



Management Report
for
The Board of Governors of Exhibition Place
June 2010

Executive Summary

000's	JUNE 2010			YTD (6 Months)			2009
	Actual	Plan	Variance	Actual	Plan	Variance	YTD Actual
Revenues	\$ 964	\$ 1,228	\$ (264)	\$ 2,903	\$ 3,412	\$ (509)	\$ 4,464
Expenses	\$ (704)	\$ (954)	\$ 250	\$ (3,121)	\$ (3,690)	\$ 569	\$ (4,246)
EBITDA/(LBITDA)	\$ 260	\$ 274	\$ (14)	\$ (218)	\$ (278)	\$ 60	\$ 218

- For the month ending June 30, 2010, the operating profit before depreciation for BMO Field was \$259K (\$15K unfavourable to budget).
- Total revenues of \$964K for the month were \$264K unfavourable to budget mainly due to not hosting four games (two Major League Lacrosse "MLL" (\$89K), one International (\$93K), and one CSA (\$74K)) and lower food and beverage sales from the June 2nd TFC game (\$73K, including Third Party vendors) due to extreme rain and wind conditions (stile count was 11,421 or 35% lower than budget). The unfavourable variance was partially offset by higher building cable revenue (\$11K), and suites revenue (\$8K).
- The Toronto Nationals Lacrosse Club opted not to play their 2010 home games at BMO Field. Included in the budget were six lacrosse games. The negative EBITDA impact to the budget for the year will be \$150K.
- The management team anticipates that the two unbudgeted TFC games (the CONCACAF qualifying match in July and MLS Cup in November) and operational savings will offset the losses from not hosting the MLL games.
- Total operating expenses of \$704K for the month were \$250K favourable to budget. Expenses were lower in the month due to lower Supplies & Services (\$66K), Cost of Goods Sold (\$63K), Part-time Wages (\$60K), Royalties (\$44K), and Full-time Salaries (\$12K).
- As per the LOI, six CSA games were included in the budget; however, the CSA has only confirmed one game to-date. Should the CSA, fail to deliver the six games, there could be additional risk to achieving the budget.

Events hosted by BMO Field:

	JUNE 2010			YTD (6 Months)			2009
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
TFC Games (MLS, Friendly & CONCACAF)	3	3	-	8	8	-	12
CSA Games	-	1	(1)	-	2	(2)	1
International Games	-	1	(1)	1	2	(1)	1
Toronto Nationals (MLL)	-	2	(2)	-	4	(4)	4
Other Events	1	-	1	1	-	1	1
TOTAL	4	7	(3)	10	16	(6)	19
Rental (hours)	53	90	(37)	79	2,047	(1,968)	2,897

June 2010 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.0M decreased by \$1.6M from June 30, 2009. The decrease was mainly due to cash used in operations before incentives, rebates and excess cash distributions of \$608K and payment of the incentives, rebates and excess cash of \$994K for the 2008 and 2009 season.
- Accounts Receivable of \$828K was made up primarily of sponsorship revenue of \$339K to be collected at the end of the season, June TFC game settlements of \$208K to be collected in July, Ticketmaster rebates and advances of \$76K, a receivable for a half suite of \$55K (payment received in July), other expense recoveries of \$50K (received in July) and field rental revenue of \$15K from Ontario Soccer Association. BMO Field continues to monitor receivables and no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$2.6M includes \$1.2M in current payables and accruals, \$566K payable to MLSE for its share of 2010 Suite & Club Seats revenue (payable at the end of the season), \$453K payable to MLSE for shared cost recoveries and Ticketmaster advances, and \$381K payable to the promoter for the International game held in May.
- Deferred Revenue of \$460K was made up primarily of 2010 Suite revenue which will be recognized over the course of the TFC season (April – October).

PROFIT & LOSS

The Operating Profit before Depreciation for BMO Field for the month ending June 30, 2010 was \$260K (\$14K unfavourable to budget). The following provides an analysis of the significant variances in the month:

Revenues

- Ticketmaster Rebates were \$31K unfavourable to budget in the month mainly due to not hosting two soccer games (CSA - \$14K and International - \$28K) and two MLL lacrosse games (\$2K). The lower revenues were partially offset by higher rebate revenues of \$15K from the three TFC games as a result of the added seats in the north-end which resulted in additional tickets made available for sale on the Ticketmaster system.
- Food and Beverage revenues were \$195K or 27% unfavourable to budget in the month as a result of not hosting four games (\$138K) and lower sales (\$78K) from the June 2nd TFC game due to extreme rain and wind conditions resulting in lower attendance (11,421 versus 17,500 in budget). The lower revenues were partially offset by higher sales from the other two TFC games in the month. Year to date, Food and Beverage revenues were \$236K or 13% unfavourable mainly due to poor weather and lost events.
- Cost of Goods Sold was \$63K favourable to budget in the month as a result of lower food and beverage sales and lost events. For the month, the gross margin percentage was 62.3% versus 63.8% budgeted mainly due to waste from the June 2nd TFC game. Year to date, Costs of Goods Sold were \$66K favourable to budget and gross margin percentage was 62.2% versus 63.3% budgeted.

- Third Party Commissions were \$15K or 36% unfavourable mainly due to lower sales as a result of lost events (\$10K) and poor weather (\$5K).
- Event Merchandise commissions were \$6K or 36% unfavourable to budget mainly due to lower sales due to lower attendance and lost events.
- Suites were \$8K or 8% favourable to budget for the period mainly due to nightly rental of Suite 19 (\$6K) and an increase in adopt-a-suite revenue (\$1K). Year to date, Suites were \$18K or 7% favourable due to an increase in nightly rentals as a result of the terminated suite agreement and a new suiteholder added as the number of suites available for sale increased to 28 from 27.
- CSA Usage Fees were \$13K unfavourable (year to date, \$25K) as a result of not hosting a game at BMO Field in the period.
- CRF revenues were \$12K or 18% unfavourable to budget in the month mainly due to lost events, partially offset by higher revenues from TFC games due to higher ticket sales. Year to date, CRF revenues were even to budget as a result of higher average number of tickets sold per TFC game (21,465 actual versus 17,500 budgeted) due to the addition of the north-end grandstands.
- Other Usage Fees were \$3K or 6% favourable to budget in the month due to higher broadcast revenue (\$11K), partially offset by lower event rental revenue (\$8K). Year to date, Other Usage Fees were \$249K or 57% unfavourable due to the bubble relocation partially offset by bubble compensation of \$75K and higher broadcast revenue of \$23K.

Expenses

- Royalties were \$44K or 24% favourable to budget in the month (\$70K or 15% year to date) as a result of lower food and beverage sales at TFC games and the loss of the MLL (\$13K) and CSA (\$30K) games.
- Full-time Salaries were \$12K or 14% favourable (\$55K or 14%, year to date) due to a revised organizational structure.
- Part-time Wages were \$60K or 33% favourable to budget in the month mainly due to lower event labour cost of \$35K from not hosting four games (CSA, International and MLL) and savings from event labour partially offset by higher non-event labour costs. Year to date, Part-time Wages were \$102K or 18% favourable as a result of lower event costs (\$76K) partially offset by higher non-event warehouse labour cost (\$30K) for season opening and event setup.
- Supplies and Services expenses were \$66K or 58% favourable to budget in the month mainly due to operational savings (\$25K) resulting from the two week break in the TFC schedule and over accrued in the previous month's game costs. Year to date, Supplies and Services were \$181K or 24% favourable mainly due lower OSA commission (\$52K), cleaning labour (\$38K), part-time building operations labour (\$15K), security (\$13K), and snow removal (\$11K), as a result of relocating the bubble. Year to date, savings as a result of not having the bubble were approximately \$100K.
- Utilities were \$6K favourable to budget in the month mainly due to lower hydro costs. Year to date, Utilities were \$90K favourable to budget due to lower gas (\$57K) and hydro (\$31K) usage due preliminary to the bubble relocation.
- Other Expenses were \$3K unfavourable to budget in the month due primarily to higher telephone costs (\$4K) from adding additional lines for broadcast. Year to date, Other Expenses were \$9K unfavourable to budget mainly due to higher telephone costs (\$13K), credit card charges (\$5K), and foreign exchange (\$4K), partially offset by lower F&B copy & printing (\$13K) which is anticipated to be spent later in the year.

Event Management Services

Event Management Services were focused on the three TFC games and the TFC Open Practice. There were 33 community hours used in the period. The reduced community field usage was necessary due to field maintenance work. In addition to the major team events, BMO Field hosted 20 hours of corporate rentals with events such as: Colliers International Corporate Day, Budweiser soccer tournament and the North by North East's "Put The Boot In It" event.

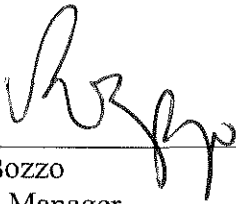
Building Operations

Building Operations continued to focus on grass maintenance and upkeep. The two week break in the TFC schedule was used to bring in a grass maintenance consultant to provide recommendations on improving the quality of the field.

Food & Beverage

TFC sales for two of the three games in the period were higher than budget; however, due to poor weather conditions, the June 2nd TFC game produced lower attendance and reduced sales by 35%. Despite the poor weather in the month, the average per cap for TFC games were \$14.46 (\$0.82 or 6% favourable to budget of \$13.64), which more than offset the lower than budgeted stipe count for TFC games. Year to date, the average per cap for TFC games were \$13.82 (\$0.18 or 1% favourable).

Submitted by:



Vince Bozzo
General Manager
BMO Field

**BMO FIELD
BALANCE SHEET
as at June 30, 2010**

	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>December 31, 2009</u>
ASSETS			
Current Assets			
Cash	\$ 2,026,510	\$ 3,603,356	\$ 1,827,610
Accounts receivable	827,873	1,282,839	295,175
Prepaid expenses & deposits	28,183	76,351	16,970
Inventory	238,621	217,872	39,024
	<u>3,121,187</u>	<u>5,180,418</u>	<u>2,178,779</u>
Capital Assets	60,001	45,000	80,000
	<u>\$ 3,181,188</u>	<u>\$ 5,225,418</u>	<u>\$ 2,258,779</u>
LIABILITIES AND RETAINED EARNINGS			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,576,253	\$ 3,961,787	\$ 1,105,665
Taxes payable	50,840	106,656	109,768
Deferred revenue	460,265	402,454	8,215
Incentives & rebates payable	8,910	118,841	387,020
	<u>3,096,267</u>	<u>4,589,739</u>	<u>1,610,669</u>
Long-Term Suite Deposits	243,159	218,125	190,000
Retained Earnings (Deficit)	(158,238)	417,554	458,110
	<u>\$ 3,181,188</u>	<u>\$ 5,225,418</u>	<u>\$ 2,258,779</u>
Opening Retained Earnings	\$ 458,110	\$ 199,325	\$ 199,325
Operating Profit (Loss)	(238,238)	218,229	377,868
Distribution of Excess Cash	(378,110)	-	(119,083)
Closing Retained Earnings (Deficit)	<u>\$ (158,238)</u>	<u>\$ 417,554</u>	<u>\$ 458,110</u>

BMO Field
INCOME STATEMENT
For the Six Months Ending June 30, 2010

	June 2010			YTD			
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2009
Revenues							
Ticketmaster Rebates	\$ 18,584	\$ 49,140	\$ (30,556)	\$ 82,581	\$ 71,750	\$ 10,831	\$ 82,997
Club Fees	11,048	11,273	(225)	33,144	33,820	(676)	33,820
Sponsorship	113,136	115,381	(2,245)	339,408	346,143	(6,735)	338,393
Food and Beverage	526,945	722,000	(195,054)	1,543,370	1,779,659	(236,289)	2,498,395
F&B Third Party Commissions	26,698	41,664	(14,966)	88,333	97,771	(9,437)	120,559
Event Merchandise	10,734	16,754	(6,020)	33,613	41,436	(7,823)	55,438
Suites	96,604	89,098	7,505	283,070	265,399	17,671	234,589
TFC Usage Fee	47,520	48,460	(940)	126,720	129,227	(2,507)	189,941
CSA Usage Fee	-	12,667	(12,667)	-	25,333	(25,333)	8,910
CRF	54,348	65,992	(11,644)	154,845	154,558	287	230,156
Other Usage Fee	48,429	45,600	2,829	187,554	436,905	(249,351)	587,872
Other Revenue	10,176	10,000	176	30,248	30,000	248	82,976
Total Revenues	\$ 964,222	\$ 1,228,029	\$ (263,807)	\$ 2,902,884	\$ 3,412,001	\$ (509,117)	\$ 4,464,045
Expenses							
Cost of Goods Sold	\$ 198,559	\$ 261,599	\$ 63,040	\$ 584,117	\$ 650,127	\$ 66,011	\$ 953,643
Royalties	137,204	180,899	43,695	379,870	449,438	69,568	619,058
Full-Time Salaries	71,466	83,478	12,012	342,017	396,902	54,885	346,299
Part-Time Wages	123,240	183,672	60,432	465,563	567,237	101,674	631,084
Benefits	14,180	11,781	(2,399)	63,591	68,355	4,764	70,617
Travel and Entertainment	1,008	4,243	3,235	5,125	12,227	7,102	6,710
Supplies and Services	47,033	113,050	66,016	579,752	760,678	180,926	873,398
Insurance	10,993	11,003	9	65,961	66,017	56	55,230
Utilities	28,802	34,700	5,898	196,244	286,600	90,356	263,426
Capital Reserve	33,333	33,333	-	199,998	200,000	2	199,998
Management Fee	17,600	17,948	348	105,600	107,689	2,089	105,278
Other	21,272	18,768	(2,505)	133,285	124,623	(8,662)	121,074
Total Operating Expenses	\$ 704,690	\$ 954,474	\$ 249,783	\$ 3,121,123	\$ 3,689,893	\$ 568,770	\$ 4,245,816
EBITDA (LBITDA)	\$ 259,532	\$ 273,555	\$ (14,024)	\$ (218,239)	\$ (277,892)	\$ 59,654	\$ 218,229
Depreciation	(3,333)	(3,333)	-	(19,999)	(19,999)	-	-
Net Operating Loss after Depreciation, before Incentives & Rebates	\$ 256,198	\$ 270,222	\$ (14,024)	\$ (238,238)	\$ (297,891)	\$ 59,654	\$ 218,229
Food & Beverage Gross Margin %	62.3%	63.8%	-1.4%	62.2%	63.5%	-1.3%	61.8%

**BMO FIELD
STATEMENT OF CASH FLOWS**

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Six months ended	
	June 30, 2010	June 30, 2009
OPERATING	\$ 523,852	\$ 2,645,359
FINANCING	(324,952)	-
Total Cash Inflow (Outflow) during the period	\$ 198,901	\$ 2,645,359
Cash, beginning of period	1,827,610	957,997
Cash, end of period	\$ 2,026,510	\$ 3,603,356
OPERATING		
Operating profit after incentives and rebates	\$ (238,238)	\$ 218,229
Amortization of capital assets	19,999	-
Cash provided by (used in) non cash working capital items	742,091	2,427,130
	\$ 523,852	\$ 2,645,359
FINANCING		
Long-term deposits	\$ 53,159	\$ -
Distribution of excess cash to owner	(378,110)	-
	\$ (324,952)	\$ -
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (532,698)	\$ (1,031,553)
Prepaid expenses	(11,212)	(48,701)
Inventory	(199,597)	(187,572)
Accounts payable and accrued liabilities	1,470,588	3,480,595
Incentives & rebates payable	(378,110)	-
Taxes payable	(58,929)	(33,575)
Deferred revenue	452,050	247,936
Cash provided by (used in) operating activities	\$ 742,091	\$ 2,427,130