

Item No. 21



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

---

## Executive Summary

000's	Month			Year to Date			
	Actual	Plan	Variance	Actual	Plan	Variance	2011
<b>Revenues</b>	918	816	102	6,219	6,002	217	5,968
<b>Expenses</b>	(721)	(671)	(50)	(5,439)	(5,572)	133	(5,346)
<b>EBITDA</b>	197	145	52	780	430	350	622

- For the month ending August 31, 2012, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$197K was \$52K favourable to budget.
- Total revenues of \$918K for the month were \$102K favourable to budget mainly due to higher food & beverage revenue (\$77K), TFC usage fees (\$26K), CRF (\$14K), and contra sponsorship (\$13K) partially offset by lower suite revenue (\$26K).
- Total operating expenses of \$721K for the month were \$50K unfavourable to budget mainly due to higher part time salaries (\$23K), cost of goods sold (\$22K), and food and beverage royalties (\$10K) partially offset by savings in full time salaries (\$8K).
- 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 four 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)	4	2	2	18	17	1	19
CSA Games	-	-	-	2	2	-	1
International Games	-	-	-	1	2	(1)	2
<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>21</b>	<b>21</b>	<b>-</b>	<b>22</b>
Field Rental Hours	2	48	(46)	42	144	(102)	20

## August 2012 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.8M decreased by \$528K from August 31, 2011 as incentives, rebates and excess cash distributions to the owners of \$855K were partially offset by cash from operations of \$375K.
- Accounts receivable of \$1.2M was made up primarily of MLSE sponsorship revenue receivable at end of season (\$601K), MLSE receivables (\$255K), BMO Field Suite Licenses (\$88K), Pinnacle Caterers (\$65K), Ticketmaster receivable (\$57K), capital reserve receivable from the City of Toronto (\$43K), Dome Productions (\$40K), and other operating receivables (\$28K).

- Subsequent receipts as of September 13<sup>th</sup> were \$114K. 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 \$1.1M was due primarily to timing of collections from MLSE (\$821K), ticket liabilities (\$217K), the capital reserve receivable from the City (\$104K), and Pinnacle Caterers (\$89K) partially offset by an increase in other operating receivables (\$109K).
- Accounts payable and accrued liabilities of \$2.7M were primarily made up general liabilities (\$573K), operating payables (\$546K), MLSE cost recoveries (\$521K), TFC suite royalty payable at the end of the season (\$382K), ticket liabilities (\$346K), the 2012 capital reserve payable to the City at the end of the year (\$273K), and CSA event payables (\$100K).
- The year over year decrease in accounts payable of \$2.0M was primarily due to the timing of event settlements (\$833K), the payment to the CSA as a result of the new operating agreement (\$442K), ticket liability settlements (\$334K), and lower MLSE cost recoveries (\$568K) partially offset by an increase in operating payables (\$90K) and general liabilities (\$95K).
- Deferred revenue of \$438K 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 August 31, 2012 of \$197K was \$52K favourable 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>. The following provides an analysis of the significant variances in the month:

- Contra Sponsorship was \$13K favourable to budget for month due to timing of recognition of Sony contra revenue.
- Food & beverage was \$77K favourable to budget for the month due primarily to the two additional CCF games that were not in budget (\$180K) partially offset by lower stilette counts and per caps at the two MLS games (\$103K).
- Cost of goods sold and food & beverage royalty were \$22K and \$10K unfavourable to budget respectively primarily due to the two additional CCF games that were not in budget. Gross margin was 0.8% favourable to budget due to lower food costs.
- Suite revenues were \$26K unfavourable to budget in the month due to lower than anticipated suite rentals (\$16K) and lower than anticipated suite revenues (\$10K) resulting from the suite license fee collection issues identified above.
- The event usage fee and CRF were \$26K and \$14K favourable to budget respectively in the month due primarily to hosting two additional CCF games not in budget.
- Full time salaries were \$8K favourable to budget mainly due to staff vacancies.
- Part time salaries were \$23K unfavourable to budget for the month mainly due the cost of two additional CCF games not in budget (\$36K) partially offset by savings from lower than anticipated stilette counts and food and beverage sales at the MLS games (\$13K).

Submitted by:

---

Peter Church  
General Manager  
BMO Field

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

	<u>August 31, 2012</u>	<u>August 31, 2011</u>	<u>December 31, 2011</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 2,848,353	\$ 3,376,047	\$ 2,444,441
Accounts receivable	1,175,919	2,297,265	431,731
Taxes recoverable	-	-	33,618
Prepaid expenses & deposits	85,942	73,492	37,564
Inventory	91,425	175,418	22,887
	<u>4,201,639</u>	<u>5,922,222</u>	<u>2,970,241</u>
Capital Assets	15,093	26,648	26,026
	<u>\$ 4,216,732</u>	<u>\$ 5,948,870</u>	<u>\$ 2,996,267</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,742,503	\$ 4,733,161	\$ 1,607,372
Taxes payable	7,660	32,756	-
Deferred revenue	437,978	270,093	-
Incentives & rebates payable	-	20,854	588,897
	<u>3,188,141</u>	<u>5,056,864</u>	<u>2,196,269</u>
Long-Term Suite Deposits	233,784	243,159	243,159
Retained Earnings	794,807	648,847	556,839
	<u>\$ 4,216,732</u>	<u>\$ 5,948,870</u>	<u>\$ 2,996,267</u>
Opening Retained Earnings	\$ 556,839	\$ 383,935	\$ 383,935
Operating Profit	768,783	588,877	496,869
Distribution of Excess Cash	(530,815)	(323,965)	(323,965)
Closing Retained Earnings	<u>\$ 794,807</u>	<u>\$ 648,847</u>	<u>\$ 556,839</u>

**BMO FIELD  
INCOME STATEMENT  
For the Eight Months Ending August 31, 2012**

	Month			Year to Date			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2011
<b>Revenues</b>							
Ticketmaster Rebates	\$ 16,019	\$ 6,714	\$ 9,305	\$ 164,514	\$ 139,319	\$ 25,195	\$ 167,354
Club Fees	2,033	11,243	(9,210)	55,904	56,217	(313)	53,193
Sponsorship	120,195	118,910	1,285	600,975	594,552	6,423	584,065
Contra Sponsorship	15,164	2,500	12,664	28,086	20,000	8,086	20,000
Food and Beverage	466,124	388,962	77,162	3,288,216	3,118,733	169,483	3,499,976
F&B Third Party Commissions	23,891	22,881	1,010	185,493	184,398	1,095	187,987
Event Merchandise	7,050	8,031	(981)	58,602	61,894	(3,292)	76,555
Suites	135,696	161,600	(25,904)	881,953	992,396	(110,443)	514,718
TFC Usage Fee	59,226	33,300	25,926	294,818	249,750	45,068	294,372
CSA Usage Fee	-	-	-	33,376	22,400	10,976	16,949
CRF	47,243	33,440	13,803	326,131	292,402	33,729	331,870
Other Usage Fee	15,625	18,500	(2,875)	248,412	219,480	28,932	170,477
Other Revenue	10,117	10,000	117	52,737	50,000	2,737	50,282
<b>Total Revenues</b>	<b>\$ 918,383</b>	<b>\$ 816,081</b>	<b>\$ 102,302</b>	<b>\$ 6,219,217</b>	<b>\$ 6,001,541</b>	<b>\$ 217,676</b>	<b>\$ 5,967,798</b>
<b>Expenses</b>							
Cost of Goods Sold	\$ 154,590	\$ 132,211	\$ (22,379)	\$ 1,150,558	\$ 1,082,166	\$ (68,392)	\$ 1,216,993
Food & Beverage Royalties	189,374	179,272	(10,102)	1,229,180	1,250,217	21,037	877,244
Full-Time Salaries	60,224	68,131	7,907	427,111	500,932	73,821	407,045
Part-Time Wages	105,805	82,607	(23,198)	719,687	745,979	26,292	869,925
Benefits	10,103	12,207	2,104	78,633	87,560	8,927	79,948
Travel and Entertainment	2,147	1,882	(265)	9,527	18,518	8,991	12,641
Supplies and Services	76,446	74,734	(1,712)	844,289	929,148	84,859	946,965
Insurance	14,717	11,625	(3,092)	93,210	93,000	(210)	90,021
Utilities	39,701	39,700	(1)	321,108	296,000	(25,108)	271,825
Capital Reserve	33,933	33,933	-	272,565	271,467	(1,098)	266,667
Management Fee	18,698	18,498	(200)	149,584	147,985	(1,599)	145,368
Other	15,220	16,488	1,268	144,049	148,539	4,490	160,956
<b>Total Operating Expenses</b>	<b>\$ 720,958</b>	<b>\$ 671,288</b>	<b>\$ (49,670)</b>	<b>\$ 5,439,501</b>	<b>\$ 5,571,511</b>	<b>\$ 132,010</b>	<b>\$ 5,345,598</b>
<b>Operating Profit before Depreciation, Incentives &amp; Rebates</b>	<b>\$ 197,425</b>	<b>\$ 144,793</b>	<b>\$ 52,632</b>	<b>\$ 779,716</b>	<b>\$ 430,030</b>	<b>\$ 349,686</b>	<b>\$ 622,200</b>
Depreciation	1,367	3,333	1,966	10,933	26,667	15,734	33,323
<b>Operating Profit</b>	<b>\$ 196,058</b>	<b>\$ 141,460</b>	<b>\$ 54,598</b>	<b>\$ 768,783</b>	<b>\$ 403,363</b>	<b>\$ 365,420</b>	<b>\$ 588,877</b>
<b>Gross Margin %</b>	<b>66.8%</b>	<b>66.0%</b>	<b>0.8%</b>	<b>65.0%</b>	<b>65.3%</b>	<b>-0.3%</b>	<b>65.2%</b>

**STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Eight months ending	
	August 31, 2012	August 31, 2011
OPERATING	\$ 944,102	\$ 1,656,051
FINANCING	(540,190)	(323,965)
	<b>\$ 403,912</b>	<b>\$ 1,332,086</b>
<b>Net Cash Inflow during the period</b>		
<b>Cash, beginning of period</b>	2,444,441	2,043,961
<b>Cash, end of period</b>	<b>\$ 2,848,353</b>	<b>\$ 3,376,047</b>
<b>OPERATING</b>		
Operating profit after incentives and rebates	\$ 768,783	\$ 588,877
Amortization of capital assets	10,933	33,323
Cash provided by non cash working capital items	164,387	1,033,851
	<b>\$ 944,103</b>	<b>\$ 1,656,051</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	\$ (744,188)	\$ (2,034,164)
Prepaid expenses	(48,378)	(9,920)
Inventory	(68,538)	(123,054)
Accounts payable and accrued liabilities	1,135,131	3,453,585
Incentives & rebates payable	(588,897)	(443,450)
Taxes payable	41,278	(79,239)
Deferred revenue	437,979	270,093
	<b>\$ 164,387</b>	<b>\$ 1,033,851</b>