

6



Management Report – May 2007

Executive Summary

- Net Operating Loss for BMO Field for the five month period ending May 31, 2007 was \$199K compared to a budget of \$408K for a favourable variance of \$209K.
- Food and Beverage revenues were \$103K, or 12%, higher than budget for the five month period ending May 31, 2007.
- For the same period, merchandise revenues were \$11K higher than budget.
- As a note – seven games were budgeted for the period (four Toronto FC regular season, one Toronto FC International Friendly, and two Canadian Soccer Association games), however, CSA delivered one less game than was budgeted.

May 2007 Financials

Net Operating Loss for BMO Field for the five month period ending May 31, 2007 was \$199K compared to a budget loss of \$408K for a favourable variance of \$209K. The following provides an analysis of the YTD figures for the five months ending May 31, 2007;

- Food and Beverage revenues were \$103K or 12% higher than budgeted for the period. The higher revenues relate to a 33% higher attendance and 52% higher per cap than anticipated. The average attendance was 19,408 for the period compared to a budgeted figure of 14,500 and per cap was \$10.67 for the period compared to a budgeted figure of \$7.00.
- Merchandise revenues were \$11K higher than budget. Once again the increased revenues related to higher attendance and higher per cap sales than anticipated. Per cap was budgeted at \$1.50 while the average for the period was \$3.72. The first game per cap was \$6.32.
- Suites revenues were \$34K or 34% higher than budget. The original budget anticipated 70% of the suites to be sold, however the suites have been completely sold out.
- Event Rentals and Usage revenues were \$16K or 9% higher than budget. This revenue includes CRF (Capital Restoration Fund) which was higher than anticipated due to higher attendance figures and a more favourable allocation to the stadium than anticipated and despite having one Canadian Soccer Association (CSA) game less than budgeted for the period.
- Cost of Goods Sold and Royalty expense were \$35K & 22K respectively higher than budget, these are a result of increase sales. The royalty expense relates to Food & Beverage sales during Toronto FC and CSA games.
- Part time labour was \$84K or 41% higher than budget as a result of training requirements and additional hours and staff required for the setup of the stadium prior to the opening and improving wait times at concession locations.
- Capital Reserve and Management Fee was \$100K favourable to budget due entirely to the Capital Reserve not been recorded until the opening of the stadium (versus the full year in the budget).
- Other expenses were \$66K favourable to budgeted due to savings from our Mock and Grand Opening Events.
- Accounts Receivable for the period ending May 31, 2007 was \$220K. This amount relates to 3 outstanding suite payments. One of these has subsequently been collected. Collection of the two remaining amounts is not expected to be a problem. Miscellaneous

Receivable for the month ending May 31, 2007 was \$588K. This amount relates to Toronto FC and CSA settlements, which has subsequently been collected.

Supplementary Information

Event Management Services

During the month of May 2007, Event Co-ordinators were involved in the following events:

MAY	
Sporting Events	Other Events
<ul style="list-style-type: none"> ▪ CSA Match: Canada vs. Argentina – Friday, May 11th ▪ Toronto FC vs. Chicago Fire – Saturday May 12th ▪ Toronto FC vs. Houston Dynamo – Wednesday May 16th ▪ Toronto FC vs. DC United – Saturday May 19th ▪ Toronto FC vs. Benfica – Wednesday May 23rd ▪ The Canadian Chinese Youth Athletic Association’s Toronto FC Cup tournament – Saturday, May 26th 	<ul style="list-style-type: none"> ▪ Approximately 20 hours of community field rentals ▪ PCL Client Appreciation Event – Thursday, May 17 (Attendance: 500) ▪ Doors Open Toronto – Saturday, May 26 and Sunday, May 27 (Attendance – approximately 1,500 over the weekend)

For the month of May 2007, the event management staff was focused on the successful execution of BMO Field’s “Inaugural Weekend” May 11th and 12th; a Friday night CSA Match between Canada and Argentina followed by a Saturday afternoon Toronto FC game. BMO Field’s first ever corporate event took place May 17th as PCL hosted their Client Appreciation Event in the North Plaza; and with the arrival of the Portuguese club Benfica on May 23rd, event coordinators experienced their first Toronto FC International Friendly.

Building Operations

Over the month of May, MLSEL and PCL worked diligently to resolve numerous items on the deficiency list. We successfully had our first Toronto FC and CSA games. After the initial training in April, May was the month in which our knowledge of the building was tested. Much of our focus was on adjusting all controls to satisfy our clients’ needs and prioritizing the deficiency list so that all expectations were met.

We have become familiar with the equipment and understand how to operate it effectively.

Food & Beverage and Merchandise Summary

Food and Beverage

During the month of May the primary focus of operations was on increasing points of distribution and improving business processes.

Since opening we have increased F&B Points of distribution (defined as cash purchase points) from 115 to 184 or increased by 60%. The additional points of distribution came from: Beer Portables, Hawking & Vending +61, BBQ Area +2, Outside Contractors +6.

Business process improvements were focused on developing par stock levels for each revenue location to reduce event product distribution. This improvement has led to reduced product movement during events allowing better guest flows on the concourse. The Par Stock levels are reviewed and updated after each event and then forwarded to section supervisors during events for use as a management tool.

A single game per cap record of \$12.81 was set on Saturday, May 19th. The record per cap was a result of a warmer than expected day resulting in record beer & water sales. This per cap compares to the previous record of \$11.06 set on opening day – April 28th.

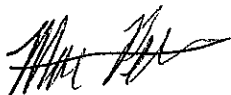
Merchandise

Merchandise per caps varied from a high of \$6.32 to a low of \$2.60 with the reason for the drop being a lack of jerseys available from Adidas.

Consumer Products is working closely with their buyer to increase production numbers and decrease turnaround time for product arrivals. The next delivery date for our top selling authentic red Toronto FC jersey is July 25th when TFC faces off against Aston Villa for their second International Friendly.

Consumer Products continues to monitor problems and is working with Adidas Canada. Major League Soccer has been made aware of our product concerns and demand with their jersey licensee – Adidas.

Submitted by:



Marc Petitpas
General Manager, BMO Field/Ricoh Coliseum

BMO Field
Income Statement
For the Five Months Ending May 31, 2007

	May 07				YTD			
	Actual	Budget	Variance (\$)	Variance (%)	Actual	Budget	Variance (\$)	Variance (%)
Revenues								
Club Fees	\$11,202.22	\$11,786.00	(\$583.78)	-5%	\$22,352.22	\$23,572.00	(\$1,219.78)	-5%
Sponsorship	78,500.00	78,571.00	(71.00)	0%	157,000.00	157,142.00	(142.00)	0%
Food and Beverage	766,002.17	726,865.00	39,137.17	5%	947,417.54	844,621.00	102,796.54	12%
Event Merchandise	24,462.70	23,186.00	1,276.70	6%	38,031.78	27,050.00	10,981.78	41%
Suites	68,160.71	50,914.00	17,246.71	34%	136,321.42	101,828.00	34,493.42	34%
Event Rentals and Usage	176,367.59	171,033.00	5,334.59	3%	208,382.59	192,014.00	16,368.59	9%
Other Revenue	2,942.33	0.00	2,942.33	0%	2,944.33	0.00	2,944.33	0%
Total Revenues	1,127,637.72	1,062,355.00	65,282.72	6%	1,512,449.88	1,346,227.00	166,222.88	12%
Expenses								
Cost of Goods Sold	208,992.00	187,287.00	(21,705.00)	-12%	252,178.55	217,620.00	(34,558.55)	-16%
Royalty	189,569.03	177,333.00	(12,236.03)	-7%	228,593.03	206,500.00	(22,093.03)	-11%
Full-Time	76,276.66	90,000.00	13,723.34	15%	270,890.74	287,047.00	16,156.26	6%
Part-Time	231,592.96	175,113.00	(56,479.96)	-32%	287,341.65	203,475.00	(83,866.65)	-41%
Travel and Entertainment	2,172.05	0.00	(2,172.05)	0%	4,062.17	0.00	(4,062.17)	0%
Supplies and Services	119,661.05	130,115.00	10,453.95	8%	225,241.01	214,790.00	(10,451.01)	-5%
Insurance	20,000.00	27,778.00	7,778.00	28%	40,000.00	55,556.00	15,556.00	28%
Utilities	37,873.00	44,319.00	6,446.00	15%	43,873.00	44,319.00	446.00	1%
Capital Reserve & Management Fee	50,000.00	50,000.00	0.00	0%	150,000.01	250,000.00	99,999.99	40%
Other Expenses	69,291.40	116,758.00	47,466.60	41%	209,122.38	275,016.00	65,893.62	24%
Total Operating Expenses	1,005,428.15	998,703.00	(6,725.15)	-1%	1,711,302.54	1,754,323.00	43,020.46	2%
Net Income (Loss)	122,209.57	63,652.00	58,557.57	69%	(198,852.66)	(408,096.00)	209,243.34	(0.54)

