



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

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## Executive Summary

000's	October 31, 2011			Year to Date			
	Actual	Plan	Variance	2011		2010	
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
<b>Revenues</b>	745	829	(84)	7,522	7,425	97	7,166
<b>Expenses</b>	(657)	(656)	(1)	(6,652)	(6,596)	(56)	(6,216)
<b>EBITDA</b>	88	173	(85)	870	829	41	950

- For the month ending October 31, 2011, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$88K was \$85K unfavourable to budget.
- Total revenues of \$745K for the month were \$84K unfavourable to budget mainly due to lower Food & Beverage Revenue (\$43K), lower suites revenue (\$11K) and lower merchandise revenue (\$9K).
- Total operating expenses of \$657K for the month were \$1K unfavourable to budget mainly due to supplies and services (\$31K) and higher full time salaries and benefits (\$17K) offset by lower food cost of goods sold (\$40K) and food and beverage royalties (\$17K).

### Events hosted by BMO Field:

	October 31, 2011			Year to Date			2010 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	2	2	-	24	18	6	22
CSA Games	1	1	-	3	6	(3)	2
International Games	-	-	-	2	4	(2)	1
Other	-	-	-	-	-	-	1
<b>TOTAL</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>29</b>	<b>28</b>	<b>1</b>	<b>26</b>
Field Rental Hours	-	12	(12)	26	216	(190)	80

## October 2011 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$3.0M increased by \$780K from October 31, 2010. The increase was due to cash from operations of \$1.4M partially offset by the payment of the incentives, rebates and excess cash distributions of \$648K.
- Accounts Receivable of \$2.0M is made up primarily of the TFC corporate sponsorship receivable which is anticipated in November (\$924K), TFC game settlements (\$258K), Ticketmaster advances and rebates (\$241K) to be received in November and capital expenditures reimbursement from the City of Toronto (\$241K) to be received in November. BMO Field is currently monitoring receivables and no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$3.9M were made up primarily of suites and club revenue payable to TFC in November (\$582K), CSA game settlements (\$506K), cost recoveries payable to MLSE (\$405K), the capital reserve payable to the City at the end of the year (\$333K), TFC ticket liabilities (\$308K), the final settlement due to Rugby Canada (\$226K) and other current payables and accruals (\$2.4M).

### PROFIT & LOSS

The Operating Profit before Depreciation, Incentives and Rebates for BMO Field for the month ending October 31, 2011 of \$86K was \$87K unfavourable to budget. The following provides an analysis of the significant variances in the month:

- Food and Beverage revenues were \$43K unfavourable to budget in the month due mainly to softer sales at the TFC games (\$84K) in the month due to softer stipe counts for the last two games of the season, partially offset by higher sales for the CSA game mainly due to higher stipe count and per caps versus budget (\$41K).
- Cost of Goods Sold were \$40K favourable to budget due to lower food and beverage sales and due to the timing of recognition of food recoveries from Pinnacle Catering. For the month, the gross margin percentage was 70.0% versus 63.8% budgeted. Excluding the Pinnacle Catering adjustments, margins in the month would have been 64.2%.
- Suite revenues were \$11K unfavourable to Plan due primarily to some adjustments to past events as game settlements were finalized.
- Merchandise revenues were \$9K unfavourable to budget as a result of overaccruals for past events and continued softness in merchandise sales at TFC events due to low stipe counts and per caps (\$4K).
- F&B Royalties were \$17K favourable to budget due primarily to the softer food and beverage sales at TFC events.
- Full-time salaries and benefits were \$17K unfavourable to budget due to some one-time labour charges and due to the timing of expenses from the benefits provider.
- Supplies and Services were \$31K unfavourable to budget due primarily to the timing of recoveries from MLSE for field maintenance (recoveries were billed and recorded earlier in the year).

Submitted by:

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Peter Church  
General Manager  
BMO Field

**BMO FIELD  
BALANCE SHEET  
as at October 31, 2011**

	<u>October 31, 2011</u>	<u>October 31, 2010</u>	<u>December 31, 2010</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 2,967,539	\$ 2,187,133	\$ 2,043,961
Accounts receivable	2,049,885	1,236,970	263,101
Taxes recoverable	-	72,356	-
Prepaid expenses & deposits	22,266	60,578	63,572
Inventory	61,758	106,040	52,364
	<u>5,101,448</u>	<u>3,663,077</u>	<u>2,422,998</u>
<b>Capital Assets</b>	<u>37,564</u>	<u>46,668</u>	<u>59,971</u>
	<u>\$ 5,139,012</u>	<u>\$ 3,709,745</u>	<u>\$ 2,482,969</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 3,899,995	\$ 2,438,470	\$ 1,399,061
Taxes payable	86,702	-	111,995
Deferred revenue	-	22,655	-
Incentives & rebates payable	120,854	208,910	344,819
	<u>4,107,551</u>	<u>2,670,035</u>	<u>1,855,875</u>
<b>Long-Term Suite Deposits</b>	243,159	243,159	243,159
<b>Retained Earnings</b>	<u>788,302</u>	<u>796,551</u>	<u>383,935</u>
	<u>\$ 5,139,012</u>	<u>\$ 3,709,745</u>	<u>\$ 2,482,969</u>
<b>Opening Retained Earnings</b>	\$ 383,935	\$ 458,110	\$ 458,110
<b>Operating Profit</b>	728,332	716,551	303,935
<b>Distribution of Excess Cash</b>	(323,965)	(378,110)	(378,110)
<b>Closing Retained Earnings</b>	<u>\$ 788,302</u>	<u>\$ 796,551</u>	<u>\$ 383,935</u>

**BMO FIELD  
INCOME STATEMENT  
For the Nine Months Ending October 31, 2011**

	October 31, 2011			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2010
<b>Revenues</b>							
Ticketmaster Rebates	\$ 22,296	\$ 28,736	\$ (6,440)	\$ 219,885	\$ 285,962	\$ (66,077)	\$ 191,300
Club Fees	11,661	11,473	188	75,492	80,310	(4,818)	77,335
Sponsorship	116,813	115,399	1,414	817,691	807,791	9,900	791,952
Contra Sponsorship	(3,254)	2,500	(5,754)	19,246	25,000	(5,754)	-
Food and Beverage	386,137	429,052	(42,915)	4,300,333	4,058,236	242,097	4,010,583
F&B Third Party Commissions	23,100	26,580	(3,480)	230,121	246,373	(16,252)	231,191
Event Merchandise	2,882	11,626	(8,744)	83,374	102,997	(19,623)	71,170
Suites	83,682	94,365	(10,683)	685,461	667,430	18,031	687,265
TFC Usage Fee	32,708	32,320	388	364,491	290,880	73,611	348,480
CSA Usage Fee	9,849	12,667	(2,818)	36,939	76,001	(39,062)	20,854
CRF	39,495	44,844	(5,349)	411,026	413,064	(2,038)	391,808
Other Usage Fee	9,250	9,400	(150)	207,127	301,360	(94,233)	273,698
Other Revenue	10,007	10,000	7	70,317	70,000	317	70,703
<b>Total Revenues</b>	<b>\$ 744,626</b>	<b>\$ 828,962</b>	<b>\$ (84,336)</b>	<b>\$ 7,521,503</b>	<b>\$ 7,425,404</b>	<b>\$ 96,099</b>	<b>\$ 7,166,339</b>
<b>Expenses</b>							
Cost of Goods Sold	\$ 115,706	\$ 155,263	\$ 39,557	\$ 1,496,852	\$ 1,467,664	\$ (29,188)	\$ 1,478,092
F&B Royalty	99,858	117,161	17,303	1,086,903	1,078,620	(8,283)	1,025,290
Full-Time Salaries	65,613	56,642	(8,971)	528,983	610,409	81,426	577,452
Part-Time Wages	112,151	104,551	(7,600)	1,077,290	1,144,807	67,517	1,032,767
Benefits	17,499	9,509	(7,990)	103,850	103,011	(839)	106,089
Travel and Entertainment	792	1,942	1,150	14,713	21,191	6,478	9,252
Supplies and Services	118,563	87,439	(31,124)	1,162,440	1,012,547	(149,893)	826,086
Insurance	9,880	11,625	1,745	109,781	116,250	6,469	111,721
Utilities	48,894	45,000	(3,894)	360,919	355,200	(5,719)	333,522
Capital Reserve	33,333	33,333	-	333,333	333,333	-	333,330
Management Fee	18,171	17,952	(219)	181,710	179,520	(2,190)	176,000
Other	16,530	15,461	(1,069)	194,744	173,335	(21,409)	206,855
<b>Total Operating Expenses</b>	<b>\$ 656,990</b>	<b>\$ 655,878</b>	<b>\$ (1,112)</b>	<b>\$ 6,651,518</b>	<b>\$ 6,595,887</b>	<b>\$ (55,631)</b>	<b>\$ 6,216,456</b>
<b>Operating Profit before Depreciation, Incentives &amp; Rebates</b>	<b>\$ 87,636</b>	<b>\$ 173,084</b>	<b>\$ (85,448)</b>	<b>\$ 869,985</b>	<b>\$ 829,517</b>	<b>\$ 40,468</b>	<b>\$ 949,883</b>
Depreciation	4,165	3,333	(832)	41,653	33,333	(2,496)	33,332
<b>Operating Profit before Incentives &amp; Rebates</b>	<b>\$ 83,471</b>	<b>\$ 169,751</b>	<b>\$ (86,280)</b>	<b>\$ 828,332</b>	<b>\$ 796,184</b>	<b>\$ 37,972</b>	<b>\$ 916,551</b>
Incentives & Rebates	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 200,000
<b>Operating Profit</b>	<b>\$ 83,471</b>	<b>\$ 169,751</b>	<b>\$ (86,280)</b>	<b>\$ 728,332</b>	<b>\$ 696,184</b>	<b>\$ 37,972</b>	<b>\$ 716,551</b>
<b>Gross Margin %</b>	<b>70.0%</b>	<b>63.8%</b>		<b>65.2%</b>	<b>63.8%</b>		<b>63.1%</b>

**BMO FIELD  
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Ten months ended	
	October 31, 2011	October 31, 2010
OPERATING	\$ 1,266,789	\$ 684,474
INVESTING	(19,246)	-
FINANCING	(323,965)	(324,951)
<b>Net Cash Inflow (Outflow) during the period</b>	<b>\$ 923,578</b>	<b>\$ 359,523</b>
<b>Cash, beginning of period</b>	<b>2,043,961</b>	<b>1,827,610</b>
<b>Cash, end of period</b>	<b>\$ 2,967,539</b>	<b>\$ 2,187,133</b>
<b>OPERATING</b>		
Operating loss after incentives and rebates	\$ 728,332	\$ 716,551
Amortization of capital assets	41,653	33,332
Cash provided by (used in) non cash working capital items	496,804	(65,409)
	<b>\$ 1,266,789</b>	<b>\$ 684,474</b>
<b>INVESTING</b>		
Acquisition of capital assets	\$ (19,246)	\$ -
	<b>\$ (19,246)</b>	<b>\$ -</b>
<b>FINANCING</b>		
Long-term deposits	\$ -	\$ 53,159
Distribution of excess cash to owner	(323,965)	(378,110)
	<b>\$ (323,965)</b>	<b>\$ (324,951)</b>
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (1,786,784)	\$ (941,795)
Prepaid expenses	41,306	(43,608)
Inventory	(9,394)	(67,016)
Accounts payable and accrued liabilities	2,500,934	1,332,804
Incentives & rebates payable	(223,965)	(178,110)
Taxes payable	(25,293)	(182,124)
Deferred revenue	-	14,440
<b>Cash provided by (used in) operating activities</b>	<b>\$ 496,804</b>	<b>\$ (65,409)</b>