

Item No. 4



Management Report
for
The Board of Governors of Exhibition Place
November 2011

Executive Summary

000's	November 30, 2011			Year to Date			
	Actual	Plan	Variance	2011		2010	
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
Revenues	159	320	(161)	7,681	7,746	(65)	7,466
Expenses	(274)	(486)	212	(6,926)	(7,082)	156	(6,653)
(LBITDA) / EBITDA	(115)	(166)	51	755	664	91	813

- For the month ending November 30, 2011, the Operating Loss before Depreciation, Incentives and Rebates for BMO Field of \$115K was \$51K favourable to budget.
- Total revenues of \$159K for the month were \$161K unfavourable to budget mainly due to lower food & beverage revenue (\$177K), lower TFC usage fee revenue (\$16K) partially offset by higher Ticketmaster rebate revenue (\$35K).
- Total operating expenses of \$274K for the month were \$212K favourable to budget mainly due to lower cost of goods sold (\$74K), utility recoveries from MLSE (\$51K), food and beverage royalties (\$43K), and part time wages (\$32K).
- The overall EBITDA impact of the CSA game (\$33K) in place of the planned TFC playoff game (\$84K) was a loss of \$51K
- Subsequent to November month end, BMO Field came to a resolution with the CSA and as a result will record an addition \$440K in revenue in December 2011.

Events hosted by BMO Field:

	November 30, 2011			Year to Date			2010 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	-	1	(1)	24	19	5	22
CSA Games	1	-	1	4	6	(2)	2
International Games	-	-	-	2	4	(2)	1
Other	-	-	-	-	-	-	1
TOTAL	1	1	-	30	29	1	26
Field Rental Hours	-	-	-	26	216	(190)	80

November 2011 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.5M increased by \$53K from November 30, 2010. The increase was due to cash from operations of \$700K partially offset by the payment of the incentives, rebates and excess cash distributions of \$648K.
- Accounts Receivable of \$1.9M is made up primarily of the TFC corporate sponsorship receivable (\$924K), Ticketmaster advances and rebates (\$263K), TFC game settlements (\$253K), Pinnacle Catering receivable (\$188K), and capital expenditures reimbursement from the City of Toronto (\$101K) to be received in January. BMO Field is currently monitoring receivables and no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$3.6M were made up primarily of suites and club revenue payable to TFC (\$582K), CSA Game payable (\$997K), cost recoveries payable to MLSE (\$523K), the capital reserve payable to the City at the end of the year (\$366K), TFC ticket liabilities (\$266K), and other current payables and accruals (\$826K).
- The increase in receivables (\$1.6M) and payables (\$1.6M) from November 2010 to November 2011 is due to timing of year end billings and collection. The majority of receivables and payables noted above were collected and paid in December.

PROFIT & LOSS

The Operating Loss before Depreciation, Incentives and Rebates for BMO Field for the month ending November 30, 2011 of \$115K was \$51K favourable to budget. The following provides an analysis of the significant variances in the month:

- Food and Beverage revenues were \$177K unfavourable to budget in the month mainly due to the budgeted TFC playoff game not occurring partially offset by the CSA game in the month. Both attendance and per caps were lower for the CSA game versus what was in the budget for the TFC playoff game. However, the lower food and beverage sales were partially offset by lower food and beverage royalties (\$43K) and reduced part time labour costs (\$31K).
- Cost of Goods Sold were \$73K favourable to budget due to lower food and beverage sales, the release of an inventory provision booked in October for end of season waste, and credits issued by suppliers. For the month, the gross margin percentage was 74.6% versus 62.4% budgeted.
- TFC Usage Fee revenue was \$16K unfavourable to Plan due the TFC playoff game not occurring.
- Ticketmaster rebate revenue was \$35K favourable to plan due to a true up of revenues under the newly implemented Ticketmaster agreement.
- Food and beverage third party commissions were \$11K favourable to budget due to a favourable commission rate adjustment.
- Part time salaries were \$32K favourable to budget due to the lower food and beverage labour requirements of the CSA game versus the planned TFC playoff game.
- Utilities were \$54K favourable to budget due to a utility recovery for gas and water expenses billed back to TFC (\$51K) as part of the grass field maintenance agreement.

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at November 30, 2011

	<u>November 30, 2011</u>	<u>November 30, 2010</u>	<u>December 31, 2010</u>
ASSETS			
Current Assets			
Cash	\$ 2,463,348	\$ 2,410,374	\$ 2,043,961
Accounts receivable	1,962,385	329,824	263,101
Taxes recoverable	13,092	63,487	-
Prepaid expenses & deposits	3,654	23,664	63,572
Inventory	23,166	69,237	52,364
	<u>4,465,645</u>	<u>2,896,586</u>	<u>2,422,998</u>
Capital Assets	<u>30,725</u>	<u>43,334</u>	<u>59,971</u>
	<u>\$ 4,496,370</u>	<u>\$ 2,939,920</u>	<u>\$ 2,482,969</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 3,465,500	\$ 1,831,825	\$ 1,399,061
Taxes payable	-	-	111,995
Incentives & rebates payable	220,854	208,910	344,819
	<u>3,686,354</u>	<u>2,040,735</u>	<u>1,855,875</u>
Long-Term Suite Deposits	243,159	243,159	243,159
Retained Earnings	<u>566,857</u>	<u>656,026</u>	<u>383,935</u>
	<u>\$ 4,496,370</u>	<u>\$ 2,939,920</u>	<u>\$ 2,482,969</u>
Opening Retained Earnings	\$ 383,935	\$ 458,110	\$ 458,110
Operating Profit	506,887	576,026	303,935
Distribution of Excess Cash	(323,965)	(378,110)	(378,110)
Closing Retained Earnings	<u>\$ 566,857</u>	<u>\$ 656,026</u>	<u>\$ 383,935</u>

BMO FIELD
INCOME STATEMENT
For the Eleven Months Ending November 30, 2011

	November 30, 2011			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2010
Revenues							
Ticketmaster Rebates	\$ 37,117	\$ 1,398	\$ 35,719	\$ 257,002	\$ 287,360	\$ (30,358)	\$ 199,189
Club Fees	-	-	-	75,492	80,310	(4,818)	77,335
Sponsorship	-	-	-	817,691	807,791	9,900	791,952
Contra Sponsorship	-	2,500	(2,500)	19,246	27,500	(8,254)	-
Food and Beverage	58,532	235,720	(177,188)	4,358,865	4,293,956	64,909	4,170,073
F&B Third Party Commissions	25,919	14,346	11,573	256,040	260,719	(4,679)	246,716
Event Merchandise	386	8,093	(7,707)	83,760	111,090	(27,330)	74,841
Suites	-	1,718	(1,718)	685,461	669,148	16,313	734,796
TFC Usage Fee	-	16,160	(16,160)	364,491	307,040	57,451	364,320
CSA Usage Fee	5,395	-	5,395	42,334	76,001	(33,667)	20,854
CRF	10,159	17,952	(7,793)	421,184	431,016	(9,832)	407,414
Other Usage Fee	21,873	22,240	(367)	229,000	323,600	(94,600)	306,303
Other Revenue	4	-	4	70,322	70,000	322	71,827
Total Revenues	\$ 159,385	\$ 320,127	\$ (160,742)	\$ 7,680,888	\$ 7,745,531	\$ (64,643)	\$ 7,465,620
Expenses							
Cost of Goods Sold	\$ 14,867	\$ 88,686	\$ 73,819	\$ 1,511,719	\$ 1,556,350	\$ 44,631	\$ 1,544,502
F&B Royalty	18,938	62,456	43,518	1,105,842	1,141,076	35,234	1,068,462
Full-Time Salaries	49,176	56,642	7,466	578,159	667,050	88,891	629,923
Part-Time Wages	36,171	67,785	31,614	1,113,460	1,212,592	99,132	1,087,624
Benefits	7,518	9,509	1,991	111,367	112,520	1,153	114,456
Travel and Entertainment	319	784	465	15,032	21,975	6,943	9,376
Supplies and Services	92,879	95,434	2,555	1,255,318	1,107,981	(147,337)	913,531
Insurance	9,880	11,625	1,745	119,661	127,875	8,214	123,162
Utilities	(24,999)	29,000	53,999	335,920	384,200	48,280	372,084
Capital Reserve	33,333	33,333	-	366,667	366,667	-	366,663
Management Fee	18,171	17,952	(219)	199,881	197,472	(2,409)	193,600
Other	17,739	13,046	(4,693)	212,483	186,381	(26,102)	229,545
Total Operating Expenses	\$ 273,992	\$ 486,252	\$ 212,260	\$ 6,925,509	\$ 7,082,139	\$ 156,630	\$ 6,652,928
Operating Profit (Loss) before Depreciation, Incentives & Rebates	\$ (114,607)	\$ (166,125)	\$ 51,518	\$ 755,379	\$ 663,392	\$ 91,987	\$ 812,692
Depreciation	6,838	3,333	(832)	48,492	36,667	(2,496)	36,666
Operating Profit (Loss) before Incentives & Rebates	\$ (121,445)	\$ (169,458)	\$ 50,686	\$ 706,887	\$ 626,725	\$ 89,491	\$ 776,026
Incentives & Rebates	\$ 100,000	\$ 100,000	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Operating (Loss)	\$ (221,445)	\$ (269,458)	\$ 50,686	\$ 506,887	\$ 426,725	\$ 89,491	\$ 576,026
Gross Margin %	74.6%	62.4%		65.3%	63.8%		63.0%

BMO FIELD
STATEMENT OF CASH FLOWS

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Eleven months ended	
	November 30, 2011	November 30, 2010
OPERATING	\$ 762,598	\$ 907,715
INVESTING	(19,246)	-
FINANCING	(323,965)	(324,951)
	\$ 419,387	\$ 582,764
Net Cash Inflow during the period	\$ 419,387	\$ 582,764
Cash, beginning of period	2,043,961	1,827,610
Cash, end of period	\$ 2,463,348	\$ 2,410,374
OPERATING		
Operating loss after incentives and rebates	\$ 506,887	\$ 576,026
Amortization of capital assets	48,492	36,666
Cash provided by non cash working capital items	207,219	295,023
	\$ 762,598	\$ 907,715
INVESTING		
Acquisition of capital assets	\$ (19,246)	\$ -
	\$ (19,246)	\$ -
FINANCING		
Long-term deposits	\$ -	\$ 53,159
Distribution of excess cash to owner	(323,965)	(378,110)
	\$ (323,965)	\$ (324,951)
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (1,699,284)	\$ (34,649)
Prepaid expenses	59,918	(6,694)
Inventory	29,198	(30,213)
Accounts payable and accrued liabilities	2,066,439	726,159
Incentives & rebates payable	(123,965)	(178,110)
Taxes payable	(125,087)	(173,255)
Deferred revenue	-	(8,215)
Cash provided by operating activities	\$ 207,219	\$ 295,023