4

EXHIBITION PLACE

May 25, 2006

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Variance Report – For the Period Ending April 30, 2006**

Purpose:

This report is being submitted for the consideration of the Board.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendation:

It is recommended that this report be received for information.

Background:

In accordance with the Financial Management By-law No. 2-99 consolidated variance analysis reports are prepared three times each year for presentation to the Board of Governors.

Comments:

This report, which consolidates information for all three Exhibition Place programs, is the first of three reports that are submitted to the Board during 2006. This report contains seven schedules which provide detailed information for the four-month period ending April 30, 2006. Further consolidated variance reports will be submitted to the Board for the periods ending June 30 and September 30, 2006.

The Exhibition Place variance process requires staff responsible for the management of activities and related budget funding to report to the General Manager on a monthly basis for any variances in excess of 10% during the first eight months of the year.

For 2006 a number of improvements are being made with regard to the frequency and format of the budget variance reports presented to the Board. In terms of frequency, a monthly report, beginning with the one prepared for the April 20th Board meeting presents information on the Exhibition Place operations and administration program on a monthly basis. There is a similar monthly report for the National Trade Centre Program. This consolidated variance report is in a revised format and shows an analysis of the current month as well as year-to-date information.

Consolidated Position for All Programs

The consolidated financial position of Exhibition Place for the period ending April 30, 2006 reflects a favourable variance of $ 186,749 as indicated on Schedule 1. This variance reflects the combined activities of the National Trade Centre Program, Exhibition Place Program and the CNEA Program.

The National Trade Centre Program

Net Operating Income for the period ending April 30, 2006 was $1,614,272 compared to a budget of $1,669,595 for an unfavourable variance of $55,323. NTC has a positive budget variance for rental income and show services revenue however this is offset by higher operating costs of $195,549 mainly due to utilities and a shortfall in food and beverage concessions due to timing of new corporate events $102,682. O&Y SMG believe that new business and future events will provide sufficient income to offset the existing negative variance.

Exhibition Place Program

The actual result for the period ending April 30, 2006 reflects a favourable variance of $227,240.

Early in the year, staff recognized that it would be difficult to meet the 2006 income targets for parking and show and event revenue given the 2005 actuals. For example when the budget was approved by the Board last September, it was expected that the LCBO annual meeting and the Aerophile ride would be returning to the grounds in 2006. Neither of these will materialize in 2006 and a budget pressure from these two factors alone amounted to $110,000. For parking, revenue projections were made on the basis that the Horticulture and Bandshell tenants would be in full operation as of January 1, 2006 which was budgeted at $550,000. Understanding these budget pressures a very aggressive expenditure control program has been implemented across all program areas.

As can be seen in Schedule 5 (Exhibition Place – Expenses), this expenditure control effort has yielded results and aggregate cost savings of over $674,000 have been achieved for the first four months of the year. This offsets the negative variance for parking ($220,000) and event revenue ($117,350). Another area showing a negative variance is the Corporate and Statutory expenses (CPP, Employment Insurance, insurance and other corporate level costs). However, this is not an issue needing attention but rather a budget presentation as the salary gapping requirements for the organization ($42,000 for first four months) are shown in this budget but the actual salary savings are indicated in other operational salary accounts.

Canadian National Exhibition Association

The financial result for the period ending April 30, 2006 reflects a favourable variance of $14,831. The CNEA is in a programming and planning phase rather than an operational mode and less than 5% of the total budgeted expenses are forecast to be made during the first four months.

With respect to the revenues, rental income and marketing sponsorship income are achieving budget expectations to this point in time. Expenditures appear to be, in aggregate, closely following budget forecasts.

Conclusion:

This report provides the variance analysis for the first four months of 2006 for the National Trade Centre Program, Exhibition Place Program and the CNEA Program.

Contact:
Paul Egli, Director of Finance
Telephone: 416 263-3612
Fax: 416 263-3690
e-mail: PEgli@Explace.on.ca

Submitted by:

Dianne Young
General Manager & CEO

THE BOARD OF GOVERNORS OF EXHIBITION PLACE
CONSOLIDATED VARIANCE ANALYSIS
FOR THE PERIOD ENDING APRIL 30, 2006

	ANNUAL	CURRENT MONTH		VARIANCE	YEAR TO DATE		VARIANCE*	
	BUDGET	BUDGET	ACTUAL	$	BUDGET	ACTUAL	$	%
NTC								
- REVENUES	11,041,809	2,417,259	2,263,733	(153,526)	6,449,993	6,555,561	105,568	1.64
- EXPENSES	10,149,835	1,324,119	1,241,317	82,802	4,780,398	4,941,289	(160,891)	(3.37)
- SUB-TOTAL	891,974	1,093,140	1,022,416	(70,724)	1,669,595	1,614,272	(55,323)	3.31
EXHIBITION PLACE								
- REVENUES	12,071,969	1,220,875	1,224,586	3,711	4,563,497	4,115,846	(447,651)	(9.81)
- EXPENSES	14,097,031	1,638,526	1,428,232	210,294	5,864,168	5,189,277	674,891	11.51
- SUB-TOTAL	(2,025,062)	(417,651)	(203,646)	214,005	(1,300,671)	(1,073,431)	227,240	17.47
CNEA								
- REVENUES	21,820,706	270,000	284,518	14,518	413,954	423,087	9,133	2.21
- EXPENSES	21,022,904	290,196	265,473	24,723	864,437	858,739	5,698	0.66
- SUB-TOTAL	797,802	(20,196)	19,045	39,241	(450,483)	(435,652)	14,831	(3.29)
CONSOLIDATED								
- REVENUES	44,934,484	3,908,134	3,772,836	(135,297)	11,427,443	11,094,494	(332,949)	(2.91)
- EXPENSES	45,269,770	3,252,841	2,935,022	317,819	11,509,003	10,989,305	519,698	4.52
TOTAL	(335,286)	655,293	837,815	182,522	(81,560)	105,189	186,749	(228.97)

NOTE: * ( ) INDICATES UNFAVOURABLE VARIANCE

Schedule 1

May 18, 2006

THE NATIONAL TRADE CENTRE
VARIANCE ANALYSIS
FOR THE PERIOD ENDING APRIL 30, 2006

	ANNUAL	CURRENT MONTH		CUR. MNTH. VARIANCE	YEAR TO DATE		VARIANCE		ANNUAL BUDGET REMAINING
	BUDGET	BUDGET	ACTUAL	$	BUDGET	ACTUAL	$	%	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) =100-(6)/(1)
REVENUES									
Rental Income	6,736,163	1,404,576	1,349,176	(55,400)	3,629,832	3,672,028	42,196	1.16	45.49
Electrical Services	715,955	134,903	121,093	(13,810)	332,603	309,546	(23,057)	(6.93)	56.76
Food & Beverage	1,300,492	280,935	210,861	(70,074)	751,521	648,839	(102,682)	(13.66)	50.11
Third Party Billings	947,859	455,870	458,675	2,805	1,252,893	1,394,782	141,889	11.32	(47.15)
Advertising	237,197	19,992	18,152	(1,840)	79,968	72,608	(7,360)	(9.20)	69.39
Other Income	234,348	9,147	11,289	2,142	41,543	116,327	74,784	180.02	50.36
Official Supplier & Bus.Centre	81,378	28,241	19,884	(8,357)	93,038	74,786	(18,252)	(19.62)	8.10
Telecommunications	432,442	53,930	45,363	(8,567)	149,935	149,685	(250)	(0.17)	65.39
Ricoh/MLSE - Grounds Lease	355,975	29,665	29,240	(425)	118,660	116,960	(1,700)	0.00	67.14
TOTAL	**11,041,809**	**2,417,259**	**2,263,733**	**(153,526)**	**6,449,993**	**6,555,561**	**105,568**	**1.64**	**40.63**

Schedule 2

May 18, 2006

THE NATIONAL TRADE CENTRE
VARIANCE ANALYSIS
FOR THE PERIOD ENDING APRIL 30, 2006

	ANNUAL BUDGET (1)	CURRENT MONTH BUDGET (2)	CURRENT MONTH ACTUAL (3)	CUR. MNTH. VARIANCE $ (4)	YEAR TO DATE BUDGET (5)	YEAR TO DATE ACTUAL (6)	VARIANCE $ (7)	VARIANCE % (8)	ANNUAL BUDGET REMAINING % (9) =100-(6)/(1)
EXPENSES									
Cleaning & Show Services	1,737,016	330,804	285,072	45,732	903,837	981,519	(77,682)	(8.59)	43.49
Telecommunications	434,988	35,995	35,596	399	145,480	152,716	(7,236)	(4.97)	64.89
Advertising & Sponsorship	83,188	6,016	6,345	(329)	25,564	25,875	(311)	(1.22)	68.90
Direct Operating Costs/PMD	3,846,628	571,967	588,556	(16,589)	2,178,479	2,374,028	(195,549)	(8.98)	38.28
Operations Dept.	700,464	57,572	54,737	2,835	233,290	238,901	(5,611)	(2.41)	65.89
Event Services Dept.	1,346,216	111,651	101,762	9,889	449,804	429,228	20,576	4.57	68.12
Executive Dept.	577,485	48,228	43,471	4,757	197,412	194,007	3,405	1.72	66.40
Finance Dept.	1,022,853	88,528	72,358	16,170	348,141	298,965	49,176	14.13	70.77
Depreciation - Equipment	15,600	1,300	1,055	245	5,200	3,957	1,243	23.90	74.63
Marketing Dept.	847,175	70,598	42,635	27,963	282,392	202,172	80,220	28.41	76.14
Management Fees	358,333	29,861	29,930	(69)	119,444	119,722	(278)	(0.23)	66.59
RECOVERIES									
Telecommunications	75,000	0	0	0	0	0	0	0.00	100.00
CNE Direct Operating Costs	(522,963)	0	0	0	0	0	0	0.00	100.00
MLSE Recovery	(96,026)	(8,002)	(8,002)	0	(32,008)	(32,008)	0	0.00	66.67
Utility Recovery	(35,000)	0	0	0	0	0	0	0.00	100.00
Gapping	(90,067)	(4,409)	0	(4,409)	(17,636)	0	(17,636)	0.00	100.00
Event Services Dept.	(36,000)	(3,000)	(3,000)	0	(12,000)	(12,000)	0	0.00	66.67
Servomation	(115,055)	(12,990)	(9,198)	(3,792)	(47,001)	(35,793)	(11,208)	(23.85)	68.89
TOTAL	**10,149,835**	**1,324,119**	**1,241,317**	**82,802**	**4,780,398**	**4,941,289**	**(160,891)**	**(3.37)**	**51.32**

Schedule 3

May 18, 2006

EXHIBITION PLACE
VARIANCE ANALYSIS
FOR THE PERIOD ENDING APRIL 30, 2006

REVENUES

ENTITY CODE	ACCOUNT	ANNUAL BUDGET (1)	CURRENT MONTH BUDGET (2)	CURRENT MONTH ACTUAL (3)	CUR MNTH VARIANCE $ (4)	YEAR TO DATE BUDGET (5)	YEAR TO DATE ACTUAL (6)	YTD VARIANCE $ (7)	YTD VARIANCE % (8)	ANNUAL BUDGET TO BE ACHVD. % (9) = (9)/(1)
50- 108	Parking and Traffic Revenue	5,389,200	627,000	650,505	23,505	2,285,000	1,917,702	(367,298)	(16.07)	64.42
116	Accounting Revenue	1,772,862	125,928	137,682	11,754	763,780	800,257	36,477	4.78	54.86
117	Overhead Admin. Support	1,164,130	0	0	0	0	0	0	0.00	100.00
118	Overhead Site Prep.	1,984,315	0	0	0	0	0	0	0.00	100.00
201	Sales Revenue	1,944,878	185,375	172,881	(12,495)	699,695	599,819	(99,876)	(14.27)	69.16
306	Cleaning Recoveries	15,000	550	1,040	490	2,000	2,520	520	26.00	83.20
313	Rentals & Services	2,950,029	282,022	262,479	(19,543)	813,022	795,548	(17,474)	(2.15)	73.03
	CNEA Recoveries	(3,148,445)								
	TOTAL	12,071,969	1,220,875	1,224,586	3,711	4,563,497	4,115,846	(447,651)	(9.81)	65.91

Schedule 4

May 17, 2006

EXHIBITION PLACE
VARIANCE ANALYSIS
FOR THE PERIOD ENDING APRIL 30, 2006

EXPENSES		ANNUAL	CURRENT MONTH		CUR MNTH VARIANCE	YEAR TO DATE		YTD VARIANCE		ANNUAL BUDGET REMAINING
ENTITY CODE	ACCOUNT	BUDGET (1)	BUDGET (2)	ACTUAL (3)	$ (4)	BUDGET (5)	ACTUAL (6)	$ (7)	% (8)	% (9) = (6)/(1)
50- 100	General Manager	345,747	24,396	24,062	334	100,008	89,630	10,378	10.38	74.08
101	Board of Governors	59,000	3,000	954	2,046	15,000	6,966	8,034	53.56	88.19
103	Corporate Secretary	364,324	23,797	23,688	5,109	117,101	81,056	36,045	30.78	77.75
104	Archives & Com. Records	136,946	10,774	10,086	688	44,961	42,598	2,363	5.26	68.89
105	Corporate & Statutory Exp.	1,698,040	163,295	180,186	(16,891)	558,754	604,532	(45,778)	(8.19)	64.40
106	Purchasing & Stores	170,425	17,270	10,122	7,148	51,946	43,124	8,822	16.98	74.70
107	Human Resources	363,260	34,420	34,326	94	121,124	118,175	2,949	2.44	67.47
108	Parking and Traffic	1,612,234	167,578	165,444	2,134	649,616	502,327	147,289	22.67	68.84
116	Accounting	1,886,368	184,009	183,512	497	720,473	714,897	5,576	0.77	62.10
160	Information & Technology	226,480	16,562	11,258	5,304	58,060	51,241	6,819	11.75	77.38
201	Sales Expenses	298,372	13,037	7,008	6,029	78,905	65,874	13,031	16.52	77.92
301	Operations Administration	1,251,727	98,078	81,373	16,705	395,741	341,369	54,372	13.74	72.73
302	Grounds Maintenance	105,000	6,500	5,900	600	6,500	6,500	0	0.00	93.81
305	Utilities	810,767	120,466	114,837	5,629	390,773	371,191	19,582	5.01	54.22
306	Cleaning Services	511,950	60,918	56,512	4,406	193,271	181,266	12,005	6.21	64.59
308	Special Appropriations	341,000	8,800	9,250	(450)	21,600	21,602	(2)	(0.01)	93.67
313	Rentals & Services	2,250,734	200,134	190,730	9,404	650,234	625,465	24,769	3.81	72.21
316	Labour	543,157	27,140	37,893	(10,753)	177,817	188,398	(10,581)	(5.95)	65.31
321	Electrical Maintenance	920,904	128,889	59,812	69,077	419,608	227,922	191,686	45.68	75.25
323	Engineering	30,650	2,226	1,287	939	3,850	2,703	1,147	29.79	91.18
324	Welding	66,526	6,040	6,005	35	21,265	21,166	99	0.47	68.18
325	Carpentry	471,980	38,123	35,343	2,780	146,763	142,197	4,566	3.11	69.87
326	Painting	269,995	17,688	13,634	4,054	85,458	72,230	13,228	15.48	73.25
327	Mechanic & Garage	448,490	47,680	45,839	1,841	138,150	134,089	4,061	2.94	70.10
328	Plumbing	584,593	95,242	23,643	71,599	217,591	87,650	129,941	59.72	85.01
329	HVAC	569,989	36,242	22,781	13,461	173,835	148,894	24,941	14.35	73.88
330	IATSE	171,519	9,234	15,685	(6,451)	61,754	69,235	(7,481)	(12.11)	59.63
334	Creative Serv. & Sign Shop	45,919	3,726	2,618	1,108	15,010	12,800	2,210	14.72	72.12
500	Security	689,380	68,262	54,446	13,816	229,000	214,182	14,818	6.47	68.93
	CNEA Recoveries	(3,148,445)								
	TOTAL	14,097,031	1,638,526	1,428,232	210,294	5,864,168	5,189,277	674,891	11.51	63.19

Schedule 5

May 17, 2006

CANADIAN NATIONAL EXHIBITION ASSOCIATION
VARIANCE ANALYSIS
FOR THE PERIOD ENDING APRIL 30, 2006

REVENUES

ENTITY CODE	ACCOUNT	ANNUAL BUDGET (1)	CURRENT MONTH BUDGET (2)	CURRENT MONTH ACTUAL (3)	CUR MNTH VARIANCE $ (4)	YEAR TO DATE BUDGET (5)	YEAR TO DATE ACTUAL (6)	VARIANCE $ (7)	VARIANCE % (8)	ANNUAL BUDGET TO BE ACHVD. % (9)=(6)/(1)
10- 112	Admission	6,286,397	0	0	0	0	0	0	0.00	100.00
121	Parking	1,261,109	0	0	0	0	0	0	0.00	100.00
202	Agriculture	137,017	0	0	0	6,100	6,025	(75)	(1.23)	95.60
205	Sports	7,000	0	0	0	0	0	0	0.00	100.00
208	Concessions	4,532,464	70,000	77,203	7,203	87,854	93,619	5,765	6.56	97.93
209	Casino	5,029,482	0	0	0	0	0	0	0.00	100.00
210	Marketing	2,132,342	0	0	0	120,000	116,128	(3,872)	(3.23)	94.55
305	Utilities	68,495	0	0	0	0	0	0	0.00	100.00
317	Client Services	66,500	0	0	0	0	0	0	0.00	100.00
318	Building Rentals	2,299,900	200,000	207,315	7,315	200,000	207,315	7,315	3.66	90.99
	TOTAL	21,820,706	270,000	284,518	14,518	413,954	423,087	9,133	2.21	98.06

May 17, 2006

Schedule 6

CANADIAN NATIONAL EXHIBITION ASSOCIATION
VARIANCE ANALYSIS
FOR THE PERIOD ENDING APRIL 30, 2006

EXPENSES

ENTITY CODE	ACCOUNT	ANNUAL BUDGET (1)	CURRENT MONTH BUDGET (2)	CURRENT MONTH ACTUAL (3)	CUR. MNTH VARIANCE $ (4)	YEAR TO DATE BUDGET (5)	YEAR TO DATE ACTUAL (6)	VARIANCE $ (7)	VARIANCE % (8)	ANNUAL BUDGET REMAINING % (9)=(6)/(1)
10- 102	CNEA	80,225	3,100	1,727	1,373	10,200	7,233	2,967	29.09	90.98
103	Corporate Secretary	69,548	3,533	3,363	170	14,032	13,854	178	1.27	80.08
105	Corporate & Statutory Exp.	705,952	26,000	25,137	863	95,465	95,101	364	0.38	86.53
107	Human Resources	25,239	0	0	0	0	0	0	0.00	100.00
111	Telecommunications	58,000	300	283	17	2,000	1,964	36	1.82	96.61
112	Admission	1,847,136	700	652	48	2,000	1,607	393	19.67	99.91
117	Overhead Admin. Support	1,164,130	0	0	0	0	0	0	0.00	100.00
118	Overhead - Site Prep.	1,984,315	0	0	0	0	0	0	0.00	100.00
121	Parking	190,624	0	0	0	0	0	0	0.00	100.00
200	CNEA GM Office	403,090	24,105	19,594	4,511	90,986	87,152	3,834	4.21	78.38
202	Agriculture	1,462,350	11,815	11,395	420	34,590	34,327	263	0.76	97.65
203	Entertainment	1,106,725	19,750	19,748	2	24,030	23,948	82	0.34	97.84
204	Attractions	417,767	0	0	0	500	429	71	14.14	99.90
205	Sports	542,320	2,650	672	1,978	2,800	2,707	93	3.32	99.50
206	Program Management	362,399	22,409	20,072	2,337	86,186	83,859	2,327	2.70	76.86
208	Concessions	1,183,624	42,088	22,342	19,746	105,006	104,194	812	0.77	91.20
209	Casino	2,661,000	41,470	58,760	(17,290)	131,990	139,026	(7,036)	(5.33)	94.78
210	Marketing	2,190,261	75,620	66,784	8,836	196,215	195,657	558	0.28	91.07
211	Air Show	425,000	0	0	0	0	0	0	0.00	100.00
212	Special Features	967,240	0	0	0	0	0	0	0.00	100.00
213	Community Heritage	170,806	2,300	1,425	875	2,300	2,049	251	10.91	98.80
305	Utilities	458,829	0	0	0	0	0	0	0.00	100.00
307	Cleaning Services	411,661	0	0	0	0	0	0	0.00	100.00
310	Grounds Maintenance	389,841	500	416	84	500	416	84	16.73	99.89
317	Client Services	334,417	1,000	1,142	(142)	3,000	2,840	160	5.35	99.15
318	Building Rentals	887,442	12,856	11,960	896	62,637	62,375	262	0.42	92.97
530	NTC Operations	522,963	0	0	0	0	0	0	0.00	100.00
	TOTAL	21,022,904	290,196	265,473	24,723	864,437	858,739	5,698	0.66	95.92