



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

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## Executive Summary

000's	APRIL 2010			YTD (4 Months)			2009
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
<b>Revenues</b>	\$ 1,032	\$ 946	\$ 86	\$ 1,088	\$ 1,282	\$ (194)	\$ 1,645
<b>Expenses</b>	\$ (1,054)	\$ (1,094)	\$ 40	\$ (1,744)	\$ (1,977)	\$ 233	\$ (2,264)
<b>(LBITDA)</b>	\$ (22)	\$ (148)	\$ 126	\$ (656)	\$ (695)	\$ 39	\$ (619)

- In October 2009, an agreement between MLSE, The Board of Governors of Exhibition Place, and the City of Toronto was approved to relocate the bubble from BMO Field to Lamport Stadium. As part of this agreement, BMO Field received net compensation of \$112K for the bubble season from MLSE to offset the net lost. The 2010 budget was completed and approved prior to the agreement to relocate the bubble. BMO Field is projecting to be on budget for the year as a result of the bubble compensation and operational savings from not operating the bubble.
- For the month ending April 30, 2010, the operating loss before depreciation for BMO Field was \$22K (\$126K favourable to budget).
- Total revenues of \$1.0M for the month were \$86K favourable to budget mainly due to food & beverage sales (\$29K), bubble compensation (\$19K), Ticketmaster Rebates (\$14K), Broadcast Fees (\$8K), CRF (\$7K), and Third Party Commission (\$7K).
- Total operating expenses of \$1.0M for the month were \$40K favourable to budget. Expenses were lower in the month due to lower Supplies & Services (\$43K), Full-time Salaries (\$11K), Part-time Wages (\$8K), Other Expenses (\$6K) and Utilities (\$6K), partially offset by higher Cost of Goods Sold (\$33K), and Royalties (\$6K).

Events hosted by BMO Field:

	APRIL 2010			YTD (4 Months)			2009
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
<b>TFC Games (MLS, Friendly &amp; CONCACAF)</b>	3	3	-	3	3	-	4
<b>TOTAL</b>	3	3	-	3	3	-	4
<b>Rental (hours)</b>	-	-	-	-	1,897	(1,897)	2,591

## April 2010 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.8M increased by \$1.0M from April 30, 2009. The increase was due to cash from operations before incentives, rebates and excess cash distributions of \$1.3M, partially offset by the \$238K payment of the incentives, rebates and excess cash for the 2008 season.
- Accounts Receivable of \$687K was made up primarily of \$256K to be reimbursed by the City of Toronto for capital expenditures, April TFC game settlements of \$171K to be collected in May, and sponsorship revenue of \$113K to be collected at the end of the season. As at May 15, 2010, one suite contract was terminated due to continued failure to cure breach of agreement. A new suiteholder was secured starting July 1, 2010.
- Accounts Payable and Accrued Liabilities of \$2.8M includes 1.7M in current payables and accruals, \$481K payable to MLSE for its share of 2010 Suite revenue (payable at the end of the season), \$, and \$329K payable to MLSE for shared cost recoveries.
- Deferred Revenue of \$514K was made up primarily of 2010 Suite revenue which will be recognized over the course of the TFC season (April – October).
- 2009 Incentives & Rebates payable of \$387K will be paid upon completion of the Board of Governors of Exhibition Place's year-end audit.

### PROFIT & LOSS

The Operating Loss before Depreciation for BMO Field for the month ending April 30, 2010 was \$22K (\$126K favourable to budget). The following provides an analysis of the significant variances in the month:

- Ticketmaster Rebates were \$14K favourable to budget in the month due to the addition of the north-end grandstands which resulted in additional tickets made available for sale on Ticketmaster system.
- Sponsorship revenues were \$2K unfavourable to budget in the month due to a lower than anticipated maximum Sponsorship payment. Annually, the maximum Sponsorship payment increases by the Consumer Price Index (CPI). The actual CPI increase for 2010 was .03% versus the 2.5% anticipated in the budget.
- Food and Beverage revenues were \$30K or 5% favourable to budget in the month as a result of strong opening day sales which resulted in an average F&B per cap of \$13.88 in the month (\$13.64 in budget).
- Costs of Goods Sold were \$33K higher than budget in the month as a result of higher food and beverage sales and higher waste due to cold, rainy weather conditions. For the month, the gross margin percentage was 59.1% versus 62.8% budgeted. The unfavourable variance in margins was mainly due to waste resulting from poor weather conditions in the month.
- Third Party Commissions were \$7K or 24% favourable to budget primarily due to the addition of two new outside vendors.
- Merchandise Commissions were \$1K or 8% favourable to budget for the period due to higher per caps (\$2.99 actual versus \$2.86 budget).

- Suites were \$3K or 3% favourable to budget for the period mainly due to increase in nightly rentals as a result of the terminated suite agreement and a new suiteholder added as the number of sold suites increased to 28 from 27.
- TFC Usage fee were \$1K or 2% unfavourable to budget in the month due to a lower than anticipated maximum payment. TFC Usage Fee only increased by CPI of .03% versus the 2.5% anticipated in the budget.
- CRF revenues were \$7K or 16% favourable to budget in the month as a result of higher average number of tickets sold per TFC game (21,363 actual versus 17,500 budgeted) resulting from the addition of the north-end grandstands.
- Other Usage Fees were \$26K favourable to budget in the month due to the bubble compensation of \$19K received versus zero revenue budgeted (expected TFC season to start in early April), and higher Broadcast revenue of \$8K.
- Royalties were \$6K or 4% unfavourable to budget in the month as a result of higher food and beverage sales.
- Full-Time Salaries were \$11K or 16% favourable to budget in the month due to savings from delaying of full-time contracts to start later in the year and use of part-time labour in the warehouse instead of full-time personnel. Year to date, Full-Time Salaries were \$35K or 14% favourable to budget as a result of delaying full-time contract employees to start later in year and use of part-time labour in the warehouse.
- Part-time Wages were \$8K or 4% favourable to budget in the month mainly due to lower event labour cost (\$20K) as a result of no shows partially offset by higher non-event warehouse labour cost (\$8K) for season opening and setup.
- Supplies and Services expenses were \$43K favourable to budget in the month primarily due to lower start up costs (\$24K) as a result of the bubble relocation, staff training supply costs (\$10K) due to timing (anticipated to be spent in May), and contracted part-time labour (\$5K) as a result of the bubble relocation. Year to date, Supplies and Services were \$143K favourable to budget mainly due to lower OSA commission (\$47K), cleaning labour (\$22K), security (\$17K), snow removal (\$11K), and part-time building operations labour (\$11K) as a result of relocating the bubble. Year to date, savings as a result of not having the bubble was approximately \$100K.
- Utilities were \$6K favourable to budget in the month mainly due to lower than anticipated gas (\$5K) and water (\$1K) usage as a result of the bubble relocation. Year to date, Utilities were \$76K favourable to budget due to lower gas (\$60K), and hydro (\$15K) usage as a result of the bubble relocation.
- Other Expenses were \$6K favourable to budget in the month due primarily to lower F&B copy & printing costs (\$14K) for menu boards. These savings were partially offset by higher telephone costs (\$5K) from adding additional lines for broadcast, and credit card charges (\$4K) due to increase in nightly rentals and Food & Beverage transactions. Year to date, Other Expenses were \$2K positive to budget mainly due to lower F&B copy & printing due to timing anticipated to be spent later in the year, partially offset by higher telephone (\$5K), foreign exchange (\$4K), and credit card charges (\$4K).

## **Event Management Services**

The Event Management team were focused on the three TFC games.

## **Building Operations**

The main focus for the Building Operations team was preparation of the stadium and new grass field for the 2010 Toronto FC season. The new grass field was ready in time for the opening game. The Team continues to work closely with the NGF representative to ensure the ongoing maintenance and integrity of the field.

## **Food & Beverage**

BMO Field hosted Toronto FC's home opener on April 15, in front of a record crowd of 21,978 fans. The Food and Beverage department also set new records with total sales of \$327K (36% over budget) resulting in per caps of \$16.15 (29% over budget of \$12.53). In addition, a new Inventory and Purchasing system has been implemented in order to further improve the evaluation, profitability and inventory usage at all the F&B locations.

Submitted by:

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Vince Bozzo  
General Manager  
BMO Field

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

	<u>April 30, 2010</u>	<u>April 30, 2009</u>	<u>December 31, 2009</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 2,784,067	\$ 1,719,463	\$ 1,827,610
Accounts receivable	687,174	868,093	295,175
Prepaid expenses & deposits	38,978	106,074	16,970
Inventory	188,282	212,247	39,024
	<u>3,698,501</u>	<u>2,905,878</u>	<u>2,178,779</u>
<b>Capital Assets</b>	<u>66,668</u>	<u>45,000</u>	<u>80,000</u>
	<u>\$ 3,765,169</u>	<u>\$ 2,950,878</u>	<u>\$ 2,258,779</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 2,794,030	\$ 2,426,396	\$ 1,105,665
Taxes payable	42,853	75,497	109,768
Deferred revenue	513,655	531,502	8,215
Incentives & rebates payable	387,020	118,841	387,020
	<u>3,737,559</u>	<u>3,152,236</u>	<u>1,610,669</u>
Long-Term Suite Deposits	239,109	218,125	190,000
Retained Earnings (Loss)	(211,499)	(419,483)	458,110
	<u>\$ 3,765,169</u>	<u>\$ 2,950,878</u>	<u>\$ 2,258,779</u>
Opening Retained Earnings	\$ 458,110	\$ 199,325	\$ 199,325
Operating Profit (Loss)	(669,609)	(618,809)	377,868
Distribution of Excess Cash	-	-	(119,083)
Closing Retained Earnings (Loss)	<u>\$ (211,499)</u>	<u>\$ (419,483)</u>	<u>\$ 458,110</u>

**BMO FIELD  
INCOME STATEMENT  
For the Four Months Ending April 30, 2010**

	April 2010			YTD			YTD
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2009
<b>Revenues</b>							
Ticketmaster Rebates	18,195	4,110	14,085	18,195	4,110	14,085	9,823
Club Fees	11,048	11,273	(225)	11,048	11,273	(225)	11,273
Sponsorship	113,136	115,381	(2,245)	113,136	115,381	(2,245)	112,798
Food and Beverage	599,896	569,915	29,981	600,246	569,915	30,331	770,562
F&B Third Party Commissions	36,998	29,806	7,192	36,998	29,806	7,192	38,498
Event Merchandise	14,529	13,514	1,015	14,529	13,514	1,015	19,428
Suites	90,995	88,324	2,671	90,995	88,324	2,671	76,307
TFC Usage Fee	47,520	48,460	(940)	47,520	48,460	(940)	63,160
CRF	53,005	45,600	7,405	53,005	45,600	7,405	67,410
Other Usage Fee	36,455	10,100	26,355	92,480	346,005	(253,525)	474,959
Other Revenue	10,000	10,000	-	10,000	10,000	-	807
<b>Total Revenues</b>	<b>\$ 1,031,777</b>	<b>\$ 946,484</b>	<b>\$ 85,293</b>	<b>\$ 1,088,152</b>	<b>\$ 1,282,389</b>	<b>\$ (194,236)</b>	<b>\$ 1,645,025</b>
<b>Expenses</b>							
Cost of Goods Sold	245,075	212,072	(33,003)	246,623	212,072	(34,551)	291,233
Royalty	155,595	150,005	(5,590)	155,595	150,005	(5,590)	199,972
Full-Time Salaries	58,148	69,478	11,329	209,147	243,947	34,800	221,747
Part-Time Wages	204,000	211,768	7,768	238,201	246,001	7,800	270,254
Benefits	10,339	15,561	5,223	37,925	44,792	6,867	44,776
Travel and Entertainment	1,194	1,398	204	3,158	4,348	1,190	3,751
Supplies and Services	240,087	282,684	42,597	378,325	521,430	143,106	722,396
Insurance	10,993	11,003	9	43,974	44,011	37	35,950
Utilities	38,468	44,100	5,632	141,014	217,100	76,086	196,923
Capital Reserve	33,333	33,333	0	133,332	133,333	1	133,332
Management Fee	17,600	17,948	348	70,400	71,793	1,393	70,185
Other	39,267	45,041	5,774	86,735	88,126	1,390	73,314
<b>Total Operating Expenses</b>	<b>\$ 1,054,100</b>	<b>\$ 1,094,391</b>	<b>\$ 40,292</b>	<b>\$ 1,744,429</b>	<b>\$ 1,976,958</b>	<b>\$ 232,529</b>	<b>\$ 2,263,834</b>
<b>EBITDA (LBITDA)</b>	<b>\$ (22,323)</b>	<b>\$ (147,908)</b>	<b>\$ 125,585</b>	<b>\$ (656,277)</b>	<b>\$ (694,570)</b>	<b>\$ 38,293</b>	<b>\$ (618,809)</b>
Depreciation	(3,333)	(3,333)	-	(13,332)	(13,332)	-	-
<b>Net Operating Loss after Depreciation, before Incentives &amp; Rebates</b>	<b>(25,656)</b>	<b>(151,241)</b>	<b>125,585</b>	<b>(669,609)</b>	<b>(707,902)</b>	<b>38,293</b>	<b>(618,809)</b>
<b>Food &amp; Beverage Gross Margin %</b>	<b>59.1%</b>	<b>62.8%</b>	<b>-3.6%</b>	<b>58.9%</b>	<b>62.8%</b>	<b>-3.9%</b>	<b>62.2%</b>

**BMO FIELD  
STATEMENT OF CASH FLOWS**

<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>	<b>Four months ended</b>	
	<b>April 30, 2010</b>	<b>April 30, 2009</b>
OPERATING	\$ 907,349	\$ 761,466
FINANCING	49,109	-
	907,349	761,466
<b>Net Cash Inflow (Outflow) during the period</b>	<b>\$ 956,458</b>	<b>\$ 761,466</b>
<b>Cash, beginning of period</b>	<b>1,827,610</b>	<b>957,997</b>
<b>Cash, end of period</b>	<b>\$ 2,784,067</b>	<b>\$ 1,719,463</b>
<b>OPERATING</b>		
Operating profit after incentives and rebates	\$ (669,609)	\$ (618,809)
Amortization of capital assets	13,332	-
Cash provided by (used in) non cash working capital item	1,563,626	1,380,275
	<b>\$ 907,349</b>	<b>\$ 761,466</b>
<b>FINANCING</b>		
Long-term deposits	\$ 49,109	\$ -
	<b>\$ 49,109</b>	<b>\$ -</b>
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (391,998)	\$ (616,808)
Prepaid expenses	(22,008)	(78,424)
Inventory	(149,258)	(181,947)
Accounts payable and accrued liabilities	1,688,365	1,945,204
Taxes payable	(66,915)	(64,734)
Deferred revenue	505,440	376,984
Cash provided by (used in ) operating activities	<b>\$ 1,563,626</b>	<b>\$ 1,380,275</b>