



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

Executive Summary

\$ 000's	Month			YTD			
	Actual	Budget	Variance	Actual	Budget	Variance	2012
Revenues	1,117	1,106	11	4,716	5,144	(428)	5,301
Expenses	(820)	(899)	79	(4,188)	(5,029)	841	(4,719)
Operating Profit / (Loss)	297	207	90	528	115	413	582

- For the month ending July 31, 2013, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$297K was \$91K favourable to budget.
- Total revenues of \$1.1M for the month were \$11K favourable to budget mainly due to higher Ticketmaster rebates (\$30K), other usage fees (\$19K), and labour cost recoveries (\$18K), partially offset by lower food and beverage revenue (\$60K).
- Total operating expenses of \$820K for the month were \$79K favourable to budget mainly due to savings in food and beverage royalties (\$25K), supplies and services (\$24K), and full time salaries (\$19K).

Events hosted by BMO Field:

	Month			YTD			2012
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendlies & CONCACAF)	3	3	-	11	13	(2)	14
CSA Games	-	-	-	1	1	-	2
International Games	1	-	1	2	1	1	1
TOTAL	4	3	1	14	15	(1)	17
Field Rental Hours	8	18	(10)	45	72	(27)	42

July 2013 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.8M decreased by \$13K from July 31, 2012 due to incentives, rebates and excess cash distributions paid to the owners of \$722K partially offset by cash from operations of \$709K.
- Accounts receivable of \$1.4M was primarily made up of MLSE receivables (\$435K), Ticketmaster receivable (\$346K), Cisco Systems (\$318K), Dome Productions (\$139K), Pinnacle caterers (\$91K) and other operating receivables (\$57K).
- Subsequent receipts as of August 15th were \$47K. 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 \$324K was due primarily to an increase in the Ticketmaster receivable (\$307K) and other operating receivables (\$206K) partially offset by the timing of collections from MLSE (\$149K) and the capital reserve receivable from the City of Toronto (\$43K).
- Accounts payable and accrued liabilities of \$2.8M were primarily made up of MLSE cost recoveries (\$966K), ticket liabilities (\$755K), operating payables (\$483K), general liabilities (\$364K), and the 2013 capital reserve payable to the City at the end of the year (\$242K).
- The year over year increase in accounts payable and accrued liabilities of \$161K was primarily due to an increase in ticket liabilities (\$542K) and MLSE cost recoveries (\$73K) partially offset by the timing of payments of operating payables (\$452K).

PROFIT & LOSS

The operating profit before depreciation, incentives and rebates for the month ending July 31, 2013 of \$297K was \$91K favourable to budget as the Lisbon versus Peneiro international friendly match that occurred on July 21st was not in budget. The following provides an analysis of the significant variances in the month:

Revenues

- Ticketmaster rebates were \$30K favourable to budget for the month mainly due rebates received from the international game (\$18K) and higher rebates received for TFC games (\$12K) due to additional tickets sold.
- Food and beverage revenues were \$60K unfavourable to budget for the month due to lower alcohol sales at all three TFC games (\$111K) as a result of lower per cap, partially offset by additional sales from the international game (\$37K) and higher food sales at the TFC games (\$16K).
- Cost of goods sold were \$8K favourable to budget primarily to lower sales costs during the TFC games (\$17K) partially offset by the food costs from the international game (\$12K). Gross margin was 1.8% unfavourable to budget mainly due to higher cost of food sales.
- Other usage fees were \$19K favourable to budget mainly due to higher broadcast revenues (\$10K) and additional event rental revenue from the international game (\$9K).
- Other revenue was \$20K favourable to budget in the month primarily due to labour cost recoveries (\$25K) partially offset by lower event rentals (\$5K).

Expenses

- Food and beverage royalties were \$25K favourable to budget mainly due to lower sales from the three TFC games.
- Full time salaries were \$19K favourable to budget mainly due to staff vacancies.
- Supplies and services were \$24K favourable to budget primarily due to timing of event costs (\$10K), savings in consulting (\$7K) and uniforms (\$3K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at July 31, 2013

	<u>July 31, 2013</u>	<u>July 31, 2012</u>
ASSETS		
Current Assets		
Cash	\$ 2,802,909	\$ 2,816,369
Accounts receivable	1,386,701	1,062,388
Prepaid expenses & deposits	128,994	104,811
Inventory	144,687	152,366
	<u>4,463,291</u>	<u>4,135,934</u>
Capital Assets	29,406	16,459
	<u>\$ 4,492,697</u>	<u>\$ 4,152,393</u>
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,841,283	\$ 2,680,261
Taxes payable	110,784	36,080
Deferred revenue	783,955	603,517
	<u>3,736,022</u>	<u>3,319,858</u>
Long-Term Suite Deposits	204,704	233,784
Retained Earnings	551,971	598,751
	<u>\$ 4,492,697</u>	<u>\$ 4,152,393</u>
STATEMENT OF RETAINED EARNINGS		
Opening Retained Earnings	\$ 368,252	\$ 556,839
Operating Profit	517,849	572,726
Distribution of Excess Cash	(334,130)	(530,814)
Closing Retained Earnings	<u>\$ 551,971</u>	<u>\$ 598,751</u>

BMO FIELD
INCOME STATEMENT
For the Month and the Seven Months Ending July 31, 2013

	Month			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2012
Revenues							
Ticketmaster Rebates	\$ 43,918	\$ 13,659	\$ 30,259	\$ 224,992	\$ 104,639	\$ 120,353	\$ 148,495
Club Fees	8,773	9,783	(1,010)	43,866	48,916	(5,050)	53,871
Sponsorship	121,385	122,599	(1,214)	485,541	490,397	(4,856)	480,780
Contra Sponsorship	-	2,500	(2,500)	2,830	17,500	(14,670)	12,922
Food and Beverage	562,910	622,775	(59,865)	2,235,342	2,788,476	(553,134)	2,822,092
F&B Third Party Commissions	36,203	36,043	160	125,323	162,853	(37,530)	161,602
Event Merchandise	8,783	10,734	(1,951)	41,583	55,063	(13,480)	51,551
Suites	164,735	156,908	7,827	759,148	774,090	(14,942)	746,257
TFC Usage Fee	51,480	51,480	-	188,760	223,080	(34,320)	235,592
CSA Usage Fee	-	-	-	30,984	15,200	15,784	33,376
CRF	53,282	52,800	482	221,321	256,922	(35,601)	278,888
Other Usage Fee	41,500	22,968	18,532	283,398	183,585	99,813	232,787
Other Revenue	23,608	3,302	20,306	72,810	23,111	49,699	42,620
Total Revenues	\$ 1,116,577	\$ 1,105,551	\$ 11,026	\$ 4,715,898	\$ 5,143,832	\$ (427,934)	\$ 5,300,833
Expenses							
Cost of Goods Sold	\$ 184,260	\$ 192,502	\$ 8,242	\$ 718,354	\$ 866,401	\$ 148,047	\$ 995,968
Food & Beverage Royalties	140,773	166,247	25,474	512,524	706,784	194,260	710,794
Suite Royalties	77,365	70,899	(6,466)	323,189	419,240	96,051	329,012
Full-Time Salaries	52,752	71,538	18,786	372,955	454,441	81,486	366,887
Part-Time Wages	126,508	125,735	(773)	529,890	699,485	169,595	613,881
Benefits	9,331	13,468	4,137	68,120	85,008	16,888	68,529
Travel and Entertainment	(820)	1,086	1,906	4,088	20,010	15,922	7,380
Supplies and Services	111,990	136,264	24,274	763,868	936,077	172,209	767,843
Insurance	11,625	11,625	-	81,375	81,375	-	78,493
Sign Tax	2,000	-	(2,000)	62,000	-	(62,000)	-
Utilities	35,376	38,200	2,824	252,313	241,600	(10,713)	281,407
Capital Reserve	34,640	34,986	346	242,480	244,902	2,422	238,632
Management Fee	18,873	19,072	199	132,111	133,504	1,393	130,886
Other	15,142	17,709	2,567	124,398	139,876	15,478	128,829
Total Operating Expenses	\$ 819,815	\$ 899,331	\$ 79,516	\$ 4,187,665	\$ 5,028,703	\$ 841,038	\$ 4,718,541
Operating Profit/(Loss) before Depreciation, Incentives & Rebates	\$ 296,762	\$ 206,220	\$ 90,542	\$ 528,233	\$ 115,129	\$ 413,104	\$ 582,292
Depreciation	1,432	3,333	1,901	10,384	23,333	12,949	9,566
Operating Profit/(Loss) before Incentives & Rebates	\$ 295,330	\$ 202,887	\$ 92,443	\$ 517,849	\$ 91,796	\$ 426,053	\$ 572,726
Operating Profit/(Loss)	\$ 295,330	\$ 202,887	\$ 92,443	\$ 517,849	\$ 91,796	\$ 426,053	\$ 572,726
F&B Gross Margin %	67.3%	69.1%	-1.8%	67.9%	68.9%	-1.0%	64.7%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Seven months ending	
	July 31, 2013	July 31, 2012
OPERATING	\$ 1,568,395	\$ 902,550
INVESTING	(18,610)	9,567
FINANCING	(370,130)	(540,189)
Net Cash Inflow during the period	\$ 1,179,655	\$ 371,928
Cash, beginning of period	1,623,254	2,444,441
Cash, end of period	\$ 2,802,909	\$ 2,816,369
OPERATING		
Operating profit after incentives and rebates	\$ 517,849	\$ 572,726
Amortization of capital assets	23,333	-
Cash invested in non cash working capital items	1,027,213	329,824
	\$ 1,568,395	\$ 902,550
INVESTING		
Acquisition of capital assets	\$ (18,610)	\$ 9,567
	\$ (18,610)	\$ 9,567
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	\$ (1,035,567)	\$ (630,657)
Taxes payable	117,023	69,698
Prepaid expenses	(125,009)	(67,247)
Inventory	(126,685)	(129,479)
Accounts payable and accrued liabilities	1,837,666	1,052,035
Incentives & rebates payable	(387,943)	(568,043)
Deferred revenue	747,728	603,517
Cash invested in non-cash working capital items	\$ 1,027,213	\$ 329,824