

Item No. 5



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

Executive Summary

\$ 000's	Month			YTD			2012
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenues	371	940	(569)	7,089	8,512	(1,423)	7,960
Expenses	(537)	(754)	217	(6,122)	(7,436)	1,313	(6,848)
Operating Profit / (Loss)	(166)	186	(352)	967	1,076	(110)	1,112

- For the month ending October 31, 2013, the Operating Loss before Depreciation, Incentives and Rebates for BMO Field of \$166K was \$352K unfavourable to budget.
- Total revenues of \$371K for the month were \$569K unfavourable to budget mainly due to two less games than planned resulting in lower food and beverage revenue (\$391K), suites (\$42K), CRF (\$32K), other usage fees (\$28K), Ticketmaster rebates (\$22K), third party commissions (\$19K), TFC usage fees (\$17K), and CSA usage fees (\$15K).
- Total operating expenses of \$537K for the month were \$217K favourable to budget mainly due to savings in cost of goods sold (\$123K), food and beverage royalties (\$95K), and full time salaries (\$11K) partially offset by higher supplies and services (\$37K).

Events hosted by BMO Field:

	Month			YTD			2012 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	1	2	(1)	17	20	(3)	22
CSA Games	-	1	(1)	1	4	(3)	4
International Games	-	-	-	4	2	2	1
Other	-	-	-	-	-	-	-
TOTAL	1	3	(2)	22	26	(4)	27
Field Rental Hours	-	-	-	97	126	(29)	80

October 2013 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$3.2M increased by \$569K from October 31, 2012 due to cash from operations of \$1.3M partially offset by incentives, rebates and excess cash distributions paid to the owners of \$722K.
- Accounts receivable of \$1.2M was primarily made up of MLSE receivables (\$713K), Ticketmaster receivable (\$230K), Dome Productions (\$122K), Pinnacle Caterers (\$85K), and other operating receivables (\$73K).
- Subsequent receipts as of November 15th were \$127K. BMO Field is currently monitoring receivables and two collection issues have been identified relating to suite #6 2012 and 2013 Suite Licenses fees which have been provided for.

- The year-over-year decrease in accounts receivable of \$135K was due primarily to the timing of collections from MLSE (\$432K) and the capital reserve receivable from the City of Toronto (\$28K) partially offset by an increase in Ticketmaster receivable (\$242K), and other operating receivables (\$83K).
- Accounts payable and accrued liabilities of \$3.2M were primarily made up of MLSE cost recoveries (\$1.4M), ticket liabilities (\$740K), operating payables (\$432K), the 2013 capital reserve payable to the City at the end of the year (\$346K), and general liabilities (\$324K).
- The year-over-year increase in accounts payable and accrued liabilities of \$445K was primarily due to an increase in ticket liabilities (\$740K), general liabilities (\$68K), and other operating payables (\$18K) partially offset by the timing of payments for MLSE cost recoveries (\$255K) and Canada Rugby event settlements (\$126K).

PROFIT & LOSS

The operating loss before depreciation, incentives and rebates for the month ending October 31, 2013 of \$166K was \$352K unfavourable to budget due to lower stile and per cap at the October 26th TFC game and not hosting an additional TFC and CSA match. The following provides an analysis of the significant variances in the month:

Revenues

- Ticketmaster rebates were \$22K unfavourable to budget for the month primarily due to not hosting a CSA match (\$17K) and second TFC match (\$4K).
- Food and beverage revenues were \$391K unfavourable to budget for the month due to not hosting a second TFC match (\$208K), lower sales at the Oct 26th TFC match (\$121K) as a result of lower stile and per cap, and not hosting a CSA game (\$61K).
- Cost of goods sold were \$123K favourable to budget primarily due to not hosting a second TFC match (\$64K), lower sales costs during the TFC game (\$39K) and not hosting a CSA game (\$19K). Gross margin was 2.1% favourable to budget mainly due to higher volume of lower food cost items sold during the TFC game.
- Third party commissions were \$19K unfavourable to budget due primarily to not hosting the second TFC and CSA games (\$16K) and lower commissions earned from the TFC game (\$2K).
- Suites were \$42K unfavourable to budget primarily due to an adjustment to additional tickets sold throughout the season (\$22K), lower suite license fees (\$10K), and lower suite rental revenues earned (\$9K).
- TFC and CSA usage fees were \$17K and \$15K unfavourable to budget respectively due to not hosting additional TFC and CSA games.
- CRF fees were \$32K unfavourable to budget primarily due to not hosting additional TFC and CSA matches.
- Other usage fees were \$28K unfavourable to budget mainly due to broadcast billing adjustments for previous games (\$14K) and not hosting additional TFC and CSA games \$10K.

Expenses

- Food and beverage royalties were \$95K favourable to budget mainly due to not hosting a second TFC game (\$53K), lower royalties generated from the Oct 26th TFC game (\$31K) and not hosting a CSA game (\$7K).
- Full time salaries were \$11K favourable to budget primarily due staff vacancies.

- Supplies and services were \$37K unfavourable to budget primarily due to timing of Canada Rugby advertising costs (\$24K), field maintenance (\$17K) and equipment maintenance (\$4K) partially offset by timing of elevator maintenance costs (\$11K).

Submitted by:

Peter Church
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at October 31, 2013

	<u>October 31, 2013</u>	<u>October 31, 2012</u>
ASSETS		
Current Assets		
Cash	\$ 3,228,244	\$ 2,659,274
Accounts receivable	1,223,104	1,358,571
Taxes recoverable	91,727	2,855
Prepaid expenses & deposits	36,624	41,339
Inventory	113,853	21,250
	<u>4,693,552</u>	<u>4,083,289</u>
Capital Assets	25,111	37,510
	<u>\$ 4,718,663</u>	<u>\$ 4,120,799</u>
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,209,418	\$ 2,764,911
Taxes payable	-	-
Deferred revenue	318,372	-
	<u>3,527,790</u>	<u>2,764,911</u>
Long-Term Suite Deposits	204,704	233,784
Retained Earnings	986,169	1,122,104
	<u>\$ 4,718,663</u>	<u>\$ 4,120,799</u>
STATEMENT OF RETAINED EARNINGS		
Opening Retained Earnings	\$ 368,252	\$ 556,839
Operating Profit	952,047	1,096,079
Distribution of Excess Cash	(334,130)	(530,814)
Closing Retained Earnings	<u>\$ 986,169</u>	<u>\$ 1,122,104</u>

BMO FIELD
INCOME STATEMENT
For the Month and the Ten Months Ending October 31, 2013

	Month			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2012
Revenues							
Ticketmaster Rebates	\$ 3,950	\$ 25,736	\$ (21,786)	\$ 322,296	\$ 229,990	\$ 92,306	\$ 242,754
Club Fees	9,181	9,783	(602)	75,100	78,266	(3,166)	78,265
Sponsorship	121,385	122,599	(1,214)	849,697	858,195	(8,498)	841,365
Contra Sponsorship	-	2,500	(2,500)	2,830	25,000	(22,170)	28,086
Food and Beverage	86,097	476,623	(390,526)	3,237,511	4,571,667	(1,334,156)	4,064,617
F&B Third Party Commissions	9,756	28,517	(18,761)	203,085	268,944	(65,859)	241,354
Event Merchandise	1,261	4,500	(3,239)	68,585	80,077	(11,492)	70,378
Suites	114,277	156,385	(42,108)	1,184,849	1,246,106	(61,257)	1,173,693
TFC Usage Fee	17,160	34,320	(17,160)	308,880	343,200	(34,320)	362,130
CSA Usage Fee	-	15,200	(15,200)	30,984	60,800	(29,816)	72,847
CRF	15,247	47,589	(32,342)	345,307	437,422	(92,115)	402,606
Other Usage Fee	(14,725)	13,074	(27,799)	348,193	278,873	69,320	308,594
Other Revenue	7,226	3,302	3,924	111,897	33,015	78,882	72,846
Total Revenues	\$ 370,815	\$ 940,128	\$ (569,313)	\$ 7,089,214	\$ 8,511,555	\$ (1,422,341)	\$ 7,959,535
Expenses							
Cost of Goods Sold	\$ 24,831	\$ 147,523	\$ 122,692	\$ 1,032,445	\$ 1,418,209	\$ 385,764	\$ 1,412,686
Food & Beverage Royalties	22,289	117,613	95,324	754,141	1,115,404	361,263	1,042,963
Suite Royalties	63,467	70,373	6,906	522,517	560,748	38,231	529,331
Full-Time Salaries	61,016	71,538	10,522	555,112	669,054	113,942	549,788
Part-Time Wages	100,281	103,797	3,516	852,798	1,075,119	222,321	901,859
Benefits	9,382	13,468	4,086	96,294	125,411	29,117	98,228
Travel and Entertainment	182	2,086	1,904	8,604	25,664	17,060	13,427
Supplies and Services	149,221	111,775	(37,446)	1,070,800	1,233,936	163,136	1,080,611
Insurance	11,625	11,625	-	116,250	116,250	-	116,459
Sign Tax	2,000	-	(2,000)	68,000	-	(68,000)	-
Utilities	29,511	33,000	3,489	347,054	352,000	4,946	404,854
Capital Reserve	34,640	34,986	346	346,400	349,860	3,460	340,431
Management Fee	18,873	19,072	199	188,730	190,720	1,990	186,980
Other	9,683	17,109	7,426	163,343	203,165	39,822	170,693
Total Operating Expenses	\$ 537,001	\$ 753,965	\$ 216,964	\$ 6,122,488	\$ 7,435,540	\$ 1,313,052	\$ 6,848,310
Operating Profit (Loss) before Depreciation, Incentives & Rebates	\$ (166,186)	\$ 186,163	\$ (352,349)	\$ 966,726	\$ 1,076,015	\$ (109,289)	\$ 1,111,225
Depreciation	1,432	3,333	1,901	14,679	33,333	18,654	15,146
Operating Profit (Loss) before Incentives & Rebates	\$ (167,618)	\$ 182,830	\$ (350,448)	\$ 952,047	\$ 1,042,682	\$ (90,635)	\$ 1,096,079
Operating Profit (Loss)	\$ (167,618)	\$ 182,830	\$ (350,448)	\$ 952,047	\$ 1,042,682	\$ (90,635)	\$ 1,096,079
F&B Gross Margin %	71.2%	69.0%	2.1%	68.1%	69.0%	-0.9%	65.2%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Ten months ending	
	October 31, 2013	October 31, 2012
OPERATING	\$ 1,980,781	\$ 766,506
INVESTING	(5,661)	(11,484)
FINANCING	(370,130)	(540,189)
	\$ 1,604,990	\$ 214,833
Net Cash Inflow during the period		
Cash, beginning of period	1,623,254	2,444,441
Cash, end of period	\$ 3,228,244	\$ 2,659,274
 OPERATING		
Operating profit after incentives and rebates	\$ 952,047	\$ 1,096,079
Amortization of capital assets	14,679	-
Cash invested in non cash working capital items	1,014,055	(329,573)
	\$ 1,980,781	\$ 766,506
 INVESTING		
Acquisition of capital assets	\$ (5,661)	\$ (11,484)
	\$ (5,661)	\$ (11,484)
 FINANCING		
Long-term deposits	\$ (36,000)	\$ (9,375)
Distribution of excess cash to owner	(334,130)	(530,814)
	\$ (370,130)	\$ (540,189)
 Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (871,970)	\$ (926,840)
Taxes payable	(85,488)	30,763
Prepaid expenses	(32,639)	(3,775)
Inventory	(95,851)	1,637
Accounts payable and accrued liabilities	2,205,801	1,136,685
Incentives & rebates payable	(387,943)	(568,043)
Deferred revenue	282,145	-
Cash invested in non-cash working capital items	\$ 1,014,055	\$ (329,573)