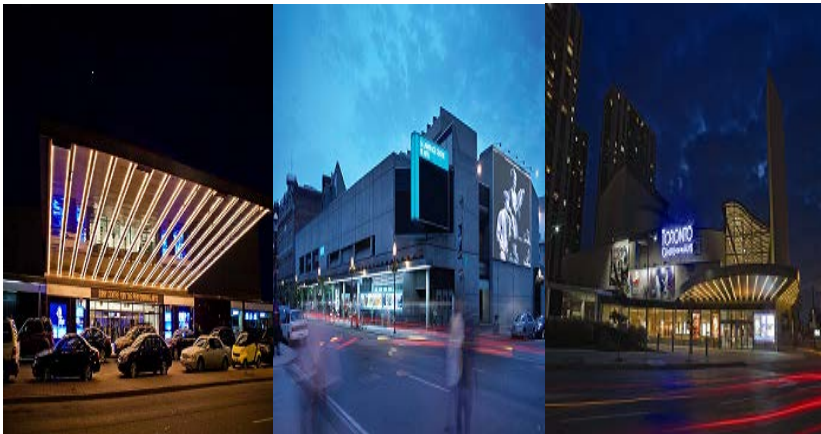




OPERATING PROGRAM SUMMARY



Theatres

2014 OPERATING BUDGET OVERVIEW

What We Do

The 3 City-owned and operated Theatres promote theatrical, artistic, and cultural programming in the community through convenient and cost-effective access to state of the art venues that support multi-cultural, not for profit, and corporate events.

2014 Budget Highlights

The total cost to operate the 3 city-owned theatres in 2014 is \$22.161 million is offset by revenues of \$17.404 million for a net budget of \$4.757 million.

(In \$000s)	2013 Budget	2014 Budget	Change	
			\$	%
Gross Expenditures	23,609.1	22,161.2	(1,447.9)	-6.1%
Gross Revenues	19,280.0	17,403.8	(1,876.2)	-9.7%
Net Expenditures	4,329.1	4,757.4	428.3	9.9%

For 2014, Theatres faced a pressure of \$1.563 million due mainly to revenue changes resulting from declining stage activity, as well as the cost of inflation for non-labour expenses and cost of living increases for staff. Through on-going operational efficiencies, base expenditure and revenue changes, the Theatres were able to partially offset these pressures. As a result, the Theatres' 2014 Budget increased by an incremental \$0.428 million to maintain the 2013 levels of service.

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Fast Facts

- *Sony Centre for the Performing Arts* offers a 3,191-seat auditorium and is Canada's largest soft seat theatre.
- *St. Lawrence Centre for the Arts* houses 2 theatres: the 876-seat Bluma Appel theatre and the 498-seat Jane Mallet theatre.
- *Toronto Centre for the Arts* holds 3 theatres: the 1,727-seat Main Stage theatre; 1,032-seat George Weston Recital Hall; and the 200-seat Studio Theatre.

Trends

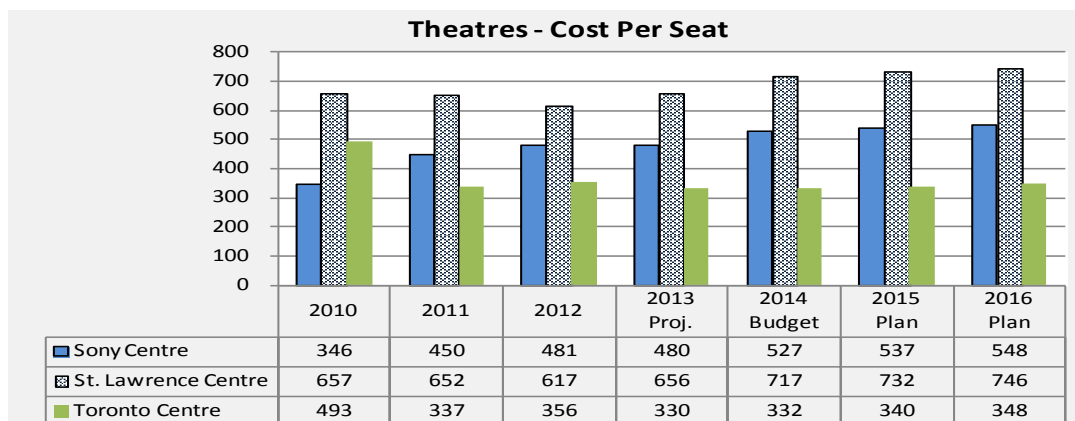
- The cost per seat generally increases gradually to reflect the cost of inflation, but can also fluctuate from year to year depending on the level of stage activity taking place in the Theatre which impacts the total facility operation costs.

Our Service Deliverables for 2014

The Theatres endorse culture, arts and theatre by programming a full range of high quality performances and events for both profit and not-for-profit artists.

The 2014 Operating Budget provides funding for the 3 City-owned and operated Theatres:

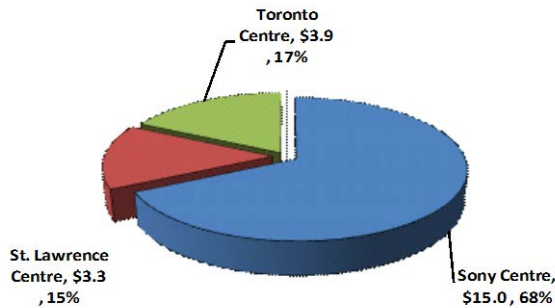
- *Sony Centre for the Performing Arts* offers multi-functional space, comprehensive event services, an auditorium, state-of-the-art lighting and sound systems, a world class stage and highly experienced event staff. The Theatre will build and reinforce the Centre's brand of excellence in programming performances of diversity which appeal to all of Toronto's residents.
- *St. Lawrence Centre for the Arts* provides state-of-the-art facilities to Toronto's not for profit performing arts companies and local communities at an affordable cost. The Centre will continue to attract a diverse array of high quality, cultural and artistic events, while augmenting its bottom line with select corporate and for-profit presenters.
- *Toronto Centre for the Arts* offers a first class venue for a full range of performing arts. The Centre will become the most versatile performing arts centre in Toronto. It will build strategic links with the local business and arts community, and seek educational and programming partners that will strengthen the operations of the Centre and its reach into the community.



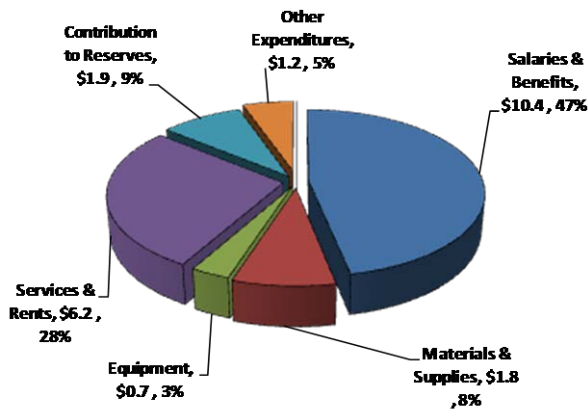
2014 Budget Expenditures & Funding

Where the money goes:

2014 Operating Budget by Service
\$22.161 Million

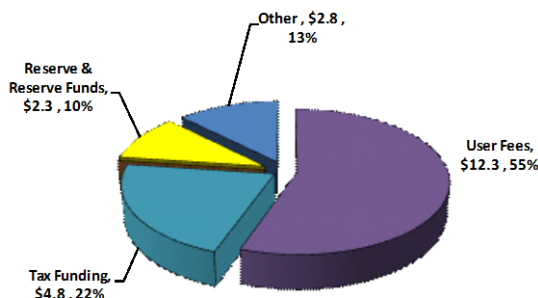


2014 Operating Budget by Expenditure Category



Where the money comes from:

2014 Operating Budget Funding Source
\$22.161 Million



Our Key Challenges & Priority Actions

- Need to develop a consolidated long-term strategic plan and 5 year business plan for the 3 theatres which will direct the future of the City Theatres. *Economic, Development and Culture* will work with the City's Theatre Working Group to review each theatre's consultant report and develop options for the future of the theatres.
- Increase days of use and percentage of paid attendance as it directly impacts the generation of surcharge on ticket sales which fund the 3 theatres' capital reserve funds. *Sony Centre for the Performing Arts* will continue to strengthen its strong brand strategy and increase food and beverage activity. *St. Lawrence Centre for the Arts* will boost its marketing efforts to enhance awareness of the Centre. *Toronto Centre for the Arts* will increase its focus on the not-for-profit community arts groups, by re-configuring its Main Stage theatre into smaller venues.

II: COUNCIL APPROVED BUDGET

City Council approved the following recommendations:

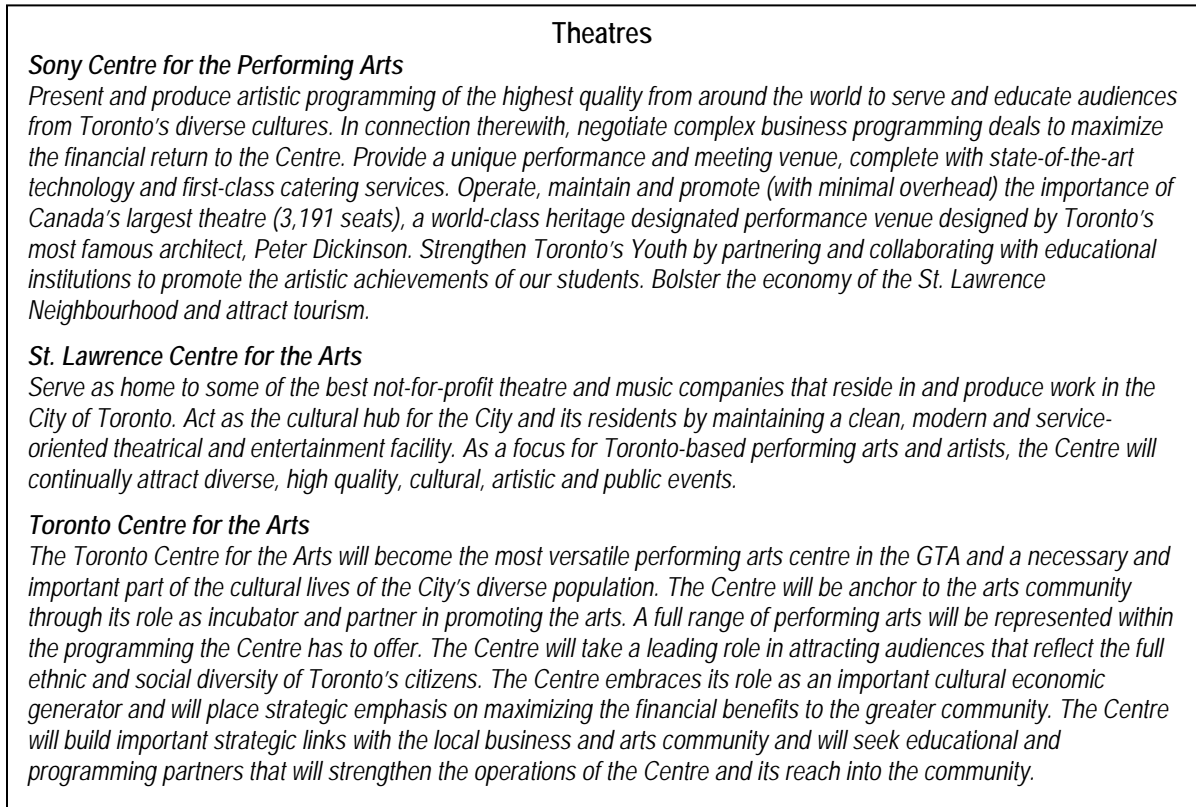
1. City Council approve the 2014 Operating Budget for Theatres of \$22.161 million gross and \$4.757 million net, comprised of the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Sony Centre for the Performing Arts	15,013.3	1,238.0
St. Lawrence Centre for the Arts	3,264.3	1,747.9
Toronto Centre for the Arts	3,883.6	1,771.5
Total Program Budget	<u>22,161.2</u>	<u>4,757.4</u>

2. City Council approve the 2014 service levels, as outlined on page 7, and associated staff complement of 156.5 positions.
3. City Council approve the 2014 market rate user fee changes for St. Lawrence Centre's Bluma Appel Theatre as identified in Appendix 6 for inclusion in the Municipal Code Chapter 441, User Fees and Charges.

III: 2014 SERVICE OVERVIEW AND PLAN

Program Map



Theatrical and Other Cultural Events

Purpose:

To promote Theatre, Arts, and Culture in the community through convenient and cost-effective access to state of the art Theatre venues that support multi-cultural, not-for-profit, and corporate events.

Service Customer

Theatrical and Other Cultural Events

- Venue Client for Events
- Event Participant
- 6 local theatre and music resident companies
- Casual venue renters
- Theatre Patrons generally and specifically Multicultural and Youth audiences
- Concert attendees
- Cultural Programming Producers
- Educational Institutions

2014 Service Deliverables

The Theatres' 2014 Operating Budget of \$22.161 million gross and \$4.757 million net will provide funding to continue to promote theatre, art, and culture in the community by offering the following venues:

- *Sony Centre for the Performing Arts* offers multi-functional space, comprehensive event services, an auditorium, state-of-the-art lighting and sound systems, a world class stage and highly experienced event staff. The Theatre will build and reinforce the Centre's brand of excellence in programming performances of diversity which appeal to all of Toronto's residents.
- *St. Lawrence Centre for the Arts* provides state-of-the-art facilities to Toronto's not for profit performing arts companies and local communities at an affordable cost. The Centre will continue to attract a diverse array of high quality, cultural and artistic events, while augmenting its bottom line with select corporate and for-profit presenters.
- Toronto Centre for the Arts offers a first class venue for a full range of performing arts. The Centre will become the most versatile performing arts centre in Toronto. It will build strategic links with the local business and arts community, and seek educational and programming partners that will strengthen the operations of the Centre and its reach into the community.

Service Profile: Theatrical and Other Cultural Events



What we do

Promote Theatre, Arts, and Culture in the community through convenient and cost-effective access to state of the art Theatre venues that support multi-cultural, not-for-profit, and corporate events.

2014 Service Levels

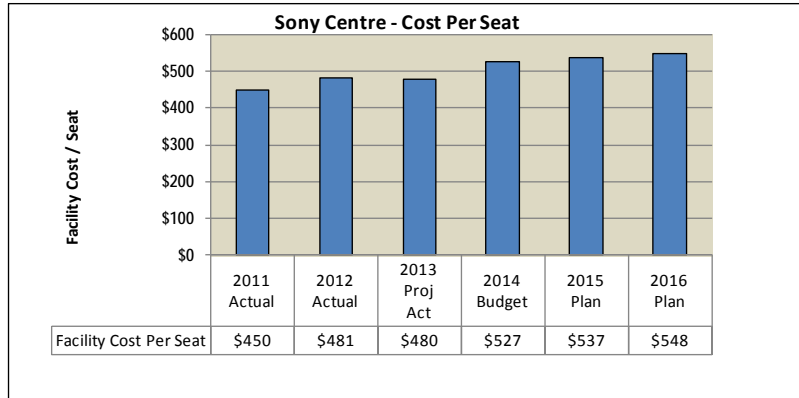
Theatres

Type	Service Level
	2014 Recommended
Sony Centre Theatre Corporate Events (Sony)	95% utilization of the 32 day minimum booking target for corporate events
Sony Centre Theatre Not-for-Profit / multi-cultural Events (Sony)	95% utilization for the 87 day minimum booking target for not-for-profit / multi-cultural events
Bluma Appel Theatre Corporate Events (STLCA)	55% utilization of the 20 day minimum booking target for corporate events
Bluma Appel Theatre Not-for-Profit / multi-cultural Events (STLCA)	86% utilization of the 126 day minimum booking target for not-for-profit / multicultural events
Jane Mallett Theatre Corporate Events (STLCA)	100% utilization of the 15 day minimum booking target for corporate events
Jane Mallett Theatre Not-for-Profit / multi-cultural Events (STLCA)	100% utilization of the 64 day minimum booking target for not-for-profit / multicultural events
Rehearsal Hall Corporate Events (STLCA)	100% utilization of the 15 day minimum booking target for corporate events
Rehearsal Hall Theatre Not-for-Profit / multi-cultural Events (STLCA)	90% utilization of the 35 day minimum booking target for not-for-profit / multicultural events
The Main Stage Theatre Corporate Events (TCA)	33% utilization of the 10 day minimum booking target for corporate events
The Main Stage Theatre Not-for-Profit / multi-cultural Events (TCA)	14% utilization of the 70 day minimum booking target for not-for-profit / multicultural events
George Weston Theatre Corporate Events (TCA)	100% utilization of the 20 day minimum booking target for corporate events
George Weston Theatre Not-for-Profit / multi-cultural Events (TCA)	131% utilization of the 80 day minimum booking target for not-for-profit / multicultural events
The Studio Theatre Not-for-Profit / multi-cultural Events (TCA)	105% utilization of the 200 day minimum booking target for not-for-profit / multicultural events

Service Performance Measures

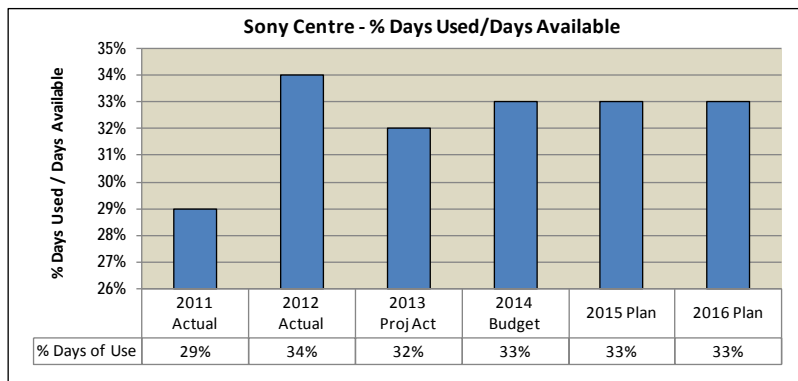
Sony Centre for the Performing Arts

Efficiency Measure – Cost Per Seat



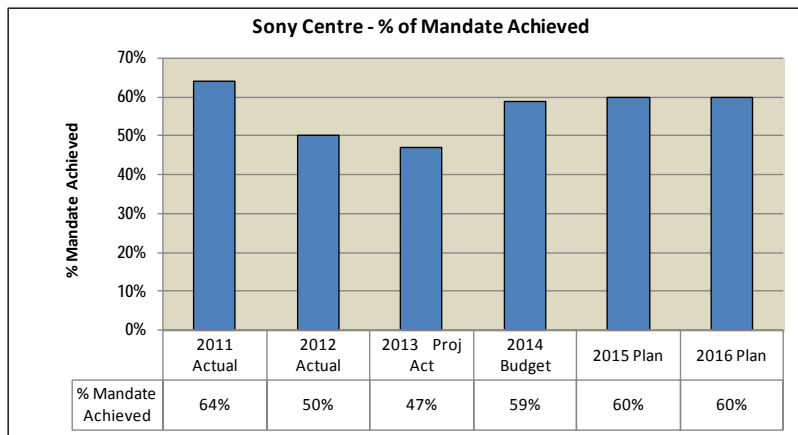
- The cost per seat increased by 6.7% from \$450 in 2011 to \$480 by 2013 due to higher volume of activity.
- Future year cost per seat is targeted at \$527 in 2014, \$537 in 2015, and \$548 in 2016. The increased cost is reflective of estimated inflationary costs.

Effectiveness Measure - % Days Used/Days Available



- In 2011, Sony Centre's first full year of operations, 29% of available days were booked. In 2012, available days booked rose to 34% and is projected to remain steady at 32-33% from 2013 to 2016 based on bookings which reflects the current sluggish market conditions.

Effectiveness Measure - % of Mandate Achieved

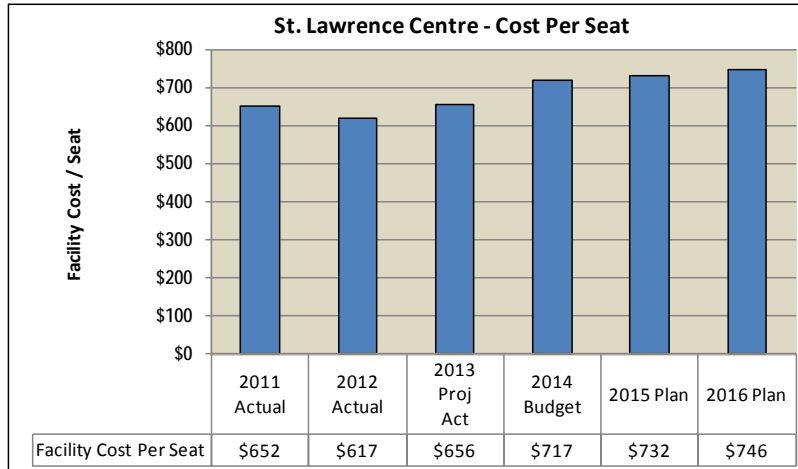


- The percentage of performances at Sony Centre which achieved the Centre's mandate of presenting musical theatre, international dance, children's and family events was 64% in 2011 and is projected to decline to 47% by 2013 which reflects the challenges inherent in finding risk presentations which meet mandate and are self-sufficient.

Service Performance Measures

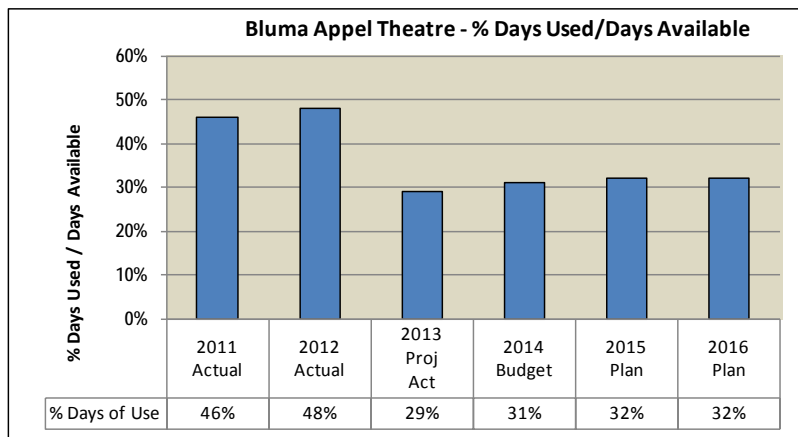
St. Lawrence Centre for the Arts

Efficiency Measure – Cost Per Seat

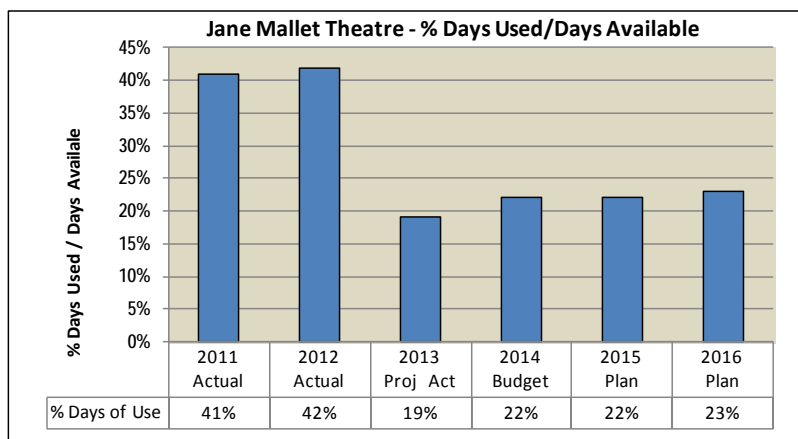


- The cost per seat of \$652 in 2011 is 5.6% higher than 2012 as the 2012 cost reflects the newly negotiated rates for the IATSE crew maintenance building operation costs and utility and cleaning cost savings. The steady increase in the cost per seat in 2013 of \$656 to \$746 by 2016 reflects inflationary factors, as well as City building and maintenance rate increases charged to the Centre.

Effectiveness Measure - % Days Used/Days Available

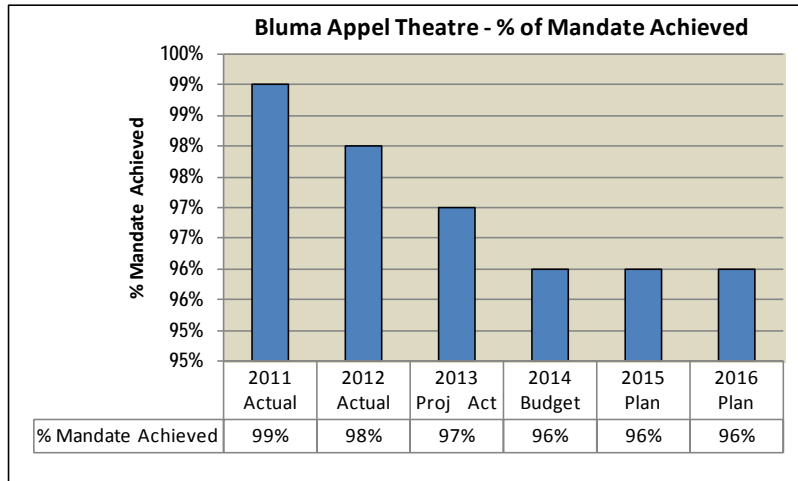


- The percentage of days used in the Bluma Appel Theatre has declined from 46% in 2011 to 29% in 2013 due to the cancellation of Canadian Stage presentations. Future year days used to days available are targeted at 31% in 2014, 32% in 2015, and 32% in 2016 due to the reduction in Canadian Stage bookings of the Bluma Appel Theatre.

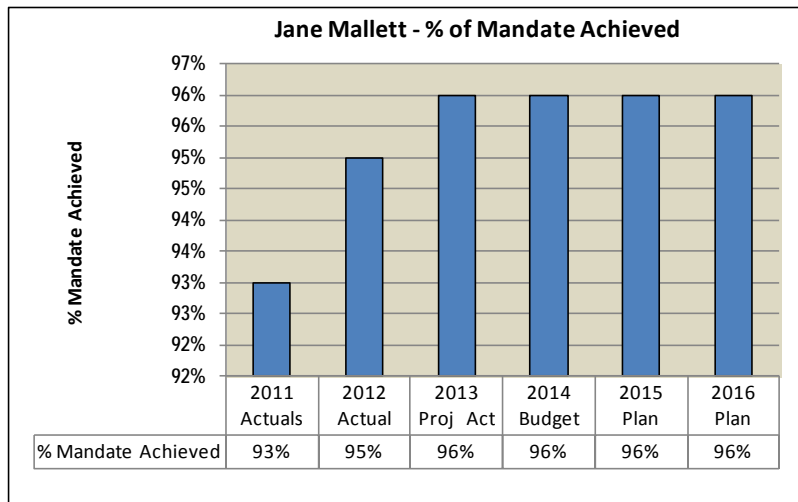


- The percentage of days used in the Jane Mallett Theatre has also declined from 41% in 2011 to 19% in 2013 due to the departure of a resident company and cancellation of one-off bookings. Future days used are projected to be 22% in 2014 which is based on firm bookings, 22% in 2015 and 23% in 2016.

Effectiveness Measure - % of Mandate Achieved



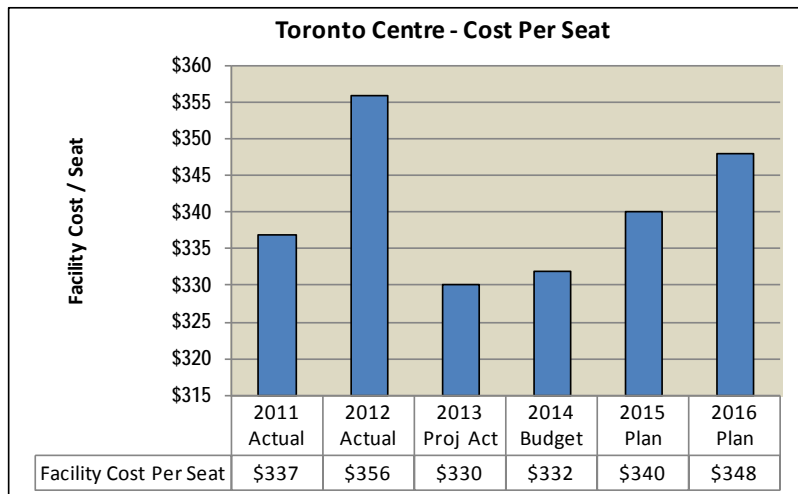
- The percentage of performances held in the Bluma Appel Theatre which met the Centre's mandate was 99% in 2011, 98% in 2012 and 97% in 2013. Future year performances which meet the Centre's mandate are targeted at 96% for 2014 to 2016 due to the expectation of increased corporate events.



- The percentage of performances held in the Jane Mallett Theatre which met the Centre's mandate to serve the not-for-profit groups has gradually increased from 93% in 2011 to 96% in 2013. Future year performances which meet the mandate are targeted at 96% from 2014 to 2016.

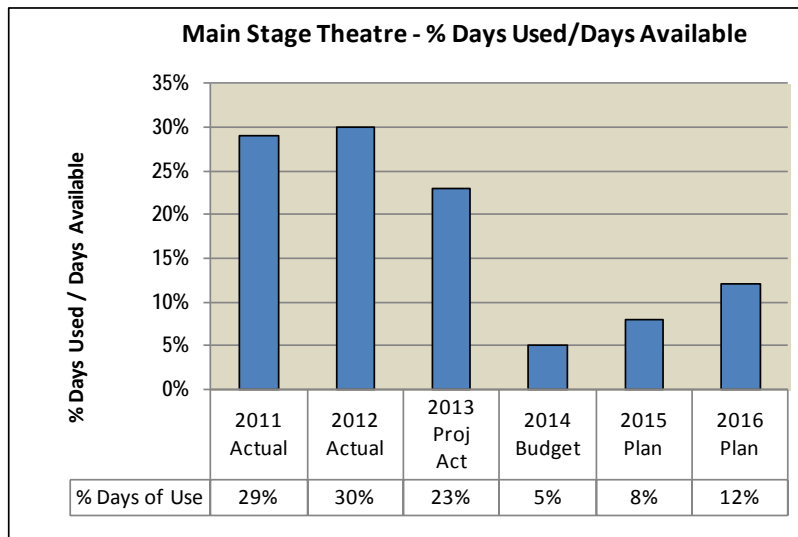
Toronto Centre for the Arts

Efficiency Measure – Cost Per Seat

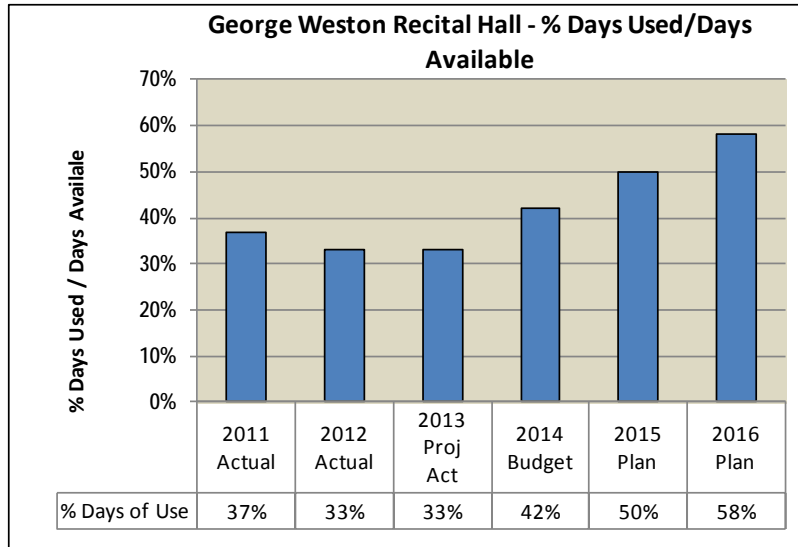


- The cost per seat in 2011 was \$337 and is projected to remain steady at \$330 in 2013. The future year cost per seat is targeted at \$332 in 2014, \$340 in 2015 and \$348 in 2016 to reflect the gradual increase due to estimated inflationary costs.

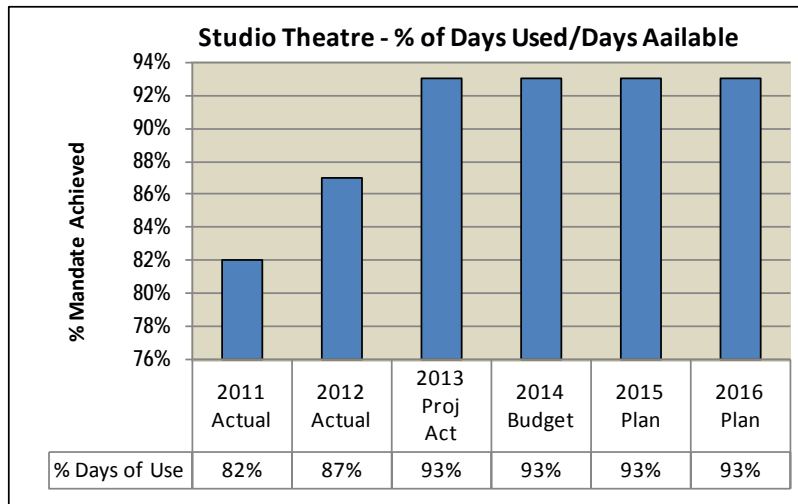
Effectiveness Measure - % Days Used/Days Available



- The percentage of days used to days available (300 days per year) has been declining since 2011 when Dancap Productions reduced programming in the Main Stage Theatre from 37 weeks in 2010 to 12 weeks in 2011. By 2013 the days used will drop further to 23% to reflect the end of the Centre's agreement with Dancap Productions. Future year targets are 5% in 2014, 8% in 2015, and 12% in 2016 to reflect the continual struggle to program the Main Stage Theatre.

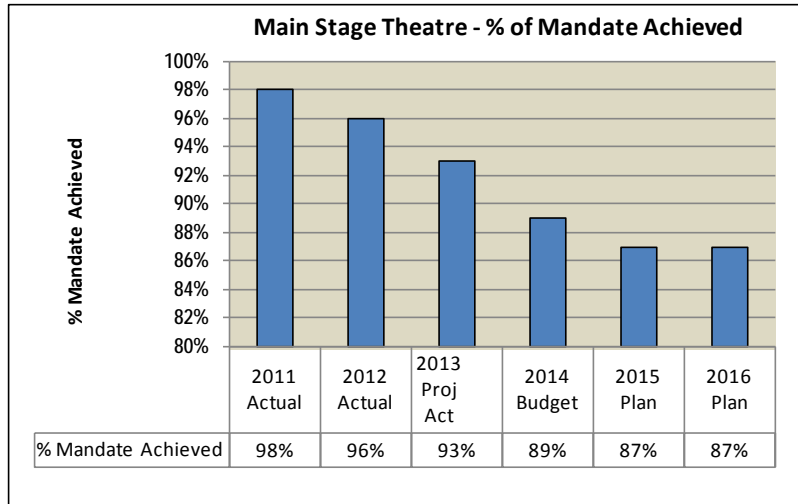


- The percentage of days used to days available (300 days per year) in the George Weston Recital Hall was highest at 37% in 2011 due to programming related to the Canadian Songwriters hall of Fame. Future year targets of 42% in 2014, 50% in 2015, and 58% in 2016 reflect the Centre's expectation for increased activity levels.

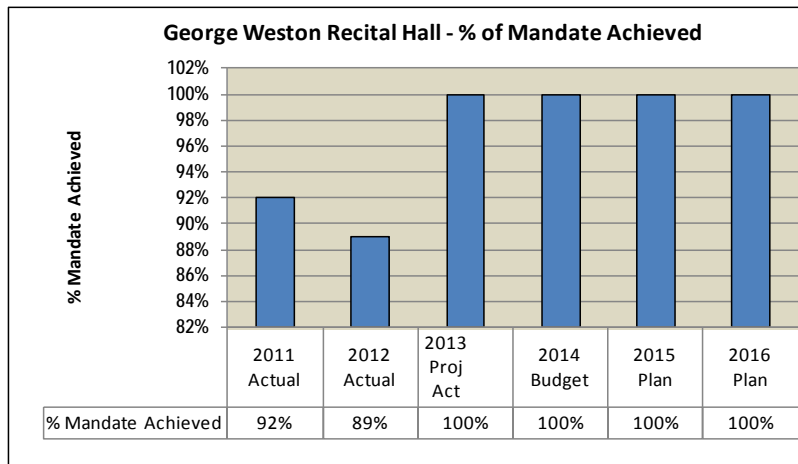


- The percentage of days booked to days available (300 days per year) in the Studio Theatre has gradually increased from 82% in 2011 to 93% in 2013. Future year days used to days available are targeted at a steady 93% between 2014 and 2016 which indicates the trend toward increasing demand for smaller venues from local community arts groups.

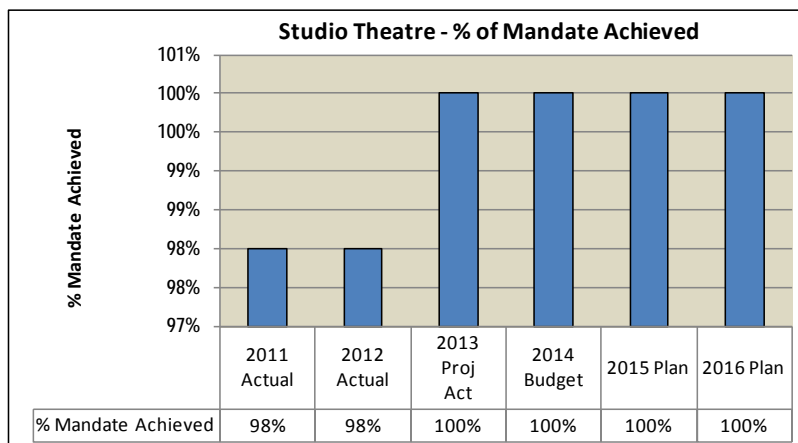
Effectiveness Measure - % of Mandate Achieved



- The percentage of performances held in the Main Stage Theatre which met the Centre's mandate for commercial programming was 98% in 2011 and declined to 93% in 2013. Future year targets are set at 89% in 2014, 87% in 2015, and 87% in 2016 to reflect increasing use by non-profit arts groups.



- The percentage of performances in the George Weston Recital Hall which met the Centre's mandate declined from 92% in 2011 to 89% in 2012 but rose up to 100% in 2013. Future year targets are also expected to remain steady at 100% in each year between 2014 and 2016. The Centre anticipates increased bookings from not-for-profit community arts groups due to reduced IATSE labour costs.



- The percentage of performances in the Studio Theatre which met the Centre's mandate has been steady at 98% in 2011 and 2012. From 2013 to 2016, the Centre's targets are set at 100% due to reduced IATSE labour costs making it more affordable for the community arts groups to utilize this space.

IV: 2014 Total Operating Budget

2014 Operating Budget (In \$000s)

(In \$000s)	2013		2014 Operating Budget			2014 vs. 2013 Budget Changes		Incremental Change 2015 and 2016 Plan			
	Budget	Projected Actual	2014 Base	2014 New /Enhanced	2014 Budget			2015		2016	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Sony Centre for the Performing Arts											
Gross Expenditures	16,441.5	13,060.9	15,013.3		15,013.3	(1,428.2)	-8.7%	152.2	1.0%	375.2	2.5%
Revenue	15,182.3	11,742.5	13,775.3		13,775.3	(1,407.0)	-9.3%	202.2	1.5%	425.2	3.0%
Net Expenditures	1,259.2	1,318.4	1,238.0	-	1,238.0	(21.2)	-1.7%	(50.0)	-4.0%	(50.0)	-4.2%
St. Lawrence Centre for the Arts											
Gross Expenditures	3,425.0	3,137.0	3,264.3		3,264.3	(160.7)	-4.7%	112.6	3.4%	49.6	1.5%
Revenue	1,973.9	1,389.0	1,516.4		1,516.4	(457.5)	-23.2%	40.1	2.6%	31.5	2.0%
Net Expenditures	1,451.1	1,748.0	1,747.9	-	1,747.9	296.8	20.5%	72.5	4.1%	18.1	1.0%
Toronto Centre for the Arts											
Gross Expenditures	3,742.6	3,637.4	3,883.6		3,883.6	141.0	3.8%	(231.0)	-5.9%	61.4	1.7%
Revenue	2,123.8	1,857.7	2,112.1		2,112.1	(11.7)	-0.6%	(293.5)	-13.9%	-	0.0%
Net Expenditures	1,618.8	1,779.7	1,771.5	-	1,771.5	152.7	9.4%	62.5	3.5%	61.4	3.3%
Total											
Gross Expenditures	23,609.1	19,835.3	22,161.2		22,161.2	(1,447.9)	-6.1%	33.8	0.2%	486.2	2.2%
Revenue	19,280.0	14,989.2	17,403.8		17,403.8	(1,876.2)	-9.7%	(51.2)	-0.3%	456.7	2.6%
Total Net Expenditures	4,329.1	4,846.1	4,757.4	-	4,757.4	428.3	9.9%	85.0	1.8%	29.5	5.7%
Sony Centre for the Performing Arts	69.5	67.5	65.6		65.6	(3.9)	5.6%	-	0.0%	-	0.0%
St. Lawrence Centre for the Arts	35.9	31.8	31.1		31.1	(4.8)	13.4%	-	0.0%	-	0.0%
Toronto Centre for the Arts	59.8	62.1	59.8		59.8	-	0.0%	-	0.0%	-	0.0%
Approved Positions	165.2	161.4	156.5		156.5	(8.7)	-5.3%	-	0.0%	-	0.0%

The 2014 Operating Budget for Theatres of \$22.161 million gross and \$4.757 million net represents a \$0.428 million or 9.9% increase from the Theatres' 2013 Approved Operating Budget of \$23.609 million gross and \$4.329 million net and is comprised of the following services:

Sony Centre for the Performing Arts is \$0.021 million net or 1.7% below the 2013 Approved Budget for Sony Centre of \$1.259 million net.

- Base pressures are mainly driven by inflation on non-labour factors, cost-of-living-adjustments for salaries, and a reduction in revenues due to declining stage activity which are fully offset by projected increases in ancillary revenues.

St. Lawrence Centre for the Arts is \$0.297 million or 20.5% over the 2013 Approved Budget of \$1.451 million net.

- The change is attributed to a reduction in programming and ancillary revenues at the Centre arising from fewer days of use, economic factors on salary and non-labour expenses, and a rise in City building and maintenance costs charged to St. Lawrence which were partially offset by a reduction in staffing costs.
- Future pressures arise from inflationary increases to non-labour expenditures, anticipated cost-of-living adjustments for salaries, and forecasted revenues for 2015 and 2016.

Toronto Centre for the Arts is \$0.153 million or 9.4% over the 2013 Approved Budget of \$1.619 million net.

- Base pressures include revenue reductions arising from volume change in base activity, cost-of-living adjustments for salaries and adjustments to expenditures to reflect actual usage.
- Salary and corporate economic factors account for pressures in the 2015 and 2016 Outlooks.

The 2014 Budget reduces the Theatres' approved staff complement resulting in a change from 165.2 to 156.5 as highlighted in the table below:

2014 Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
Opening Complement	165.2	156.5	156.5
In-year Adjustments			
Adjusted Staff Complement	165.2	156.5	156.5
Change in Staff Complement			
- Base Activity Level Change - Sony Centre	(3.9)		
- Base Activity Level Change - St. Lawrence Centre	(4.8)		
Total	156.5	156.5	156.5
% Change over prior year	-5.3%		

- The 2014 Base Budget decreases Sony Centre's total staff complement by 3.9 positions, from 69.5 to 65.6 approved positions due to declining volumes in base activity levels requiring fewer cost-recoverable staff.
- St. Lawrence Centre's 2014 Base Budget reduces its total staff complement by 4.8 recoverable crew positions, from 35.9 to 31.1 approved positions attributed to reduced programming in base activity levels.

**2014 Base Budget
(In \$000s)**

(In \$000s)	2013 Budget	2014 Base	Change		Incremental Change			
			2014 Base vs. 2013 Budget		2015 Plan		2016 Plan	
			\$	%	\$	%	\$	%
By Service	\$	\$	\$	%	\$	%	\$	%
Sony Centre for the Performing Arts								
Gross Expenditures	16,441.5	15,013.3	(1,428.2)	-8.7%	152.2	1.0%	375.2	2.5%
Revenue	15,182.3	13,775.3	(1,407.0)	-9.3%	202.2	1.5%	425.2	3.0%
Net Expenditures	1,259.2	1,238.0	(21.2)	-1.7%	(50.0)	-4.0%	(50.0)	-4.2%
St. Lawrence Centre for the Arts								
Gross Expenditures	3,425.0	3,264.3	(160.7)	-4.7%	112.6	3.4%	49.6	1.5%
Revenue	1,973.9	1,516.4	(457.5)	-23.2%	40.1	2.6%	31.5	2.0%
Net Expenditures	1,451.1	1,747.9	296.8	20.5%	72.5	4.1%	18.1	1.0%
Toronto Centre for the Arts								
Gross Expenditures	3,742.6	3,883.6	141.0	3.8%	(231.0)	-5.9%	61.4	1.7%
Revenue	2,123.8	2,112.1	(11.7)	-0.6%	(293.5)	-13.9%	-	0.0%
Net Expenditures	1,618.8	1,771.5	152.7	9.4%	62.5	3.5%	61.4	3.3%
Total								
Gross Expenditures	23,609.1	22,161.2	(1,447.9)	-6.1%	33.8	0.2%	486.2	2.2%
Revenue	19,280.0	17,403.8	(1,876.2)	-9.7%	(51.2)	-0.3%	456.7	2.6%
Net Expenditures	4,329.1	4,757.4	428.3	9.9%	85.0	1.8%	29.5	5.7%
Sony Centre for the Performing Arts	69.5	65.6	(3.9)	-5.6%	-	0.0%	-	0.0%
St. Lawrence Centre for the Arts	35.9	31.1	(4.8)	-13.4%	-	0.0%	-	0.0%
Toronto Centre for the Arts	59.8	59.8	-	0.0%	-	0.0%	-	0.0%
Approved Positions	165.2	156.5	(8.7)	-5.3%	-	0.0%	-	0.0%

The 2014 Base Budget of \$22.161 million gross and \$4.757 million net is \$0.428 million or 9.9% over the 2013 Approved Budget of \$4.329 million net and provides \$1.563 million in funding for base budget increases which have been offset by \$1.117 million in base expenditure and service budget reductions bringing the Theatres' base budget to \$0.428 million over the budget target of a 0% increase.

The key cost drivers in the base budget of \$1.563 million are detailed in the following table:

**Key Cost Drivers
(In \$000s)**

(In \$000s)	2014 Base Budget
Gross Expenditure Changes	
Economic Factors	
Sony Centre Non-labour	167.6
St. Lawrence Centre Non-labour	25.4
Toronto Centre Non-labour	29.3
	222.3
COLA and Progression Pay	
Sony Centre - COLA	23.9
St. Lawrence Centre - COLA & Step	19.3
Toronto Centre - COLA	26.3
	69.5
Other Base Changes	
St. Lawrence Centre - Increase in City Cleaning, Building & Equipment Maintenance	41.6
St. Lawrence Centre - Increase in Marketing	3.6
St. Lawrence Centre - Changes Based on Actuals	5.3
Toronto Centre - Adjustment to 2013 Actual Experience	65.6
Toronto Centre - Movie Screen Section 37	339.0
	455.1
Total Changes	746.9
Revenue Changes	
Sony Centre - Reduction in Volume of Stage Activity	180.0
St. Lawrence Centre - Volume Change in Programming	285.7
Toronto Centre - Volume Change	350.7
Total Changes	816.4
Net Expenditures	1,563.3

- Economic factors for non-labour expenses add a total pressure of \$0.222 million for the 3 city-owned Theatres.
- Cost-of-living adjustments and progression pay account for a total of \$0.069 million.
- An increase in City cleaning, building and maintenance rates add a burden of \$0.042 million to St. Lawrence Centre's 2014 Operating Budget.
- Toronto Centre's 2013 actual experience is a \$0.026 million cost driver in the Theatre's 2014 Operating Budget.
- The construction of a movie screen in the Toronto Centre for the Arts increases one-time base spending by \$0.339 million gross and \$0 net fully financed by Section 37 funds.
- Reduced stage activity and related ancillary revenues has the greatest impact on the cost drivers for Theatres totalling \$0.816 million.

In order to offset the above pressures, the base budget reductions of \$1.117 million are detailed in the following table.

**2014 Service Change Summary by Program
(In \$000s)**

Description (\$000s)	2014 Service Changes				Net Incremental Impact			
	Position Change	Gross Exp.	Net Expense	% Change over 2014 Budget	2015		2016	
					Net Expense	Pos.	Net Expense	Pos.
#	\$	\$	%	\$	#	\$	#	
Base Changes:								
Base Expenditure Changes								
<i>St. Lawrence Centre - Economic Factor Adjustment</i>		(1.5)	(1.5)	0.0%				
<i>St. Lawrence Centre - Salary Base Adjustment</i>		(22.9)	(22.9)	-0.5%				
<i>Toronto Centre - Salary Base Adjustment</i>		(231.3)	(231.3)	-4.9%				
<i>Toronto Centre - Management Consulting & Furniture</i>		(39.9)	(39.9)	-0.8%				
<i>Toronto Centre - Expense Reduction Due to Volume</i>		(40.9)	(40.9)	-0.9%				
<i>Toronto Centre - Economic Factor Adjustment</i>		(7.1)	(7.1)	-0.1%				
Base Expenditure Change	-	(343.6)	(343.6)	-7.2%	-	-	-	-
Base Revenue Changes								
<i>Sony Centre - Increase in Ancillary Activity</i>	(0.7)	227.1	(392.7)	-8.3%				
<i>Toronto Centre - Increase Contribution from Section 37 Funds - Movie Screen</i>			(339.0)					
Base Revenue Change	(0.7)	227.1	(731.7)	-15.4%	-	-	-	-
Sub-Total	(0.7)	(116.5)	(1,075.3)	-22.6%	-	-	-	-
Service Efficiencies								
<i>St. Lawrence Centre - Front of House Reduction and Production Staff Savings</i>		(42.0)	(42.0)	-0.9%				
Sub-Total	-	(42.0)	(42.0)	-0.9%	-	-	-	-
Total Changes	(0.7)	(158.5)	(1,117.3)	-23.5%	-	-	-	-

The 2014 service changes consist of base expenditure and revenue changes of \$1.075 million and service efficiency savings of \$0.042 million net. In total, the Theatres have achieved reductions of \$1.117 million net bringing the 2014 Base Budget to \$4.757 million or 9.9% over the 2013 Budget of \$4.329 million.

The 2014 service changes and 2015 and 2016 incremental impacts are discussed below:

Base Expenditure Changes: (Savings of \$0.344 million gross, \$0.344 million net)

St. Lawrence Centre – Economic Factor Adjustment

- A reduction in expenditures of \$0.002 million reverses out corporate economic factors applied to postage and materials and supplies which are not required.

St. Lawrence Centre – Base Salary Adjustments

- This adjustment of \$0.023 million is related to the decline in stage activity and the requirement for fewer recoverable positions which represents the salary cost savings associated with the economic down turn.

Toronto Centre – Base Salary Adjustments

- This reduction of \$0.231 million represents a drop in recoverable crew costs related to declining stage activity.

Toronto Centre – Management Consulting & Furniture

- A reduction of \$0.040 million results from Management Consulting expenses not required in 2014.

Toronto Centre – Expense Reduction Due to Volume

- A reduction in stage activity expenses of \$0.041 million is related to the revenue loss of \$0.305 million mainly due to reduced usage of the Main Stage Theatre by Classical Theatre Company.

Toronto Centre for the Arts – Economic Factor Adjustment

- This adjustment of \$0.07 million removes the corporate prescribed economic factor to general equipment.

Base Revenue Changes: (Savings of \$0.393 million net)

Sony Centre – Increase in Ancillary Revenues

- To offset declining stage activity, Sony Centre will focus on increasing ancillary revenues through corporate events and food and beverage sales for a revenue increase of \$0.393 million net.

Toronto Centre – Increase Contribution from Section 37 Reserve Fund – Movie Screen

- A one-time grant of \$0.339 million from Section 37 Reserve Funds obtained in the development of 18, 22-28, 32 Holmes Avenue and 19-23, 27-33, 37 Olive Avenue will be used to construct a movie screen in the Toronto Centre for the Arts.

Service Efficiencies: (Savings of \$0.042 million gross, \$0.042 million net)

St. Lawrence Centre – Front of House Reduction and Production Staff Savings

- Salary and Benefit savings arise from a temporary 2 month lay-off of the Front of House Manager position during the summer months when the Centre is dark, as well as a salary adjustment to the Production Coordinator position which resulted when new staff was hired at a lower salary. Total savings amount to \$0.042 million net.
- There are no service changes resulting from this efficiency reduction as the Centre is already dark during the months of July and August. There are no reductions in approved positions.

2014 New / Enhanced Service Priority Actions

There are no new/enhanced priority actions for Theatres in 2014.

**2015 and 2016 Plan
(In \$000s)**

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Anticipated Impacts:										
Sony Centre for the Performing Arts	152.2	202.2	(50.0)	-4.0%		375.2	425.2	(50.0)	-4.2%	
St. Lawrence Centre for the Arts	112.6	40.1	72.5	4.1%		49.6	31.5	18.1	1.0%	
Toronto Centre for the Arts	(231.0)	(293.5)	62.5	3.5%		61.4	-	61.4	3.3%	
Sub-Total	33.8	(51.2)	85.0		-	486.2	456.7	29.5		-
Total Incremental Impact	33.8	(51.2)	85.0		-	486.2	456.7	29.5		-

The 2014 Budget for Theatres will not result in any overall net incremental impacts in 2015 and 2016 in order to maintain 2014 service levels.

Future year incremental costs are primarily attributable to the following:

Anticipated Impacts

- Sony Centre for the Performing Arts projects an incremental decrease of \$0.050 million net in each year for 2015 and 2016 to maintain the 2014 level of service and staff complement. The changes reflect the anticipated activity levels.
- St. Lawrence Centre for the Arts forecasts an incremental increase in 2015 of \$0.073 million net and in 2016 of \$0.018 million net due to anticipated revenue changes from reduced programming and projected labour and non-labour economic factors.
- Toronto Centre for the Arts expects an incremental net increase of \$0.063 million in 2015 and \$0.061 million in 2016 to reflect the inflationary increases in labour and non-labour expenses, as well as changes in volume of business.

V: ISSUES FOR DISCUSSION

2014 Issues

St. Lawrence Centre's Ability to Meet Budget Target

- St. Lawrence Centre for the Arts' 2014 Operating Budget of \$1.748 million net is \$0.297 million or 20.5% over the 2013 Approved Operating Budget of \$1.432 million net.
- Reductions in 2014 revenue projections of \$0.457 million are attributed to the decline in bookings, volume of rental days, and ancillary revenues which is partially offset by reduced stage expenditures of \$0.172 million for a budget pressure of \$0.286 million net.
- Labour and non-labour inflationary impacts account for \$0.021 million and \$0.025 million respectively which have been partially offset by a reversal of economic factors for postage and materials and supplies (\$0.002 million).
- Other base budget increases of \$0.065 million include increased payroll costs, training, City cleaning, building and equipment repair costs, and marketing.
- Salary and Benefit savings arising from the service efficiency review partially offsets the base pressures for an incremental increase in the 2014 Operating Budget for St. Lawrence Centre of \$0.297 million net.
- Any further reductions in overhead expenditures would impede the Centre's ability to service its clients and patrons and sustain a viable operation.

Toronto Centre's Ability to Meet Budget Target

- Toronto Centre for the Arts' 2014 Operating Budget of \$1.771 million net did not achieve the 0% target and is \$0.153 million net or 9.4% over the 2013 Approved Operating Budget of \$1.619 million net.
- Revenue losses from declining stage activity in the Main Stage Theatre accounts for decreased revenue targets of \$0.305 million below 2013 targets which is partly due to the departure of the Classical Theatre Company from the Centre's Main Stage Theatre.
- Forecasted revenues arising from the business plan recommendation to re-configure the Main Stage Theatre into smaller venues to address community demand for space is not included in Toronto Centre for the Arts' 2014 Operating Budget since the capital project is included in Economic, Development and Culture's 2014 Capital Budget and Council approval of that budget was granted simultaneously with the Theatres' Operating Budget.
- Base pressures include cost of inflation for non-labour factors (\$0.029 million), cost-of-living adjustments for salaries (\$0.029 million), and changes to the base budget to reflect actual expenditures for 2013 (\$0.066 million) and are partially offset by base expenditure reductions in salary (\$0.231 million), consulting (\$0.40 million), and a reversal of the economic factor applied to equipment (\$0.007 million).
- Any additional reductions would significantly impact service delivery.

St. Lawrence Centre - User Fee Rate Change

- St. Lawrence Centre for the Arts' 2014 Operating Budget includes market rate increases for its user fees in the Bluma Appel Theatre (\$90 or 3%) driven by changing market conditions. Please see Appendix 6 for user fee details.
- City Council approved the 2014 market rate user fee changes for St. Lawrence Centre for the Arts' Bluma Appel Theatre as identified in Appendix 6 – Column "2014 Budget Rate" for inclusion in the Municipal Code Chapter 441, User Fees and Changes.

Future Year Issues*Future of the Three Major Civic Theatres*

- At its meeting of September 26 and 27, 2011 City Council considered a Core Service Review and authorized the City Manager to issue a Request for Expression of Interest (REOI) to determine options for sale, lease, operation or other arrangement in respect to the Sony Centre for the Performing Arts, St. Lawrence Centre for the Arts and Toronto Centre for the Arts.
- The Request for Expression of Interest was issued in May 2012 and yielded findings, as presented in a report to the November 2012 Executive Committee entitled "Future of the Three Major Civic Theatres – Directions Resulting from the Request for Expression of Interest" dated October 22, 2012 (Item EX24.8) in which the City Manager recommended:
 - City Council authorize the City Manager to work with City staff to determine how to structure a potential divestment of the Sony Centre for the Performing Arts, and report back to City Council with a proposed process and guidelines that:
 - Include allowance for potential adaptive reuse and other innovative strategies for sustained use; and
 - Are subject to existing zoning and heritage by-laws governing land use and the building, and take into consideration recent capital improvements.
- Consideration of the October 22, 2012 report was deferred to the November 19, 2012 Executive Committee (Item EX25.5) meeting and the following recommendation was made to City Council:
 - Defer consideration of recommendation 3 of the report (October 22, 2012) from the City Manager for 120 days, and request the Board of the Sony Centre to develop and submit to the City Manager's Office, a long-term strategic plan and a five-year business plan for the Sony Centre to continue as a City-owned theatre, which will substantially reduce or eliminate the City's subsidy, and that:
 - The Sony Centre Board be permitted and encouraged to consult throughout this review period with the General Manager of Economic Development and Culture.
 - The Board of the Sony Centre be encouraged to work with the Boards of the Toronto Centre for the Arts and the St. Lawrence Centre to present a comprehensive plan.

- The City Manager and Legal Services provide assistance as required by the Sony Centre Board.
- **Sony Centre's** Long Term Planning Committee issued an RFP and chose Cultural Asset Management Group (CAMG) as a consultant to draft its plan. In 2013, the Centre undertook a strategic planning process involving:
 - General marketing analysis for all three theatres
 - Sony Centre Business Analysis
 - Sony Centre Business and Strategic Options
 - Sony Centre Strategic Plan and 5 Year Business Model
- The consultant completed portions of their report in 2013 which have been presented and adopted by Sony Centre's Board of Directors. The final portion of the consultant's report was received by Sony Centre's Board of Directors at the end of March 2014 with a copy provided to the General Manager of Economic, Development and Culture for review and consideration.
- **Toronto Centre for the Arts** Planning Committee has undergone a planning process with NetGain Partners Inc. to develop a long-term business plan and strategy. A draft plan was reviewed by the TCA Board at the end of May 2013 which offered 3 options based on community feedback to deliver the Centre's mandate of serving the not-for-profit arts organizations:
 1. Status Quo + Non-stage Use
 2. Status Quo + Non-Stage Use + Non-Performance Use of Main Stage
 3. Status Quo + Non-Stage Use + Reconfiguration of Main Stage
- The third option was the preferred choice as demonstrated by community demands. The final draft contains details of organizational and physical changes, as well as a review of the demand for the 2 smaller spaces. The cost of the reconfiguration capital project of \$6.924 million is included in Economic, Development and Culture's 2014-2023 Capital Plan with 50% funding from debt and 50% funding from the North York Performing Arts Capital Reserve Fund with cash flows phased over 2014 and 2015 and construction to start in September 2014.
- Toronto Centre for the Arts' final consultant report was forwarded to the General Manager of Economic, Development and Culture for review and consideration.
- **St. Lawrence Centre for the Arts** Planning Committee has also undertaken a process with their consultant to address the Centre's future. The option chosen was to maintain status quo and improve value-added services offered to clients including the provision of marketing and advertising of shows and events. To incorporate this recommendation, St. Lawrence Centre's 2014 Operating Budget includes an increased marketing budget of \$3,600 to offer email blast services to an established database of subscribers advertising shows and events. In future years, 2 additional marketing positions will be added to enhance this service to clients. The final consultant's report has been provided to Economic, Development and Culture for consideration.

- The General Manager of Economic, Development and Culture will work with the City's Theatres Working Group to embark on a process to bring forward opportunities for co-operation, co-ordination, and efficiencies among the three theatres. Any proposals and recommendations arising from this process are expected to be reflected in the 2015 and future Operating Budget processes.
- Future development and service improvement requests for funding to market centres and engage the communities will be considered once review of the consultant reports have been completed by Economic, Development and Culture staff.

Appendix 1

2013 Service Performance

2013 Key Accomplishments

In 2013, Sony Centre for the Performing Arts achieved the following results:

- ✓ Expanded corporate rentals business:
 - New major corporate events and clients include The Canadian Screen Awards, FeTNA Convention, Glenn Gould Foundation, Ontario Energy Association, LoyaltyOne and OLG.
 - Corporate usage in 2013 increased by 50% or 11 days from 22 days to 33 days.
- ✓ Presented attractions from China, Japan, Vietnam, Russia, India, Iran, Turkey, Spain, United Kingdom, United States and Canada which promoted multicultural programming.

In 2013, St. Lawrence Centre for the Arts achieved the following results:

- ✓ Collaborated with theatre consultants Janis Barlow and Jenny Ginder on a Strategic Plan and 5 Year Business Plan, as mandated by City Council.
- ✓ Worked with the Schulich School of Business on a comprehensive strategic analysis of the Centre and received recommendations to enhance the Centre's future success and viability.
- ✓ Hosted the prestigious annual "Dora Mavor Moore Awards" for the 4th consecutive year. The Centre is now the permanent home of this Toronto Theatre Awards event.
- ✓ Hosted the sold-out performance of the 2013 Luminato Festival presentation of "The Life and Death of Marina Abramovic" featuring artist Marina Abramovic and acting legend Willem Dafoe.
- ✓ Booked a total of 133 days in the Bluma Appel Theatre and 119 days in the Jane Mallett Theatre.

In 2013, Toronto Centre for the Arts achieved the following results:

- ✓ Worked in partnership with consultant NetGain Partners Inc. to complete a 5 year strategic plan as requested by City Council at its meeting on November 27, 2012
 - The 5 year strategic plan included extensive community consultation to ensure the plan is aligned with Council's directive that Toronto Centre for the Arts function primarily as a community cultural asset.
 - The plan also builds on the recommendation of the City's Creative Capital Gains report for Toronto Centre for the Arts offer affordable venues to the arts community.

- ✓ Devised a proposal for the Centre's under-utilized Main Stage Theatre to be reconfigured into smaller venues, at a scale and cost affordable to the Centre's main stakeholder group – Toronto's not-for-profit community arts groups.
 - The proposed time line will commence phase 1 of construction by September 2014 to meet the growing demand for affordable space in the northern part of Toronto.
 - The capital funding requirement for the reconfiguration capital project is \$6.924 million gross, 50% or \$3.462 million funded from debt and 50% financed by the North York Performing Arts Centre Capital Reserve Fund and is included in the 2014 Economic, Development, and Culture Capital Budget and 2015-2023 Capital Plan.

2013 Financial Performance

2013 Budget Variance Analysis (In \$000s)

	2011 Actuals	2012 Actuals	2013 Approved Budget	2013 Projected Actuals*	2013 Approved Budget vs. Projected Actual Variance	
(\$000s)	\$	\$	\$	\$	\$	%
Gross Expenditures						
Sony Centre for the Performing Arts	10,648.0	13,475.7	16,441.5	13,060.9	(3,380.6)	(20.6)
St. Lawrence Centre for the Arts	3,664.0	3,426.3	3,425.0	3,137.0	(288.0)	(8.4)
Toronto Centre for the Arts	4,462.7	4,766.7	3,742.6	3,637.4	(105.2)	(2.8)
	18,774.7	21,668.7	23,609.1	19,835.3	(3,773.8)	(16.0)
Revenues						
Sony Centre for the Performing Arts	9,587.0	12,781.4	15,182.3	11,742.5	(3,439.8)	(22.7)
St. Lawrence Centre for the Arts	2,079.9	1,963.9	1,973.9	1,389.0	(584.9)	(29.6)
Toronto Centre for the Arts	3,183.9	3,528.4	2,123.8	1,857.7	(266.1)	(12.5)
	14,850.8	18,273.7	19,280.0	14,989.2	(4,290.8)	(22.3)
Net Expenditures						
Sony Centre for the Performing Arts	1,061.0	694.3	1,259.2	1,318.4	59.2	4.7
St. Lawrence Centre for the Arts	1,584.1	1,462.4	1,451.1	1,748.0	296.9	20.5
Toronto Centre for the Arts	1,278.8	1,238.3	1,618.8	1,779.7	160.9	9.9
	3,923.9	3,395.0	4,329.1	4,846.1	517.0	11.9
Approved Positions						
Sony Centre for the Performing Arts	57.1	72.2	69.5	67.5	(2.0)	(2.9)
St. Lawrence Centre for the Arts	43.1	37.5	35.9	31.8	(4.1)	(11.4)
Toronto Centre for the Arts	61.2	68.0	59.8	62.1	2.3	3.8
	161.4	177.7	165.2	161.4	(3.8)	(2.3)

*Based on the 3rd Quarter Operating Budget Variance Report

2013 Experience

- The third quarter variance results indicate that the Theatres will be over spent by \$0.517 million or 11.9% over the 2013 Net Operating Budget of \$4.329 million by year-end due to the following factors:
 - **Sony Centre for the Performing Arts** projects its 2013 Operating Budget of \$1.259 million will be overspent by \$0.059 million or 4.7% due to low ticket sales and ancillary

revenues for an engagement booked in the first quarter of the year. Despite exceptional results in Corporate Events and food and beverage activities, the loss on the event could not be fully recovered.

- **St. Lawrence Centre for the Arts** is projecting to be overspent on its 2013 Operating Budget of \$1.451 million by \$0.297 million or 20.5% by year-end because of various show and one-off bookings cancellations which affect ancillary revenues and crew recoveries.
- **Toronto Centre for the Arts** projects its 2013 Operating Budget of \$1.619 million will be overspent by \$0.161 million or 9.9%. The overspending is attributed to unachieved naming sponsorship revenues and reduced usage of the Main Stage Theatre by Classical Theatre Company. Toronto Centre will not approach the market place for these revenues until there is clarity over the future of the 3 theatres.

Impact of 2013 Operating Variance on the 2014 Budget

- Each Theatre has included adjustments in their 2014 Operating Budget to reflect the projected outcomes in 2013.
 - Sony Centre's 2014 Operating Budget includes a net increase of \$0.393 million to reflect enhanced food and beverage activity to offset the general slowdown in the performing arts sector.
 - St. Lawrence Centre reduced its revenue target by \$0.286 million net to reflect declining bookings and ancillary activity.
 - The 2014 revenue targets for Toronto Centre for the Arts has been reduced by \$0.351 million which is based on a status-quo operating business model and reflects the continual struggle to improve utilization of the Main Stage Theatre.
 - Anticipated revenue forecasts arising from increased activity on the re-configured Main Stage Theatre are not included in Toronto Centre for the Arts' 2014 Operating Budget as the re-configuration capital project included in Economic, Development and Culture's 2014 Capital Budget was considered simultaneously with Theatres' Operating Budget.

Appendix 2a

2014 Total Operating Budget by Expenditure Category

Program Summary by Expenditure Category (In \$000s)

Sony Centre for the Performing Arts

Category of Expense	2011	2012	2013	2013	2014	2014 Change from		2015	2016
	Actual	Actual	Budget	Projected	Budget	2013 Budget	%	Plan	Plan
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	5,043.5	5,580.3	6,113.9	5,418.9	5,931.5	(182.4)	-3.0%	5,979.3	6,028.3
Materials and Supplies	755.6	863.3	1,064.8	900.8	1,027.7	(37.1)	-3.5%	1,093.3	1,127.6
Equipment	46.4	24.6	33.3	37.2	47.1	13.8	41.4%	48.5	49.2
Services & Rents	3,512.3	4,323.0	6,285.0	4,327.3	5,345.7	(939.3)	-14.9%	5,612.0	5,739.9
Contributions to Capital									
Contributions to Reserve/Res Funds		27.8	1,295.5	27.8	1,631.2	335.7	25.9%	1,402.1	1,565.4
Other Expenditures	1,290.2	1,388.6	1,649.0	1,002.4	1,030.1	(618.9)	-37.5%	1,030.2	1,030.2
Interdivisional Charges									
Total Gross Expenditures	10,648.0	12,207.6	16,441.5	11,714.4	15,013.3	(1,428.2)	-8.7%	15,165.4	15,540.6
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	6,728.7	8,579.2	11,612.2	7,568.5	9,429.1	(2,183.1)	-18.8%	9,709.5	9,879.4
Transfers from Capital Fund						-			
Contribution from Reserve Funds			1,267.7		1,603.4	335.7	26.5%	1,374.2	1,537.6
Contribution from Reserve						-			
Sundry Revenues	2,858.3	2,934.5	2,302.4	2,827.6	2,742.8	440.4	19.1%	2,893.7	2,985.6
Total Revenues	9,587.0	11,513.7	15,182.3	10,396.1	13,775.3	(1,407.0)	-9.3%	13,977.4	14,402.6
Total Net Expenditures	1,061.0	693.9	1,259.2	1,318.3	1,238.0	(21.2)	-1.7%	1,188.0	1,138.0
Approved Positions	57.1	72.2	69.5	67.5	65.6	(3.9)	-5.6%	65.6	65.6

2014 Key Cost Drivers

A decline in budgeted days of use and number of performances at Sony Centre impacts multiple expenditure and revenue categories as follows:

- Salaries and Benefits dropped by \$0.182 million or 3% below the 2013 Operating Budget to reflect the decline in crew recoverable positions as a result of fewer days of use.
- Materials and Supplies are \$0.037 million or 3.5% lower compared to 2013.
- Services and Rents in 2014 dropped by \$0.939 million and is 14.9% less than the 2013 Operating Budget.
- A reduction in User Fees and Donations of \$2.183 million or which accounts for an 18.8% drop over 2013 clearly reflects the anticipated change in activity levels in 2014.
- The 2014 Sundry Revenues is 19.1% or \$0.440 million higher than 2013, as it represents an increase in ancillary activities for corporate event rentals and food and beverage.

- Overall, the 2014 Operating Budget for Sony Centre includes expenditure and revenue reductions of \$1.428 million and \$1.407 million, respectively; as well as a reduction of 3.9 crew recoverable positions which indicate a general slowdown in theatre activity.
- Contributions to/from the Facility Fee Reserve Fund of \$1.603 million in 2014 are \$0.337 million higher due to the delays in removing the Temporary Dressing Room Trailer at the Sony Centre from 2013 to 2014. The contributions and draws to/from this Reserve Fund finance ongoing chattel assets and repayment of the capital completion loan.

Appendix 2b

2014 Total Operating Budget by Expenditure Category

Program Summary by Expenditure Category (In \$000s)

St. Lawrence Centre for the Arts

Category of Expense	2011	2012	2013	2013	2014	2014 Change from		2015	2016
	Actual	Actual	Budget	Projected	Budget	2013 Budget	%	Plan	Plan
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	2,554.3	2,419.4	2,351.6	2,105.1	2,138.9	(212.7)	-9.0%	2,225.7	2,250.9
Materials and Supplies	443.3	400.7	446.4	414.8	437.0	(9.4)	-2.1%	453.0	470.0
Equipment	0.6								
Services & Rents	526.6	497.2	447.8	522.5	506.7	58.9	13.2%	515.4	521.7
Contributions to Capital									
Contributions to Reserve/Res Funds	14.0	14.2	89.1	89.3	89.1	-	0.0%	89.1	89.1
Other Expenditures	125.2	94.8	90.1	80.3	92.6	2.5	2.8%	93.7	94.8
Interdivisional Charges									
Total Gross Expenditures	3,664.0	3,426.3	3,425.0	3,212.0	3,264.3	(160.7)	-4.7%	3,376.9	3,426.5
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	1,911.9	1,934.0	1,863.8	1,340.3	1,410.7	(453.1)	-24.3%	1,450.0	1,481.5
Transfers from Capital Fund									
Contribution from Reserve Funds			75.0	75.0	75.0	-	0.0%	75.0	75.0
Contribution from Reserve									
Sundry Revenues	168.0	29.9	35.1	48.7	30.7	(4.4)	-12.5%	31.5	31.5
Total Revenues	2,079.9	1,963.9	1,973.9	1,464.0	1,516.4	(457.5)	-23.2%	1,556.5	1,588.0
Total Net Expenditures	1,584.1	1,462.4	1,451.1	1,748.0	1,747.9	296.8	20.5%	1,820.4	1,838.5
Approved Positions	43.1	37.5	35.9	31.8	31.1	(4.8)	-13.4%	31.1	31.1

- The 2014 Salaries and Benefits decreased by \$0.213 million or 9% over the 2013 Operating Budget. Personnel costs have declined due to reduced staffing of recoverable crew arising from declining volume of activity, as well as salary reductions arising from efficiency reviews (\$0.042 million).
- The User Fee and Donations in 2014 are \$0.453 million or 24.3% less than the previous year due to various show cancellations and reduced ancillary revenues.
- A reduction of 4.8 approved positions is the result of reduced activity levels and is included in the 2014 Base Budget.
- An increase in Services and Rents of \$0.059 million reflects adjustments based on actual usage.
- On the whole, the expenditure reduction of \$0.161 million and revenue loss of \$0.457 million in 2014 results in an increased net pressure of \$0.297 million over the 2013 Operating Budget.

Appendix 2c

2014 Total Operating Budget by Expenditure Category

Program Summary by Expenditure Category (In \$000s)

Toronto Centre for the Arts

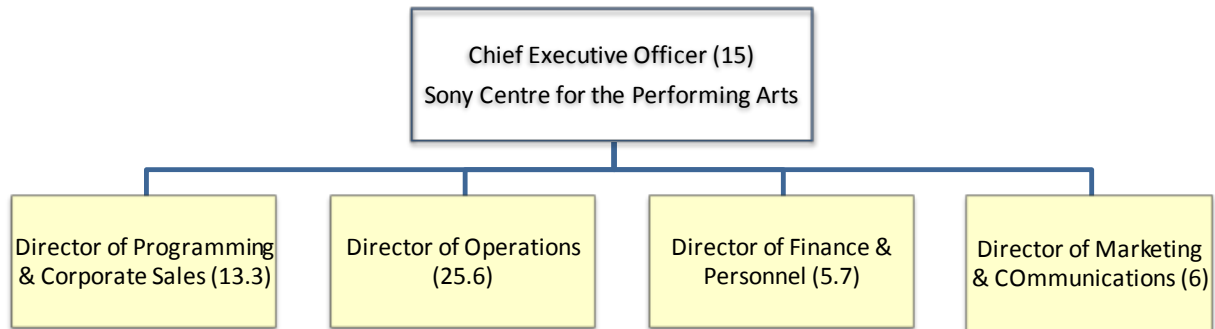
Category of Expense	2011	2012	2013	2013	2014	2014 Change from		2015	2016
	Actual	Actual	Budget	Projected	Budget	2013 Budget	%	Plan	Plan
	\$	\$	\$	\$	\$	\$		\$	\$
Salaries and Benefits	3,234.2	3,509.0	2,546.6	2,675.3	2,341.5	(205.1)	-8.1%	2,418.9	2,449.2
Materials and Supplies	484.4	503.8	403.7	449.9	361.1	(42.6)	-10.6%	380.9	401.4
Equipment	31.2	29.0	323.3	30.4	662.3	339.0	104.9%	330.2	337.0
Services & Rents	696.8	708.6	252.8	383.8	302.5	49.7	19.7%	306.4	310.2
Contributions to Capital									
Contributions to Reserve/Res Funds	16.1	16.2	216.2	98.0	216.2	-	0.0%	216.2	216.2
Other Expenditures									
Interdivisional Charges									
Total Gross Expenditures	4,462.7	4,766.6	3,742.6	3,637.4	3,883.6	141.0	3.8%	3,652.6	3,714.0
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	2,974.9	3,278.0	1,823.8	1,857.7	1,473.1	(350.7)	-19.2%	1,518.6	1,518.6
Transfers from Capital Fund									
Contribution from Reserve Funds	209.0	250.0	300.0		639.0	339.0	113.0%	300.0	300.0
Contribution from Reserve									
Sundry Revenues									
Total Revenues	3,183.9	3,528.0	2,123.8	1,857.7	2,112.1	(11.7)	-0.6%	1,818.6	1,818.6
Total Net Expenditures	1,278.8	1,238.6	1,618.8	1,779.7	1,771.5	152.7	9.4%	1,834.0	1,895.4
Approved Positions	61.2	68.0	59.8	62.1	59.8	-	0.0%	59.8	59.8

- The decrease in the Salaries and Benefits of \$0.205 million or 8.1% compared to 2013 is attributed to ongoing under-utilization of the Main Stage Theatre resulting in fewer recoverable crew positions.
- The increase in Equipment and Contribution from Reserve Funds of \$0.339 million or 105% and 113% respectively over 2013 is due to the construction of a movie screen for the Centre funded from a one-time contribution from Section 37 community benefits obtained in the development of 18, 22-28, 32 Holmes Avenue and 19-23, 27-33, 37 Olive Avenue.
- Materials and Supplies are reduced by \$0.043 million or 10.6% over 2013 because of base budget changes to reflect 2013 actual experience.
- The 2014 User Fee and Donations are declining by \$0.351 million or 19.2% below the 2013 Operating Budget. This reduction is primarily due to the discontinued use of the Main Stage Theatre by Classical Theatre Company.
- Taken as a whole, the expenditure reduction of \$0.198 million and revenue loss of \$0.351 million results in the 2014 Operating Budget being \$0.153 million or 9.4% over the 2013 Approved Operating Budget.

Appendix 2a - Continued

2014 Organization Chart

Sony Centre for the Performing Arts

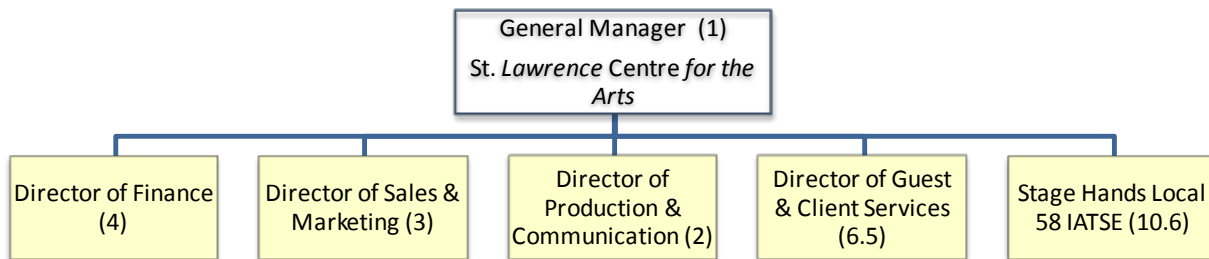


2014 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	1.0	15.0	7.0	5.0	28.0
Part-Time			9.1	28.5	37.6
Total	1.0	15.0	16.1	33.5	65.6

Appendix 2b - Continued

2014 Organization Chart St. Lawrence Centre for the Arts

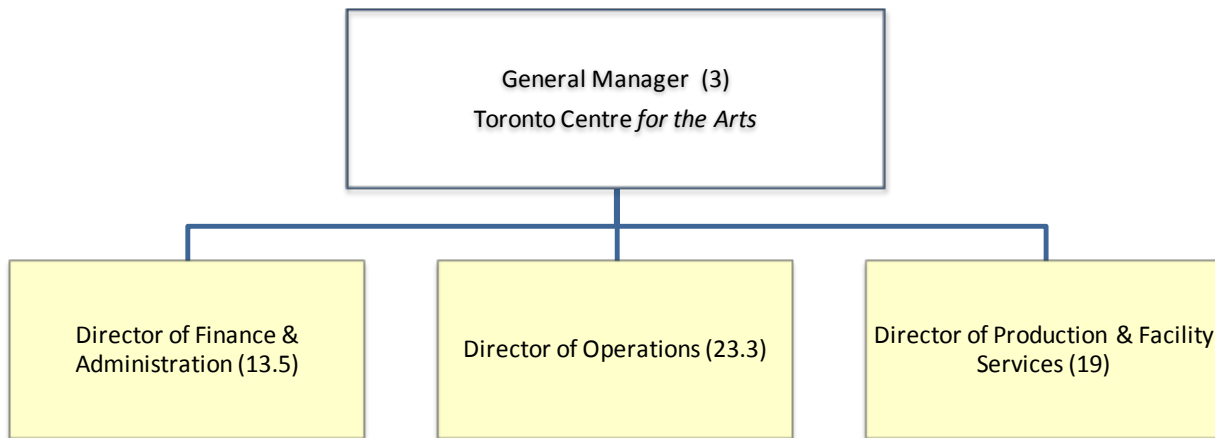


2014 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	1.0	8.0	5.0	3.5	17.5
Part-Time			2.0	11.6	13.6
Total	1.0	8.0	7.0	15.1	31.1

Appendix 2c - Continued

2014 Organization Chart Toronto Centre for the Arts



2014 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	1.0	12.0			13.0
Part-Time			37.3	9.5	46.8
Total	1.0	12.0	37.3	9.5	59.8

Appendix 3

Summary of 2014 Service Changes

**2014 Operating Budget - Council Approved Service Change
Summary by Service
(\$000s)**

Form ID		Agencies - Cluster Program: Theatres	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

2014 Council Approved Base Budget Before Service Change:	22,203.3	17,403.8	4,799.5	156.5	42.9	29.6
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		2014 Reduction of Front of House and Production staff savings
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51	1	Description:
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Salary and Benefit savings arise from a temporary 2 month lay off of the Front of House Manager position during the summer months when the Centre is dark, as well as a salary adjustment to the Production Coordinator position which arose when new staff was hired at a lower salary. Total savings amount to \$0.042 million net.

Service Level Impact:

There are no service changes resulting from this efficiency reduction as the Centre is already dark during the months of July and August. There are also no reductions in approved positions, only a change in salary compensation for the Production Coordinator position.

Service: St. Lawrence Centre For The Arts-2014

Staff Recommended:	(42.1)	0.0	(42.1)	0.0	42.1	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	(42.1)	0.0	(42.1)	0.0	42.1	0.0
Staff Recommended:	(42.1)	0.0	(42.1)	0.0	42.1	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0

Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

**2014 Operating Budget - Council Approved Service Change
Summary by Service
(\$000s)**

Form ID		Agencies - Cluster Program: Theatres	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved Service Changes:			(42.1)	0.0	(42.1)	0.0	42.1	0.0

Summary:

Staff Recommended:	(42.1)	0.0	(42.1)	0.0	42.1	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.0	0.0	0.0
Council Approved Service Changes:	(42.1)	0.0	(42.1)	0.0	42.1	0.0
Total Council Approved Base Budget:	22,161.2	17,403.8	4,757.4	156.5	84.9	29.6

Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

Appendix 5

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014	2015	2016
Projected Beginning Balance		7,597.8	7,597.8	6,370.8	3,934.8
North York Performing Arts Centre Capital Reserve Fund	XR3007				
<i>Proposed</i>					
<i>Withdrawals (-)</i>					
Minor capital repairs			(300.0)	(300.0)	(300.0)
Main Stage Re-configuration Capital Project			(1,127.0)	(2,336.0)	
<i>Contributions (+)</i>					
			200.0	200.0	200.0
Total Reserve / Reserve Fund Draws / Contributions			(1,227.0)	(2,436.0)	(100.0)
Balance at Year-End			6,370.8	3,934.8	3,834.8

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Proposed Withdrawals (-) / Contributions (+)		
			2014	2015	2016
Projected Beginning Balance		1.1	1.1	1.1	1.1
St. Lawrence Centre for the Arts Capital Reserve Fund	XR1046				
<i>Proposed</i>					
<i>Withdrawals (-)</i>					
			(75.0)	(75.0)	(75.0)
<i>Contributions (+)</i>					
			75.0	75.0	75.0
Total Reserve / Reserve Fund Draws / Contributions			-	-	-
Balance at Year-End			1.1	1.1	1.1

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Proposed Withdrawals (-) / Contributions (+)		
			2014	2015	2016
Projected Beginning Balance		474.0	474.0	192.0	180.0
Sony Centre Facility Fee Reserve Fund	XR3030				
<i>Proposed</i>					
<i>Withdrawals (-)</i>					
			(1,233.0)	(989.0)	(1,227.0)
<i>Contributions (+)</i>					
			951.0	977.0	1,048.0
Total Reserve / Reserve Fund Draws / Contributions			(282.0)	(12.0)	(179.0)
Balance at Year-End			192.0	180.0	1.0

Appendix 5 - Continued

Corporate Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance		18,307.0	18,307.0	18,365.1	18,423.2
Insurance Reserve Fund	XR1010				
<i>Proposed</i>					
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>					
Sony Centre			27.8	27.8	27.8
St. Lawrence Centre			14.1	14.1	14.1
Toronto Centre			16.2	16.2	16.2
Total Reserve / Reserve Fund Draws / Contributions			58.1	58.1	58.1
Balance at Year-End		18,307.0	18,365.1	18,423.2	18,481.3

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance		1,391.6	1,391.6	1,052.6	1,052.6
Section 37 (Account 3700028)	XR3026				
<i>Proposed</i>					
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>					
Toronto Centre			(339.0)		
Total Reserve / Reserve Fund Draws / Contributions			(339.0)	-	-
Other program / Agency Net Withdrawals & Contributions					
Balance at Year-End		1,391.6	1,052.6	1,052.6	1,052.6

Appendix 6

2014 User Fee Rate Changes

Inflation and Other Adjustment

Rate Description	Service	Fee Category	Fee Basis	2013	2014			2015	2016		
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Budget Volume	Incremental Revenue	Plan Rate	Plan Rate
Theatre Rental Bluma Appel - Not for Profit	St. Lawrence Centre	Market Based	Per Day	\$3,000.00	N/A	\$90.00	\$3,090.00	53.10	\$14,443.20	\$3,090.00	\$3,090.00