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REPORT FOR INFORMATION

## Management Report – September 2007

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## Executive Summary

- Net Operating Income for BMO Field for the nine month period ending September 30, 2007 was \$1.4M compared to a budget of \$385K for a favourable variance of \$1.0M.
- Food and Beverage revenues were \$767K, or 22%, higher than budget for the nine month period ending September 30, 2007.
- For the same period, merchandise revenues were \$62K, or 89%, higher than budget.
- Suite revenues were \$110K or 36% higher than budget for the nine month period ending September 30, 2007.
- BMO Field hosted a very successful FIFA U-20 Tournament in July and the First Canadian date of Genesis' "Turn It on Again" Tour, 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

## September 2007 Financials

Net Operating Income for BMO Field for the nine month period ending September 30, 2007 was \$1.4M compared to a budget of \$385K for a favourable variance of \$1.0M. The following provides an analysis of the YTD figures for the nine months ending September 30, 2007;

- Food and Beverage revenues were \$766K, or 22%, 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 and the Genesis Concert. 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 and 23,000 attended the Concert. The average F&B per cap was \$12.19 for the FIFA U-20 and \$11.69 for TFC and \$8.47 for the Concert compared to a budgeted figure of \$7.00 for the period.
- Merchandise revenues were \$62K, or 89%, higher than budget. Once again the increased revenues related; to higher attendance and higher per cap sales than anticipated, and the Genesis Concert. Per cap was budgeted at \$1.50 while the average for the period was \$3.99. The first game per cap was \$6.32 and \$6.14 for the Concert.
- Suites revenues were \$109K or 36% 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 \$178K, or 32%, higher than budget for TFC and other corporate events due to higher attendance.
- CSA Usage fee was \$95K or 68% under budget due to BMO Field hosting two CSA games, while five were budgeted.
- TicketMaster Rebates were \$497K for the period, of which \$254K relates to the FIFA U-20 Tournament and \$117K to the Concert. 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 \$180K or 55% higher than budgeted due to the higher attendance for FIFA games and Concert.
- Cost of Goods Sold and Royalty expense were \$427K & 123K respectively higher than budget, these are a result of increased Food & Beverage sales. The royalty expense relates to Food & Beverage sales during TFC, CSA & FIFA games and Concert.
- Part time labour was \$323K, or 38%, 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 \$100K or 15% favourable to budgeted due to cost recovered from TFC, FIFA, and Concert
- Accounts Receivable for the period ending September 30, 2007 was \$25K. This amount relates to Adopt-a-Suite and Broadcast invoices.
- Miscellaneous Receivables for the month ending August 31, 2007 was \$1.6M. 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 September 30, 2007 was \$3.2M. This amount relates to the balance of FIFA settlement (waiting for CSA to agree on vouchers), and other accruals for operating costs.

## Event Management Services

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

SEPTEMBER	
Sporting Events	Other Events
<ul style="list-style-type: none"> <li>▪ Canadian Soccer Association Game; Canada vs. Costa Rica – Wednesday September 12<sup>th</sup></li> <li>▪ Toronto FC vs. Real Salt Lake– Saturday September 15<sup>th</sup></li> <li>▪ Reserve Game Toronto FC vs. Real Salt Lake– Sunday September 16<sup>th</sup></li> <li>▪ Toronto FC vs. Columbus Crew – Saturday September 22<sup>nd</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Genesis “Turn It On Again” World Tour Concert – Friday September 7<sup>th</sup></li> <li>▪ Chorus Entertainment Corporate Event – Thursday September 13<sup>th</sup></li> <li>▪ Tibetan Youth Soccer Tournament – Sunday September 16<sup>th</sup></li> <li>▪ Get Your Move On – Tuesday September 18<sup>th</sup></li> <li>▪ Cossett Entertainment Corporate Event – Friday September 21<sup>st</sup></li> <li>▪ Bloorview Kids Rehab Fundraiser – Sunday September 23<sup>rd</sup></li> <li>▪ City of Toronto Finals – Sunday September 30<sup>th</sup></li> <li>▪ 102 hours of community rentals</li> </ul>

During the first ten days of the month of September 2007, BMO Field prepared for the inaugural concert as the phenomenally successful rock group Genesis kicked off the North American leg of their ‘Turn It On Again’ tour at BMO Field with a stadium show that saw the largest video screen ever created for a concert. Following the show, the events team focused on hosting three soccer matches in ten days, along with coordinating numerous corporate events, and a major fundraising event for the premier children’s rehab facility in Ontario – Bloorview Kids Rehab.

## **Building Operations**

During the month of September 2007, the BMO Field Building Operations Team focused mainly on the Genesis show and the conversion required after the event to prepare for the Canadian Soccer Association game that was to take place just five days following the show. In addition, the team continued to move forward full force on the planning and preparations for the installation of the bubble and the winterization of BMO Field which will include shut down of the water to all outdoor portions of the facility including concessions, ticket office, group sales suites, washrooms, and the 300 media level. Installation of the bubble is scheduled to begin the Monday following the final Toronto FC game.

## **Food & Beverage and Merchandise Summary**

### Food and Beverage

During the month of September BMO Field hosted 2 TFC games, 1 CSA game and the Genesis concert generating \$671,933 or a per cap of \$10.67.

Focus during the month was on working with Unicco to manage staff shortages. These shortages occurred due to a portion of the staff returning to school after the summer. To meet the shortages Unicco used subcontracted staff from Macdonald Cole to fill our requirements. One of our primary off-season efforts will focus on developing strategies for attracting and maintaining a consistent staffing level throughout the entire season. A comprehensive recruiting and training program is being developed by Unicco to address this issue.

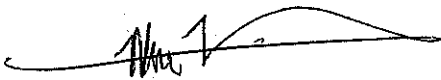
Secret shopper scores yielded 5 - 100% score and after 8 events we are averaging 85%. To date we have received 7 - 100% scores out of 24 shops.

Planning has commenced on the shut down plan for the last two weeks of October. We are working with suppliers to maximize returns of any unused products. It is anticipated that shutdown activities will take 2-3 weeks to complete

### Merchandise

Merchandise per caps for the period ending September 30, 2007 maintained at \$3.99 including a per cap of \$6.14 for the Genesis concert. Top selling items remain consistent with previous reports as the Toronto FC Away Jersey and the ever-popular Toronto FC scarf continue to drive sales.

Submitted by:



Marc Petitpas  
General Manager, BMO Field/Ricoh Coliseum

BMO Field  
 Balance Sheet  
 as at September 30, 2007

	YTD
<b>ASSETS</b>	
Current Assets	
Cash	\$3,310,127
Accounts Receivable	\$24,915
Other Accounts Receivable	\$1,680,072
Prepaid, Deposits	(\$100,302)
Inventory	\$193,886
	\$5,108,697
	\$5,108,697
 <b>LIABILITES AND CONTRIBUTED SURPLUS</b>	
Current Liabilites	
Accounts Payable and Accrued Liabilites	\$3,199,875
Income and other taxes payable	\$106,035
Deferred Revenue	\$166,449
	\$3,472,360
Long-term Liabilites	
Long-term Suite Deposits	\$218,125
	\$218,125
Contributed Surplus	\$1,418,213
	\$5,108,697

BMO Field

Income Statement

For the Nine Months Ending September 30, 2007

	September 07				YTD			
	Actual	Budget	Variance \$	Variance %	Actual	Budget	Variance \$	Variance %
<b>Revenues</b>								
Club Fees	11,278	11,785	(507)	-4%	67,666	70,715	(3,049)	-4%
Sponsorship	78,500	78,572	(72)	0%	471,000	471,428	(428)	0%
Food and Beverage	546,557	372,510	174,047	47%	4,283,195	3,516,262	766,933	22%
Event Merchandise	41,565	7,729	33,836	438%	131,770	69,558	62,212	89%
Suites	72,519	50,915	21,604	42%	415,439	305,485	109,954	36%
TFC/Other Usage Fee	111,694	59,387	52,307	88%	737,169	559,288	177,881	32%
CSA Usage Fee	12,007	27,720	(15,713)	-57%	43,877	138,600	(94,723)	-68%
TicketMaster Rebates	150,562	0	150,562	0%	496,601	0	496,601	0%
Other Revenue	86,946	0	86,946	0%	511,227	330,750	180,477	55%
<b>Total Revenues</b>	<b>1,111,626</b>	<b>608,618</b>	<b>503,008</b>	<b>83%</b>	<b>7,157,945</b>	<b>5,462,086</b>	<b>1,695,859</b>	<b>31%</b>
<b>Expenses</b>								
Cost of Goods Sold	164,685	96,287	(68,398)	-71%	1,336,626	909,134	(427,492)	-47%
Royalty	93,547	89,833	(3,714)	-4%	983,903	860,416	(123,487)	-14%
Full-Time	73,724	81,000	7,276	9%	584,338	611,047	26,709	4%
Part-Time	96,188	90,028	(6,160)	-7%	1,172,776	850,041	(322,735)	-38%
Travel and Entertainment	547	0	(547)	0%	8,776	0	(8,776)	0%
Supplies and Services	125,210	99,530	(25,680)	-26%	565,517	665,667	100,150	15%
Insurance	19,747	27,778	8,031	29%	119,747	166,668	46,921	28%
Utilities	27,529	44,319	16,790	38%	180,491	221,595	41,104	19%
Capital Reserve & Management Fee	50,000	50,000	0	0%	350,000	450,000	100,000	22%
Other	67,695	16,758	(50,937)	-304%	437,557	342,048	(95,509)	-28%
<b>Total Operating Expenses</b>	<b>718,872</b>	<b>595,533</b>	<b>(123,339)</b>	<b>-21%</b>	<b>5,739,732</b>	<b>5,076,616</b>	<b>(663,116)</b>	<b>-13%</b>
<b>Net Income (Loss)</b>	<b>392,754</b>	<b>13,085</b>	<b>379,669</b>	<b>2902%</b>	<b>1,418,213</b>	<b>385,470</b>	<b>1,032,743</b>	<b>268%</b>