

Item No. 3



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

Executive Summary

000's	Month			Year to Date			
	Actual	Plan	Variance	Actual	Plan	Variance	2011
Revenues	920	1,043	(123)	7,139	7,045	94	6,777
Expenses	(731)	(768)	37	(6,170)	(6,340)	170	(5,995)
EBITDA	189	275	(86)	969	705	264	782

- For the month ending September 30, 2012, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$189K was \$86K unfavourable to budget.
- Total revenues of \$920K for the month were \$123K unfavourable to budget mainly due to lower food & beverage revenue (\$94K), Ticketmaster rebates (\$18K), and suites revenue (\$13K).
- Total operating expenses of \$731K for the month were \$37K favourable to budget mainly due to lower cost of goods sold (\$46K), part time wages (\$31K), full time salaries (\$8K) and food and beverage royalties (\$6K) partially offset by higher than anticipated supplies and services (\$52K).
- While BMO Field projects ending the year positive to budget, the year to date favourable variance will be negatively impacted by an anticipated shortfall in events in the last three months of the year and lower revenues from Toronto FC games.

Events hosted by BMO Field:

	Month			Year to Date			2011 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	2	2	-	20	17	3	22
CSA Games	1	1	-	3	3	-	2
International Games	-	1	(1)	1	3	(2)	2
TOTAL	3	4	(1)	24	23	1	26
Field Rental Hours	35	24	11	72	168	(96)	20

September 2012 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.8M decreased by \$975K from September 30, 2011 due to incentives, rebates and excess cash distributions to the owners of \$1.1M partially offset by cash used from operations of \$154K.
- Accounts receivable of \$1.2M was made up primarily of MLSE sponsorship revenue receivable at end of the TFC season (\$721K), MLSE receivables (\$146K), BMO Field Suite Licenses (\$88K), Pinnacle Caterers (\$59K), Dome Productions (\$45K), capital reserve receivable from the City of Toronto (\$43K), Ticketmaster receivable (\$26K), and other operating receivables (\$39K).
- Subsequent receipts as of October 12th were \$11K. 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 \$1.4M was due primarily to timing of collections from MLSE (\$958K), ticket liabilities (\$226K), Pinnacle Caterers (\$107K), and the capital reserve receivable from the City (\$104K) partially offset by an increase in other operating receivables (\$32K).
- Accounts payable and accrued liabilities of \$2.7M were primarily made up MLSE cost recoveries (\$759K), general liabilities (\$669K), TFC suite royalty payable at the end of the season (\$446K), CSA event payables (\$373K), the 2012 capital reserve payable to the City at the end of the year (\$306K), ticket liabilities (\$158K), and operating payables (\$89K).
- The year over year decrease in accounts payable of \$2.9M was primarily due to the timing of MLS cost recoveries (\$1.1M), event settlements (\$690K), the payment to the CSA as a result of the new operating agreement (\$442K), operating payables (\$430K), and ticket liabilities (\$256K).
- Deferred revenue of \$259K was primarily made up of 2012 suite licenses which are being recognized over the course of the TFC season from March through to October. The increase versus prior year was due to the timing of recognition of the suite royalty payable to MLSE.

PROFIT & LOSS

The Operating Profit before Depreciation, Incentives and Rebates for BMO Field for the month ending September 30, 2012 of \$189K was \$86K unfavourable to budget. The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$18K unfavourable to budget for month due to not hosting an international event.
- Food & beverage was \$94K unfavourable to budget for the month due primarily to lower than anticipated stipe counts, per caps at the two MLS matches (\$128K) and not hosting an international event (\$63K) partially offset by a higher stipe count and per caps at the CSA match (\$97K).
- Cost of goods sold was \$46K favourable to budget primarily due to lower than anticipated. Gross margin was 3.4% favourable to budget due to lower alcohol costs.
- Suite revenues were \$13K unfavourable to budget in the month due to lower than anticipated suite revenues (\$10K) resulting from the suite license fee collection issues identified above and lower than anticipated suite nightly rentals (\$3K).
- Part time salaries were \$31K 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 higher costs at the CSA match due to higher than anticipated stipe counts and food and beverage sales.
- Supplies and services were \$52K unfavourable to budget in the month mainly due to HVAC, painting, plumbing repairs and maintenance required (\$56K) partially offset by savings in equipment rentals (\$3K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at September 30, 2012

	<u>September 30, 2012</u>	<u>September 30, 2011</u>	<u>December 31, 2011</u>
ASSETS			
Current Assets			
Cash	\$ 2,808,312	\$ 3,783,170	\$ 2,444,441
Accounts receivable	1,178,961	2,542,301	431,731
Taxes recoverable	-	78,528	33,618
Prepaid expenses & deposits	63,314	47,403	37,564
Inventory	120,540	176,468	22,887
	<u>4,171,127</u>	<u>6,627,870</u>	<u>2,970,241</u>
Capital Assets	39,616	22,483	26,026
	<u>\$ 4,210,743</u>	<u>\$ 6,650,353</u>	<u>\$ 2,996,267</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,711,322	\$ 5,566,536	\$ 1,607,372
Taxes payable	24,617	-	-
Deferred revenue	259,194	114,973	-
Incentives & rebates payable	-	20,854	588,897
	<u>2,995,133</u>	<u>5,702,363</u>	<u>2,196,269</u>
Long-Term Suite Deposits	233,784	243,159	243,159
Retained Earnings	981,826	704,831	556,839
	<u>\$ 4,210,743</u>	<u>\$ 6,650,353</u>	<u>\$ 2,996,267</u>
Opening Retained Earnings	\$ 556,839	\$ 383,935	\$ 383,935
Operating Profit	955,802	644,861	496,869
Distribution of Excess Cash	(530,815)	(323,965)	(323,965)
Closing Retained Earnings	<u>\$ 981,826</u>	<u>\$ 704,831</u>	<u>\$ 556,839</u>

BMO FIELD
INCOME STATEMENT
For the Nine Months Ending September 30, 2012

	Month			Year to Date			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2011
Revenues							
Ticketmaster Rebates	\$ 33,651	\$ 51,197	\$ (17,546)	\$ 198,165	\$ 190,516	\$ 7,649	\$ 197,589
Club Fees	11,181	11,243	(62)	67,085	67,460	(375)	63,831
Sponsorship	120,195	118,910	1,285	721,170	713,463	7,707	700,878
Contra Sponsorship	2,500	2,500	-	30,586	22,500	8,086	22,500
Food and Beverage	415,812	509,492	(93,680)	3,704,029	3,628,225	75,804	3,914,197
F&B Third Party Commissions	28,446	30,524	(2,078)	213,939	214,922	(983)	207,021
Event Merchandise	2,726	9,159	(6,433)	61,327	71,052	(9,725)	80,492
Suites	151,787	165,000	(13,213)	1,033,740	1,157,396	(123,656)	601,779
TFC Usage Fee	33,656	33,300	356	328,474	283,050	45,424	331,783
CSA Usage Fee	20,365	11,200	9,165	53,741	33,600	20,141	27,090
CRF	52,543	55,121	(2,578)	378,674	347,523	31,151	371,531
Other Usage Fee	36,988	35,750	1,238	285,400	255,230	30,170	197,877
Other Revenue	10,034	10,000	34	62,771	60,000	2,771	60,310
Total Revenues	\$ 919,884	\$ 1,043,396	\$ (123,512)	\$ 7,139,101	\$ 7,044,937	\$ 94,164	\$ 6,776,878
Expenses							
Cost of Goods Sold	\$ 130,335	\$ 176,794	\$ 46,459	\$ 1,280,892	\$ 1,258,960	\$ (21,932)	\$ 1,381,146
Food & Beverage Royalties	182,083	188,352	6,269	1,411,263	1,438,569	27,306	987,046
Full-Time Salaries	60,380	68,131	7,751	487,491	569,063	81,572	463,370
Part-Time Wages	89,331	120,555	31,224	809,018	866,534	57,516	965,139
Benefits	9,973	12,207	2,234	88,605	99,767	11,162	86,351
Travel and Entertainment	1,273	1,074	(199)	10,800	19,592	8,792	13,921
Supplies and Services	132,834	80,738	(52,096)	977,123	1,009,886	32,763	1,043,877
Insurance	11,625	11,625	-	104,835	104,625	(210)	99,901
Utilities	46,616	39,200	(7,416)	367,724	335,200	(32,524)	312,025
Capital Reserve	33,933	33,933	-	306,498	305,400	(1,098)	300,000
Management Fee	18,698	18,498	(200)	168,282	166,483	(1,799)	163,539
Other	13,680	17,078	3,398	157,729	165,616	7,887	178,214
Total Operating Expenses	\$ 730,761	\$ 768,185	\$ 37,424	\$ 6,170,260	\$ 6,339,695	\$ 169,435	\$ 5,994,529
Operating Profit before Depreciation, Incentives & Rebates	\$ 189,123	\$ 275,211	\$ (86,088)	\$ 968,841	\$ 705,242	\$ 263,599	\$ 782,349
Depreciation	2,106	3,333	1,227	13,039	30,000	16,961	37,488
Operating Profit	\$ 187,017	\$ 271,878	\$ (84,861)	\$ 955,802	\$ 675,242	\$ 280,560	\$ 644,861
Gross Margin %	68.7%	65.3%	3.4%	65.4%	65.3%	0.1%	64.7%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Eight months ending	
	September 30, 2012	September 30, 2011
OPERATING	\$ 930,690	\$ 2,063,174
FINANCING	(540,190)	(323,965)
	\$ 363,871	\$ 1,739,209
Net Cash Inflow during the period		
Cash, beginning of period	2,444,441	2,043,961
Cash, end of period	\$ 2,808,312	\$ 3,783,170
OPERATING		
Operating profit after incentives and rebates	\$ 955,802	\$ 644,861
Amortization of capital assets	13,039	37,488
Cash provided by non cash working capital items	(38,151)	1,380,825
	\$ 930,690	\$ 2,063,174
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	\$ (747,230)	\$ (2,279,200)
Prepaid expenses	(25,750)	16,169
Inventory	(97,653)	(124,104)
Accounts payable and accrued liabilities	1,103,950	4,286,960
Incentives & rebates payable	(588,897)	(443,450)
Taxes payable	58,235	(190,523)
Deferred revenue	259,194	114,973
Cash provided by operating activities	\$ (38,151)	\$ 1,380,825