

Item No. 4



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

Executive Summary

000's	March 31, 2012			Year to Date			
	Actual	Plan	Variance	Actual	Plan	Variance	2011
Revenues	873	924	(51)	914	969	(55)	309
Expenses	(991)	(1,091)	100	(1,387)	(1,579)	192	(1,145)
(LBITDA)	(118)	(167)	49	(473)	(610)	137	(836)

- For the month ending March 31, 2012, the Operating Loss before Depreciation, Incentives and Rebates for BMO Field of \$118K was \$49K favourable to budget.
- Total revenues of \$873K for the month were \$51K unfavourable to budget mainly due to lower food & beverage revenue (\$43K), suite revenue (\$12K) and third party commissions (\$6K) partially offset by higher Ticketmaster rebates (\$11K).
- Total operating expenses of \$991K for the month were \$100K favourable to budget mainly due savings in part time wages (\$44K), lower food & beverage royalties (\$23K), supplies and services (\$23K), cost of goods sold (\$14K), and full time salaries (\$10K) partially offset by higher costs in utilities (\$13K).

Events hosted by BMO Field:

	March 31, 2012			Year to Date			2011
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendlies & CONCACAF)	3	3	-	3	3	-	1
CSA Games	-	-	-	-	-	-	-
International Games	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL	3	3	-	3	3	-	1
Field Rental Hours	-	-	-	-	-	-	-

March 2012 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.6M increased by \$173K from March 31, 2011 as cash from operations of \$830K were partially offset by incentives, rebates and excess cash distributions to the owners of \$648K.
- Accounts receivable of \$721K is made up primarily of the BMO Field Suite Licenses (\$383K), capital expenditures reimbursement from the City of Toronto (\$151K), Ticketmaster receivable (\$68K), CSA receivable (\$57K), Pinnacle Caterer's (\$26K) and operating receivables (\$36K).
- Subsequent receipts as of April 16th are \$259K. BMO Field is currently monitoring receivables and no collection issues are anticipated.
- The year over year increase in accounts receivable of \$194K is due primarily to timing of collections from the City of Toronto (\$102K) and operating receivables (\$90K).

- Accounts payable and accrued liabilities of \$1.5M is made up primarily of operating payables (\$620K), MLSE cost recoveries (\$385K), general liabilities (\$227K), liability payable to Toronto FC (\$170K), and the 2012 capital reserve payable to the City at the end of the year (\$103K).
- The year over year decrease in accounts payable of \$257K is primarily due to the payment of the CSA as a result of the agreement (\$442K) and lower operating payables (\$196K) partially offset by an increase in MLSE game cost recoveries (\$180K) and general liabilities (\$200K).
- Deferred revenue of \$1.1M is primarily made up of 2012 suite licenses which are being recognized over the course of the TFC season from March through to October.

PROFIT & LOSS

The Operating Loss before Depreciation, Incentives and Rebates for BMO Field for the month ending March 31, 2012 of \$118K was \$49K favourable to budget. The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$11K favourable to budget due to higher ticket inventory available for sale through Ticketmaster for the CONCACAF game because the CONCACAF game was not included in the season ticket package.
- Food & beverage were \$43K unfavourable to budget for the month due primarily to lower than anticipated stipe counts for the two TFC/MLS games (\$51K) partially offset by higher sales during the CONCACAF game (\$6K).
- Food & beverage third party commissions were \$5K unfavourable to budget due to lower than anticipated sales caused by lower stipe count and per caps experienced during the two regular season games partially offset by slightly higher stipe count and per caps during the CONCACAF game.
- Food & beverage royalty and cost of goods sold were \$23K and \$13K favourable to budget respectively primarily due to the lower sales incurred during the two regular season TFC matches. Gross margin was 0.5% unfavourable to plan due to higher than anticipated waste.
- Suite revenue was \$12K unfavourable in the month due to having no adopt a suite rentals (\$10K) and lower than anticipated additional suite ticket sales (\$3K).
- Full time salaries were \$10K favourable to budget due to staff vacancies.
- Part time wages were \$44K favourable to budget due to event staff savings caused by lower food & beverage labour levels (\$28K) and timing of training (\$15K). Training is anticipated to occur in April.
- Supplies and services were \$23K favourable to budget due primarily to timing of expenses of staff uniforms (\$27K), savings in event overhead costs (\$19K), equipment rental (\$10K), and external security (\$7K) partially offset by early opening costs (\$42K).
- Utilities were \$13K unfavourable to budget due to hydro costs being higher than budgeted.

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at March 31, 2012

	<u>March 31, 2012</u>	<u>March 31, 2011</u>	<u>December 31, 2011</u>
ASSETS			
Current Assets			
Cash	\$ 2,629,665	\$ 2,456,999	\$ 2,444,441
Accounts receivable	720,581	526,464	431,731
Taxes recoverable	-	8,117	33,618
Prepaid expenses & deposits	109,492	111,366	37,564
Inventory	126,637	196,702	22,887
	<u>3,586,375</u>	<u>3,299,648</u>	<u>2,970,241</u>
Capital Assets	21,926	47,475	26,026
	<u>\$ 3,608,301</u>	<u>\$ 3,347,123</u>	<u>\$ 2,996,267</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 1,542,339	\$ 1,798,939	\$ 1,607,372
Taxes payable	119,976	-	-
Deferred revenue	1,064,143	1,304,950	-
Incentives & rebates payable	568,043	464,304	588,897
	<u>3,294,501</u>	<u>3,568,193</u>	<u>2,196,269</u>
Long-Term Suite Deposits	233,784	243,159	243,159
Retained Earnings (Deficit)	80,016	(464,229)	556,839
	<u>\$ 3,608,301</u>	<u>\$ 3,347,123</u>	<u>\$ 2,996,267</u>
Opening Retained Earnings	\$ 556,839	\$ 383,935	\$ 383,935
Operating Profit (Loss)	(476,823)	(848,164)	496,869
Distribution of Excess Cash	-	-	(323,965)
Closing Retained Earnings (Deficit)	<u>\$ 80,016</u>	<u>\$ (464,229)</u>	<u>\$ 556,839</u>

**BMO FIELD
INCOME STATEMENT
For the Three Months Ending March 31, 2012**

	March 31, 2012			Fiscal			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2011
Revenues							
Ticketmaster Rebates	\$ 21,260	\$ 10,070	\$ 11,190	\$ 21,260	\$ 10,070	\$ 11,190	\$ 3,217
Contra Sponsorship	2,500	2,500	-	2,922	7,500	(4,578)	7,500
Food and Beverage	518,802	561,930	(43,128)	518,802	561,930	(43,128)	191,016
F&B Third Party Commissions	27,074	32,989	(5,915)	27,074	32,989	(5,915)	10,964
Event Merchandise	12,645	11,749	896	12,645	11,749	896	4,410
Suites	154,645	166,932	(12,287)	154,645	166,932	(12,287)	656
TFC Usage Fee	50,484	49,950	534	50,484	49,950	534	16,354
CRF	46,629	49,280	(2,651)	46,629	49,280	(2,651)	16,775
Other Usage Fee	39,220	39,120	100	79,102	78,360	742	57,820
Other Revenue	43	-	43	1,007	-	1,007	600
Total Revenues	\$ 873,302	\$ 924,520	\$ (51,218)	\$ 914,570	\$ 968,760	\$ (54,190)	\$ 309,312
Expenses							
Cost of Goods Sold	\$ 194,986	\$ 208,737	\$ 13,751	\$ 194,821	\$ 208,737	\$ 13,916	\$ 73,115
Food & Beverage Royalties	206,098	229,178	23,080	206,098	229,178	23,080	49,422
Full-Time Salaries	47,024	57,102	10,078	114,149	171,306	57,157	143,779
Part-Time Wages	136,114	180,259	44,145	136,754	180,259	43,505	147,819
Benefits	8,541	9,683	1,142	23,558	29,049	5,491	31,160
Travel and Entertainment	972	5,638	4,666	1,307	8,038	6,731	5,483
Supplies and Services	243,130	266,359	23,229	346,742	409,996	63,254	355,734
Insurance	11,836	11,625	(211)	35,086	34,875	(211)	35,130
Utilities	45,911	33,000	(12,911)	108,664	94,000	(14,664)	86,010
Capital Reserve	34,300	33,933	(367)	102,900	101,800	(1,100)	100,000
Management Fee	18,698	18,498	(200)	56,094	55,494	(600)	54,513
Other	43,595	37,145	(6,450)	61,120	56,170	(4,950)	62,815
Total Operating Expenses	\$ 991,205	\$ 1,091,157	\$ 99,952	\$ 1,387,293	\$ 1,578,902	\$ 191,609	\$ 1,144,980
Operating Loss before Depreciation, Incentives & Rebates	\$ (117,903)	\$ (166,637)	\$ 48,734	\$ (472,723)	\$ (610,142)	\$ 137,419	\$ (835,668)
Depreciation	1,367	3,333	1,966	4,100	10,000	5,900	12,496
Operating Loss	\$ (119,270)	\$ (169,970)	\$ 50,700	\$ (476,823)	\$ (620,142)	\$ 143,319	\$ (848,164)
Gross Margin %	62.4%	62.9%	(0.5%)	62.4%	62.9%	(0.5%)	61.7%

BMO FIELD
STATEMENT OF CASH FLOWS

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Three months ending	
	March 31, 2012	March 31, 2011
OPERATING	\$ 194,599	\$ 413,038
FINANCING	(9,375)	-
	\$ 185,224	\$ 413,038
Net Cash Inflow (Outflow) during the period	\$ 185,224	\$ 413,038
Cash, beginning of period	2,444,441	2,043,961
Cash, end of period	\$ 2,629,665	\$ 2,456,999
 OPERATING		
Operating profit after incentives and rebates	\$ (476,823)	\$ (848,164)
Amortization of capital assets	4,100	12,496
Cash provided by non cash working capital items	667,323	1,248,706
	\$ 194,600	\$ 413,038
 FINANCING		
Long-term deposits	\$ (9,375)	\$ -
	\$ (9,375)	\$ -
 Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (288,850)	\$ (263,363)
Prepaid expenses	(71,928)	(47,794)
Inventory	(103,750)	(144,338)
Accounts payable and accrued liabilities	(65,032)	519,363
Incentives & rebates payable	(20,855)	-
Taxes payable	153,594	(120,112)
Deferred revenue	1,064,144	1,304,950
Cash provided by operating activities	\$ 667,323	\$ 1,248,706