



Exhibition Place

Item No. 32

ACTION REQUIRED

December 2, 2011

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Write-Off of Uncollectible Receivables**

Summary:

This report recommends that the Board approve the write-off of Exhibition Place receivables that are not collectible. Once approved, the receivable will be written-off and removed from the Board's accounts receivable. This report covers bad debts for the years 2007, 2008, 2009, 2010 and 2011.

Recommendation:

It is recommended that the Board approve:

- 1) The accounts receivable as identified in Confidential Attachment 1 to this report, be written-off and removed from the receivables; and**
- 2) Direct that the confidential information contained in Confidential Attachment 1 to this report not be released publicly in order to protect the competitive position and future economic interests of Exhibition Place.**

Financial Impact:

The amounts recommended to be written off have been previously recognized as a bad debt expense in the prior years, and as such, there is no financial impact in 2011.

Decision History:

The Exhibition Place 2009-2012 had a Financial Goal to *maintain a positive operating financial performance across Exhibition Place and all of its business by effectively monitors costs and revenues* and as a Strategy to support this Goal we will *review and revise financial and organizational systems to strengthen controls and processes*.

Issue Background:

In light of the various steps taken the accounts in Appendix A are deemed to be uncollectible as staff has exhausted all collection efforts.

Comments:

Throughout the year the accounts receivables are reviewed and analysed and various steps are taken to obtain payment of all Board of Governor's accounts.

However certain accounts, in spite of all efforts taken, cannot reasonably be collected and these are ultimately recommended to the Board to be written-off and removed from the accounts receivable of the organization.

The common reasons why the amounts cannot be collected are that the company has filed for bankruptcy, gone out of business or City Legal department provides staff with an opinion that the collection costs associated with a particular account do not justify any further collection activity and further legal action is inadvisable. This is the first bad debt report for consideration in the last five years, so the average bad debt to be written off on an annualized basis is \$13,407.

Appendix "A" to this report identifies these uncollectible accounts and lists the name of the company and the amount to be written-off.

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Submitted by:

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