



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

Executive Summary

| 000's | NOVEMBER 2009 | | | YTD (11 Months) | | | 2008 |
|-----------------|---------------|----------|----------|-----------------|------------|----------|------------|
| | Actual | Plan | Variance | Actual | Plan | Variance | Actual |
| Revenues | \$ 49 | \$ 79 | \$ (30) | \$ 7,919 | \$ 7,579 | \$ 340 | \$ 7,892 |
| Expenses | \$ (216) | \$ (267) | \$ 51 | \$ (7,041) | \$ (7,294) | \$ 253 | \$ (7,606) |
| EBITDA (LBITDA) | \$ (167) | \$ (188) | \$ 21 | \$ 878 | \$ 285 | \$ 593 | \$ 286 |

- For the month ending November 30, 2009, the operating loss before incentives & rebates for BMO Field was \$167K (\$21K favourable to budget). Year to date, the operating profit before incentives & rebates was \$888K which was \$593K or 208% favourable to budget.
- In October 2009, an agreement between MLSE, The Board of Governors of Exhibition Place, and the City of Toronto received final approval from all levels of Government (parties to the Management Agreement) to relocate the bubble from BMO Field to Lamport Stadium. As part of this agreement, BMO Field will receive net compensation (\$112K) from MLSE to offset the lost bubble income. Year to date, the net financial impact of the new Lamport agreement is \$2K favourable to budget.
- Total revenues of \$49K for the month were \$30K or 38% unfavourable to budget due primarily to no bubble revenue as a result of a new agreement to relocate the bubble. Year to date, total revenues were \$340K favourable to budget mainly due to the two additional TFC games, six lacrosse games, two open practice events, and two CNE promoted events partially offset by lower food and beverage per cap (\$10.57 actual versus \$12.01 in budget for TFC games), and lower than anticipated bubble rental revenues due to a shortened bubble rental season at the beginning of the year due to the earlier start to the TFC season, and relocation of the bubble to Lamport in November.
- Total operating expenses of \$216K for the period were \$52K or 19% favourable to budget for the month. The lower expenses were mainly due to lower supplies & services (\$22K), utilities (\$24K), and part-time wages (\$24K). Year to date, operating expenses were \$254K or 3% favourable primarily due to lower part-time wages (\$204K), supplies & services (\$138K), and utilities (\$95K) partially offset by higher cost of goods sold (\$104K).
- CSA did not meet their obligation of hosting six games at BMO Field as per the LOI. BMO Field's management team is currently negotiating a financial compensation settlement with the CSA for failing to meet their obligations.
- The addition of two TFC games (CONCACAF game in July and Real Madrid Friendly in August), the six unbudgeted lacrosse games, two CNE promoted events and operational savings are anticipated to more than offset some of the challenges encountered in 2009.
- BMO Field is currently forecasting to finish \$381K ahead of budget for the year for a total estimated profit of \$500K.

Events hosted by BMO Field:

| | NOVEMBER 2009 | | | YTD (11 Months) | | | 2008 |
|--------------------------------------|---------------|------|----------|-----------------|-------|----------|--------|
| | Actual | Plan | Variance | Actual | Plan | Variance | Actual |
| TFC Games (MLS, Friendly & CONCACAF) | - | - | - | 20 | 18 | 2 | 20 |
| CSA Games | - | - | - | 1 | 2 | (1) | 2 |
| International Games | - | - | - | 2 | 3 | (1) | 3 |
| Toronto Nationals (MLL) | - | - | - | 6 | - | 6 | - |
| Other Events | - | - | - | 3 | - | 3 | 1 |
| TOTAL | - | - | - | 32 | 23 | 9 | 26 |
| Rental (hours) | 44 | 438 | (394) | 3,210 | 4,590 | (1,380) | 3,777 |

November 2009 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$1.3M increased by \$193K from November 30, 2008 due primarily to cash from operations of \$474K partially offset by incentives, rebates and excess cash distributions of \$282K.
- Accounts Receivable of \$984K is made up primarily of Sponsorship receivables (\$790K) invoiced in November. BMO Field is currently monitoring receivables; no collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$1.2M includes current accounts payable & accruals of \$421K, capital expenditures reserve of \$333K, and a payable of \$72K to MLSE for shared cost recoveries.
- Incentives & rebates of \$250K for 2009 were accrued.

PROFIT & LOSS

The Operating Loss before Incentives & Rebates for the month ending November 30, 2009 was \$167K which was \$21K favourable to budget (Year to date, \$593K or 208% favourable to budget). The following provides an analysis of the significant variances:

- Year to date, Ticketmaster rebates were \$118K or 70% favourable to budget due to additional TFC events, six lacrosse games, two CNE promoted events partially offset by the loss of one international game and one CSA game.
- Year to date, food and beverage sales were \$10K positive to budget primarily due to hosting two additional TFC games (\$413K or \$11.12 per cap for the two games), six lacrosse games (\$106K or \$10.07 per cap), Real Madrid open practice (\$51K or \$3.13 per cap), and CNE promoted game (\$160K or \$10.18 per cap) partially offset by rainy conditions resulting in lower than budgeted TFC

attendance (17,235 actual versus 18,000), and lower per cap (\$10.57 actual versus \$12.01 in budget) at TFC games for the season, the loss of games (CSA and one international game, \$100K budgeted), and the July 18th alcohol suspension.

- Year to date, cost of goods sold were \$104K or 7% unfavourable to budget mainly due to additional events and higher than anticipated waste. The gross margin was 62.1% versus the 64.5% budgeted primarily due to expired product waste during the season and end of season waste identified during the stadium shut down.
- Year to date, third party commissions were \$23K or 11% positive to budget due the additional TFC events partially offset by lower per caps for TFC games (\$0.79 Actual versus \$1.08 in Budget) and lost events (CSA and international).
- Year to date, merchandise commissions were \$37K or 29% unfavourable due to lower per caps (\$2.69 Actual versus \$4.21 in Budget) at TFC games.
- Year to date, Suites were \$19K or 3% favourable to budget primarily due to the Real Madrid game, additional suite tickets, and adopt-a-suite revenue from the CONCACAF game in July.
- Year to date, TFC Usage fee was \$44K or 16% positive to budget due to hosting two additional TFC games and two open practices.
- Year to date, CRF revenues were \$98K or 31% positive to budget as a result of higher number of tickets sold for TFC games (19,481 actual versus 18,000 in budget), six lacrosse games (\$13K), and additional events.
- Other Usage Fees were \$27K or 36% unfavourable to budget in the month mainly due to lower bubble revenue (\$77K) as a result of the bubble relocation, which was partially offset by end of season invoice to TFC Academy (\$29K) for field usage during the summer period and the prorated net revenue from Lamport Stadium for the 2009/10 winter period. Year to date, Other Usage Fees were \$63K negative to budget due to shortened bubble season (\$126K), and an overestimate of non-primetime field rentals (\$11K), partially offset by higher broadcast line revenues (\$69K).
- Other revenues were \$2K unfavourable to budget for the month due to interest not earned on the operating account. Year to date, other revenues were \$136K positive to budget primarily due to additional marketing revenues (\$70K), rent from six MLL games (\$30K), CNE promoted international game (\$25K), higher rent (\$18K) from the June 25th international game (where ticket prices were higher than budgeted), and the Bill Clinton event (\$16K) partially offset by zero interest income on the operating account.
- Year to date, royalties were \$16K or 2% unfavourable due to higher food & beverage sales from additional events.
- Full-time salaries were \$7K or 14% unfavourable to budget in the month due to additional staffing and increased sharing with MLSE. Year to date, Full-time salaries were \$26K negative to budget due to additional staff required as a result of taking event staff in-house.
- Part-time Wages were \$24K favourable to budget in the month mainly due to an over estimate on labour costs for end of season shut down of F&B operations. Year to date, part-time wages were \$204K or 17% positive to budget as a result of savings from the new part-time labour agreement and operational efficiencies. The savings were partially offset by additional event cost, and training costs which were originally budgeted under supplies and services.
- Supplies and Services were \$22K or 27% favourable to budget in the month primarily due to lower operating cost as a result of the bubble being relocated to Lamport Stadium. Year to date, supplies and services were \$138K or 9% positive to budget due to training costs which were recorded in part-time labour (\$88K) and lower OSA commissions (\$49K) as per the newly negotiated rate. This was partially offset by higher uniform costs (\$36K) to outfit the new staff, unanticipated equipment repairs (\$33K), and recruitment costs (\$28K).

- 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 by approximately \$170K.
- Utilities were \$24K or 52% favourable to budget for the month mainly due to lower hydro costs (\$13K) and gas (\$9K) as a result of the bubble relocation. Year to date, utilities were \$95K or 19% positive to budget due to lower than anticipated gas usage (\$50K), and lower hydro usage (\$45K).
- Other Expenses were \$8K unfavourable to budget in the month mainly due to foreign exchange revaluation (\$5K). Year to date, other expenses were \$22K or 11% unfavourable to budget due primarily to additional broadcast line charges, which were offset by higher broadcast revenues recorded in Other Usage Fees.
- Incentives & Rebates of \$250K were accrued as the EBITDA for 2009 is anticipated at \$500K.

Event Management Services

As the outdoor rental season came to an end and the bubble relocated to Lamport Stadium, the Event Operations team focused on attracting new business to utilize the BMO Field's meeting room spaces. The team had some success as Coke booked the Rogers VIP room for a training session which generated \$1K of additional rental revenue.

Due to the construction at Lamport Stadium, 44 hours of community bookings were relocated to BMO Field.

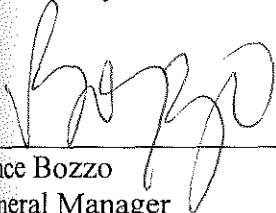
Building Operations

The Building Operations team focused on executing their stadium winterization plan, which included water shut down to the stadium area, F&B fire systems shut down, power washing the facility, and boarding up all the washrooms and concession stands.

Food & Beverage

The F&B team completed the winter shutdown process of F&B operations, which included a final inventory count, product returns and transfers.

Submitted by:



 Vince Bozzo
 General Manager
 BMO Field

BMO FIELD
BALANCE SHEET
as at November 30, 2009

| | <u>November 30, 2009</u> | <u>November 30, 2008</u> | <u>December 31, 2008</u> |
|--|--------------------------|--------------------------|--------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash | \$ 1,273,805 | \$ 1,081,116 | \$ 957,997 |
| Accounts receivable | 984,184 | 709,272 | 251,285 |
| Taxes recoverable | 15,142 | 7,416 | - |
| Prepaid expenses & deposits | 39,383 | 33,883 | 27,650 |
| Inventory | 34,994 | 29,520 | 30,300 |
| | <u>2,347,508</u> | <u>1,861,206</u> | <u>1,267,232</u> |
| Capital Assets | 45,000 | 90,000 | 45,000 |
| | <u>\$ 2,392,508</u> | <u>\$ 1,951,206</u> | <u>\$ 1,312,232</u> |
| LIABILITIES AND RETAINED EARNINGS | | | |
| Current Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 1,214,963 | \$ 1,194,566 | \$ 481,192 |
| Taxes payable | - | - | 140,231 |
| Deferred revenue | 960 | 168,885 | 154,518 |
| Incentives & rebates payable | 250,000 | 43,877 | 118,841 |
| | <u>1,465,923</u> | <u>1,407,328</u> | <u>894,782</u> |
| Long-Term Suite Deposits | 218,125 | 218,125 | 218,125 |
| Retained Earnings (Deficit) | 708,460 | 325,754 | 199,325 |
| | <u>\$ 2,392,508</u> | <u>\$ 1,951,206</u> | <u>\$ 1,312,232</u> |
| Opening Retained Earnings (Deficit) | \$ 199,325 | \$ 508,554 | \$ 508,554 |
| Operating Profit | 627,976 | 285,270 | 158,841 |
| Distribution of Excess Cash | (118,841) | (468,070) | (468,070) |
| Closing Retained Earnings (Deficit) | <u>\$ 708,460</u> | <u>\$ 325,754</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 Eleven Months Ending November 30, 2009

| | November 2009 | | | YTD | | | YTD |
|---|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|
| | Actual | Budget | Variance \$ | Actual | Budget | Variance \$ | 2008 |
| Revenues | | | | | | | |
| Ticketmaster Rebates | - | - | - | 287,815 | 169,545 | 118,270 | 179,460 |
| Club Fees | - | - | - | 78,913 | 74,609 | 4,304 | 78,517 |
| Sponsorship | - | - | - | 789,583 | 787,969 | 1,614 | 768,750 |
| Food and Beverage | (564) | - | (564) | 4,180,665 | 4,170,724 | 9,941 | 4,243,308 |
| F&B Third Party Commissions | (225) | - | (225) | 231,448 | 208,533 | 22,915 | 247,499 |
| Event Merchandise | - | - | - | 92,408 | 129,672 | (37,264) | 117,141 |
| Suites | 3 | - | 3 | 557,452 | 538,915 | 18,537 | 570,024 |
| TFC Usage Fee | - | - | - | 328,065 | 283,669 | 44,396 | 307,500 |
| CSA Usage Fee | - | - | - | 8,910 | 23,500 | (14,590) | 50,317 |
| CRF | - | - | - | 419,249 | 321,140 | 98,109 | 359,148 |
| Other Usage Fee | 49,230 | 76,575 | (27,345) | 768,348 | 831,099 | (62,751) | 816,779 |
| Other Revenue | 100 | 2,333 | (2,233) | 175,676 | 39,666 | 136,010 | 153,163 |
| Total Revenues | 48,543 | 78,908 | (30,365) | 7,918,532 | 7,579,041 | 339,491 | 7,891,607 |
| Expenses | | | | | | | |
| Cost of Goods Sold | (700) | - | 700 | 1,585,468 | 1,481,306 | (104,162) | 1,554,250 |
| Royalty | - | - | - | 1,056,517 | 1,040,643 | (15,874) | 1,084,097 |
| Full-Time Salaries | 58,853 | 51,799 | (7,054) | 681,040 | 655,422 | (25,618) | 601,019 |
| Part-Time Wages | (15,072) | 8,940 | 24,012 | 965,018 | 1,169,041 | 204,023 | 1,217,648 |
| Benefits | 8,432 | 8,600 | 168 | 122,400 | 110,016 | (12,384) | 96,623 |
| Travel and Entertainment | 384 | 800 | 416 | 10,345 | 29,045 | 18,700 | 29,329 |
| Supplies and Services | 58,347 | 80,249 | 21,902 | 1,327,383 | 1,465,168 | 137,785 | 1,678,020 |
| Insurance | 12,566 | 7,909 | (4,657) | 107,620 | 86,999 | (20,621) | 113,352 |
| Utilities | 21,860 | 46,000 | 24,140 | 397,701 | 492,400 | 94,699 | 424,638 |
| Capital Reserve | 33,333 | 33,333 | - | 366,663 | 366,663 | - | 366,663 |
| Management Fee | 17,546 | 17,510 | (36) | 193,009 | 192,615 | (394) | 187,917 |
| Other | 20,160 | 12,340 | (7,820) | 227,393 | 205,123 | (22,270) | 252,782 |
| Total Operating Expenses | 215,710 | 267,480 | 51,770 | 7,040,556 | 7,294,441 | 253,885 | 7,606,337 |
| Operating Profit before Depreciation, Incentives & Rebates | (167,166) | (188,572) | 21,406 | 877,976 | 284,600 | 593,376 | 285,270 |
| Depreciation Expense | - | - | - | - | - | - | - |
| Operating Profit before Incentives & Rebates | (167,166) | (188,572) | 21,406 | 877,976 | 284,600 | 593,376 | 285,270 |
| Forecasted 2009 Incentives & Rebates | - | - | - | (250,000) | - | (250,000) | - |
| Net Operating Profit after Incentives & Rebates | (167,166) | (188,572) | 21,406 | 627,976 | 284,600 | 343,376 | 285,270 |
| Food & Beverage Gross Margin % | - | - | - | 62.1% | 64.5% | -2.4% | 63.4% |

**BMO FIELD
STATEMENT OF CASH FLOWS**

| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES | Eleven months ended | |
|---|---------------------|-------------------|
| | November 30, 2009 | November 30, 2008 |
| OPERATING | \$ 434,650 | \$ (188,489) |
| FINANCING | (118,841) | (468,070) |
| | \$ 315,808 | \$ (656,559) |
| Cash, beginning of period | 957,997 | 1,737,675 |
| Cash, end of period | \$ 1,273,805 | \$ 1,081,116 |
| OPERATING | | |
| Operating profit after incentives and rebates | \$ 627,976 | \$ 285,270 |
| Cash provided by (used in) non cash working capital item | (193,326) | (473,759) |
| | \$ 434,650 | \$ (188,489) |
| FINANCING | | |
| Distribution of excess cash to owner | (118,841) | (468,070) |
| | \$ (118,841) | \$ (468,070) |
| Changes in non-cash working capital balances related to operations | | |
| Accounts receivable | \$ (732,899) | \$ (269,312) |
| Prepaid expenses | (11,733) | (16,796) |
| Inventory | (4,694) | (16,310) |
| Accounts payable and accrued liabilities | 733,771 | 437,900 |
| Incentives & rebates payable | 131,159 | (468,070) |
| Taxes payable/recoverable | (155,373) | (133,104) |
| Deferred revenue | (153,558) | (8,068) |
| Cash provided by (used in) operating activities | \$ (193,326) | \$ (473,759) |