that the audit is planned and carried out to provide an opinion that the consolidated financial statements presents fairly, in all material respects, the financial position of the Board of Governors of Exhibition Place as at December 31, 2015 and the results of its operations, changes in its net debt and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

The audit also examines, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, significant estimates made by management, as well as evaluating the overall financial statement presentation. The consolidated financial statements contain an auditor's report that states the opinion of PWC that the financial statements present fairly, in all material respects, the financial

position of the Board of Governors of Exhibition Place as at December 31, 2015 and the results of its operations for the year then ended.

### Operating Results for 2015

The Consolidated Statement of Operations indicates on an accrual basis net profit (loss) for the year ended December 31, 2015 of (\$272,836) (2014 - \$404,319) and a net profit of \$495,931 (2014 - \$156,512) on a cash basis. The consolidated Operating Budget for Exhibition Place is set on a cash basis per the City directive; the approved budget amount for 2015 was a net income of \$252,308.

The following are the results from the three programs that make up Exhibition Place:

	Net Income (Loss)		Transfer Payable to City -	
	Accrual Basis		Net Income (Loss)	
	Cash Basis			
	2015	2014	2015	2014
	\$	\$	\$	\$
Exhibition Place ( <i>schedule 1</i> )	(7,273,154)	(4,529,342)	(7,359,320)	(4,882,486)
Enercare Centre ( <i>schedule 2</i> )	9,497,005	6,017,177	9,497,005	6,017,177
Allstream Centre ( <i>schedule 3</i> )	(2,496,687)	(1,892,154)	(1,641,754)	(978,179)
<b>Net Income</b>	<b>(272,836)</b>	<b>(404,319)</b>	<b>495,931</b>	<b>156,512</b>

The 2015 consolidated net profit on a cash basis is \$495,931 (2014 -\$156,512) compared to a budgeted net income of \$252,308 for a favorable variance of \$243,623 or an achievement of 196.5%.

A brief discussion of each program operations follows:

### Exhibition Place (Schedule 1 of Auditors' Report)

Net Operating Loss for Exhibition Place on a cash basis for the year ended December 31, 2015 was (\$7,359,320) compared to a budgeted loss of (\$8,507,688) for a favourable variance of \$1,148,368

	2015	2015	2015
	Actual	Budget	Variance
	\$	\$	\$
Revenue	29,094,016	20,072,427	9,021,589
Expenses	(36,453,336)	(28,580,115)	(7,873,221)
<b>Income (loss) before the following [cash basis]</b>	<b>(7,359,320)</b>	<b>(8,507,688)</b>	<b>1,148,368</b>
Employee benefits (expense) recovery	19,418	-	(19,418)
Vacation (pay) recovery	(17,747)	-	17,747
Amortization of equipment	(43,314)	-	43,314
Net step-up lease and other	127,809	-	(127,809)
<b>Net Income (Loss)</b>	<b>(7,273,154)</b>	<b>(8,507,688)</b>	<b>1,062,202</b>

### Revenues/Expenses

- Parking revenues at \$7,603,391 is favourable to budget by \$913,607 with a corresponding increase in parking expenses/rebates of \$526,953 for a net favourable variance of \$386,654.

This is primarily due to lower than budgeted net revenue from Toronto 2015 Pan Am games, Boat Show, Bridal Show, CRFA, OOAK Spring Show, Sportsmen's Show, Canada Blooms – National Home Show, Green Living Show and CHIN Picnic offset by additional parking revenue from tenants and Ontario Place events.

- Net tenant event services income of \$257,264 is favourable to budget by \$34,197 primarily due to higher than budgeted show services income from tenants.
- Indirect departmental expenses at \$17,379,025 are favourable to budget by \$1,099,506 primarily due to lower utilities due to the energy savings initiatives and lower operational maintenance costs.
- Program recoveries at \$312,525 is unfavourable to budget by (\$54,337) primarily due to BMO Field and Ricoh Coliseum recoveries at a lower level of labor services provided.
- Rental income from events at \$916,542 is favourable to budget by \$150,634 primarily due to new unbudgeted events from Exhibition Place events such as the Indoor Winter Carnival, Antique Show & Vintage Clothing, BMO Field Hospitality event, offset by Chin Picnic not returning.

#### Enercare Centre (Schedule 2 of Auditors' Report)

Net Operating Income for Enercare Centre on a cash basis for the year ended December 31, 2015 was \$9,497,005 compared to a budget net operating income of \$9,074,096 for a favourable variance of \$422,909.

<b>Enercare Centre</b>			
	<b>2015</b>	<b>2015</b>	<b>2015</b>
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	20,781,355	20,801,704	(20,349)
Expenses	(11,284,350)	(11,727,608)	443,258
<b>Net Income (Loss)</b>	<b>9,497,005</b>	<b>9,074,096</b>	<b>422,909</b>

#### **Revenues/Expenses**

- Rental income from events at \$10,780,940 is favourable to budget by \$560,007 primarily due to higher than budgeted rental income from the Boat Show, Toronto 2015 Pan Am games and favourable variance from new events offset by lower than budgeted rent from Green Living Show and Fall Bridal Show not returning.
- Food & Beverage concessions of \$1,158,593 are favourable to budget by \$275,793 primarily due to lower than budgeted food and beverage revenue from the Boat Show, Sportsmen's Show, SIAL, Green Living Show and Fall Bridal Show not returning offset by a favourable variance from unbudgeted new events and higher than budgeted concessions from Toronto 2015 Pan Am games.
- Net show services income from third-party billings at \$1,235,537 are unfavorable to budget by (\$128,933). This is primarily due to higher than budgeted net show services income from Canada Blooms – National Home Show, One of a Kind (OOAK) Spring Show and from timing of unbudgeted new events offset by lower than budgeted show services income from CRFA Show, Toronto 2015 Pan Am games, as well as lower than budgeted revenue from Green Living Show, CHIN Picnic, Sportsmen's Show and Fall Bridal Show not returning.
- Advertising, sponsorship, interest and recoveries within the Enercare Centre at \$550,575 is unfavourable to budget by (\$51,071) primarily due to lower than budgeted sponsorship monies from Ricoh as the agreement was not extended past February 2015 offset by higher than budgeted interest income.

### Allstream Centre (Schedule 3 of Auditors' Report)

Net Operating Profit (loss) for the Allstream Centre before interest on the City loan, amortization of building and contribution from naming fees is \$350,356 compared to a budget profit of \$438,179 for an unfavourable variance of (\$87,823). The Allstream Centre commenced operations October 19, 2009. Since, there is little prior year history; the rental budget was based on the pro-forma information presented to the City prior to opening.

Allstream Centre			
	2015	2015	2015
	Actual	Budget	Variance
	\$	\$	\$
Building Rental	1,067,918	1,211,400	(143,482)
Net Show Services, Food and Beverage Commission and Parking	1,235,724	1,223,684	12,040
<b>Sub-total - Event Income</b>	2,303,642	2,435,084	(131,442)
Departmental; Overhead Expenses	(1,953,286)	(1,996,905)	43,619
<b>Net Profit (Loss) before Naming Fees, Interest and Amortization</b>	350,356	438,179	(87,823)
Naming Fees Revenue	805,476	980,293	(174,817)
Contribution from (to) Conference Reserve Fund - Cash Shortfall	-	1,065,014	(1,065,014)
<b>Net Profit (Loss) before Interest and Amortization</b>	1,155,832	2,483,486	(1,327,654)
Interest Expenses	(1,720,555)	(1,720,555)	-
Loan Principal Repayments	-	(1,077,031)	1,077,031
<b>Net Profit (Loss) before Amortization</b>	(564,723)	(314,100)	(250,623)
Amortization	(1,931,964)	-	(1,931,964)
<b>Net Income (Loss) per Financial Statements</b>	(2,496,687)	(314,100)	(2,182,587)

### **Revenues and Expenses**

- Building rental income at \$1,067,918 is unfavourable to budget by (\$143,482) primarily due to lower than budgeted rent from Cerise contracted events. Rental income has grown over 2014 by \$141,386 or 13%.
- Food & Beverage concessions of \$714,917 are unfavourable to budget by (\$96,128) primarily due to lower than budgeted food and beverage provider Cerise contracted events. Food & Beverage revenue in 2015 is consistent with 2014 revenue level growing marginally by \$13,979.
- Show services from third party billings at \$1,182,543 are favourable to budget by \$282,543 with corresponding increase in related show expenses of \$255,709 for a net favourable variance of \$26,834.
- Departmental overhead expenses at \$1,953,286 are favourable to budget by \$43,619 primarily due to lower utilities from the energy savings initiatives offset by higher PMD show costs and maintenance costs. Indirect expenses include costs from various departments. These costs are Marketing, Event Services, Security, Concierge, Finance, Cleaning and Décor, House Technician, Operations, Utilities and wages & materials for base building upkeep and general maintenance of the buildings. .
- Interest cost of \$1,720,555 and amortization cost of \$1,931,964 (are non-cash items) is related to the City loan financing and capitalization of asset for the new Allstream Centre building. Interest cost is reported on the accrual basis including the interest accrued on advances made by the City during the period of construction, under the loan agreement

with the City and as per City Council directive actual loan repayment to the City commenced on November 1, 2010.

#### Settlement with the City of Toronto

As in prior years, various adjustments have to be made to the reported consolidated net income to determine the amount payable to or receivable from the City of Toronto on a “cash” basis. Specifically the adjustments are as follows:

	<b>2015</b>	<b>2014</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Net Income (Loss) per Financial Statements</b>	(272,836)	(404,319)
Net change of Non- Cash Conference Centre Deficit	854,933	913,974
Amortization	43,314	43,332
(Purchase) disposal of Equipment	-	22,248
Employee Benefits	(1,671)	(129,202)
Net Step-up and Other	(127,809)	(289,521)
<b>Transfer Payable to City - Cash Basis Net Income (Loss)</b>	<b>495,931</b>	<b>156,512</b>

#### Contact:

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**Board of Governors of  
Exhibition Place**

Financial Statements  
**December 31, 2015**

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**Independent Auditor's Report****To the Members of  
Board of Governors of Exhibition Place**

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**Chartered Professional Accountants, Licensed Public Accountants**

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## Balance Sheet

As at December 31, 2015

	2015 \$	2014 \$
<b>Financial Assets</b>		
Cash	5,899,703	2,221,737
Accounts receivable		
Trade	6,842,408	5,103,585
City of Toronto	2,355,356	5,088,262
Receivable from the City of Toronto (note 3(a))	7,174,052	7,411,019
	<u>22,271,519</u>	<u>19,824,603</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities		
Trade (note 11)	8,810,228	6,739,495
City of Toronto	544,493	251,681
Employee future benefits payable (note 7)	8,576,026	8,595,444
Payable to conference centre reserve fund (note 9)	809,811	621,193
Deferred revenue and contributions	7,356,142	7,603,916
Loans payable (note 8)	46,544,124	45,879,077
Other liabilities	313,208	353,558
Government assistance	1,216,311	1,359,598
	<u>74,170,343</u>	<u>71,403,962</u>
<b>Net Debt</b>	<u>(51,898,824)</u>	<u>(51,579,359)</u>
<b>Non-financial Assets</b>		
Prepaid expenses and other	249,095	181,738
Step-up rent receivable (note 4)	2,691,401	2,754,831
Energy retrofit assets (note 5)	11,566,691	10,130,790
Building improvements (note 6)	30,989,267	32,964,563
	<u>45,496,454</u>	<u>46,031,922</u>
<b>Accumulated conference centre deficit</b> (note 12)	<u>(6,402,370)</u>	<u>(5,547,437)</u>
<b>Contingencies</b> (note 13)		

**Approved by the Board of Directors**

Director

Director

The accompanying notes are an integral part of these financial statements.  
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Statement of Operations and Accumulated Deficit

For the year ended December 31, 2015

	<b>2015</b>		<b>2014</b>
	<b>Budget \$</b>	<b>Actual \$</b>	<b>Actual \$</b>
<b>Revenue</b>			
Exhibition Place (schedule 1)	20,072,427	29,221,825	26,658,419
Enercare Centre (schedule 2)	20,801,704	20,781,355	14,554,723
Allstream Centre (schedule 3)	5,274,845	4,161,203	4,545,268
	<u>46,148,976</u>	<u>54,164,383</u>	<u>45,758,410</u>
<b>Expenses (note 14)</b>			
Exhibition Place (schedule 1)	28,580,115	36,494,979	31,187,761
Enercare Centre (schedule 2)	11,727,608	11,284,350	8,537,546
Allstream Centre (schedule 3)	5,588,945	6,657,890	6,437,422
	<u>45,896,668</u>	<u>54,437,219</u>	<u>46,162,729</u>
<b>Surplus (deficit) before the following</b>	252,308	(272,836)	(404,319)
<b>Transfer to the City of Toronto</b>	(252,308)	(495,931)	(156,512)
<b>Decrease in amounts to be recovered from the City of Toronto</b>	-	(86,166)	(353,143)
<b>Deficit for the year</b>	-	(854,933)	(913,974)
<b>Accumulated conference centre deficit - Beginning of year</b>	-	(5,547,437)	(4,633,463)
<b>Accumulated conference centre deficit - End of year</b>	-	(6,402,370)	(5,547,437)

The accompanying notes are an integral part of these financial statements.

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## Statement of Changes in Net Debt

For the year ended December 31, 2015

	2015 \$	2014 \$
<b>Operating transactions</b>		
Deficit for the year	(854,933)	(913,974)
<b>Tangible capital asset activities</b>		
Purchase of energy retrofit assets	(2,023,490)	(2,719,390)
Disposal of building improvements and equipment	-	22,248
Amortization of energy retrofit assets	587,589	587,590
Amortization of building improvements and equipment	1,975,296	1,985,188
	539,395	(124,364)
<b>Other non-financial activities</b>		
Prepaid expenses and other	(67,357)	4,757
Accretion of step-up rent receivable	63,430	(251,144)
	(3,927)	(246,387)
<b>Decrease in net debt during the year</b>	(319,465)	(1,284,725)
<b>Net debt - Beginning of year</b>	(51,579,359)	(50,294,634)
<b>Net debt - End of year</b>	(51,898,824)	(51,579,359)

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## Statement of Cash Flows

For the year ended December 31, 2015

	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficit for the year	(854,933)	(913,974)
Add (deduct): Non-cash items		
Employee future benefits expense	(19,418)	(214,085)
Amortization of energy retrofit assets	587,589	587,590
Amortization of building improvements and equipment	1,975,296	1,985,188
Government assistance	(143,287)	(140,968)
Accretion of step-up receivable	63,430	(251,144)
Deferred revenue and contributions	-	(38,379)
Interest accrued on loans payable	2,033,916	2,102,469
	3,642,593	3,116,697
Changes in non-capital working capital balance related to operations		
Trade accounts receivable	(1,738,823)	3,530,388
Accounts receivable from the City of Toronto	2,732,906	(2,180,023)
Receivable due from the City of Toronto	236,967	(111,538)
Prepaid expenses and other	(67,357)	4,757
Trade accounts payable and accrued liabilities	2,070,733	(1,386,047)
Accounts payable and accrued liabilities due to the City of Toronto	292,812	38,531
Deferred revenue and contributions	(247,774)	1,056,507
Suite deposits payable	-	(204,704)
Other liabilities	(40,350)	(165,159)
Payable to conference centre reserve fund	188,618	(1,012,482)
Transfer payable to the City of Toronto	-	(102,605)
	7,070,325	2,584,322
<b>Capital activities</b>		
Purchase of energy retrofit assets	-	(2,719,390)
Disposal of building improvements and equipment	-	22,248
	-	(2,697,142)
<b>Financing activities</b>		
Repayments of loans payable	(3,597,479)	(3,597,478)
Increase in loans payable	205,120	2,769,390
	(3,392,359)	(828,088)
<b>Increase (decrease) in cash during the year</b>	3,677,966	(940,908)
<b>Cash - Beginning of year</b>	2,221,737	3,162,645
<b>Cash - End of year</b>	5,899,703	2,221,737
<b>Non-cash transactions</b>		
Loan payable for purchase of energy retrofit assets	2,023,490	2,719,390

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# Board of Governors of Exhibition Place

Notes to Financial Statements

December 31, 2015

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## 1 Nature of operations

The Board of Governors of Exhibition Place (the Board) exists as a corporation without share capital by virtue of the City of Toronto Act, 1997 (No. 2) (the Act). The Board operates, manages and maintains Exhibition Place on behalf of the City of Toronto (the City) under the terms of an agreement between the Board and the City. As defined within the Act, the City is entitled to any surplus resulting from the Board's activities and is responsible for any deficit the Board incurs. The amount due to/from the City resulting from the Board's activities is shown on the balance sheet as a transfer payable to/receivable from the City.

Major capital facilities, excluding certain building improvements, are the property of the City and therefore the cost for such assets is recorded in the accounts of the City and not the Board. To assist with major capital expenditures related to Exhibition Place, various reserves and reserve funds have been established and recorded within the City's accounts (note 9).

These financial statements include the operations of Exhibition Place (schedule 1), Enercare Centre (schedule 2) and Allstream Centre (schedule 3).

Effective August 1, 2009, the Board entered into a ten-year naming right sponsorship agreement with MTS Allstream for the Allstream Centre (schedule 3). The Allstream Centre commenced its operations on October 19, 2009 (schedule 3).

The Board is a municipal government entity under the Income Tax Act and accordingly is exempt from income taxes.

## 2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows.

### Revenue recognition

The majority of the revenue in these financial statements is related to sales, service revenue and rent, and is recognized at the point of sale or when the service has been provided.

Agreements are entered into with a number of corporate sponsors whereby these sponsors provide cash, products, advertising or entertainment support to Exhibition Place, Enercare Centre and Allstream Centre activities. In return, consideration is provided in a number of diverse ways including specific rights to selected attractions or advertising recognition. Sponsorships received in cash and/or other consideration are recorded in the accounts at the amount of consideration received or given at either the fair value of the amount received or the fair value of the benefit given up, less any cash consideration, whichever is more reliably measurable. Revenue is recognized on a straight-line basis over the term of the agreement.

### Deferred revenue and contributions

Deferred revenue and contributions consist of monies received for naming rights, rentals for space in trade shows and other events that have been paid in advance and are attributable to a future period.

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## Board of Governors of Exhibition Place

Notes to Financial Statements

December 31, 2015

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### Government assistance

The Board makes periodic applications for financial assistance under available government incentive programs. Government assistance relating to capital expenditures is reflected as a liability on the balance sheet and is amortized into income on the same basis as the capital asset to which the funds relate. Government assistance for non-capital expenditures is included in the statement of operations and accumulated deficit.

### Energy retrofit assets

Energy retrofit assets are recorded at cost less accumulated amortization. Amortization is calculated when the project is fully commissioned on a straight-line basis over the estimated useful lives of the assets as follows:

Trigeneration project	20 years
DEC Halls lighting retrofit project	15 years
Five Exhibition Buildings improvement project	15 years
Photovoltaic Horse Palace project	20 years
Boiler replacements and various and lighting retrofit projects	20 years
Back pressure steam turbine and LED pathway lighting projects	20 years
Horse Palace, East Annex Photovoltaic and multiple energy projects	20 years
District Energy System project	20 years
LED lighting and conservation/demand management	15 years

### Building improvements and equipment

Building improvements and equipment are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	5 years
Computer equipment and software	3 years
Electrical equipment	5 years
Other equipment and furniture	2 to 20 years
Allstream Centre building improvements	25 years

### Employee benefit plans

The Board has the following policies with respect to employee future benefit plans:

- The Board's contributions to a multi-employer with the City and Ontario Municipal Employees Retirement System (OMERS), defined benefit pension plan are expensed when contributions are due as the plan is accounted for as a defined contribution plan.
- The costs of termination benefits and compensated absences are recognized when the event that obligates the Board occurs. Costs include projected future income payments, health-care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.
- The costs of other employee benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation and expected health-care costs.

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
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## Board of Governors of Exhibition Place

Notes to Financial Statements

December 31, 2015

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- Past service costs from plan amendments are expensed in the period of plan amendment.
- Net actuarial gains and losses are amortized over the expected average remaining service life of the related employee group.

### Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. A liability for remediation of contaminated sites is recognized when: the Board is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate for the amount can be made. The estimated liability includes costs directly attributable to the remediation, containment or mitigation activities and cost of post-remediation maintenance and monitoring in order to bring the site up to its current minimum standard for its use just prior to contamination. The cost of remediation is calculated based on the best available information and is reviewed and revised on an annual basis.

### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Revenue and expense transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing on the transaction date. Gains or losses resulting from currency transactions are included in the statement of operations and accumulated deficit.

### Financial instruments

The Board's financial assets include cash, trade accounts receivable and accounts receivable from the City, and its financial liabilities include accounts payable and accrued liabilities, loans payable, payable to conference centre reserve fund and other liabilities. It measures its financial assets and liabilities at amortized cost, except for cash, which is measured at fair value.

### Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The employee future benefits liability and related costs charged to the statement of operations and accumulated deficit depend on certain actuarial and economic assumptions and on current information available to the Board, the City and the consultants retained to develop the actuarial projections. Actual results could differ from those estimates.

### Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the City.

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# Board of Governors of Exhibition Place

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Notes to Financial Statements

December 31, 2015

## 3 Related party balances and transactions

The Board is related to the City and its agencies, boards and commissions in terms of the City's ability to affect the operating, investing and financing policies of these entities. The Board enters into transactions with these related parties in the normal course of business at the agreed on exchange amount.

- a) The Board has a long-term, non-interest bearing receivable from the City, which relates to the funding of the following items:

	2015 \$	2014 \$
Employee future benefits payable	8,576,026	8,595,444
Vacation and lieu time	689,984	672,237
Less: Net book value of certain equipment	(542,214)	(418,891)
Other	557,081	707,909
Receivable from the City before the following	9,280,877	9,556,699
Less: Net step-up rent receivable on certain buildings and signage	(2,106,825)	(2,145,680)
Receivable from the City	7,174,052	7,411,019

- b) The Board has several agreements with the City for the establishment of various reserve funds that are recorded within the City's accounts (note 9).
- c) The Board contributes to a fund of the City that provides funding for vehicle, property and liability insurance claim payments and related legal and adjusting expenses. The fund is established for insurance claim costs below deductible levels and for payments that exceed insurance coverage levels. Contributions are paid to the City and the City makes insurance premium payments on behalf of the Board. During the year, the Board made \$449,479 (2014 - \$399,077) in contributions for insurance premium payments.

## 4 Step-up rent receivable

The Board has numerous long-term tenants on the grounds that pay annual rents based on the stipulated contract amount indicated in the lease for that year. Many of these leases have step-up provisions so that the annual lease amount changes during the term of the lease. The Board recognizes lease revenues over the term of the lease on a straight-line basis. The amount will be included in surplus at various amounts over time up to 2016.

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**Board of Governors of Exhibition Place****DRAFT**

Notes to Financial Statements

December 31, 2015

**5 Energy retrofit assets**

	<b>2015</b>		
	<b>Cost \$</b>	<b>Accumulated amortization \$</b>	<b>Net \$</b>
Trigeneration project	4,400,000	1,902,074	2,497,926
DEC Halls lighting retrofit project	800,000	508,796	291,204
Five Exhibition Buildings improvement project	1,500,365	783,020	717,345
Photovoltaic Horse Palace project	1,100,000	495,000	605,000
Boiler replacements and various and lighting retrofit projects	955,000	310,375	644,625
Back pressure steam turbine and LED pathway lighting projects	1,345,000	269,000	1,076,000
District Energy System project (i)	4,500,000	-	4,500,000
Horse Palace, East Annex Photovoltaic and multiple energy projects	884,639	176,928	707,711
LED lighting and conservation/demand management (i)	526,880	-	526,880
	<b>16,011,884</b>	<b>4,445,193</b>	<b>11,566,691</b>
	<b>2014</b>		
	<b>Cost \$</b>	<b>Accumulated amortization \$</b>	<b>Net \$</b>
Trigeneration project	4,400,000	1,682,083	2,717,917
DEC Halls lighting retrofit project	800,000	455,460	344,540
Five Exhibition Buildings improvement project	1,500,365	682,990	817,375
Photovoltaic Horse Palace project	1,100,000	440,000	660,000
Boiler replacements and various and lighting retrofit projects	955,000	262,625	692,375
Back pressure steam turbine and LED pathway lighting projects	1,345,000	201,750	1,143,250
Horse Palace, East Annex Photovoltaic and multiple energy projects	884,639	132,696	751,943
District Energy System project (i)	3,003,390	-	3,003,390
	<b>13,988,394</b>	<b>3,857,604</b>	<b>10,130,790</b>

- i) The District Energy System and LED lighting and conservation/demand management projects will be completed and ready for use in 2016. No amortization has been taken to date.

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**Board of Governors of Exhibition Place**

Notes to Financial Statements

December 31, 2015

**DRAFT****6 Building improvements and equipment**

	<b>2015</b>		
	<b>Cost \$</b>	<b>Accumulated amortization \$</b>	<b>Net \$</b>
Motor vehicles	261,634	261,634	-
Computer equipment	215,712	215,712	-
Electrical equipment	384,775	384,775	-
Other equipment and furniture	4,920,315	3,147,732	1,772,583
Allstream Centre building improvements	38,764,844	9,548,160	29,216,684
	<b>44,547,280</b>	<b>13,558,013</b>	<b>30,989,267</b>

  

	<b>2014</b>		
	<b>Cost \$</b>	<b>Accumulated amortization \$</b>	<b>Net \$</b>
Motor vehicles	261,634	261,634	-
Computer equipment	215,712	215,712	-
Electrical equipment	384,775	384,775	-
Other equipment and furniture	4,920,315	2,723,031	2,197,284
Allstream Centre building improvements	38,764,844	7,997,565	30,767,279
	<b>44,547,280</b>	<b>11,582,717</b>	<b>32,964,563</b>

**7 Employee future benefits payable**

The employee future benefits are for employees of the Board, the cost of which is reported in these financial statements.

The benefit plans as noted below are all unfunded; however, the Board participates in reserve funds established by the City for sick leave and health-care benefits. The contributions to these reserves during the year totalled \$976,017 (2014 - \$911,387) and are included in expenses on the statement of operations and accumulated deficit.

The Board has the following benefit plans:

**Sick leave**

The Board's short-term disability plan, for non-unionized employees, provides salary protection at 100% or 75% based on an employee's benefit eligibility date for up to 26 weeks per illness or per calendar year. Absences greater than the 26-week duration are covered under the Board's long-term disability plan.

Under the former sick leave benefit plan, for unionized employees, employees were credited with a maximum of 18 days sick time per annum. Previously unused sick leave could accumulate and employees may become eligible for a cash payment, capped at one-half of unused sick time to a maximum of 130 days when they leave the Board's employment. Effective February 28, 2008, employees are unable to accumulate unused sick leave credits. The liability for the accumulated sick leave represents the extent to which sick leave benefits have vested and could then be taken in cash by employees on termination of employment.

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**Board of Governors of Exhibition Place****DRAFT**

Notes to Financial Statements

December 31, 2015

**Workplace Safety Insurance Board (WSIB)**

The Board is a Schedule 2 employer and as such pays the full cost of all medical and all other benefits for its employees who sustain injuries at the workplace plus the administration cost as determined by the WSIB.

**Post-retirement and post-employment benefits**

The Board provides health, dental, life insurance and long-term disability benefits to certain employees.

The disclosures relating to these benefits are as follows:

	<b>2015</b> \$	<b>2014</b> \$
Accrued benefit obligation	6,378,405	7,626,057
Net unamortized actuarial gains	2,197,621	969,387
Total employee future benefits payable	<u>8,576,026</u>	<u>8,595,444</u>

## a) Components of the accrued benefit obligation are as follows:

	<b>2015</b> \$	<b>2014</b> \$
Sick leave	1,272,394	1,180,509
WSIB	1,860,701	2,039,269
Other post-employment and post-retirement benefits	3,245,310	4,406,279
	<u>6,378,405</u>	<u>7,626,057</u>

## b) The continuity of the Board's accrued benefit obligation is as follows:

	<b>2015</b> \$	<b>2014</b> \$
Balance - Beginning of year	7,626,057	7,026,656
Current service cost	300,317	270,136
Interest cost	240,875	282,294
Benefits paid	(511,208)	(669,655)
Actuarial loss (gain)	(1,277,636)	716,626
Total accrued benefit obligation	<u>6,378,405</u>	<u>7,626,057</u>

## c) The benefit cost (recovery) recognized during the year is calculated as follows:

	<b>2015</b> \$	<b>2014</b> \$
Current service cost	300,317	270,136
Interest cost	240,875	282,294
Amortization of net actuarial gain	(49,402)	(96,860)
	<u>491,790</u>	<u>455,570</u>

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**Board of Governors of Exhibition Place****DRAFT**

Notes to Financial Statements

December 31, 2015

- d) There was \$71,755 (2014 - \$23,239) in cash payments made in 2015 with respect to the sick leave plan.
- e) Actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2015. The next actuarial valuation is expected to be completed in 2018.
- f) The significant actuarial assumptions adopted in measuring the Board's accrued benefit obligation and benefit costs for employee future benefits are as follows:

	2015 %	2014 %
Discount rate		
Sick leave	2.90	3.20
Post-employment benefits	2.50	2.80
Post-retirement benefits	3.40	3.40
WSIB	2.90	2.80
Health-care inflation - hospital, dental care and other medical	3.00 - 6.00	3.00 - 6.00
Health-care inflation - drugs	6.00	6.00
Rate of compensation increase	3.00	3.00

The health-care rate for medical and drugs is assumed to be reduced to 4% by 2020. The health-care rate for dental is assumed to be reduced to 3% by 2015.

- g) In addition to the above-noted plans, the Board makes contributions to OMERS, which is a multi-employer plan, on behalf of qualifying employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. However, it is accounted for as a defined contribution plan as it is a multi-employer plan. Total employer contributions for the year ended December 31, 2015 amounted to \$1,145,217 (2014 - \$1,083,769) and are included in the statement of operations and accumulated deficit.

In addition to contributions for employees who participate in the OMERS plan, the Board has arrangements with bargaining units to make contributions to various pension plans and registered retirement savings plans on behalf of its employees. Contributions expensed under these plans for 2015 amounted to \$1,388,523 (2014 - \$1,300,591) and are included in the statement of operations and accumulated deficit.

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**Board of Governors of Exhibition Place****DRAFT**

Notes to Financial Statements

December 31, 2015

**8 Loans payable**

	2015 \$	2014 \$
Loans payable to the City		
Allstream Centre building improvements, \$36,764,844 loan bearing interest at 5% and due on October 1, 2035, interest owing on the loan is added to the principal until the first repayment date of December 1, 2010	33,890,769	34,879,761
Allstream Centre building improvements, \$2,000,000 loan bearing interest at 2.375%, due on January 29, 2030	1,555,844	1,644,777
Trigeneration, \$2,325,000 loan bearing interest at 5%, due on December 31, 2032	2,955,605	2,903,558
Trigeneration, \$1,075,000 loan bearing interest at 2.34%, due on July 31, 2017	215,000	322,500
Photovoltaic Horse Palace, a non-interest bearing loan of \$600,000 discounted at an imputed interest rate of 5%, due on October 1, 2030	281,777	288,478
Five Exhibition Buildings improvement retrofit, \$827,859 loan bearing interest at 5%, due on December 31, 2016	53,648	172,967
Five Exhibition Buildings improvement retrofit, \$525,833 loan bearing interest at an average rate of 2.56%, due on December 31, 2018	144,546	197,129
DEC Halls lighting retrofit, \$525,833 loan bearing interest at 5%, due on December 31, 2016	63,935	127,512
DEC Halls lighting retrofit, \$544,425 loan bearing interest at 2.51%, due on December 31, 2017	35,691	53,536
Boiler replacements and various lighting retrofit, \$178,455 loan bearing interest at 4.5%, due on December 31, 2037	771,739	774,965
Boiler replacements and various lighting retrofit, \$238,750 loan bearing interest at 2.0%, due on December 31, 2021	127,389	151,264
Back pressure steam turbine and LED pathway lighting retrofit, a non-interest bearing loan of \$1,000,000 discounted at an imputed interest rate of 5%, due on April 1, 2030	513,494	537,078
Horse Palace, East Annex Pavilion and multiple energy project retrofit, a non-interest bearing loan of \$890,000 discounted at an imputed interest rate of 5%, due on January 1, 2022	475,199	538,450
District Energy project, \$4,500,000 loan bearing interest at 2.70%, due on January 31, 2026	4,538,855	3,026,931
DEC Halls LED lighting retrofit, \$782,000 loan bearing interest at 2.70%, due on October 1, 2025	790,842	50,090
Loan payable to Toronto Atmospheric Fund		
Trigeneration, \$1,000,000 loan bearing interest at 6.06% semi-annually, due on January 3, 2017	129,791	210,081
	<u>46,544,124</u>	<u>45,879,077</u>

The fixed principal repayments of the loans payable are as follows:

	\$
2016	1,650,789
2017	2,007,456
2018	2,055,534
2019	2,102,670
2020	2,193,121
Thereafter	<u>36,534,554</u>
	<u>46,544,124</u>

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## Board of Governors of Exhibition Place

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Notes to Financial Statements

December 31, 2015

### 9 City of Toronto reserve funds

The City maintains a number of reserve funds on behalf of the Board. These reserve funds are established by the City's Council and are detailed in the City's Municipal Code.

#### Capital Improvement Fund

The purpose of this fund is to assist in the financing of major capital costs related to all of the buildings at Exhibition Place. Contributions are no longer being made to this fund. The balance of the Capital Improvement Fund as at December 31, 2015 was \$83,961 (2014 - \$83,502).

#### Exhibition Place Conference Centre Reserve Fund

The purpose of this fund is to provide a source of funding for any cash shortfalls with respect to Allstream Centre operations. The contributions to the fund include the net revenue derived from the Enercare Centre and Allstream Centre naming rights and the surplus payable to the City. The balance of the Exhibition Place Conference Centre Reserve Fund as at December 31, 2015 was \$1,572,615 (2014 - \$1,414,987).

#### City of Toronto Fleet Reserve Fund

The purpose of this fund is to provide funding to the City for acquiring or purchasing fleet and motorized vehicles for the Board's operations. Annual funding promotes efficiencies and budget stabilization by moderating large fluctuations in the annual replacement of vehicles. The Board contributed \$550,000 (2014 - \$329,780) in the year. The balance in the City of Toronto Fleet Reserve Fund is \$346,772 (2014 - \$109,180).

### 10 Liability for contaminated sites

Effective January 1, 2015, the Board adopted Public Sector Accounting Standard PSAB 3260, Liability for Contaminated Sites. In accordance with the transitional provisions of the standard, the Board adopted the standard retroactively with prior period restatement.

A liability for the remediation of a contaminated site is recognized when contamination of a property managed by the Board for which the Board has assumed responsibility for remediation is known to be in excess of an environmental standard, where an environmental standard exists, it is expected that future economic benefits will be given up and the related remediation costs can be estimated.

The sources of contamination specific to individual sites may include hazardous and contaminated soil. Contamination was assessed primarily based on Phase I Environmental Site Assessment (ESA) under Ontario regulations. In addition, the Board considered a range of key risk factors for each site including potential or historical human habitation or operations, potential offsite contamination, potentially contaminating activities, areas of potential environmental concern and the contaminants of concern. Remediation means the improvement of a contaminated site to prevent, minimize or mitigate damage to human health or the environment. Remediation involves the development and application of a planned approach that removes, destroys, contains, or otherwise reduces availability of contaminants to receptors of concern.

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# Board of Governors of Exhibition Place

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Notes to Financial Statements

December 31, 2015

Based on the available information as at December 31, 2015, one site on the Exhibition Place grounds was identified with known existing or potential contamination, and was determined to meet the recognition criteria under the new standard. This site is not owned by the Board, however the Board has accepted responsibility for remediation costs due to construction-in-progress for development of land on the grounds of Exhibition Place. Accordingly, the Board has recognized the calculation of the liability in its accounts at year-end.

The liability is based on minimum estimated costs for remediation of contamination to bring the site to the minimum acceptable environmental standards for its use just prior to contamination, in addition to ongoing monitoring and management of the site. As at December 31, 2015, remediation of the contamination has occurred in full, however these costs have not fully been paid. As such, there remains a liability of \$1,114,110 as at December 31, 2015 included in accounts payable and accrued liabilities.

## 11 Financial instruments

### a) Fair value

The carrying values of the Board's financial instruments approximate their fair values unless otherwise noted.

The fair value of the long-term receivable from the City is not determinable since there are no fixed terms of repayment.

### b) Risk management

The Board's investment activities expose it to a range of financial risks. These risks include credit risk, liquidity risk, market risk, foreign currency risk and interest rate risk, which are as follows:

- Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of default or insolvency of a counterparty on its obligations to the Board. The cost of the assets as presented in the balance sheet represents the maximum credit risk exposure at the date of the financial statements.

The Board, in the normal course of business, is exposed to credit risk from its customers. This risk is mitigated by the fact that management believes the Board has thorough and rigorous credit approval procedures. As at December 31, 2015, two customers have a balance greater than 10% of the Board's trade accounts receivable balance (2014 - two customers).

As at December 31, 2015, the following accounts receivable were past due but not impaired:

	30 days \$	60 days \$	90 days \$	Over 120 days \$
Accounts receivable	2,510,476	141,198	151,349	409,791

Management believes the Board's credit risk is low.

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# Board of Governors of Exhibition Place

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Notes to Financial Statements

December 31, 2015

- Liquidity risk

Liquidity risk is the risk the Board will not be able to meet its financial obligations when they come due. The Board manages its liquidity risk by forecasting cash flows from operations, anticipating investing and financing activities and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

	Up to 6 months \$	More than 6 months up to 1 year \$	More than 1 year up to 5 years \$	More than 5 years \$	Total \$
Accounts payable and accrued liabilities -	8,999,130	243,633	115,087	-	9,357,850
Other liabilities	-	75,465	237,744	-	313,209
Loans payable	647,148	1,003,641	8,358,781	36,534,554	46,544,124
	<u>9,646,278</u>	<u>1,322,739</u>	<u>8,711,612</u>	<u>36,534,554</u>	<u>56,215,183</u>

- Market risk

The Board is exposed to changes in electricity prices associated with a wholesale spot market for electricity in Ontario. The Board has addressed the commodity price risk exposure associated with changes in the wholesale prices of electricity by entering into energy related purchase and sales contracts, through an agreement with Direct Energy Business Services, which fixes a portion of the wholesale price over the term of the contract. All contracts entered into by the Board in 2015 expired on or before December 31, 2015.

- Foreign currency risk

The Board has limited foreign currency risk with respect to its financial instruments, as substantially all of the Board's financial assets and financial liabilities are denominated in Canadian dollars.

- Interest rate risk

Interest rate risk arises from fluctuations in interest rates and the degree of volatility of those rates. The Board has mitigated its interest rate risk on its loans payable through the use of fixed interest rates.

## 12 Conference centre deficit

The conference centre accumulated deficit results from the non-cash expenditures that are not funded by the Exhibition Place Conference Centre Reserve Fund (schedule 3). The loss for the period is represented by the amortization of the conference centre's building improvements offset by the principal loan repayments. The accumulated loss will reverse over 25 years, as this is the term of the loan repayment and amortization period of the building improvements. The accumulated deficit balance as at December 31, 2015 is \$6,402,370 (2014 - \$5,547,437).

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**Board of Governors of Exhibition Place****DRAFT**

Notes to Financial Statements

**December 31, 2015****13 Contingencies**

In the normal course of operations, the Board is subject to various arbitrations, litigations and claims. Where a potential liability is determinable, management believes the ultimate disposition of the matters will not materially exceed the amounts recorded in the accounts. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year the liability is able to be estimated.

**14 Expenses by object**

	<b>Actual</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Salaries and benefits	33,743,199	29,836,986
Trade labour recoveries	(15,170,672)	(12,479,630)
Net salary and benefits	18,572,527	17,357,356
Direct overhead and event/tenant labour costs	15,170,672	12,479,630
Utilities	2,764,335	2,599,845
Supplies and equipment	590,420	494,062
Contribution to reserve funds	1,854,955	1,800,464
Amortization of ERP, equipment and building improvements	2,562,885	2,572,778
Interest	2,033,916	2,102,468
Other indirect costs and recoverable services	10,887,509	6,756,126
	<b>54,437,219</b>	<b>46,162,729</b>

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**Board of Governors of Exhibition Place**

Schedule of Operations - Exhibition Place

For the year ended December 31, 2015

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Schedule 1

	<b>2015</b>		<b>2014</b>
	<b>Budget \$</b>	<b>Actual \$</b>	<b>Actual \$</b>
<b>Revenue</b>			
Parking	6,689,784	7,603,391	7,300,697
Building rentals and concessions	7,494,926	7,742,899	7,653,089
Sales of services	2,764,639	10,174,207	7,976,246
Discounts, commissions, incentives, other income and realty tax recoveries	2,433,864	2,940,342	2,740,138
Contribution from the City - Exhibition Place Conference Centre Reserve Fund	350,000	345,129	621,193
Naming rights	339,214	415,857	367,056
	<u>20,072,427</u>	<u>29,221,825</u>	<u>26,658,419</u>
<b>Expenses</b>			
Maintenance, cleaning and security	13,223,432	17,749,734	15,578,689
Utilities	2,732,358	2,499,079	2,516,620
Cost of services	2,248,719	5,635,294	3,589,952
Administration	6,102,653	5,530,001	5,007,934
Parking attendants' wages and sundry costs	2,417,443	3,202,393	2,998,120
Amortization of energy retrofit assets and equipment	660,922	630,931	630,922
Contribution to the City - Exhibition Place Conference Centre Reserve Fund	305,293	385,857	332,209
City of Toronto Fleet Reserve Fund	550,000	550,000	329,780
Interest	339,295	313,361	332,737
	<u>28,580,115</u>	<u>36,496,650</u>	<u>31,316,963</u>
<b>Deficit before the following</b>	<b>(8,507,688)</b>	<b>(7,274,825)</b>	<b>(4,658,544)</b>
<b>Sick leave benefits recovery</b>	<b>-</b>	<b>1,671</b>	<b>129,202</b>
<b>Deficit for the year</b>	<b>(8,507,688)</b>	<b>(7,273,154)</b>	<b>(4,529,342)</b>

**FOR DISCUSSION WITH MANAGEMENT ONLY – SUBJECT TO AMENDMENT  
NOT TO BE FURTHER COMMUNICATED**

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# Board of Governors of Exhibition Place

Schedule of Operations - Enercare Centre

For the year ended December 31, 2015

**DRAFT**

Schedule 2

	<b>2015</b>		<b>2014</b>
	<b>Budget \$</b>	<b>Actual \$</b>	<b>Actual \$</b>
<b>Revenue</b>			
Building rentals	10,220,933	10,780,940	7,266,740
Services	8,396,325	7,591,247	5,324,958
Catering commissions	882,800	1,158,593	642,439
Naming rights	700,000	700,000	700,000
Advertising, sponsorship, interest and recoveries	601,646	550,575	620,586
	<u>20,801,704</u>	<u>20,781,355</u>	<u>14,554,723</u>
<b>Expenses</b>			
Administration	4,983,312	4,795,357	4,171,871
Cost of services	5,373,047	5,024,840	3,065,283
Maintenance, cleaning and security	696,249	1,044,534	610,992
Contribution to the City - Exhibition Place Conference Centre Reserve Fund	675,000	419,619	689,400
	<u>11,727,608</u>	<u>11,284,350</u>	<u>8,537,546</u>
<b>Surplus for the year</b>	<u>9,074,096</u>	<u>9,497,005</u>	<u>6,017,177</u>

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**Board of Governors of Exhibition Place**

Schedule of Operations - Allstream Centre

For the year ended December 31, 2015

**DRAFT**

Schedule 3

	<b>2015</b>		<b>2014</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Building rentals	1,211,400	1,067,918	926,532
Services	1,030,000	1,394,029	952,134
Catering commissions	838,674	714,917	700,937
Parking	149,465	178,863	120,522
Contribution from the City - Exhibition Place Conference Centre Reserve Fund	2,045,306	805,476	1,845,143
	<b>5,274,845</b>	<b>4,161,203</b>	<b>4,545,268</b>
<b>Expenses</b>			
Amortization of building improvements and equipment	1,077,029	1,931,964	1,941,856
Interest	1,720,555	1,720,555	1,769,731
Administration	1,368,674	1,277,607	1,315,133
Cost of services	782,492	1,035,988	725,240
Utilities	312,400	265,256	251,900
Maintenance, cleaning and security	327,595	426,520	433,562
	<b>5,588,945</b>	<b>6,657,890</b>	<b>6,437,422</b>
<b>Deficit for the year</b>	<b>(314,100)</b>	<b>(2,496,687)</b>	<b>(1,892,154)</b>

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