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Management Report – July 2007

Executive Summary

- Net Operating Income for BMO Field for the seven month period ending July 31, 2007 was \$923K compared to a budget of \$308K for a favourable variance of \$614K.
- Food and Beverage revenues were \$532K, or 20%, higher than budget for the seven month period ending July 31, 2007.
- For the same period, merchandise revenues were \$21K, or 41%, higher than budget.
- BMO Field hosted a very successful FIFA U-20 Tournament in July, which resulted in very favourable financial results

July 2007 Financials

Net Operating Income for BMO Field for the seven month period ending July 31, 2007 was \$923K compared to a budget of \$308K for a favourable variance of \$614K. The following provides an analysis of the YTD figures for the seven months ending July 31, 2007;

- Food and Beverage revenues were \$532K, or 20%, higher than budgeted for the period. The higher revenues relate to a 24% higher attendance than budgeted for the FIFA U-20 Tournament and 35% higher attendance for TFC games. The average attendance for FIFA U-20 was 17,353 for the 12 games in July compared to a budgeted figure of 14,000 and the average attendance for TFC was 19,657. The average F&B per cap was \$12.19 for the FIFA U-20 and \$11.53 for TFC compared to a budgeted figure of \$7.00 for the period.
- Merchandise revenues were \$21K, or 41%, 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 \$3.95. The first game per cap was \$6.32.
- Suites revenues were \$80K or 39% higher than budget. The original budget anticipated 70% of the suites to be sold, however the suites have been completely sold out.
- TFC/Other Usage Fees revenues were \$95K, or 23%, higher than budget for TFC and other corporate events due to higher attendance.
- CSA Usage fee was \$51K under budget due to BMO Field hosting one CSA game, while three was budgeted.
- Other Revenue, which includes FIFA usage and CRF, was \$202K or 61% higher than budgeted due to the higher attendance for FIFA games.
- Cost of Goods Sold and Royalty expense were \$202K & 100K respectively higher than budget, these are a result of increased Food & Beverage sales. The royalty expense relates to Food & Beverage sales during TFC, CSA and FIFA games.
- Part time labour was \$280K, or 44%, 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), which is consistent with the Management Agreement.
- Supplies & Services were \$149K or 32% favourable to budgeted due to cost recovered from TFC and FIFA

- Accounts Receivable for the period ending July 31, 2007 was \$60K. This amount relates to 1 outstanding suite payment, which has subsequently been collected. Miscellaneous Receivable for the month ending July 31, 2007 was \$609K. This amount relates to Toronto FC and CSA settlements and Sponsorship, of which the sponsorship will be collected at the end of the season.
- Accounts payable and Accrued Liabilities for the period ending July 31, 2007 was \$6.2M. This amount mostly relates the FIFA and Genesis Ticket Liability, which will be cleared with settlements of both events

Supplementary Information

Event Management Services

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

JULY	
Sporting Events	Other Events
<ul style="list-style-type: none"> ▪ FIFA U-20 World Cup: <ul style="list-style-type: none"> ✦ Sunday July 1st – CAN vs. CHI ✦ Monday July 2nd – POR vs. NZL; MEX vs. GAM ✦ Thursday July 5th – NZL vs. GAM; POR vs. MEX ✦ Sunday July 8th – CHI vs. AUT ✦ Thursday July 11th – USA vs. URG ✦ Friday July 12th – ARG vs. POL ✦ Sunday July 14th – USA vs. AUT ✦ Thursday July 19th – CHI vs. ARG ✦ Sunday July 22nd – 3rd Place Game (CHI vs. AUT); 1st Place Game (CZE vs. ARG) ✦ Toronto FC vs. Aston Villa Football Club – Wednesday July 25th ✦ Toronto FC vs. Chicago Fire – Sunday July 29th 	<ul style="list-style-type: none"> ▪ Approximately 22 hours of community rentals

For the month of July 2007, BMO Field was transformed into the National Soccer Stadium as it hosted the preliminary rounds as well as semi-finals and finals of the FIFA U-20 World Cup. Event operations focused their efforts on coordinating the twelve matches that took place over the course of nine event days. Upon closing out the tournament, event operations shifted back to Toronto FC mode and the month of July ended with an international friendly and a regular season match.

Building Operations

July was a very busy time for BMO Field Building Operations once again. FIFA U-20 World Cup was very successful and went off with minimal concern. Many changes were made from game to game as per the client's request. Mid July all signage was scheduled to be returned to BMO, and the turnaround from FIFA to MLS was completed in a three day window. All signage was reinstalled and the building was cleaned from top to bottom.

Food & Beverage and Merchandise Summary

Food and Beverage

Operational focus during the month of July was on the smooth execution of the FIFA tournament.

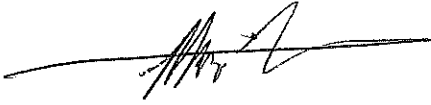
There were some unique challenges to hosting the FIFA event. The timing of tournament games, Staff ID and FIFA branding requirements created some operational challenges for the F&B team. With limited storage capacity the timing of deliveries was a key challenge given the other events at Explace – (Canada day CHIN Picnic and Steelback Grand Prix). Portable refrigerated storage units were rented to add storage capacity. Access for staff and suppliers during the Grand Prix was also a challenge. With over 500 F&B staff and outside suppliers, obtaining and distributing additional ID's for both FIFA and The Grand Prix was a huge logistical challenge. FIFA branding restrictions required that all non FIFA partner branding be covered or removed. As such menu boards, portable cart signage and uniforms had to be altered to achieve compliance with the guidelines. Even though we had these additional challenges the F&B Team was able to deliver a positive guest experience and achieve higher than anticipated revenues during FIFA. The scheduling of double headers drove higher F&B per caps with a record per cap of \$18.94 achieved on the championship game. Following FIFA the return of TFC was welcomed by their fans. The Aston Villa international friendly game on July 25th achieved a new record sales level at \$223,235 or \$13.48 per cap.

Ongoing efforts continued on ensuring alcohol policies were followed by staff. Additional alcohol policy signage was added at all alcohol service points. With the support of secret shoppers 8 non compliant alcohol service staff were identified and terminated by Unicco for failing to follow BMO Field alcohol service policies. Our staffing provider Unicco fully supports our zero tolerance policy for any staff not following the guidelines.

Merchandise

Merchandise per caps for the period ending July 2007 was \$3.95. Per caps for July increased as deliveries of the top selling Toronto FC Away Jersey and ever-popular Toronto FC scarf arrived mid-July and were available for sale at the two Toronto FC games to end the month. The Toronto FC international friendly vs. Aston Villa and Toronto FC regular season game vs. Chicago Fire had per caps of \$4.39 and \$4.17 respectively.

Submitted by:

A handwritten signature in black ink, appearing to read 'Marc Petitpas', written over a horizontal line.

Marc Petitpas
General Manager, BMO Field/Ricoh Coliseum

BMO Field
Balance Sheet
as at July 31, 2007

	YTD
ASSETS	
Current Assets	
Cash	\$6,435,923
Accounts Receivable	60,152
Other Accounts Receivable	609,045
Prepaid, Deposits	123,528
Inventory	346,155
Income and other taxes recoverable	3
	7,574,806
	7,574,806
LIABILITIES AND CONTRIBUTED SURPLUS	
Current Liabilities	
Accounts Payable and Accrued Liabilities	6,225,827
Deferred Revenue	214,493
	6,440,320
Long-term Liabilities	
Long-term Suite Deposits	211,875
	211,875
Net Income (Loss)	922,611
	7,574,806

BMO Field
Income Statement
For the Seven Months Ending July 31, 2007

	YTD							
	Actual	July 07 Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
Revenues								
Club Fees	11,278	11,786	-508	-4%	76,599	47,144	29,455	62%
Sponsorship	78,500	78,571	-71	0%	314,000	314,284	-284	0%
Food and Beverage	1,679,596	1,318,599	360,997	27%	3,185,886	2,653,486	532,400	20%
Event Merchandise	13,171	11,593	1,578	14%	70,992	50,236	20,756	41%
Suites	76,967	50,914	26,053	51%	283,292	203,656	79,636	39%
TFC/Other Usage Fee	237,186	174,869	62,317	36%	514,548	419,532	95,016	23%
CSA Usage Fee	0	27,720	-27,720	-100%	31,870	83,160	-51,290	-62%
Other Revenue	527,529	330,750	196,779	59%	533,158	330,750	202,408	61%
Total Revenues	2,624,226	2,004,802	619,424	31%	5,010,345	4,102,248	908,097	22%
Expenses								
Cost of Goods Sold	478,336	341,987	-136,349	-40%	888,145	686,227	-201,918	-29%
Royalty	381,515	326,083	-55,432	-17%	751,162	651,583	-99,579	-15%
Full-Time	66,440	81,000	14,560	18%	431,360	449,047	17,687	4%
Part-Time	482,199	319,758	-162,441	-51%	922,101	641,623	-280,478	-44%
Travel and Entertainment	2,226	0	-2,226	0%	8,229	0	-8,229	
Supplies and Services	-5,140	143,495	148,635	104%	313,027	462,211	149,184	32%
Insurance	20,000	27,778	7,778	28%	85,512	111,112	25,600	23%
Utilities	24,360	44,319	19,959	45%	105,392	132,957	27,565	21%
Capital Reserve & Management Fee	50,000	50,000	0	0%	250,000	350,000	100,000	29%
Other	113,791	16,758	-97,033	-579%	332,806	308,532	-24,274	-8%
Total Operating Expenses	1,613,727	1,351,178	-262,549	-19%	4,087,735	3,793,292	-294,443	-8%
Net Income (Loss)	1,010,499	653,624	356,875	55%	922,611	308,956	613,655	199%

