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

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## Executive Summary

	OCTOBER			YTD		
	Actual	Plan	Variance	Actual	Plan	Variance
<b>Revenues</b>	\$ 519,330	\$ 725,833	\$ (206,503)	\$ 7,798,750	\$ 6,448,807	\$ 1,349,943
<b>Expenses</b>	\$ (602,852)	\$ (716,048)	\$ 113,196	\$ (7,348,943)	\$ (6,033,196)	\$ (1,315,747)
<b>EBITDA</b>	\$ (83,521)	\$ 9,785	\$ (93,307)	\$ 449,808	\$ 415,611	\$ 34,196

- For the month of October, BMO Field hosted one TFC MLS game (two less events than in budget).
- For the month ending October 31, 2008, the operating loss for BMO Field was \$84K (\$93K unfavourable to budget) mostly due to hosting one less TFC game and one less CSA game than in budget. The year to date operating profit of \$450K was \$34K or 8% favourable to budget.
- Total revenues of \$519K for the month were \$207K or 28% unfavourable to budget due to hosting two less games than in budget. Year to date, total revenues were \$1.3M or 21% favourable to budget. The year to date increase is due to higher community usage of the bubble, increase in corporate rentals and strong food and beverage sales from the TFC games, two CSA games, and the MLS 2008 All-Star game.
- Total operating expenses of \$603K for the month were \$113K or 16% favourable to budget (\$1.3M or 22% unfavourable for the year). The lower operating expenses in the month are primarily due to hosting two less games than in budget. For the year, operating expenses were unfavourable to budget because of higher supplies and services (\$523K), cost of goods sold (\$428K), part-time labour costs (\$243K), royalties (\$70K) and other expenses (\$120K) which includes credit card charges, bank charges and telephone expenses.
- BMO Field is forecasting to achieve its 2008 budgeted net operating profit of \$98K before incentives and rebates.

Events hosted by BMO Field:

	OCTOBER			YTD		
	Actual	Plan	Variance	Actual	Plan	Variance
<b>TFC Games (MLS, Friendly &amp; CONCACAF)</b>	1	2	-1	19	17	2
<b>CSA Games</b>	0	1	-1	2	6	-4
<b>MLS All-Star</b>	0	0	0	1	1	0
<b>International Games</b>	0	0	0	3	0	3
<b>Other Events</b>	0	0	0	1	0	1

## September 2008 Financials

### BALANCE SHEET

The following provides an analysis of key balance sheet items:

- Cash of \$1.5M decreased by \$986K from October 2007. Major uses of cash were distributions of incentives, rebates and excess cash from the 2007 season (\$980K) and acquiring fixed assets (\$135K). Cash was from operations before incentives and rebates were \$129K.
- Accounts Receivable of \$939K includes \$768K for Sponsorship revenue due at the end of the season, and \$87K for broadcasting charges. A provision of \$24K was recorded for amounts outstanding.
- Accounts Payable and Accrued Liabilities of \$1.8M includes \$1.4M in account payables and accrued liabilities, and \$300K in event settlements.

### PROFIT & LOSS

The Operating Loss for BMO Field for the month ending October 31, 2008 was \$84K (\$93K unfavourable to budget), resulting in a year to date operating profit of \$450K (\$34K or 8% favourable). The following provides an analysis of the monthly and year to date figures:

- TicketMaster rebates were \$16K or 92% negative to budget in the month due to fewer TFC tickets available for sale online and not hosting a CSA game in the month. Year to date, TicketMaster rebates were \$60K or 50% favourable due to strong online tickets sales from the August 20 CSA game and the additional unbudgeted games hosted by BMO Field where tickets were available for sale at the box office and online.
- Sponsorship revenues were \$30K or 37% positive to budget in the month (\$209K favourable to the year to date budget). The maximum Sponsorship amount of \$769K (as per the Team Agreement) was achieved.
- Food and Beverage revenues were \$248K or 58% negative to budget in the month as a result of hosting two less games. Year to date, Food and Beverage revenues were \$382K or 10% favourable to budget. The favourable variance was a result of increased per caps (\$11.30 actual versus \$10.75 in budget) and additional volume resulting from the unbudgeted events.
- Costs of Goods Sold were \$60K or 43% lower than budget in the month as a result of hosting one game versus the three in budget. Year to date, Cost of Goods were \$428K or 38% unfavourable due to increase sales and higher beer costs (\$240K). The gross margin percentage for the month was 55.1% versus 67.2% budgeted due to the \$13K in end of season food waste. Year to date, the gross margin percentage was 63.6% versus 71.1% budgeted. The unfavourable variance in margin year to date was due to higher beer costs (\$236K), end of season waste (\$13K) and waste due to rainy weather conditions through the season.

- F&B Third Party Commissions were \$15K or 58% unfavourable for the month due to hosting two less events than budgeted. Year to date, F&B Third Party Commissions were \$53K or 28% favourable due to Pinnacle taking over Group Sales and increased food and beverage sales in the suites and at the outside vendor locations.
- Event Merchandise revenues were \$4K or 67% positive to budget in the month (\$50K or 74% favourable to the year to date budget). The favourable variance for the year was due to higher per caps (\$3.54 compared to the \$2.00 budgeted).
- Suites were \$26K or 35% positive in the month as a result of additional unanticipated revenues from the MLS All-Star game which was received in the month. Year to date, Suites revenue were 54K or 10% positive to budget, due to the revenue from the MLS All-Star game rentals and higher than anticipated adopt-a-suite revenues.
- TFC Usage fees were \$15K or 50% negative to budget in month due to hosting one less TFC game than budgeted. Year to date, TFC Usage fees were \$32K or 12% favourable to budget due to the two unbudgeted CONCACAF games.
- CSA Usage fees were \$8K negative to budget as no CSA games were hosted in the month. Year to date, CSA Usage fees were even to budget due to the strong August 20 game which offset the four lost CSA games included in budget.
- Other Usage Fees were \$38K positive to budget for the month. The increase related to broadcasting charges and field rental revenue from the past summer. Year to date, Other Usage Fees were \$305K or 72% favourable to budget due to the March Break soccer tournament, corporate rentals, three additional events (\$45K), broadcasting charges (\$137K) and increased community usage (\$168K).
- Other revenues were \$2K positive to budget for the month as a result of interest earned on the operating account. Year to date, Other revenues were \$151K favourable to budget due to the three additional international games and interest received on the operating bank account.
- Royalties expense were \$68K or 59% favourable to budget in the month due to hosting of one less TFC game. Year to date, Royalties expense were \$70K or 7% higher than budget due to the higher food and beverage sales and two additional TFC games.
- Year to date, full-time salaries were \$86K or 12% favourable due to the temporary reassignment of personnel and increased personnel sharing with Ricoh.
- Part-time wages were \$26K or 22% favourable to budget in the month due to hosting one less TFC game, one less CSA game, offset and additional labour mark-up. Year to date, Part-time wages were \$243K or 26% unfavourable to budget due to additional staff required to cover new food & beverage point of sale locations intended to increase sales, additional events, unbudgeted Unicco site manager's cost and an 8% markup on previous year's rates.
- Supplies and Services expenses were \$54K or 36% unfavourable to budget in the month due to higher labour cost to install the bubble. Year to date, Supplies and Services costs were \$523K or 48% unfavourable to budget due to higher costs associated with snow removal (\$64K) and costs incurred resulting from the install and tear down of the bubble (\$55K). Additionally, BMO Field incurred season startup training (\$56K) and uniforms (\$52K) costs for part-time event and food and beverage staff as a result of the new Unicco agreement.

- Utilities were \$4K or 11% positive to budget in the month due to lower than anticipated water consumption and hydro. For the year, Utilities were \$11K or 3% positive to budget due to savings related to lower water consumption (\$28K) and hydro usage (\$31K) partially offset by the increase natural gas (\$48K) usage related to heating the bubble throughout the winter.
- Other expenses were \$18K negative to budget in the month due to provisions made on aging accounts receivable still in negotiations. Year to date, other expenses were \$120K or 90% unfavourable due to increased cost of credit card transactions, banking fees on large deposits from CSP, accounts receivable provisions and broadcasting line charges (which are offset by broadcasting revenue included in other revenues).

## Event Management Services

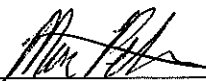
The BMO Field management team focused their efforts during the month of October to the operational success of the final Toronto FC game of the season which took place on Saturday, October 18, 2008. Additional security measures were coordinated and successfully deployed for the purposes of preventing a pitch invasion following the conclusion of the sold out match and the planned reserve game scheduled immediately afterwards.

There were also 178 hours of community rentals (versus plan of 100 hours) booked in the month.

## Building Operations

The building operations team prepared BMO Field for the installation of the bubble. The bubble installation took longer than expected due to strong winds and cooler temperature. In addition to the bubble installation, the building operations team continued with the winterization of the facility which included shutting off water and power to all outside areas including concessions, washrooms, and the ticket office.

Submitted by:



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Marc Petitpas  
General Manager  
BMO Field and Ricoh Coliseum

**BMO FIELD  
BALANCE SHEET  
as at October 31, 2008**

	<u>October 31, 2008</u>	<u>October 31, 2007</u>	<u>December 31, 2007</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	1,538,823	2,524,996	1,737,675
Accounts receivable	939,296	1,128,666	439,960
Prepaid expenses & deposits	23,641	40,802	17,087
Inventory	50,642	33,935	13,210
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	2,552,402	3,728,398	2,207,932
Capital assets	90,000	0	90,000
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	2,642,402	3,728,398	2,297,932
	=====	=====	=====
<b>LIABILITIES AND RETAINED EARNINGS</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	1,775,750	1,921,242	764,667
Income and other taxes payable	21,577	14,920	125,688
Deferred revenue	136,659	110,218	176,952
Incentives and rebates payable	0	0	511,947
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	1,933,985	2,046,380	1,579,253
Long-term suite deposits	218,125	218,125	218,125
Retained earnings	490,292	1,463,893	500,554
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	2,642,402	3,728,398	2,297,932
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**BMO FIELD**  
**INCOME STATEMENT**  
for the ten months ending October 31, 2008

	October 08				YTD			
	Actual	Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
<b>Revenues</b>								
TicketMaster Rebates	1,324	17,100	(15,776)	-92%	179,460	119,700	59,760	50%
Club Fees	11,135	11,150	(15)	0%	78,517	78,050	467	1%
Sponsorship	109,821	80,000	29,821	37%	768,750	560,000	208,750	37%
Food and Beverage	178,035	426,000	(247,965)	-58%	4,240,314	3,858,550	381,764	10%
F&B Third Party Commissions	10,524	25,274	(14,750)	-58%	247,499	194,054	53,445	28%
Event Merchandise	10,840	6,480	4,360	67%	117,141	67,320	49,821	74%
Suites	99,057	73,207	25,850	35%	570,024	516,281	53,743	10%
TFC Usage Fee	15,375	30,600	(15,225)	-50%	307,500	275,400	32,100	12%
CSA Usage Fee	0	8,400	(8,400)	-100%	50,317	50,400	(83)	0%
CRF	30,199	35,052	(4,853)	-14%	359,203	304,912	54,291	18%
Other Usage Fee	50,897	12,570	38,327	305%	729,151	424,140	305,011	72%
Other Revenue	2,122	0	2,122	0%	150,874	0	150,874	0%
<b>Total Revenues</b>	<b>519,330</b>	<b>725,833</b>	<b>(206,503)</b>	<b>-28%</b>	<b>7,798,750</b>	<b>6,448,807</b>	<b>1,349,943</b>	<b>21%</b>
<b>Expenses</b>								
Cost of Goods Sold	80,010	139,728	59,718	43%	1,543,058	1,114,595	(428,463)	-38%
Royalty	47,670	116,114	68,443	59%	1,084,097	1,014,196	(69,901)	-7%
Full-Time Salaries	48,546	77,719	29,173	38%	639,258	725,607	86,349	12%
Part-Time Wages	92,591	118,999	26,408	22%	1,194,842	951,844	(242,998)	-26%
Travel and Entertainment	4,688	6,237	1,549	25%	29,126	30,154	1,028	3%
Supplies and Services	205,974	151,805	(54,169)	-36%	1,601,421	1,078,793	(522,628)	-48%
Insurance	11,804	6,750	(5,054)	-75%	103,002	67,500	(35,502)	-53%
Utilities	32,360	36,500	4,140	11%	396,307	407,300	10,993	3%
Capital Reserve	33,333	34,000	667	2%	333,330	340,000	6,670	2%
Management Fee	17,083	17,000	(83)	0%	170,833	170,000	(833)	0%
Other	28,791	11,196	(17,595)	-157%	253,669	133,207	(120,462)	-90%
<b>Total Operating Expenses</b>	<b>602,852</b>	<b>716,048</b>	<b>113,196</b>	<b>16%</b>	<b>7,348,943</b>	<b>6,033,196</b>	<b>(1,315,747)</b>	<b>-22%</b>
<b>Net Operating Profit (Loss)</b>	<b>(83,521)</b>	<b>9,785</b>	<b>(93,307)</b>	<b>-954%</b>	<b>449,808</b>	<b>415,611</b>	<b>34,196</b>	<b>8%</b>
<b>Food &amp; Beverage Gross Margin %</b>	<b>55.1%</b>	<b>67.2%</b>			<b>63.6%</b>	<b>71.1%</b>		

**STATEMENT OF CASH FLOWS**  
for the ten months ended October 31, 2008

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES	Ten months ended	
	October 31, 2008	October 31, 2007
<b>OPERATING</b>	\$ 269,219	\$ 2,306,871
<b>FINANCING</b>	(468,070)	218,125
<b>Net Cash Inflow (Outflow) during the period</b>	<b>(198,851)</b>	<b>2,524,996</b>
<b>Cash, beginning of period</b>	<b>1,737,675</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 1,538,823</b>	<b>\$ 2,524,996</b>
<b>OPERATING</b>		
Operating profit before incentives and rebates	\$ 449,808	\$ 1,463,893
Cash provided by (used in) non cash working capital item	(180,589)	842,977
	<b>\$ 269,219</b>	<b>\$ 2,306,871</b>
<b>FINANCING</b>		
Long-term deposits	\$ -	\$ 218,125
Distribution of excess cash to owner	(468,070)	-
	<b>\$ (468,070)</b>	<b>\$ 218,125</b>
Changes in non-cash working capital balances related to operations		
Accounts receivable	\$ (499,336)	\$ (1,128,666)
Prepaid expenses	(6,554)	(40,802)
Inventory	(37,432)	(33,935)
Accounts payable and accrued liabilities	1,019,083	1,921,242
Incentives & rebates payable	(511,947)	-
Income and other taxes payable	(104,111)	14,920
Deferred revenue	(40,293)	110,218
<b>Cash provided by (used in) non cash working capital</b>	<b>\$ (180,589)</b>	<b>\$ 842,977</b>