

Item No. 3



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

Executive Summary

\$ 000's	Month			YTD			2012
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenues	995	1,051	(56)	1,475	1,751	(276)	1,653
Expenses	(962)	(930)	(32)	(2,014)	(2,387)	373	(1,973)
Operating Profit / (Loss)	33	121	(88)	(539)	(636)	97	(320)

- For the month ending April 30, 2013, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$33K was \$88K unfavourable to budget.
- Total revenues of \$995K for the month were \$56K unfavourable to budget mainly due to lower food and beverage revenue (\$51K) and suite revenue (\$25K) partially offset by higher TFC usage fees (\$17K).
- Total operating expenses of \$962K for the month were \$32K unfavourable to budget mainly due to the recognition of the 2011 and 2012 City of Toronto third party sign tax imposed on the LED sign (\$48K), higher cost of goods sold (\$23K), part time wages (\$16K) and utilities (\$9K) partially offset by lower food and beverage and suite royalties (\$34K), full time salaries (\$19K) and phone expenses (\$10K).
- Year to date, BMO Field is currently \$97K favourable to budget, however, as a result of the timing of the first Amway Canadian Championship match (ACC) and TFC's failure to qualify for the 2nd round of the ACC, we anticipate that variance to reverse in May.

Events hosted by BMO Field:

	Month			Fiscal			2012 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	4	3	1	5	5	-	5
TOTAL	4	3	1	5	5	-	5
Field Rental Hours	-	-	-	-	-	-	-

April 2013 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.7M decreased by \$122K from April 30, 2012 due to incentives, rebates and excess cash distributions paid to the owners of \$1.1M partially offset by cash from operations of \$997K.
- Accounts receivable of \$843K was made up primarily of MLSE receivables (\$468K), BMO Field Suite Licenses (\$129K), capital reserve receivable from the City of Toronto (\$83K), Ticketmaster receivable (\$80K), and other operating receivables (\$82K).

- Subsequent receipts as of May 13th were \$2K. BMO Field is currently monitoring receivables and one collection issue was identified relating to a 2012 Suite Licenses fee which has already been provided for.
- The year over year increase in accounts receivable of \$181K was due primarily to the increase in MLSE receivables (\$231K), capital reserve receivable from the City of Toronto (\$68K), and Ticketmaster receivable (\$16K) partially offset by the timing of collection of suite license fees (\$129K) and other operating receivables (\$6K).
- Accounts payable and accrued liabilities of \$2.3M were primarily made up of ticket liabilities (\$707K), operating payables (\$454K), general liabilities (\$637K), MLSE cost recoveries (\$334K), and the 2013 capital reserve payable to the City at the end of the year (\$139K).
- The year over year increase in accounts payable and accrued liabilities of \$799K was primarily due to an increase in ticket liabilities (\$402K) driven by timing of events, other operating payables (\$382K), and general liabilities (\$210K) partially offset by a decrease in MLSE cost recoveries (\$202K).
- Incentives & rebates payable of \$388K will be paid upon completion of the year-end audit. The year over year decrease of \$180K was attributable to higher operating profits in 2011 versus 2012 resulting primarily from the one time CSA settlement agreement.

PROFIT & LOSS

The operating profit for the month ending April 30, 2013 of \$90K was \$33K favourable to budget. The first Amway Canadian Championship game (ACC) which occurred in April was originally planned in May resulting in \$65K of additional EBITDA in the month (which was offset by other items as noted below). The following provides an analysis of the significant variances in the month:

- Food and beverage revenues were \$51K unfavourable to budget for the month due lower stile and per cap at the three MLS games (\$121K) partially offset by the timing of the ACC game (\$70K).
- Cost of goods sold were \$23K unfavourable to budget primarily to lower gross margin which was 7.5% unfavourable to budget. Standard cost issues have been identified and are being investigated in order to resolve this issue.
- Suite revenues were \$25K unfavourable to budget in the month due primarily to lower than anticipated suite license fees as a result of unrented suites (\$18K) and lower nightly rentals (\$6K).
- TFC usage fees were \$17K favourable to budget primarily due to the timing of the ACC game.
- Food royalties were \$15K favourable to budget mainly due lower royalties paid at the three MLS games (\$35K) due to lower sales partially offset by the timing of fees paid for the ACC game (\$19K).
- Suite royalties were \$19K favourable to budget due to lower suite revenues generated listed above.
- Full time salaries and benefits were \$21K favourable to budget collectively due to an adjustment to salaries allocated to BMO Field (\$12K) and staffing vacancies (\$9K).
- Part time wages were \$16K unfavourable to budget mainly due to the timing of the ACC game \$32K partially offset by an event staff wages correction from March (\$15K)
- The third party sign tax payable to the City of Toronto is a new unbudgeted item for BMO Field relating to the Gardiner Expressway visible LED sign. Included in the month is a catch up for prior periods. The total expense for the year is projected to be \$72K.
- Other expenses were \$11K favourable to budget primarily due to lower phone and transmission line savings.

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at April 30, 2013

	<u>April 30, 2013</u>	<u>April 30, 2012</u>
ASSETS		
Current Assets		
Cash	\$ 2,672,140	\$ 2,793,884
Accounts receivable	843,000	662,416
Taxes recoverable	-	-
Prepaid expenses & deposits	74,734	106,196
Inventory	116,858	124,283
	<u>3,706,732</u>	<u>3,686,779</u>
Capital Assets	33,858	20,559
	<u>\$ 3,740,590</u>	<u>\$ 3,707,338</u>
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,330,702	\$ 1,531,590
Taxes payable	38,683	26,490
Deferred revenue	954,319	1,116,600
Incentives & rebates payable	387,943	568,043
	<u>3,711,647</u>	<u>3,242,723</u>
Long-Term Suite Deposits	204,704	233,784
Retained Earnings / (Deficit)	(175,761)	230,831
	<u>\$ 3,740,590</u>	<u>\$ 3,707,338</u>
STATEMENT OF RETAINED EARNINGS		
Opening Retained Earnings	\$ 368,252	\$ 556,839
Operating Loss	(544,013)	(326,008)
Closing Retained Earnings / (Deficit)	<u>\$ (175,761)</u>	<u>\$ 230,831</u>

BMO FIELD
INCOME STATEMENT
For the Month and the Four Months Ending April 30, 2013

	Month			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2012
Revenues							
Ticketmaster Rebates	\$ 15,269	\$ 13,659	\$ 1,610	\$ 21,114	\$ 22,765	\$ (1,651)	\$ 28,956
Club Fees	7,763	9,783	(2,020)	17,546	19,566	(2,020)	11,181
Sponsorship	121,385	122,599	(1,214)	121,385	122,599	(1,214)	120,195
Contra Sponsorship	(2,500)	2,500	(5,000)	2,830	10,000	(7,170)	5,422
Food and Beverage	512,782	563,548	(50,766)	715,320	919,504	(204,184)	850,120
F&B Third Party Commissions	29,596	32,580	(2,984)	39,609	53,145	(13,536)	45,166
Event Merchandise	11,035	10,452	583	15,483	17,610	(2,127)	20,119
Suites	132,072	156,908	(24,836)	267,386	304,412	(37,026)	287,867
TFC Usage Fee	68,640	51,480	17,160	85,800	85,800	-	84,140
CRF	57,431	51,040	6,391	71,922	84,480	(12,558)	79,420
Other Usage Fee	31,831	33,304	(1,473)	106,322	98,353	7,969	108,708
Other Revenue	9,578	3,302	6,276	10,736	13,206	(2,470)	11,527
Total Revenues	\$ 994,882	\$ 1,051,155	\$ (56,273)	\$ 1,475,453	\$ 1,751,440	\$ (275,987)	\$ 1,652,821
Expenses							
Cost of Goods Sold	\$ 196,964	\$ 174,216	\$ (22,748)	\$ 264,099	\$ 292,941	\$ 28,842	\$ 315,775
Food & Beverage Royalties	135,527	150,431	14,904	188,492	245,446	56,954	225,142
Suite Royalties	59,617	79,112	19,495	120,324	160,508	40,184	129,941
Full-Time Salaries	40,847	59,957	19,110	202,829	239,828	36,999	174,744
Part-Time Wages	154,091	138,395	(15,696)	224,083	316,919	92,836	221,415
Benefits	9,760	11,151	1,391	38,120	44,606	6,486	35,029
Travel and Entertainment	1,691	2,396	705	2,786	11,510	8,724	2,697
Supplies and Services	187,217	185,929	(1,288)	426,377	599,881	173,504	388,650
Insurance	11,625	11,625	-	46,500	46,500	-	46,711
Sign Tax	50,000	-	(50,000)	56,000	-	(56,000)	-
Utilities	48,717	39,600	(9,117)	144,470	128,100	(16,370)	146,182
Capital Reserve	34,640	34,986	346	138,560	139,944	1,384	136,833
Management Fee	18,873	19,072	199	75,492	76,288	796	74,792
Other	12,493	23,027	10,534	85,402	84,296	(1,106)	75,452
Total Operating Expenses	\$ 962,062	\$ 929,897	\$ (32,165)	\$ 2,013,534	\$ 2,386,767	\$ 373,233	\$ 1,973,363
Operating Profit/(Loss) before Depreciation, Incentives & Rebates	\$ 32,820	\$ 121,258	\$ (88,438)	\$ (538,081)	\$ (635,327)	\$ 97,246	\$ (320,542)
Depreciation	1,274	3,333	2,059	5,932	13,333	7,401	5,466
Operating Profit/(Loss) before Incentives & Rebates	\$ 31,546	\$ 117,925	\$ (86,379)	\$ (544,013)	\$ (648,660)	\$ 104,647	\$ (326,008)
Incentives & Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Profit/(Loss)	\$ 31,546	\$ 117,925	\$ (86,379)	\$ (544,013)	\$ (648,660)	\$ 104,647	\$ (326,008)
F&B Gross Margin %	61.6%	69.1%	-7.5%	63.1%	68.1%	-5.1%	62.9%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Four months ending	
	April 30, 2013	April 30, 2012
OPERATING	\$ 1,090,547	\$ 358,818
INVESTING	(5,661)	-
FINANCING	(36,000)	(9,375)
	\$ 1,048,886	\$ 349,443
Net Cash Inflow during the period		
Cash, beginning of period	1,623,254	2,444,441
Cash, end of period	\$ 2,672,140	\$ 2,793,884
 OPERATING		
Operating loss after incentives and rebates	\$ (544,013)	\$ (326,008)
Amortization of capital assets	5,932	5,466
Cash invested in non cash working capital items	1,628,628	679,360
	\$ 1,090,547	\$ 358,818
 INVESTING		
Acquisition of capital assets	\$ (5,661)	\$ -
	\$ (5,661)	\$ -
 FINANCING		
Long-term deposits	\$ (36,000)	\$ (9,375)
	\$ (36,000)	\$ (9,375)
 Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (491,866)	\$ (230,685)
Taxes payable	44,922	60,109
Prepaid expenses	(70,749)	(68,632)
Inventory	(98,856)	(101,396)
Accounts payable and accrued liabilities	1,327,085	(96,636)
Deferred revenue	918,092	1,116,600
Cash invested in non-cash working capital items	\$ 1,628,628	\$ 679,360