

Item No. 7



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

Executive Summary

000's	June 2011			Year to date			2010 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
Revenues	\$ 1,154	\$ 1,128	\$ 26	\$ 3,919	\$ 4,175	\$ (256)	\$ 2,903
Expenses	\$ (920)	\$ (853)	\$ (67)	\$ (3,975)	\$ (4,048)	\$ 73	\$ (3,121)
EBITDA (LBITDA)	\$ 234	\$ 275	\$ (41)	\$ (56)	\$ 127	\$ (183)	\$ (218)

- For the month ending June 30, 2011, the operating profit for BMO Field of \$234K was \$41K unfavourable to budget.
- Total revenues of \$1.2M for the month were \$26K favourable to budget due mainly due to higher Food & Beverage Revenue (\$38K) for the three TFC matches and one Canadian Soccer Association game (CSA) in the month, higher Adopt-a-Suite and Additional Tickets sold for TFC games (\$10K) offset by lower Broadcast Revenue (\$18K).
- Total operating expenses of \$920K for the month were \$67K unfavourable to budget mainly due to higher Supplies and Services (\$31K), Part-time wages (\$13K) and F&B Cost of Goods Sold (\$12K).

Events hosted by BMO Field:

	June 2011			YTD			2010
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendly & CONCACAF)	3	3	0	13	12	1	8
CSA Games	1	1	0	1	2	-1	0
International Games	0	0	0	0	1	-1	1
TOTAL	4	4	0	14	15	-1	9
Field Rental Hours	11	48	-37	14	60	-46	79

June 2011 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.1M increased by \$138K from June 30, 2010. The increase was due to cash from operations of \$785K partially offset by the payment of the incentives, rebates and excess cash distributions relating to 2010 of \$648K.
- Accounts Receivable of \$1.6M is made up primarily of TFC event settlements (\$476K) to be finalized in July, Corporate Sponsorship receivable which will be collected at the end of the season (\$350K), capital expenditures reimbursement from the City of Toronto (\$145K) to be invoiced in July and Ticketmaster advances and rebates (\$396K) to be received in July. BMO Field is currently monitoring receivables and no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$3.3M was made up primarily of suites revenue payable at the end of the season (\$521K), TFC ticket liabilities (\$202K) and cost recoveries

(\$236K) payable to MLSE, ticket monies received for upcoming Canada Rugby and Juventus events (\$428K) and other current payables and accruals (\$1.6M).

- Deferred Revenue of \$491K 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 June 30, 2011 of \$234K was \$41K unfavourable to budget. The following provides an analysis of the significant variances in the month:

- Ticketmaster rebates were \$10K favourable to budget in the month due to higher than anticipated rebates for TFC games as a result of more being available for sale on Ticketmaster.
- Food and Beverage revenues were \$38K or 5.9% positive to budget in the month due to higher TFC per caps (\$14.58 Actual vs. \$13.76 Plan) and CSA game (\$11.45 Actual vs. \$10.07 Plan)
- Costs of Goods Sold were \$12K negative to budget in the month as a result of higher food and beverage sales. For the month, the gross margin percentage was 64.1% versus 63.8% budgeted.
- Suites Revenues were \$10K positive to budget due to higher Adopt-a-Suite and Additional Ticket revenue for the June 29 TFC game.
- Other Usage Fees were \$27K unfavourable to budget due mainly to lower Broadcast Revenues (\$18K) and Field Rentals (\$9K).
- Part-time wages were \$13K unfavourable to budget due to timing of labour recoveries being booked.
- Supplies and Services were \$31K unfavourable to budget due to increased maintenance and repairs required during the month.

Peter Church
General Manager/BMO Field

BMO FIELD
BALANCE SHEET
as at June 30, 2011

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>December 31, 2010</u>
ASSETS			
Current Assets			
Cash	\$ 2,164,515	\$ 2,026,510	\$ 2,043,961
Accounts receivable	1,621,004	827,873	263,101
Prepaid expenses & deposits	34,639	28,183	63,572
Inventory	174,664	238,621	52,364
	<u>3,994,822</u>	<u>3,121,187</u>	<u>2,422,998</u>
Capital Assets	34,979	60,001	59,971
	<u>\$ 4,029,801</u>	<u>\$ 3,181,188</u>	<u>\$ 2,482,969</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 3,290,965	\$ 2,576,251	\$ 1,399,061
Taxes payable	4,699	50,839	111,995
Deferred revenue	491,290	460,265	-
Incentives & rebates payable	20,854	8,910	344,819
	<u>3,807,808</u>	<u>3,096,265</u>	<u>1,855,875</u>
Long-Term Suite Deposits	243,159	243,159	243,159
Retained Earnings	(21,166)	(158,236)	383,935
	<u>\$ 4,029,801</u>	<u>\$ 3,181,188</u>	<u>\$ 2,482,969</u>
Opening Retained Earnings	\$ 383,935	\$ 458,110	\$ 458,110
Operating Profit (Loss)	(81,136)	(238,236)	303,935
Distribution of Excess Cash	(323,965)	(378,110)	(378,110)
Closing Retained Earnings	<u>\$ (21,166)</u>	<u>\$ (158,236)</u>	<u>\$ 383,935</u>

BMO FIELD
INCOME STATEMENT
For the Four Months Ending June 30, 2011

	June 30, 2011			YTD			2010
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	
Revenues							
Ticketmaster Rebates	\$ 39,960	\$ 30,134	\$ 9,826	\$ 80,065	\$ 94,596	\$ (14,531)	\$ 82,581
Club Fees	10,639	11,473	(834)	31,916	34,418	(2,502)	33,144
Sponsorship	116,813	115,399	1,414	350,439	346,196	4,243	339,408
Contra Sponsorship	2,500	2,500	-	15,000	15,000	-	-
Food and Beverage	688,748	650,668	38,080	2,369,803	2,499,803	(130,000)	1,543,370
F&B Third Party Commissions	36,449	39,574	(3,125)	129,626	151,416	(21,790)	88,333
Event Merchandise	10,128	17,034	(6,906)	42,114	65,689	(23,575)	33,613
Suites	106,423	96,083	10,340	295,607	293,404	2,203	283,070
TFC Usage Fee	49,062	48,480	582	204,425	193,920	10,505	126,720
CSA Usage Fee	16,949	12,667	4,282	16,949	25,334	(8,385)	-
CRF	62,422	62,620	(198)	219,212	241,364	(22,152)	154,845
Other Usage Fee	3,971	31,200	(27,229)	133,115	184,360	(51,245)	187,554
Other Revenue	10,018	10,000	18	30,755	30,000	755	30,248
Total Revenues	\$ 1,154,082	\$ 1,127,832	\$ 26,250	\$ 3,919,026	\$ 4,175,500	\$ (256,474)	\$ 2,902,886
Expenses							
Cost of Goods Sold	\$ 247,564	\$ 235,389	\$ (12,175)	\$ 840,382	\$ 903,878	\$ 63,496	\$ 584,117
Royalty	180,573	172,420	(8,153)	626,940	662,238	35,298	379,870
Full-Time Salaries	55,211	63,974	8,763	276,998	361,846	84,848	342,017
Part-Time Wages	162,789	150,162	(12,627)	625,516	696,571	71,055	465,563
Benefits	10,958	10,829	(129)	61,824	61,015	(809)	63,591
Travel and Entertainment	4,181	3,261	(920)	11,255	15,315	4,060	5,125
Supplies and Services	131,204	100,041	(31,163)	816,215	654,033	(162,182)	579,752
Insurance	11,710	11,625	(85)	70,261	69,750	(511)	65,961
Utilities	37,555	36,700	(855)	205,785	204,900	(885)	196,244
Capital Reserve	33,333	33,333	-	200,000	200,000	-	199,998
Management Fee	18,171	17,952	(219)	109,026	107,712	(1,314)	105,600
Other	26,690	17,232	(9,458)	130,968	111,155	(19,813)	133,285
Total Operating Expenses	\$ 919,939	\$ 852,918	\$ (67,021)	\$ 3,975,170	\$ 4,048,413	\$ 73,243	\$ 3,121,123
Operating Profit before Depreciation, Incentives & Rebates	\$ 234,143	\$ 274,914	\$ (40,771)	\$ (56,144)	\$ 127,087	\$ (183,231)	\$ (218,237)
Depreciation	4,165	3,333	(832)	24,992	20,000	(2,496)	19,999
Operating Profit before Incentives & Rebates	\$ 229,978	\$ 271,581	\$ (41,603)	\$ (81,136)	\$ 107,087	\$ (185,727)	\$ (238,236)
Gross Margin %	64.1%	63.8%		64.5%	63.8%		62.2%

BMO FIELD
STATEMENT OF CASH FLOWS

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Six months ended	
	June 30, 2011	June 30, 2010
OPERATING	\$ 444,519	\$ 523,851
FINANCING	(323,965)	(324,951)
	\$ 120,554	\$ 198,900
Cash, beginning of period	2,043,961	1,827,610
Cash, end of period	\$ 2,164,515	\$ 2,026,510
 OPERATING		
Operating loss after incentives and rebates	\$ (81,136)	\$ (238,236)
Amortization of capital assets	24,992	19,999
Cash provided by (used in) non cash working capital items	500,663	742,088
	\$ 444,519	\$ 523,851
 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	\$ (1,357,903)	\$ (532,698)
Prepaid expenses	28,933	(11,213)
Inventory	(122,300)	(199,597)
Accounts payable and accrued liabilities	1,891,904	1,470,585
Incentives & rebates payable	(323,965)	(378,110)
Taxes payable	(107,296)	(58,929)
Deferred revenue	491,290	452,050
Cash provided by (used in) operating activities	\$ 500,663	\$ 742,088