DRAFT

Board of Governors of Exhibition Place

Financial Statements
December 31, 2019

Board of Governors of Exhibition Place

Balance Sheet

As at December 31, 2019

	2019 $	2018 $
Financial Assets		
Cash	3,513,777	4,504,663
Accounts receivable		
Trade	7,216,006	7,539,712
City of Toronto	2,678,082	3,668,519
Receivable from the City of Toronto (note 3(a))	6,834,032	7,020,947
	20,241,897	22,733,841
Liabilities		
Accounts payable and accrued liabilities		
Trade	9,618,185	8,975,932
City of Toronto	652,080	493,361
Employee future benefits payable (note 7)	8,077,077	8,032,360
Payable surplus to City of Toronto (note 9)	2,244,300	2,221,437
Deferred revenue and contributions	3,568,648	6,866,111
Loans payable (note 8)	39,919,139	41,645,543
Other liabilities	38,570	75,305
Government assistance	721,910	837,228
	64,839,909	69,147,277
Net debt	(44,598,012)	(46,413,436)
Non-financial Assets		
Prepaid expenses and other	43,780	414,795
Step-up rent receivable (note 4)	1,949,216	2,312,021
Energy retrofit assets (note 5)	8,388,977	9,253,700
Building improvements and equipment (note 6)	24,871,501	25,063,391
	35,253,474	37,043,907
Accumulated conference centre deficit (note 11)	(9,344,538)	(9,369,529)

Contingencies and commitments (note 12)

Approved by the Board of Governors

____________________ Director ____________________ Director

The accompanying notes are an integral part of these financial statements.

DRAFT

Board of Governors of Exhibition Place

Statement of Operations and Accumulated Deficit

For the year ended December 31, 2019

	2019		2018
	Budget $	**Actual $**	**Actual $**
Revenue			
Exhibition Place (schedule 1)	30,714,637	36,142,652	31,598,499
Enercare Centre (schedule 2)	15,497,411	18,302,575	14,417,503
Beanfield Centre (schedule 3)	6,441,082	7,908,932	5,738,465
	52,653,130	62,354,159	51,754,467
Expenses (note 13)			
Exhibition Place (schedule 1)	36,841,313	40,285,524	35,395,768
Enercare Centre (schedule 2)	8,958,166	11,571,580	8,158,543
Beanfield Centre (schedule 3)	6,681,082	8,040,849	7,071,848
	52,480,561	59,897,953	50,626,159
Surplus before the following	172,569	2,456,206	1,128,308
Transfer to the City of Toronto	(172,569)	(2,244,300)	(2,221,437)
Increase in amounts to be recovered from the City of Toronto		(186,915)	30,799
Surplus (deficit) for the year		24,991	(1,062,330)
Accumulated conference centre deficit – Beginning of year		(9,369,529)	(8,307,199)
Accumulated conference centre deficit – End of year		(9,344,538)	(9,369,529)

The accompanying notes are an integral part of these financial statements.

Board of Governors of Exhibition Place

Statement of Changes in Net Debt

For the year ended December 31, 2019

	2019 $	2018 $
Operating transactions		
Surplus (deficit) for the year	24,991	(1,062,330)
Tangible capital asset activities		
Purchase of building improvements and equipment	(1,726,537)	-
Amortization of energy retrofit assets	864,723	864,723
Amortization of building improvements and equipment	1,918,427	1,975,296
	1,056,613	2,840,019
Other non-financial activities		
Prepaid expenses and other	371,015	(364,539)
Accretion of step-up rent receivable	362,805	193,041
	733,820	(171,498)
Decrease in net debt during the year	1,815,424	1,606,191
Net debt – Beginning of year	(46,413,436)	(48,019,627)
Net debt – End of year	(44,598,012)	(46,413,436)

The accompanying notes are an integral part of these financial statements.

DRAFT

Board of Governors of Exhibition Place

Statement of Cash Flows

For the year ended December 31, 2019

	2019 $	2018 $
Cash provided by (used in)		
Operating activities		
Surplus (deficit) for the year	24,991	(1,062,330)
Add (deduct): Non-cash items		
Employee future benefits (expense)	44,717	(133,265)
Amortization of energy retrofit assets	864,723	864,723
Amortization of building improvements and equipment	1,918,427	1,975,296
Government assistance	(115,318)	(121,022)
Accretion of step-up rent receivable	362,805	193,041
	3,100,345	1,716,443
Changes in non-capital working capital balance related to operations		
Trade accounts receivable	323,706	(471,883)
Accounts receivable from the City of Toronto	990,437	356,660
Receivable due from the City of Toronto	186,915	(30,799)
Prepaid expenses and other	371,015	(364,539)
Trade accounts payable and accrued liabilities	347,488	(383,488)
Accounts payable and accrued liabilities due to the City of Toronto	158,719	(1,691,057)
Deferred revenue and contributions	(3,297,463)	813,863
Other long-term liabilities	(36,735)	(83,200)
Surplus payable to the City of Toronto	22,863	(19,245)
	2,167,290	(157,245)
Investing activities		
Purchase of other equipment and furniture	(1,431,772)	-
Financing activities		
Repayments of loans payable	(1,726,404)	(1,697,439)
Decrease in cash during the year	(990,886)	(1,854,684)
Cash – Beginning of year	4,504,663	6,359,347
Cash – End of year	3,513,777	4,504,663
Other equipment financed through payables	294,765	-

The accompanying notes are an integral part of these financial statements.

1 Nature of operations

The Board of Governors of Exhibition Place (the Board) exists as a corporation without share capital by virtue of the City of Toronto Act, 1997 (No. 2) (the Act). The Board operates, manages and maintains Exhibition Place on behalf of the City of Toronto (the City) under the terms of an agreement between the Board and the City. As defined within the Act, the City is entitled to any surplus resulting from the Board's activities and is responsible for any deficit the Board incurs. The amount due to/from the City resulting from the Board's activities is shown on the balance sheet as a transfer payable to/receivable from the City.

Major capital facilities, excluding certain building improvements, are the property of the City and therefore the cost for such assets is recorded in the accounts of the City and not the Board. To assist with major capital expenditures related to Exhibition Place, various reserves and reserve funds have been established and recorded within the City's accounts (note 9).

These financial statements include the operations of Exhibition Place (schedule 1), Enercare Centre (schedule 2) and Beanfield Centre (schedule 3).

The Board is a municipal government entity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows.

Revenue recognition

The majority of the revenue in these financial statements is related to sales, service revenue and rent and is recognized at the point of sale or when the service has been provided.

The Board enters into agreements with a number of corporate sponsors whereby these sponsors provide cash, products, advertising or entertainment support to Exhibition Place, Enercare Centre and Beanfield Centre activities. In return, consideration is provided in a number of diverse ways including specific rights to selected attractions or advertising recognition. Sponsorships received in cash and/or other consideration are recorded in the accounts at the amount of consideration received or given at either the fair value of the amount received or the fair value of the benefit given up, less any cash consideration, whichever is more reliably measurable. Revenue is recognized on a straight-line basis over the term of the agreement.

Deferred revenue and contributions

Deferred revenue and contributions consist of monies received for naming rights, space rental and service revenue from clients that have been paid in advance and are attributable to a future period.

Government assistance

The Board makes periodic applications for financial assistance under available government incentive programs. Government assistance relating to capital expenditures is reflected as a liability on the balance sheet and is amortized into income on the same basis as the capital asset to which the funds relate. Government assistance for non-capital expenditures is included in the statement of operations and accumulated deficit.

Energy retrofit assets

Energy retrofit assets are recorded at cost less accumulated amortization. Amortization is calculated when the project is fully commissioned on a straight-line basis over the estimated useful lives of the assets as follows:

Trigeneration project	20 years
Enercare Halls lighting retrofit project	15 years
Five Exhibition Buildings improvement project	15 years
Photovoltaic Horse Palace project	20 years
Boiler replacements and various lighting retrofit projects	20 years
Back pressure steam turbine and LED pathway lighting projects	20 years
Horse Palace, East Annex Photovoltaic and multiple energy projects	20 years
District Energy System project	20 years
LED lighting and conservation/demand management	15 years

Building improvements and equipment

Building improvements and equipment are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	5 years
Computer equipment	3 years
Electrical equipment	5 years
Other equipment and furniture	2 to 20 years
Beanfield Centre building improvements	25 years

Employee benefit plans

The Board has the following policies with respect to employee future benefit plans:

- The Board contributes to a multi-employer defined benefit pension plan with the City and Ontario Municipal Employees Retirement System (OMERS), and contributions are expensed when due as the plan is accounted for as a defined contribution plan.

- The costs of termination benefits and compensated absences are recognized when the event that obligates the Board occurs. Costs include projected future income payments, health-care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

- The costs of other employee benefits are actuarially determined using the projected benefits method pro-rated on service and management's best estimate of retirement ages of employees, salary escalation and expected health-care costs.

- Past service costs from plan amendments are expensed in the period of plan amendment.

- Net actuarial gains and losses are amortized over the expected average remaining service life of the related employee group.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Revenue and expense transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing on the transaction date. Gains or losses resulting from currency transactions are included in the statement of operations and accumulated deficit.

Financial instruments

The Board's financial assets include cash, trade accounts receivable and accounts receivable from the City, and its financial liabilities include accounts payable and accrued liabilities, loans payable, payable to conference centre reserve fund and other liabilities. It measures its financial assets and financial liabilities at amortized cost, except for cash, which is measured at fair value.

Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The employee future benefits liability and related costs charged to the statement of operations and accumulated deficit depend on certain actuarial and economic assumptions and on current information available to the Board, the City and the consultants retained to develop the actuarial projections. Actual results could differ from those estimates.

Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the budget submission approved by the City.

3 Related party balances and transactions

The Board is related to the City and its agencies, boards and commissions as the City has the ability to affect the operating, investing and financing policies of these entities. The Board enters into transactions with these related parties in the normal course of business at the agreed on exchange amount.

a) The Board has a long-term, non-interest bearing receivable from the City, which relates to the funding of the following items:

	2019 $	2018 $
Employee future benefits payable	8,077,077	8,032,360
Vacation and lieu time	662,209	705,076
Less: Net book value of certain equipment	(644,557)	(245,558)
Other	243,174	243,174
Receivable from the City before the following	8,337,903	8,735,052
Less: Net step-up rent receivable on certain buildings and signage	(1,503,871)	(1,714,105)
Receivable from the City	6,834,032	7,020,947

b) The Board has several agreements with the City for the establishment of various reserve funds that are recorded within the City's accounts (note 9).

c) The Board contributes to a fund of the City that provides funding for vehicle, property and liability insurance claim payments and related legal and adjusting expenses. The fund is established for insurance claim costs below deductible levels and for payments that exceed insurance coverage levels. Contributions are paid to the City and the City makes insurance premium payments on behalf of the Board. During the year, the Board made $448,430 (2018 – $458,498) in contributions for insurance premium payments.

4 Step-up rent receivable

The Board has numerous long-term tenants on the grounds that pay annual rents based on the stipulated contract amount indicated in the lease for that year. Many of these leases have step-up provisions so that the annual lease amount changes during the term of the lease. The Board recognizes lease revenue over the term of the lease on a straight-line basis. The amount will be included in the statement of operations and accumulated deficit at various amounts over time up to fiscal 2061.

5 Energy retrofit assets

			2019
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**
Trigeneration project	4,400,000	2,782,083	1,617,917
Enercare Halls lighting retrofit project	800,000	722,129	77,871
Five Exhibition Buildings improvement project	1,500,365	1,183,118	317,247
Photovoltaic Horse Palace project	1,100,000	715,000	385,000
Boiler replacements and various lighting retrofit projects	955,000	501,375	453,625
Back pressure steam turbine and LED pathway lighting projects	1,345,000	538,000	807,000
District Energy System project	4,500,000	900,000	3,600,000
Horse Palace, East Annex Photovoltaic and multiple energy projects	884,640	353,856	530,784
LED lighting and conservation/demand management	782,000	182,467	599,533
	16,267,005	7,878,028	8,388,977

			2018
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**
Trigeneration project	4,400,000	2,562,083	1,837,917
Enercare Halls lighting retrofit project	800,000	668,796	131,204
Five Exhibition Buildings improvement project	1,500,365	1,083,093	417,272
Photovoltaic Horse Palace project	1,100,000	660,000	440,000
Boiler replacements and various lighting retrofit projects	955,000	453,625	501,375
Back pressure steam turbine and LED pathway lighting projects	1,345,000	470,750	874,250
District Energy System project	4,500,000	675,000	3,825,000
Horse Palace, East Annex Photovoltaic and multiple energy projects	884,640	309,625	575,015
LED lighting and conservation/demand management	782,000	130,333	651,667
	16,267,005	7,013,305	9,253,700

6 Building improvements and equipment

			2019
	Cost $	Accumulated amortization $	Net $
Motor vehicles	261,634	261,634	-
Electrical equipment	59,366	59,366	-
Other equipment and furniture	6,646,852	4,789,686	1,857,166
Beanfield Centre building improvements	38,764,844	15,750,509	23,014,335
	45,732,696	20,861,195	24,871,501

			2018
	Cost $	Accumulated amortization $	Net $
Motor vehicles	261,634	261,634	-
Computer equipment	215,712	215,712	-
Electrical equipment	384,775	384,775	-
Other equipment and furniture	4,920,315	4,421,838	498,477
Beanfield Centre building improvements	38,764,844	14,199,930	24,564,914
	44,547,280	19,483,889	25,063,391

7 Employee future benefits payable

The employee future benefits are for employees of the Board, the cost of which is reported in these financial statements. The benefit plans as noted below are all unfunded; however, the Board participates in reserve funds established by the City for sick leave and health-care benefits. The benefits premium paid during the year totalled $1,110,025 (2018 – $983,962) and is included in expenses on the statement of operations and accumulated deficit.

The Board has the following benefit plans:

Sick leave

The Board's non-union permanent and full-time renewable contract employees are eligible to participate in the Short Term Disability (STD) plan. A permanent employee who has completed six months of service will be entitled to receive STD benefits. A renewable full-time contract employee who has completed 12 months of service will be entitled to receive STD benefits.

Eligible permanent employees and eligible full-time renewable contract employees using sick days will be paid 100% of their regular earnings for the first day up to the 20th day, and 75% for absences on the 21st day and up to a maximum of 110 days per calendar year.

If an eligible employee uses less than the 20 days STD allotment paid at 100% coverage, they can carry-over up to a maximum of 15 of the unused days at 100% coverage to the following year as top-up credits. Carry-over days will be converted at a 2 to 1 ratio, therefore 15 unused 100% STD days are equivalent to 30 top-up credits. Credits are deducted based on the employee shifts hours.

Workplace Safety Insurance Board (WSIB)

The Board is a Schedule 2 employer and as such pays the full cost of all medical and all other benefits for its employees who sustain injuries at the workplace, plus the administration cost as determined by the WSIB.

Post-retirement and post-employment benefits

The Board provides health, dental, life insurance and long-term disability benefits to certain employee's post-retirement.

The disclosures relating to these benefits are as follows:

	2019 $	2018 $
Defined benefit obligation	8,434,771	7,681,066
Net unamortized actuarial gains (losses)	(357,694)	351,294
Total employee future benefits payable	8,077,077	8,032,360

a) Components of the accrued defined benefit obligation are as follows:

	2019 $	2018 $
Sick leave	1,021,733	1,108,160
WSIB	2,797,607	2,312,921
Other post-employment and post-retirement benefits	4,615,431	4,259,985
	8,434,771	7,681,066

b) The continuity of the Board's defined benefit obligation is as follows:

	2019 $	2018 $
Balance – Beginning of year	7,681,066	6,870,327
Current service cost	605,320	295,088
Plan amendment/service cost	-	30,212
Interest cost	265,958	214,765
Benefits paid	(755,103)	(560,047)
Actuarial loss	637,530	830,721
Balance – End of year	8,434,771	7,681,066

c) The benefit cost recognized during the year is calculated as follows:

	2019 **$**	**2018** **$**
Current service cost	605,320	295,088
Plan amendment/service cost	-	30,212
Interest cost	265,958	214,765
Amortization of net actuarial gain	(71,458)	(113,283)
	799,820	426,782

d) There was $212,457 (2018 – $206,860) in cash payments made in 2019 with respect to the sick leave plan.

e) Actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2018. The next actuarial valuation is expected to be completed in 2021.

f) The significant actuarial assumptions adopted in measuring the Board's accrued benefit obligation and benefit costs for employee future benefits are as follows:

	2019 **%**	**2018** **%**
Discount rate		
Sick leave	2.50	3.20
Post-employment benefits	2.40	3.10
Post-retirement benefits	2.70	3.40
WSIB	2.70	3.40
Health-care inflation – hospital, dental care and other medical	3.00 – 4.50	3.00 – 4.50
Health-care inflation – drugs	5.50	5.50
Rate of compensation increase	3.00	3.00

The health-care inflation rate for medical and drugs is assumed to be reduced from 5.50% to 3.57% by 2040.

g) In addition to the above-noted plans, the Board makes contributions to OMERS, which is a multi-employer plan, on behalf of qualifying employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. However, it is accounted for as a defined contribution plan as it is a multi-employer plan. Total employer contributions for the year ended December 31, 2019 amounted to $1,149,650 (2018 – $1,151,693) and are included in the statement of operations and accumulated deficit.

In addition to contributions for employees who participate in the OMERS plan, the Board has arrangements with bargaining units to make contributions to various pension plans and registered retirement savings plans on behalf of its employees. Contributions expensed under these plans for 2019 amounted to $1,158,542 (2018 – $986,781) and are included in the statement of operations and accumulated deficit.

8 Loans payable

	2019 $	2018 $
Loans payable to the City		
Beanfield Centre building improvements, $36,764,844 loan bearing interest at 5% and due on December 1, 2040 (formerly due October 1, 2035); interest owing on the loan was added to the principal until the first repayment date of December 1, 2010	30,525,085	31,338,974
Trigeneration, $2,325,000 loan bearing interest at 5%, due on December 31, 2032	2,707,999	2,864,760
Photovoltaic Horse Palace, a non-interest bearing loan of $600,000 discounted at an imputed interest rate of 5%, due on October 1, 2030	238,190	249,912
Boiler replacements and various lighting retrofit, $716,250 loan bearing interest at 4.5%, due on December 31, 2037	752,320	758,211
Boiler replacements and various lighting retrofit, $238,750 loan bearing interest at 2.0%, due on December 31, 2021	31,889	55,764
Back pressure steam turbine and LED pathway lighting retrofit, a non-interest bearing loan of $1,000,000 discounted at an imputed interest rate of 5%, due on April 1, 2030	406,516	435,286
Horse Palace, East Annex Pavilion and multiple energy project retrofit, a non-interest bearing loan of $890,000 discounted at an imputed interest rate of 5%, due on January 1, 2022	188,287	265,447
District Energy project, $4,500,000 loan bearing interest at 2.70%, due on January 31, 2026	3,390,949	3,825,784
Enercare Halls LED lighting retrofit, $782,000 loan bearing interest at 2.70%, due on October 1, 2025	499,519	575,282
Loan payable to Federation of Canadian Municipalities		
Beanfield Centre building improvements, $2,000,000 loan bearing interest at 2.375%, due on January 29, 2030	1,178,385	1,276,123
	39,919,139	41,645,543

The fixed principal repayments of the loans payable are as follows:

	$
2020	1,785,472
2021	1,862,844
2022	1,873,368
2023	1,928,689
2024	2,009,424
Thereafter	30,459,342
	39,919,139

9 City of Toronto reserve funds

The City maintains a number of reserve funds on behalf of the Board. These reserve funds are established by the City's Council and are detailed in the City's Municipal Code. The Board earns interest on funds placed in these reserves and it is added to the reserve balance at year-end.

Capital Improvement Fund

The purpose of this fund is to assist in the financing of major capital costs related to all buildings at Exhibition Place. Contributions are no longer being made to this fund. The balance of the Capital Improvement Fund as at December 31, 2019 was $1,165 (2018 – $1,146).

Exhibition Place Conference Centre Reserve Fund

The purpose of this fund is to provide a source of funding, in the first instance, for any shortfalls in the loan payments to the City from Exhibition Place for the new conference centre, and in the second instance to support cash shortfalls with respect to capital funding required to maintain the Enercare Centre and the Beanfield Centre in a state of good repair. If Exhibition Place, excluding the Enercare Centre and the Beanfield Centre, achieves a surplus in excess of the budgeted surplus, the excess above budget is transferred into the fund. The balance of the Exhibition Place Conference Centre Reserve Fund as at December 31, 2019 was $9,693,515 (2018 – $7,527,788).

City of Toronto Fleet Reserve Fund

The purpose of this fund is to provide funding to the City for acquiring or purchasing fleet and motorized vehicles for the Board's operations. Annual funding promotes efficiencies and budget stabilization by moderating large fluctuations in the annual replacement of vehicles. The Board contributed $375,000 (2018 – $350,000) in the year. The balance in the City of Toronto Fleet Reserve Fund is $619,844 (2018 – $646,437).

Equipment Reserve Fund

The purpose of this fund is to provide funding for acquiring or purchasing non-motorized portable equipment for the Board's operations. Annual funding promotes efficiencies and budget stabilization by moderating large fluctuations in the annual replacement of non-motorized portable equipment. The Board contributed $200,000 (2018 – $200,000) in the year. The balance in the Equipment Reserve Fund is $426 (2018 – $36,426).

Exhibition Place Green Space Renewal

The purpose of this fund is to hold funds for the re-conversion of the temporary parking into functional green space on the baseball diamond site at Exhibition Place. The Board contributed $nil (2018 – $nil) in the year. The balance in the Exhibition Place Green Space Renewal reserve is $1,037,754 (2018 – $1,020,893).

10 Financial instruments

a) Fair value

The carrying values of the Board's financial instruments approximate their fair values unless otherwise noted.

The fair value of the long-term receivable from the City is not determinable since there are no fixed terms of repayment.

DRAFT

b) Risk management

The Board's investment activities expose it to a range of financial risks. These risks include credit risk, liquidity risk, foreign currency risk and interest rate risk, which are as follows:

- Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of default or insolvency of a counterparty on its obligations to the Board. The cost of the assets as presented in the balance sheet represents the maximum credit risk exposure at the date of the financial statements.

The Board, in the normal course of business, is exposed to credit risk from its customers. This risk is mitigated by the fact that management believes the Board has thorough and rigorous credit approval procedures. As at December 31, 2019, five customers have a balance greater than 10% of the Board's trade accounts receivable balance (2018 – three customers).

As at December 31, 2019, the following accounts receivable were past due but not impaired:

	30 days $	60 days $	90 days $	Over 90 days $
Trade accounts receivable	3,992,969	786,651	486,086	1,950,300
City of Toronto	1,993,076	404,628	329	280,049
	5,986,045	1,191,279	486,415	2,230,349

Management believes the Board's credit risk is low.

- Liquidity risk

Liquidity risk is the risk the Board will not be able to meet its financial obligations when they come due. The Board manages its liquidity risk by forecasting cash flows from operations, anticipating investing and financing activities and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements. The following table presents the maturity analysis for the financial liabilities that shows the remaining contractual maturities:

	Up to 6 months $	More than 6 months up to 1 year $	More than 1 year up to 5 years $	More than 5 years $	Total $
Accounts payable and accrued liabilities	7,601,539	1,427,922	588,724	-	9,618,185
City of Toronto	652,080	-	-	-	652,080
Payable surplus to City of Toronto	2,244,300	-	-	-	2,244,300
Other liabilities	-	38,570	-	-	38,570
Loans payable	968,081	817,391	7,674,325	30,459,342	39,919,139

11,466,000	2,283,883	8,263,049	30,459,342	52,472,274

- Foreign currency risk

  The Board has limited foreign currency risk with respect to its financial instruments, as substantially all the Board's financial assets and financial liabilities are denominated in Canadian dollars.

- Interest rate risk

  Interest rate risk arises from fluctuations in interest rates and the degree of volatility of those rates. The Board has mitigated its interest rate risk on its loans payable through the use of fixed interest rates.

11 Conference centre deficit

The conference centre accumulated deficit results from the non-cash expenditures that are not funded by the Exhibition Place Conference Centre Reserve Fund (schedule 3). The loss for the period is represented by the amortization of the conference centre's building improvements offset by the principal loan repayments. The accumulated loss will reverse over 25 years, as this is the term of the loan repayment and amortization period of the building improvements. The amortization of the conference centre's building improvement commenced in 2009 and there is 14 years remaining for the amortization. The accumulated deficit balance as at December 31, 2019 is $9,344,538 (2018 – $9,369,529).

12 Contingencies and commitments

In the normal course of operations, the Board is subject to various arbitrations, litigations and claims. Where a potential liability is determinable, management believes the ultimate disposition of the matters will not materially exceed the amounts recorded in the accounts. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year the liability is able to be estimated.

13 Expenses by object

	Actual	
	2019 **$**	**2018** **$**
Salaries and benefits	31,811,030	27,425,602
Trade labour recoveries	(13,268,370)	(9,176,311)
Net salary and benefits	18,542,660	18,249,291
Direct overhead and event/tenant labour costs	13,268,370	9,176,311
Utilities	4,624,397	3,325,210
Supplies and equipment	614,393	346,163
Contribution to reserve funds	2,130,930	2,080,859
Amortization of energy retrofit assets, building improvements and equipment	2,783,150	2,840,019
Interest	1,871,595	1,940,452
Other indirect costs and recoverable services	16,062,458	12,667,854
	59,897,953	50,626,159

14 Subsequent event

In the Since December 31, 2019, the outbreak of the coronavirus pandemic has resulted in governments worldwide enacting emergency measures to control the spread of the virus. As a result, the conference centres have been closed for an indefinite period and events have been cancelled at least until June 30, 2020. These events may have a material impact on the Board's revenues earned in fiscal 2020 as well as its workforce.

As the situation continues to evolve rapidly, the Board is unable to quantify the potential impact this pandemic may have on its financial statements. However, the Board is financially supported by the City of Toronto.

Board of Governors of Exhibition Place

Schedule of Operations – Exhibition Place

For the year ended December 31, 2019

	2019		2018
	Budget $ (Unaudited)	**Actual** $	**Actual** $
Revenue			
Parking	8,117,000	8,828,987	7,939,614
Building rentals and concessions	9,047,529	9,948,211	9,125,856
Sales of services	6,871,257	9,758,027	7,929,122
Discounts, commissions, incentives, other income and realty tax recoveries	6,253,851	7,182,427	6,178,907
Naming rights	425,000	425,000	425,000
	30,714,637	36,142,652	31,598,499
Expenses			
Maintenance, cleaning and security	13,015,349	12,748,537	12,104,574
Utilities	3,523,956	4,237,999	3,031,438
Cost of services	5,345,494	7,948,128	6,196,372
Administration	9,238,504	9,493,877	8,797,709
Parking attendants' wages and sundry costs	3,523,389	3,637,230	3,325,402
Amortization of energy retrofit assets and equipment	908,056	931,338	908,055
Contribution to the City – Exhibition Place Conference Centre Reserve Fund	382,500	382,500	350,301
City of Toronto Fleet Reserve Fund	575,000	575,000	550,000
Interest	329,065	329,065	356,880
	36,841,313	40,283,674	35,620,731
Deficit before the following	(6,126,676)	(4,141,022)	(4,022,232)
Sick leave benefits (expense) recovery	-	(1,850)	224,963
Deficit for the year	(6,126,676)	(4,142,872)	(3,797,269)

Board of Governors of Exhibition Place

Schedule of Operations – Enercare Centre

For the year ended December 31, 2019

	2019		2018
	Budget **$** (Unaudited)	**Actual** **$**	**Actual** **$**
Revenue			
Building rentals	8,355,332	9,628,540	8,235,536
Services	5,046,183	6,360,200	3,980,140
Catering commissions	870,500	1,040,840	803,546
Naming rights	750,000	750,000	750,000
Advertising, sponsorship, interest and recoveries	475,396	522,995	648,281
	15,497,411	18,302,575	14,417,503
Expenses			
Administration	4,819,009	4,483,602	4,775,329
Cost of services	2,767,007	3,840,120	2,054,295
Maintenance, cleaning and security	697,150	2,572,858	653,919
Contribution to the City – Exhibition Place Conference Centre Reserve Fund	675,000	675,000	675,000
	8,958,166	11,571,580	8,158,543
Surplus for the year	6,539,245	6,730,995	6,258,960

Board of Governors of Exhibition Place

Schedule of Operations – Beanfield Centre

For the year ended December 31, 2019

	2019		2018
	Budget **$** (Unaudited)	**Actual** **$**	**Actual** **$**
Revenue			
Building rentals	2,194,556	2,581,341	1,972,765
Services	1,765,000	2,304,809	1,353,377
Catering commissions	1,164,226	1,680,782	1,140,851
Parking	259,800	284,500	249,112
Contribution from the City – Exhibition Place Conference Centre Reserve Fund	1,057,500	1,057,500	1,022,360
	6,441,082	7,908,932	5,738,465
Expenses			
Amortization of building improvements and equipment	910,647	1,851,815	1,931,964
Interest	1,542,531	1,542,530	1,583,572
Administration	1,873,852	1,721,013	1,463,653
Cost of services	1,376,530	1,656,811	995,530
Utilities	369,000	386,398	293,773
Maintenance, cleaning and security	608,522	882,282	803,356
	6,681,082	8,040,849	7,071,848
Deficit for the year	(240,000)	(131,917)	(1,333,383)