

Item No. 3



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

Executive Summary

\$ 000's	Month			YTD			
	Actual	Budget	Variance	Actual	Budget	Variance	2013
Revenues	663	547	116	708	593	115	481
Expenses	(1,305)	(777)	(528)	(1,814)	(1,310)	(504)	(1,051)
Operating Loss	(642)	(230)	(412)	(1,106)	(717)	(389)	(570)

- For the month ending March 31, 2014, the Operating Loss before Depreciation, Incentives and Rebates for BMO Field of \$642K was \$412K unfavourable to budget.
- Total revenues of \$663K for the month were \$116K favourable to budget mainly due to higher food & beverage revenues (\$71K), timing of contra revenue (\$22K), and suite license settlement pertaining to suite #6 (\$21K).
- Total operating expenses of \$1.3M for the month were \$528K unfavourable to budget mainly due to higher supplies and services due to building repairs, early opening costs, and snow removal costs (\$400K), higher utilities costs (\$48K), higher cost of goods and royalties (\$44K) and higher part time wages (\$28K).

March 2014 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$1.7M decreased by \$313K from March 31, 2013 due to incentives, rebates and excess cash distributions to the owners of \$722K partially offset by cash from operations of \$409K.
- Accounts receivable of \$1.6M was made up primarily of the capital reserve receivable from the City of Toronto (\$727K), MLSE receivable (\$458K), BMO Field Suite Licenses (\$269K), Ticketmaster receivable (\$97K) and other operating receivables (\$51K).
- Subsequent receipts as of April 10th were \$233K. BMO Field is currently monitoring receivables and no collection issues have been identified.
- The year over year increase in accounts receivable of \$877K was mainly due an increase in the capital reserve receivable from the City of Toronto (\$570K), an increase MLSE receivables (\$162K), timing of suite license payments (\$105K) and an increase in other operating receivables (\$63K), partially offset by a decrease in Ticketmaster receivable (\$23K).
- Accounts payable and accrued liabilities of \$2.4M were primarily made up of operating payables (\$932K), ticket liabilities (\$583K), general liabilities (\$453K), and MLSE cost recoveries (\$447K).
- The year over year increase in accounts payable and accrued liabilities of \$880K was mainly due to an increase in operating payables (\$544K), timing of payment of MLSE cost recoveries (\$304K), and general liabilities (\$56K) partially offset by a decrease in ticket liabilities (\$24K).

- 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 March 31, 2014 of \$642K was \$412K unfavourable to budget. The following provides an analysis of the significant variances in the month.

- Contra revenue was \$22K favourable to budget in the month mainly due to timing of Sony inventory being received and recognized. No further Sony inventory is expected for 2014.
- Food and beverage revenues were \$71K favourable to budget mainly due to higher stipe and per cap experienced at the March 22nd TFC home opener game.
- Cost of goods sold was \$27K unfavourable to budget for the month mainly due to higher sales. Gross margin was 1% unfavourable to budget mainly due to higher spoilage experienced during the TFC game.
- Other revenue was \$21K favourable to budget primarily due to the suite license fees settlement for suite #6. All previous suite rental revenues that were held on account were realized.
- Food and beverage royalties were \$18K unfavourable to budget primarily due to higher sales.
- PT wages were \$28K unfavourable to budget for the month mainly due the timing of training costs and staff ‘welcome back’ events (\$16K) and higher game day staff required (\$12K).
- Supplies and services expenses were \$400K unfavourable to budget mainly due to building repairs and maintenance (\$179K), early opening and additional maintenance costs during unusually cold weather (\$135K), and snow removal costs (\$120K). These costs were partially offset from savings in food and beverage equipment purchases and rentals (\$14K), external security training (\$9K) and suite holder servicing (\$5K).
- Utilities were \$48K unfavourable to budget primarily due to higher hydro costs from increased usage of lighting, heaters, and boiler systems (\$34K) and higher gas costs as a result of unusually cold weather (\$20K).
- Other expenses were \$10K unfavourable to budget mainly due to additional stadium maintenance costs incurred for the home opener (\$6K) and higher bank charges (\$2K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at March 31, 2014

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
ASSETS		
Current Assets		
Cash	\$ 1,677,970	\$ 1,990,718
Accounts receivable	1,602,787	726,223
Taxes recoverable	195,204	4,236
Prepaid expenses & deposits	69,812	50,698
Inventory	159,609	135,394
	<u>3,705,382</u>	<u>2,907,269</u>
Capital Assets	47,055	35,132
	<u>\$ 3,752,437</u>	<u>\$ 2,942,401</u>
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,415,908	\$ 1,536,303
Taxes payable	-	-
Deferred revenue	1,334,209	1,032,383
Incentives & rebates payable	462,546	387,943
	<u>4,212,663</u>	<u>2,956,629</u>
Long-Term Suite Deposits	213,454	193,079
Retained Earnings	(673,680)	(207,307)
	<u>\$ 3,752,437</u>	<u>\$ 2,942,401</u>
STATEMENT OF RETAINED EARNINGS		
Opening Retained Earnings	\$ 437,015	\$ 368,252
Net Loss	(1,110,695)	(575,559)
Closing Retained Earnings	<u>\$ (673,680)</u>	<u>\$ (207,307)</u>

BMO FIELD
INCOME STATEMENT
For the Three Months Ending March 31, 2014

	Month			YTD			2013
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	
Revenues							
Ticketmaster Rebates	\$ 3,025	\$ 3,030	\$ (5)	\$ 3,025	\$ 3,030	\$ (5)	\$ 5,845
Club Fees	8,246	9,783	(1,537)	8,246	9,783	(1,537)	9,783
Sponsorship	107,428	109,408	(1,980)	107,428	109,408	(1,980)	-
Contra Sponsorship	24,934	2,500	22,434	29,934	7,500	22,434	5,330
Food and Beverage	260,763	189,920	70,843	260,763	189,920	70,843	202,539
F&B Third Party Commissions	13,836	10,625	3,211	13,836	10,625	3,211	10,013
Event Merchandise	8,467	3,714	4,753	8,467	3,714	4,753	4,448
Suites	156,287	157,310	(1,023)	156,287	157,310	(1,023)	135,314
TFC Usage Fee	17,356	17,381	(25)	17,356	17,381	(25)	17,160
CRF	16,914	15,840	1,074	16,914	15,840	1,074	14,490
Other Usage Fee	23,681	26,081	(2,400)	63,742	66,942	(3,200)	74,492
Other Revenue	22,035	1,100	20,935	22,035	1,100	20,935	1,158
Total Revenues	\$ 662,972	\$ 546,692	\$ 116,280	\$ 708,033	\$ 592,553	\$ 115,480	\$ 480,572
Expenses							
Cost of Goods Sold	\$ 90,517	\$ 63,974	\$ (26,543)	\$ 98,401	\$ 63,974	\$ (34,427)	\$ 67,135
Food & Beverage Royalties	68,470	50,650	(17,820)	68,470	50,650	(17,820)	52,965
Suite Royalties	70,329	69,271	(1,058)	70,329	69,271	(1,058)	60,707
Full-Time Salaries	61,333	61,406	73	180,530	184,219	3,689	161,982
Part-Time Wages	150,155	122,302	(27,853)	156,178	122,302	(33,876)	69,992
Benefits	11,269	11,374	105	34,752	34,123	(629)	28,360
Travel and Entertainment	997	6,824	5,827	4,761	9,224	4,463	1,095
Supplies and Services	642,972	242,503	(400,469)	765,156	403,105	(362,051)	239,160
Insurance	14,950	11,858	(3,092)	38,666	35,573	(3,093)	34,875
Realty Tax	2,000	2,000	-	6,000	6,000	-	6,000
Utilities	87,636	40,000	(47,636)	161,652	109,000	(52,652)	95,754
Capital Reserve	35,333	35,333	-	105,999	105,998	(1)	103,920
Management Fee	19,089	19,250	161	57,267	57,751	484	56,619
Other	50,146	40,114	(10,032)	65,441	59,263	(6,178)	72,909
Total Operating Expenses	\$ 1,305,196	\$ 776,859	\$ (528,337)	\$ 1,813,602	\$ 1,310,453	\$ (503,149)	\$ 1,051,473
Operating Loss	\$ (642,224)	\$ (230,167)	\$ (412,057)	\$ (1,105,569)	\$ (717,900)	\$ (387,669)	\$ (570,901)
Depreciation	2,263	3,333	1,070	5,126	10,000	4,874	4,658
Net Loss	\$ (644,487)	\$ (233,500)	\$ (410,987)	\$ (1,110,695)	\$ (727,900)	\$ (382,795)	\$ (575,559)
F&B Gross Margin %	65.3%	66.3%	-1.0%	62.3%	66.3%	-4.2%	66.9%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Three months ending	
	March 31, 2014	March 31, 2013
OPERATING	\$ 186,973	\$ 420,750
FINANCING	8,750	(47,625)
	\$ 165,789	\$ 367,464
Net Cash Inflow during the period	\$ 165,789	\$ 367,464
Cash, beginning of period	1,512,181	1,623,254
Cash, end of period	\$ 1,677,970	\$ 1,990,718
 OPERATING		
Net Loss	\$ (1,110,695)	\$ (575,559)
Amortization of capital assets	5,126	4,658
Cash invested in non cash working capital items	1,292,541	991,651
	\$ 186,972	\$ 420,750
 FINANCING		
Long-term deposits	\$ 8,750	\$ (47,625)
	\$ 8,750	\$ (47,625)
 Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (128,165)	\$ (375,089)
Taxes recoverable	(104,701)	2,003
Prepaid expenses	(65,291)	(46,713)
Inventory	(115,647)	(117,392)
Accounts payable and accrued liabilities	673,520	532,686
Deferred revenue	1,032,825	996,156
	\$ 1,292,541	\$ 991,651
 Excess Cash Paid paid to BOG between March 31, 2013 and March 31, 2014		
		(334,128)
 Incentives and Rabates paid to MLSE & CSA between March 31, 2013 and March 31, 2014		
		(387,943)
 Total Incentives, Rebates and Excess Cash paid		
		\$ (722,071)
 Cash from Operations between March 31, 2013 to March 31, 2014		
		418,881
 Cash from Investments between March 31, 2013 to March 31, 2014		
		(29,934)
 Cash from Financing between March 31, 2013 to March 31, 2014		
		20,375
 Total Cash from Operations		
		\$ 409,322
 Total change in Cash between March 31, 2013 to March 31, 2014		
		\$ (312,749)