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REPORT FOR INFORMATION

## Management Report – August 2007

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## Executive Summary

- Net Operating Income for BMO Field for the eight month period ending August 31, 2007 was \$1,025K compared to a budget of \$372K for a favourable variance of \$653K.
- Food and Beverage revenues were \$593K, or 19%, higher than budget for the eight month period ending August 31, 2007.
- For the same period, merchandise revenues were \$28K, or 46%, higher than budget.
- Suite revenues were \$88K or 35% higher than budget for the eight month period ending August 31, 2007.
- BMO Field hosted a very successful FIFA U-20 Tournament in July, which resulted in very favourable financial results.
- BMO Field hosted two TFC games during the CNE in August, which resulted in lower F&B Sales

## August 2007 Financials

Net Operating Income for BMO Field for the eight month period ending August 31, 2007 was \$1,025K compared to a budget of \$372K for a favourable variance of \$653K. The following provides an analysis of the YTD figures for the eight months ending August 31, 2007;

- Food and Beverage revenues were \$593K, or 19%, higher than budgeted for the period. The higher revenues relate to a 24% higher attendance than budgeted for the FIFA U-20 Tournament and 36% higher attendance for TFC games. The average attendance for FIFA U-20 was 17,353 for the 9 Event Days (12 Games) in July compared to a budgeted figure of 14,000 and the average attendance for TFC was 19,781. The average F&B per cap was \$12.19 for the FIFA U-20 and \$11.69 for TFC compared to a budgeted figure of \$7.00 for the period.
- Merchandise revenues were \$28K, or 46%, 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 \$3.99. The first game per cap was \$6.32.
- Suites revenues were \$88K, or 35% 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 \$126K, or 25%, higher than budget for TFC and other corporate events due to higher attendance.
- CSA Usage fee was \$79K or 71% under budget due to BMO Field hosting one CSA game, while four were budgeted.
- TicketMaster Rebates were \$346K for the period, of which \$254K relates to the FIFA U-20 Tournament. Rebates revenue was not included in the original budget. BMO Field has benefited greatly from the arrangement between MLSEL and TicketMaster.
- Other Revenue, which includes FIFA usage and CRF, was \$93K or 28% higher than budgeted due to the higher attendance for FIFA games.
- Cost of Goods Sold and Royalty expense were \$359K & 120K 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 \$316K, or 42%, higher than budget as a result of an increase in number of points of distribution to accommodate additional attendees. This increase required 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 \$125K or 22% favourable to budgeted due to cost recovered from TFC and FIFA
- Accounts Receivable for the period ending August 31, 2007 was \$3.7K. This amount relates to an Adopt-a-Suite payment, which has subsequently been collected.
- Miscellaneous Receivables for the month ending August 31, 2007 was \$2.5M. This amount relates to Toronto FC and CSA settlements, Genesis Concert and Sponsorship, of which \$1.5M will be settled in September and the sponsorship will be collected at the end of the season.
- Accounts payable and Accrued Liabilities for the period ending August 31, 2007 was \$5.5M. This amount relates to Genesis Ticket Liability, which will be cleared with settlement in September, balance of FIFA settlement (waiting for CSA to agree on vouchers), and other accruals for operating costs.

## Supplementary Information

### Event Management Services

During the month of August 2007, Events Team was involved in the following events:

AUGUST	
Sporting Events	Other Events
<ul style="list-style-type: none"> <li>▪ Toronto FC vs. Los Angeles Galaxy – Sunday August 5<sup>th</sup></li> <li>▪ Toronto FC vs. Chivas USA – Saturday August 18<sup>th</sup></li> <li>▪ Toronto FC vs. D.C. United – Saturday August 25<sup>th</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Footlocker Corporate Event – Thursday August 2<sup>nd</sup></li> <li>▪ BMO Corporate Event – Thursday August 16<sup>th</sup></li> <li>▪ Approximately 124 hours of community rentals (including 32 hours for the Toronto Soccer Tournament; August (21<sup>st</sup> – 23<sup>rd</sup>, and 26<sup>th</sup>))</li> </ul>

Operational focus for BMO Field's events team during the first week of August 2007 was on altering game-day preparation and procedures in order to accommodate the additional security and broadcast requirements for the August 5th Toronto FC vs. LA Galaxy game and the arrival of international soccer star David Beckham. In the following weeks focus then shifted on preparation for the Genesis concert load-in; and the actual start of the load-in which began August 28th.

### Building Operations

The building operations team focused their efforts in the month of August 2007 on preparations for the Genesis concert conversion. The team worked closely with the unions on Exhibition Place grounds and the event ops team to provide the concert promoters the building requirements for the beginning of the

load in. The building team also began moving forward from the preliminary stages to prepare for the installation of the bubble that will cover the pitch along with the winterization of BMO Field.

## Food & Beverage and Merchandise Summary

### Food and Beverage

During the month of August BMO Field hosted 3 TFC games generating \$637,843 or a per cap of \$12.38.

The games were highlighted by the TFC VS LA Galaxy on August 5<sup>th</sup>. During this game we achieved a single game sales record of \$264,047 or per cap of \$14.17. These numbers include all revenue sources – QS (80% of total), Suites (13.3%) and outside contractors (6.7%).

Top 10 selling items (By units sold per game) during the month were:

Operational focus during the month was on Improving customer service (wait times), food quality, alcohol policy adherence and reduction in food and beer waste. Secret shopper scores yielded 1 - 100% score and after 5 events we are averaging 80%. Missing names tags and failing to upsell are the two areas of opportunities for achieving higher scores. Continued reinforcement of these issues was done at pre-shift meetings with all staff.

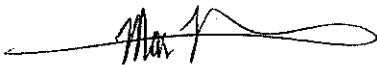
Top 10 Items	Carlsberg Can	28oz Carlsberg	Canadian Can	14oz Carlsberg	Pizza Slice	Dasani	Popcorn	Tuborg Can	Hot Dog	28oz Carlsbrg Lt
By Units Sold	7446	3517	1438	1389	1102	979	932	635	576	347

Alcohol Policy adherence issues continue with Unicco staff. Six Unicco staff were terminated for failing to follow policies – specifically failing to ask for ID for guests under 30 years of age. Renewed attention was placed on this issue at pre-shift meetings with both supervisors and service staff. In addition we also introduced our “WE ID under 30” lanyard. This is now a standard part of uniform.

### Merchandise

Merchandise per caps for the period ending August 31, 2007 are \$3.99. Demand remains consistent with previous reports as the top-selling the Toronto FC Scarf and Authentic Toronto FC Away Jersey continue to drive the sales.

Submitted by:



Marc Petitpas  
General Manager, BMO Field/Ricoh Coliseum

BMO Field  
Balance Sheet  
as at August 31, 2007

	YTD
<b>ASSETS</b>	
Current Assets	
Cash	\$4,013,045
Accounts Receivable	\$3,752
Other Accounts Receivable	\$2,507,124
Prepaid, Deposits	\$193,937
Inventory	<u>\$189,676</u>
	<u>\$6,907,535</u>
	<u>\$6,907,535</u>
 <b>LIABILITIES AND CONTRIBUTED SURPLUS</b>	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$5,476,692
Income and other taxes payable	\$27,596
Deferred Revenue	<u>\$159,663</u>
	<u>\$5,663,951</u>
Long-term Liabilities	
Long-term Suite Deposits	<u>\$218,125</u>
	\$218,125
Net Income (Loss)	<u>\$1,025,459</u>
	<u>\$6,907,535</u>

BMO Field  
Income Statement  
For the Eight Months Ending August 31, 2007

	August 07				YTD			
	Actual	Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
<b>Revenues</b>								
Club Fees	11,278	11,786	(508)	-4%	56,389	58,930	(2,541)	-4%
Sponsorship	78,500	78,572	(72)	0%	392,500	392,856	(356)	0%
Food and Beverage	550,752	490,266	60,486	12%	3,736,638	3,143,752	592,886	19%
Event Merchandise	19,213	11,593	7,620	66%	90,205	61,829	28,376	46%
Suites	59,628	50,914	8,714	17%	342,920	254,570	88,350	35%
TFC/Other Usage Fee	110,927	80,369	30,558	38%	625,475	499,901	125,574	25%
CSA Usage Fee	0	27,720	(27,720)	-100%	31,870	110,880	(79,010)	-71%
TicketMaster Rebates	314,552	0	314,552	0%	346,040	0	346,040	0%
Other Revenue	11,846	0	11,846	0%	424,281	330,750	93,531	28%
<b>Total Revenues</b>	<b>1,156,696</b>	<b>751,220</b>	<b>405,476</b>	<b>54%</b>	<b>6,046,319</b>	<b>4,853,468</b>	<b>1,192,851</b>	<b>25%</b>
<b>Expenses</b>								
Cost of Goods Sold	283,796	126,620	(157,176)	-124%	1,171,941	812,847	(359,094)	-44%
Royalty	139,194	119,000	(20,194)	-17%	890,357	770,583	(119,774)	-16%
Full-Time	79,254	81,000	1,746	2%	510,614	530,047	19,433	4%
Part-Time	154,487	118,390	(36,097)	-30%	1,076,588	760,013	(316,575)	-42%
Travel and Entertainment	0	0	0	0%	8,229	0	(8,229)	0%
Supplies and Services	248,002	103,926	(144,076)	-139%	440,307	566,137	125,830	22%
Insurance	14,488	27,778	13,290	48%	100,000	138,890	38,890	28%
Utilities	47,570	44,319	(3,251)	-7%	152,962	177,276	24,314	14%
Capital Reserve & Management Fee	50,000	50,000	0	0%	300,000	400,000	100,000	25%
Other	37,091	16,758	(20,333)	-121%	369,862	325,290	(44,572)	-14%
<b>Total Operating Expenses</b>	<b>1,053,883</b>	<b>687,791</b>	<b>(366,092)</b>	<b>-53%</b>	<b>5,020,860</b>	<b>4,481,083</b>	<b>(539,777)</b>	<b>-12%</b>
<b>Net Income (Loss)</b>	<b>102,812</b>	<b>63,429</b>	<b>39,383</b>	<b>62%</b>	<b>1,025,459</b>	<b>372,385</b>	<b>653,074</b>	<b>175%</b>