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December 1, 2006

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Variance Report Update – To November 30, 2006**

Purpose:

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

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:

At the November 3, 2006 meeting of the Board of Governors, a variance report to September 30, 2006 was submitted for review to the Board. At the same meeting staff was requested to provide an update on the consolidated variance position to November 30, 2006 at the next meeting of the Board.

Comments:

The consolidated financial position of Exhibition Place for the eleven month period ending November 30, 2006 reflects an unfavourable variance of \$1,166,373 as indicated on Schedule 1. This variance reflects the combined activities of the Direct Energy Centre Program, the Exhibition Place Program and the CNEA Program. The following are brief comments on the financial results to date for each of the three programs:

The Direct Energy Centre Program

The operating results for the period ending November 30, 2006, reflect a favourable variance of \$6,226 and the Direct Energy Centre management expects that the year- end budget target of net income of \$891,974 will be achieved.

Exhibition Place Program

The Exhibition Place program has financial results to November 30, 2006, that are indicating a favourable budget variance of \$490,549.

Parking activities, on a year to date net basis, are \$449,000 under budget to November 30, 2006. However parking revenues exceeded the budget target for the month of November and the year-end parking results for 2006 could be somewhat improved over the 2005 results.

The aggressive cost containment program is showing results and there are favourable budget variances for expenditures all across the Exhibition Place program totaling \$958,513 (see schedule 5).

The Exhibition Place program should maintain a budget surplus to the end of the year.

Canadian National Exhibition Association

The operating results for the period ending November 30, 2006 reflect an unfavourable variance of \$1,663,149.

The reason for the variance is that attendance and related revenues were adversely affected by the poor weather especially on the Labour Day weekend. The food and gaming concessions and the ride income were also particularly impacted by the lower attendance because of the weather. Revenue from the casino and building rentals exceeded their budget targets (see schedule 6).

Recognizing this problem with the revenues, CNEA staff made all efforts to reduce discretionary expenditures and over \$380,000 of expenditure reductions have been identified to date (see Schedule 7).

Conclusion:

This update provides information on the consolidated financial results to November 30, 2006.

Contact:

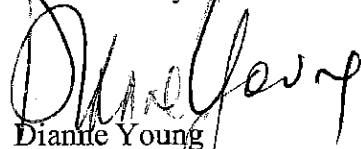
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Submitted by:



Dianite Young
General Manager & CEO

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

	<u>ANNUAL BUDGET</u>	<u>CURRENT MONTH</u>		<u>VARIANCE \$</u>	<u>YEAR TO DATE</u>		<u>VARIANCE*</u>	
		<u>BUDGET</u>	<u>ACTUAL</u>		<u>BUDGET</u>	<u>ACTUAL</u>	<u>\$</u>	<u>%</u>
DEC								
- REVENUES	11,041,809	2,091,256	2,031,406	(59,850)	11,744,753	12,052,317	307,564	2.62
- EXPENSES	10,149,835	1,422,242	1,252,680	169,562	10,863,752	11,165,090	(301,338)	(2.77)
- SUB-TOTAL	891,974	669,014	778,726	109,712	881,001	887,227	6,226	0.71
EXHIBITION PLACE								
- REVENUES	12,071,969	1,233,345	896,676	(336,669)	11,297,180	10,829,216	(467,964)	(4.14)
- EXPENSES	13,815,160	1,259,863	1,092,610	167,253	12,850,758	11,892,245	958,513	7.46
- SUB-TOTAL	(1,743,191)	(26,518)	(195,934)	(169,416)	(1,553,578)	(1,063,029)	490,549	31.58
CNEA								
- REVENUES	21,820,706	138,252	147,242	8,990	21,249,535	19,205,936	(2,043,599)	(9.62)
- EXPENSES	21,022,904	1,116,731	1,064,298	52,433	19,926,494	19,546,044	380,450	1.91
- SUB-TOTAL	797,802	(978,479)	(917,056)	61,423	1,323,041	(340,108)	(1,663,149)	(125.71)
CONSOLIDATED								
- REVENUES	44,934,484	3,462,853	3,075,324	(387,529)	44,291,467	42,087,469	(2,203,998)	(4.98)
- EXPENSES	44,987,899	3,798,836	3,409,588	389,248	43,641,004	42,603,379	1,037,625	2.38
TOTAL	(53,415)	(335,983)	(334,264)	1,719	650,463	(515,910)	(1,166,373)	(179.31)

NOTE: * () INDICATES UNFAVOURABLE VARIANCE

DIRECT ENERGY CENTRE
VARIANCE ANALYSIS
FOR THE PERIOD ENDING NOVEMBER 30, 2006

	ANNUAL BUDGET		CURRENT MONTH		CUR. MNTH. VARIANCE		YEAR TO DATE		VARIANCE		ANNUAL BUDGET REMAINING % =100-(6)/(1)
	(1)	(2)	BUDGET	ACTUAL	\$	(4)	BUDGET	ACTUAL	\$	(8)	
<u>REVENUES</u>											
Rental Income	6,736,163	1,087,619	1,041,707	(45,912)	5,966,842	(224,606)	3.63	11.42			
Electrical Services	715,955	144,194	146,919	2,725	606,747	(51,476)	(7.82)	15.25			
Food & Beverage	1,300,492	53,559	40,236	(13,323)	958,576	(162,841)	(14.52)	26.29			
Third Party Billings	947,859	580,499	661,586	81,087	3,144,576	598,927	23.53	(231.76)			
Advertising	237,197	19,575	17,666	(1,909)	208,120	(9,499)	(4.36)	12.26			
Other Income	234,348	10,080	18,858	8,778	243,095	138,987	133.50	(3.73)			
Official Supplier & Bus. Centre	81,378	39,131	21,077	(18,054)	162,400	(23,666)	(12.72)	(99.56)			
Telecommunications	432,442	126,934	54,117	(72,817)	440,321	46,413	11.78	(1.82)			
Ricoh/MLSE - Grounds Lease	355,975	29,665	29,240	(425)	321,640	(4,675)	(1.43)	9.65			
TOTAL	11,041,809	2,091,256	2,031,406	(59,850)	12,052,317	307,564	2.62	(9.15)			

DIRECT ENERGY CENTRE
VARIANCE ANALYSIS
FOR THE PERIOD ENDING NOVEMBER 30, 2006

	ANNUAL BUDGET	CURRENT MONTH		CUR. MNTH. VARIANCE	YEAR TO DATE		VARIANCE		ANNUAL BUDGET REMAINING
	(1)	BUDGET (2)	ACTUAL (3)	\$ (4)	BUDGET (5)	ACTUAL (6)	\$ (7)	% (8)	% (9)
									=100-(6)/(1)
<u>EXPENSES</u>									
Cleaning & Show Services	1,737,016	453,690	556,748	(103,058)	1,878,143	2,403,442	(525,299)	(27.97)	(38.37)
Telecommunications	434,988	35,995	26,694	9,301	398,995	445,793	(46,798)	(11.73)	(2.48)
Advertising & Sponsorship	83,188	6,016	11,590	(5,574)	77,176	96,590	(19,414)	(25.16)	(16.11)
Direct Operating Costs/PMO	3,846,628	478,230	320,951	157,269	4,849,675	4,862,879	(13,204)	(0.27)	(26.42)
Operations Dept.	700,454	59,672	55,864	3,808	642,894	613,356	29,538	4.59	12.44
Event Services Dept.	1,346,216	111,651	106,576	5,075	1,234,361	1,189,716	44,645	3.62	11.63
Executive Dept.	577,485	47,228	46,714	514	530,008	533,662	(3,654)	(0.69)	7.59
Finance Dept.	1,022,853	84,075	76,037	8,038	928,492	773,590	154,902	16.68	24.37
Depreciation - Equipment	15,600	1,300	3,699	(2,399)	14,300	15,022	(722)	(5.05)	3.71
Marketing Dept.	847,175	70,598	39,520	31,078	776,578	583,959	192,619	24.80	31.07
Management Fees	358,333	29,861	29,931	(70)	328,471	329,236	(765)	(0.23)	8.12
<u>RECOVERIES</u>									
Telecommunications	75,000	75,000	0	75,000	75,000	75,000	0	0.00	0.00
CNE Direct Operating Costs	(522,963)	0	(2,941)	2,941	(522,963)	(508,941)	(14,022)	0.00	2.68
MLSE Recovery	(96,026)	(8,002)	(8,753)	751	(88,022)	(98,003)	9,981	(11.34)	(2.06)
Utility Recovery	(35,000)	0	0	0	(35,000)	(33,398)	(1,602)	0.00	4.58
Gapping	(90,067)	(7,506)	0	(7,506)	(82,566)	0	(82,566)	0.00	100.00
Event Services Dept.	(36,000)	(3,000)	(3,000)	0	(33,000)	(33,000)	0	0.00	8.33
Servomation	(115,055)	(12,566)	(6,960)	(5,606)	(108,790)	(83,813)	(24,977)	(22.96)	27.15
TOTAL	10,149,835	1,422,242	1,252,680	169,562	10,863,752	11,165,090	(301,338)	(2.77)	(10.00)

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

REVENUES	ENTITY CODE	ACCOUNT	ANNUAL BUDGET		CURRENT MONTH		CUR MNTH		YEAR TO DATE		YTD		ANNUAL BUDGET TO BE ACHVD. % (9) = (9)/(1)
			(1)	(1)	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	(7)	(8)	
50- 108		Parking and Traffic Revenue	5,389,200		830,000	509,601	(320,399)	4,917,000	4,278,541	(638,459)	(12.98)	20.61	
116		Accounting Revenue	1,772,862		63,345	86,295	22,950	1,729,470	1,830,861	101,391	5.86	(3.27)	
117		Overhead Admin. Support	1,164,130		0	0	0	1,164,130	1,164,130	0	0.00	0.00	
118		Overhead Site Prep.	1,984,315		0	0	0	1,984,315	1,984,315	0	0.00	0.00	
201		Sales Revenue	1,944,878		82,875	63,896	(18,979)	1,892,710	1,677,050	(215,660)	(11.39)	13.77	
306		Cleaning Recoveries	15,000		1,200	1,240	40	8,000	8,320	320	4.00	44.53	
313		Rentals & Services	2,950,029		255,925	235,644	(20,281)	2,750,000	3,034,444	284,444	10.34	(2.86)	
		CNEA Recoveries	(3,148,445)					(3,148,445)	(3,148,445)	0	0.00		
		TOTAL	12,071,969		1,233,345	896,676	(336,669)	11,297,180	10,829,216	(467,964)	(4.14)	10.29	

November 30, 2006

Schedule 4

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

EXPENSES	ENTITY CODE	ACCOUNT	ANNUAL BUDGET	CURRENT MONTH BUDGET	CURRENT MONTH ACTUAL	CUR MNTH VARIANCE	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YTD VARIANCE	ANNUAL BUDGET REMAINING	
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
						\$			\$	= (6)/(1)	
50-100		General Manager	345,747	23,596	21,269	2,327	304,551	290,473	14,078	4.62	15.99
101		Board of Governors	59,000	8,000	8,966	(966)	56,500	61,822	(5,322)	(9.42)	(4.78)
103		Corporate Secretary	364,324	28,547	26,703	1,844	334,779	287,804	46,975	14.03	21.00
104		Archives & Com. Records	136,946	10,729	9,813	916	126,117	118,724	7,393	5.86	13.31
105		Corporate & Statutory Exp.	1,416,169	121,295	114,373	6,922	1,613,372	1,716,318	(102,946)	(6.38)	(21.19)
106		Purchasing & Stores	170,425	12,445	11,988	457	149,213	136,648	12,565	8.42	19.82
107		Human Resources	363,260	28,971	17,829	11,142	334,293	356,755	(22,462)	(6.72)	1.79
108		Parking and Traffic	1,612,234	178,978	151,255	27,723	1,450,384	1,261,598	188,786	13.02	21.75
116		Accounting	1,886,368	42,426	41,669	757	1,824,503	1,820,873	3,630	0.20	3.47
160		Information & Technology	226,480	18,912	12,622	6,290	209,668	193,315	16,353	7.80	14.64
201		Sales Expenses	298,372	12,037	6,776	5,261	277,237	185,783	91,454	32.99	37.73
301		Operations Administration	1,251,727	99,342	97,204	2,138	1,154,485	1,007,842	146,643	12.70	19.48
302		Grounds Maintenance	105,000	0	3,663	(3,663)	105,000	65,015	39,985	38.08	38.08
305		Utilities	810,767	77,800	61,237	16,563	704,967	578,285	126,682	17.97	28.67
306		Cleaning Services	511,950	36,852	20,092	16,760	474,407	513,691	(39,284)	(8.28)	(0.34)
308		Special Appropriations	341,000	0	0	0	336,000	302,639	33,361	9.93	11.25
313		Rentals & Services	2,250,734	234,971	277,306	(42,335)	2,100,000	2,434,444	(334,444)	(15.93)	(8.16)
316		Labour	543,157	38,600	24,140	14,460	490,903	484,836	6,067	1.24	10.74
321		Electrical Maintenance	920,904	50,796	22,895	27,901	862,013	694,314	167,699	19.45	24.61
323		Engineering	30,650	4,533	3,698	835	30,150	28,732	1,418	4.70	6.26
324		Welding	66,526	6,940	4,677	2,263	60,351	65,279	(4,928)	(8.17)	1.87
325		Carpentry	471,980	34,540	18,223	16,317	429,940	349,788	80,152	18.64	25.89
326		Painting	269,995	13,187	12,399	788	249,812	241,571	8,241	3.30	10.53
327		Mechanic & Garage	448,490	29,680	35,661	(5,981)	413,138	402,526	10,612	2.57	10.25
328		Plumbing	584,593	38,153	10,185	27,968	536,896	319,055	217,841	40.57	45.42
329		HVAC	569,989	40,240	23,500	16,740	532,737	333,642	199,095	37.37	41.47
330		IATSE	171,519	11,396	8,317	3,079	159,087	143,838	15,249	9.59	16.14
334		Creative Serv. & Sign Shop	45,919	3,084	2,833	251	42,567	29,110	13,457	31.61	36.60
500		Security	689,380	53,813	43,315	10,498	636,133	615,969	20,164	3.17	10.65
CNEA Recoveries			(3,148,445)				(3,148,445)	(3,148,445)	0	0.00	
TOTAL			13,815,160	1,259,863	1,092,610	167,253	12,850,758	11,892,245	958,513	7.46	13.92

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

REVENUES

ENTITY CODE	ACCOUNT	ANNUAL BUDGET (1)		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	5,810,519	4,012,875	(1,797,644)	(30.94)	(1,797,644)	36.17			
121	Parking	1,261,109	0	0	0	0	0	1,261,109	1,067,921	(193,188)	(15.32)	(193,188)	15.32			
202	Agriculture	137,017	0	0	0	0	0	137,017	116,746	(20,271)	(14.79)	(20,271)	14.79			
205	Sports	7,000	0	0	0	0	0	7,000	15,406	8,406	120.09	8,406	(120.09)			
208	Concessions	4,532,464	138,252	147,242	8,990	8,990	8,990	4,505,666	3,999,669	(505,997)	(11.23)	(505,997)	11.76			
209	Casino	5,029,482	0	0	0	0	0	5,029,482	5,324,270	294,788	5.86	294,788	(5.86)			
210	Marketing	2,132,342	0	0	0	0	0	2,132,342	2,110,170	(22,172)	(1.04)	(22,172)	1.04			
305	Utilities	68,495	0	0	0	0	0	65,000	63,860	(1,140)	(1.75)	(1,140)	6.77			
317	Client Services	66,500	0	0	0	0	0	1,500	2,447	947	63.16	947	96.32			
318	Building Rentals	2,299,900	0	0	0	0	0	2,299,900	2,492,571	192,671	8.38	192,671	(8.38)			
TOTAL		21,820,706	138,252	147,242	8,990	8,990	8,990	21,249,535	19,205,936	(2,043,599)	(9.62)	(2,043,599)	11.98			

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

EXPENSES

ENTITY CODE	ACCOUNT	ANNUAL BUDGET		CURRENT MONTH		CUR. MNTH VARIANCE		YEAR TO DATE		VARIANCE		ANNUAL BUDGET REMAINING	
		(1)	(2)	BUDGET	ACTUAL	(3)	(4)	BUDGET	ACTUAL	(7)	(8)	(9)=(6)/(1)	(10)
10- 102	CNEA	80,225	7,100	6,878	222	79,525	82,818	(3,293)	(4.14)				(3.23)
103	Corporate Secretary	69,548	38,558	37,773	785	66,111	55,521	10,590	16.02				20.17
105	Corporate & Statutory Exp.	705,952	16,500	16,013	487	674,652	664,169	10,483	1.55				5.92
107	Human Resources	25,239	0	0	0	25,239	20,894	4,345	17.21				17.21
111	Telecommunications	58,000	0	0	0	34,000	33,019	981	2.89				43.07
112	Admission	1,847,136	20,500	19,069	1,431	1,081,392	921,451	159,941	14.79				50.11
117	Overhead Admin. Support	1,164,130	0	0	0	1,164,130	1,164,130	0	0.00				0.00
118	Overhead - Site Prep.	1,984,315	0	0	0	1,984,315	1,984,315	0	0.00				0.00
121	Parking	190,624	0	0	0	148,624	151,919	(3,295)	(2.22)				20.30
200	CNEA GM Office	403,090	83,118	77,405	5,713	383,359	350,619	32,740	8.54				13.02
202	Agriculture	1,462,350	18,172	17,230	942	1,451,178	1,446,919	4,259	0.29				1.06
203	Entertainment	1,106,725	33,000	31,512	1,488	1,103,725	1,022,198	81,527	7.39				7.64
204	Attractions	417,767	8,767	7,477	1,290	417,767	339,129	78,638	18.82				18.82
205	Sports	542,320	53,773	57,336	(3,563)	541,270	559,972	(18,702)	(3.46)				(3.25)
206	Program Management	362,399	20,409	19,497	912	341,994	329,135	12,859	3.76				9.18
208	Concessions	1,183,624	189,633	173,163	16,470	1,097,573	998,152	99,421	9.06				15.67
209	Casino	2,661,000	0	0	0	2,661,000	2,722,076	(61,076)	(2.30)				(2.30)
210	Marketing	2,190,261	41,870	40,865	1,005	2,156,637	2,192,929	(36,292)	(1.68)				(0.12)
211	Air Show	425,000	0	0	0	425,000	430,682	(5,682)	(1.34)				(1.34)
212	Special Features	967,240	30,000	29,748	252	962,240	949,039	13,201	1.37				1.88
213	International/Com. Heritage	170,806	0	0	0	168,568	192,796	(24,228)	(14.37)				(12.87)
305	Utilities	458,829	0	0	0	458,829	430,334	28,495	6.21				6.21
307	Cleaning Services	411,661	0	0	0	373,861	366,656	7,205	1.93				10.93
310	Grounds Maintenance	389,841	0	0	0	389,841	322,865	66,976	17.18				17.18
317	Client Services	334,417	0	0	0	334,417	286,319	48,098	14.38				14.38
318	Building Rentals	887,442	32,368	21,388	10,980	878,284	837,524	40,760	4.64				5.62
530	DEC Operations	522,963	522,963	508,941	14,022	522,963	507,023	15,940	3.05				3.05
170						183,444	(183,444)						
	TOTAL	21,022,904	1,116,731	1,064,298	52,433	19,926,494	19,546,044	380,450	1.91				7.03

