Re: CT11.10

REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

2019 Unaudited Year End Forecast

Date: January 30, 2020
To: Audit Committee
From: President & CEO

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information supplied in confidence to the Board of Directors of TO Live, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

The purpose of this report is to present the 2019 fourth quarter financial results to the Board.

RECOMMENDATIONS

The President & CEO recommends that the Board of Directors of TO Live:

1. Approve the 2019 fourth quarter financial operating results, as noted in Confidential Attachment 1, 2 and 3.

2. Direct the President and CEO to work with the City's Chief Financial Officer and Treasurer on exploring options including the use of the Sony Centre Stabilization Reserve (XQ2031) and the Toronto Centre for the Arts Stabilization Reserve (XQ1060) to address the 2019 operating deficit.

3. Direct the President and CEO to request funds from the TO Live Foundation Board to address the 2019 operating deficit.

4. Direct that Confidential Attachment 1, 2 and 3 remain confidential in its entirety because if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

FINANCIAL IMPACT

Proposed withdrawal of $0.166 million from the Sony Centre Stabilization Reserve (XQ2031) and $0.166 million from the Toronto Centre for the Arts Stabilization Reserve (XQ1060) will provide funding for assisting TO Live to stabilize operations in 2019. These withdrawals will fully deplete the balance of the two reserves.

DECISION HISTORY

This is a new initiative.

COMMENTS

The fourth quarter for 2019 reflects a deficit of $.587M against a balanced budget, for a variance from budget of $.587 (see Confidential Attachment 1, 2 and 3 for more detail).

Management is suggesting the following course of action to offset the deficit in full:

1. Withdraw $166k from the Sony Stabilization Fund
2. Withdraw $166k from the TCA Stabilization Fund
3. Withdraw $255k from the TO Live Foundation

TO Live will be using the above-noted funds to pay down the deficit and will not be requesting any additional funding from the City.

Items 1 and 2 above may require City Council approval as these are adjustments to the budget, while Item 3 will require approval from the TO Live Foundation Board. As this is still a forecast, Management is reviewing all avenues to minimize the 2019 deficit and Management will work with City staff to facilitate items 1 and 2.

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SIGNATURE

Clyde Wagner
President & CEO

ATTACHMENTS

1. Confidential Attachment 1 - 2019 Fourth Quarter Financial Results Commentary
2. Confidential Attachment 2 - Statement of Contribution Margins
3. Confidential Attachment 3 - Development Forecast Detail