

Item No. 3



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

Executive Summary

\$ 000's	Month			YTD			2012
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenues	814	1,232	(418)	6,718	7,571	(853)	7,139
Expenses	(725)	(905)	180	(5,585)	(6,752)	1,167	(6,170)
Operating Profit / (Loss)	89	327	(238)	1,133	819	314	969

- For the month ending September 30, 2013, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$89K was \$237K unfavourable to budget.
- Total revenues of \$814K for the month were \$418K unfavourable to budget mainly due to lower food and beverage revenue (\$366K), CRF (\$15K), CSA usage fees (\$15K), Ticketmaster rebates (\$14K), and third party commissions (\$11K) partially offset by other ancillary revenue (\$11K).
- Total operating expenses of \$725K for the month were \$180K favourable to budget mainly due to savings in cost of goods sold (\$100K), food and beverage royalties (\$84K), utilities (\$31K), part time wages (\$25K) and other expenses (\$15K). These savings were partially offset by higher supplies and services (\$65K) mainly due to timing of event costs.

Events hosted by BMO Field:

	Month			YTD			2012 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	3	3	-	16	18	(2)	20
CSA Games	-	1	(1)	1	3	(2)	3
International Games	-	-	-	4	2	2	1
TOTAL	3	4	(1)	21	23	(2)	24
Field Rental Hours	24	18	6	68	126	(58)	72

September 2013 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.8M increased by \$5K from September 30, 2012 due to cash from operations of \$727K partially offset by incentives, rebates and excess cash distributions paid to the owners of \$722K.
- Accounts receivable of \$1.2M was primarily made up of MLSE receivables (\$470K), Cisco Systems (\$318K), Dome Productions (\$150K), Pinnacle Caterers (\$116K), Ticketmaster receivable (\$107K), and other operating receivables (\$79K).
- Subsequent receipts as of October 15th were \$321K. 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 \$61K was due primarily to an increase in operating receivables (\$445K) and Ticketmaster receivable (\$80K) partially offset by the timing of collections from MLSE (\$400K), the capital reserve receivable from the City of Toronto (\$36K), and Pinnacle Caterers (\$28K).
- Accounts payable and accrued liabilities of \$2.4M were primarily made up of MLSE cost recoveries (\$879K), operating payables (\$495K), ticket liabilities (\$400K), general liabilities (\$338K), and the 2013 capital reserve payable to the City at the end of the year (\$312K).
- The year-over-year decrease in accounts payable and accrued liabilities of \$287K was primarily due to the timing of payments of event settlements (\$373K) and MLSE cost recoveries (\$326K) partially offset by an increase in ticket liabilities (\$242K), operating payables (\$161K) and general liabilities (\$8K).

PROFIT & LOSS

The operating profit before depreciation, incentives and rebates for the month ending September 30, 2013 of \$89K was \$238K unfavourable to budget due to lower stile and per cap at the three TFC games and not hosting a CSA match. The following provides an analysis of the significant variances in the month:

Revenues

- Ticket master rebates were \$14K unfavourable to budget for the month primarily due to not hosting a CSA match (\$17K) and lower rebates received from TFC matches (\$4K) partially offset by higher rebates received from previous non TFC events (\$6K) as confirmed by Ticketmaster.
- Food and beverage revenues were \$366K unfavourable to budget for the month due to lower sales at the three TFC games (\$304K) as a result of lower stile and per cap and not hosting a CSA game (\$61K).
- Cost of goods sold were \$100K favourable to budget primarily due to lower sales costs during TFC games (\$80K) and not hosting a CSA game (\$19K). Gross margin was 4.3% unfavourable to budget mainly due to higher spoilage experienced during the TFC games.
- Third party commissions were \$11K unfavourable to budget due to lower sales from the TFC games (\$9K) and not hosting a CSA game (\$2K).
- CSA usage fees were \$15K unfavourable to budget due to not hosting a CSA game.
- CRF fees were \$15K unfavourable to budget primarily due to not hosting a CSA game (\$12K) and lower sales from TFC games (\$3K).
- Other usage fees were \$11K favourable to budget mainly due to higher broadcast revenues (\$5K) and additional corporate event rentals (\$5K).

Expenses

- Food and beverage royalties were \$84K favourable to budget mainly due to lower royalties generated from the three TFC games (\$79K) and not hosting a CSA game (\$7K).
- Part time wages were \$25K favourable to budget primarily due to not hosting a CSA game (\$19K) and lower staff headcount at the TFC games (\$6K).
- Supplies and services were \$65K unfavourable to budget primarily due to timing of event costs (\$57K), timing of field maintenance costs (\$12K), and higher HVAC labour (\$3K) partially offset by savings in equipment rentals (\$4K) and IT costs (\$3K).
- Utilities were \$31K favourable to budget mainly due to TFC utility cost recoveries (\$27K) and lower gas costs (\$5K) partially offset by higher hydro costs (\$2K).

- Other expenses were \$15K favourable to budget primarily due to lower miscellaneous expenses (\$10K) and telephone costs (\$5K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at September 30, 2013

	<u>September 30, 2013</u>	<u>September 30, 2012</u>
ASSETS		
Current Assets		
Cash	\$ 2,813,309	\$ 2,808,312
Accounts receivable	1,240,006	1,178,961
Taxes recoverable	8,179	-
Prepaid expenses & deposits	47,195	63,314
Inventory	107,987	120,541
	<u>4,216,676</u>	<u>4,171,128</u>
Capital Assets	26,542	39,616
	<u>\$ 4,243,218</u>	<u>\$ 4,210,744</u>
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,423,841	\$ 2,711,322
Taxes payable	-	24,617
Deferred revenue	460,887	259,194
	<u>2,884,728</u>	<u>2,995,133</u>
Long-Term Suite Deposits	204,704	233,784
Retained Earnings	1,153,786	981,827
	<u>\$ 4,243,218</u>	<u>\$ 4,210,744</u>
STATEMENT OF RETAINED EARNINGS		
Opening Retained Earnings	\$ 368,252	\$ 556,839
Operating Profit	1,119,664	955,802
Distribution of Excess Cash	(334,130)	(530,814)
Closing Retained Earnings	<u>\$ 1,153,786</u>	<u>\$ 981,827</u>

BMO FIELD
INCOME STATEMENT
For the Month and the Nine Months Ending September 30, 2013

	Month			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2012
Revenues							
Ticketmaster Rebates	\$ 31,116	\$ 45,059	\$ (13,943)	\$ 318,345	\$ 204,254	\$ 114,091	\$ 198,165
Club Fees	13,280	9,783	3,497	65,919	68,482	(2,563)	67,085
Sponsorship	121,385	122,599	(1,214)	728,312	735,596	(7,284)	721,170
Contra Sponsorship	-	2,500	(2,500)	2,830	22,500	(19,670)	30,586
Food and Beverage	318,289	684,215	(365,926)	3,151,414	4,095,044	(943,630)	3,704,029
F&B Third Party Commissions	29,307	40,531	(11,224)	193,328	240,427	(47,099)	213,939
Event Merchandise	12,252	11,656	596	67,324	75,577	(8,253)	61,327
Suites	149,913	158,077	(8,164)	1,070,572	1,089,721	(19,149)	1,033,740
TFC Usage Fee	51,480	51,480	-	291,720	308,880	(17,160)	328,474
CSA Usage Fee	-	15,200	(15,200)	30,984	45,600	(14,616)	53,741
CRF	49,955	65,189	(15,234)	330,060	389,833	(59,773)	378,674
Other Usage Fee	33,144	22,382	10,762	362,918	265,799	97,119	285,400
Other Revenue	4,360	3,302	1,058	104,671	29,714	74,957	62,771
Total Revenues	\$ 814,481	\$ 1,231,973	\$ (417,492)	\$ 6,718,397	\$ 7,571,427	\$ (853,030)	\$ 7,139,101
Expenses							
Cost of Goods Sold	\$ 112,009	\$ 211,689	\$ 99,680	\$ 1,007,614	\$ 1,270,686	\$ 263,072	\$ 1,280,892
Food & Beverage Royalties	88,978	173,028	84,050	731,852	997,791	265,939	945,872
Suite Royalties	80,361	70,373	(9,988)	459,050	560,748	101,698	465,391
Full-Time Salaries	69,029	71,538	2,509	494,096	597,516	103,420	487,491
Part-Time Wages	121,660	146,273	24,613	752,517	971,322	218,805	809,018
Benefits	9,461	13,468	4,007	86,912	111,943	25,031	88,605
Travel and Entertainment	4,495	1,350	(3,145)	8,422	23,578	15,156	10,800
Supplies and Services	150,568	85,169	(65,399)	921,578	1,122,161	200,583	977,123
Insurance	11,625	11,625	-	104,625	104,625	-	104,835
Sign Tax	2,000	-	(2,000)	66,000	-	(66,000)	-
Utilities	7,536	38,200	30,664	317,543	319,000	1,457	367,724
Capital Reserve	34,640	34,986	346	311,760	314,874	3,114	306,498
Management Fee	18,873	19,072	199	169,857	171,648	1,791	168,282
Other	13,589	28,172	14,583	153,660	186,055	32,395	157,729
Total Operating Expenses	\$ 724,824	\$ 904,943	\$ 180,119	\$ 5,585,486	\$ 6,751,947	\$ 1,166,461	\$ 6,170,260
Operating Profit before Depreciation, Incentives & Rebates	\$ 89,657	\$ 327,030	\$ (237,373)	\$ 1,132,911	\$ 819,480	\$ 313,431	\$ 968,841
Depreciation	1,432	3,333	1,901	13,247	30,000	16,753	13,039
Operating Profit before Incentives & Rebates	\$ 88,225	\$ 323,697	\$ (235,472)	\$ 1,119,664	\$ 789,480	\$ 330,184	\$ 955,802
Operating Profit	\$ 88,225	\$ 323,697	\$ (235,472)	\$ 1,119,664	\$ 789,480	\$ 330,184	\$ 955,802
F&B Gross Margin %	64.8%	69.1%	-4.3%	68.0%	69.0%	-0.9%	65.4%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Nine months ending	
	September 30, 2013	September 30, 2012
OPERATING	\$ 1,582,598	\$ 917,650
INVESTING	(22,413)	(13,590)
FINANCING	(370,130)	(540,189)
	\$ 1,190,055	\$ 363,871
Net Cash Inflow during the period		
Cash, beginning of period	1,623,254	2,444,441
Cash, end of period	\$ 2,813,309	\$ 2,808,312
 OPERATING		
Operating profit after incentives and rebates	\$ 1,119,664	\$ 955,802
Amortization of capital assets	30,000	-
Cash invested in non cash working capital items	432,934	(38,152)
	\$ 1,582,598	\$ 917,650
 INVESTING		
Acquisition of capital assets	\$ (22,413)	\$ (13,590)
	\$ (22,413)	\$ (13,590)
 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	\$ (888,872)	\$ (747,230)
Taxes payable	(1,940)	58,235
Prepaid expenses	(43,210)	(25,750)
Inventory	(89,985)	(97,654)
Accounts payable and accrued liabilities	1,420,224	1,083,096
Incentives & rebates payable	(387,943)	(568,043)
Deferred revenue	424,660	259,194
Cash invested in non-cash working capital items	\$ 432,934	\$ (38,152)