



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

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## Executive Summary

000's	MAY 2010			YTD (5 Months)			2009
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
<b>Revenues</b>	\$ 851	\$ 902	\$ (51)	\$ 1,939	\$ 2,184	\$ (245)	\$ 3,240
<b>Expenses</b>	\$ (672)	\$ (758)	\$ 86	\$ (2,416)	\$ (2,735)	\$ 319	\$ (3,374)
<b>EBITDA/(LBITDA)</b>	\$ 179	\$ 144	\$ 35	\$ (477)	\$ (551)	\$ 74	\$ (134)

- For the month ending May 31, 2010, the operating profit before depreciation for BMO Field was \$179K (\$35K favourable to budget).
- Total revenues of \$851K for the month were \$51K unfavourable to budget mainly due to not hosting two Major League Lacrosse (MLL) games (\$99K) and one Canadian Soccer Association (CSA) game (\$69K). The unfavourable variance was partially offset by higher revenues from the International game (\$71K), Ticketmaster rebates from two TFC games (\$12K), higher suites revenue (\$7K) and building cable revenue (\$5K).
- The Toronto Nationals Lacrosse Club has opted not to play their 2010 home games at BMO Field. Included in the budget were six lacrosse games. The negative impact to the budget for the year will be \$150K.
- The management team anticipates that the two unbudgeted TFC games (the CONCACAF qualifying match and MLS Cup) and operational savings will offset the losses from not hosting the MLL games.
- Total operating expenses of \$672K for the month were \$86K favourable to budget. Expenses were lower in the month due to lower Cost of Goods Sold (\$38K), Part-time Wages (\$33K), Royalties (\$31K), Utilities (\$8K), and Full-time Salaries (\$8K), partially offset by higher Supplies & Services (\$28K) and Other expenses (\$8K).

Events hosted by BMO Field:

	MAY 2010			YTD (5 Months)			2009
	Actual	Plan	Variance	Actual	Plan	Variance	Actual
<b>TFC Games (MLS, Friendly &amp; CONCACAF)</b>	2	2	-	5	5	-	9
<b>CSA Games</b>	-	1	(1)	-	1	(1)	1
<b>International Games</b>	1	1	-	1	1	-	-
<b>Toronto Nationals (MLL)</b>	-	2	(2)	-	2	(2)	2
<b>TOTAL</b>	3	6	(3)	6	9	(3)	12
<b>Rental (hours)</b>	28	60	(32)	28	1,957	(1,929)	2,744

## May 2010 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$2.6M increased by \$33K from May 31, 2009. The increase was mainly due to cash from operations before incentives, rebates and excess cash distributions of \$246K, partially offset by the \$238K payment of the incentives, rebates and excess cash for the 2008 season.
- Accounts Receivable of \$942K was made up primarily of \$323K to be reimbursed by the City of Toronto for capital expenditures (anticipated in June), sponsorship revenue of \$226K to be collected at the end of the season, and May TFC game settlements of \$129K to be collected in June. BMO Field is currently monitoring receivables. No collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$2.5M includes \$743K 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), \$525K payable to MLSE for shared cost recoveries and Ticketmaster advances, and \$378K payable to the promoter for the International game.
- Deferred Revenue of \$559K 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 in June 2010.

### PROFIT & LOSS

The Operating Profit before Depreciation for BMO Field for the month ending May 31, 2010 was \$179K (\$35K favourable to budget). The following provides an analysis of the significant variances in the month:

- Ticketmaster Rebates were \$27K 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 the Ticketmaster system and online sales from the International game, partially offset by the loss of MLL (\$12K) and CSA (\$22K) games.
- Food and Beverage revenues were \$72K or 15% unfavourable to budget in the month as a result of cold rainy weather conditions for the two TFC games resulting in lower F&B per cap (including third party commissions) of \$12.79 in the month versus \$13.64 budgeted and lower attendance (16,392 average in the month versus 17,500 budgeted), the loss of two MLL games (\$68K), and one CSA game (\$39K). The lower revenues were partially offset by higher sales for the International game (\$46K).
- Cost of Goods Sold was \$38K favourable to budget in the month as a result of lower food and beverage sales. For the month, the gross margin percentage was 66.6% versus 63.8% budgeted due to an inventory adjustment. Excluding the adjustment, the gross margin was lower than budget at 62.0% mostly due to waste. Year to date, Costs of Goods Sold were \$3K favourable to budget and gross margin percentage was 62.1% versus 63.3% budgeted.
- Suites were \$7K or 9% favourable to budget for the period mainly due to Suite 19 forfeiting their security deposit as a result of their breach of agreement. Year to date, Suites were \$10K or 6% 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 as a result of not hosting a game at BMO Field in the period.
- CRF revenues were \$5K or 11% favourable to budget in the month (\$12K or 13% year to date) as a result of higher average number of tickets sold per TFC game (21,407 actual versus 17,500 budgeted) due to the addition of the north-end grandstands.
- Other Usage Fees were \$1K favourable to budget in the month due higher rent (\$16K) from the International game partially offset by the loss from not hosting the two Major League Lacrosse games (\$10K). Year to date, Other Usage Fees were \$252K or 64% unfavourable due to the bubble relocation partially offset by bubble compensation of \$75K and higher broadcast revenue of \$13K.
- Royalties were \$31K or 27% favourable to budget in the month (\$26K or 10% year to date) as a result of lower food and beverage sales and loss of the MLL (\$7K) and CSA (\$20K) games.
- Full-Time Salaries were \$8K or 12% favourable to budget in the month mainly due to savings from the use of part-time labour in the warehouse instead of full-time personnel. Year to date, Full-Time Salaries were \$43K 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 \$33K or 24% favourable to budget in the month mainly due to lower event labour cost of \$27K from not hosting the MLL and CSA games. Year to date, Part-time Wages were \$41K or 11% favourable as a result lower event costs (\$56K) partially offset by higher non-event warehouse labour cost (\$15K) for season opening and setup.
- Supplies and Services expenses were \$28K or 22% unfavourable to budget in the month mainly due to higher electrical labour and supplies of \$10K and field maintenance costs of \$9K. Year to date, Supplies and Services were \$115K or 18% favourable mainly due lower OSA commission (\$50K), cleaning labour (\$43K), security (\$21K), snow removal (\$11K), and part-time building operations labour (\$14K) as a result of relocating the bubble. Year to date, savings as a result of not having the bubble were approximately \$100K.
- Utilities were \$8K favourable to budget in the month mainly due to an over accrual for April's hydro costs. Year to date, Utilities were \$84K favourable to budget due to lower gas (\$55K), and hydro (\$28K) usage as a result of the bubble relocation.
- Other Expenses were \$8K unfavourable to budget in the month due primarily to higher telephone costs (\$4K) from adding additional lines for broadcast and F&B copy & printing costs due to timing (\$3K). Year to date, Other Expenses were \$6K unfavourable to budget mainly due to higher telephone (\$9K), foreign exchange (\$4K), and credit card charges (\$4K), partially offset by lower F&B copy & printing (\$10K) which is anticipated to be spent later in the year.

## **Event Management Services**

Event Management Services were focused on the three games in the period (two TFC and one International Friendly game). Additionally, May marked the beginning of the community outdoor rental season at BMO Field. There were 28 of 60 community hours used in the period; the reduction of community field usage was necessary due to field maintenance work.

## **Building Operations**

Building Operations continued to focus on grass maintenance and upkeep. Additionally, they worked on rodent and pest control, building cleanliness, and staff training.

## **Food & Beverage**

Sales for the three events in May were below budget due to poor weather conditions and loss of events. The rain and heavy winds reduced sales by up to 30% as concourses became crowded with fans trying to stay dry. The average per cap for TFC games in the period was of \$12.79 (\$0.85 or 6% unfavourable to budget of \$13.64). Year to date, the average per cap for TFC games were \$13.44 (\$0.20 or 1% unfavourable). The International match (FC Benfica vs. Panathinakos FC) saw much better weather which resulted in higher per cap (\$12.76 versus \$8.76) and higher attendance (8,000 versus 6,000).

Submitted by:

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Vince Bozzo  
General Manager  
BMO Field

**BMO FIELD**  
**BALANCE SHEET**  
as at May 31, 2010

	<u>May 31, 2010</u>	<u>May 31, 2009</u>	<u>December 31, 2009</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 2,567,677	\$ 2,535,008	\$ 1,827,610
Accounts receivable	942,128	1,409,153	295,175
Prepaid expenses & deposits	33,655	90,323	16,970
Inventory	194,818	242,836	39,024
	<u>3,738,278</u>	<u>4,277,320</u>	<u>2,178,779</u>
Capital Assets	63,334	45,000	80,000
	<u>\$ 3,801,612</u>	<u>\$ 4,322,320</u>	<u>\$ 2,258,779</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>			
Current Liabilities			
Accounts payable and accrued liabilities	\$ 2,530,537	\$ 3,320,037	\$ 1,105,665
Taxes payable	118,200	98,040	109,768
Deferred revenue	559,021	502,715	8,215
Incentives & rebates payable	387,020	118,841	387,020
	<u>3,594,779</u>	<u>4,039,633</u>	<u>1,610,669</u>
Long-Term Suite Deposits	243,159	218,125	190,000
Retained Earnings (Loss)	(36,326)	64,562	458,110
	<u>\$ 3,801,612</u>	<u>\$ 4,322,320</u>	<u>\$ 2,258,779</u>
Opening Retained Earnings	\$ 458,110	\$ 199,325	\$ 199,325
Operating Profit (Loss)	(494,436)	(134,763)	377,868
Distribution of Excess Cash	-	-	(119,083)
Closing Retained Earnings (Loss)	<u>\$ (36,326)</u>	<u>\$ 64,562</u>	<u>\$ 458,110</u>

**BMO FIELD**  
**INCOME STATEMENT**  
**For the Five Months Ending May 31, 2010**

	May 2010			YTD			YTD
	Actual	Budget	Variance \$	Actual	Budget	Variance \$	2009
<b>Revenues</b>							
TicketMaster Rebates	\$ 45,801	\$ 18,500	\$ 27,301	\$ 63,997	\$ 22,610	\$ 41,387	\$ 42,731
Club Fees	11,048	11,273	(225)	22,096	22,547	(451)	22,547
Sponsorship	113,136	115,381	(2,245)	226,272	230,762	(4,490)	225,595
Food and Beverage	416,179	487,744	(71,565)	1,016,425	1,057,659	(41,234)	1,784,683
F&B Third Party Commissions	24,637	26,300	(1,663)	61,635	56,106	5,529	88,525
Event Merchandise	8,350	11,169	(2,819)	22,879	24,683	(1,804)	42,980
Suites	95,471	87,976	7,494	186,466	176,301	10,165	156,929
TFC Usage Fee	31,680	32,307	(627)	79,200	80,767	(1,567)	142,110
CSA Usage Fee	-	12,667	(12,667)	-	12,667	(12,667)	8,910
CRF	47,492	42,966	4,526	100,497	88,566	11,931	163,027
Other Usage Fee	46,645	45,300	1,345	139,125	391,305	(252,180)	530,376
Other Revenue	10,071	10,000	71	20,071	20,000	71	31,313
<b>Total Revenues</b>	<b>\$ 850,510</b>	<b>\$ 901,583</b>	<b>\$ (51,073)</b>	<b>\$ 1,938,662</b>	<b>\$ 2,183,972</b>	<b>\$ (245,310)</b>	<b>\$ 3,239,726</b>
<b>Expenses</b>							
Cost of Goods Sold	138,935	176,456	37,521	385,558	388,528	2,970	653,752
Royalties	87,071	118,534	31,463	242,666	268,538	25,873	455,902
Full-Time Salaries	61,405	69,478	8,073	270,552	313,425	42,873	281,434
Part-Time Wages	104,122	137,565	33,443	342,323	383,565	41,242	469,948
Benefits	11,486	11,781	296	49,411	56,573	7,163	58,924
Travel and Entertainment	960	3,636	2,676	4,118	7,984	3,866	3,751
Supplies and Services	154,394	126,198	(28,196)	532,719	647,628	114,910	811,177
Insurance	10,993	11,003	9	54,967	55,014	47	45,590
Utilities	26,428	34,800	8,372	167,442	251,900	84,458	229,624
Capital Reserve	33,333	33,333	0	166,665	166,667	2	166,665
Management Fee	17,600	17,948	348	88,000	89,741	1,741	87,731
Other	25,277	17,730	(7,548)	112,013	105,855	(6,157)	109,989
<b>Total Operating Expenses</b>	<b>\$ 672,004</b>	<b>\$ 758,461</b>	<b>\$ 86,457</b>	<b>\$ 2,416,433</b>	<b>\$ 2,735,419</b>	<b>\$ 318,987</b>	<b>\$ 3,374,489</b>
<b>EBITDA (LBITDA)</b>	<b>\$ 178,507</b>	<b>\$ 143,122</b>	<b>\$ 35,384</b>	<b>\$ (477,770)</b>	<b>\$ (551,447)</b>	<b>\$ 73,677</b>	<b>\$ (134,763)</b>
Depreciation	(3,333)	(3,333)	-	(16,666)	(16,665)	-	-
<b>Net Operating Loss after Depreciation, before Incentives &amp; Rebates</b>	<b>\$ 175,173</b>	<b>\$ 139,789</b>	<b>\$ 35,384</b>	<b>\$ (494,436)</b>	<b>\$ (568,112)</b>	<b>\$ 73,677</b>	<b>\$ (134,763)</b>
<b>Food &amp; Beverage Gross Margin %</b>	<b>66.6%</b>	<b>63.8%</b>	<b>2.8%</b>	<b>62.1%</b>	<b>63.3%</b>	<b>-1.2%</b>	<b>63.4%</b>

**BMO FIELD  
STATEMENT OF CASH FLOWS**

<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>	<b>Five months ended</b>	
	<b>May 31, 2010</b>	<b>May 31, 2009</b>
OPERATING	\$ 686,908	\$ 1,577,011
FINANCING	53,159	-
	<b>\$ 740,067</b>	<b>\$ 1,577,011</b>
<b>Net Cash Inflow (Outflow) during the period</b>		
<b>Cash, beginning of period</b>	1,827,610	957,997
<b>Cash, end of period</b>	<b>\$ 2,567,677</b>	<b>\$ 2,535,008</b>
 <b>OPERATING</b>		
Operating profit after incentives and rebates	\$ (494,436)	\$ (134,763)
Amortization of capital assets	16,666	-
Cash provided by (used in) non cash working capital items	1,164,679	1,711,774
	<b>\$ 686,908</b>	<b>\$ 1,577,011</b>
 <b>FINANCING</b>		
Long-term deposits	\$ 53,159	\$ -
	<b>\$ 53,159</b>	<b>\$ -</b>
 Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (646,953)	\$ (1,157,868)
Prepaid expenses	(16,684)	(62,673)
Inventory	(155,794)	(212,536)
Accounts payable and accrued liabilities	1,424,872	2,838,845
Taxes payable	8,432	(42,191)
Deferred revenue	550,806	348,197
Cash provided by (used in ) operating activities	<b>\$ 1,164,679</b>	<b>\$ 1,711,774</b>