

Item No. 5



Management Report
for
The Board of Governors of Exhibition Place
June 2013

Executive Summary

\$ 000's	Month			YTD			2012
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenues	1,595	1,216	379	3,599	4,038	(439)	4,273
Expenses	(894)	(838)	(56)	(3,368)	(4,129)	761	(3,901)
Operating Profit / (Loss)	701	378	323	231	(91)	322	372

- For the month ending June 30, 2013, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$701K was \$323K favourable to budget mainly due to higher than expected attendances at the Rugby and Women's CSA Soccer matches.
- Total revenues of \$1.6M for the month were \$379K favourable to budget mainly due to higher food and beverage revenue (\$115K), Ticketmaster rebates (\$97K), suite revenue (\$40K), Rugby usage fees (\$30K), broadcast revenue (\$27K), credit card charge recoveries (\$17K), CSA usage fees (\$16K), CRF (\$13K), and open practice event fees (\$12K).
- Total operating expenses of \$894K for the month were \$56K unfavourable to budget mainly due higher supplies and services (\$59K) and cost of goods sold (\$40K) partially offset by lower full time salaries (\$19K), suite royalties (\$9K) and phone expenses (\$8K).

Events hosted by BMO Field:

	Month			YTD			2012 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	2	2	-	8	10	(2)	14
CSA Games	1	1	-	1	1	-	2
International Games	1	1	-	1	1	-	1
TOTAL	4	4	-	10	12	(2)	17
Field Rental Hours	8	18	(10)	37	36	1	42

June 2013 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$1.9M decreased by \$606K from June 30, 2012 due to incentives, rebates and excess cash distributions paid to the owners of \$722K partially offset by cash from operations of \$116K.
- Accounts receivable of \$1.2M was primarily made up of MLSE receivables (\$591K), Ticketmaster receivable (\$224K), capital reserve receivable from the City of Toronto (\$166K), other operating receivables (\$119K), BMO Field Suite Licenses (\$69K) and Pinnacle caterers (\$53K).

- Subsequent receipts as of July 24th were \$276K. BMO Field is currently monitoring receivables and two collection issues have been identified relating to suite #6 2012 and 2013 Suite Licenses fees which have been provided for.
- The year over year increase in accounts receivable of \$119K was due primarily to an increase in the Ticketmaster receivable (\$122K), MLSE receivable (\$18K) and other operating receivables (\$15K) partially offset by the timing of collections of the capital reserve receivable from the City of Toronto (\$37K).
- Accounts payable and accrued liabilities of \$2.2M were primarily made up of MLSE cost recoveries (\$666K), operating payables (\$564K), general liabilities (\$434K), ticket liabilities (\$315K), and the 2013 capital reserve payable to the City at the end of the year (\$208K).
- The year over year decrease in accounts payable and accrued liabilities of \$149K was primarily due to the timing of payment of event settlements (\$270K), MLSE cost recoveries (\$117K) and operating payables (\$15K) partially offset by an increase in ticket liabilities (\$146K) and general liabilities (\$107K).

PROFIT & LOSS

The operating profit for the month ending June 30, 2013 of \$701K was \$323K favourable to budget. There were four games scheduled for the month of June which included two MLS game, one Rugby, and one CSA. The following provides an analysis of the significant variances in the month:

Revenues

- Ticketmaster rebates were \$97K favourable to budget for the month mainly due to higher rebates received for the women's CSA game (\$50K), Rugby game (\$40K), and TFC games (\$7K) due to higher tickets sold.
- Food and beverage revenues were \$115K favourable to budget for the month due to higher sales at the CSA game (\$103K), Rugby game (\$73K) and open practice events (\$11K) due to higher stiles partially offset by lower sales at the TFC games (\$75K) due to lower stiles and per cap.
- Cost of goods sold were \$40K unfavourable to budget primarily to higher sales costs during the Rugby and CSA games (\$38K) and open practice events (\$5K) partially offset by cost savings during the TFC games (\$2K). Gross margin was 0.6% unfavourable to budget mainly due to higher cost of food sales.
- Suite revenues were \$40K favourable to budget in the month primarily due to higher nightly suite rentals (\$24K) and additional ticket sales (\$18K) primarily for the CSA and Rugby games partially offset by lower than anticipated suite license fees as a result of two unrented suites (\$2K).
- CSA Usage fees were \$16K favourable to budget due to higher ticket sales.
- CRF was \$13K favourable to budget due to higher sales from Rugby (\$9K) and CSA (\$5K) games partially offset by lower CRF from the two TFC games (\$2K).
- Other usage fees were \$70K favourable to budget mainly due to higher event rental revenue from the Rugby game (\$30K), higher broadcast revenues (\$27K) and open practice fees (\$12K).
- Other revenue was \$34K favourable to budget in the month primarily due to higher event fee recoveries from the CSA and Rugby games (\$19K) and cancellation of 2011 Pinnacle caterer payment found to be in error (\$13K).

Expenses

- Suite royalties were \$9K favourable to budget due to lower shareable suite revenues with TFC.

- Full time salaries were \$19K favourable to budget mainly due to staff vacancies.
- Supplies and services were \$59K unfavourable to budget primarily due to higher trades labour and supplies (\$23K), cleaning expenses (\$12K), timing of event cost recoveries (\$10K), outside contractors (\$7K), uniform expenses (\$4K), and equipment maintenance (\$3K) partially offset by savings in field maintenance (\$3K).
- Other expenses were \$8K favourable to budget mainly due to savings in phone charges.

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at June 30, 2013

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
ASSETS		
Current Assets		
Cash	\$ 1,878,272	\$ 2,484,211
Accounts receivable	1,221,042	1,101,991
Taxes recoverable	-	-
Prepaid expenses & deposits	69,967	74,294
Inventory	192,225	107,929
	<u>3,361,506</u>	<u>3,768,425</u>
Capital Assets	30,837	17,826
	<u>\$ 3,392,343</u>	<u>\$ 3,786,251</u>
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,187,813	\$ 2,336,810
Taxes payable	88,731	47,357
Deferred revenue	654,454	778,355
Incentives & rebates payable		
	<u>2,930,998</u>	<u>3,162,522</u>
Long-Term Suite Deposits	204,704	233,784
Retained Earnings	256,641	389,945
	<u>\$ 3,392,343</u>	<u>\$ 3,786,251</u>
STATEMENT OF RETAINED EARNINGS		
Opening Retained Earnings	\$ 368,252	\$ 556,839
Operating Profit	222,519	363,920
Distribution of Excess Cash	(334,130)	(530,814)
Closing Retained Earnings	<u>\$ 256,641</u>	<u>\$ 389,945</u>

INCOME STATEMENT
For the Month and the Six Months Ending June 30, 2013

	Month			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2012
Revenues							
Ticketmaster Rebates	\$ 151,387	\$ 54,556	\$ 96,831	\$ 181,074	\$ 90,980	\$ 90,094	\$ 135,874
Club Fees	8,773	9,783	(1,010)	35,092	39,133	(4,041)	33,542
Sponsorship	121,385	122,599	(1,214)	364,156	367,798	(3,642)	360,585
Contra Sponsorship	-	2,500	(2,500)	2,830	15,000	(12,170)	10,422
Food and Beverage	767,812	653,033	114,779	1,672,432	2,165,701	(493,269)	2,271,520
F&B Third Party Commissions	40,693	39,352	1,341	89,120	126,810	(37,690)	129,680
Event Merchandise	13,947	16,268	(2,321)	32,800	44,329	(11,529)	44,618
Suites	197,770	157,554	40,216	594,413	617,182	(22,769)	597,029
TFC Usage Fee	34,320	34,320	-	137,280	171,600	(34,320)	185,108
CSA Usage Fee	30,984	15,200	15,784	30,984	15,200	15,784	33,376
CRF	80,600	67,722	12,878	168,039	204,122	(36,083)	228,171
Other Usage Fee	110,091	39,882	70,209	241,898	160,617	81,281	210,987
Other Revenue	36,962	3,302	33,660	49,202	19,809	29,393	32,534
Total Revenues	\$ 1,594,724	\$ 1,216,071	\$ 378,653	\$ 3,599,320	\$ 4,038,281	\$ (438,961)	\$ 4,273,446
Expenses							
Cost of Goods Sold	\$ 242,350	\$ 201,938	\$ (40,412)	\$ 534,094	\$ 673,899	\$ 139,805	\$ 785,676
Food & Beverage Royalties	134,638	136,753	2,115	371,750	540,537	168,787	563,155
Suite Royalties	61,427	70,609	9,182	245,824	348,340	102,516	262,206
Full-Time Salaries	52,488	71,538	19,050	320,202	382,904	62,702	306,820
Part-Time Wages	134,075	131,325	(2,750)	403,381	573,750	170,369	508,038
Benefits	9,544	13,468	3,924	58,789	71,541	12,752	57,035
Travel and Entertainment	1,301	4,868	3,567	4,909	18,924	14,015	6,089
Supplies and Services	144,916	85,611	(59,305)	651,878	799,812	147,934	664,812
Insurance	11,625	11,625	-	69,750	69,750	-	69,960
Sign Tax	2,000	-	(2,000)	60,000	-	(60,000)	-
Utilities	34,683	37,200	2,517	216,937	203,400	(13,537)	242,541
Capital Reserve	34,640	34,986	346	207,840	209,916	2,076	204,699
Management Fee	18,873	19,072	199	113,238	114,432	1,194	112,188
Other	11,345	19,502	8,157	109,256	122,167	12,911	118,107
Total Operating Expenses	\$ 893,905	\$ 838,495	\$ (55,410)	\$ 3,367,848	\$ 4,129,372	\$ 761,524	\$ 3,901,326
Operating Profit/(Loss) before Depreciation, Incentives & Rebates	\$ 700,819	\$ 377,576	\$ 323,243	\$ 231,472	\$ (91,091)	\$ 322,563	\$ 372,120
Depreciation	1,432	3,333	1,901	8,953	20,000	11,047	8,200
Operating Profit/(Loss) before Incentives & Rebates	\$ 699,387	\$ 374,243	\$ 325,144	\$ 222,519	\$ (111,091)	\$ 333,610	\$ 363,920
Operating Profit/(Loss)	\$ 699,387	\$ 374,243	\$ 325,144	\$ 222,519	\$ (111,091)	\$ 333,610	\$ 363,920
F&B Gross Margin %	68.4%	69.1%	-0.6%	68.1%	68.9%	-0.8%	65.4%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Six months ending	
	June 30, 2013	June 30, 2012
OPERATING	\$ 630,809	\$ 579,959
INVESTING	(5,661)	-
FINANCING	(370,130)	(540,189)
	\$ 255,018	\$ 39,770
Net Cash Inflow during the period		
Cash, beginning of period	1,623,254	2,444,441
Cash, end of period	\$ 1,878,272	\$ 2,484,211
 OPERATING		
Operating profit after incentives and rebates	\$ 222,519	\$ 363,920
Amortization of capital assets	8,953	8,200
Cash invested in non cash working capital items	399,337	207,839
	\$ 630,809	\$ 579,959
 INVESTING		
Acquisition of capital assets	\$ (5,661)	\$ -
	\$ (5,661)	\$ -
 FINANCING		
Long-term deposits	\$ (36,000)	\$ (9,375)
Distribution of excess cash to owner	(334,130)	(530,814)
	\$ (370,130)	\$ (540,189)
 Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (869,908)	\$ (670,260)
Taxes payable	94,970	80,975
Prepaid expenses	(65,982)	(36,730)
Inventory	(174,223)	(85,042)
Accounts payable and accrued liabilities	1,184,196	708,584
Incentives & rebates payable	(387,943)	(568,043)
Deferred revenue	618,227	778,355
Cash invested in non-cash working capital items	\$ 399,337	\$ 207,839