

Item No. 7



Management Report
for
The Board of Governors of Exhibition Place
October 2012

Executive Summary

\$ 000's	Month			Year to Date			
	Actual	Plan	Variance	Actual	Plan	Variance	2011
Revenues	820	933	(113)	7,960	7,978	(18)	7,522
Expenses	(678)	(732)	54	(6,848)	(7,072)	224	(6,652)
EBITDA	142	201	(59)	1,112	906	206	870

- For the month ending October 31, 2012, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$142K was \$59K unfavourable to budget.
- Total revenues of \$820K for the month were \$113K unfavourable to budget mainly due to lower food & beverage revenue (\$89K), suites revenue (\$25K), and CRF revenue (\$19K) partially offset by higher CSA usage fees (\$19K).
- Total operating expenses of \$678K for the month were \$54K favourable to budget mainly due to lower cost of goods sold (\$24K), food & beverage royalties (\$21K), part time wages (\$8K), and full time salaries (\$6K) partially offset by higher than anticipated supplies and services (\$13K).
- While BMO Field projects ending the year positive to budget, the year to date favourable variance will be negatively impacted by an anticipated shortfall due to TFC not qualifying for the MLS playoffs in November as originally planned.

Events hosted by BMO Field:

	Month			Year to Date			2011 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	2	2	-	22	19	3	24
CSA Games	1	-	1	4	3	1	3
International Games	-	1	(1)	1	4	(3)	2
TOTAL	3	3	-	27	26	1	29
Field Rental Hours	8	-	8	80	168	(88)	26

October 2012 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.7M decreased by \$308K from October 31, 2011 due to incentives, rebates and excess cash distributions to the owners of \$1.1M partially offset by cash from operations of \$791K.
- Accounts receivable of \$1.4M was made up primarily of MLSE sponsorship revenue receivable at end of the TFC season (\$950K), MLSE receivables (\$200K), BMO Field Suite Licenses (\$88K), Dome Productions (\$81K), Pinnacle Caterers (\$62K), capital reserve receivable from the City of Toronto (\$43K), and other operating receivables (\$78K).

- Subsequent receipts as of October 14th were \$30K. BMO Field is currently monitoring receivables and two collection issues have been identified relating to Suite Licenses fees. These items have been provided for.
- The year over year decrease in accounts receivable of \$609K was due primarily to timing of collections from Ticketmaster receivables (\$253K), MLSE (\$112K), Pinnacle Caterers (\$131K), and the capital reserve receivable from the City (\$197K) partially offset by an increase in other operating receivables (\$81K).
- Accounts payable and accrued liabilities of \$2.8M were primarily made up MLSE cost recoveries (\$1.1M), TFC suite royalty payable at the end of the season (\$510K), general liabilities (\$477K), the 2012 capital reserve payable to the City at the end of the year (\$340K), operating payables (\$201K), and CSA event payables (\$126K).
- The year over year decrease in accounts payable of \$1.2M was primarily due to the timing of event settlements (\$656K), the payment to the CSA as a result of the new operating agreement (\$442K), ticket liabilities (\$353K) and operating payables (\$284K) partially offset by an increase in MLSE cost recoveries (\$480K).

PROFIT & LOSS

The Operating Profit before Depreciation, Incentives and Rebates for BMO Field for the month ending October 31, 2012 of \$142K was \$59K unfavourable to budget. The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$16K favourable to budget for month due to hosting an additional CSA game (\$33K) partially offset by not hosting an international event (\$19K).
- Food & beverage was \$89K unfavourable to budget for the month due primarily to lower than anticipated stipe counts and per caps at the two MLS matches (\$164K) and not hosting an international event (\$63K) partially offset by the CSA match (\$137K).
- Cost of goods sold and food and beverage royalties were \$24K and \$21K favourable due to budget respectively primarily due to lower than anticipated sales at the TFC matches. Gross margin was 1.9% unfavourable to budget due to higher alcohol costs.
- Suite revenues were \$25K unfavourable to budget in the month due to lower than anticipated suite nightly rentals and additional tickets (\$16K) and suite revenues (\$9K) resulting from the suite license fee collection issues identified above.
- CSA usage fees were \$19K favourable in the month due to hosting a CSA game.
- CRF was \$19K unfavourable in the month due primarily to a true-up of CRF for past games.
- Other usage fees were \$13K unfavourable in month due to not hosting an international event (\$16K) partially offset by higher than anticipated building cable rentals (\$2K).
- Part time salaries were \$8K favourable to budget for the month mainly due not hosting an international event and lower than anticipated stipe counts at the MLS matches partially offset by additional costs for the CSA match.
- Supplies and services were \$13K unfavourable to budget in the month mainly due to concrete maintenance required (\$20K) partially offset by savings in equipment rentals (\$3K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at October 31, 2012

	<u>October 31, 2012</u>	<u>October 31, 2011</u>	<u>December 31, 2011</u>
ASSETS			
Current Assets			
Cash	\$ 2,659,274	\$ 2,967,539	\$ 2,444,441
Accounts receivable	1,358,571	2,049,885	431,731
Taxes recoverable	2,855	-	33,618
Prepaid expenses & deposits	41,339	22,269	37,564
Inventory	21,250	61,758	22,887
	<u>4,083,289</u>	<u>5,101,451</u>	<u>2,970,241</u>
Capital Assets	37,510	37,564	26,026
	<u>\$ 4,120,799</u>	<u>\$ 5,139,015</u>	<u>\$ 2,996,267</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,764,912	\$ 3,999,998	\$ 1,607,372
Taxes payable	-	86,702	-
Incentives & rebates payable	-	20,854	588,897
	<u>2,764,912</u>	<u>4,107,554</u>	<u>2,196,269</u>
Long-Term Suite Deposits	233,784	243,159	243,159
Retained Earnings	1,122,103	788,302	556,839
	<u>\$ 4,120,799</u>	<u>\$ 5,139,015</u>	<u>\$ 2,996,267</u>
Opening Retained Earnings	\$ 556,839	\$ 383,935	\$ 383,935
Operating Profit	1,096,079	728,332	496,869
Distribution of Excess Cash	(530,815)	(323,965)	(323,965)
Closing Retained Earnings	<u>\$ 1,122,103</u>	<u>\$ 788,302</u>	<u>\$ 556,839</u>

BMO FIELD
INCOME STATEMENT
For the Ten Months Ending October 31, 2012

	Month			Year to Date			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2011
Revenues							
Ticketmaster Rebates	\$ 44,589	\$ 28,955	\$ 15,634	\$ 242,754	\$ 219,472	\$ 23,282	\$ 219,885
Club Fees	11,181	11,243	(62)	78,265	78,704	(439)	75,492
Sponsorship	120,195	118,910	1,285	841,365	832,373	8,992	817,691
Contra Sponsorship	(2,500)	2,500	(5,000)	28,086	25,000	3,086	19,246
Food and Beverage	360,588	449,697	(89,109)	4,064,617	4,077,922	(13,305)	4,300,333
F&B Third Party Commissions	27,415	26,104	1,311	241,354	241,026	328	230,121
Event Merchandise	9,050	8,391	659	70,378	79,443	(9,065)	83,374
Suites	139,953	165,000	(25,047)	1,173,693	1,322,396	(148,703)	685,461
TFC Usage Fee	33,656	33,300	356	362,130	316,350	45,780	364,491
CSA Usage Fee	19,106	-	19,106	72,847	33,600	39,247	36,939
CRF	23,931	42,732	(18,801)	402,606	390,255	12,351	411,026
Other Usage Fee	23,194	36,250	(13,056)	308,594	291,480	17,114	207,127
Other Revenue	10,075	10,000	75	72,846	70,000	2,846	70,317
Total Revenues	\$ 820,433	\$ 933,082	\$ (112,649)	\$ 7,959,535	\$ 7,978,021	\$ (18,486)	\$ 7,521,503
Expenses							
Cost of Goods Sold	\$ 131,794	\$ 156,032	\$ 24,238	\$ 1,412,686	\$ 1,414,992	\$ 2,306	\$ 1,496,852
Food & Beverage Royalties	161,031	181,745	20,714	1,572,294	1,620,314	48,020	1,086,903
Full-Time Salaries	62,297	68,131	5,834	549,788	637,194	87,406	528,983
Part-Time Wages	92,842	101,314	8,472	901,859	967,848	65,989	1,077,290
Benefits	9,622	12,202	2,580	98,228	111,969	13,741	103,850
Travel and Entertainment	2,627	1,978	(649)	13,427	21,570	8,143	14,713
Supplies and Services	103,487	90,031	(13,456)	1,080,611	1,099,916	19,305	1,162,440
Insurance	11,625	11,625	-	116,459	116,250	(209)	109,781
Utilities	37,130	40,000	2,870	404,854	375,200	(29,654)	360,919
Capital Reserve	33,933	33,933	-	340,431	339,333	(1,098)	333,333
Management Fee	18,698	18,498	(200)	186,980	184,981	(1,999)	181,710
Other	12,963	16,724	3,761	170,693	182,340	11,647	194,744
Total Operating Expenses	\$ 678,049	\$ 732,213	\$ 54,164	\$ 6,848,310	\$ 7,071,907	\$ 223,597	\$ 6,651,518
Operating Profit before Depreciation, Incentives & Rebates	\$ 142,384	\$ 200,869	\$ (58,485)	\$ 1,111,225	\$ 906,114	\$ 205,111	\$ 869,985
Depreciation	2,106	3,333	1,227	15,146	33,333	18,187	41,653
Operating Profit	\$ 140,278	\$ 197,536	\$ (57,258)	\$ 1,096,079	\$ 872,781	\$ 223,298	\$ 728,332
Gross Margin %	63.5%	65.3%	-1.9%	65.2%	65.3%	-0.1%	65.2%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Ten months ending	
	October 31, 2012	October 31, 2011
OPERATING	\$ 781,653	\$ 1,266,789
FINANCING	(540,190)	(323,965)
	\$ 214,833	\$ 923,578
Net Cash Inflow during the period		
Cash, beginning of period	2,444,441	2,043,961
Cash, end of period	\$ 2,659,274	\$ 2,967,539
OPERATING		
Operating profit after incentives and rebates	\$ 1,096,078	\$ 728,332
Amortization of capital assets	15,146	41,653
Cash provided by non cash working capital items	(329,572)	496,804
	\$ 781,653	\$ 1,266,789
FINANCING		
Long-term deposits	\$ (9,375)	\$ -
Distribution of excess cash to owner	(530,815)	(323,965)
	\$ (540,190)	\$ (323,965)
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (926,840)	\$ (1,786,784)
Prepaid expenses	(3,775)	41,303
Inventory	1,637	(9,394)
Accounts payable and accrued liabilities	1,157,540	2,720,422
Incentives & rebates payable	(588,897)	(443,450)
Taxes payable	30,763	(25,293)
	\$ (329,572)	\$ 496,804