

Item No. 11



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

Executive Summary

000's	July 2011			Year to date			2010 Actual
	Actual	Plan	Variance	2011 Actual	2011 Plan	2011 Variance	
Revenues	\$ 1,005	\$ 721	\$ 284	\$ 4,924	\$ 4,897	\$ 27	\$ 4,368
Expenses	\$ (682)	\$ (601)	\$ (81)	\$ (4,658)	\$ (4,650)	\$ (8)	\$ (4,147)
EBITDA (LBITDA)	\$ 323	\$ 120	\$ 203	\$ 266	\$ 247	\$ 19	\$ 221

- For the month ending July 31, 2011, the operating profit for BMO Field of \$323K was \$203K favourable to budget.
- Total revenues of \$1.0M for the month were \$284K favourable to budget due mainly due to higher Food & Beverage Revenue (\$239K), TFC Usage Fees (\$25K) and Capital Replacement Fees (\$21K), partially offset by lower Event Rental and CSA Usage Fees (\$29K).
- Total operating expenses of \$682K for the month were \$81K unfavourable to budget mainly due to higher F&B Cost of Goods Sold (\$68K) and Royalties (\$48K) partially offset by lower Supplies and Services (\$27K).

Events hosted by BMO Field:

	July 2011			YTD			2010
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendly & CONCACAF)	3	1	2	16	13	3	13
CSA Games	0	1	-1	1	3	-2	0
International Games	1	1	0	1	2	-1	1
TOTAL	4	3	1	18	18	0	14
Field Rental Hours	4	48	-44	18	108	-90	79

July 2011 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$3.3M increased by \$533K from July 31, 2010. The increase was due to cash from operations of \$1.2M partially offset by the payment of the incentives, rebates and excess cash distributions relating to 2010 of \$648K.
- Accounts Receivable of \$1.8M is made up primarily of TFC event settlements (\$656K) to be finalized in August, Corporate Sponsorship receivable which will be collected at the end of the season (\$467K), Ticketmaster advances and rebates (\$212K) to be received in August and capital expenditures reimbursement from the City of Toronto (\$148K) to be invoiced in August. BMO Field is currently monitoring receivables and no collection issues are anticipated.

- Accounts Payable and Accrued Liabilities of \$4.4M was made up primarily of cost recoveries payable to MLSE (\$1.2M), suites revenue payable at the end of the season (\$521K), TFC ticket liabilities (\$376K), ticket monies received for the upcoming Canada Rugby match (\$217K) and other current payables and accruals (\$1.3M).
- Deferred Revenue of \$365K 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 July 31, 2011 of \$323K was \$203K favourable to budget. The following provides an analysis of the significant variances in the month:

- Food and Beverage revenues were \$239K or 76.9% positive to budget in the month due mainly to two unbudgeted events (one NCC and one CONCACAF game) in the month (\$231K), higher TFC sales for the July 20 game (\$35K) and higher sales for the International Friendly (\$33K) offset by no CSA game in the month (\$45K).
- Costs of Goods Sold were \$68K negative to budget in the month due mainly to higher food and beverage sales due. For the month, the gross margin percentage was 67.2% versus 63.8% budgeted. The favourable variance was due to a correction in cost of goods sold resulting from an over accrual in the prior period.
- TFC Usage fees were \$25K favourable to budget in the month due to the two unbudgeted TFC matches.
- CRF was \$21K positive to budget due primarily to the two unbudgeted TFC games in the month (\$24K) and stronger than anticipated ticket sales for the international friendly (\$7K) partially offset by no CSA match (\$9K).
- F&B Royalties were \$48K negative to budget due to primarily to higher sales for the two unbudgeted TFC games in the month.
- Part-time wages were \$12K negative to budget due to primarily to the two additional TFC games in the month.
- Supplies and Services were \$27K positive to budget due to savings in F&B staff training and uniform expenses (\$15K), lower IT costs (\$20K), timing of broadcast recoveries (\$18K), partially offset by non-recovery of event expenses for the international friendly (\$24K).

Peter Church
General Manager/BMO Field

BMO FIELD
BALANCE SHEET
as at July 31, 2011

	<u>July 31, 2011</u>	<u>July 31, 2010</u>	<u>December 31, 2010</u>
ASSETS			
Current Assets			
Cash	\$ 3,324,827	\$ 2,791,708	\$ 2,043,961
Accounts receivable	1,839,712	990,667	263,101
Prepaid expenses & deposits	82,554	74,912	63,572
Inventory	154,078	206,582	52,364
	<u>5,401,171</u>	<u>4,063,869</u>	<u>2,422,998</u>
Capital Assets	30,814	56,668	59,971
	<u>\$ 5,431,985</u>	<u>\$ 4,120,537</u>	<u>\$ 2,482,969</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 4,356,093	\$ 3,156,313	\$ 1,399,061
Taxes payable	149,294	94,519	111,995
Deferred revenue	365,383	340,296	-
Incentives & rebates payable	20,854	8,910	344,819
	<u>4,891,624</u>	<u>3,600,038</u>	<u>1,855,875</u>
Long-Term Suite Deposits	243,159	243,159	243,159
Retained Earnings	297,202	277,340	383,935
	<u>\$ 5,431,985</u>	<u>\$ 4,120,537</u>	<u>\$ 2,482,969</u>
Opening Retained Earnings	\$ 383,935	\$ 458,110	\$ 458,110
Operating Profit	237,232	197,340	303,935
Distribution of Excess Cash	(323,965)	(378,110)	(378,110)
Closing Retained Earnings	<u>\$ 297,202</u>	<u>\$ 277,340</u>	<u>\$ 383,935</u>

**BMO FIELD
INCOME STATEMENT
For the Seven Months Ending July 31, 2011**

	July 31, 2011			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2010
Revenues							
Ticketmaster Rebates	\$ 60,255	\$ 53,278	\$ 6,977	\$ 140,320	\$ 147,874	\$ (7,554)	\$ 110,658
Club Fees	10,639	11,473	(834)	42,554	45,891	(3,337)	44,191
Sponsorship	116,813	115,399	1,414	467,252	461,595	5,657	452,544
Contra Sponsorship	2,500	2,500	-	17,500	17,500	-	-
Food and Beverage	549,069	310,448	238,621	2,918,872	2,810,251	108,621	2,486,015
F&B Third Party Commissions	28,189	18,716	9,473	157,815	170,133	(12,318)	144,971
Event Merchandise	15,231	6,758	8,473	57,346	72,447	(15,101)	49,043
Suites	99,745	92,647	7,098	395,352	386,052	9,300	384,556
TFC Usage Fee	40,885	16,160	24,725	245,310	210,080	35,230	205,920
CSA Usage Fee	-	12,667	(12,667)	16,949	38,001	(21,052)	-
CRF	57,338	36,360	20,978	276,550	277,724	(1,174)	238,473
Other Usage Fee	14,620	34,800	(20,180)	147,735	219,160	(71,425)	210,834
Other Revenue	10,089	10,000	89	40,844	40,000	844	40,425
Total Revenues	\$ 1,005,373	\$ 721,206	\$ 284,167	\$ 4,924,399	\$ 4,896,708	\$ 27,691	\$ 4,367,630
Expenses							
Cost of Goods Sold	\$ 180,289	\$ 112,283	\$ (68,006)	\$ 1,020,671	\$ 1,016,161	\$ (4,510)	\$ 913,988
F&B Royalty	130,033	82,238	(47,795)	756,973	744,476	(12,497)	624,937
Full-Time Salaries	56,722	63,974	7,252	333,720	425,820	92,100	406,324
Part-Time Wages	120,562	108,275	(12,287)	746,078	804,846	58,768	658,403
Benefits	7,074	10,829	3,755	68,898	71,844	2,946	72,846
Travel and Entertainment	449	942	493	11,704	16,257	4,553	5,174
Supplies and Services	85,356	112,309	26,953	901,570	766,342	(135,228)	649,845
Insurance	9,880	11,625	1,745	80,141	81,375	1,234	77,401
Utilities	32,470	32,400	(70)	238,254	237,300	(954)	225,500
Capital Reserve	33,333	33,333	-	233,333	233,333	-	233,331
Management Fee	18,171	17,952	(219)	127,197	125,664	(1,533)	123,200
Other	8,503	15,456	6,953	139,471	126,611	(12,860)	156,009
Total Operating Expenses	\$ 682,842	\$ 601,616	\$ (81,226)	\$ 4,658,010	\$ 4,650,029	\$ (7,981)	\$ 4,146,958
Operating Profit before Depreciation, Incentives & Rebates	\$ 322,531	\$ 119,590	\$ 202,941	\$ 266,389	\$ 246,679	\$ 19,710	\$ 220,672
Depreciation	4,165	3,333	(832)	29,157	23,333	(2,496)	23,332
Operating Profit before Incentives & Rebates	\$ 318,366	\$ 116,257	\$ 202,109	\$ 237,232	\$ 223,346	\$ 17,214	\$ 197,340
Gross Margin %	67.2%	63.8%		65.0%	63.8%		63.2%

BMO FIELD
STATEMENT OF CASH FLOWS

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Seven months ended	
	July 31, 2011	July 31, 2010
OPERATING	\$ 1,604,831	\$ 1,289,049
FINANCING	(323,965)	(324,951)
Net Cash Inflow (Outflow) during the period	\$ 1,280,866	\$ 964,098
Cash, beginning of period	2,043,961	1,827,610
Cash, end of period	\$ 3,324,827	\$ 2,791,708
OPERATING		
Operating loss after incentives and rebates	\$ 237,232	\$ 197,340
Amortization of capital assets	29,157	23,332
Cash provided by (used in) non cash working capital items	1,338,442	1,068,377
	\$ 1,604,831	\$ 1,289,049
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	\$ (1,576,611)	\$ (695,492)
Prepaid expenses	(18,982)	(57,942)
Inventory	(101,714)	(167,558)
Accounts payable and accrued liabilities	2,957,032	2,050,647
Incentives & rebates payable	(323,965)	(378,110)
Taxes payable	37,299	(15,249)
Deferred revenue	365,383	332,081
Cash provided by (used in) operating activities	\$ 1,338,442	\$ 1,068,377