

Item No. 6



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

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## Executive Summary

\$ 000's	Month			YTD			2012
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>Revenues</b>	482	28	454	7,572	8,539	(967)	8,027
<b>Expenses</b>	(311)	(294)	(17)	(6,434)	(7,729)	1,295	(7,132)
<b>Operating Profit / (Loss)</b>	171	(266)	437	1,138	810	328	895

- For the month ending November 30, 2013, the Operating Profit before Depreciation, Incentives and Rebates for BMO Field of \$171K was \$437K favourable to budget.
- Total revenues of \$482K for the month were \$454K favourable to budget mainly due to hosting the Canada versus New Zealand Rugby match on November 3rd that was not in budget. This added match resulted in additional food and beverage revenue (\$214K), Ticketmaster rebates (\$90K), usage fees (\$44K), CRF (\$44K), other ancillary revenue (\$21K), third party commissions (\$16K), merchandise commission (\$13K) and suite revenue (\$13K).
- Total operating expenses of \$311K for the month were \$17K unfavourable to budget mainly due to cost of goods sold (\$46K) and part time wages (\$15K) partially offset by a year-end adjustment to food and beverage royalties payable to the CSA (\$23K) and TFC field maintenance utility recoveries (\$23K).

### Events hosted by BMO Field:

	Month			YTD			2012 Actual
	Actual	Plan	Variance	Actual	Plan	Variance	
TFC Games (MLS, Friendlies & CONCACAF)	-	-	-	17	20	(3)	22
CSA Games	-	-	-	1	4	(3)	4
International Games	1	-	1	5	2	3	1
<b>TOTAL</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>23</b>	<b>26</b>	<b>(3)</b>	<b>27</b>
Field Rental Hours	-	-	-	97	126	(29)	80

## November 2013 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.8M increased by \$1.3M from November 30, 2012 due to cash from operations of \$1.7M partially offset by incentives, rebates and excess cash distributions paid to the owners of \$334K.
- Accounts receivable of \$1.6M was primarily made up of MLSE receivables (\$1.1M), Ticketmaster receivable (\$169K), Dome Productions (\$101K), Pinnacle Caterers (\$64K), other operating receivables (\$58K), and the capital reserve receivable from the City of Toronto (\$35K).

- Subsequent receipts as of December 15th were \$11K. 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 increase in accounts receivable of \$997K was due primarily to the timing of billings to MLSE (\$889K), Ticketmaster receivable (\$161K), Dome Productions (\$58K), operating receivables (\$55K), and Pinnacle Caterers (\$30K) partially offset by the timing of collection from the capital reserve receivable from the City of Toronto (\$200K).
- Accounts payable and accrued liabilities of \$2.7M were primarily made up of MLSE cost recoveries (\$1.1M), ticket liabilities (\$480K), the 2013 capital reserve payable to the City at the end of the year (\$379K), operating payables (\$335K), and general liabilities (\$325K).
- The year-over-year increase in accounts payable and accrued liabilities of \$1.3M was primarily due to an increase in MLSE cost recoveries (\$704K), other event settlements (\$305K), operating payables (\$219K), ticket liabilities (\$71K), and general liabilities (\$32K).

## PROFIT & LOSS

The operating profit before depreciation, incentives and rebates for the month ending November 30, 2013 of \$171K was \$437K favourable to budget mainly due to BMO Field hosting an additional Rugby match on November 3<sup>rd</sup>. The following provides an analysis of the significant variances in the month:

### Revenues

- Ticketmaster rebates were \$90K favourable to budget for the month due to the Rugby match.
- Food and beverage revenues were \$214K favourable to budget for the month due to the additional Rugby match.
- Cost of goods sold were \$46K unfavourable to budget primarily due to sales from the Rugby match (\$64K) partially offset by inventory credits received from suppliers (\$18K).
- Third party commissions were \$16K favourable to budget due to the Rugby match.
- Event merchandise was \$13K favourable to budget primarily due to sales from the Rugby match (\$7K), CSA settlement adjustment as per the Letter of Intent (LOI) agreement (\$4K), and TFC sales adjustments (\$2K).
- Suites were \$13K favourable to budget primarily due to additional suite rentals (\$9K) and additional ticket sales (\$4K) generated from the Rugby match.
- CRF fees were \$44K favourable to budget primarily due to fees earned from the Rugby match (\$30K) and the CSA settlement adjustment as per LOI agreement (\$14K).
- Other usage fees were \$45K favourable to budget mainly due to event rental fees earned from the Rugby match (\$43K) and the CSA settlement adjustment as per LOI agreement (\$13K) partially offset by broadcast billing adjustments for previous games (\$11K).
- Other revenue was \$21K favourable to budget mainly due to additional credit card charge recoveries earned from Ticketmaster from the Rugby match.

### Expenses

- Food and beverage royalties were \$23K favourable to budget due to the CSA settlement adjustment as per LOI agreement.
- Part time wages were \$15K unfavourable to budget due to the resources required for the Rugby match.

- Utilities were \$23K favourable to budget primarily due to the TFC field maintenance utility recovery (\$26K) partially offset by higher gas charges (\$4K).

Submitted by:

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Peter Church  
General Manager  
BMO Field

**BMO FIELD**  
**BALANCE SHEET**  
as at November 30, 2013

	<u>November 30, 2013</u>	<u>November 30, 2012</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 2,774,990	\$ 1,428,566
Accounts receivable	1,553,173	556,083
Taxes recoverable	-	91,070
Prepaid expenses & deposits	8,368	22,662
Inventory	44,010	21,590
	<u>4,380,541</u>	<u>2,119,971</u>
Capital Assets	23,679	35,403
	<u>\$ 4,404,220</u>	<u>\$ 2,155,374</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,667,499	\$ 1,025,452
Taxes payable	70,407	-
Deferred revenue	305,470	-
Incentives & rebates payable		375,073
	<u>3,043,376</u>	<u>1,400,525</u>
Long-Term Suite Deposits	204,704	226,284
Retained Earnings	1,156,140	528,565
	<u>\$ 4,404,220</u>	<u>\$ 2,155,374</u>
<b>STATEMENT OF RETAINED EARNINGS</b>		
Opening Retained Earnings	\$ 368,252	\$ 556,839
Operating Profit	1,122,015	502,541
Distribution of Excess Cash to BOG	(334,128)	(530,815)
Closing Retained Earnings	<u>\$ 1,156,140</u>	<u>\$ 528,565</u>

**BMO FIELD**  
**INCOME STATEMENT**  
For the Month and the Eleven Months Ending November 30, 2013

	Month			YTD			2012
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	
<b>Revenues</b>							
Ticketmaster Rebates	\$ 90,378	\$ -	\$ 90,378	\$ 412,674	\$ 229,990	\$ 182,684	\$ 242,754
Club Fees	-	-	-	75,100	78,266	(3,166)	78,265
Sponsorship	-	-	-	849,697	858,195	(8,498)	841,365
Contra Sponsorship	-	2,500	(2,500)	2,830	27,500	(24,670)	28,086
Food and Beverage	214,441	-	214,441	3,451,952	4,571,667	(1,119,715)	4,064,617
F&B Third Party Commissions	16,195	-	16,195	219,280	268,944	(49,664)	241,354
Event Merchandise	13,045	-	13,045	81,630	80,077	1,553	67,840
Suites	14,644	1,692	12,952	1,199,493	1,247,798	(48,305)	1,221,372
TFC Usage Fee	-	-	-	308,880	343,200	(34,320)	362,130
CSA Usage Fee	-	-	-	30,984	60,800	(29,816)	72,847
CRF	44,212	-	44,212	389,519	437,422	(47,903)	402,704
Other Usage Fee	65,110	20,231	44,879	413,303	299,103	114,200	328,428
Other Revenue	24,432	3,302	21,130	136,329	36,317	100,012	75,171
<b>Total Revenues</b>	<b>\$ 482,457</b>	<b>\$ 27,725</b>	<b>\$ 454,732</b>	<b>\$ 7,571,671</b>	<b>\$ 8,539,279</b>	<b>\$ (967,608)</b>	<b>\$ 8,026,933</b>
<b>Expenses</b>							
Cost of Goods Sold	\$ 45,983	\$ -	\$ (45,983)	\$ 1,078,427	\$ 1,418,209	\$ 339,782	\$ 1,420,455
Food & Beverage Royalties	(22,940)	-	22,940	731,201	1,115,404	384,203	1,042,963
Suite Royalties	-	761	761	522,517	561,509	38,992	547,977
Full-Time Salaries	59,806	59,957	151	614,918	729,011	114,093	603,034
Part-Time Wages	43,038	28,087	(14,951)	895,836	1,103,206	207,370	920,485
Benefits	8,452	11,151	2,699	104,745	136,562	31,817	106,575
Travel and Entertainment	986	1,813	827	9,590	27,477	17,887	13,437
Supplies and Services	91,373	86,476	(4,897)	1,162,173	1,320,412	158,239	1,161,918
Insurance	11,625	11,625	-	127,875	127,875	-	128,084
Sign Tax	2,000	-	(2,000)	70,000	-	(70,000)	-
Utilities	3,223	26,000	22,777	350,277	378,000	27,723	428,593
Capital Reserve	34,640	34,986	346	381,040	384,846	3,806	374,364
Management Fee	18,873	19,072	199	207,603	209,792	2,189	205,678
Other	13,999	13,693	(306)	177,343	216,858	39,515	178,504
<b>Total Operating Expenses</b>	<b>\$ 311,058</b>	<b>\$ 293,621</b>	<b>\$ (17,437)</b>	<b>\$ 6,433,545</b>	<b>\$ 7,729,161</b>	<b>\$ 1,295,616</b>	<b>\$ 7,132,067</b>
<b>Operating Profit (Loss) before Depreciation, Incentives &amp; Rebates</b>	<b>\$ 171,399</b>	<b>\$ (265,896)</b>	<b>\$ 437,295</b>	<b>\$ 1,138,126</b>	<b>\$ 810,118</b>	<b>\$ 328,008</b>	<b>\$ 894,866</b>
Depreciation	1,432	3,333	1,901	16,111	36,667	20,556	17,252
<b>Operating Profit (Loss) before Incentives &amp; Rebates</b>	<b>\$ 169,967</b>	<b>\$ (269,229)</b>	<b>\$ 439,196</b>	<b>\$ 1,122,015</b>	<b>\$ 773,451</b>	<b>\$ 348,564</b>	<b>\$ 877,614</b>
Incentives & Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,073
<b>Operating Profit (Loss)</b>	<b>\$ 169,967</b>	<b>\$ (269,229)</b>	<b>\$ 439,196</b>	<b>\$ 1,122,015</b>	<b>\$ 773,451</b>	<b>\$ 348,564</b>	<b>\$ 502,541</b>
<b>F&amp;B Gross Margin %</b>	<b>78.6%</b>	<b>0.0%</b>	<b>78.6%</b>	<b>68.8%</b>	<b>69.0%</b>	<b>-0.2%</b>	<b>65.1%</b>

**BMO FIELD  
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Eleven months ending	
	November 30, 2013	November 30, 2012
OPERATING	\$ 1,527,525	\$ (458,808)
INVESTING	(5,661)	(9,377)
FINANCING	(370,128)	(547,690)
	<b>\$ 1,151,736</b>	<b>\$ (1,015,875)</b>
<b>Net Cash Inflow during the period</b>		
<b>Cash, beginning of period</b>	1,623,254	2,444,441
<b>Cash, end of period</b>	<b>\$ 2,774,990</b>	<b>\$ 1,428,566</b>
 <b>OPERATING</b>		
Operating profit after incentives and rebates	\$ 1,122,015	\$ 502,541
Amortization of capital assets	16,111	-
Cash invested in non cash working capital items	389,399	(961,349)
	<b>\$ 1,527,525</b>	<b>\$ (458,808)</b>
 <b>INVESTING</b>		
Acquisition of capital assets	\$ (5,661)	\$ (9,377)
	<b>\$ (5,661)</b>	<b>\$ (9,377)</b>
 <b>FINANCING</b>		
Long-term deposits	\$ (36,000)	\$ (16,875)
Distribution of excess cash to owner	(334,128)	(530,815)
	<b>\$ (370,128)</b>	<b>\$ (547,690)</b>
 Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (1,202,039)	\$ (124,352)
Taxes payable	76,646	(57,452)
Prepaid expenses	(4,383)	14,902
Inventory	(26,008)	1,297
Accounts payable and accrued liabilities	1,663,882	(602,774)
Incentives & rebates payable	(387,943)	(192,970)
Deferred revenue	269,243	-
Cash invested in non-cash working capital items	<b>\$ 389,399</b>	<b>\$ (961,349)</b>