

Item No. 8



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

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## Executive Summary

000's	Month			Year to Date			
	Actual	Plan	Variance	Actual	Plan	Variance	2011
<b>Revenues</b>	1,027	1,193	(166)	5,301	5,185	116	4,924
<b>Expenses</b>	(817)	(920)	103	(4,719)	(4,900)	181	(4,658)
<b>EBITDA</b>	210	273	(63)	582	285	297	266

- For the month ending July 31, 2012, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$210K was \$63K unfavourable to budget.
- Total revenues of \$1.0M for the month were \$166K unfavourable to budget mainly due to lower food & beverage revenue (\$96K), suite revenue (\$21K), other usage fees of (\$20K), Ticketmaster rebates (\$20K) and CRF (\$9K).
- Total operating expenses of \$817K for the month were \$103K favourable to budget mainly due to savings in part time wages (\$38K), food and beverage royalties (\$24K), cost of goods sold (\$11K), supplies and services (\$13K), full time salaries (\$8K) and other expenses (\$7K).

Events hosted by BMO Field:

	Month			Year to Date			2011
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendlies & CONCACAF)	3	3	-	14	13	1	16
CSA Games	-	-	-	2	2	-	1
International Games	-	1	(1)	1	2	(1)	1
Other	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>3</b>	<b>4</b>	<b>(1)</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>18</b>
Field Rental Hours	20	48	(28)	42	96	(55)	18

## July 2012 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.8M decreased by \$508K from July 31, 2011 as incentives, rebates and excess cash distributions to the owners of \$855K were partially offset from cash from operations of \$375K.
- Accounts receivable of \$1.1M was made up primarily of MLSE sponsorship revenue receivable at end of season (\$481K), MLSE receivables (\$228K), Pinnacle Caterers (\$89K), BMO Field Suite Licenses (\$88K), Dome Productions (\$57K), capital reserve receivable from the City of Toronto (\$43K), Ticketmaster receivable (\$39K), and other operating receivables (\$37K).
- Subsequent receipts as of August 15<sup>th</sup> were \$155K. 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 \$777K was due primarily to timing of collections from MLSE (\$545K), ticket liabilities (\$173K), Pinnacle Caterers (\$124K), and the capital reserve receivable from the City (\$104K) partially offset by an increase in operating receivables (\$164K).
- Accounts payable and accrued liabilities of \$2.7M were primarily made up of general liabilities (\$761K), MLSE cost recoveries (\$547K), operating payables (\$515K), TFC suite royalty payable at the end of the season (\$346K), the 2012 capital reserve payable to the City at the end of the year (\$239K), ticket liabilities (\$172K), and CSA and Rugby Canada event payables (\$100K).
- The year over year decrease in accounts payable of \$1.7M was primarily due to the timing of event settlements (\$543K), the payment to the CSA as a result of the new operating agreement (\$442K), ticket liability settlements (\$379K), lower MLSE cost recoveries (\$316K) and lower operating payables (\$110K) partially offset by an increase in general liabilities (\$77K).
- Deferred revenue of \$603K 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 July 31, 2012 of \$210K was \$63K unfavourable to budget. Due to the schedule of the CONCACAF (CCF) tournament, the budgeted July CCF match was played on August 1<sup>st</sup> with an additional match being held on August 28<sup>th</sup>. Total estimated impact of the CCF game in July was (\$45K). The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$20K unfavourable to budget for the month primarily due to not hosting a CONCACAF (CCF) in July (\$24K) due to timing of CCF schedule partially offset by higher than anticipated rebates on MLS games (\$4K).
- Food & beverage and third party commissions were \$96K and \$6K unfavourable to budget respectively for the month due primarily to not hosting the CCF game (\$66K) and lower stipe counts and per caps at the three MLS games (\$45K).
- Food & beverage royalty and cost of goods sold were \$24K and \$11K favourable to budget respectively primarily due to not hosting the CCF game and lower than anticipated stipe counts and food and beverage sales at the MLS games. Gross margin was -3.9% unfavourable to budget due to higher food costs.
- Suite revenues were \$21K unfavourable to budget in the month due to the lower than anticipated suite rentals (\$11K) and lower than anticipated suite revenues (\$10K) resulting from the suite license fee collection issues identified.
- The event usage fee and CRF were \$20K and \$9K unfavourable to budget respectively in the month due primarily to not hosting the CCF game.
- Full time salaries were \$8K favourable to budget for the month due to staff vacancies.
- Part time salaries were \$38K favourable to budget for the month mainly due to not hosting the CCF game and lower than anticipated stipe counts and food and beverage sales from the MLS games.
- Supplies and services were \$12K favourable to budget for the month primarily due to savings in trade labour (\$10K) due to timing of building maintenance and general supplies (\$3K).
- Other expenses were \$7K favourable to budget for the month due to lower telephone costs (\$3K) office supplies (2K), and IT costs (1K).

Submitted by:

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Peter Church  
General Manager  
BMO Field

**BMO FIELD**  
**BALANCE SHEET**  
as at July 31, 2012

	<u>July 31, 2012</u>	<u>July 31, 2011</u>	<u>December 31, 2011</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 2,816,369	\$ 3,324,827	\$ 2,444,441
Accounts receivable	1,062,388	1,839,712	431,731
Taxes recoverable	-	-	33,618
Prepaid expenses & deposits	104,812	82,557	37,564
Inventory	152,366	154,078	22,887
	<u>4,135,935</u>	<u>5,401,174</u>	<u>2,970,241</u>
Capital Assets	16,459	30,814	26,026
	<u>\$ 4,152,394</u>	<u>\$ 5,431,988</u>	<u>\$ 2,996,267</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,680,263	\$ 4,356,098	\$ 1,607,372
Taxes payable	36,080	149,294	-
Deferred revenue	603,517	365,381	-
Incentives & rebates payable	-	20,854	588,897
	<u>3,319,860</u>	<u>4,891,627</u>	<u>2,196,269</u>
Long-Term Suite Deposits	233,784	243,159	243,159
Retained Earnings (Deficit)	598,750	297,202	556,839
	<u>\$ 4,152,394</u>	<u>\$ 5,431,988</u>	<u>\$ 2,996,267</u>
Opening Retained Earnings	\$ 556,839	\$ 383,935	\$ 383,935
Operating Profit (Loss)	572,726	237,232	496,869
Distribution of Excess Cash	(530,815)	(323,965)	(323,965)
Closing Retained Earnings (Deficit)	<u>\$ 598,750</u>	<u>\$ 297,202</u>	<u>\$ 556,839</u>

**BMO FIELD  
INCOME STATEMENT  
For the Seven Months Ending July 31, 2012**

	Month			Year to Date			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2011
<b>Revenues</b>							
Ticketmaster Rebates	\$ 12,620	\$ 32,312	\$ (19,692)	\$ 148,495	\$ 132,606	\$ 15,889	\$ 140,320
Club Fees	20,329	11,243	9,086	53,871	44,973	8,898	42,554
Sponsorship	120,195	118,910	1,285	480,780	475,642	5,138	467,252
Contra Sponsorship	2,500	2,500	-	12,922	17,500	(4,578)	17,500
Food and Beverage	550,572	646,486	(95,914)	2,822,092	2,729,771	92,321	2,918,872
F&B Third Party Commissions	31,922	37,650	(5,728)	161,602	161,517	85	157,815
Event Merchandise	6,933	12,406	(5,473)	51,551	53,863	(2,312)	57,346
Suites	149,228	170,332	(21,104)	746,257	830,796	(84,539)	395,352
TFC Usage Fee	50,484	49,950	534	235,592	216,450	19,142	245,310
CSA Usage Fee	-	-	-	33,376	22,400	10,976	16,949
CRF	50,717	59,452	(8,735)	278,888	258,962	19,926	276,550
Other Usage Fee	21,800	41,750	(19,950)	232,787	200,980	31,807	147,735
Other Revenue	10,086	10,000	86	42,620	40,000	2,620	40,844
<b>Total Revenues</b>	<b>\$ 1,027,386</b>	<b>\$ 1,192,991</b>	<b>\$ (165,605)</b>	<b>\$ 5,300,833</b>	<b>\$ 5,185,460</b>	<b>\$ 115,373</b>	<b>\$ 4,924,399</b>
<b>Expenses</b>							
Cost of Goods Sold	\$ 210,292	\$ 221,565	\$ 11,273	\$ 995,968	\$ 949,955	\$ (46,013)	\$ 1,020,671
Food & Beverage Royalties	214,445	238,038	23,593	1,039,806	1,070,945	31,139	756,973
Full-Time Salaries	60,068	68,131	8,063	366,887	432,801	65,914	333,720
Part-Time Wages	105,843	143,682	37,839	613,881	663,372	49,491	746,078
Benefits	11,494	12,207	713	68,529	75,353	6,824	68,898
Travel and Entertainment	1,291	1,098	(193)	7,380	16,636	9,256	11,704
Supplies and Services	103,031	115,692	12,661	767,843	854,414	86,571	901,570
Insurance	8,533	11,625	3,092	78,493	81,375	2,882	80,141
Utilities	38,866	37,400	(1,466)	281,407	256,300	(25,107)	238,254
Capital Reserve	33,933	33,933	-	238,632	237,533	(1,099)	233,333
Management Fee	18,698	18,498	(200)	130,886	129,487	(1,399)	127,197
Other	10,722	17,778	7,056	128,829	132,051	3,222	139,471
<b>Total Operating Expenses</b>	<b>\$ 817,216</b>	<b>\$ 919,647</b>	<b>\$ 102,431</b>	<b>\$ 4,718,541</b>	<b>\$ 4,900,222</b>	<b>\$ 181,681</b>	<b>\$ 4,658,010</b>
<b>Operating Profit (Loss) before Depreciation, Incentives &amp; Rebates</b>	<b>\$ 210,170</b>	<b>\$ 273,344</b>	<b>\$ (63,174)</b>	<b>\$ 582,292</b>	<b>\$ 285,238</b>	<b>\$ 297,054</b>	<b>\$ 266,389</b>
Depreciation	1,367	3,333	1,966	9,566	23,333	13,767	29,157
<b>Operating Profit (Loss)</b>	<b>\$ 208,803</b>	<b>\$ 270,011</b>	<b>\$ (61,208)</b>	<b>\$ 572,726</b>	<b>\$ 261,905</b>	<b>\$ 310,821</b>	<b>\$ 237,232</b>
<b>Gross Margin %</b>	<b>61.8%</b>	<b>65.7%</b>	<b>-3.9%</b>	<b>64.7%</b>	<b>65.2%</b>	<b>-0.5%</b>	<b>65.0%</b>

**BMO FIELD**  
**STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Seven months ending	
	July 31, 2012	July 31, 2011
OPERATING	\$ 912,117	\$ 1,604,831
FINANCING	(540,190)	(323,965)
<b>Net Cash Inflow (Outflow) during the period</b>	<b>\$ 371,928</b>	<b>\$ 1,280,866</b>
<b>Cash, beginning of period</b>	<b>2,444,441</b>	<b>2,043,961</b>
<b>Cash, end of period</b>	<b>\$ 2,816,369</b>	<b>\$ 3,324,827</b>
<b>OPERATING</b>		
Operating loss after incentives and rebates	\$ 572,726	\$ 237,232
Amortization of capital assets	9,566	29,157
Cash provided by non cash working capital items	329,826	1,338,442
	<b>\$ 912,118</b>	<b>\$ 1,604,831</b>
<b>FINANCING</b>		
Long-term deposits	\$ (9,375)	\$ -
Distribution of excess cash to owner	(530,815)	(323,965)
	<b>\$ (540,190)</b>	<b>\$ (323,965)</b>
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (630,657)	\$ (1,576,611)
Prepaid expenses	(67,248)	(18,985)
Inventory	(129,479)	(101,714)
Accounts payable and accrued liabilities	1,072,891	3,076,522
Incentives & rebates payable	(588,897)	(443,450)
Taxes payable	69,698	37,299
Deferred revenue	603,518	365,381
Cash provided by operating activities	<b>\$ 329,826</b>	<b>\$ 1,338,442</b>