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

Executive Summary

- For the month ending May 31, 2008 the operating profit for BMO Field was \$190K (\$85K favourable to budget), reducing the year to date operating loss to \$478K (\$26K or 6% unfavourable to budget).
- Total revenues of \$1.380M for the month were \$629K or 84% positive to budget (\$852K or 49% favourable to the year to date budget). The primary reasons for the higher revenues this month were due to BMO Field hosting two additional TFC MLS games and two international games than budgeted. Year to date, increased community usage of the bubble and strong food and beverage sales from the six TFC games were contributing factors to the higher revenues.
- Total operating expenses of \$1.190M for the month were \$545K or 84% negative to budget (\$878K or 40% unfavourable to the year to date budget). The higher operating expenses in the month are related to the four additional events which increased costs of goods sold, royalties, and labour costs. Year to date, the primary reasons for the increased operating expenses were the unexpectedly cold winter, higher than expected building maintenance costs, higher cost of goods sold and royalties and higher labour costs related to increased food and beverage sales.
- While BMO Field is unfavourable to budget year to date, we are still forecasting to achieve our 2008 budgeted net income of \$98K, which the manager and owner will share equally based on the management agreement.

May 2008 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$1,822K includes amounts received for 2008 suite payments of \$897K which is shared with TFC at the end of the season and excess cash of \$980K from 2007 which was equally distributed to the manager and owner in June.
- Accounts Receivable of \$1,333K includes \$144K from Toronto Soccer Association for 2008 field rentals (to be collected in August), \$329K from TFC for April & May game operations settlement, \$256K Ticket Master sales for May 11 & 24 events, \$220K for Sponsorship revenue due at the end of the season and \$261K from Capital Reserve fund. No collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$3,106K include \$886K in current payables, \$300K for May 11 & 24 settlements, fiscal 2007 excess funds of \$980K payable to the owner and the manager equally and the 2008 suite payment due to TFC at the end of the season.

PROFIT & LOSS

The Operating Profit for BMO Field for the month ending May 31, 2008 was \$190K (\$85K favourable to budget), resulting in a year to date operating loss of \$478K (\$26K or 6% unfavourable to budget). The following provides an analysis of the monthly and year to date figures;

- Ticketmaster rebates were \$19K or 108% positive to budget in the month (\$11K or 40% favourable to the year to date budget). The increase was mainly due to sales from the two international games added in May, which were not included in the budget.
- Sponsorship revenues were \$30K or 37% positive to budget in the month (\$60K favourable to the year to date budget). As per the Team Agreement, the maximum sponsorship amount of \$769K will be achieved compared to the \$560K in budget. The revenue is recognized evenly over the course of the TFC season, which is April to October
- Food and Beverage revenues were \$429K or 90% positive to budget in the month as a result of hosting four TFC games versus the two TFC games budgeted and two unbudgeted international games in the month. Year to date, food and beverage revenues were \$516K or 59% favourable to budget. The increased revenues were a result of increased per caps (\$14.40 actual versus \$10.75 in budget) and additional events.
- Event Merchandise revenues were \$17K or 219% positive to budget in the month (\$24K favourable to the year to date budget) due to the two additional TFC games and higher per caps (\$4.17 compared to the \$2.00 budgeted).
- TFC Usage fees were \$31K positive to budget in both the month and year to date. This increase is due to TFC playing four games in May compared to the two budgeted.
- Other Usage Fees were \$42K positive to budget for the month. The increase related to field rental and hosting of three large corporate functions in the month. Year to date, other usage fees were \$133K or 38% favourable to budget due to the March Break soccer tournament, corporate rentals and increased community usage.
- Other revenue were \$34K positive to budget for the month which related to the hosting two international games on May 11 & 24. Year to date, other revenues were \$49K favourable to the year to date budget due to the added international games and interest received on the operating account.
- Costs of Goods Sold were \$246K or 188% higher than budget in the month due to the higher food and beverage sales and the gross margin percentage for the month was 58.3% versus 72.4% budgeted. Year to date, cost of goods sold were \$279K or 111% higher than budget due to increased food and beverage sales, waste due to rainy weather conditions and higher keg costs. Year to date, the gross margin percentage was 61.9% versus 71.3% budgeted.
- Royalty expenses were \$90K (\$110K higher year to date) due to the higher food and beverage sales.

- Full-time salaries were even to budget in the month. Year to date, full-time salaries were \$34K or 10% favourable due to the temporary reassignment of personnel.
- Part-time wages were \$119K or 100% higher than budget in the month due to the two added TFC games and two international games. Year to date, part-time wages were \$156K or 65% unfavourable to budget due to additional staff required to cover new food & beverage point of sale locations intended to increase sales and unbudgeted Unicco site manager's cost.
- Supplies and Services expenses were \$68K or 75% negative to budget in the month due to higher than expected building maintenance costs. Year to date, costs were \$324K or 59% unfavourable to budget due to higher costs associated with snow removal and building operation costs (the budget was established before the bubble was in operation). Additionally, BMO Field incurred season startup training (\$89K) and uniform (\$47K) costs for part-time event and food and beverage staff as a result of the new Unicco agreement.
- Utilities were \$6K or 15% positive to budget in the month due to lower than anticipated water consumption. Utilities were \$13K or 6% unfavourable to the year to date budget as a result of increased gas usage related to the bubble due to the colder than expected winter conditions partially offset by lower water consumption.
- Other expenses were 12K or 106% negative to budget in the month (\$27K or 37% unfavourable year to date) due to increased cost of credit card transactions, banking fees and broadcasting line charges which are offset by \$37K in other revenues for line charges to broadcasters.

Event Management Services

BMO Field hosted four sold-out TFC regular season home games and two international games played on Sunday May 11th (Canada U-20 kicked off against Argentina U-20), and Saturday May 24th (Polish Team Champions Wisla Krakow challenged the Brazil U-20 squad), both events had approximately 5,000 fans in attendance.

In addition to TFC games and team training sessions, there was 83 hours of community bookings, as well as three corporate events. MKS, CCYAA, and Hip Hip Horray combined for 20 hours of field rental. In addition, both MKS and CCYAA were returning clients from our inaugural year and both, once again, tremendously enjoyed their time at BMO Field

Building Operations

The Building Operations team focused on preparing the stadium for the four TFC games and two international games which each required a much different setup than the regular TFC game. They also had time in May for the finer and less glamorous tasks required for

maintaining the stadium such as painting, steam cleaning of the carpets, fixing all broken seats and the installation of new flags.

Food & Beverage

The Food and Beverage Team's focus during May was on refining processes to help drive additional revenues. Supplementary training was also held with Supervisory and Cooking staff to improve service efficiencies. The additional training yielded positive results as service times improved at the fixed concessions. As a comparison to last season, BMO Field operating F&B revenues are up over 37% through 6 TFC games despite the fact that sales suffered from rain and colder than normal temperatures at 4 of 6 events.

During May the AGCO conducted on-site inspections and unfortunately there were several incidents in which staff failed to follow the correct policies resulting in minors being served. The impact of these incidents on the liquor license is not known at this time. To keep Alcohol policies top of mind all staff are now required to complete an alcohol policy test prior to starting each shift. This test is marked and signed by the stand supervisor. A follow-up meeting was held in which the AGCO addressed their concerns directly with the front line beverage and security staff. The AGCO stressed that staff are accountable for following the procedures of the stadium and can held liable for any subsequent litigation.

The Toronto Board of Health conducted a site inspection during May and all areas were scored "Green Pass". In addition Steritech conducted an independent audit of the food services areas and a 93/100 score was achieved. This is a marked improvement over the 54 score registered last season.

Submitted by:

Marc Petitpas
General Manager
BMO Field and Ricoh Coliseum

BMO Field
Balance Sheet
as at May 31, 2008

	YTD
ASSETS	
Current Assets	
Cash	\$1,822,477
Accounts Receivable	\$34,581
Other Accounts Receivable	\$1,332,613
Prepaid, Deposits	\$16,035
Inventory	\$158,189
	\$3,363,896
Capital Assets	\$90,000
	\$3,453,896
LIABILITIES AND NET INCOME (LOSS)	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$3,105,853
Income and other taxes payable	\$79,785
Deferred Revenue	\$488,112
	\$3,673,750
Long-term Liabilities	
Long-term Suite Deposits	\$218,125
	\$218,125
Retained Earnings	\$40,484
Net Profit (Loss)	(\$478,463)
	\$3,453,896

BMO Field
Income Statement
For the Five Months Ending May 31, 2008

	May 08			YTD				
	Actual	Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
Revenues								
TicketMaster Rebates	35,619	17,100	18,519	108%	39,992	28,500	11,492	40%
Club Fees	11,135	11,150	(15)	0%	22,271	22,300	(29)	0%
Sponsorship	109,821	80,000	29,821	37%	219,643	160,000	59,643	37%
Food and Beverage	904,073	475,260	428,813	90%	1,389,220	873,070	516,150	59%
Event Merchandise	25,244	7,920	17,324	219%	40,424	15,840	24,584	155%
Suites	75,535	73,207	2,328	3%	147,315	146,414	901	1%
TFC Usage Fee	61,500	30,600	30,900	101%	92,250	61,200	31,050	51%
CSA Usage Fee	0	8,400	(8,400)	-100%	0	8,400	(8,400)	-100%
CRF	67,274	35,052	32,222	92%	100,223	66,012	34,211	52%
Other Usage Fee	54,711	12,572	42,139	335%	485,943	353,284	132,659	38%
Other Revenue	35,441	0	35,441	0%	49,954	0	49,954	0%
Total Revenues	1,380,354	751,261	629,093	84%	2,587,234	1,735,020	852,214	49%
Expenses								
Cost of Goods Sold	376,990	131,040	(245,950)	-188%	529,564	250,652	(278,912)	-111%
Royalty	208,897	118,815	(90,082)	-76%	326,493	216,018	(110,476)	-51%
Full-Time Salaries	76,123	77,719	1,596	2%	302,878	337,012	34,134	10%
Part-Time Wages	237,771	118,996	(118,775)	-100%	391,839	237,029	(154,810)	-65%
Travel and Entertainment	4,922	1,772	(3,150)	-178%	8,338	18,562	10,224	55%
Supplies and Services	159,205	91,022	(68,183)	-75%	869,516	545,829	(323,687)	-59%
Insurance	9,996	6,750	(3,246)	-48%	51,022	33,750	(17,272)	-51%
Utilities	43,228	37,500	(5,728)	-15%	231,466	218,800	(12,666)	-6%
Capital Reserve	33,333	34,000	667	2%	166,665	170,000	3,335	2%
Management Fee	17,083	17,000	(83)	0%	85,417	85,000	(417)	0%
Other	22,556	10,951	(11,605)	-106%	102,500	74,759	(27,741)	-37%
Total Operating Expenses	1,190,105	645,565	(544,539)	-84%	3,065,698	2,187,410	(878,287)	-40%
Net Operating Profit (Loss)	190,249	105,696	84,553	80%	(478,463)	(452,390)	(26,073)	-6%

