

The Board of Governors on July 10, 2009 received this report for INFORMATION.



Management Report
for
The Board of Governors of Exhibition Place
May 2009

Executive Summary

	MAY			YTD			2008
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
Revenues	\$ 1,594,700	\$ 1,792,779	\$ (198,079)	\$ 3,239,726	\$ 3,581,104	\$ (341,378)	\$ 2,592,234
Expenses	\$ (1,110,655)	\$ (1,292,480)	\$ 181,825	\$ (3,374,489)	\$ (3,625,236)	\$ 250,747	\$ (3,070,698)
EBITDA (LBITDA)	\$ 484,045	\$ 500,299	\$ (16,254)	\$ (134,763)	\$ (44,132)	\$ (90,631)	\$ (478,463)

- For the month ending May 31, 2009, the operating profit for BMO Field was \$484K (\$16K or 3% unfavourable to budget). Year to date, the operating loss was \$135K which was \$91K or 205% unfavourable to budget.
- Total revenues of \$1.6M for the month were \$198K or 11% unfavourable to budget due primarily to lower food and beverage sales for the five TFC games and one CSA game in the month caused by rainy weather conditions. Year to date, total revenues were \$341K or 10% unfavourable to budget mainly due to lower food and beverage per caps (\$10.68 actual versus \$12.01 in budget for TFC games), lower than anticipated bubble rental revenues and the shortened bubble rental season.
- Total operating expenses of \$1.1M for the period were \$182K or 14% favourable to budget for the month. The lower expenses were mainly a result lower part-time wages (\$71K), cost of goods (\$58K) and food and beverage royalty expenses (\$33K) as a result of lower food and beverage sales and operational efficiencies. Year to date, operating expenses were \$251K or 7% favourable primarily due to cost of goods sold (\$77K), royalties (\$63K), part-time wages (\$55K), lower utilities (\$37K) and lower OSA fees resulting from a new negotiated rate.
- Currently, the addition of a TFC CONCACAF game in July, the six unbudgeted lacrosse games and operational savings are anticipated to offset the current variance to budget. The operational teams continue to look for efficiencies and cost saving to offset other potential risks such as the number of non-TFC events and weather, which has an unfavourable impact on food and beverage sales.

Events hosted by BMO Field:

	MAY			YTD			2008
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendly & CONCACAF)	5	5	-	9	9	-	6
CSA Games	1	1	-	1	1	-	1
International Games	-	1	(1)	-	1	(1)	1
Toronto Nationals (MLL)	2	-	2	2	-	2	-
TOTAL	8	7	1	12	11	1	8
Rental (hours)	153	131	22	2,744	3,780	(1,036)	2,642

May 2009 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.5M increased by \$726K from May 31, 2008. Cash from operations before incentives, rebates and excess cash distributions was \$1.7M. Major uses of cash were distributions of incentives, rebates and excess cash from the 2007 season.
- Accounts Receivable of \$1.4M is made up primarily of TFC settlements (\$651K) of which \$186K was received in June, capital expenditures recoveries (\$354K) of which \$325K was received in June, Sponsorship revenues (\$226K) due at the end of the season, TicketMaster advances (\$174K) received in June, and bubble rental receivables (\$35K). A provision of \$33K was recorded against amounts outstanding. BMO Field is currently monitoring receivables and, other than the items provided for, no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$3.3M includes \$1.1M payable to MLSE for shared cost recoveries and MLSE's share of suite revenue (payable at the end of the season), \$508K collected for advance ticket sales, current accounts payable \$405K and an advance of \$100K from the Toronto Nationals.
- Incentives & rebates decreased from \$512K to \$119K. The decrease is attributable to a lower operating profit in 2008 as BMO Field hosted the FIFA U-18 World Cup and a Genesis concert in 2007. Incentives & rebates will be paid out upon completion of the 2008 year-end audit anticipated in June 2009.

PROFIT & LOSS

The Operating Profit for BMO Field for the month ending May 31, 2009 was \$484K (\$16K or 3%) unfavourable to budget. The following provides an analysis of the significant variances:

- TicketMaster rebates were \$28K or 46% unfavourable to budget in the month as a result of not hosting the international game in budget and lower than anticipated sales for the May 25 CSA game.
- Food and Beverage revenues were \$175K or 15% unfavourable to budget in the month as a result of rainy conditions resulting in lower than budgeted food and beverage per caps (\$10.69 versus plan of \$12.01) at TFC games, the loss of an International game (\$51K budgeted), lower per caps for the CSA game (\$6.10 Actual versus \$8.50 Budget), partially offset by the two lacrosse games (\$46K or \$11.02 per cap). Year to date, food and beverage sales were \$276K negative to budget mainly due lower per caps at TFC games primarily due to cold rainy weather conditions.
- Costs of Goods Sold were \$58K favourable to budget in the month as a result of lower food and beverage sales. For the month, the gross margin percentage was 64.3% versus 64.6% budgeted. Year to date, the gross margin percentage was 63.4% versus 64.6% primarily due to waste at the beginning of the season.
- Third Party Commissions were \$5K or 9% unfavourable to budget for the month due to the rainy weather conditions. Year to date, third party commissions were \$11K or 11% negative to budget due to lower sales as a result of the rainy conditions for the first two months of the TFC season.
- Merchandise Commissions were \$13K or 36% unfavourable to budget for the month (\$21K or 33% year to date) due to lower per caps (\$2.98 Actual versus \$4.21 Budget) at TFC games.

- Suites were even to budget for the month. Year to date, suites were \$3K or 2% negative to budget due to lower adopt-a-suite rentals in April.
- CSA Usage was \$3K or 24% unfavourable to budget for the period due to lower than anticipated ticket sales (7,470 actual versus 8,000 budgeted) and ticket prices for the May 25 CSA game.
- CRF revenues were even to budget in the period. Year to date, CRF revenues were \$6K or 4% positive to budget as a result of higher number of tickets sold for TFC games (19,345 actual versus 18,000 budgeted).
- Other Usage was \$3K or 5% unfavourable to budget due to less prime time hours available for rentals as a result of a busy event and team practice schedule, partially offset by sixty-four hours of unbudgeted non-prime time usage. Year to date, other usage fees were \$27K negative to budget due to overestimated non-primetime rental revenues and shortened bubble season (\$47K) partially offset by higher broadcast line revenues (\$20K).
- Other revenues were \$28K favourable to budget for the month due to \$20K in additional marketing sponsorship and \$10K from hosting two unbudgeted Major League Lacrosse (MLL) games. Year to date, other revenues were \$20K or 168% positive to budget primarily due additional marketing revenues and two MLL games which were partially offset by zero interest revenue on the operating account from the very low prime rates.
- Royalties were \$33K or 14% favourable to budget in the month (\$63K or 12% negative year to date) due to lower food and beverage sales.
- Full-time salaries were \$3K or 6% favourable to budget (\$6K year to date) in the month due to a revised organizational structure.
- Part-time Wages were \$71K or 26% favourable to budget in the month mainly due lower part-time wages (food and beverage event costs and warehouse costs) of \$65K and a \$17K recovery from Unicco resulting from negotiations over disputed charges from the 2008 season, partially offset by \$6K in additional training costs. Year to date, part-time wages were \$55K or 10% positive to budget as a result of new part-time labour agreement with MLSE, operational efficiencies and the Unicco recovery offset by training costs (which were budgeted in supplies and services).
- Supplies and Services were \$37K or 29% favourable to budget in the month due to savings from reduced cleaning costs (\$13K) and overall cost reductions. Year to date, supplies and services were \$19K or 2% positive to budget due to training costs which were recorded in part-time labour (\$86K) and lower OSA commissions (\$28K) due to a new negotiated rate partially offset by higher uniform costs (\$35K) to outfit new staff, unanticipated equipment repairs (\$32K), and recruitment costs (\$24K).
- On a year-to-date basis, the net impact of bringing labour in house (including additional recruitment costs and uniform costs) has resulted in labour costs being favourable to budget approximately \$45K. Additional savings are anticipated as the season progresses due to lower event labour costs.
- Utilities were \$2K or 6% favourable to budget for the month due to less hydro usage in the month. Year to date, utilities were \$37K or 14% positive to budget due to lower than anticipated gas usage to heat the bubble (\$27K) and lower hydro usage (\$12K) mainly due to an overall accrual in December 2008.
- Other Expenses were \$20K unfavourable to budget in the month due to foreign exchange loss (\$12K) and timing of some expenses. Year to date, other expenses were \$1K or 1% favourable to budget due primarily to the foreign exchange impact of US dollar receivables received.

Event Management Services

BMO Field hosted eight events in the month of May: three regular season Toronto FC matches, two Nutrilite Championship matches, one CSA game, and two Major League Lacrosse Games (with their inaugural game being played at BMO Field on Friday May 22nd).

The Ontario Soccer Association booked 68% (89 of a possible 131 hours) of BMO Field's available prime time spots in May. In addition to the OSA community rentals, there were 64 hours of other community rentals.

Building Operations

The building ops team focused their efforts on conversion between events as BMO Field converted for the first time to a lacrosse field. The conversion included painting and removing lines on the turf for the lacrosse games along with installing protective netting in the end zones and signage on the side of the field.

Food & Beverage

The food and beverage department worked with the corporate partner "Buonitalia" to develop a new cart at BMO Field with Italian focused food including the Italian Panini and Spicy Italian Sausage. The initial fan response has been positive. Toronto Public Health conducted their bi-annual inspection at BMO Field on May 23rd and all food locations received a Green Pass. The Toronto Nationals Lacrosse team played their first two events at BMO and, despite smaller attendance numbers, food and beverage had success with the quick service per caps averaging \$11.02 (\$12.99 overall, including Pinnacle & Outside Contractors). Quick service at TFC games averaged \$10.69 and the overall per cap (which includes Pinnacle and Outside Contractors) averaged \$13.27.

Submitted by:

Vince Bozzo
General Manager
BMO Field

**BMO FIELD
BALANCE SHEET
as at May 31, 2009**

	<u>May 31, 2009</u>	<u>May 31, 2008</u>	<u>December 31, 2008</u>
ASSETS			
Current Assets			
Cash	\$ 2,548,573	\$ 1,822,477	\$ 957,997
Accounts receivable	1,409,153	1,367,194	251,285
Taxes recoverable	-	-	-
Prepaid expenses & deposits	90,323	16,035	27,650
Inventory	242,836	158,189	30,300
	<u>4,290,886</u>	<u>3,363,896</u>	<u>1,267,232</u>
Capital Assets	<u>45,000</u>	<u>90,000</u>	<u>45,000</u>
	<u>\$ 4,335,886</u>	<u>\$ 3,453,896</u>	<u>\$ 1,312,232</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 3,333,602	\$ 2,125,837	\$ 481,192
Taxes payable	98,040	79,785	140,231
Deferred revenue	502,715	488,112	154,518
Incentives & rebates payable	118,841	511,947	118,841
	<u>4,053,199</u>	<u>3,205,680</u>	<u>894,782</u>
Long-Term Suite Deposits	218,125	218,125	218,125
Retained Earnings (Deficit)	<u>64,562</u>	<u>30,091</u>	<u>199,325</u>
	<u>\$ 4,335,886</u>	<u>\$ 3,453,896</u>	<u>\$ 1,312,232</u>
Opening Retained Earnings (Deficit)	\$ 199,325	\$ 508,554	\$ 508,554
Operating Profit (Loss) after incentives and rebates	(134,763)	(478,463)	158,841
Distribution of Excess Cash	-	-	(468,070)
Closing Retained Earnings (Deficit)	<u>\$ 64,562</u>	<u>\$ 30,091</u>	<u>\$ 199,325</u>

Note:

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

BMO Field
Income Statement
For the Five Months Ending May 31, 2009

	May 2009			YTD			2008
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	
Revenues							
TicketMaster Rebates	\$ 32,908	\$ 60,880	\$ (27,972)	\$ 42,731	\$ 70,760	\$ (28,029)	\$ 39,992
Club Fees	11,273	10,658	615	22,547	21,319	1,228	22,271
Sponsorship	112,798	112,567	231	225,595	225,134	461	219,643
Food and Beverage	1,014,121	1,189,007	(174,886)	1,784,683	2,061,112	(276,429)	1,318,599
F&B Third Party Commissions	50,027	55,259	(5,233)	88,525	99,466	(10,941)	70,621
Event Merchandise	23,552	36,900	(13,348)	42,980	64,116	(21,136)	40,424
Suites	80,622	81,193	(571)	156,929	159,966	(3,037)	147,315
TFC Usage Fee	78,950	78,797	153	142,110	141,835	275	92,250
CSA Usage Fee	8,910	11,750	(2,840)	8,910	11,750	(2,840)	-
CRF	95,616	94,900	716	163,027	156,820	6,207	100,223
Other Usage Fee	55,417	58,535	(3,118)	530,376	557,160	(26,784)	490,943
Other Revenue	30,507	2,333	28,174	31,313	11,666	19,647	49,954
Total Revenues	\$ 1,594,700	\$ 1,792,779	\$ (198,079)	\$ 3,239,726	\$ 3,581,104	\$ (341,378)	\$ 2,592,234
Expenses							
Cost of Goods Sold	362,520	420,375	57,855	653,752	730,450	76,698	529,564
Royalty	255,930	288,477	32,547	455,902	519,059	63,157	326,493
Full-Time Salaries	59,687	63,175	3,488	281,434	287,747	6,313	260,132
Part-Time Wages	199,694	270,358	70,664	469,948	524,953	55,005	391,839
Benefits	14,148	10,648	(3,500)	58,924	48,176	(10,748)	42,747
Travel and Entertainment	-	3,395	3,395	3,751	12,895	9,144	8,338
Supplies and Services	88,780	125,674	36,894	811,177	829,921	18,744	874,516
Insurance	9,640	7,909	(1,731)	45,590	39,545	(6,045)	51,022
Utilities	32,701	34,800	2,099	229,624	266,900	37,276	231,466
Capital Reserve	33,333	33,333	-	166,665	166,665	-	166,665
Management Fee	17,546	17,510	(36)	87,731	87,555	(176)	85,417
Other	36,675	16,826	(19,849)	109,989	111,370	1,381	102,500
Total Operating Expenses	\$ 1,110,655	\$ 1,292,480	\$ 181,825	\$ 3,374,489	\$ 3,625,236	\$ 250,747	\$ 3,070,698
Net Operating Profit (Loss)	\$ 484,045	\$ 500,299	\$ (16,254)	\$ (134,763)	\$ (44,132)	\$ (90,631)	\$ (478,463)
Food & Beverage Gross Margin %	64.3%	64.6%	-0.4%	63.4%	64.6%	-1.2%	59.8%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Five months ended	
	May 31, 2009	May 31, 2008
OPERATING	\$ 1,590,576	\$ 84,802
Net Cash Inflow (Outflow) during the period	\$ 1,590,576	\$ 84,802
Cash, beginning of period	957,997	1,737,675
Cash, end of period	\$ 2,548,573	\$ 1,822,477
OPERATING		
Operating profit after incentives and rebates	\$ (134,763)	\$ (478,463)
Cash provided by (used in) non cash working capital item	1,725,339	563,266
	\$ 1,590,576	\$ 84,802
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (1,157,868)	\$ (927,234)
Prepaid expenses	(62,673)	1,052
Inventory	(212,536)	(144,979)
Accounts payable and accrued liabilities	2,852,410	1,369,171
Taxes payable/recoverable	(42,191)	(45,903)
Deferred revenue	348,197	311,160
Cash provided by (used in) operating activities	\$ 1,725,339	\$ 563,266