

Item No. 4



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

Executive Summary

\$ 000's	Month			YTD			
	Actual	Budget	Variance	Actual	Budget	Variance	2012
Revenues	529	1,071	(542)	2,005	2,822	(818)	2,840
Expenses	(460)	(866)	406	(2,474)	(3,253)	779	(2,921)
Operating Profit / (Loss)	69	205	(136)	(470)	(432)	(39)	(81)

- For the month ending May 31, 2013, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$69K was \$136K unfavourable to budget.
- Total revenues of \$529K for the month were \$542K unfavourable to budget mainly due to lower food and beverage revenue (\$404K), CRF (\$36K), TFC usage fees (\$34K), suite revenue (\$26K), food and beverage third party commissions (\$25K), and event merchandise (\$7K).
- Total operating expenses of \$460K for the month were \$406K favourable to budget mainly due to lower cost of goods sold (\$151K), food and beverage royalties (\$110K), part time wages (\$80K), supplies and services (\$34K) and suite royalties (\$15K).
- BMO Field anticipates that it will meet budget due to additional events that are scheduled for later in the season that will offset the loss of the March 9th and ACC games.

Events hosted by BMO Field:

	Month			Fiscal			2012 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	1	3	(2)	6	8	(2)	9
TOTAL	1	3	(2)	6	8	(2)	9
Field Rental Hours	29	18	11	29	18	11	12

May 2013 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.0M decreased by \$1.0M from May 31, 2012 due to incentives, rebates and excess cash distributions paid to the owners of \$642K and cashed used in operations of \$388K.
- Accounts receivable of \$1.1M was primarily made up of MLSE receivables (\$558K), Ticketmaster receivable (\$183K), capital reserve receivable from the City of Toronto (\$141K), other operating receivables (\$117K), and BMO Field Suite Licenses (\$69K).
- Subsequent receipts as of June 17th were \$96K. 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 decrease in accounts receivable of \$119K was due primarily to the timing of collections of other operating receivables (\$125K), MLSE receivables (\$114K), Pinnacle caterer's (\$34K), and the capital reserve receivable from the City of Toronto (\$17K) partially offset by an increase in Ticketmaster receivable (\$170K).
- Accounts payable and accrued liabilities of \$2.6M were primarily made up of ticket liabilities (\$1.2M), MLSE cost recoveries (\$633K), general liabilities (\$488K), the 2013 capital reserve payable to the City at the end of the year (\$173K), and other operating payables (\$104K).
- The year over year decrease in accounts payable and accrued liabilities of \$767K was primarily due to the timing of payment of the 2012 incentives, rebates and excess cash distribution (\$1.1M), and decreases in general liabilities (\$127K), MLSE cost recoveries (\$61K), and other operating payables (\$215K) partially offset by an increase in ticket liabilities (\$735K) driven by timing of events.

PROFIT & LOSS

The operating profit for the month ending May 31, 2013 of \$69K was \$136K unfavourable to budget. There were three games scheduled for the month of May which included one MLS and two Amway Canadian Championship (ACC) games. TFC played the first ACC game in April but did not advance to the second round which would have occurred in May. The following provides an analysis of the significant variances in the month:

Revenues

- Food and beverage revenues were \$404K unfavourable to budget for the month due to the loss of the second ACC game (\$207K), the timing of the first ACC game that occurred in April (\$178K), and lower stipe at the MLS game (\$25K) partially offset the CSA open practice event (\$7K).
- Cost of goods sold were \$151K favourable to budget primarily to the timing and loss of the ACC games (\$119K) and a standard cost adjustment to inventory (\$32K) resolving the issues identified in April. Gross margin on a year to date basis is now 1% unfavourable to budget mainly due to higher cost of food sales.
- Food and beverage third party commissions were \$25K unfavourable to budget primarily due to the impact of the ACC games (\$23K) and lower sales at the MLS game (\$3K).
- Suite revenues were \$26K unfavourable to budget in the month primarily due to lower than anticipated suite license fees as a result of unrented suites (\$15K), lower nightly rentals (\$9K) and lower additional ticket sales (\$2K).
- TFC usage fees were \$34K unfavourable to budget due to the timing and loss of the ACC games.
- CRF was \$36K unfavourable to budget due to impact of the ACC games (\$34K) and lower tickets sold for the MLS game (\$2K).

Expenses

- Food royalties were \$109K favourable to budget mainly due the impact of the ACC games (\$104K) and lower royalties payable from MLS game (\$5K) due to lower stipe and sales.
- Suite royalties were \$15K favourable to budget due to lower suite revenues generated listed above.
- Part time wages were \$80K favourable to budget mainly due to impact of the ACC games.

- Supplies and services were \$33K favourable to budget primarily due to savings in cleaning and electrical labour (\$16K), consulting (\$7K), contracted building security (\$7K), and equipment rental (\$5K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at May 31, 2013

	May 31, 2013	May 31, 2012	
ASSETS			
Current Assets			
Cash	\$ 1,998,317	\$ 3,027,858	
Accounts receivable	1,067,059	1,186,989	
Taxes recoverable	13,570	-	
Prepaid expenses & deposits	176,029	114,940	
Inventory	229,167	154,603	
	3,484,142	4,484,390	
Capital Assets	32,269	19,192	
	\$ 3,516,411	\$ 4,503,582	
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,586,538	\$ 3,353,754	
Taxes payable	-	29,583	
Deferred revenue	833,787	947,880	
Incentives & rebates payable			
	3,420,325	4,331,217	
Long-Term Suite Deposits	204,704	233,784	
Retained Earnings / (Deficit)	(108,618)	(61,419)	
	\$ 3,516,411	\$ 4,503,582	
STATEMENT OF RETAINED EARNINGS			
Opening Retained Earnings	\$ 368,252	\$ 556,839	
Operating Loss	(476,870)	(87,443)	
Distribution of Excess Cash	-	(530,815)	
Closing Retained Earnings / (Deficit)	\$ (108,618)	\$ (61,419)	

BMO FIELD
INCOME STATEMENT
For the Month and the Five Months Ending May 31, 2013

	Month			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2012
Revenues							
Ticketmaster Rebates	\$ 8,574	\$ 13,659	\$ (5,085)	\$ 29,687	\$ 36,424	\$ (6,737)	\$ 48,389
Club Fees	8,773	9,783	(1,010)	26,319	29,350	(3,031)	22,362
Sponsorship	121,385	122,599	(1,214)	242,771	245,199	(2,428)	240,390
Contra Sponsorship	-	2,500	(2,500)	2,830	12,500	(9,670)	7,922
Food and Beverage	189,300	593,164	(403,864)	904,620	1,512,668	(608,048)	1,499,428
F&B Third Party Commissions	8,819	34,312	(25,493)	48,428	87,457	(39,029)	78,543
Event Merchandise	3,371	10,451	(7,080)	18,854	28,061	(9,207)	30,944
Suites	129,258	155,216	(25,958)	396,644	459,627	(62,983)	448,509
TFC Usage Fee	17,160	51,480	(34,320)	102,960	137,280	(34,320)	151,452
CRF	15,517	51,920	(36,403)	87,439	136,400	(48,961)	146,170
Other Usage Fee	25,485	22,382	3,103	131,807	120,735	11,072	143,554
Other Revenue	1,504	3,302	(1,798)	12,240	16,508	(4,268)	22,274
Total Revenues	\$ 529,146	\$ 1,070,768	\$ (541,622)	\$ 2,004,599	\$ 2,822,209	\$ (817,610)	\$ 2,839,937
Expenses							
Cost of Goods Sold	\$ 27,645	\$ 179,020	\$ 151,375	\$ 291,744	\$ 471,961	\$ 180,217	\$ 524,343
Food & Beverage Royalties	48,621	158,338	109,717	237,113	403,784	166,671	396,011
Suite Royalties	64,074	79,112	15,038	184,398	239,620	55,222	199,944
Full-Time Salaries	64,886	71,538	6,652	267,715	311,366	43,651	243,845
Part-Time Wages	45,224	125,506	80,282	269,307	442,425	173,118	340,111
Benefits	11,125	13,468	2,343	49,245	58,073	8,828	46,539
Travel and Entertainment	822	2,546	1,724	3,608	14,056	10,448	4,024
Supplies and Services	80,585	114,320	33,735	506,962	714,201	207,239	559,345
Insurance	11,625	11,625	-	58,125	58,125	-	58,336
Sign Tax	2,000	-	(2,000)	58,000	-	(58,000)	-
Utilities	37,784	38,100	316	182,255	166,200	(16,055)	186,382
Capital Reserve	34,640	34,986	346	173,200	174,930	1,730	170,766
Management Fee	18,873	19,072	199	94,365	95,360	995	93,490
Other	12,509	18,369	5,860	97,911	102,665	4,754	97,411
Total Operating Expenses	\$ 460,413	\$ 866,000	\$ 405,587	\$ 2,473,948	\$ 3,252,766	\$ 778,818	\$ 2,920,547
Operating Profit/(Loss) before Depreciation, Incentives & Rebates	\$ 68,733	\$ 204,768	\$ (136,035)	\$ (469,349)	\$ (430,557)	\$ (38,792)	\$ (80,610)
Depreciation	1,589	3,333	1,744	7,521	16,667	9,146	6,833
Operating Profit/(Loss) before Incentives & Rebates	\$ 67,144	\$ 201,435	\$ (134,291)	\$ (476,870)	\$ (447,224)	\$ (29,646)	\$ (87,443)
Incentives & Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Profit/(Loss)	\$ 67,144	\$ 201,435	\$ (134,291)	\$ (476,870)	\$ (447,224)	\$ (29,646)	\$ (87,443)
F&B Gross Margin %	85.4%	69.8%	15.6%	67.7%	68.8%	-1.0%	65.0%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Five months ending	
	May 31, 2013	May 31, 2012
OPERATING	\$ 416,724	\$ 1,123,607
INVESTING	(5,661)	-
FINANCING	(36,000)	(540,190)
	\$ 375,063	\$ 583,417
Net Cash Inflow during the period	\$ 375,063	\$ 583,417
Cash, beginning of period	1,623,254	2,444,441
Cash, end of period	\$ 1,998,317	\$ 3,027,858
OPERATING		
Operating loss after incentives and rebates	\$ (476,870)	\$ (87,443)
Amortization of capital assets	7,521	6,833
Cash invested in non cash working capital items	886,073	1,204,217
	\$ 416,724	\$ 1,123,607
INVESTING		
Acquisition of capital assets	\$ (5,661)	\$ -
	\$ (5,661)	\$ -
FINANCING		
Long-term deposits	\$ (36,000)	\$ (9,375)
Distribution of excess cash to owner	-	(530,815)
	\$ (36,000)	\$ (540,190)
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (715,925)	\$ (755,258)
Taxes payable	(7,331)	63,202
Prepaid expenses	(172,044)	(77,376)
Inventory	(211,165)	(131,716)
Accounts payable and accrued liabilities	1,582,921	1,725,528
Incentives & rebates payable	(387,943)	(568,043)
Deferred revenue	797,560	947,880
Cash invested in non-cash working capital items	\$ 886,073	\$ 1,204,217