

Item No. 3



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

Executive Summary

| \$ 000's | Month | | | YTD | | | |
|-----------------------|--------|--------|----------|---------|---------|----------|---------|
| | Actual | Budget | Variance | Actual | Budget | Variance | 2013 |
| Revenues | 589 | 703 | (114) | 1,297 | 1,295 | 2 | 1,475 |
| Expenses | (617) | (724) | 107 | (2,431) | (2,035) | (396) | (2,014) |
| Operating Loss | (28) | (21) | (7) | (1,134) | (740) | (394) | (539) |

- For the month ending April, 2014, the Operating Loss before Depreciation, Incentives and Rebates for BMO Field of \$28K was \$7K unfavourable to budget.
- Total revenues of \$589K for the month were \$114K unfavourable to budget mainly due to lower food & beverage revenues (\$50K), TFC usage fees (\$17K), CRF (\$15K), suite revenues (\$14K), and food & beverage third party commissions (\$6K).
- Total operating expenses of \$617K for the month were \$107K favourable to budget mainly due to lower supplies and services (\$52K), part time wages (\$29K), food & beverage royalties (\$14K), and cost of goods sold (\$7K).

April 2014 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$1.6M decreased by \$1.1M from April 30, 2013 due to incentives, rebates and excess cash distributions to the owners of \$722K and cash used in operations of \$355K.
- Accounts receivable of \$1.6M was made up primarily of the capital reserve receivable from the City of Toronto (\$768K), MLSE receivable (\$489K), Ticketmaster receivable (\$157K), BMO Field Suite Licenses (\$103K), and other operating receivables (\$83K).
- Subsequent receipts as of May 15th were \$166K. BMO Field is currently monitoring receivables and no collection issues have been identified.
- The year over year increase in accounts receivable of \$761K was mainly due to an increase in the capital reserve receivable from the City of Toronto (\$686K) and an increase Ticketmaster receivable (\$77K).
- Accounts payable and accrued liabilities of \$2.7M were primarily made up of ticket liabilities (\$1.4M), operating payables (\$526K), general liabilities (\$333K), MLSE cost recoveries (\$282K), and the 2014 capital reserve payable to the City at the end of the year (\$141K).
- The year over year increase in accounts payable and accrued liabilities of \$380K was mainly due to an increase in ticket liabilities (\$722K) partially offset by a decrease in operating payables (\$260K), timing of payment of MLSE cost recoveries (\$54K), and a decrease in general liabilities (\$27K).

- Incentives & rebates payable of \$463K will be paid upon completion of the year-end audit. The year over year increase was attributable to higher operating profits in 2013 resulting primarily from the success of the rugby matches.

PROFIT & LOSS

The operating loss for the month ending April 30, 2014 of \$28K was \$7K unfavourable to budget. During the month one MLS game occurred compared to one MLS and one Amway Canadian Championship (ACC) game in budget. The budgeted ACC game was played on May 7th. The following provides an analysis of the significant variances in the month.

- Food and beverage revenues were \$50K unfavourable to budget mainly due to the timing of the ACC game (\$101K) partially offset by higher stile and per cap experienced at the April 12th TFC game (\$51K).
- Cost of goods sold was \$7K favourable to budget for the month mainly due to the timing of the ACC game (\$30K) partially offset by higher costs during the TFC game due to higher sales (\$23K). Gross margin was 3.5% unfavourable to budget mainly due to higher spoilage experienced during the TFC game.
- Food and beverage third party commissions were \$6K unfavourable to budget primarily due to the timing of the ACC game (\$8K) partially offset by higher sales from the TFC game (\$1K).
- Suites were \$14K unfavourable to budget mainly due to lower suite license fee revenues (\$8K), lower nightly suite rentals (\$3K), and lower additional ticket sales (\$3K).
- TFC usage fees were \$17K unfavourable to budget mainly due to the timing of the ACC game.
- CRF was \$14K unfavourable to budget mainly due to the timing of the ACC game.
- Food and beverage royalties were \$14K favourable to budget primarily due to the timing of the ACC game (\$27K) partially offset from higher royalties paid due to higher sales from the TFC game (\$13K).
- Part-time wages were \$29K favourable to budget for the month mainly due the timing of the ACC game (\$41K) partially offset by higher TFC game day staff required (\$12K).
- Supplies and services expenses were \$52K favourable to budget mainly due to savings in field maintenance \$16K, timing of HVAC labour (\$16K), lower consulting (\$13K), lower signage costs (\$7K), and lower building control costs (\$6K) partially offset by additional early opening costs (\$10K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at April 30, 2014

| | <u>April 30, 2014</u> | <u>April 30, 2013</u> |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 1,594,610 | \$ 2,672,140 |
| Accounts receivable | 1,603,772 | 843,000 |
| Taxes recoverable | 266,221 | - |
| Prepaid expenses & deposits | 181,474 | 74,734 |
| Inventory | 168,409 | 116,858 |
| | <u>3,814,486</u> | <u>3,706,732</u> |
| Capital Assets | 44,792 | 33,858 |
| | <u>\$ 3,859,278</u> | <u>\$ 3,740,590</u> |
| LIABILITIES AND RETAINED EARNINGS | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 2,711,075 | \$ 2,330,702 |
| Taxes payable | - | 38,683 |
| Deferred revenue | 1,176,234 | 954,319 |
| Incentives & rebates payable | 462,546 | 387,943 |
| | <u>4,349,855</u> | <u>3,711,647</u> |
| Long-Term Suite Deposits | 213,454 | 204,704 |
| Retained Earnings | (704,031) | (175,761) |
| | <u>\$ 3,859,278</u> | <u>\$ 3,740,590</u> |
| STATEMENT OF RETAINED EARNINGS | | |
| Opening Retained Earnings | \$ 437,015 | \$ 368,252 |
| Net Loss | (1,141,046) | (544,013) |
| Closing Retained Earnings | <u>\$ (704,031)</u> | <u>\$ (175,761)</u> |

BMO FIELD
INCOME STATEMENT
For the Four Months Ending April 30, 2014

| | Month | | | YTD | | | 2013 |
|---------------------------------|--------------------|--------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| | Actual | Budget | Variance \$ | Actual | Budget | Variance \$ | |
| Revenues | | | | | | | |
| Ticketmaster Rebates | \$ 3,930 | \$ 6,060 | \$ (2,130) | \$ 6,955 | \$ 9,090 | \$ (2,135) | \$ 21,114 |
| Club Fees | 8,246 | 9,783 | (1,537) | 16,492 | 19,566 | (3,074) | 17,546 |
| Sponsorship | 107,428 | 109,408 | (1,980) | 214,856 | 218,816 | (3,960) | 121,385 |
| Contra Sponsorship | - | 2,500 | (2,500) | 29,934 | 10,000 | 19,934 | 2,830 |
| Food and Beverage | 241,332 | 291,287 | (49,955) | 502,095 | 481,207 | 20,888 | 715,320 |
| F&B Third Party Commissions | 11,995 | 18,397 | (6,402) | 25,831 | 29,022 | (3,191) | 39,609 |
| Event Merchandise | 7,574 | 7,009 | 565 | 16,040 | 10,723 | 5,317 | 15,483 |
| Suites | 146,065 | 160,262 | (14,197) | 302,352 | 317,572 | (15,220) | 267,386 |
| TFC Usage Fee | 17,356 | 34,762 | (17,406) | 34,712 | 52,143 | (17,431) | 85,800 |
| CRF | 16,932 | 31,680 | (14,748) | 33,846 | 47,520 | (13,674) | 71,922 |
| Other Usage Fee | 26,401 | 29,331 | (2,930) | 90,142 | 96,272 | (6,130) | 106,322 |
| Other Revenue | 2,019 | 2,200 | (181) | 24,054 | 3,300 | 20,754 | 10,736 |
| Total Revenues | \$ 589,278 | \$ 702,679 | \$ (113,401) | \$ 1,297,309 | \$ 1,295,231 | \$ 2,078 | \$ 1,475,453 |
| Expenses | | | | | | | |
| Cost of Goods Sold | \$ 82,413 | \$ 89,369 | \$ 6,956 | \$ 180,814 | \$ 153,343 | \$ (27,471) | \$ 264,099 |
| Food & Beverage Royalties | 64,492 | 78,016 | 13,524 | 132,963 | 128,666 | (4,297) | 188,492 |
| Suite Royalties | 65,885 | 70,600 | 4,715 | 136,214 | 139,871 | 3,657 | 120,324 |
| Full-Time Salaries | 59,988 | 61,406 | 1,418 | 240,518 | 245,625 | 5,107 | 202,829 |
| Part-Time Wages | 61,348 | 90,313 | 28,965 | 217,526 | 212,615 | (4,911) | 224,083 |
| Benefits | 10,987 | 11,374 | 387 | 45,739 | 45,498 | (241) | 38,120 |
| Travel and Entertainment | 1,602 | 2,648 | 1,046 | 6,363 | 11,872 | 5,509 | 2,786 |
| Supplies and Services | 135,442 | 187,528 | 52,086 | 900,598 | 590,633 | (309,965) | 426,377 |
| Insurance | 8,766 | 11,858 | 3,092 | 47,432 | 47,430 | (2) | 46,500 |
| Realty Tax | 2,000 | 2,000 | - | 8,000 | 8,000 | - | 56,000 |
| Utilities | 43,280 | 43,200 | (80) | 204,932 | 152,200 | (52,732) | 144,470 |
| Capital Reserve | 35,333 | 35,333 | - | 141,332 | 141,331 | (1) | 138,560 |
| Management Fee | 19,089 | 19,250 | 161 | 76,356 | 77,002 | 646 | 75,492 |
| Other | 26,738 | 21,456 | (5,282) | 92,179 | 80,719 | (11,460) | 85,402 |
| Total Operating Expenses | \$ 617,363 | \$ 724,351 | \$ 106,988 | \$ 2,430,966 | \$ 2,034,805 | \$ (396,161) | \$ 2,013,534 |
| Operating Loss | \$ (28,085) | \$ (21,672) | \$ (6,413) | \$ (1,133,657) | \$ (739,574) | \$ (394,083) | \$ (538,081) |
| Depreciation | 2,263 | 3,333 | 1,070 | 7,389 | 13,333 | 5,944 | 5,932 |
| Net Loss | \$ (30,348) | \$ (25,005) | \$ (5,343) | \$ (1,141,046) | \$ (752,907) | \$ (388,139) | \$ (544,013) |
| F&B Gross Margin % | 65.9% | 69.3% | -3.5% | 64.0% | 68.1% | -4.2% | 63.1% |

**BMO FIELD
STATEMENT OF CASH FLOWS**

| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES | Four months ending | |
|---|---------------------|-----------------------|
| | April 30, 2014 | April 30, 2013 |
| OPERATING | \$ 103,613 | \$ 1,090,547 |
| FINANCING | 8,750 | (36,000) |
| | \$ 82,429 | \$ 1,048,886 |
| Net Cash Inflow during the period | | |
| Cash, beginning of period | 1,512,181 | 1,623,254 |
| Cash, end of period | \$ 1,594,610 | \$ 2,672,140 |
| OPERATING | | |
| Net Loss | \$ (1,141,046) | \$ (544,013) |
| Amortization of capital assets | 7,389 | 5,932 |
| Cash invested in non cash working capital items | 1,237,270 | 1,628,628 |
| | \$ 103,613 | \$ 1,090,547 |
| FINANCING | | |
| Long-term deposits | \$ 8,750 | \$ (36,000) |
| | \$ 8,750 | \$ (36,000) |
| Changes in non-cash working capital balances related to operations | | |
| Accounts receivable | \$ (129,150) | \$ (491,866) |
| Taxes recoverable | (175,718) | 44,922 |
| Prepaid expenses | (176,953) | (70,749) |
| Inventory | (124,447) | (98,856) |
| Accounts payable and accrued liabilities | 968,687 | 1,327,085 |
| Deferred revenue | 874,851 | 918,092 |
| | \$ 1,237,270 | \$ 1,628,628 |
| Excess Cash Paid paid to BOG between April 30, 2013 and April 30, 2014 | | |
| | | (334,128) |
| Incentives and Rabates paid to MLSE & CSA between April 30, 2013 and April 30, 2014 | | |
| | | (387,943) |
| Total Incentives, Rebates and Excess Cash paid | | |
| | | \$ (722,071) |
| Cash from Operations between April 30, 2013 to April 30, 2014 | | |
| | | (334,275) |
| Cash from Investments between April 30, 2013 to April 30, 2014 | | |
| | | (29,934) |
| Cash from Financing between April 30, 2013 to April 30, 2014 | | |
| | | 8,750 |
| Total Cash from Operations | | |
| | | \$ (355,459) |
| Total change in Cash between April 30,2013 to April 30, 2014 | | |
| | | \$ (1,077,530) |