

Item No. 7



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

Executive Summary

000's	Month			Year to Date			2011
	Actual	Plan	Variance	Actual	Plan	Variance	
Revenues	1,434	1,153	281	4,273	3,986	287	3,919
Expenses	(981)	(819)	(162)	(3,901)	(3,981)	80	(3,975)
EBITDA / (LBITDA)	453	334	119	372	5	367	(56)

- For the month ending June 30, 2012, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$453K was \$119K favourable to budget.
- Total revenues of \$1.4M for the month were \$281K favourable to budget mainly due to higher food & beverage revenue (\$201K), other usage fees of (\$28K), Ticketmaster rebates (\$20K), CRF (\$14K) and CSA usage fees (\$11K).
- Total operating expenses of \$981K for the month were \$162K unfavourable to budget mainly due to higher cost of goods sold (\$66K), food & beverage royalties (\$34K), part time wages (\$33K), supplies and services (\$18K) and utilities (\$17K) partially offset by savings in full time salaries (\$5K).

Events hosted by BMO Field:

	Month			Year to Date			2011 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	2	2	-	11	10	1	13
CSA Games	2	2	-	2	2	-	1
International Games	1	1	-	1	1	-	-
TOTAL	5	5	-	14	13	1	14
Field Rental Hours	12	24	(13)	12	48	(37)	14

June 2012 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.5M increased by \$320K from June 30, 2012 as cash from operations of \$1.2M were partially offset by incentives, rebates and excess cash distributions to the owners of \$855K.
- Accounts receivable of \$1.1M was made up primarily of MLSE sponsorship revenue receivable at end of season (\$361K), capital reserve receivable from the City of Toronto (\$202K), MLSE receivables (\$137K), Pinnacle Caterers (\$108K), Ticketmaster receivable (\$102K), BMO Field Suite Licenses (\$88K), Dome Productions (\$59K), and other operating receivables (\$44K).
- Subsequent receipts as of July 16th were \$63K. 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 \$519K was due primarily to timing of collections from MLSE (\$459K), ticket liabilities (\$293K), and Pinnacle Caterers (\$90K) partially offset by an increase in operating receivables (\$259K), and the capital reserve receivable from the City (\$57K).
- Accounts payable and accrued liabilities of \$2.3M were made up primarily of MLSE cost recoveries (\$526K), general liabilities (\$462K), operating payables (\$399K), CSA and Rugby Canada event payables (\$354K), TFC suite royalty payable at the end of the season (\$256K), the 2012 capital reserve payable to the City at the end of the year (\$205K) and ticket liabilities (\$133K).
- The year over year decrease in accounts payable of \$954K was primarily due to the timing of ticket liability settlements (\$479K), the payment to the CSA as a result of the new operating agreement (\$442K), lower MLSE cost recoveries (\$181K) due to timing of payments, and a Rugby Canada deposit release (\$20K) partially offset by an increase in CSA and Rugby liabilities (\$144K), and general liabilities (\$42K).
- Deferred revenue of \$778K 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 June 30, 2012 of \$453K was \$119K favourable to budget. The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$20K favourable to budget for the month primarily due to higher than anticipated revenues for the Rugby Canada game (\$14K) and two CSA games (\$5K).
- Food & beverage and third party commissions were \$201K and \$16K favourable respectively to budget for the month due primarily to higher stile counts and per caps at the CSA and Rugby games (\$217K) and hosting an unplanned TFC Open Practice event (\$5K) which was partially offset by lower food & beverage sales from the two MLS games (\$5K) due to lower than anticipated stile counts.
- Food & beverage cost of goods sold and royalty were \$66K and \$34K unfavourable to budget respectively primarily due to higher than anticipated stile counts and food and beverage sales at the CSA and Rugby games. Gross margin was 0.4% favourable to budget due to lower alcohol costs.
- Suite revenues were \$16K unfavourable to budget in the month due to the lower than anticipated suite revenues (\$11K) resulting from the suite license fee collection issues identified and lower than anticipated suite rentals (\$6K).
- The CSA usage fees and CRF were \$11K and \$14K favourable to budget respectively in the month due to higher than anticipated ticket sales for both CSA games and the Rugby Canada game.
- Other usage fees was \$28K favourable to budget for the month mainly due to higher than anticipated broadcast revenues from the budgeted MLS, CSA and Rugby games (\$25K), higher than anticipated Rugby event rental (\$5K), partially offset by lower than anticipated field rentals (\$2K).
- Full time salaries were \$5K favourable to budget for the month due to staff vacancies.
- Part time salaries were \$33K unfavourable to budget for the month mainly due to higher than anticipated stile counts and food and beverage sales from the CSA and Rugby games.

- Supplies and services were \$18K unfavourable to budget for the month primarily due to unplanned elevator repairs (\$10K), generator servicing (\$6K), and ticket office microphone repairs (\$2K).
- Utilities were \$17K unfavourable to budget for the month due to higher than anticipated hydro (\$15K) and gas (\$2K) costs.

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at June 30, 2012

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>December 31, 2011</u>
ASSETS			
Current Assets			
Cash	\$ 2,484,211	\$ 2,164,515	\$ 2,444,441
Accounts receivable	1,101,991	1,621,004	431,731
Taxes recoverable	-	-	33,618
Prepaid expenses & deposits	74,294	34,639	37,564
Inventory	107,929	174,664	22,887
	<u>3,768,425</u>	<u>3,994,822</u>	<u>2,970,241</u>
Capital Assets	17,826	34,979	26,026
	<u>\$ 3,786,251</u>	<u>\$ 4,029,801</u>	<u>\$ 2,996,267</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,336,811	\$ 3,290,965	\$ 1,607,372
Taxes payable	47,357	4,699	-
Deferred revenue	778,355	491,290	-
Incentives & rebates payable	-	20,854	588,897
	<u>3,162,523</u>	<u>3,807,808</u>	<u>2,196,269</u>
Long-Term Suite Deposits	233,784	243,159	243,159
Retained Earnings (Deficit)	389,944	(21,166)	556,839
	<u>\$ 3,786,251</u>	<u>\$ 4,029,801</u>	<u>\$ 2,996,267</u>
Opening Retained Earnings	\$ 556,839	\$ 383,935	\$ 383,935
Operating Profit (Loss)	363,920	(81,136)	496,869
Distribution of Excess Cash	(530,815)	(323,965)	(323,965)
Closing Retained Earnings (Deficit)	<u>\$ 389,944</u>	<u>\$ (21,166)</u>	<u>\$ 556,839</u>

INCOME STATEMENT
For the Six Months Ending June 30, 2012

	Month			Year to Date			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2011
Revenues							
Ticketmaster Rebates	\$ 87,485	\$ 67,162	\$ 20,323	\$ 135,874	\$ 94,016	\$ 41,858	\$ 80,065
Club Fees	11,181	11,243	(62)	33,542	33,730	(188)	31,916
Sponsorship	120,195	118,910	1,285	360,585	356,731	3,854	350,439
Contra Sponsorship	2,500	2,500	-	10,422	15,000	(4,578)	15,000
Food and Beverage	772,092	571,219	200,873	2,271,520	2,083,285	188,235	2,369,803
F&B Third Party Commissions	51,136	35,036	16,100	129,680	123,867	5,813	129,626
Event Merchandise	13,675	9,927	3,748	44,618	41,456	3,162	42,114
Suites	148,520	165,000	(16,480)	597,029	660,464	(63,435)	295,607
TFC Usage Fee	33,656	33,300	356	185,108	166,500	18,608	204,425
CSA Usage Fee	33,376	22,400	10,976	33,376	22,400	10,976	16,949
CRF	82,002	67,510	14,492	228,171	199,510	28,661	219,212
Other Usage Fee	67,434	39,000	28,434	210,987	159,230	51,757	133,115
Other Revenue	10,260	10,000	260	32,534	30,000	2,534	30,755
Total Revenues	\$ 1,433,512	\$ 1,153,207	\$ 280,305	\$ 4,273,446	\$ 3,986,189	\$ 287,257	\$ 3,919,026
Expenses							
Cost of Goods Sold	\$ 261,333	\$ 195,476	\$ (65,857)	\$ 785,676	\$ 728,390	\$ (57,286)	\$ 840,382
Food & Beverage Royalties	229,406	195,474	(33,932)	825,361	832,907	7,546	626,940
Full-Time Salaries	62,975	68,131	5,156	306,820	364,670	57,850	276,998
Part-Time Wages	167,927	135,116	(32,811)	508,038	519,690	11,652	625,516
Benefits	10,496	12,207	1,711	57,035	63,146	6,111	61,824
Travel and Entertainment	2,065	3,240	1,175	6,089	15,538	9,449	11,255
Supplies and Services	105,467	87,868	(17,599)	664,812	738,722	73,910	816,215
Insurance	11,625	11,625	-	69,960	69,750	(210)	70,261
Utilities	56,159	38,700	(17,459)	242,541	218,900	(23,641)	205,785
Capital Reserve	33,933	33,933	-	204,699	203,600	(1,099)	200,000
Management Fee	18,698	18,498	(200)	112,188	110,988	(1,200)	109,026
Other	20,696	18,649	(2,047)	118,107	114,273	(3,834)	130,968
Total Operating Expenses	\$ 980,780	\$ 818,917	\$ (161,863)	\$ 3,901,326	\$ 3,980,574	\$ 79,248	\$ 3,975,170
Operating Profit (Loss) before Depreciation, Incentives & Rebates	\$ 452,732	\$ 334,290	\$ 118,442	\$ 372,120	\$ 5,615	\$ 366,505	\$ (56,144)
Depreciation	1,367	3,333	1,966	8,200	20,000	11,800	24,992
Operating Profit (Loss)	\$ 451,365	\$ 330,957	\$ 120,408	\$ 363,920	\$ (14,385)	\$ 378,305	\$ (81,136)
Gross Margin %	66.2%	65.8%	0.4%	65.4%	65.0%	0.4%	64.5%

BMO FIELD
STATEMENT OF CASH FLOWS

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Six months ending	
	June 30, 2012	June 30, 2011
OPERATING	\$ 579,960	\$ 444,519
FINANCING	(540,190)	(323,965)
Net Cash Inflow (Outflow) during the period	\$ 39,770	\$ 120,554
Cash, beginning of period	2,444,441	2,043,961
Cash, end of period	\$ 2,484,211	\$ 2,164,515
OPERATING		
Operating loss after incentives and rebates	\$ 363,920	\$ (81,136)
Amortization of capital assets	8,200	24,992
Cash provided by non cash working capital items	207,841	500,663
	\$ 579,961	\$ 444,519
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	\$ (670,260)	\$ (1,357,903)
Prepaid expenses	(36,730)	28,933
Inventory	(85,042)	(122,300)
Accounts payable and accrued liabilities	729,439	2,011,389
Incentives & rebates payable	(588,897)	(443,450)
Taxes payable	80,975	(107,296)
Deferred revenue	778,356	491,290
Cash provided by operating activities	\$ 207,841	\$ 500,663