

12

# Financial Report



An Exhibition and Convention Centre

Submitted by:

A handwritten signature in black ink, appearing to read "A. Campbell".

Arlene Campbell  
General Manager, Direct Energy Centre

A handwritten signature in black ink, appearing to read "R. Taylor".

Ron Taylor  
Managing Director, O&Y/SMG Canada

**DIRECT ENERGY CENTRE  
FINANCIAL STATEMENT HIGHLIGHTS  
OCTOBER 2006 and YEAR TO DATE**

	<u>MONTH ACTUAL</u>	<u>MONTH BUDGET</u>	<u>VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>VARIANCE</u>
Number of Events	18	7	11	84	33	51
Direct Event Income	597,207.37	703,385.00	(106,177.63)	5,561,430.98	5,644,526.00	(83,095.02)
Ancillary Income	268,807.81	319,823.00	(51,015.19)	2,088,330.27	2,124,824.00	(36,493.73)
Advertising Income	4,591.90	19,575.00	(14,983.10)	105,454.67	126,884.00	(21,429.33)
Ricoh & MLSE Recovery	19,628.00	8,002.00	11,626.00	89,250.00	80,020.00	9,230.00
CNE Recovery	30,204.00	-	30,204.00	506,000.00	522,963.00	(16,963.00)
<b>Total Event Income</b>	<b>920,439.08</b>	<b>1,050,785.00</b>	<b>(130,345.92)</b>	<b>8,350,465.92</b>	<b>8,499,217.00</b>	<b>(148,751.08)</b>
Direct Expenses	506,951.20	409,184.00	(97,767.20)	4,764,370.75	4,573,831.00	(190,539.75)
Indirect Expenses	380,585.93	397,424.00	16,838.07	3,769,994.22	4,010,049.00	240,054.78
<b>Total Event Expenses</b>	<b>887,537.13</b>	<b>806,608.00</b>	<b>(80,929.13)</b>	<b>8,534,364.97</b>	<b>8,583,880.00</b>	<b>49,515.03</b>
<b>NET INCOME BEFORE RICOH</b>	<b>32,901.95</b>	<b>244,177.00</b>	<b>(211,275.05)</b>	<b>(183,899.05)</b>	<b>(84,663.00)</b>	<b>(99,236.05)</b>
RICOH COLISEUM	29,239.98	29,665.00	(425.02)	292,399.80	296,650.00	(4,250.20)
<b>NET INCOME BEFORE PSAB</b>	<b>62,141.93</b>	<b>273,842.00</b>	<b>(211,700.07)</b>	<b>108,500.75</b>	<b>211,987.00</b>	<b>(103,486.25)</b>
PSAB ADJUSTMENT	-	-	-	-	-	-
<b>NET INCOME</b>	<b>62,141.93</b>	<b>273,842.00</b>	<b>(211,700.07)</b>	<b>108,500.75</b>	<b>211,987.00</b>	<b>(103,486.25)</b>

NOTE: 1

Actuals include 12% markup paid to Ex Place on labour & materials. At Oct. 31, 2006 the markup paid to Ex Place was a total of \$ 290,433.16 ( \$ 215,353.23 expensed against direct event income and \$ 75,079.93 in direct expense)

**DIRECT ENERGY CENTRE  
FINANCIAL STATEMENT HIGHLIGHTS  
AS AT OCTOBER 2006 with COMPARISON TO OCTOBER 2005**

	2005 YTD OCTOBER ACTUAL	2006 YTD ACTUAL	2006 YTD BUDGET	2006 VARIANCE	VARIANCE TO YTD OCTOBER 2005 ACTUAL	%
Number of Events	91	84	33	51	(7)	(7.7%)
Direct Event Income	6,319,718.51	5,561,430.98	5,644,526.00	(83,095.02)	(758,287.53)	(12.0%)
Ancillary Income	2,424,399.15	2,088,330.27	2,124,824.00	(36,493.73)	(336,068.88)	(13.9%)
Advertising Income	120,406.15	105,454.67	126,884.00	(21,429.33)	(14,951.48)	(12.4%)
Ricoh & MLSE Recovery	110,334.03	89,250.00	80,020	9,230.00	(21,084.03)	(19.1%)
CNE Recovery	488,056.00	506,000.00	522,963.00	(16,963.00)	17,944.00	
<b>Total Event Income</b>	<b>9,462,913.84</b>	<b>8,350,465.92</b>	<b>8,499,217.00</b>	<b>(148,751.08)</b>	<b>(1,112,447.92)</b>	<b>(11.8%)</b>
Direct Expenses	4,718,030.08	4,764,370.75	4,573,831.00	(190,539.75)	(46,340.67)	(1.0%)
Indirect Expenses	3,889,451.55	3,769,994.22	4,010,049.00	240,054.78	119,457.33	3.1%
<b>Total Event Expenses</b>	<b>8,607,481.63</b>	<b>8,534,364.97</b>	<b>8,583,880.00</b>	<b>49,515.03</b>	<b>73,116.66</b>	<b>0.8%</b>
<b>NET INCOME BEFORE RICOH</b>	<b>855,432.21</b>	<b>(183,899.05)</b>	<b>(84,663.00)</b>	<b>(99,236.05)</b>	<b>(1,039,331.26)</b>	<b>(121.5%)</b>
Ricoh Coliseum	252,861.10	292,399.80	296,650.00	(4,250.20)	39,538.70	15.6%
<b>NET INCOME BEFORE PSAB</b>	<b>1,108,293.31</b>	<b>108,500.75</b>	<b>211,987.00</b>	<b>(103,486.25)</b>	<b>(999,792.56)</b>	<b>(90.2%)</b>
PSAB ADJUSTMENT	-	-	-	-	-	0.0%
<b>NET INCOME</b>	<b>1,108,293.31</b>	<b>108,500.75</b>	<b>211,987.00</b>	<b>(103,486.25)</b>	<b>(999,792.56)</b>	<b>(90.2%)</b>

Note: 1

Actuals include 12% markup paid to Ex Place on labour & materials. At Oct. 31, 2006 the markup paid to Ex Place was a total of \$ 290,433.16 ( \$ 215,353.23 expensed against direct event income and \$ 75,079.93 in direct expense)

# DIRECT ENERGY CENTRE EVENT STATISTICS

## FOR THE MONTH OF OCTOBER 2006

	<b>MONTH ACTUAL</b>	<b>YTD ACTUAL</b>	<b>PRIOR YEAR ACTUAL</b>
Attendance [Note:1]	146,950	857,120	1,055,872

<b><u>EVENT</u></b>	(IN THOUSANDS)				REFRESHMENT	
	ACTUAL # OF PERFORMANCES		NET EVENT INCOME [ Note: 3]		PER CAP'S	
	2006	2005	2004	ACTUAL	BUDGET	ACTUAL [Note: 2]
Consumers Show	37	44	44	4,495	4,668	3.45
Trade Show	17	22	11	1,066	1,746	4.57
Concert	0	0	3	-	-	
Photo/Film Shoot	3	6	6	16	-	30.47
Meeting/Corporate	27	19	12	591	-	40.67
	<b>84</b>	<b>91</b>	<b>76</b>	<b>6,169</b>	<b>6,413</b>	

Note: 1 Attendance estimates provided by Show Management.

Note: 2 Refreshment per cap's based on information reported by Centerplate

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

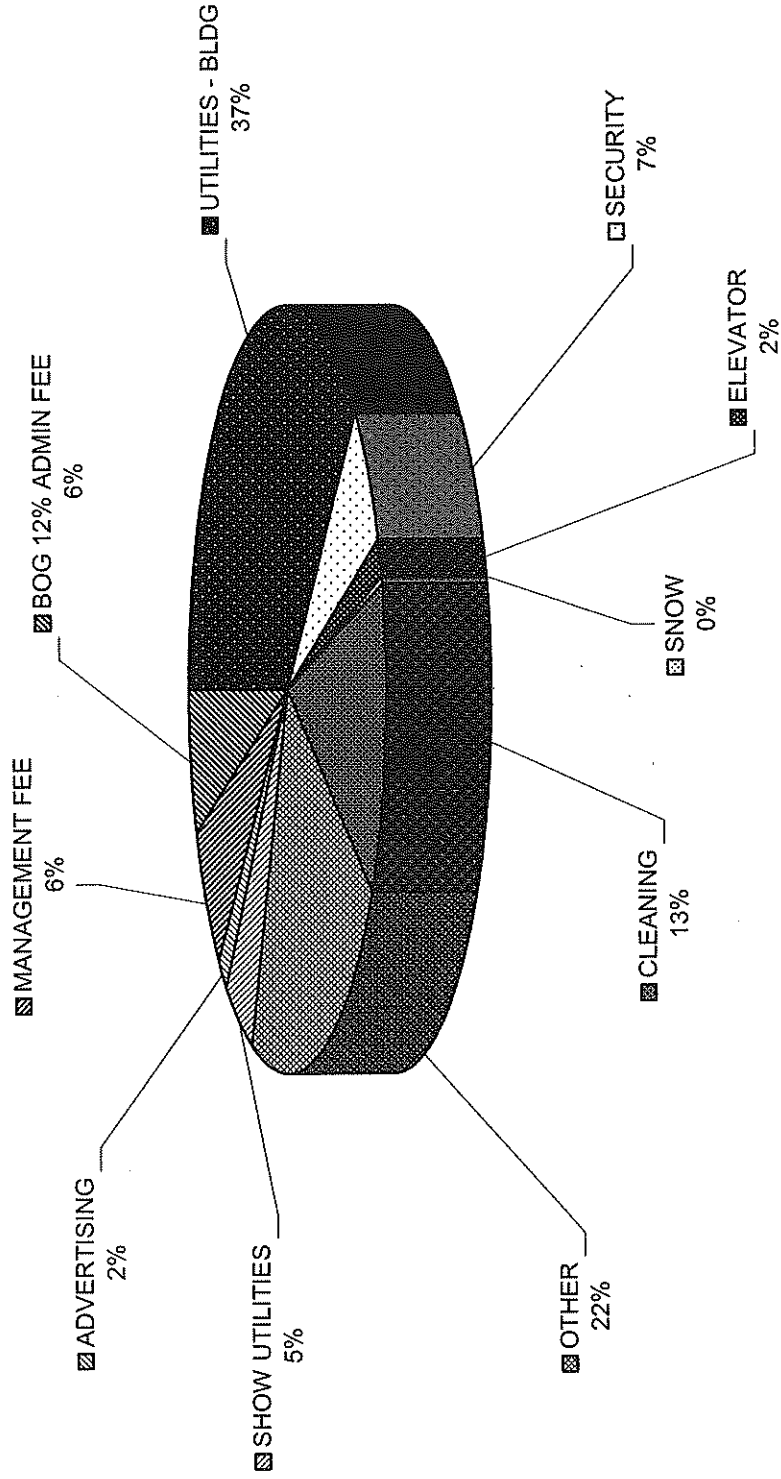
**DIRECT ENERGY CENTRE  
BALANCE SHEET  
AS AT OCTOBER 31, 2006**

<b>ASSETS</b>	<u>2006</u>	<u>2005</u>
<b>CURRENT ASSETS</b>		
CASH	482,628.08	249,376.98
ADVANCE TO EX PLACE	420,000.00	320,000.00
TERM INVESTMENTS	4,250,000.00	4,250,000.00
AMERICAN EXPRESS	26,568.01	1,347.97
TRADE ACCOUNTS RECEIVABLE	2,763,814.94	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(76,853.84)</u>	
NET ACCOUNTS RECEIVABLE	2,686,961.10	2,802,977.16
RECEIVABLE FROM EX PLACE	-	-
OTHER RECEIVABLE	383,771.13	40,585.51
PREPAID EXPENSES	49,864.07	148,287.18
<b>TOTAL CURRENT ASSETS</b>	<u>8,299,792.39</u>	<u>7,812,574.80</u>
<b>FIXED ASSETS</b>		
EQUIPMENT - NET	15,219.46	20,590.93
<b>TOTAL ASSETS</b>	<u><u>8,315,011.85</u></u>	<u><u>7,833,165.73</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
ACCOUNTS PAYABLES & ACCRUED LIABILITIES	3,304,865.08	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	125,345.82	
DEFERRED REVENUE	<u>5,102,649.32</u>	6,995,476.21
<b>EQUITY</b>		
NET INCOME (LOSS) CURRENT	108,500.75	977,558.80
PRIOR YEAR PSAB ADJUSTMENT	(326,349.12)	(167,422.07)
PRIOR YEAR SURPLUS - 2005	1,397,437.91	
NET INCOME - RICOH	<u>114,070.56</u>	
SUB-TOTAL	<u>1,511,508.47</u>	
SURPLUS DISTRIBUTION TO EXPLACE	<u>(1,511,508.47)</u>	
BALANCE	-	27,552.79
	<u><u>8,315,011.85</u></u>	<u><u>7,833,165.73</u></u>

**DIRECT ENERGY CENTRE  
FINANCIAL STATEMENT HIGHLIGHTS  
STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED OCTOBER 31, 2006**

	MONTH	YTD
<b>CASH FLOW FROM OPERATIONS</b>		
NET INCOME (LOSS)	62,141.93	108,500.75
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
<b>SOURCES (USES) OF CASH</b>		
TERM INVESTMENTS	(1,900,000.00)	200,000.00
ACCOUNTS RECEIVABLE - TRADE	459,778.88	(268,576.00)
RECEIVABLE FROM EX PLACE B.O.G	-	-
ACCOUNTS RECEIVABLE - OTHER	6,784.36	(297,574.74)
PREPAID EXPENSES	(36,988.79)	79,988.12
DEPOSITS AND OTHER ASSETS	(16,475.24)	(24,373.54)
ACCOUNTS PAYABLE & ACCRUED EXPENSES	126,713.99	(136,910.76)
OTHER PAYABLES	28,863.24	50,837.62
DEFERRED INCOME	651,671.55	1,833,610.19
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	200,000.00
<b>NET CASH FROM OPERATIONS</b>	<b>(617,510.08)</b>	<b>1,745,501.64</b>
<b>OTHER SOURCES (USES) OF CASH</b>		
CAPITAL EXPENDITURES	-	-
RICOH PRIOR YEAR BALANCE TRANSFER	-	86,517.77
PRIOR YEAR SURPLUS ADJUSTMENT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(1,578,556.79)
<b>NET CASH FROM OTHER SOURCES</b>	<b>-</b>	<b>(1,492,039.02)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(617,510.08)</b>	<b>253,462.62</b>
<b>BEGINNING CASH BALANCE</b>	<b>1,100,138.16</b>	<b>229,165.46</b>
<b>ENDING CASH BALANCE</b>	<b>482,628.08</b>	<b>482,628.08</b>

**COMPONENTS OF DIRECT EXPENSE  
YTD OCTOBER 31, 2006**



- UTILITIES - BLDG
- SECURITY
- ELEVATOR
- SNOW
- CLEANING
- OTHER
- SHOW UTILITIES
- ADVERTISING
- MANAGEMENT FEE
- BOG 12% ADMIN FEE

**DIRECT ENERGY CENTRE  
 CHEQUE DISBURSEMENTS - OCTOBER 2006  
 GREATER THAN \$50,000**

Check No	Date	Amount	DESCRIPTION
021729	20/10/2006	800,000.00	BOARD OF GOVERNORS OF EXHIBITON PL TERM INVESTMENT
021662	11/10/2006	800,000.00	CITY OF TORONTO TERM INVESTMENT
021798	30/10/2006	300,000.00	CITY OF TORONTO TERM INVESTMENT
021725	18/10/2006	204,163.67	BOARD OF GOVERNORS OF EXHIBITON PL BOG SALARIES - MONTH OF SEP/06
021678	11/10/2006	133,163.87	BOARD OF GOVERNORS OF EXHIBITON PL HYDRO FOR MONTH OF JUL/06
21663	11/10/2006	127,164.93	BOARD OF GOVERNORS OF EXHIBITON PL CNE 12% ADMIN ON T&M, 2006 EXHIBITOR CNE ORDERS
021726	18/08/2006	70,248.60	CANADA CUSTOMS AND REVENUE AGENCY GST REMITTANCE - SEPT/06
021677	11/10/2006	65,123.37	BOARD OF GOVERNORS OF EXHIBITON PL WORK ORDERS - SEP/06
		<b>2,499,864.44</b>	<b>DISBURSEMENTS OVER \$50,000</b>
		<b>692,618.37</b>	<b>OTHER DISBURSEMENTS LESS THAN \$50,000.</b>
		<b>3,192,482.81</b>	<b>TOTAL DISBURSEMENT</b>