

Item No. 7



Management Report
for
The Board of Governors of Exhibition Place
June 2014

Executive Summary

\$ 000's	Month			YTD			
	Actual	Budget	Variance	Actual	Budget	Variance	2013
Revenues	1,093	1,217	(124)	4,323	3,709	614	3,599
Expenses	(768)	(759)	(9)	(4,378)	(3,741)	(636)	(3,368)
Operating Profit/(Loss)	325	458	(132)	(55)	(32)	(23)	231

- For the month ending June 2014, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$325K was \$132K unfavourable to budget.
- Total revenues of \$1.1M for the month were \$124K unfavourable to budget mainly due to 2 fewer CSA games (\$299K) partially offset by higher Rugby (\$140K) and TFC (\$40K) revenues.
- Total operating expenses of \$768K for the month were \$9K unfavourable to budget mainly due timing of expenses (\$36K), higher utilities (\$16K) and part-time wages (\$6K) partially offset by lower cost of goods sold (\$23K), food & beverage royalties (\$13K) and full-time salaries and benefits (\$12K).

June 2014 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$3.0M increased \$1.1M year over year.
- Accounts receivable of \$2.2M was made up primarily of other operating receivables (\$907K), the capital reserve receivable from the City of Toronto (\$768K), Ticketmaster receivable (\$319K) and MLSE receivable (\$196K).
- Subsequent receipts as of July 21st were \$553K. BMO Field is currently monitoring receivables and no collection issues have been identified.
- The year over year increase in accounts receivable of \$945K was mainly due to an increase in the capital reserve receivable from the City of Toronto (\$580K), other operating receivables (\$517K) and Ticketmaster receivable (\$94K) partially offset by MLSE receivable (\$228K).
- Accounts payable and accrued liabilities of \$4.4M were primarily made up of ticket liabilities (\$1.8M), operating payables (\$966K), MLSE cost recoveries (\$642M), event settlements (\$469K) and general liabilities (\$476K).
- The year over year increase in accounts payable and accrued liabilities of \$2.2M was mainly due to an increase in ticket liabilities (\$1.4M) and timing of event settlements (\$385K) and operating payables (\$401K).

PROFIT & LOSS

The operating profit for the month ending June 30, 2014 of \$325K was \$132K unfavourable to budget. The variance is mainly due to 2 fewer CSA games in June resulting in a \$213K unfavourable variance to budget during the month partially offset by higher TFC revenues of \$46K. The following provides an analysis of the significant variances in the month.

- Food and beverage revenues were \$78K unfavourable to budget mainly due to 2 fewer CSA games (\$195K) partially offset by higher stile and per cap for one TFC game (\$38K) and Rugby (\$82K).
- Cost of goods sold was \$23K favourable to budget for the month mainly due to 2 fewer CSA games (\$62K) partially offset by higher food and beverage sales for 1 TFC game (\$8K) and 1 Rugby match (\$21K). Gross margin of 68.6% was flat to Plan for the month.
- Suites were \$15K favourable to budget mainly due to higher suites rentals for 1 TFC game (\$5K) and 1 Rugby match (\$6K).
- CRF was \$31K unfavourable to budget mainly due to 2 fewer CSA games.
- Other usage fees were \$21K favourable to plan mainly due to higher corporate rental revenue in the month.
- Other revenue was \$19K favourable to budget mainly due to a recovery of promotional costs.
- Food and beverage royalties were \$9K favourable to budget primarily higher royalties paid on TFC game in June (\$15K) partially offset by 2 CSA games (\$23K).
- Full-time salaries were 7K favourable to plan mainly due to staff vacancies.
- Utilities were \$16K unfavourable to budget mainly due to timing of gas and water recovery.
- Other expenses were \$36K unfavourable to budget mainly due to unbudgeted building costs (\$22K) and timing of telephone expense (\$10K).

Submitted by:

Peter Church
General Manager, BMO Field

BMO FIELD
BALANCE SHEET
as at June 30, 2014

	June 30, 2014	June 30, 2013
ASSETS		
Current Assets		
Cash	\$ 2,960,595	\$ 1,878,272
Accounts receivable	2,166,211	1,221,042
Taxes recoverable	24,003	-
Prepaid expenses & deposits	33,520	69,967
Inventory	189,925	192,225
	5,374,254	3,361,502
Capital Assets	40,266	30,837
	\$ 5,414,520	\$ 3,392,339
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,388,074	\$ 2,187,807
Taxes payable	-	88,731
Deferred revenue	860,284	654,454
	5,248,358	2,930,992
Long-Term Suite Deposits	213,454	204,704
Retained Earnings/(Deficit)	(47,292)	256,643
	\$ 5,414,520	\$ 3,392,339
STATEMENT OF RETAINED EARNINGS/(DEFICIT)		
Opening Retained Earnings	\$ 437,015	\$ 368,252
Net Profit/(Loss)	(66,707)	222,519
Distribution of Excess Cash to BOG	(417,600)	(334,128)
Closing Retained Earnings/(Deficit)	\$ (47,292)	\$ 256,643

BMO FIELD
INCOME STATEMENT
For the Six Months Ending June 30, 2014

	Month			YTD			2013
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	
Revenues							
Ticketmaster Rebates	\$ 86,906	\$ 91,790	\$ (4,884)	\$ 202,203	\$ 113,000	\$ 89,203	\$ 181,074
Club Fees	\$ 8,246	\$ 9,783	(1,537)	\$ 32,983	\$ 39,133	(6,150)	\$ 35,092
Sponsorship	\$ 107,428	\$ 109,408	(1,980)	\$ 429,712	\$ 437,631	(7,919)	\$ 364,156
Contra Sponsorship	\$ -	\$ 2,500	(2,500)	\$ 29,934	\$ 15,000	14,934	\$ 2,830
Food and Beverage	\$ 503,331	\$ 581,013	(77,682)	\$ 2,150,519	\$ 1,733,348	417,171	\$ 1,672,432
F&B Third Party Commissions	\$ 35,048	\$ 35,971	(923)	\$ 124,922	\$ 104,641	20,281	\$ 89,120
Event Merchandise	\$ 5,925	\$ 15,577	(9,652)	\$ 48,987	\$ 40,735	8,252	\$ 32,800
Suites	\$ 175,022	\$ 160,370	14,652	\$ 674,675	\$ 644,108	30,567	\$ 594,413
TFC Usage Fee	\$ 17,356	\$ 17,381	(25)	\$ 138,848	\$ 139,048	(200)	\$ 137,280
CSA Usage Fee	\$ -	\$ 48,000	(48,000)	\$ -	\$ 48,000	(48,000)	\$ 30,984
CRF	\$ 43,524	\$ 74,950	(31,426)	\$ 181,742	\$ 185,830	(4,088)	\$ 168,039
Parking	\$ (91)	\$ -		\$ -	\$ -	-	\$ -
Other Usage Fee	\$ 86,519	\$ 65,900	20,619	\$ 234,301	\$ 196,372	37,929	\$ 241,898
Other Revenue	\$ 24,057	\$ 4,400	19,657	\$ 73,974	\$ 12,100	61,874	\$ 49,202
Total Revenues	\$ 1,093,271	\$ 1,217,043	\$ (123,681)	\$ 4,322,800	\$ 3,708,946	\$ 613,854	\$ 3,599,320
Expenses							
Cost of Goods Sold	\$ 158,047	\$ 180,766	\$ 22,719	\$ 670,256	\$ 541,351	(128,905)	\$ 534,094
Food & Beverage Royalties	\$ 68,336	\$ 77,734	9,398	\$ 467,961	\$ 385,716	(82,245)	\$ 371,750
Suite Royalties	\$ 67,056	\$ 70,648	3,592	\$ 291,521	\$ 283,775	(7,746)	\$ 245,824
Full-Time Salaries	\$ 66,012	\$ 73,218	7,206	\$ 364,786	\$ 392,062	27,276	\$ 320,202
Part-Time Wages	\$ 117,295	\$ 110,882	(6,413)	\$ 539,919	\$ 474,457	(65,462)	\$ 403,381
Benefits	\$ 11,287	\$ 13,737	2,450	\$ 67,757	\$ 72,972	5,215	\$ 58,789
Travel and Entertainment	\$ 1,163	\$ 5,636	4,473	\$ 10,111	\$ 20,254	10,143	\$ 4,909
Supplies and Services	\$ 113,754	\$ 113,900	146	\$ 1,140,952	\$ 819,870	(321,082)	\$ 651,878
Insurance	\$ 11,858	\$ 11,858	-	\$ 77,332	\$ 71,145	(6,187)	\$ 69,750
Realty Tax	\$ 2,000	\$ 2,000	-	\$ 12,000	\$ 12,000	-	\$ 60,000
Utilities	\$ 41,456	\$ 25,400	(16,056)	\$ 256,359	\$ 221,800	(34,559)	\$ 216,937
Capital Reserve	\$ 35,333	\$ 35,333	-	\$ 211,998	\$ 211,996	(2)	\$ 207,840
Management Fee	\$ 19,089	\$ 19,250	161	\$ 114,534	\$ 115,503	969	\$ 113,238
Other	\$ 55,116	\$ 18,752	(36,364)	\$ 152,106	\$ 118,292	(33,814)	\$ 109,256
Total Operating Expenses	\$ 767,802	\$ 759,114	\$ (8,688)	\$ 4,377,592	\$ 3,741,193	\$ (636,399)	\$ 3,367,848
Operating Profit/(Loss)	\$ 325,469	\$ 457,929	\$ (132,369)	\$ (54,792)	\$ (32,247)	\$ (22,545)	\$ 231,472
Depreciation	2,263	3,333	1,070	11,915	20,000	8,085	8,953
Net Profit/(Loss)	\$ 323,206	\$ 454,596	\$ (133,439)	\$ (66,707)	\$ (52,247)	\$ (30,630)	\$ 222,519
F&B Gross Margin %	68.6%	68.9%	-0.3%	68.8%	68.8%	0.0%	68.1%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Six months ending	
	June 30, 2014	June 30, 2013
OPERATING	\$ 1,875,287	\$ 621,854
INVESTING	(18,019)	3,292
FINANCING	(408,853)	(370,128)
	\$ 1,448,414	\$ 255,018
Net Cash Inflow during the period		
Cash, beginning of period	1,512,181	1,623,254
Cash, end of period	\$ 2,960,595	\$ 1,878,272
OPERATING		
Net Profit/(Loss)	\$ (66,707)	\$ 222,519
Amortization of capital assets	-	-
Cash invested in non cash working capital items	1,941,994	399,331
	\$ 1,875,287	\$ 621,850
INVESTING		
Acquisition of capital assets	\$ (18,019)	\$ 3,292
	\$ (18,019)	\$ 3,292
FINANCING		
Long-term deposits	\$ 8,750	\$ (36,000)
Distribution of excess cash to owner	(417,603)	(334,128)
	\$ (408,853)	\$ (370,128)
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (691,585)	\$ (869,908)
Taxes recoverable	66,500	94,970
Prepaid expenses	(28,999)	(65,982)
Inventory	(145,963)	(174,223)
Accounts payable and accrued liabilities	2,645,686	1,184,190
Incentives & rebates payable	(462,546)	(387,943)
Deferred revenue	558,901	618,227
	\$ 1,941,994	\$ 399,331