

*The Board of Governors on September 19, 2008 received this report for INFORMATION.*



Management Report  
for  
The Board of Governors of Exhibition Place  
July 2008

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## Executive Summary

- For the month of July, BMO Field hosted one TFC MLS game, two TFC Friendly games, two Nutrilite Canadian Championship games (CONCACAF), one CSA game and the MLS 2008 All-Star game, versus two TFC MLS game, two TFC Friendly games, one CSA game, and MLS 2008 All-Star in budget for the month. Year to date, BMO Field hosted nine TFC MLS games, two TFC Friendly games, two CONCACAF games, two international games, and the MLS All-Star game versus nine TFC, two TFC Friendly and three CSA games included in budget.
- For the month ending July 31, 2008 the operating profit for BMO Field was \$565K (\$136K favourable to budget) due to the two CONCACAF games TFC played and the MLS 2008 All-Star game. The year to date operating profit of \$134K was \$48K or 26% unfavourable due to hosting fewer games than budgeted.
- Total revenues of \$1.9M for the month were \$453K or 30% favourable to budget as BMO Field hosted two additional TFC events and the MLS 2008 All-Star game. Year to date, total revenues were \$1.1M or 25% favourable to budget. The year to date increase is due to higher community usage of the bubble, increase in corporate rentals and strong food and beverage sales from the twelve TFC games, one CSA game and the MLS 2008 All-Star game.
- Total operating expenses of \$1.4M for the month were \$317K or 30% unfavourable to budget (\$1.1M or 28% unfavourable for the year). The higher operating expenses in the month are due to added events which resulted in added cost of goods sold (\$186K), royalties (\$59K) and part-time wages (\$49K). For the year, operating expenses were unfavourable to budget because of higher cost of goods sold (\$438K), higher labour costs (\$168K), higher royalties (\$108K), and supplies & services: snow removal costs (\$64K), part-time staff training (\$56K), part-time staff uniforms (\$52K), and gas for heating bubble (\$46K).
- We are forecasting to achieve our 2008 budgeted net income of \$98K.

## July 2008 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.0M includes \$2.1M from food and beverage deposits, \$226K from Ticket Master for event advances, \$205K for event settlements, and \$153K from TSA for outstanding balance of 2008 indoor field rentals.
- Accounts Receivable of \$1.9M includes \$711K for Ticket Master rebates and advances for July 10 and August 20 CSA games, \$510K July event settlements, \$439K for Sponsorship revenue due at the end of the season, and \$91K for broadcasting charges. No collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$3.3M includes \$1.9M in account payables and accrued liabilities, \$467K in 2008 suite & club seat sales due to TFC at the end of the season, \$390K in ticket liability for the August 20 CSA game.

### PROFIT & LOSS

The Operating Profit for BMO Field for the month ending July 31, 2008 was \$564K (\$136K favourable to budget), resulting in a year to date operating profit of \$134K (\$48K or 26% unfavourable). The following provides an analysis of the monthly and year to date figures:

- Ticketmaster rebates were \$44K or 193% positive to budget in the month (\$41K or 60% favourable to the year to date budget). The favourable variances for the month and year were due to the additional unbudgeted events hosted by BMO Field where tickets were available for sale by our box office.
- Sponsorship revenues were \$30K or 37% positive to budget in the month (\$119K favourable to the year to date budget). As per the Team Agreement, the maximum sponsorship amount of \$769K will be achieved compared to the \$560K in budget.
- Food and Beverage revenues were \$252K or 23% positive to budget in the month as a result of hosting two additional TFC games and the MLS 2008 All-Star game. Year to date, food and beverage revenues were \$519K or 20% favourable to budget. The favourable variance was a result of increased per caps (\$14.39 actual versus \$10.75 in budget) and additional events
- Costs of Goods Sold were \$186K or 65% higher than budget in the month due to added events and the gross margin percentage for the month was 64.8% versus 73.7% budgeted. Year to date, cost of goods sold were \$438K or 61% higher than budget due to increased food and beverage sales, waste due to rainy weather conditions and higher keg costs. Year to date, the gross margin percentage was 63.4% versus 72.8% budgeted.
- Event Merchandise revenues were \$17K or 121% favourable to budget in the month (\$40K or 89% favourable to the year to date budget). The favourable variance in the month is due to four added events. Year to date, the favourable variance was due to higher per caps (\$3.83 compared to the \$2.00 budgeted).
- TFC Usage fees were \$16K positive to budget in month due to two added events. Year to date, TFC Usage fees were \$32K or 17% favourable to budget due to two added TFC games hosted.
- Other Usage Fees were \$48K positive to budget for the month. The increase related to broadcasting charges (\$44K) and field rentals (\$4K). Year to date, other usage fees were \$218K or 56% favourable to budget due to the March Break soccer tournament, corporate rentals, two additional events (\$30K), broadcasting charges (\$88K) and increased community usage (\$129K).
- Other revenues were \$5K positive to budget for the month which mostly related to interest from the operating bank account. Year to date, other revenues were \$58K favourable to budget due to the two added international games and interest received on the operating bank account.
- Royalties expense were \$59K unfavourable to budget in the month due to higher food & beverage sales and the two additional TFC games. Year to date, royalty expenses were \$108K or 16% higher than budget due to the higher food and beverage sales.
- Year to date, full-time salaries were \$32K or 7% favourable due to the temporary reassignment of personnel.
- Part-time wages were \$49K or 23% unfavourable to budget in the month due to hosting two additional TFC games. Year to date, part-time wages were \$168K or 28% unfavourable to budget due to additional staff required to cover new food & beverage point of sale locations intended to increase sales, additional events and unbudgeted Unicco site manager's cost.
- Supplies and Services expenses were \$14K or 14% unfavourable to budget in the month due to higher labour costs than budgeted. Year to date, supplies and services costs were \$378K or 51% unfavourable to budget due to higher costs associated with snow removal

(\$64K) and building operation costs (the budget was established before the bubble was in operation). Additionally, BMO Field incurred season startup training (\$56K) and uniforms (\$52K) costs for part-time event and food and beverage staff as a result of the new Unicco agreement.

- Utilities were \$9K or 24% positive to budget in the month due to lower than anticipated water consumption and hydro. For the year, Utilities were on budget as the increase natural gas (\$46) usage related to heating the bubble throughout the winter was offset by savings related to lower water consumption (\$25K) and hydro usage (\$19K).
- Other expenses were 13K or 97% negative to budget in the month (\$46K or 46% unfavourable year to date) due to increased cost of credit card transactions, banking fees on large deposits from CSP and broadcasting line charges which are offset by broadcasting revenue included in other revenues.

### **Event Management Services**

The major focus for BMO Field in July was preparing for the 2008 Pepsi MLS All-Star game which was played on Thursday July 24th in front of a record crowd of 20,844 fans. The All-Star festivities, which began on July 22nd, included the Soccer Jam outside the gates of BMO Field as an all-day celebration of soccer in Toronto and also featured free outdoor concerts on all three event nights. In addition to the All-Star match, BMO Field was the host to six other soccer games - five Toronto FC matches, and one Soccer Canada match which saw the Canadian National Women's Team face off against the Brazilian National Women's squad in front of 12,000 fans. In addition to TFC games and team training sessions, there was 169 hours of community bookings

### **Building Operations**

The Building Operations team focused much of their time in July preparing for the MLS All-Star Game, which included the installation of banners and signage, coordination of the deliveries, and preparing rooms for the arrival of the MLS front office team. The team also worked with FieldTurf to maintain the turf via concentrated grooming efforts in order to retain the FIFA 2-star rating.

### **Food & Beverage**

The Food and Beverage Team's focus during July was to deliver consistently high quality service and product during our busiest month of the year. Secret shopper inspections were conducted to insure quality and service levels were consistently high. Additionally, they held pre-shift meetings with cooking staff to review correct cooking processes. In doing so, internal food temperatures were improved while food waste was reduced. The beverage services team improved the cash handling procedures as the counting of cash was moved from the concourse to back of house areas. Finally, the team continued to emphasize their Alcohol policies with front line and supervisory staff. Each event staff is required to complete and pass an alcohol policy test before starting service. The results of the test are reviewed by the beverage services manager to insure tests results are accurate and complete. In July, an average of 150 tests were completed at each event.

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Marc Petitpas

General Manager, BMO Field and Ricoh Coliseum

BMO Field  
Balance Sheet  
as at July 31, 2008

	2008	2007
<b>ASSETS</b>		
Current Assets		
Cash	2,003,461	6,435,923
Accounts Receivable	1,877,728	669,197
Prepaid, Deposits	34,871	123,528
Inventory	172,957	346,155
Income and other taxes recoverable		3
	4,089,016	7,574,806
Capital Assets	90,000	0
	4,179,016	7,574,806
	4,179,016	7,574,806
<b>LIABILITIES AND RETAINED EARNINGS</b>		
Current Liabilities		
Accounts Payable and Accrued Liabilities	3,373,770	6,225,827
Income and other taxes payable	97,090	0
Deferred Revenue	315,088	214,494
	3,785,947	6,440,321
Long-term Liabilities		
Long-term Suite Deposits	218,125	211,875
Retained Earnings	40,484	0
Net Profit	134,460	922,611
	4,179,016	7,574,806
	4,179,016	7,574,806

BMO Field  
Income Statement  
For the Seven Months Ending July 31, 2008

	July 08				YTD			
	Actual	Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
<b>Revenues</b>								
TicketMaster Rebates	66,859	22,800	44,059	193%	109,701	68,400	41,301	60%
Club Fees	11,135	11,150	(15)	0%	44,542	44,600	(58)	0%
Sponsorship	109,821	80,000	29,821	37%	439,286	320,000	119,286	37%
Food and Beverage	1,347,705	1,095,500	252,205	23%	3,175,486	2,656,270	519,216	20%
Event Merchandise	31,812	14,400	17,412	121%	84,959	45,000	39,959	89%
Suites	101,691	76,081	25,610	34%	322,706	296,660	26,046	9%
TFC Usage Fee	92,250	76,500	15,750	21%	215,250	183,600	31,650	17%
CSA Usage Fee	15,447	8,400	7,047	84%	15,447	25,200	(9,753)	-39%
CRF	91,419	83,212	8,207	10%	231,704	199,756	31,948	16%
Other Usage Fee	66,483	18,572	47,911	258%	604,064	386,428	217,636	56%
Other Revenue	5,114	0	5,114	0%	57,823	0	57,823	0%
<b>Total Revenues</b>	<b>1,939,737</b>	<b>1,486,615</b>	<b>453,122</b>	<b>30%</b>	<b>5,300,968</b>	<b>4,225,914</b>	<b>1,075,054</b>	<b>25%</b>
<b>Expenses</b>								
Cost of Goods Sold	473,937	288,006	(185,931)	-65%	1,162,187	723,791	(438,396)	-61%
Royalty	332,655	273,875	(58,780)	-21%	770,240	661,818	(108,422)	-16%
Full-Time Salaries	76,694	77,719	1,025	1%	460,251	492,450	32,199	7%
Part-Time Wages	257,890	208,870	(49,020)	-23%	763,298	594,853	(168,445)	-28%
Travel and Entertainment	3,324	1,909	(1,415)	-74%	14,148	22,243	8,095	36%
Supplies and Services	111,459	97,790	(13,669)	-14%	1,126,233	747,843	(378,390)	-51%
Insurance	10,060	6,750	(3,310)	-49%	71,078	47,250	(23,828)	-50%
Utilities	29,335	38,500	9,165	24%	297,058	295,800	(1,258)	0%
Capital Reserve	33,333	34,000	667	2%	233,331	238,000	4,669	2%
Management Fee	17,083	17,000	(83)	0%	119,583	119,000	(583)	0%
Other	29,103	13,819	(15,284)	-111%	149,100	100,129	(48,971)	-49%
<b>Total Operating Expenses</b>	<b>1,374,871</b>	<b>1,058,238</b>	<b>(316,633)</b>	<b>-30%</b>	<b>5,166,508</b>	<b>4,043,177</b>	<b>(1,123,331)</b>	<b>-28%</b>
<b>Net Operating Profit (Loss)</b>	<b>564,867</b>	<b>428,377</b>	<b>136,490</b>	<b>32%</b>	<b>134,460</b>	<b>182,737</b>	<b>(48,277)</b>	<b>-26%</b>