

Regina Exhibition Association Limited
operating Evraz Place
All of REAL
Statement of Income

2019
Budget Pack

Total Business - Annual Report Format*

*(with Sales adjusted to show Sales that generate Cost of Goods Sold)

	<i>Budget</i> 2019 \$	<i>Forecast</i> 2018 \$	<i>Actual</i> 2017 \$	<i>Actual</i> 2016 \$	<i>Actual</i> 2015 \$	<i>Actual</i> 2014 \$
Revenues						
Food & Beverage Sales	14,383,887	14,292,194	15,151,244	8,659,343	8,678,342	8,011,852
Other Sales & Rentals	23,334,744	22,230,170	23,597,045	16,583,553	16,736,093	14,614,955
Contributions & COR Capital	200,640	437,465	407,256	401,324	454,229	439,301
Sponsorships & Advertising	2,748,150	2,358,468	2,231,408	1,684,469	1,725,224	1,508,740
Revenue Continuance	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
	43,267,421	41,918,297	43,986,954	29,928,689	30,193,887	27,174,847
Expenses						
Cost of Goods Sold	5,017,168	5,196,286	5,611,569	3,308,226	3,237,849	2,824,196
Utilities	3,445,015	3,424,416	3,248,958	2,103,651	2,184,855	2,063,629
In-Scope Labour Costs	10,655,361	11,497,570	10,654,996	8,161,790	8,260,348	8,232,707
Out-of-Scope Labour	7,427,879	6,495,449	6,582,021	4,920,505	4,037,817	4,042,558
Contracted Labour	1,818,889	1,855,033	2,456,674	1,521,499	893,351	791,540
Other Non-Labour Costs	11,390,674	10,155,923	11,993,181	6,126,967	7,249,772	4,757,188
Repairs & Maintenance	2,392,849	2,305,684	2,924,120	3,084,062	2,675,110	2,638,234
	42,147,836	40,930,361	43,471,519	29,226,699	28,539,101	25,350,053
EBITDA	1,119,585	987,936	515,435	701,990	1,654,786	1,824,794

KPIs						
Cash Generation % of Sales	3%	2%	1%	2%	5%	7%
Net income % of Sales	0%	0%	1%	-1%	5%	0%
COGS % of Sales	35%	36%	37%	38%	37%	35%
In Scope % of Sales	26%	30%	26%	30%	30%	34%
Out of Scope % of Sales	18%	17%	16%	18%	15%	17%
In Scope :Out of Scope Ratio	1.43	1.77	1.62	1.66	2.05	2.04
R&M % of Sales	6%	6%	8%	12%	11%	12%
Other non-labour % of Sales	30%	28%	31%	24%	29%	21%

April 1, 2019

Ms. Roseann Anderson
Budget, Financial Analysis and Support
Financial Strategy and Sustainability Division
ROANDERS@regina.ca
City of Regina
2476 Victoria Avenue
Regina SK S4P 3C8

Dear Ms. Anderson:

**RE: The Regina Exhibition Association Limited (REAL)
Additional Information Requested – 2019 Capital Budget**

Dear Ms. Anderson

In alignment with your request for further information on the detail for REAL's 2019 Capital Budget please find the following information:

- In alignment with the 2019 Operating and Capital Budget information submitted on November 5, 2018 and presented to Executive Committee on November 14, 2018 REAL has a Capital Budget of \$500,000.00 for 2019.
- There is currently no plan to fund capital expenditures in 2019 via external sources – in other words all capital projects in 2019 will be self-funded. REAL has established the capital budget based on EBTIDA forecast for 2019.
- The \$500,000.00 is a 75% reduction from the 2018 Capital Budget. The reduction in capital expenditure is two-fold – awareness of cash flow and the need to implement a formal capital expenditure process.
- The 2019 Capital Budget is not earmarked for any specific capital items but rather a general value which will be allocated based on the need and return on investment for the capital expenditure.
- A facility condition assessment will be completed in 2019 which will highlight repairs and improvements to the facilities that will be required to minimize our risk and improve on overall safety of our employees and guests. REAL feels it is important that a formal analysis and review be completed to ensure capital funds are being spent in a manner that is fiscally responsible in the future.
- It has been requested that the COR participate as a full partner in the REAL Facility Asset Condition Assessment Review. At this point we believe this request is consistent with what has been shared with COR Council and COR Executive Leadership Team. At this time the COR has neither confirmed nor declined their participation in this process.

- All capital expenditure requests in 2019 will be treated as *'one-off'* expenses at this time and will be reviewed by the REAL Executive Leadership Team based on safety, operational requirements, service deliver, and future business.

Sincerely,



Amanda Acorn

Governance Officer

The Regina Exhibition Association Limited

- cc. June Schultz – Director of Finance, City of Regina
Tim Reid – President and Chief Executive Officer, REAL
Roberta Engel – Vice President Operations and Finance, REAL