



Management Report
for

The Board of Governors of Exhibition Place
August 2011

Executive Summary

000's	August 2011			Year to date			2010 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
Revenues	\$ 1,043	\$ 985	\$ 58	\$ 5,968	\$ 5,882	\$ 86	\$ 5,590
Expenses	\$ (688)	\$ (725)	\$ 37	\$ (5,356)	\$ (5,374)	\$ 29	\$ (5,024)
EBITDA	\$ 356	\$ 261	\$ 95	\$ 622	\$ 508	\$ 115	\$ 566

- For the month ending August 31, 2011, the operating profit for BMO Field of \$356K was \$95K favourable to budget.
- Total revenues of \$1.0M for the month were \$58K favourable to budget mainly due to higher Food & Beverage Revenue (\$69K), Suite Rentals (\$25K) and TFC Usage Fees (\$17K), partially offset by lower Ticketmaster Rebates (\$29K), Other Usage Fees (\$18K) and CSA Usage Fees (\$13K).
- Total operating expenses of \$698K for the month were \$26K favourable to budget mainly due to lower Supplies and Services (\$21K), Royalties (\$15K) and Part-time wages (\$13K).

Events hosted by BMO Field:

	August 2011			YTD			2010
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendly & CONCACAF)	3	2	1	19	15	4	17
CSA Games	0	1	-1	1	4	-3	0
International Games	1	1	0	2	3	-1	0
TOTAL	4	4	0	22	22	0	17
Field Rental Hours	4	48	-44	20	156	-136	80

August 2011 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$3.4M increased by \$369K from August 31, 2010. The increase was due to cash from operations of \$1.0M partially offset by the payment of the incentives, rebates and excess cash distributions relating to 2010 of \$648K.
- Accounts Receivable of \$2.3M is made up primarily of TFC event settlements (\$855K) to be finalized in September, Corporate Sponsorship receivable which will be collected at the end of the season (\$584K), Ticketmaster advances and rebates (\$256K) to be received in September and capital expenditures reimbursement from the City of Toronto (\$148K) to be received in September. BMO Field is currently monitoring receivables and no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$4.7M was made up primarily of cost recoveries payable to MLSE (\$1.4M), final settlements due to Promoters for World Football Challenge and Rugby Canada (\$610K), suites revenue payable at the end of the season (\$521K), TFC ticket liabilities (\$535K) and CSA ticket liabilities for future events (\$67K) and other current payables and accruals (\$1.0M).
- Deferred Revenue of \$270K was primarily made up of 2011 suites revenue which is being recognized over the course of the TFC season (April – October).

PROFIT & LOSS

The Operating Profit for BMO Field for the month ending August 31, 2011 of \$355K was \$94K favourable to budget. The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$29K unfavourable to budget due to no CSA game in the month (\$26K), and lower rebates for the International Friendly (\$8K) partially offset by higher TFC rebates (\$7K).
- Food and Beverage revenues were \$69K or 13.5% positive to budget in the month due mainly to one unbudgeted CONCACAF game (\$63K) and higher sales for the International Friendly (\$60K) partially offset by no CSA game in the month (\$45K).
- Cost of Goods Sold were \$12K unfavourable to budget due to food and beverage sales higher sales in the month. For the month, the gross margin percentage was 66.2% versus 63.8% budgeted.
- Suites revenues were \$25K positive to budget in the month due to nightly rentals for the unbudgeted CONCACAF game.
- TFC Usage fees were \$17K favourable to budget in the month due to the one unbudgeted TFC match.
- CSA Fees were \$13K unfavourable to budget due to no CSA game in the month.
- Other Usage Fees were \$18K unfavourable to budget due to lower revenue for the International Friendly in the month.
- F&B Royalties were \$15K positive to budget due primarily to no royalties paid out for the International Friendly in the month.
- Part-time wages were \$13K positive to budget due to primarily to the lower staffing requirements for the two budgeted TFC games in the month.

- Supplies and Services were \$32K positive to budget due to a higher than anticipated event cost recovery for the International Friendly event held in July (\$24K), reversal of the 2010 Audit fee provision (\$5K) and the unbudgeted recovery of credit card charges for the International Friendly (\$4K) in the month.

Submitted by:



Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at August 31, 2011

	<u>August 31, 2011</u>	<u>August 31, 2010</u>	<u>December 31, 2010</u>
ASSETS			
Current Assets			
Cash	\$ 3,376,047	\$ 3,006,711	\$ 2,043,961
Accounts receivable	2,297,265	1,005,502	263,101
Prepaid expenses & deposits	73,489	71,755	63,572
Inventory	175,418	213,258	52,364
	<u>5,922,219</u>	<u>4,297,226</u>	<u>2,422,998</u>
Capital Assets	26,648	53,334	59,971
	<u>\$ 5,948,867</u>	<u>\$ 4,350,560</u>	<u>\$ 2,482,969</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 4,733,162	\$ 3,164,116	\$ 1,399,061
Taxes payable	32,750	63,562	111,995
Deferred revenue	270,095	251,562	-
Incentives & rebates payable	20,854	8,910	344,819
	<u>5,056,861</u>	<u>3,488,150</u>	<u>1,855,875</u>
Long-Term Suite Deposits	243,159	243,159	243,159
Retained Earnings	648,847	619,251	383,935
	<u>\$ 5,948,867</u>	<u>\$ 4,350,560</u>	<u>\$ 2,482,969</u>
Opening Retained Earnings	\$ 383,935	\$ 458,110	\$ 458,110
Operating Profit	588,877	539,251	303,935
Distribution of Excess Cash	(323,965)	(378,110)	(378,110)
Closing Retained Earnings	<u>\$ 648,847</u>	<u>\$ 619,251</u>	<u>\$ 383,935</u>

**BMO FIELD
INCOME STATEMENT
For the Eight Months Ending August 31, 2011**

	August 31, 2011			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2010
Revenues							
Ticketmaster Rebates	\$ 27,034	\$ 56,074	\$ (29,040)	\$ 167,354	\$ 203,948	\$ (36,594)	\$ 137,756
Club Fees	10,639	11,473	(834)	53,193	57,364	(4,171)	55,239
Sponsorship	116,813	115,399	1,414	584,065	576,994	7,071	565,680
Contra Sponsorship	2,500	2,500	-	20,000	20,000	-	-
Food and Beverage	581,104	512,189	68,915	3,499,976	3,322,440	177,536	3,243,067
F&B Third Party Commissions	30,172	30,803	(631)	187,987	200,936	(12,949)	183,625
Event Merchandise	19,209	12,166	7,043	76,555	84,613	(8,058)	60,361
Suites	119,366	94,365	25,001	514,718	480,417	34,301	483,577
TFC Usage Fee	49,062	32,320	16,742	294,372	242,400	51,972	269,280
CSA Usage Fee	-	12,667	(12,667)	16,949	50,668	(33,719)	-
CRF	55,321	54,136	1,185	331,870	331,860	10	305,753
Other Usage Fee	22,742	41,200	(18,458)	170,477	260,360	(89,883)	235,484
Other Revenue	9,438	10,000	(562)	50,282	50,000	282	50,526
Total Revenues	\$ 1,043,400	\$ 985,292	\$ 58,108	\$ 5,967,798	\$ 5,882,000	\$ 85,798	\$ 5,590,348
Expenses							
Cost of Goods Sold	\$ 196,322	\$ 185,255	\$ (11,067)	\$ 1,216,993	\$ 1,201,416	\$ (15,577)	\$ 1,190,960
F&B Royalty	120,271	135,651	15,380	877,244	880,127	2,883	824,469
Full-Time Salaries	73,325	63,974	(9,351)	407,045	489,793	82,748	469,673
Part-Time Wages	123,847	137,306	13,459	869,925	942,152	72,227	808,797
Benefits	11,051	10,829	(222)	79,948	82,673	2,725	83,770
Travel and Entertainment	937	2,050	1,113	12,641	18,307	5,666	6,846
Supplies and Services	45,395	77,399	32,004	946,965	843,740	(103,225)	712,846
Insurance	9,880	11,625	1,745	90,021	93,000	2,979	88,841
Utilities	33,571	32,700	(871)	271,825	270,000	(1,825)	253,120
Capital Reserve	33,333	33,333	-	266,667	266,667	-	266,664
Management Fee	18,171	17,952	(219)	145,368	143,616	(1,752)	140,800
Other	21,486	16,297	(5,189)	160,956	142,908	(18,048)	177,645
Total Operating Expenses	\$ 687,589	\$ 724,371	\$ 36,782	\$ 5,345,598	\$ 5,374,399	\$ 28,801	\$ 5,024,431
Operating Profit before Depreciation, Incentives & Rebates	\$ 355,811	\$ 260,921	\$ 94,890	\$ 622,200	\$ 507,601	\$ 114,599	\$ 565,917
Depreciation	4,165	3,333	(832)	33,323	26,667	(2,496)	26,666
Operating Profit before Incentives & Rebates	\$ 351,646	\$ 257,588	\$ 94,058	\$ 588,877	\$ 480,934	\$ 112,103	\$ 539,251
Gross Margin %	66.2%	63.8%		65.2%	63.8%		63.3%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Eight months ended	
	August 31, 2011	August 31, 2010
OPERATING	\$ 1,656,051	\$ 1,504,052
FINANCING	(323,965)	(324,951)
	1,332,086	1,179,101
Net Cash Inflow (Outflow) during the period	\$ 1,332,086	\$ 1,179,101
Cash, beginning of period	2,043,961	1,827,610
	3,376,047	3,006,711
Cash, end of period	\$ 3,376,047	\$ 3,006,711
OPERATING		
Operating loss after incentives and rebates	\$ 588,877	\$ 539,251
Amortization of capital assets	33,323	26,666
Cash provided by (used in) non cash working capital items	1,033,851	938,135
	\$ 1,656,051	\$ 1,504,052
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	\$ (2,034,164)	\$ (710,327)
Prepaid expenses	(9,917)	(54,785)
Inventory	(123,054)	(174,234)
Accounts payable and accrued liabilities	3,334,101	2,058,450
Incentives & rebates payable	(323,965)	(378,110)
Taxes payable	(79,245)	(46,206)
Deferred revenue	270,095	243,347
	\$ 1,033,851	\$ 938,135