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July 10, 2003

EXHIBITION PLACE

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Interim Financial Statements as of May 31, 2003**

Recommendation:

It is recommended that this report be received for information.

Background/Discussion:

In an effort to provide more complete financial information to the Board, interim financial statements for Exhibition Place Operations and the Canadian National Exhibition Association have been prepared. These statements have been prepared as of May 31, 2003 and except for the items noted in the body of this report have been prepared in a comprehensive manner as would be done at year-end. On the Schedule of Operations (Income Statement) the projected budget for revenues and expenditures to May 31, 2003 is indicated beside each line of the statement.

The following are comments on specific elements of the statements:

Exhibition Place Operations

Employee Benefits Payable

This item has not been adjusted from the December 31, 2002 value as the amounts payable for future benefit costs depends on actuarial data that is normally supplied to Exhibition Place by the City of Toronto at year-end.

Transfer Payable to the City of Toronto

This amount represents the total combined financial results of Exhibition Place and the Canadian National Exhibition Association to May 31, 2003 together with the 2002 year-end amount payable to the City (\$2,564,932) which is normally paid in September.

Canadian National Exhibition Association

Receivable from Board of Governors

This amount represents the accumulated result from operations from 1998 to the date of the statements. As the Canadian National Exhibition Association is showing a profit of \$1,056,646

THE BOARD OF GOVERNORS OF EXHIBITION PLACE

as of May 31, 2003, the accumulated position is a profit and this amount (\$193,402) is a payable rather than a receivable to the Board of Governors.

Trade Accounts Receivable

The statement value as of May 31, 2003 is \$1,601,640 which is considerably higher than the 2002 year end amount (\$247,844). This higher value reflects the business cycle of the Canadian National Exhibition Association as many of its customers have amounts owing for rental space at this period of the year.

Conclusion:

This report presents the interim financial statements for Exhibition Place Operations and the Canadian National Exhibition Association for the five-month period ending May 31, 2003. The next set of interim statements will be for the nine month period ending September 30, 2003 and will be presented to the Board of Governors at the November meeting.

Contact:

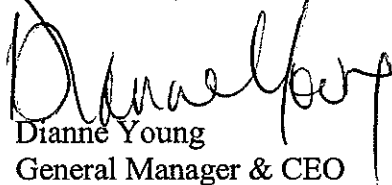
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Submitted by:



Dianne Young
General Manager & CEO

Exhibition Place Operations

BALANCE SHEET

	May 31/03	Dec 31/02
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	710,686	802,231
Accounts receivable		
Trade	1,432,820	1,557,519
City of Toronto	2,407,515	2,139,529
NTC	1,143,632	2,752,206
CNEA	1,184,412	479,783
Receivable from CNEA – accumulated surplus [note 3]	193,402	0
Inventories	162,838	158,867
Prepaid expenses	0	3,131
Total current assets	7,235,307	7,893,266
Receivable from the City of Toronto - PSAB	3,741,795	3,831,694
Capital assets, net	136,924	169,755
	11,114,025	11,894,714
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
Trade	4,426,016	2,583,910
City of Toronto	0	2,405,389
NTC	255,969	494,190
Current portion of employee benefits payable [note 4]	526,384	526,384
Deferred revenue	60,333	418,033
Transfer payable to the City of Toronto	1,464,155	222,398
Total current liabilities	6,732,858	6,650,303
Employee benefits payable [note 4]	4,381,167	4,381,167
Payable to CNEA – accumulated deficit [note 3]	0	863,244
Total liabilities	11,114,025	11,894,714

See accompanying notes

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Exhibition Place Operations

SCHEDULE OF OPERATIONS

Five month period ended May 31, 2003

	Actuals \$	Budget \$
REVENUE		
Building rentals and concessions	656,490	538,496
Sale of services	356,158	858,970
Parking	1,472,876	1,816,785
Discounts, commission and realty tax recoveries	484,608	465,376
	<u>2,970,131</u>	<u>3,679,627</u>
EXPENSES		
Maintenance, cleaning and security	2,536,877	2,313,792
Administration	1,609,271	1,525,093
Cost of sale of services	446,497	778,500
Utilities	96,052	274,551
Parking attendants' wages and sundry costs	387,275	445,040
Major improvements	18,752	1,000
Amortization of capital assets	32,831	0
	<u>5,127,556</u>	<u>5,337,976</u>
Net operating loss for the period	(2,157,424)	(1,658,349)

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Exhibition Place Operations

STATEMENT OF CASH FLOWS

Five month period ended May 31

	\$
OPERATING ACTIVITIES	
Add non-cash item	
Amortization of capital assets	32,831
	<u>32,831</u>
Changes in non-cash working capital balances related to operations	
Accounts receivable - Trade	124,699
Accounts receivable - City of Toronto	(267,986)
Accounts receivable - NTC	1,608,574
Accounts receivable - CNEA	(704,629)
Inventories	(3,972)
Prepaid expenses	3,131
Trade accounts payable	1,842,106
Employee benefits payable	0
Payable to the City of Toronto	(2,405,389)
Payable to the NTC	(238,220)
Deferred revenue	(357,699)
Transfer payable to the City of Toronto	1,241,757
Payable/receivable to/from CNEA - accumulated deficit/surplus	(1,056,646)
Cash used in operating activities	<u>(181,445)</u>
INVESTING AND FINANCING ACTIVITIES	
Purchase of capital assets	0
Decrease in receivable from the City of Toronto	89,899
Cash provided by investing and financing activities	<u>89,899</u>
Net decrease in cash during the period	<u>(91,546)</u>
Cash and cash equivalents, beginning of period	802,231
Cash and cash equivalents, end of period	<u>710,686</u>

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Exhibition Place Operations Notes

1.

Revenues and expenses are recognized on an accrual basis in these statements. Revenue is recorded when received or receivable if the amount can be reasonably estimated. Expenditures are recognized in the period in which they were incurred.

2.

Revenues do not include the recovery of labour costs from third parties or other Exhibition Place programs. Expenditures are recorded net of any applicable recovery of labour costs.

3.

This represents the CNEA accumulated surplus or deficit from operations from the period January 1, 1997 to the date of these statements.

4.

Employer benefit liabilities have not been updated from the December 31, 2002 values as they depend on actuarial valuations that are not available until year-end.

5.

The financial statements have not been subject to an external audit.

Canadian National Exhibition Association

BALANCE SHEET

	May 31/03 \$	Dec 31/02 \$
ASSETS		
Current		
Cash	159,195	186,296
Trade accounts receivable	1,601,640	247,844
Inventories	14,217	14,217
Prepaid expenses	0	9,099
Total current assets	1,775,052	457,456
Receivable from the Board of Governors of Exhibition Place – accumulated deficit <i>[note 2]</i>	0	863,244
Capital assets, net	11,405	13,583
	1,786,457	1,334,283
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
Trade	225,315	652,802
City of Toronto	0	54,641
Board of Governors of Exhibition Place	1,184,412	479,783
Payable to the Board of Governors of Exhibition Place – accumulated surplus <i>[note 2]</i>	193,402	0
Current employee benefits payable <i>[note 3]</i>	21,994	21,994
Deferred revenue	115,500	79,230
Total current liabilities	1,740,624	1,288,451
Employee benefits payable <i>[note 3]</i>	45,833	45,833
Total liabilities	1,786,457	1,334,283

See accompanying notes

Canadian National Exhibition Association

STATEMENT OF OPERATIONS

Five month period ended May 31

	Actuals \$	Budget \$
REVENUE		
Midway, concessions and casino	98,215	112,850
Ground admissions	(561)	0
Entry fees and exhibit rentals	2,140,921	1,300,650
Parking	0	0
Sponsorships	93,300	115,000
	2,331,875	1,528,500
EXPENSES		
Operations	380,230	385,266
Attractions and casino	670,005	713,392
Marketing	222,815	223,379
Parking attendants' wages and sundry costs	0	0
Amortization of capital assets	2,178	0
	1,275,228	1,322,037
Net income for the period	1,056,646	206,463

Canadian National Exhibition Association

STATEMENT OF CASH FLOWS

Five month period ended May 31

	\$
OPERATING ACTIVITIES	
Add non-cash item	
Amortization of capital assets	2,178
	<u>2,178</u>
Changes in non-cash working capital balances related to operations	
Trade accounts receivable	(1,353,796)
Inventories	0
Prepaid expenses	9,099
Trade accounts payable	(427,487)
Payable to the City of Toronto	(54,641)
Payable to the Board of Governors of Exhibition Place	704,629
Employee benefits payable	0
Deferred revenue	36,270
Cash used in operating activities	<u>(1,083,747)</u>
INVESTING AND FINANCING ACTIVITIES	
Purchase of capital assets	0
Increase in receivable/payable from the Board of Governors of Exhibition Place – deficit/surplus	1,056,646
Cash provided by investing and financing activities	<u>1,056,646</u>
Net decrease in cash during the year	(27,101)
Cash beginning of period	186,296
Cash, end of period	<u>159,195</u>

Canadian National Exhibition

Notes to Financial Statements

1.

Revenues and expenses are recognized on an accrual basis in these statements. Revenue is recorded when received or receivable if the amount can be reasonably estimated. Expenditures are recognized in the period in which they were incurred.

2.

This represents the CNEA accumulated surplus or deficit from operations from the period January 1, 1997 to the date of these statements

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