



Exhibition Place

Management Report July 31, 2014

Executive Summary

- Combined Operating Income (Loss) for Exhibition Place and Allstream Centre for the seven months ended July 31, 2014 before net naming fees, building loan interest and amortization expense for the Allstream Centre was a loss of (\$928,226) compared to a budget loss of (\$934,254) for a favourable variance of \$6,028.
- Net Income (loss) for Exhibition Place and Direct Energy Centre for the seven months ended July 31, 2014 was (\$709,582) compared to budget net income (loss) of (\$1,149,548) for a favourable variance of \$439,966. It is expected that the 2014 rental budget for Exhibition Place and Direct Energy Centre will be achieved.
- Operating Income (Loss) before interest and amortization expense for Allstream Centre for the seven months ended July 31, 2014 was (\$218,644) compared to a budget income of \$215,294 for an unfavourable variance of (\$433,938).
- The Sales & Marketing team secured 21 new events for Exhibition Place.
- Exhibition Place's Recognition Committee received a phenomenal 110 staff nominations for the June/July period.
- On August 26th City Council approved the Basketball Training Facility at Exhibition Place. The 68,000 sq. ft. facility, to be located in Parking Lot 6, will be built by MLSE at a total cost of \$30.0 Million. Construction will start this Fall and be completed in time for the NBA All-Star Game in 2016.

July Financials for Combined Exhibition Place and Allstream Centre

Combined Operating Income (Loss) for Exhibition Place and Allstream Centre for the seven months ended July 31, 2014 before net naming fees, building loan interest and amortization expense for the Allstream Centre was a loss of (\$928,226) compared to a budget loss of (\$934,254) for a favourable variance of \$6,028.

Exhibition Place

Net Income (loss) for Exhibition Place and Direct Energy Centre for the seven months ended July 31, 2014 was (\$709,582) compared to budget net income (loss) of (\$1,149,548) for a favourable variance of \$439,966. It is expected that the 2014 rental budget for Exhibition Place and Direct Energy Centre will be achieved.

- Rental income from events of \$5,460,864 is unfavourable to budget by (\$101,282) primarily due to higher than budgeted rental income from the Boat Show offset by lower than budgeted rent from the Green Living Show and budget timing of new events.
- The Board had an EDM event scheduled for April. There was approximately \$98,000 of direct event income that was lost due to the cancellation of this event.
- Electrical net services of \$803,241 are unfavourable to budget by (\$116,050) primarily due to lower than budgeted net electrical services from the CRFA Show, One Of A Kind Show, Sportsman Show, Green Living Show and budget timing of new events offset by higher than budgeted net electrical revenue from the Boat Show.
- Food & Beverage concessions of \$427,120 are unfavourable to budget by (\$111,337) primarily due to budget timing of new events.
- Show services from third party billings at \$2,211,836 are unfavourable to budget by (\$329,159) with corresponding decrease in related show expenses of \$193,469 for a net unfavourable variance of (\$135,690) primarily due to budget timing of new events.
- Parking revenues at \$4,513,065 are favourable to budget by \$607,604 with a corresponding increase in parking expenses/rebates of \$298,658 for a net favourable variance of \$311,946. This is primarily due to higher than budgeted OOAK Spring Show offset by lower than budgeted revenue from the Home Show. In May there were higher than budgeted Toronto Marlies games at RICOH Coliseum due to

the hockey play-offs. As well, there were more TFC games at BMO Field in May & July than planned, as there were fewer games in June due to the World Cup of Soccer break.

- Program recoveries and interest income at \$248,865 are unfavourable to budget by (\$2,738) primarily due to lower than budgeted interest income offset by favourable variance from BMO Field and Ricoh Coliseum recoveries due to higher level of labor services.
- Direct and indirect expenses at \$16,065,371 are favourable to budget by \$519,028 primarily due to lower utilities due to the energy savings initiatives, lower operational costs and lower direct expenses due to budget timing of new events. Indirect expenses include costs from various departments; these are Chief Executive Officer, Chief Financial Officer, General Manager, Marketing/Event Services, Corporate Secretary, Records & Archives,, Purchasing & Stores, Human Resources, Security, Finance, Operations, Facilities, Utilities, Special Appropriations, Telecommunications and wages & materials for base building upkeep and general maintenance of the grounds.

Direct Energy Centre accounts receivable as at July 31, 2014 was \$559,690 consisting primarily of:

- \$216,606 of deposits owed as contractual for future events of which \$156,370 (72%) has been received by September 4, 2014.
- \$215,068 owed by Ovations of which \$143,599 (67%) has been received by September 4, 2014.
- \$91,656 for services on completed events of which \$5,053 (6%) has been received by September 4, 2014.
- \$19,172 owed by MLSE- BMO Field for telecommunications services of which \$19,172 (100%) has been received by September 4, 2014.
- \$17,188 owed by MLSE (Ricoh) for telecommunications services of which nil has been received by September 4, 2014.

Exhibition Place accounts receivable as at July 31, 2014 was \$5,650,975 consisting primarily of:

- \$2,597,724 owed by the CNEA of which \$2,444,013 (95%) has been received by September 4, 2014
- \$884,320 owed by tenants of which \$376,234 (43%) has been received by September 4, 2014.
- \$557,278 owed by City of which \$529,244 (95%) has been received by September 4, 2014.
- \$498,125 owed by MLSE - BMO Field for payroll a cost of which nil has been received by September 4, 2014.
- \$168,427 owed by MLSE (Ricoh) for services of which nil has been received by September 4, 2014.
- \$97,914 for show services on completed events of which nil has been received by September 4, 2014.

Allstream Centre

Operating Income (Loss) before interest and amortization expense for Allstream Centre for the seven months ended July 31, 2014 was (\$218,644) compared to a budget income of \$215,294 for an unfavourable variance of (\$433,938).

- Rental income of \$515,504 is unfavourable to budget income of (\$166,514) primarily due to budget timing of new events and lower than budgeted rent from Cerise contracted events. It is forecasted that the 2014 rental budget by Exhibition Place booked events for the Allstream Centre will be achieved. Cerise is forecasting a budget shortfall of (\$207,481).
- Food & Beverage concessions of \$372,977 are unfavourable to budget by (\$202,489) primarily due to lower than budgeted Cerise booked catered business and timing of new events. Cerise is forecasting commissions to the Board of \$769,763 in 2014 which is a budget shortfall of (\$247,133).
- Net Show services income from third party billings of \$58,830 is unfavourable to budget by (\$93,532) primarily due to budget timing of new Exhibition Place booked events and budget shortfall of Cerise booked events.
- Net parking revenue at \$68,653 is unfavourable to budget by (\$18,283) primarily due to budget timing of new Exhibition Place booked events and budget shortfall of Cerise booked events.

- Direct and indirect expenses at \$1,304,578 are unfavourable to budget by (\$24,044) primarily due to lower utilities due to the energy savings initiatives and lower direct expenses due to budget timing of new events. Indirect expenses include costs from various departments. These 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.

Allstream Centre accounts receivable as at July 31, 2014 was \$459,019 consisting primarily of:

- \$175,577 for services on completed events of which \$129,424 (74%) has been received by September 4, 2014.
- \$201,763 owed by Cerise Fine Catering of which nil has been received by September 4, 2014.
- \$62,451 owed as contractual deposits for future events of which \$47,269 (76%) was received by September 4, 2014.
- \$19,228 for accounts with City Legal; this amount is fully provided for as a bad debt in the financial statements or the rental revenue has not been recognized as income and deferred as appropriate.

Sales and Marketing

June/July Sales Effort

During this period, our Sales & Marketing team secured 21 new events for Exhibition Place. The events are categorized as follows:

- 14 meetings & conventions
- 2 consumer shows
- 2 exams
- 1 festival
- 1 sporting event
- 1 film shoot

June/July Sales Summary

New events held during this time period include NDEB Assessment 2014, PetSmart Adoption Event, FIFA Opening Ceremonies Staging Area, Audit Transformation 1 – Raise Our Game Meeting, Royal LePage Real Estate Services Annual Luncheon, Walmart Walk for Miracles, Sun Life Financial – Sales Congress, Deloitte Toronto Consulting FY15 Kick-Off/AGM, Nerium International Toronto Conference, Deloitte Raise Our Game Program July 2014, MacLaren Momentum – General Motors/Chevrolet Sponsored Soccer Celebration Area, One Kapamilya Go Canada Cultural Festival, Rugby Canada Sporting Event, and 1810 King’s Birthday and Militia Rally.

Business Travel

Geoff Mak and Tamer Mecky attended the Toronto Education Conference in Niagara Falls, Ontario from June 15th to 17th. The conference is organized by Meeting Professional International Toronto Chapter, where both Geoff and Tamer are board members; Geoff is currently serving as President Elect and Tamer as Director of Communication. The conference was a great opportunity to connect with meeting planners, share education sessions and industry updates, and to promote Allstream Centre and Exhibition Place.

Ellen de Boer attended the annual Canadian Association of Exposition Management (CAEM) Conference in Edmonton, Alberta on June 21st to 25th. Ellen, Jeff Gay and Hardat Persaud co-hosted the Direct Energy Centre/Allstream Centre booth during the one day trade show, which was attended by Senior Management from major trade and consumer show producing companies from across Canada. The Exhibition Place team attended, when available, a series of seminars and industry meetings and social

events. These sessions are a great resource for learning industry trends and hot client topics and allow us to interact with prospective clients and suppliers.

Don Leddy and Marvin Self attended the CSAE Trillium Chapter Summer Summit in Windsor, Ontario from July 9th to 11th. This annual education event, which attracts over 200 association members, continues to present good opportunities to network with existing and potential clients

Kaelan Henderson was in Montreal, Quebec on July 15th and 16th to meet with a series of corporate clients responsible for driving incremental Toronto meeting business. Kaelan met with Tourism Toronto Corporate Account Director, Deborah Neuheimer, on July 21st to discuss future potential joint business opportunities within the corporate meetings and convention market.

Tamer Mecky travelled to Montreal on July 16th to negotiate and secure the 2015 Canada Sales Congress and to maintain business relationships with organizers of that event. On the same trip Tamer visited TD Insurance and JPDL and JPDL Vitamine to promote Allstream Centre and met with potential clients Serge Therrien and Janik Hout.

Publicity

Direct Energy Centre

- News Report during this period included **10** hits for Direct Energy Centre. Stories included: Living Wall; Royal Agricultural Winter Fair; Canada Blooms.
- French magazine Tour Hebdo ran an article called “Toronto Eclectique dans L’ame” and featured Direct Energy Centre in the July- August issue.

Allstream Centre

- News Report during this period included **13** hits for Allstream Centre. Stories Include Toronto East General Gala; Ontario Craft Brewers Conference.
- An Article titled “Who’s Meeting Where?” featured Allstream Centre and ran in the Toronto Inside Guide For Event Planners

Exhibition Place

- News Reports for this period include **294** hits for Exhibition Place. Stories Included: Scotiabank Toronto Caribbean Carnival; Festival of Beer; CHIN Picnic; Honda Indy; EDM ban; Things To Do; Becel Ride For Heart; People In Motion; World Pride; Pet Adoption Weekend.
- Marketing Department sent a press release titled “New Director, Security & Parking appointed at Exhibition Place” on July 30, 2014.
- Marketing Department sent a press release titled “Exhibition Place Exhibit mounted at the Ontario Legislature” on July 30, 2014.
- Marketing Department submitted an article called “Exhibition Place to become CIBC Pan AM Park” in the Volume, Issue 3 of the Toronto City update Newsletter.
- Tourism Now online newsletter dated July 9, 2014 listed Honda Indy at Exhibition Place in the events calendar.
- Tourism Now online newsletter dated July 23, 2014 listed Scotiabank Caribbean Carnival parade at Exhibition Place in the events calendar.

Social Media Mentions

- Total number of mentions during this period for Exhibition Place, Direct Energy Centre and Allstream Centre on social media platforms; Twitter; Blogs; Facebook is: **1,778**

Event Management Services

During the months of June and July, Event and Meeting Co-ordinators and Exhibitor Services staff at Exhibition Place, Direct Energy Centre and Allstream Centre were involved in the following events:

Exhibitions/Meetings/Conventions/Corporate Events	
JUNE 2014	
<ul style="list-style-type: none"> ▪ Becel Heart & Stroke Ride for Heart ▪ CSAE May PDX (AC) ▪ CUTS Launch (AC) ▪ TFC On the road / Soccer Celebration ▪ Audit Transformation (AC) ▪ Advertising & Design Club of Canada(AC) ▪ People in Motion ▪ NDEB Assessment 2014 (AC) ▪ Sixth annual Toronto Horse Day ▪ Enbridge Ride to conquer Cancer Parking ▪ Telus Walk to Cure Diabetes ▪ Walmart Walk for Miracles 	<ul style="list-style-type: none"> ▪ Barrister Exams ▪ CGA June Exams ▪ MDRT Dinner & Sales Congress (AC) ▪ Rugby Canada ▪ 1810 Kings Birthday & Militia Rally ▪ City Clerks Office Meeting ▪ Deloitte Toronto consulting (AC) ▪ Nerium International Toronto (AC) ▪ One Kapamilya Go Canada ▪ MLSE Team Up Challenge ▪ Solicitor Licensing Exams ▪ Honda Indy Press Conference (AC) ▪ TABIA's Health & Safety Reqs.
JULY 2014	
<ul style="list-style-type: none"> ▪ CHIN International Picnic ▪ PetSmart Adoption Event ▪ RCMP Horse Stall Use ▪ BOG Meeting (AC) ▪ Honda Indy 	<ul style="list-style-type: none"> ▪ Toronto Triathlon Festival ▪ CNEA Board Meeting (AC) ▪ MacLaren Momentum (AC) ▪ Toronto's Festival of Beer

Event Services

During the month of June, we hosted several returning events. The Becel Ride for Heart expressed special thanks to Housekeeping Staff for the amazing job they did in keeping the grounds clean despite the poor weather and record attendance at the event. Staff were able to make last minute changes to the floor set up and electrical services for "One Kapamilya Go!" per the clients request, and also made adjustments to save on cleaning expenses. This pre-event to a concert at the Ricoh Coliseum incorporated exhibits, a food court and a bingo hall. It was very well attended. The Solicitors and Barristers exams both went well. This year the Scotiabank CHIN International Picnic did not hold a bicycle race.

Staff scheduled the move-in and move-out of blocks for the Honda Indy overnight, although this was challenging at times due to the games and concerts at Ontario Place and BMO. We hosted a new event during July; the PetSmart Adoption Event proved so successful that all the dogs available for adoption had been given homes by 10:35 a.m. on the second day. The final day was also very busy, with cats still available for adoption. Toronto's Festival of Beer moved in very smoothly despite the on-going tear down of the Honda Indy.

Exhibitor Services

The order desk serviced four events in the months of June & July. In addition, staff conducted the annual audit of Exhibition Place asset inventory. Staff also serviced vendor upgrades in the Food Building in preparation for this year's Canadian National Exhibition.

Allstream Centre

Allstream Centre hosted ten events in June, including a Wedding Shower and a Wedding booked by Cerise. Deloitte was back again for five days, which went very well. The Advertising & Design Club were back for their third year. Two new large events, Nerium International and Sun Life Financial, were both attended by over 1,000 people.

Seven events took place in July, with Deloitte back again for five days. We also hosted both Labour Relations Training and the City of Toronto. As well, Amway India (Cerise) held two large events, which took place pre and post Indy, and were attended by over 1,500 people each. We worked with the Honda Indy to ensure that all barriers were open to enable the buses to transport all Amway India guests to and from Allstream Centre. Honda Indy's Media Rooms and Control Centre were hosted in Allstream Centre for the first time and management was very happy with the location.

Parking

Parking activity for the month of June was increased by the introduction of MUZIK's expanded schedule for the pool and bar; extended days and hours on Friday to Sunday from 12 noon to 4am. Ontario Place had 8 sold out or almost sold out concerts, which increased parking activity and compensated for the parking loss from other events. Parking for July was up significantly from last year, primarily as a result of MLSE hosting 7 games at BMO Field compared to 3 from last year.

IT/Telecommunications

IT/Telecom has completed the expansion and updating of WiFi distribution within Direct Energy Centre. With new state of the art CISCO AC enabled WiFi access points at a greater density. This enhanced technology the WiFi speed available at Exhibition Place will be the fastest commercially possible, and should eclipse the capabilities of our regional major competitors.

IT developed and deployed an online job application system that enabled prospective employment candidates to provide categorical applicant information and submit resumes electronically. This was used in order to enhance the hiring process for the Housekeeping Department.

An enhanced data backup system for our SQL and generic file systems is being deployed in Allstream Centre. This system has capability to capture incremental real-time backups (similar to the already deployed Exchange server) at a remote location for data diversity.

For the 2014 CNE, IT prepared a PCI compliant network design incorporating a hardened firewall apparatus. This system was designed, deployed and pre-tested via a PCI compliance audit to provide security to customer payment transactions during the CNE period.

An electronic payment system was deployed for use by the Finance Department. This system allows clients to make electronic payments via e-invoices, thus providing greater convenience and high security for our customers.

Building Operations

Mechanical

- Heavily involved in Honda Indy, CHIN, Caribbean Carnival and CNE move in and outs
- Installed stair railings in the south of Direct Energy Centre
- Raised concrete sidewalk slabs in the east and west Direct Energy Centre
- Repaired several floors in Direct Energy Centre with epoxy compound
- Repaired roll up doors #24 and #33 due to slat damage
- Conducted office renovations for the Executive staff moving to Direct Energy Centre from the Queen Elizabeth Building

Electrical

- Re-piped Light-Emitting-Diode light poles in front of garden bed that had been damaged
- Inspected and repaired damaged floor ports in Direct Energy Centre
- Conducted office renovations for staff moving to Direct Energy Centre from Queen Elizabeth Building
- Inspected HVAC exhaust fans in Direct Energy Centre
- Repaired battery packs in Parking Garage and installed new light fixture in the stairway to garage
- Repaired open circuit for exhaust fan in Substation #3 in Heritage Court
- Investigated security breakdown requests
- Traced Hufcor door feed for Halls A and B and replaced defective wiring due to water damage
- Addressed no power to the central alarm control facility office air conditioning unit
- Exhaust fan in Substation #2 was not working; rewound motor and reinstalled
- Installed occupancy sensors to turn on supply air to parking kiosks in parking garage
- Installed key switch to control East Annex roll up door
- Checked operation of photo-voltaic unit and replaced blown fuses in East Annex
- Tested substation transfer switch for Substation #4 and operation of IT/Telecom's uninterrupted power supply from the emergency generator
- Installed emergency receptacles in IT/Telecom offices
- Removed chemical pump feeds from chiller room in preparation for new pumps
- Security office air conditioning unit was not working; installed new unit
- Replaced outdoor ground fault interpreter receptacles and covers on the south face of the Galleria
- Inspected phone lines in Facilities Services Dept. and replaced broken phone jacks where needed
- Adjusted occupancy sensors for the Royal Agricultural Winter Fair offices
- Connected water meter for Ovations
- Repaired Wi-Fi connection in Ovation's kitchen and relocated the exit light for office renovation

Facility Services

Facility Services staff worked on the following activities and projects during June and July, which have been completed or are in progress:

- Continue to monitor soft landscaping trip hazards and provide updates to the data base as required.
- Prepared a Cleaning quote for our largest event, the CNE, as well as several Labour quotes, and developed a spreadsheet to monitor all of the costs to date.
- Completed a risk analysis report for trees on the Exhibition Place grounds with all high risk items corrected prior to the start of CNE.

- Participated with the CNE loss prevention program completing many group walk-throughs of the grounds and ensuring all risks associated with our department are taken care of and documented.
- Conducted orientations and training for approximately 400 new and young Housekeeping workers.
- Scheduled 150 workers to perform housekeeping services for the FIFA under 20 Women's World Championship, held at BMO Field, which involved insuring each worker was accredited for each shift.
- Updated some of our LEED-EBOM submissions for further review by the Canadian Green Building Council (CaGBC).
- Thoroughly cleaned the Horse Palace which entailed a complete pressure wash of the main floor in preparation for the CNE.
- Attempted to wash down the underground garage at Direct Energy Centre but had difficulty due to the irrigation line being temporarily disconnected as a result of Hotel X construction. Once the connection is re-established we will conduct a thorough wash down of the garage.
- Conducting weekly meetings with Toronto Parks to try and enhance the overall appearance of all soft landscaping and have temporarily hired four people to assist Parks with the watering and weeding of our shrubs and flower beds.
- Created a new landscape plan, in consultation with Toronto Parks, for the planters on the south side of Direct Energy Centre in preparation for the 2015 PanAm Games, removing old scrubs and replacing them with new trees and foliage/plants in late July.
- Worked closely with Honda Indy and third party vendors to find additional savings, moving non-essential Production Services work out of premium time to regular hours for the load out and set up.
- Continue to consult with Capital Works Department through the tendering process for the upgrade of the event paging system in the Industry Building, including input on equipment and functionality of the system to better service our clients.
- Toronto Parks Forestry and Recreation Department performed an assessment of our elm trees and it was noted that none of them showed signs of Dutch Elm Disease, although some were in decline. Ten trees were injected to assist with prevention of the disease.
- Tree audit noted that the Emerald Ash Borer was present in several Ash Trees. This insect bores into the tree and will eventually destroy it. We are in the process of creating a plan to replace most damaged trees.

EXcellence in Action

Lauren Mark and Leandia Fortner of Deloitte sent an email dated June 6th commenting on the excellent service provided by Denise DeFlorio and Ana-Laura Monzon: "We wanted to pass along our thanks to the entire team at Allstream. They have been absolutely phenomenal with their attention to detail and prompt response time when we make last minute changes and requests. Each member of the team went above and beyond what we would have expected. Please ensure that Denise and Ana let their staff know how much we enjoyed being at Allstream this week and look forward to the next session"

Janet Lyall of Ontario Central Region Sun Life Financial Distributors (Canada) Inc sent an email dated June 16th to Nancy Kloek which read "[...] thanks to you and your staff for making this the most successful Sales Congress event to date!"

Kristi Milborrow sent an email dated June 23rd to Denise DeFlorio: "Thank you once again for helping to make Friday's Deloitte event such a success. It was a pleasure working with you and all of the Allstream team – you guys are fantastic."

As well, Ms. Milborrow sent an email dated June 25th to Tamer Mecky and Victoria Port; "Thanks again for all of your help last Friday – the event was a great success thanks to you and the team at Allstream.

You really do know the true meaning of customer service. Thanks in advance and looking forward to working with you again soon!"

Jeff Gay received an email from Walter Pastorious of CHIN Radio dated July 9th; "Just a note, on the fine service, by Jim MacGregor and Scott Lytle, a dynamic duo, with expertise, knowledge and great service. We always felt protected and well looked after. They are professional, efficient and effective [...]. I also want to say Thank You to Alba, we appreciate her service [...] May I also please Thank Tamer for being a true professional? He's great at what he does! Please pass on our sincere Thank You. Great Team Jeff."

Gerry Rozo of Stihl Limited sent an email dated July 25th to Tasleem Lokhat; "Thank you very much for all the help received this weekend Tasleem, it was a pleasure working with you!"

Paul Vaillancourt of Torchia Communications sent an email dated July 28th to Denise DeFlorio; "[...] thanks a million for all your support once again this year. Things worked very well again and Mel was on top of things throughout the weekend regarding our AV needs."

Exhibition Place's Recognition Committee received 110 staff nominations for the June/July period. Following are the winners:

	June/July Winners
Section 1	Bernadette Dubinski , Housekeeping
Section 2	Nadia Azam , Finance
Section 3	Darren Kahn , Labour Services
Section 4	Shariza Bharat , Capital Works
Section 5	Sherman Sue , Facility Services

Ovations Food Services

June

June was a quiet month for Ovations but we were pleased to have Barrister and Solicitor Examinations back. Ovations delivered both breakfast and lunch buffets and snacks for the proctors and students.

Ovations subcontractors provided excellent service for People in Motion, offering meal vouchers to patrons to encourage a sampling of a variety of items offered by our vendors.

During the down-time between events, Ovations has been able to work on upcoming event proposals and projects for making the catering and concession experience even better. Ovations is in the process of introducing digital menu boards and new looks for its concession stands; Midway Grill, Lakeshore Grill, Galleria Café and Fork York.

July

GM Bradley Fletcher resigned in July, which created a major focus on recruiting efforts and client contact and communication. Ovations quickly implemented a plan to notify our clients and provided a temporary point of contact for sales and planning purposes. Ovations hope to have a new GM in place

by mid-September and are working closely with Exhibition Place Management through the selection process.

Candice Hales joined the Ovations team as Chef. Candace has been with Ovations for three years and is transferring from the Budweiser Events Centre in London, ON. Candace has been providing exceptional meal services for our clients since joining the team.

July has also provided a great opportunity for Ovations to prepare for upcoming and recurring shows such as CNE, CBIC Bank Holiday Party and Royal Agricultural Winter Fair. Ovations met with many clients and partners to plan and prepare for the busy season and to explore many new business opportunities. Ovations successfully hosted the CNE Opening Reception and various committee and training sessions, for which we provided breakfast and lunch services.

Cerise Fine Catering

The month of May was a busy period of activity with Cerise hosting the 1000 delegates of the Nerium International Convention. It was the incentive sales groups first visit to the Allstream Centre and a successful venture on Cerise's part into retail concession sales. The retail sales venture was a response to the need to service the individual delegates light dining needs and improve their visit to our facility.

The Zaganski kosher wedding on June 26th for 450 guests was executed with aplomb resulting in gracious comments received from all members of the wedding party.

Highlights of July were two 1600 person Southeast Asian cuisine events for the international delegates from Amway India's top sellers. All were hosted to an across Ontario reward adventure.

Deloitte has for the fourth time returned to Allstream Centre. The three previous visits in 2013 left a positive impression on the event planners and directed not only July's activity but an additional upcoming program in September 2014. We at Cerise and the Allstream Centre take great pride in results that create repeats.

Submitted by:

Arlene Campbell
General Manager, Sales & Events

Submitted by:

Dianne Young
CEO, Exhibition Place

APPENDIX A

Combined Exhibition Place and Allstream Centre Financial Summary

	Statement Of Operations Highlights					
	For the seven months ended July 31, 2014					
	Actual	Current Month Budget	Fav (Unfav) Variance	Actual	YTD Budget	Variance
\$	\$	\$				
Event Income	3,004,360	2,715,321	289,040	\$ 17,064,173	\$ 17,642,346	\$ (578,173)
Direct Expenses	454,733	322,057	(132,676)	2,388,923	2,057,358	(331,565)
Indirect Expenses	2,722,550	2,216,831	(505,719)	15,603,476	16,519,242	915,766
Operating Income (Loss) before building loan interest & amortization and naming fees	(172,922)	176,432	(349,355)	(928,226)	(934,254)	6,028
Interest expense - Allstream Centre	147,325	147,326	-	1,037,924	1,037,924	-
Amortization expense - Allstream Centre	129,218	129,218	-	904,512	904,512	-
Operating Income (Loss) before naming fees	(449,466)	(100,111)	(349,355)	(2,870,662)	(2,876,689)	6,028
Contribution from (to) Conference Centre Reserve Fund	266,086	373,641	(107,555)	1,657,010	1,223,072	433,938
Net Income (Loss)	(183,380)	273,530	(456,910)	(1,213,652)	(1,653,617)	439,966

(1) Operating Loss for the Board before interest on City loan, amortization of building improvements net of contribution from naming fees is (\$928,226) compared to a budgeted Operating Loss of (\$934,254) for a favourable variance of \$6,028.

(2) Amortization is a non cash item as related to the capitalization of the asset for the new Allstream Centre.

**EXHIBITION PLACE
FINANCIAL STATEMENT HIGHLIGHTS
JULY 2014 AND COMPARATIVES**

	MONTH			YTD			2013 YTD	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	YOY VARIANCE
Number of Events	6			65			56	9
	\$	\$	\$	\$	\$	\$	\$	\$
Direct Event Income	804,644	752,052	52,592	7,656,368	7,894,676	(238,308)	7,430,995	225,373
Ancillary Income	1,225,068	1,213,176	11,892	2,533,220	2,941,876	(408,656)	1,865,641	667,579
Advertising and Sponsorship	12,622	17,482	(4,860)	93,436	122,374	(28,938)	143,957	(50,521)
Rent-MLSE-Ricoh Coliseum	50,563	71,422	(20,859)	313,835	321,862	(8,027)	307,150	6,685
Naming Rights	88,923	101,667	(12,744)	622,450	711,667	(89,217)	711,667	(89,217)
Parking EP	378,313	337,750	40,563	3,879,907	3,432,650	447,257	3,975,766	(95,859)
Parking - BMO Events	254,023	159,771	94,252	633,158	472,811	160,347	458,416	174,742
Program Recoveries and Other	41,665	35,514	6,150	245,865	248,603	(2,738)	496,652	(250,787)
Total Event Income	2,855,820	2,688,834	166,986	15,978,239	16,146,518	(168,279)	15,390,244	587,995
Direct Expenses	439,932	319,536	(120,396)	2,203,137	1,903,836	(299,301)	2,069,364	133,773
Indirect Expenses	2,470,410	1,954,165	(516,245)	13,862,234	14,680,563	818,329	13,822,399	39,835
Naming Rights	88,924	101,667	(12,743)	622,450	711,667	89,217	711,667	(89,217)
Total Event Expenses	2,999,266	2,375,368	(649,384)	16,687,821	17,296,066	608,245	16,603,429	84,392
Net Income (Loss)	(143,446)	313,466	(456,912)	(709,582)	(1,149,548)	439,966	(1,213,185)	503,603

**ALLSTREAM CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
JULY 2014 AND COMPARATIVES**

	MONTH			YTD			2013 YTD	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	YOY VARIANCE
Number of Events	3			63			49	14
	\$	\$	\$	\$	\$	\$	\$	\$
Direct Event Income	55,474	12,285	43,189	574,334	773,889	(199,555)	387,775	186,559
Ancillary Income	93,067	12,228	80,839	436,157	628,213	(192,056)	329,924	106,233
Parking Revenue	-	1,974	(1,974)	75,443	93,726	(18,283)	57,995	17,448
Total Event Income	148,541	26,487	122,054	1,085,934	1,495,828	(409,894)	775,694	310,240
Direct Expenses	14,801	2,521	(12,280)	185,786	153,522	(32,264)	136,406	49,380
Indirect Expenses	163,217	161,000	(2,217)	1,118,792	1,127,012	8,220	906,641	212,151
Total Event Expenses	178,018	163,520	(14,497)	1,304,578	1,280,534	(24,044)	1,043,047	261,531
Operating Income (Loss) before building loan interest & amortization and naming fees	(29,477)	(137,033)	107,556	(218,644)	215,294	(433,938)	(267,353)	48,709
Interest expense	147,325	147,325	-	1,037,924	1,037,924	-	1,064,974	(27,050)
Amortization expense	129,218	129,218	-	904,512	904,512	-	904,512	-
Operating Income (Loss) before naming fees	(306,020)	(413,576)	107,556	(2,161,080)	(1,727,142)	(433,938)	(2,236,839)	75,759
Contribution from Conference Centre Reserve Fund	266,086	373,641	(107,555)	1,657,010	1,223,072	433,938	1,704,914	(47,904)
Net Income (Loss) before transfers	(39,934)	(39,935)	-	(504,070)	(504,070)	-	(531,925)	27,855

Note 1. 2014 Allstream Centre Total Event Income Budget was based on Proforma and 2013 actual.

**DIRECT ENERGY CENTRE AND ALLSTREAM CENTRE
EVENT STATISTICS
FOR THE SEVEN MONTHS ENDED JULY 31, 2014**

DIRECT ENERGY CENTRE

	<u>MONTH ACTUAL</u>			<u>YTD ACTUAL</u>		<u>PRIOR YEAR ACTUAL</u>
Attendance [Note:1]	-			573,090		440,750
				(NOTE 3)		(NOTE 2)
				NET EVENT INCOME		REFRESHMENT
EVENT	ACTUAL # OF EVENTS			ACTUAL	BUDGET	PER CAP'S ACTUAL
	2014	2013	2012	\$ (IN '000'S)	\$ (IN '000'S)	\$ (IN '000'S)
	#	#	#			
Consumers Show	21	16	15	5,052	4,236	2.96
Trade Show	5	6	6	553	501	3.33
Exam	5	4	3	307	23	10.43
Photo/Film Shoot	0	2	1	-	-	-
Meeting/Corporate	9	2	2	30	25	-
	40	30	27	5,942	4,785	16.71

ALLSTREAM CENTRE

				(NOTE 3)		(NOTE 2)
	ACTUAL # OF EVENTS			NET EVENT INCOME		REFRESHMENT
EVENT	2014	2013	2012	ACTUAL	BUDGET	PER CAP'S ACTUAL
	#	#	#	\$ (IN '000'S)	N/A	\$ (IN '000'S)
Gala	2	4	5	17	-	64
Conference	21	11	24	661	-	127
Reception	8	2	4	19	-	88
Meeting	28	31	35	49	-	46
Photo/Film Shoot	1	0	0	20	-	-
Exam	3	1	5	18	-	-
	63	49	73	784	-	325

Note: 1 Attendance estimates provided by Show Management.

Note: 2 Refreshment per cap's based on information reported by Ovations/Cerise.

Note: 3 Net event income includes rent & services, ancillary income includes catering & electrical commissions

**COMBINED EXHIBITION PLACE AND ALLSTREAM CENTRE
CHEQUE DISBURSEMENTS - MAY 2014
GREATER THAN \$50,000**

Cheque No	Date		\$ Amount	Description
	07/05/2014	ADP CANADA	231,998.57	HOURLY PAYROLL
	13/05/2014	ADP CANADA	336,721.78	SALARY PAYROLL
	14/05/2014	ADP CANADA	240,067.43	HOURLY PAYROLL
	21/05/2014	ADP CANADA	238,423.23	HOURLY PAYROLL
	27/05/2014	ADP CANADA	334,834.98	SALARY PAYROLL
	28/05/2014	ADP CANADA	187,996.73	HOURLY PAYROLL
12554	06/05/2014	LOCAL 58 BENEFITS FUND	50,488.05	2014 APRIL UNION DUES
12683	27/05/2014	CITY OF TORONTO	58,906.80	2014 FIRST QUARTER CEO SALARY
12528	06/05/2014	CITY OF TORONTO	77,889.00	PREMIUM FOR DENTAL & LIFE FOR MAY 2014
12614	15/05/2014	CANADIAN NATIONAL EXHIBITION	98,148.00	2014 TO SETTLE CASH TRANSLATION
12682	27/05/2014	CANADA CUSTOMS AND REVENUE	209,307.62	2014 H.S.T. APRIL REMITTANCE
12634	30/05/2014	OMERS	221,702.44	2014 APRIL REMITTANCE
12513	31/05/2014	CITY OF TORONTO	222,689.97	2014 JUNE LOAN PAYMENT
12679	22/05/2014	TORONTO HYDRO	270,919.93	2014 APRIL HYDRO
		DISBURSEMENTS OVER \$50,000	2,780,094.53	
		OTHER DISBURSEMENTS	791,090.49	
		TOTAL DISBURSEMENT	<u>3,571,185.02</u>	

BOARD OF GOVERNORS OF EXHIBITION PLACE
BALANCE SHEET
AS AT JULY 31, 2014

	2014	2013
	July	July
	\$	\$
FINANCIAL ASSETS		
CASH	1,094,359	2,387,784
SHORT-TERM INVESTMENTS	1,350,000	1,000,000
RECEIVABLE		
TRADE ACCOUNTS RECEIVABLE	6,669,684	6,744,366
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(588,335)	(406,615)
NET ACCOUNTS RECEIVABLE	6,081,349	6,337,752
DUE FROM /TO EXHIBITION PLACE - CNEA	-	1,034,770
SALES TAX RECOVERABLE	275,765	114,424
OTHER RECEIVABLE	1,742,671	1,446,549
RECEIVABLE FROM THE CITY OF TORONTO	7,353,742	7,502,116
RECEIVABLE FROM THE CITY OF TORONTO - CAPITAL	945,411	227,251
TOTAL FINANCIAL ASSETS	<u>18,843,298</u>	<u>20,050,646</u>
LIABILITIES		
ACCOUNTS PAYABLES - TRADE	1,413,282	22,654
ACCRUED LIABILITIES	3,192,408	4,286,762
SALES TAX PAYABLE	872,694	809,911
CONFERENCE CENTRE RESERVE FUND	904,746	1,866,319
DEFERRED REVENUE	6,471,078	7,138,593
OTHER CURRENT LIABILITIES	717,233	707,543
EMPLOYEE BENEFITS PAYABLE - PSAB	8,809,529	9,004,270
OTHER LIABILITIES	444,683	518,717
LOAN PAYABLE - ERP PROJECTS	6,902,338	7,097,769
GOVERNMENT ASSISTANCE	1,418,334	1,561,100
LOAN PAYABLE- FCM CAPITAL ASSET	1,628,370	1,714,355
LOAN PAYABLE- CONFERENCE CENTRE ASSET	35,055,120	35,978,063
NET INCOME (LOSS) CURRENT	(1,213,652)	(1,745,110)
PRIOR YEAR SURPLUS	(5,021,177)	(3,704,820)
TOTAL LIABILITIES	<u>61,594,988</u>	<u>65,256,125</u>
NET DEBT	<u>42,751,690</u>	<u>45,205,480</u>
NON-FINANCIAL ASSETS		
INVENTORIES	85,287	81,165
PREPAID EXPENSES	85,728	69,423
STEP UP RENT/OTHER RECEIVABLE	1,133,863	1,317,329
FIXED ASSETS		
EQUIPMENT	55,816,284	55,532,284
ACCUMULATED DEPRECIATION - EQUIPMENT	14,369,473	11,794,720
EQUIPMENT - NET	41,446,811	43,737,563
TOTAL NON-FINANCIAL ASSETS	<u>42,751,690</u>	<u>45,205,480</u>

Summary of Sole Source Commitment Activity by Reason - June 1, 2014 to August 8, 2014

Part A of the report below informs the Board of the sole source activity for Exhibition Place including sole source purchases approved through the Board. The format used to provide the information below is the same used by the City of Toronto Purchasing and Materials Management Division (PMMD) so as to maintain consistency and uniformity in reporting.

Procedures for the processing of sole source purchase are outlined below and include due diligence measures to ensure that:

Part A

- (1) Detailed explanation is provided for the sole source purchase.
- (2) Sole sourcing is an appropriate method to obtain the needed goods and/or services
- (3) Proper approvals as outlined in the Board Financial By Laws are obtained before processing a sole source purchase; and
- (4) Where possible, the process is in accordance with current market conditions and prices offered to other customers.

Total sole source activity from June 1 to August 8, 2014 total is \$23,760.87. The percentage of dollar value of sole source purchasing activity for goods and services compared to the total purchasing expenditures of \$1,794,035.15 is 1.3% for this period. The revised annual percentage year to date is 2.9% on purchasing expenditures of \$4,761,837.93.

EP Program

Reason for Sole Source	Number of Commitments	Number of Suppliers	Total Value
Match Existing Equipment/Service	1	1	\$ 17,550.87
Specialized Services	0	0	\$ -
Ensure Warranty Maintenance	0	0	\$ -
Emergency	0	0	\$ -
Time Constraints	0	0	\$ -
Bridging Contract	0	0	\$ -
Proprietary/Trademark/Patent	1	1	\$ 6,210.00
Health & Safety Issues	0	0	\$ -
Other Reasons -	0	0	\$ -
Total	2	2	\$ 23,760.87