



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

Executive Summary

	NOVEMBER			YTD		
	Actual	Plan	Variance	Actual	Plan	Variance
Revenues	\$ 92,856	\$ 112,380	\$ (19,524)	\$ 7,891,607	\$ 6,561,187	\$ 1,330,420
Expenses	\$ (257,394)	\$ (276,059)	\$ 18,665	\$ (7,606,337)	\$ (6,309,255)	\$ (1,297,082)
EBITDA	\$ (164,538)	\$ (163,679)	\$ (859)	\$ 285,270	\$ 251,932	\$ 33,338

- The bubble was installed over the playing surface and became operational on November 15, 2008.
- For the month ending November 30, 2008, the operating loss for BMO Field was \$165K (\$1K unfavourable to budget). The year to date operating profit of \$285K was \$33K or 13% favourable to budget.
- Total revenues of \$93K for the month were \$20K or 17% unfavourable to budget due to bubble being operational for only half the month. Year to date, total revenues were \$1.3M or 20% favourable to budget. The year to date increase was due to higher community usage of the bubble, an increase in corporate rentals and strong food and beverage sales from the TFC games, two CSA games and the MLS 2008 All-Star game.
- Total operating expenses of \$257K for the month were \$19K or 7% favourable to budget (\$1.3M or 21% unfavourable for the year). The lower operating expenses in the month were primarily due to lower full-time salaries (\$12K) and utilities (\$11K). For the year, operating expenses were unfavourable to budget because of higher supplies and services (\$520K), cost of goods sold (\$439K), part-time labour costs (\$248K), royalties (\$70K) and other expenses (\$110K) which includes credit card charges, bank charges and telephone expenses.
- BMO Field is forecasting to achieve its 2008 budgeted net operating profit before incentives and rebates of \$98K

Events hosted by BMO Field:

	NOVEMBER			YTD		
	Actual	Plan	Variance	Actual	Plan	Variance
TFC Games (MLS, Friendly & CONCACAF)	0	0	0	19	17	2
CSA Games	0	0	0	2	6	-4
MLS All-Star	0	0	0	1	1	0
International Games	0	0	0	3	0	3
Other Events	0	0	0	1	0	1

November 2008 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$1.1M decreased by \$1.1M from November 2007. Major uses of cash were distributions of incentives, rebates and excess cash from the 2007 season (\$980K) and acquiring fixed assets (\$135K). Cash from operations before incentives and rebates was \$65K.
- Accounts Receivable of \$709K includes a net receivable from MLSEL (\$496K) which was received in December, and \$60K for broadcasting charges. A provision of \$30K was recorded for amounts outstanding. BMO Field is currently monitoring receivables and, other than items provided for, no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$1.2M includes \$1.0M in account payables and accrued liabilities, and \$151K in event settlements.

PROFIT & LOSS

The Operating Loss for BMO Field for the month ending November 30, 2008 was \$165K (\$1K unfavourable to budget), reducing the year to date operating profit to \$285K (\$33K or 13% favourable). The following provides an analysis of the monthly and year to date figures:

- TicketMaster rebates were \$60K or 50% favourable year to date due to strong online tickets sales from the August 20 CSA game and the additional unbudgeted games hosted by BMO Field where tickets were available for sale at the box office and online.
- Sponsorship revenues were \$209K or 37% favourable to the year to date budget. The maximum Sponsorship amount of \$769K (as per the Team Agreement) was achieved.
- Food and Beverage revenues were even to budget in the month as a result of end of season transfers of product. Year to date, Food and Beverage revenues were \$382K or 10% favourable to budget. The favourable variance was a result of increased per caps (\$11.30 actual versus \$10.75 in budget) and additional volume resulting from the unbudgeted events.
- Costs of Goods Sold were \$10K higher than budget in the month as a result of an over accrual for product recoveries in October. Year to date, Cost of Goods were \$439K or 39% unfavourable due to increase sales and higher beer costs (\$240K). Year to date, the gross margin percentage was 63.4% versus 71.1% budgeted. The unfavourable variance in margin year to date was mainly due to higher beer costs (\$236K), end of season waste (\$14K) and waste due to rainy weather conditions through the season.
- F&B Third Party Commissions were \$53K or 28% favourable due to Pinnacle taking over Group Sales and increased food and beverage sales in the suites and at the outside vendor locations.

- Event Merchandise revenues were \$50K or 74% favourable to the year to date budget. The favourable variance for the year was due to higher per caps (\$3.54 compared to the \$2.00 budgeted) at TFC games.
- Year to date, Suites were 54K or 10% positive to budget, due to additional suite rentals at the MLS All-Star game and higher than anticipated adopt-a-suite revenues.
- TFC Usage fees were \$32K or 12% favourable to budget due to the two unbudgeted CONCACAF games.
- CSA Usage fees were even to budget due to the strong August 20 game which offset the four lost CSA games included in budget. Currently, negotiating with CSA on compensation for the lost events.
- Other Usage Fees were \$22K or 20% unfavourable to budget for the month due to the bubble being operational from November 15th versus November 1st. The budget was based on 70% capacity for the entire month. However, field rental fees increased \$10 per hour and field usage was 99% of capacity. Year to date, Other Usage Fees were \$283K or 53% favourable to budget primarily due to increased community usage (\$147K), broadcasting charges (\$136K), and three additional events (\$45K).
- Other Revenues were \$2K positive to budget for the month as a result of interest earned on the operating account. Year to date, Other Revenues were \$153K favourable to budget due to the three additional international games and interest received on the operating bank account.
- Royalties expense were \$70K or 7% higher than budget due to the higher food and beverage sales and two additional TFC games.
- Full-Time Salaries were \$98K or 12% favourable due to the temporary reassignment of personnel and increased personnel sharing with Ricoh.
- Part-Time Wages were \$5K or 25% unfavourable to budget in the month due to a late unanticipated invoice from a third party supplier. Year to date, Part-Time Wages were \$248K or 26% unfavourable to budget due to additional staff required to cover new food & beverage point of sale locations intended to increase sales, additional events, an unbudgeted an 8% mark-up on previous year's rates (\$104K) and Unicco site manager (\$50K). Not including the mark-up and site manager costs, Part-Time F&B Wages were even to budget at 25% of sales.
- Supplies and Services expenses were \$3K or 4% favourable to budget in the month due reduction of overnight security shifts and improved operating efficiencies. Year to date, Supplies and Services costs were \$520K or 45% unfavourable to budget due to higher costs associated with building & equipment maintenance (\$82K), installation and removal of the bubble (\$63K), snow removal (\$60K), uniforms (\$53K), OSA Commission (\$53K), third party staff training (\$52K), cleaning labour & supplies (\$51K), consulting services (\$39K) which includes Food & Beverage vendor commissions and building security (20K).
- Utilities were \$11K or 27% positive to budget in the month due to lower than anticipated water consumption and hydro. For the year, Utilities were \$22K or 5% positive to budget due to savings related to lower water consumption (\$28K) and hydro usage (\$44K) partially offset by the increase natural gas (\$50K) usage related to heating the bubble throughout the winter.

- Other expenses were \$10K positive to budget in the month due to favourable foreign exchange revaluations on USD accounts. Year to date, other expenses were \$110K or 78% unfavourable due to higher than anticipated credit card charges, banking fees on large deposits from CSP, accounts receivable provisions and broadcasting line charges (which are offset by broadcasting revenue included in other revenues).

Event Management Services

The Event Management team worked closely with the Ontario Soccer Association (OSA) to ensure the bubble rental season started off successfully. Although, the bubble season started two weeks later than budgeted because TFC was still in the MLS playoff picture, the bubble was booked 496 hours of the 498 prime-time hours available (99% capacity versus budget of 70%).

Building Operations

The Building Operations team worked closely with the city and building inspectors to have the bubble installed and up to code in time for the first weekend of Ontario Soccer Association scheduled rentals. The bubble was fully operational on the 15th of November.

Food & Beverage

The Food & Beverage team focused its efforts completing season end inventory count and finalization of shutdown. In addition, a full review was started in order to identify operational efficiencies for the 2009 season. The review includes a full product mix breakdown by event/month, corporate partner initiatives and labour/scheduling analysis.

Submitted by:

Marc Petitpas
General Manager
BMO Field

BMO FIELD
BALANCE SHEET
as at November 2008

	<u>November 30, 2008</u>	<u>November 30, 2007</u>	<u>December 31, 2007</u>
ASSETS			
Current Assets			
Cash	\$ 1,081,116	\$ 2,131,589	\$ 1,737,675
Accounts receivable	709,272	358,814	439,960
Taxes recoverable	7,416	18,462	
Prepaid expenses & deposits	33,883	29,649	17,087
Inventory	29,520	17,893	13,210
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	\$ 1,861,206	\$ 2,556,406	\$ 2,207,932
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Capital assets	90,000	-	90,000
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	\$ 1,951,206	\$ 2,556,406	\$ 2,297,932
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LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 1,238,443	\$ 849,816	\$ 756,667
Taxes payable	-	-	125,688
Deferred revenue	168,885	221,022	176,952
Incentives & rebates payable	-	-	511,947
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	\$ 1,407,328	\$ 1,070,838	\$ 1,571,253
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Long-term suite deposits	\$ 218,125	\$ 218,125	\$ 218,125
Retained earnings	325,754	1,267,444	508,554
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	\$ 1,951,206	\$ 2,556,406	\$ 2,297,932
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**BMO Field
Income Statement
For the Eleven Months Ending November 30, 2008**

	Current Month			Year to Date			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	Nov-07
Revenues							
TicketMaster Rebates	\$ -	\$ -	\$ -	\$ 179,460	\$ 119,700	\$ 59,760	\$ 498,641
Club Fees	-	-	-	78,517	78,050	467	78,944
Sponsorship	-	-	-	768,750	560,000	208,750	509,589
Food and Beverage	2,994	3,000	(6)	4,243,308	3,861,550	381,758	4,365,428
F&B Third Party Commissions	-	-	-	247,499	194,054	53,445	339,140
Event Merchandise	-	-	-	117,141	67,320	49,821	141,496
Suites	-	-	-	570,024	516,281	53,743	493,025
TFC Usage Fee	-	-	-	307,500	275,400	32,100	255,000
CSA Usage Fee	-	-	-	50,317	50,400	(83)	43,877
CRF	(55)	-	(55)	359,148	304,912	54,236	459,033
Other Usage Fee	87,628	109,380	(21,752)	816,779	533,520	283,259	404,752
Other Revenue	2,290	-	2,290	153,163	-	153,163	529,489
Total Revenues	\$ 92,856	\$ 112,380	\$ (19,524)	\$ 7,891,607	\$ 6,561,187	\$ 1,330,420	\$ 8,118,412
Expenses							
Cost of Goods Sold	\$ 11,192	\$ 1,050	\$ (10,142)	\$ 1,554,250	\$ 1,115,645	\$ (438,605)	\$ 1,480,520
Royalty	-	-	-	1,084,097	1,014,196	(69,901)	1,060,391
Full-Time Salaries	58,383	70,349	11,966	697,642	795,956	98,314	707,612
Part-Time Wages	22,806	18,274	(4,532)	1,217,648	970,118	(247,530)	1,264,453
Travel and Entertainment	203	800	597	29,329	30,954	1,625	10,558
Supplies and Services	76,599	79,706	3,107	1,678,020	1,158,499	(519,521)	1,070,534
Insurance	10,350	6,750	(3,600)	113,352	74,250	(39,102)	98,037
Utilities	28,332	39,000	10,668	424,638	446,300	21,662	200,428
Capital Reserve	33,333	34,000	667	366,663	374,000	7,337	266,667
Management Fee	17,083	17,000	(83)	187,917	187,000	(917)	183,334
Other	(886)	9,130	10,016	252,782	142,337	(110,445)	508,435
Total Operating Expenses	\$ 257,394	\$ 276,059	\$ 18,665	\$ 7,606,337	\$ 6,309,255	\$ (1,297,082)	\$ 6,850,969
Net Operating Profit (Loss)	\$ (164,538)	\$ (163,679)	\$ (859)	\$ 285,270	\$ 251,932	\$ 33,338	\$ 1,267,444
Food & Beverage Gross Margin %				63.4%	71.1%		66.1%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Eleven months ended	
	November 30, 2008	November 30, 2007
OPERATING	\$ (188,489)	\$ 1,913,464
FINANCING	(468,070)	218,125
Net Cash Inflow (Outflow) during the period	\$ (656,559)	\$ 2,131,589
Cash, beginning of period	1,737,675	-
Cash, end of period	\$ 1,081,116	\$ 2,131,589
OPERATING		
Operating profit before incentives and rebates	\$ 285,270	\$ 1,267,444
Cash provided by (used in) non cash working capital item	(473,759)	646,020
	\$ (188,489)	\$ 1,913,464
FINANCING		
Long-term deposits	\$ -	\$ 218,125
Distribution of excess cash to owner	(468,070)	-
	\$ (468,070)	\$ 218,125
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (269,312)	\$ (358,814)
Prepaid expenses	(16,796)	(29,649)
Inventory	(16,310)	(17,893)
Accounts payable and accrued liabilities	481,776	849,816
Incentives & rebates payable	(511,947)	
Taxes payable/recoverable	(133,104)	(18,462)
Deferred revenue	(8,067)	221,022
Cash provided by (used in) operating activities	\$ (473,759)	\$ 646,020