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Management Report – June 2007

Executive Summary

- Net Operating Loss for BMO Field for the six month period ending June 30, 2007 was \$121K compared to a budget of \$345K for a favourable variance of \$224K.
- Food and Beverage revenues were \$171K, or 13%, higher than budget for the six month period ending June 30, 2007.
- For the same period, merchandise revenues were \$19K, or 50%, higher than budget.
- As a note – ten games were budgeted for the period (seven Toronto FC regular season, one Toronto FC International Friendly, and two Canadian Soccer Association games), however, CSA delivered one less game than was budgeted.

June 2007 Financials

Net Operating Loss for BMO Field for the six month period ending June 30, 2007 was \$121K compared to a budget loss of \$345K for a favourable variance of \$224K. The following provides an analysis of the YTD figures for the six months ending June 30, 2007;

- Food and Beverage revenues were \$171K, or 13%, higher than budgeted for the period. The higher revenues relate to a 35% higher attendance and 61% higher per cap than anticipated. The average attendance was 19,569 for the period compared to a budgeted figure of 14,500 and per cap was \$11.28 for the period compared to a budgeted figure of \$7.00.
- Merchandise revenues were \$19K, or 50%, 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 \$3.87. The first game per cap was \$6.32.
- Suites revenues were \$54K or 35% higher than budget. The original budget anticipated 70% of the suites to be sold, however the suites have been completely sold out. Additionally, add \$2k for Adopt-a-Suite rentals in June.
- TFC/Other Usage Fees revenues were \$33K, or 13%, higher than budget for TFC and other corporate events.
- CSA Usage fee was \$24K under budget due to the lack of a CSA game.
- Cost of Goods Sold and Royalty expense were \$65K & 44K respectively higher than budget, these are a result of increased Food & Beverage sales. The royalty expense relates to Food & Beverage sales during Toronto FC and CSA games.
- Part time labour was \$118K, or 37%, higher than budget as a result of an increase in number of points of distribution to accommodate additional attendees. This increase required training for additional supervisors and staff, while supplementary training for alcohol service training was also necessary.
- 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 \$72K favourable to budgeted due to savings from our Mock and Grand Opening Events.
- Accounts Receivable for the period ending June 30, 2007 was \$140K. This amount relates to 2 outstanding suite payments. One of these has subsequently been collected. Collection of the remaining amount is not expected to be a problem. Miscellaneous

Receivable for the month ending June 30, 2007 was \$545K. This amount relates to Toronto FC and CSA settlements, which have subsequently been collected.

- Accounts payable and Accrued Liabilities for the period ending June 30, 2007 was \$5.7M. This amount mostly relates the FIFA and Genesis ticket sales.

Supplementary Information

Event Management Services

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

JUNE	
Sporting Events	Other Events
<ul style="list-style-type: none"> ▪ Toronto FC vs. Colorado Rapids – Saturday June 2nd ▪ Toronto FC vs. New York Red Bull – Wednesday June 6th ▪ Toronto FC vs. FC Dallas – Sunday June 17th 	<ul style="list-style-type: none"> ▪ Approximately 30 hours of community rentals ▪ Corporate rental for Slate Properties – Wednesday June 13th (Approx. 400 people in attendance)

For the month of June 2007, the event management staff was focused on the preparation for the transformation of BMO Field into the National Soccer Stadium as it was to be launched on a global scale with the arrival of the FIFA U-20 World Cup. Event operations involved the load-in and set up for the FIFA U-20 World Cup, in addition to accommodating last minute requests from the organizing committee. Field rentals bookings were being deterred, whenever possible, to after the tournament.

Building Operations

The end of June was a very busy time for BMO Field Building Operations as all of our focus was preparing a blank building for the FIFA U-20 World Cup. This meant the removal any signage in the building from Toronto FC Sponsors then installations of signage for FIFA sponsors. In fact, the building was stripped of any and all signage and then the building operations team had to rebuild it. In addition, this monumental task needed to be completed in the brief window between Toronto FC's home game Sunday June 17th and the first FIFA U-20 game on Sunday July 1st.

Congratulations to BMO Team for being prepared and pulling this off to great reviews from FIFA and the CSA!

Food & Beverage and Merchandise Summary

Food and Beverage

During the month of June the primary focus of operations was on Supervisor training and continuing to improve alcohol awareness.

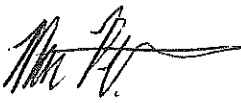
With higher than anticipated sales and the addition of points of distribution additional supervisors were required to be hired and trained. In addition the current group of supervisors required additional training to improve their POS knowledge, Alcohol service and keg handling, cash out procedures and customer service. The training was held in advance of the FIFA tournament. An updated Training manual was introduced to all staff. Ongoing training programs are in the process of being developed.

With support from secret shoppers and event security adherence to alcohol policies was improved. Focus for staff was on two key policies – asking for ID for all guests 30 years of age or younger and ensuring guests only were able to purchase 2 alcoholic beverages at a time. In addition alcohol service cut-off was reduced by 10 minutes to reduce the risk of intoxication. Information sheets indicating BMO Field alcohol Policies were posted at all Alcohol service points. ID tracking sheets were implemented at each alcohol service point. Staff members were also given sheets indicating what real ID's look like from all Canadian provinces and US states and how to spot fake ID's. Early numbers indicate that between 600-800 ID's are checked each game.

Merchandise

Merchandise per caps varied from a high of \$6.32 to a low of \$2.60 with the reason for the drop being in the delays in the production of the away jersey by Adidas as well as the ever-popular Toronto FC scarf. Deliveries for the aforementioned top-sellers were expected to arrive mid-July and had a negative effect on sales, though the average per cap was a respectable \$4.19 for the month of June 2007.

Submitted by:



Marc Petitpas

General Manager, BMO Field/Ricoh Coliseum

BMO Field
Balance Sheet
as at June 30, 2007

	<u>YTD</u>
ASSETS	
Current Assets	
Cash	\$5,149,837.92
Accounts Receivable	139,650.00
Other Accounts Receivable	544,586.28
Prepaid, Deposits	24,263.28
Inventory	358,755.00
	<u>6,217,092.48</u>
	<u>6,217,092.48</u>
LIABILITIES AND CONTRIBUTED SURPLUS	
Current Liabilities	
Accounts Payable and Accrued Liabilities	5,761,858.69
Income and other taxes payable	68,822.33
Deferred Revenue	295,503.70
	<u>6,126,184.72</u>
Long-term Liabilities	
Long-term Suite Deposits	211,875.00
	<u>211,875.00</u>
Net Income (Loss)	(120,967.24)
	<u>6,217,092.48</u>

BMO Field
Income Statement
For the Six Months Ending June 30, 2007

	YTD							
	June 07							
	Actual	Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
Revenues								
Club Fees	\$11,480.91	\$11,786.00	(\$305.09)	-3%	\$33,833.13	\$35,358.00	(\$1,524.87)	-4%
Sponsorship	78,500.00	78,571.00	(71.00)	0%	235,500.00	235,713.00	(213.00)	0%
Food and Beverage	558,872.15	490,266.00	68,606.15	14%	1,506,289.69	1,334,887.00	171,402.69	13%
Event Merchandise	19,789.74	11,593.00	8,196.74	71%	57,821.52	38,643.00	19,178.52	50%
Suites	70,004.39	50,914.00	19,090.39	37%	206,325.81	152,742.00	53,583.81	35%
TFC/Other Usage Fee	100,849.82	80,369.00	20,480.82	25%	277,362.42	244,663.00	32,699.42	13%
CSA Usage Fee	0.00	27,720.00	(27,720.00)	-100%	31,869.99	55,440.00	(23,570.01)	-43%
Other Revenue	1,903.00	0.00	1,903.00	0%	4,847.33	0.00	4,847.33	0%
Total Revenues	841,400.01	751,219.00	90,181.01	12%	2,353,849.89	2,097,446.00	256,403.89	12%
Expenses								
Cost of Goods Sold	157,630.42	126,620.00	31,010.42	-24%	409,808.97	344,240.00	65,568.97	-19%
Royalty	141,053.92	119,000.00	22,053.92	-19%	369,646.95	325,500.00	44,146.95	-14%
Full-Time	94,029.15	81,000.00	13,029.15	-16%	364,919.89	368,047.00	(3,127.11)	1%
Part-Time	152,560.42	118,390.00	34,170.42	-29%	439,902.07	321,865.00	118,037.07	-37%
Travel and Entertainment	1,940.45	0.00	1,940.45	0%	6,002.62	0.00	6,002.62	0%
Supplies and Services	90,708.27	103,926.00	(13,217.73)	13%	318,167.64	318,716.00	(548.36)	0%
Insurance	25,511.91	27,778.00	(2,266.09)	8%	65,511.91	83,334.00	(17,822.09)	21%
Utilities	37,159.28	44,319.00	(7,159.72)	16%	81,032.28	88,638.00	(7,605.72)	9%
Capital Reserve & Management Fee	50,000.00	50,000.00	0.00	0%	200,000.01	300,000.00	(99,999.99)	33%
Other	7,169.50	16,758.00	(9,588.50)	57%	219,824.79	291,774.00	(71,949.21)	25%
Total Operating Expenses	757,763.32	687,791.00	69,972.32	-10%	2,474,817.13	2,442,114.00	32,703.13	-1%
Net income (Loss)	83,636.69	63,428.00	20,208.69	32%	(120,967.24)	(344,668.00)	223,700.76	65%