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

Executive Summary

- For the month of June, BMO Field hosted two TFC games versus three TFC and one CSA game in budget for the month. Year to date, BMO Field hosted eight TFC games and two international matches versus seven TFC and two CSA games included in budget.
- For the month ending June 30, 2008, the operating profit for BMO Field was \$48K (\$159K unfavourable to budget) as a result of hosting one less TFC and two CSA games than in budget. The year to date operating loss was \$430K (\$185K or 75% unfavourable to budget) as a result of higher Costs of goods sold, royalties and part-time labour relating to increased food and beverage sales.
- Total revenues of \$774K for the month were \$230K or 23% unfavourable to budget as a result of hosting less games. However, year to date total revenues were \$622K or 23% favourable to budget. The year to date favourable variance was due to higher community usage of the bubble (\$428K actual versus \$328K budgeted), increase in corporate rentals (\$52K actual versus \$26K budgeted), and strong food and beverage sales from the eight TFC games (\$1.8M actual versus \$1.6M budgeted).
- Total operating expenses of \$726K for the month were \$72K or 9% positive to budget. The lower operating expenses in the month were due to hosting of one less TFC game and CSA games which resulted in lower royalties (\$61K) and cost of goods sold (\$26K) expenses. Operating expenses were \$807K or 27% unfavourable for the year due to higher cost of goods sold (\$252K), higher labour costs (\$119K) related to increased food and beverage sales, higher than expected snow removal costs (\$64K), higher staff training (\$60K), royalties (\$50K), higher uniform costs (\$49K), and higher gas usage with the unexpectedly cold winter (\$46K).
- While BMO Field is unfavourable to budget for the year, we are still forecasting to achieve our 2008 budgeted net income of \$98K due to a strong event schedule in July.

June 2008 Financials

BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$684K includes amounts received for 2008 suite payments.
- Accounts Receivable of \$1.2M includes \$366K for Ticket Master rebates and advances, \$330K for Sponsorship revenue due at the end of the season, \$239K for May and June TFC game settlement (received in July), and \$144K from Toronto Soccer Association for 2008 field rentals (received in July). No collection issues are anticipated.
- Accounts Payable and Accrued Liabilities of \$2.0M includes \$890K in current payables and accrued liabilities, and \$467K in 2008 suite & club seat sales due to TFC at the end of the season.

PROFIT & LOSS

The Operating Profit for BMO Field for the month ending June 30, 2008 was \$48K (\$159K unfavourable to budget), resulting in a year to date operating loss of \$430K (\$184K or 75% unfavourable to budget). The following provides an analysis of the monthly and year to date figures:

- Ticketmaster rebates were \$14K or 83% negative to budget in the month (\$3K or 6% unfavourable to the year to date budget). The unfavourable variance was due to hosting one less TFC game in the month and having fewer tickets available for sale than in 2007 at the box office for TFC games because they were sold out.

- Sponsorship revenues were \$30K or 37% positive to budget in the month (\$89K favourable for the year). As per the Team Agreement, the maximum sponsorship amount of \$769K will be achieved compared to the \$560K in budget.
- Food and Beverage revenues were \$249K or 36% negative to budget in the month as a result of hosting fewer games than budgeted in the month. Year to date, food and beverage revenues were \$267K or 17% favourable to budget. The increased revenues were a result of increased per caps (\$14.41 actual versus \$10.75 in budget) and additional TFC game than in budget.
- Costs of Goods Sold were \$26K or 14% lower than budget in the month due to one less TFC game, and the gross margin percentage for the month was 63.8% versus 73.1% budgeted. Year to date, cost of goods sold were \$252K or 58% 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 62.3% versus 72.1% budgeted.
- Event Merchandise revenues were \$2K or 14% negative to budget in the month (\$23K or 74% favourable for the year). The unfavourable variance in the month was due to hosting one less TFC game and no CSA game. The year to date increase is due to higher per caps (\$4.17 compared to the \$2.00 budgeted), and the additional TFC game.
- TFC Usage fees were \$15K negative to budget in the month as a result of hosting one less TFC game. Year to date, TFC Usage fees were 16K or 15% favourable to budget due to the hosting of eight TFC games versus seven budgeted.
- CRF revenues were \$10K negative to budget in the month due to hosting one less TFC game. Year to date, CRF revenues were 24K or 20% favourable to budget due to higher TFC ticket sales.
- Other Usage Fees were \$37K positive to budget for the month. The favourable variance relates to higher field rentals and hosting of four corporate functions in the month. Year to date, other usage fees were \$170K or 46% favourable to budget due to the March Break soccer tournament, corporate rentals and increased community usage.
- Other revenues were \$3K positive to budget for the month which related to interest from the operating account. Year to date, other revenues were \$53K favourable to budget due to the added international games and interest received on the operating bank account.
- Royalty expenses were \$61K favourable in the month due to one less TFC game. Year to date, royalty expenses were \$50K or 13% higher than budget due to the higher food and beverage sales.
- Year to date, full-time salaries were \$31K or 8% favourable due to the temporary reassignment of personnel.
- Part-time wages were \$35K or 24% favourable to budget in the month due to hosting one less TFC game. Year to date, part-time wages were \$119K or 31% 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 \$41K or 39% negative to budget in the month due to higher than expected maintenance costs. Year to date, supplies and services costs were \$365K or 56% 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 \$2K or 6% positive to budget in the month due to lower than anticipated water consumption. Utilities were \$10K or 4% 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 6K or 51% negative to budget in the month (\$34K or 39% unfavourable year to date) due to increased cost of credit card transactions, banking fees on large deposits from CSP and broadcasting line charges which are offset by \$40K in other revenues for line charges to broadcasters.

Event Management Services

BMO Field hosted four corporate events which combined for 50 hours of field rental. In addition to the TFC games and team training sessions, and corporate events, the pitch was in use for 139 community hours, bringing the total field usage for the month to 189 hours.

Building Operations

The Building Operations team focused much of their time in June on ensuring that the stadium was prepared on event and game days. The team also traveled to Giants Stadium at the Meadowlands on June 5th and 6th for a 'best practice' trip to participate in the installation of natural grass on top of the artificial turf.

Food & Beverage

The Food and Beverage Team's focus during June was on maximizing revenues. For the two TFC games in June, F&B revenues totaled \$513K, which includes Pinnacle Catering (Suites, VIP room and Group Sales) and our F&B Partners net revenues (\$439K net to BMO after commission). This is an increase of \$90K over games during the same time frame last season.

Submitted by:

Marc Petitpas
General Manager
BMO Field and Ricoh Coliseum

BMO Field
Balance Sheet
as at June 30, 2008

	2008	2007
ASSETS		
Current Assets		
Cash	684,053	5,149,838
Accounts Receivable	1,222,987	684,236
Prepaid, Deposits	11,645	24,263
Inventory	216,395	358,755
	2,135,080	6,217,092
 Capital Assets	 90,000	 0
	2,225,080	6,217,092
	2,225,080	6,217,092
LIABILITIES AND RETAINED EARNINGS		
Current Liabilities		
Accounts Payable and Accrued Liabilities	1,997,004	5,761,859
Income and other taxes payable	3,183	68,822
Deferred Revenue	396,691	295,504
	2,396,878	6,126,185
 Long-term Liabilities		
Long-term Suite Deposits	218,125	211,875
	218,125	211,875
 Retained Earnings	 40,484	 0
Net Loss	(430,407)	(120,967)
	2,225,080	6,217,092
	2,225,080	6,217,092

BMO Field
Income Statement
For the Six Months Ending June 30, 2008

	June 08				YTD			
	Actual	Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
Revenues								
TicketMaster Rebates	2,850	17,100	(14,250)	-83%	42,842	45,600	(2,758)	-6%
Club Fees	11,135	11,150	(15)	0%	33,406	33,450	(44)	0%
Sponsorship	109,821	80,000	29,821	37%	329,464	240,000	89,464	37%
Food and Beverage	438,560	687,700	(249,140)	-36%	1,827,781	1,560,770	267,011	17%
Event Merchandise	12,722	14,760	(2,038)	-14%	53,147	30,600	22,547	74%
Suites	73,700	74,165	(465)	-1%	221,015	220,579	436	0%
TFC Usage Fee	30,750	45,900	(15,150)	-33%	123,000	107,100	15,900	15%
CSA Usage Fee	0	8,400	(8,400)	-100%	0	16,800	(16,800)	-100%
CRF	40,063	50,532	(10,469)	-21%	140,286	116,544	23,742	20%
Other Usage Fee	51,638	14,572	37,066	254%	537,581	367,856	169,725	46%
Other Revenue	2,756	0	2,756	0%	52,709	0	52,709	0%
Total Revenues	773,996	1,004,279	(230,283)	-23%	3,361,231	2,739,299	621,932	23%
Expenses								
Cost of Goods Sold	158,686	185,133	26,447	14%	688,251	435,785	(252,466)	-58%
Royalty	111,092	171,925	60,833	35%	437,585	387,943	(49,642)	-13%
Full-Time Salaries	80,679	77,719	(2,960)	-4%	383,557	414,731	31,174	8%
Part-Time Wages	113,569	148,954	35,385	24%	505,408	385,983	(119,425)	-31%
Travel and Entertainment	2,487	1,772	(715)	-40%	10,825	20,334	9,509	47%
Supplies and Services	145,258	104,224	(41,034)	-39%	1,014,774	650,053	(364,721)	-56%
Insurance	9,996	6,750	(3,246)	-48%	61,019	40,500	(20,519)	-51%
Utilities	36,258	38,500	2,242	6%	267,723	257,300	(10,423)	-4%
Capital Reserve	33,333	34,000	667	2%	199,998	204,000	4,002	2%
Management Fee	17,083	17,000	(83)	0%	102,500	102,000	(500)	0%
Other	17,498	11,551	(5,947)	-51%	119,998	86,310	(33,688)	-39%
Total Operating Expenses	725,940	797,528	71,589	9%	3,791,637	2,984,939	(806,699)	-27%
Net Operating Profit (Loss)	48,057	206,751	(158,694)	-77%	(430,407)	(245,640)	(184,767)	-75%