



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

Executive Summary

000's	September 2011			Year to date			2010 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
Revenues	\$ 809	\$ 715	\$ 94	\$ 6,775	\$ 6,595	\$ 180	\$ 6,611
Expenses	\$ (648)	\$ (566)	\$ (82)	\$ (5,994)	\$ (5,940)	\$ (54)	\$ (5,742)
EBITDA	\$ 161	\$ 149	\$ 12	\$ 781	\$ 655	\$ 126	\$ 869

- For the month ending September 30, 2011, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$161K was \$12K favourable to budget.
- Total revenues of \$809K for the month were \$94K favourable to budget mainly due to higher Food & Beverage Revenue (\$107K) and higher TFC Usage Fees (\$21K), partially offset by lower Ticketmaster Rebates (\$23K).
- Total operating expenses of \$648K for the month were \$82K unfavourable to budget mainly due to higher Cost of Goods Sold (\$53K), Food and Beverage Royalties (\$28K) and Supplies and Services (\$15K).

Events hosted by BMO Field:

	September 2011			YTD			2010 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendly & CONCACAF)	3	1	2	22	16	6	18
CSA Games	1	1	0	2	5	-3	2
International Games	0	1	-1	2	4	-2	1
Other	0	0	0	0	0	0	9
TOTAL	4	3	1	26	25	1	30
Field Rental Hours	6	48	-42	26	204	-178	80

September 2011 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

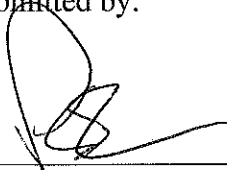
- Cash of \$3.7M increased by \$413K from September 30, 2010. The increase was due to cash from operations of \$1.0M partially offset by the payment of the incentives, rebates and excess cash distributions of \$648K.
- Accounts Receivable of \$2.5M is made up primarily of TFC event settlements (\$979K) received in October, Corporate Sponsorship receivable which will be collected at the end of the TFC season (\$701K), Ticketmaster advances and rebates (\$252K) to be received in November and capital expenditures reimbursement from the City of Toronto (\$148K) to be received in November. BMO Field is currently monitoring receivables and no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$5.5M were made up primarily of cost recoveries payable to MLSE (\$871K), final settlements due to promoters for World Football Challenge and Rugby Canada (\$679K), suites revenue payable at the end of the TFC season (\$521K), CSA game settlements (\$383K), TFC ticket liabilities (\$284K), ticket liabilities for future events (\$131K) and other current payables and accruals (\$2.6M).
- Deferred Revenue of \$114K 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 before Depreciation, Incentives and Rebates for BMO Field for the month ending September 30, 2011 of \$161K was \$12K favourable to budget. The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$23K unfavourable to budget as there was not an International game in the month (\$26K) partially offset by two additional CONCACAF game in the month (\$3K).
- Food and Beverage revenues were \$107K or 35% positive to budget in the month due mainly to two unbudgeted CONCACAF games (\$170K), higher sales for the CSA game mainly due to higher stipe count and per caps versus budget (\$39K), partially offset by not having an International game in the month (\$113K). Furthermore, lower TFC sales for the budgeted game were unfavourable to budget due to lower stipe count partially offset by higher per caps (\$25K).
- Cost of Goods Sold were \$53K unfavourable to budget due to food and beverage sales higher sales in the month. For the month, the gross margin percentage was 60.4% versus 63.8% budgeted.
- TFC Usage fees were \$21K favourable to budget in the month due to the two unbudgeted CONCACAF matches.
- F&B Royalties were \$28K unfavourable to budget due primarily to the two unbudgeted CONCACAF games and higher sales for the CSA game.
- Supplies and Services were \$15K unfavourable to budget due primarily to the timing of HVAC maintenance payments.

Submitted by:



Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at September 30, 2011

	<u>September 30, 2011</u>	<u>September 30, 2010</u>	<u>December 31, 2010</u>
ASSETS			
Current Assets			
Cash	\$ 3,783,170	\$ 3,370,067	\$ 2,043,961
Accounts receivable	2,542,301	1,129,162	263,101
Taxes recoverable	78,528	-	-
Prepaid expenses & deposits	47,400	72,301	63,572
Inventory	176,468	156,766	52,364
	<u>6,627,867</u>	<u>4,728,296</u>	<u>2,422,998</u>
Capital Assets	<u>22,483</u>	<u>50,001</u>	<u>59,971</u>
	<u>\$ 6,650,350</u>	<u>\$ 4,778,297</u>	<u>\$ 2,482,969</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 5,465,706	\$ 3,413,912	\$ 1,399,061
Taxes payable	-	59,900	111,995
Deferred revenue	114,975	133,232	-
Incentives & rebates payable	120,854	8,910	344,819
	<u>5,701,535</u>	<u>3,615,954</u>	<u>1,855,875</u>
Long-Term Suite Deposits	243,159	243,159	243,159
Retained Earnings	<u>705,656</u>	<u>919,184</u>	<u>383,935</u>
	<u>\$ 6,650,350</u>	<u>\$ 4,778,297</u>	<u>\$ 2,482,969</u>
Opening Retained Earnings	\$ 383,935	\$ 458,110	\$ 458,110
Operating Profit	645,686	839,184	303,935
Distribution of Excess Cash	(323,965)	(378,110)	(378,110)
Closing Retained Earnings	<u>\$ 705,656</u>	<u>\$ 919,184</u>	<u>\$ 383,935</u>

BMO FIELD
INCOME STATEMENT
For the Nine Months Ending September 30, 2011

	September 30, 2011			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2010
Revenues							
Ticketmaster Rebates	\$ 30,235	\$ 53,278	\$ (23,043)	\$ 197,589	\$ 257,226	\$ (59,637)	\$ 184,202
Club Fees	10,639	11,473	(834)	63,831	68,837	(5,006)	66,287
Sponsorship	116,813	115,399	1,414	700,878	692,392	8,486	678,816
Contra Sponsorship	2,500	2,500	-	22,500	22,500	-	-
Food and Beverage	414,221	306,743	107,478	3,914,197	3,629,183	285,014	3,781,651
F&B Third Party Commissions	19,034	18,857	177	207,021	219,793	(12,772)	217,216
Event Merchandise	3,937	6,758	(2,821)	80,492	91,371	(10,879)	67,717
Suites	87,061	92,647	(5,586)	601,779	573,064	28,715	588,238
TFC Usage Fee	37,411	16,160	21,251	331,783	258,560	73,223	316,800
CSA Usage Fee	10,141	12,667	(2,526)	27,090	63,335	(36,245)	18,493
CRF	39,661	36,360	3,301	371,531	368,220	3,311	364,887
Other Usage Fee	27,400	31,600	(4,200)	197,877	291,960	(94,083)	263,373
Other Revenue	10,028	10,000	28	60,310	60,000	310	63,029
Total Revenues	\$ 809,081	\$ 714,442	\$ 94,639	\$ 6,776,878	\$ 6,596,441	\$ 180,437	\$ 6,610,709
Expenses							
Cost of Goods Sold	\$ 164,153	\$ 110,985	\$ (53,168)	\$ 1,381,146	\$ 1,312,401	\$ (68,745)	\$ 1,389,042
F&B Royalty	109,801	81,331	(28,470)	987,046	961,458	(25,588)	966,149
Full-Time Salaries	56,325	63,974	7,649	463,370	553,767	90,397	530,728
Part-Time Wages	95,214	98,103	2,889	965,139	1,040,255	75,116	955,377
Benefits	6,402	10,829	4,427	86,351	93,502	7,151	94,349
Travel and Entertainment	1,280	942	(338)	13,921	19,249	5,328	8,459
Supplies and Services	96,087	81,367	(14,720)	1,043,052	925,108	(117,944)	739,041
Insurance	9,880	11,625	1,745	99,901	104,625	4,724	100,281
Utilities	40,200	40,200	-	312,025	310,200	(1,825)	298,549
Capital Reserve	33,333	33,333	-	300,000	300,000	-	299,997
Management Fee	18,171	17,952	(219)	163,539	161,568	(1,971)	158,400
Other	17,258	14,967	(2,291)	178,214	157,874	(20,340)	201,154
Total Operating Expenses	\$ 648,104	\$ 565,608	\$ (82,496)	\$ 5,993,704	\$ 5,940,007	\$ (53,697)	\$ 5,741,526
Operating Profit before Depreciation, Incentives & Rebates	\$ 160,977	\$ 148,834	\$ 12,143	\$ 783,174	\$ 656,434	\$ 126,740	\$ 869,183
Depreciation	4,165	3,333	(832)	37,488	30,000	(2,496)	29,999
Operating Profit before Incentives & Rebates	\$ 156,812	\$ 145,501	\$ 11,311	\$ 745,686	\$ 626,434	\$ 124,244	\$ 839,184
Incentives & Rebates	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -
Operating Profit	\$ 56,812	\$ 45,501	\$ 11,311	\$ 645,686	\$ 526,434	\$ 124,244	\$ 839,184
Gross Margin %	60.4%	63.8%		64.7%	63.8%		63.3%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Nine months ended	
	September 30, 2011	September 30, 2010
OPERATING	\$ 2,063,174	\$ 1,867,408
FINANCING	(323,965)	(324,951)
Net Cash Inflow (Outflow) during the period	\$ 1,739,209	\$ 1,542,457
Cash, beginning of period	2,043,961	1,827,610
Cash, end of period	\$ 3,783,170	\$ 3,370,067
OPERATING		
Operating profit after incentives and rebates	\$ 645,686	\$ 839,184
Amortization of capital assets	37,488	29,999
Cash provided by (used in) non cash working capital items	1,380,000	998,225
	\$ 2,063,174	\$ 1,867,408
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	\$ (2,279,200)	\$ (833,987)
Prepaid expenses	16,172	(55,331)
Inventory	(124,104)	(117,742)
Accounts payable and accrued liabilities	4,066,645	2,308,246
Incentives & rebates payable	(223,965)	(378,110)
Taxes payable	(190,523)	(49,868)
Deferred revenue	114,975	125,017
Cash provided by (used in) operating activities	\$ 1,380,000	\$ 998,225