Appendix F

Financial Narratives

Six Month Period Ending June 30, 2019 Combined Operating Income for Exhibition Place and Beanfield Centre

Combined Operating Income for Exhibition Place and Beanfield Centre for the six (6) months ending June 30, 2019 before net naming fees, building loan interest and amortization expense for the Beanfield Centre was $1,862,975 compared to a budgeted operating income of $485,766 for a favourable variance of $1,377,209.

Exhibition Place

Net Income for Exhibition Place and Enercare Centre for the six (6) months ending June 30, 2019 is $111,857 for a favourable variance of $712,139.

1. Direct Event & Tenant Income of $9,252,057 being favourable to budget by $768,754. Contributing to this variance is:
    a. Event rental revenue of $6,501,437, favourable to budget by $564,876 primarily due to timing of non-budgeted events such as Heart & Stroke Ride for Heart, TD SMG 2019, Sales Force & higher than budgeted rental revenue from the Boat Show and;
    b. Direct net show services income of $845,046, favourable to budget by $189,735 primarily due to timing of non-budgeted events such as Heart & Stroke Ride for Heart, TD SMG 2019, Sales Force and;
    c. Revenue from tenant rental of $1,801,434 and associated tenant net show services income of $104,139 are a net unfavourable variance of ($14,142). This net unfavorable variance is primarily due to lower recoveries of labour services from tenants.

2. Ancillary Income of $1,738,590 being unfavourable to budget by ($1,197). Contributing to this variance is:
    a. Food & beverage concessions of $648,136, favourable to budget by $27,374 primarily due to timing of non-budgeted events such as Heart & Stroke Ride for Heart, TD SMG 2019, Sales Force, offset by lower than budgeted revenue from the National Home Show & Canada Blooms and;
    b. Net electrical income and commissions of $813,400, favourable to budget by $124,750 primarily due to timing of non-budgeted events such as Heart & Stroke Ride for Heart, TD SMG 2019 and Sales Force.

3. Parking revenues from Exhibition Place and BMO Field at $4,481,223 is favourable to budget by $117,725 primarily due to higher than budgeted parking revenue from Volleyball Canada Championships, Restaurants Canada & OOAK Spring Show offset by lower than budgeted parking revenue from National Home Show & Canada Blooms and BMO Field due to less TFC tournament and competition games.

4. Program recoveries and interest income at $182,397 is unfavourable to budget by ($7,250) primarily due to lower recoveries of labour services from Coca-Cola Coliseum and BMO Field.

5. Indirect and Direct expenses at $16,063,796 are unfavourable to budget by ($192,086) primarily due to timing of budgeted expenses offset by lower utilities due to the energy savings initiatives. Indirect expenses include costs from various departments; these are Chief Executive Officer, Chief Financial Officer and Corporate Secretary, General Manager, Marketing/Event Services, 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.

Beanfield Centre

Operating Income before building loan interest, amortization and naming fees expense for Beanfield Centre ("BFC") for the six (6) months ending June 30, 2019 was $1,751,118 compared to a budget income of $1,086,049 for a favourable variance of $665,069.

For the BFC, the Direct Event Income, Ancillary Income and Parking Revenue are all favourable to budget primarily due to budget timing of the contracted meetings and conferences business such as Think Conference 2019, Ontario Public Health Forum, Gartner Symposium and Shopify. The specific variance are:

1. Direct Event Income of $1,836,626 is favourable to budget by $282,356;

2. Ancillary Income of $1,304,098 is favourable to budget by $370,053 and;

3. Parking Revenue of $157,427 is favourable to budget by $22,960.

Direct and indirect expenses at $1,547,033 are unfavourable to budget by ($10,300) primarily due to timing of budgeted expenses offset by lower utilities due to the energy savings initiatives. 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 building