



Finance Committee

**Anderson Room, City Hall
6911 No. 3 Road**

Monday, March 3, 2014

Immediately Following the Open General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-3 *Motion to adopt the **minutes** of the meeting of the Finance Committee held on Monday, February 3, 2014.*

FINANCE AND CORPORATE SERVICES DEPARTMENT

1. **FINANCIAL INFORMATION – 4TH QUARTER DECEMBER 31, 2013**
(File Ref. No. 03-0905-01/2014) (REDMS No. 4145989)

FIN-6

See Page FIN-6 for full report

Designated Speaker: Jerry Chong

STAFF RECOMMENDATION

*That the staff report titled **Financial Information – 4th Quarter December 31, 2013 from the Director, Finance** be received for information.*

RICHMOND OLYMPIC OVAL CORPORATION

2. **4TH QUARTER 2013 – FINANCIAL INFORMATION FOR THE RICHMOND OLYMPIC OVAL CORPORATION**
(File Ref. No.:) (REDMS No.4157365)

Pg. # ITEM

FIN-30

See Page **FIN-30** for full report

Designated Speaker: Rick Dusanj

STAFF RECOMMENDATION

That the report on Financial Information for the Richmond Olympic Oval Corporation for the fourth quarter ended December 31, 2013 from the Controller of the Richmond Olympic Oval Corporation be received for information.

ADJOURNMENT



Finance Committee

Date: Monday, February 3, 2014

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Linda Barnes
Councillor Derek Dang
Councillor Evelina Halsey-Brandt
Councillor Ken Johnston
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves

Call to Order: The Chair called the meeting to order at 5:07 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on Monday, December 2, 2013, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DEPARTMENT

1. **5 YEAR FINANCIAL PLAN (2014 - 2018) BYLAW 9100**
(File Ref. No. 03-0970-20-01) (REDMS No. 4125913)

Jerry Chong, Director, Finance, gave a brief summary of the 5 Year Financial Plan (2014-2018), noting that the Plan includes the 2014 Operating, Capital, and Utility budgets previously approved by Council. Additionally, the Plan includes: (i) the previously approved one-time expenditures, (ii) capital items valued at approximately \$7 million, (iii) information on the transfer to reserves, (iv) the use of casino revenues, and (v) a breakdown of services.

1.

Finance Committee
Monday, February 3, 2014

In response to a query regarding the average increase in tax rates in the Greater Vancouver Area, Mr. Chong advised that Chart 2 of the staff report indicates that over the past five years Richmond's tax rate has remained steady, averaging a three percent increase per year. He noted that this includes the one percent transfer to reserves, while other regional municipalities have had significant fluctuations in tax rates.

Discussion ensued regarding the \$5 million marked for land acquisitions to which Mr. Chong noted that the \$5 million is an additional amount; thus, bringing the total funds available for future land acquisitions to \$10 million.

Mr. Chong advised that the buildings recommended for construction and renovation under the 2015-2018 Capital projects reoccur annually. He further advised that the \$3.9 million designated for Affordable Housing, as per page 68 of the staff report, is for new opportunities that may arise. Discussion ensued with respect to increased demand for affordable housing needs in light of the aging population and staff were advised to explore options for enhancing the affordable housing component of the 5 Year Financial Plan.

In reply to queries regarding the figures on Table 1 of the staff report, Mr. Chong stated that the Operating budget impact from the Major Capital Facilities Program would be undergoing further review and that the current estimates are phased into the 5 Year Financial Plan.

Committee commended staff on the report and queried how the information would be presented to the public.

Melissa Shiau, Acting Manager, Financial Planning and Analysis, advised that staff is working with the corporate communication division to utilize Let's Talk Richmond, an online community engagement site, and to prepare a newspaper wrap for an upcoming publication in a local newspaper. Also, she noted that other forms of social media would be utilized as communication tools with regard to the information contained in the 5 Year Financial Plan.

It was moved and seconded

- (1) *That the 5 Year Financial Plan (2014 –2018) be approved as presented by the Director, Finance;*
- (2) *That the 5 Year Financial Plan (2014 –2018) Bylaw No. 9100 be introduced and given first, second, and third readings; and*
- (3) *That staff undertake a process of public consultation as required in Section 166 of the Community Charter.*

CARRIED

Finance Committee
Monday, February 3, 2014

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:24 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, February 3, 2014.

Mayor Malcolm D. Brodie
Chair

Heather Howey
Committee Clerk



City of Richmond

Report to Committee

To: Finance Committee

Date: February 12, 2014

From: Jerry Chong
Director, Finance

File:

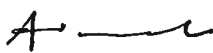


Re: Financial Information – 4th Quarter December 31, 2013

Staff Recommendation

That the staff report titled Financial Information – 4th Quarter December 31, 2013 from the Manager, Financial Reporting be received for information.



Jerry Chong
Director, Finance
(604-276-4064)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Building Approvals	<input checked="" type="checkbox"/>	
Business Licenses	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Economic Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Library	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Project Development	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Recreation Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

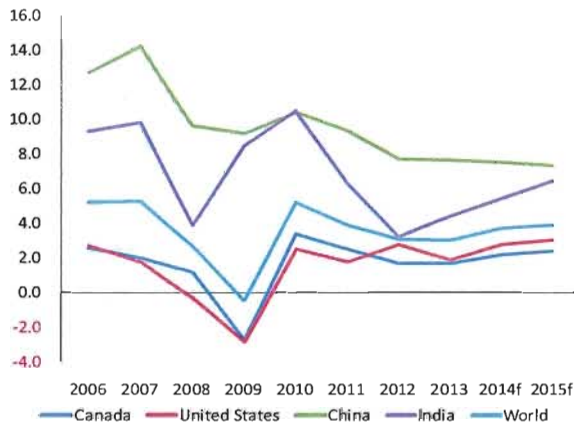
Origin

Financial information for the 4th quarter ended on December 31, 2013 and is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information.

Analysis

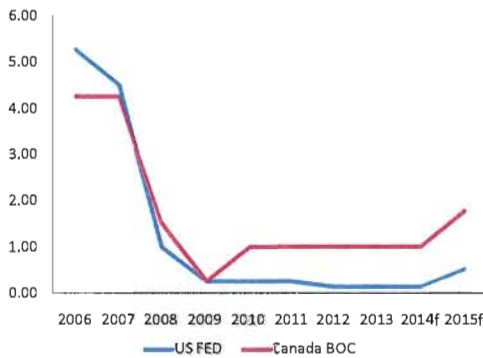
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Change¹



- While downside risk remains, stronger activity in the second half of 2013 has created expectations that global growth rates will improve in 2014 and 2015, due to recovery in the advanced economies.
- Both the US and Canadian economies rallied in the last quarter of 2013, with economic fundamentals stabilizing. Growth expectations for both countries have been revised up for 2014 and 2015.
- Growth in China rebounded strongly in 2013 but the surge is expected to be temporary. India registered export growth and strong investment policies will carry the trend through 2014 and 2015.

2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End²

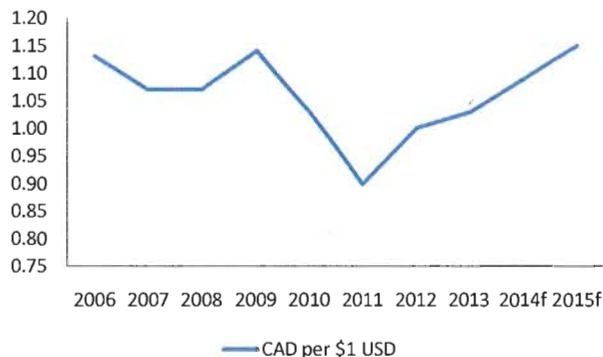


- Global Central Banks’ policies worked to inject calm in the market, with the Federal Reserve postponing tapering of securities buying while the Bank of Canada removed its tightening bias (perception that inflation is a risk).
- Central banks are unlikely to raise the interest rates in 2014 and will continue applying other monetary measures for mid-stream adjustments during that period (securities buying, interest rate expectation management and quantitative easing).

¹ International Monetary Fund, World Economic Outlook (January, 2014)

² US Federal Reserve, Bank of Canada and Royal Bank Research

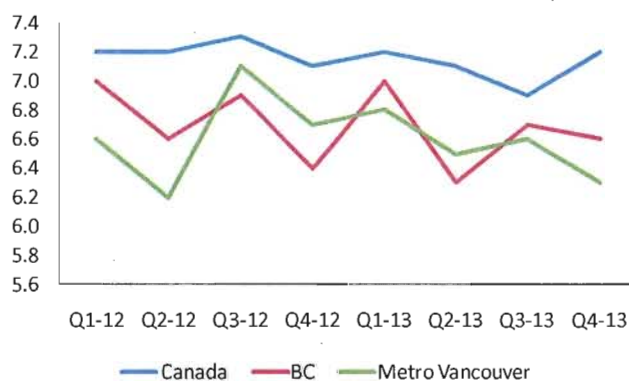
3) Exchange Rates – CAD/USD at Year-End³



- The Canadian Dollar closed out 2013 by continuing to slide against the US Dollar, having a positive impact on Canadian exporters.
- Recent decreases in commodity prices and a stronger growth phase for the US market are expected to cause the Loonie to continue losing ground against the US Dollar, ending 2014 at 92 US cents from 95 US cents at 2013 year-end.

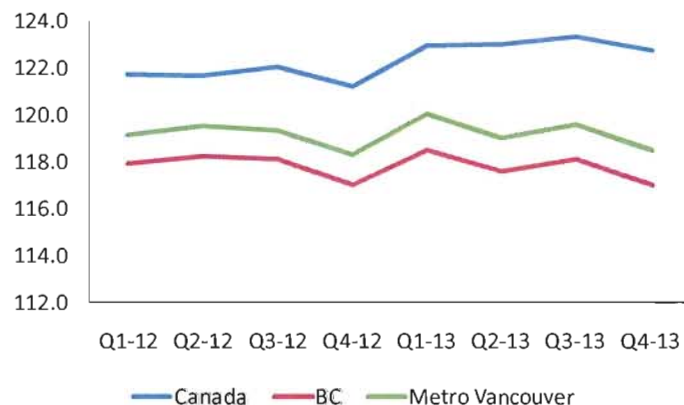
Regional & Local Economic Activity Indicators

4) Unemployment⁴



- After increasing in the third quarter, BC and Metro Vancouver's unemployment edged down to outperform the national average, with Canada registering a spike in unemployment in Q4-2013.
- BC ended 2013 with the fourth lowest unemployment rate in Canada (at 6.6%) after Saskatchewan, Alberta, and Manitoba.
- Metro Vancouver registered a substantial increase in employment in the last quarter, with unemployment dropping by 4.5% from Q3-2013 and nearing 2012 year-end levels.

5) Consumer Price Index (CPI – 2002=100)

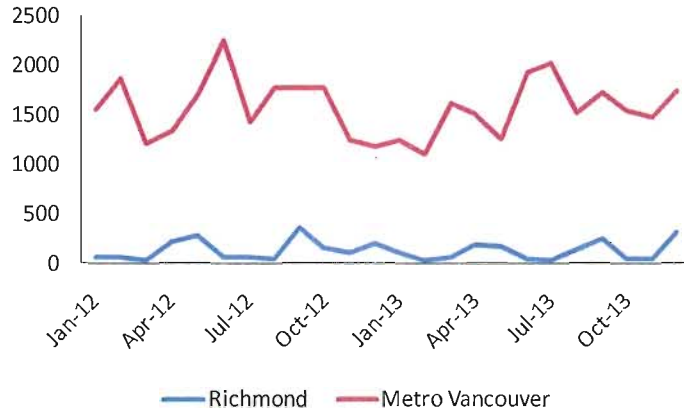


- Decline in commodity prices in the second half of 2013 tipped the inflation rate even further down across Canada.
- The Bank of Canada has re-emphasized the downside risk on the inflation rate though forecasts call for a slow upward movement given the Bank's 2% long-term target.

³ Bank of Canada

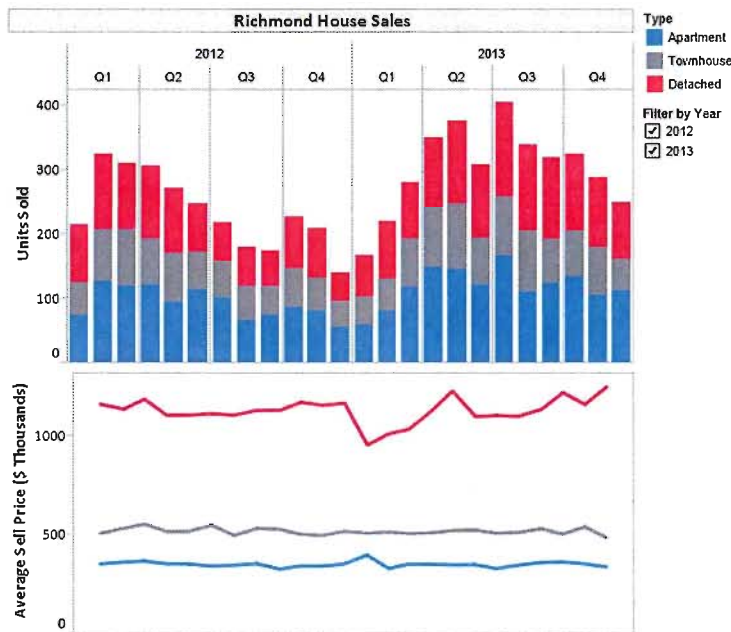
⁴ Statistics Canada

6) Housing Starts⁵



- In Q4-2013, Richmond’s housing starts fell 14% compared Q4-2012 due to the current inventory of units, while in Metro Vancouver housing starts rose by 13% in the same period.
- 2013 marked a move in inventory for Richmond, resulting in a decline of housing starts of 12% compared to 2012. The impacts across Metro Vancouver were softer, with housing starts remaining flat in 2013 compared to the previous year.

7) House Sales & Prices – Richmond⁶

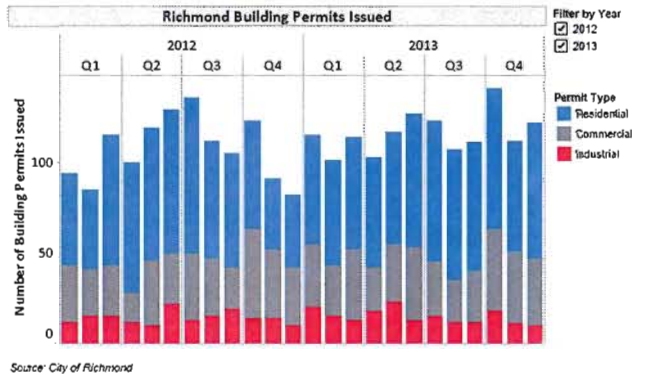


- House sales were active in Q4-2013 at 861 units sold, compared to the 570 units sold in the same quarter last year. Detached home sales registered the largest increase, 35% in 2013 compared to 2012.
- Higher sales activity put downward pressure on townhome and apartment valuations, with prices dropping by 6% and 4.3% in 2013, respectively, compared to 2012.
- Prices of detached homes rose by 7% in 2013 compared to 2012, despite an upswing in sales activity, with the average price of a detached home in Richmond ending 2013 at nearly \$1.3 million.

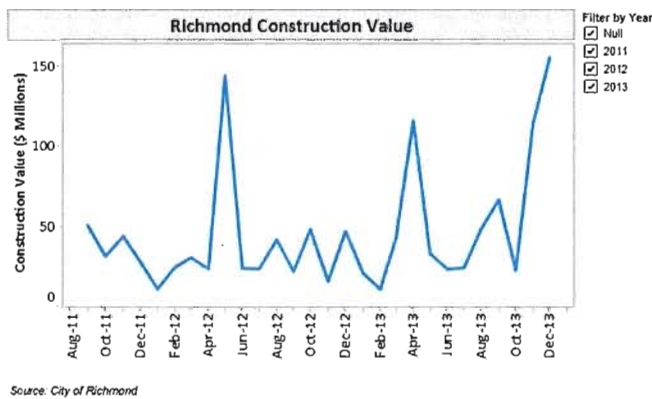
Source: CMHC

⁵ Canada Mortgage and Housing Corporation
⁶ Real Estate Board of Greater Vancouver
 4145989

8) Building Permits – Richmond⁷



- Building permits issued in Q4-2013 (375) were up across categories, compared to the same quarter last year (296).
- 2013 registered a 7% increase in building permits issued over 2012.
- Residential building permits led, increasing over 50% in the last quarter of 2013 over the same quarter of 2012 and ending the year 9% up over 2012.



- The construction value of all permits issued registered a sizable 162% increase in the last quarter of 2013 over the same period last year, closing out the year 50% higher than 2012 due to more high-rise developments.

9) Commercial Space⁸

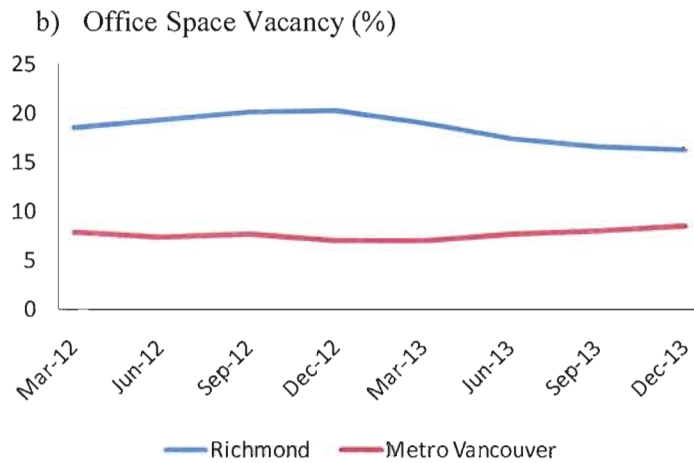
a) Industrial Space Vacancy (%)



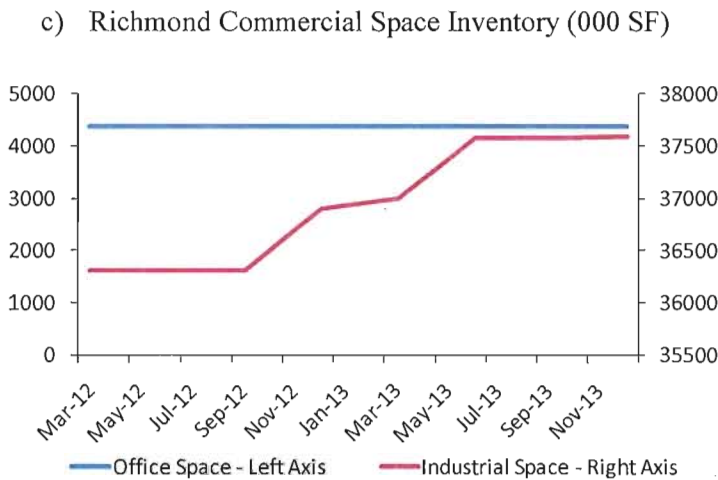
- Industrial space vacancy ended 2013 higher across Metro Vancouver compared to 2012. Accounting for over a quarter of the new industrial space added in the region, Richmond registered a higher increase in industrial vacancy rate, ending the year at 5.5%, up from 3.1% in 2012.
- The 2014 forecast is for continued demand, keeping leasing costs and land prices steady across Metro Vancouver.

⁷ City of Richmond Building Permits

⁸ Cushman & Wakefield Office and Industrial Market Beat Reports 4145989



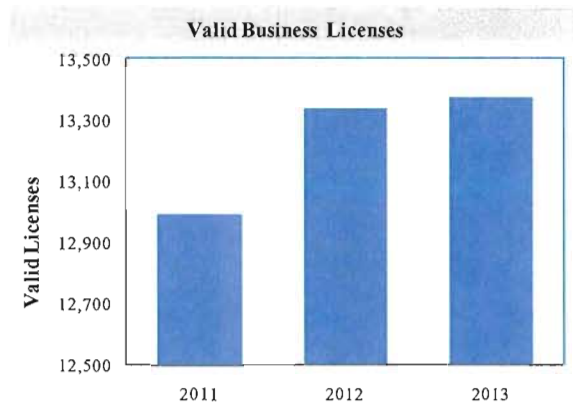
- Contrary to the regional trend, the vacancy rate in Richmond’s office market continued to drop in Q4-2013, ending the year with a 4% gain in occupancy compared to 2012.



- For over 2 years, Richmond’s office space inventory has remained unchanged. A steady decrease in office vacancy rates could provide opportunities for new office space additions in Richmond (particularly along the Canada Line).
- Q4-2013 added no major amounts of industrial space to Richmond’s inventory. However, the Richmond industrial market added nearly 700,000 square feet in 2013, compared to 2012 and 1.3 million since September 2012.

10) Business Growth – Richmond⁹

a) Total Valid Business Licenses

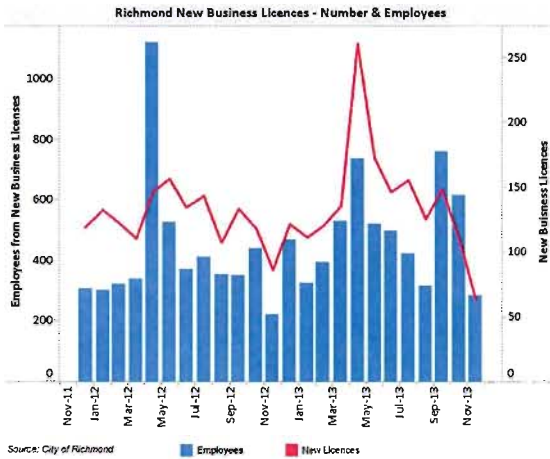


Source: City of Richmond

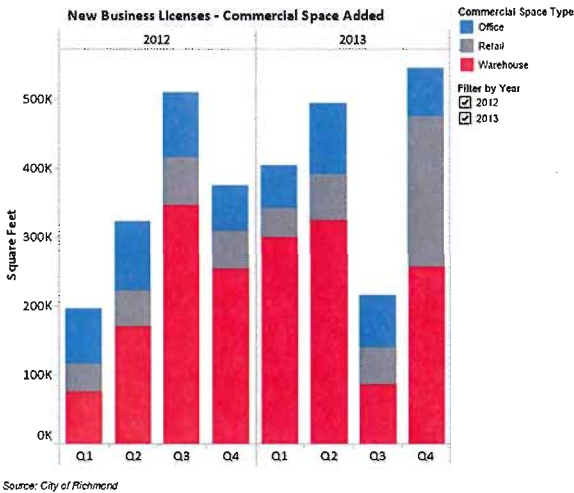
- Currently at 13,371 valid Richmond business licenses slightly exceeded 2012 levels (13,336) and are holding steady after a relatively difficult 2011 for businesses.

⁹ City of Richmond Business Licenses
4145989

b) New Business Licenses Issued



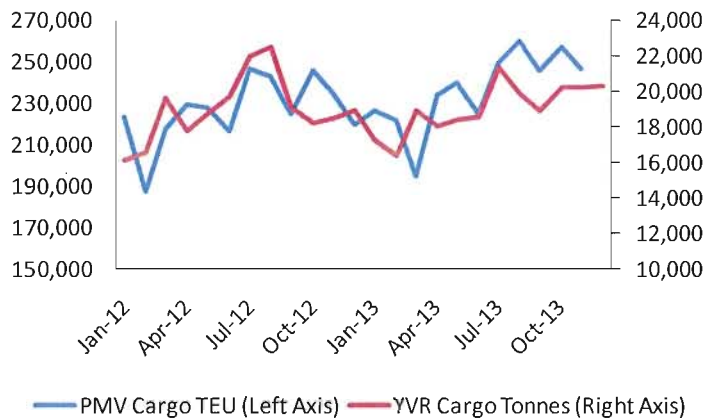
- At 328, the new business licenses issued in Q4-2013 are slightly down from Q4-2012. Overall, 2013 has registered a 4.3% increase in new business licenses, ending at 1571 for 2013 and 1506 for 2012.
- At 1658, employees from new business licenses in Q4-2013 are up 64% from Q4-2012. A 16% increase in employees from new business licenses compared to a 10% increase in licenses indicates a larger number of employees per license in 2013, compared to 2012.



- Commercial space added through new business licenses almost doubled in Q4-2013, compared to the same quarter last year. More than 25% of commercial space from new licenses was added in 2013, compared to 2012. Retail space led the trend, with 74% more space added through new licenses in 2013.

11) Goods and People Movement

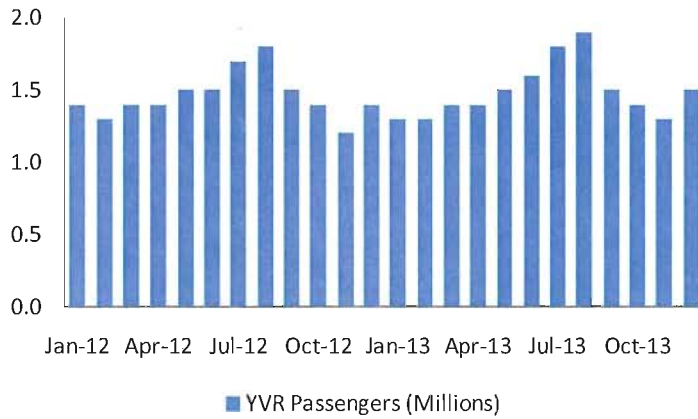
a) Regional Cargo Movement¹⁰



- Both the port and the airport continued registering an overall increase in cargo shipments in Q4-2013, compared to the same period last year.
- YVR cargo shipments in 2013 (228,000 tonnes) remained stable compared to 2012 (227,000 tonnes), and PMV twenty-foot equivalent unit (TEU) shipments are up 4% at 2.6 million in 2013, compared to 2.5 million in 2012.

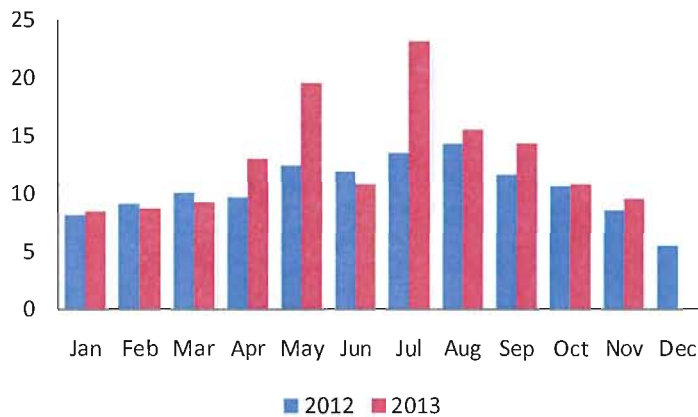
¹⁰ YVR and PMV Monthly Cargo Statistics
4145989

b) Airport Passengers¹¹



- In Q4-2013, YVR handled 4.2 million passengers, up 5% from the 4.0 million passengers handled in the same quarter last year.
- In 2013, 17.9 million passengers went through YVR, slightly up from the 17.5 million in 2012. An expanding tourism sector contributed partially to the growth.

c) Richmond Hotel Room Revenue¹²



- Estimated at \$132 million, Richmond hotel room revenue to October 2013 is up nearly 20% compared to the same 10 month period in 2012.
- It is estimated that hotel room revenue finished strong in 2013 and predictions for 2014 are for an ongoing increase in tourist visits in Metro Vancouver and Richmond.

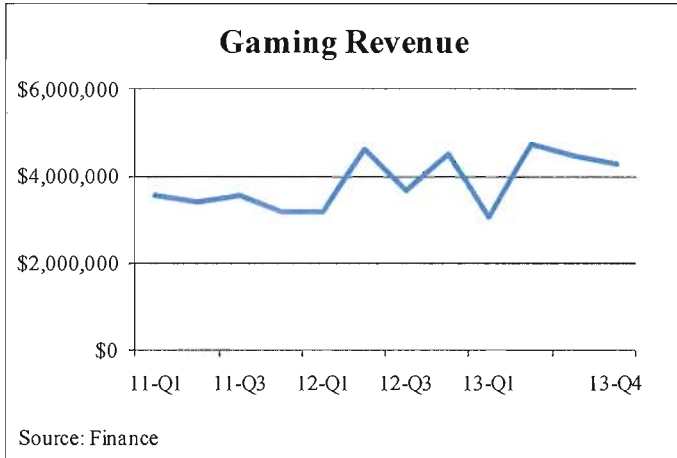
Details of the economic indicators are provided in Appendix 1.

¹¹ YVR Monthly Statistics

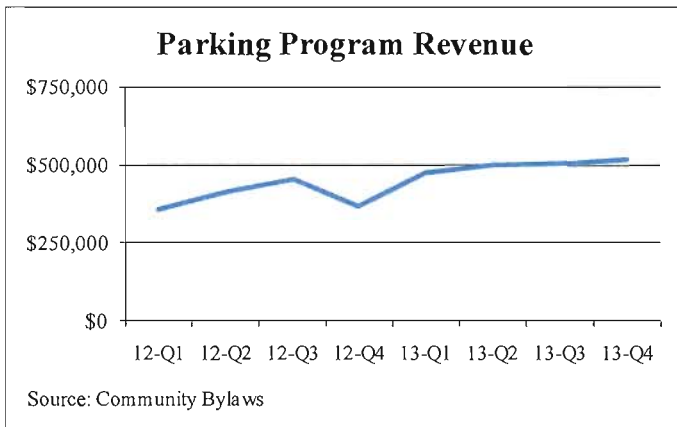
¹² City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond have a two month lag.

Financial Indicators

There are several financial indicators that signal the viability of the City of Richmond including the operating activity, active capital projects, cash, and investment portfolio. The operating activity shows the results of operations through the analysis of revenues and expenditures. The active capital projects details the current commitment of capital funding and future resource requirements. The cash and investment portfolio portrays the current investment mix and average yield.



- Gaming Revenue for the 4th quarter was \$4.29M which is slightly lower than the \$4.49M received same quarter in 2012. The total for fiscal 2013 was \$17.63M which is a 13.1% increase over 2012.



- In January 2013 changes were implemented which resulted in procedural improvements, effective officer deployment, and an enhanced focus to service delivery.
- City staff adapted and through a collective and exceptional effort made significant changes that resulted in many improvements to the consolidated parking program. Increases in meter, permit, and enforcement revenue contributed to a very successful year.

Operating Activity

The unaudited operating surplus as at December 31, 2013 is \$5.5M. This amount reflects the surplus arising from operations and forms part of the City's Accumulated Surplus as reported in the Annual Financial Statements.

At the December 10, 2012 Council meeting, Council approved the establishment of the Rate Stabilization Account (RSA). Any arising surplus from the general fund will be transferred to the RSA to be used in future years to minimize any tax increases or to offset any one time expenditure requests.

The 2013 surplus of \$5.5M will be transferred to the RSA.

Statement of (net revenues) expenditures

Operating Budget (000's) General Fund	Budget 2013	Variance as at December 31, 2013*	Transfers	2013 Operating Surplus
RCMP	38,597	2,264	(2,264)	0
Community Services	34,743	322	0	322
Engineering and Public Works	30,429	117	0	117
Fire Rescue	30,424	1,538	0	1,538
Finance and Corporate Services	16,741	601	0	601
Library	8,025	(87)	87	0
Planning and Development	6,176	1,829	0	1,829
Corporate Administration	6,840	342	0	342
Law and Community Safety	4,245	547	0	547
Fiscal	(176,221)	241	0	241
Total	\$0	\$7,714	(\$2,177)	\$5,537

* The 2013 actuals include, where applicable, accruals for revenues and expenditures in accordance with Generally Accepted Accounting Principles.

The following are the explanations for net expenditure variances at the departmental/divisional level:

- The Richmond RCMP Administration shows a positive variance due to vacancies and to increased revenue for police reports and criminal record checks. The RCMP Contract Police experienced cost savings in 2013 as a result of the Health Modernization Initiative. The Health Modernization Initiative of the RCMP is Canada wide, where basic health benefits of RCMP police officers are now part of the Health Insurance of B.C.

The RCMP variance of \$2.26M will be appropriated in the event that there is a future settlement of the RCMP retroactive salary and severance payout. The RCMP retroactive salary payment is currently before the Supreme Court of Canada.

- Community Services department finished the fourth quarter of 2013 with a minimal budget surplus primarily due to staff vacancies. **FIN - 15**

- Engineering and Public Works has a minimal surplus for the year. The savings in Fleet have been transferred to reserve per the Green Fleet policy for the future replacement of vehicles.
- The Fire Rescue surplus is due to vacancies, 14 of the 15 were filled in the first quarter of 2014.
- Finance and Corporate Services had a favourable variance for the year due to vacant positions within the Finance Division, and lower than expected IT contract maintenance and consulting fee costs.
- Library shows a negative variance due to Interlink revenues being lower than budget and capital expenditures. There is no impact to the City's operating surplus as the variance will be offset through the Library's accumulated surplus as approved by the Richmond Public Library Board at the February 12, 2014 meeting.
- Planning and Development has realized higher than anticipated building permit revenue for the 4th quarter. The favourable variance is based on a stronger than anticipated housing market, particularly in the multi residential applications. It is anticipated that the construction activity will remain stable with the potential moderate increase in the housing market.

There is a favourable variance in the Development Application Division for the year due to a number of unfilled staff vacancies. Through a Request For Proposal process, staff also entered into new lease terms for the Production Centre digital printers, which significantly reduced the digital printer contract costs for the year.

- Corporate Administration has had a favourable variance during the year mainly due to vacant positions, and lower than expected training expenditures.
- Law and Community Safety has had a favourable variance during the 4th quarter due to vacancies and parking program revenue exceeding budget.
- Fiscal has a moderate surplus, as better than expected results from gaming revenue and rental properties are offset by transfers to reserves.

The net operating activity is the result of many revenue inputs and expenditure outputs. Key financial indicators that impact the net operating activity are provided in Appendix 2 as well as key statistical information.

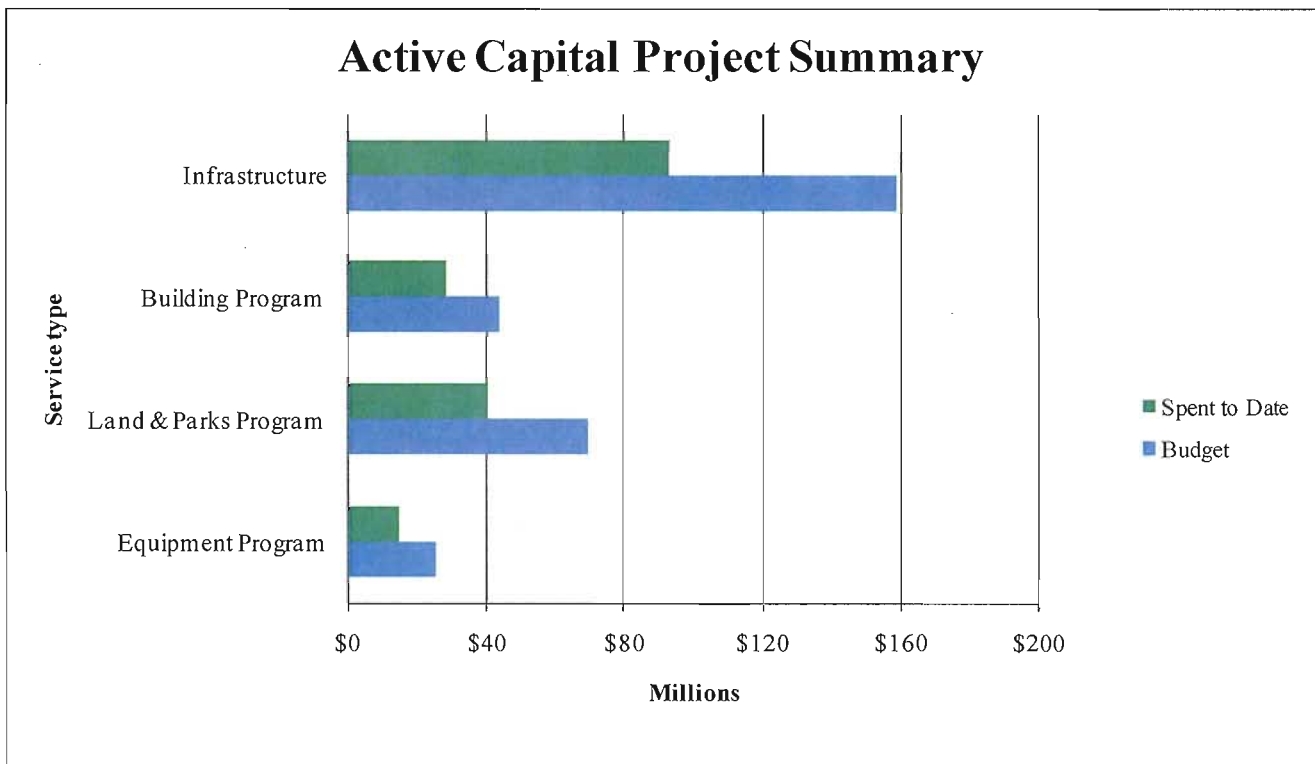
Active Capital Project Summary

The 2013 amended Capital Budget of \$76.7M (excluding internal payment transfers and debt repayments) are included in the figures below as are the amounts relating to capital projects from previous years' Capital Budgets that remain active. The current balance committed to active capital projects is \$120.5M.

Statement of Active Capital Project Expenditures

As at December 31, 2013 (in \$'000s)

	Budget	Spent to Date	Committed
Infrastructure Program	158,477	92,914	65,563
Land & Parks Program	63,349	40,474	28,875
Building Program	43,488	28,092	15,396
Equipment Program	24,859	14,234	10,625
Grand Total	\$ 290,173	\$ 175,714	\$ 120,459



Highlights of key capital projects are located in Appendix 3.

Cash and Investment Portfolio

On December 31, 2013, the City's cash and investment portfolio was \$743.8M, with an average yield on investment for the 4th quarter of 1.80%. The current low interest rate environment and the City's cash flow projections have influenced the terms and types of investments that the City holds (Appendix 4).

Market Interest Rates (for analytical purposes only)

	December 31, 2013
3 Month Government of Canada T-Bills	0.91%
2 Year Government of Canada Bonds	1.13%
5 Year Government of Canada Bonds	1.90%
10 Year Government of Canada Bonds	2.72%

Council adopted the amended Investment Policy (3703) in November 2013 which is expected to provide additional investment flexibility. Staff are restructuring the City's investment mix to realize increased investment income for the City.

The U.S. recovery, along with the recent depreciation of the Canadian dollar, is anticipated to increase export activity and thereby increase business confidence and investment in Canada. However, inflation has moved further below the 2% target rate set by the Bank of Canada and is projected to remain below target for a period of time. The continuing trend of weak inflation along with other factors has pushed the Bank of Canada to maintain the benchmark overnight rate at 1.0% as announced during the *Monetary Policy Report* press conference on January 22, 2014.

The City in accordance with its Investment Policy is required to carry a diversified investment mix with strong credit quality and at the same time meeting the objectives of managing its investment activities in a manner that seeks to preserve capital and to realize a reasonable rate of return.

Contract Awards

This report provides Committee members with information on the formal contracts awarded by the City during the 4th quarter. During this period, 32 contracts greater than \$25,000 were awarded totalling over \$1.61M (Appendix 5).

Financial Impact

None.

Conclusion

The City of Richmond has maintained its strong financial position throughout 2013. Business activity remains strong, revenue collection is exceeding expectations and the building construction and development activity is stable. There is an unaudited surplus of \$5.5M that will be transferred to the Rate Stabilization Account.

 for

Cindy Gilfillan
Manager, Financial Reporting
(604) 276-4077

List of Appendices:

1. Economic Indicators
2. Financial and Key Indicators
3. Capital Project Highlights
4. Cash and Investment Portfolio
5. Contract Awards

<i>Economic Indicators</i>	December 31, 2013
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Macroeconomic Indicators & Forecast

	2012	2013	Change	2014f	2015f
1) Real GDP - (% Change)					
Canada	1.7	1.7	-	2.2	2.4
United States	2.8	1.9 -	0.9	2.8	3.0
China	7.7	7.7	-	7.5	7.3
India	3.2	4.4	1.2	5.4	6.4
World	3.1	3.0 -	0.1	3.7	3.9
2) Interest Rates % (at YE)					
Bank of Canada	1.00	1.00	0.00	1.00	1.75
US FED	0.13	0.13	0.00	0.25	0.50
3) Exchange Rate (at YE)					
CAD per \$1 USD	1.00	1.03	3.0%	1.09	1.15

Regional and Local Market Indicators

4) Unemployment (%)	Q4-2013	Q3-2013	Change	Q4-2012	Change	
Canada	7.2	6.9	0.3	7.1 -	0.1	
BC	6.6	6.7 -	0.1	6.4 -	0.2	
Metro Vancouver	6.3	6.6 -	0.3	6.2 -	0.1	
5) CPI (2002=100)	Q4-2013	Q3-2013	Change	Q4-2012	Change	
Canada	122.7	123.3	-0.5%	121.2	1.2%	
BC	117.0	118.1	-0.9%	117.0	0.0%	
Metro Vancouver	118.5	119.6	-0.9%	118.3	0.2%	
6) Housing Starts (Units)	Q4-2013	Q4-2012	Change	YTD-2013	YTD-2012	Change
Starts - Metro Vancouver	4,755	4,199	13.2%	18,696	19,027	-1.7%
Starts - Richmond	412	478	-13.8%	1,427	1,708	-16.5%
7) Richmond Residential Activity	Q4-2013	Q4-2012	Change	YTD-2013	YTD-2012	Change
Sales - Detached	318	199	60%	1,318	976	35%
Sales - Townhouse	196	151	30%	890	732	22%
Sales - Apartment	347	220	58%	1,411	1,101	28%
Sales Total/Average Change	861	570	49%	3,619	2,809	28%
Median Price - Detached (\$ at QE)	1,242,000	1,160,000	7.1%	n/a	n/a	n/a
Median Price - Townhouse (\$ at QE)	484,000	515,000	-6.0%	n/a	n/a	n/a
Median Price - Apartment (\$ at QE)	336,000	351,000	-4.3%	n/a	n/a	n/a
8) Richmond Building Permits	Q4-2013	Q4-2012	Change	YTD-2013	YTD-2012	Change
Building Permits - Residential	214	139	54.0%	812	744	9.1%
Building Permits - Commercial	122	119	2.5%	401	376	6.6%
Building Permits - Industrial	39	38	2.6%	180	171	5.3%
Building Permits Total	375	296	19.7%	1,393	1,291	7.0%
Construction Value (\$ million)	292.1	111.3	162.4%	679.1	457.2	48.5%

Regional and Local Market Indicators (continued)

9) Commercial Space (at QE)	Richmond			Metro Vancouver		
	Q4-2013	Q4-2012	Change	Q4-2013	Q4-2012	Change
Office Vacancy (%)	16.4	20.3	- 3.9	8.5	7.0	1.5
Office Inventory (000 sf)	4,359	4,359	0.0%	53,161	52,545	1.2%
Industrial Vacancy (%)	5.5	3.1	2.4	4.5	3.5	1.0
Industrial Inventory (000 sf)	37,587	36,897	1.9%	194,111	191,435	1.4%
10) Richmond Business Growth	Q4-2013	Q4-2012	Change	YTD-2013	YTD-2012	Change
Total Valid Business Licenses	n/a	n/a	n/a	13,371	13,336	0.3%
New Licenses - Number Issued	328	337	-2.7%	1,571	1,506	4.3%
New Licenses - Employees	1,658	1,011	64.0%	5,869	5,061	16.0%
New Licenses - Office Added (sf)	70,429	64,670	8.9%	309,649	338,915	-8.6%
New Licenses - Retail Added (sf)	218,753	57,246	282.1%	382,515	219,585	74.2%
New Licenses - Industrial Added (sf)	255,941	252,698	1.3%	966,704	845,023	14.4%
Total Space Added (sf)/Average Change	545,123	374,614	97.4%	1,658,868	1,403,523	26.7%
11) Goods & People Movement	Q4-2013	Q4-2012	Change	YTD-2013	YTD-2012	Change
YVR Air Cargo (tonnes)	60,631	55,543	9.2%	227,987	227,187	0.4%
PMV Container Movement (TEUs)*	n/a	n/a	n/a	2,596,619	2,493,738	4.1%
YVR Passengers (million)	4.2	4.0	4.0%	17.9	17.5	2.3%
Richmond Hotel Revenue (\$ million)**	n/a	n/a	n/a	132.3	110.8	19.4%

* - Data for PMV TEUs available to November only

** - Data for Hotel Revenues available to October only

Notes:

a) numbers in blue and black denote positive trends

b) numbers in red denote negative trends

c) QE indicates Quarter-End

d) YE indicates Year-End

e) All change values for percentage figures are point values not percentage values

List of Sources:

- 1) International Monetary Fund, World Economic Outlook (January, 2014)
- 2) US Federal Reserve, Bank of Canada and Royal Bank Research
- 3) Bank of Canada
- 4) Statistics Canada
- 5) CMHC
- 6) Real Estate Board of Greater Vancouver
- 7) City of Richmond Building Permits
- 8) Cushman & Wakefield Office and Industrial Market Beat Reports
- 9) City of Richmond Business Licenses
- 10) YVR & PMV Monthly Cargo Statistics
- 11) YVR Monthly Statistics
- 12) City of Richmond Additional Hotel Room Tax Ledger; revenue reverse calculated based on AHRT receipts representing 2% of total hotel room revenue; AHRT remittances and payments to Richmond have a 2-month lag.

FINANCIAL INDICATORS

December 31, 2013

All \$ in 000s	Q4 2013	Q4 2012	Change	YTD 2013	YTD 2012	Change
1) Development Cost Charges Contributions						
Roads, Water, Sewer DCC's Received	\$8,601	\$1,663	417.3%	\$17,739	\$8,613	106.0%
Parks DCC's Received	\$9,857	\$1,440	584.8%	\$17,685	\$11,158	58.5%
Total DCC Fees Received	\$18,458	\$3,103	494.8%	\$35,424	\$19,771	79.2%
DCC Reserves to date - Uncommitted	\$64,638	\$47,425	36.3%	\$64,638	\$47,425	36.3%
2) Uncommitted Reserves						
Capital Funding Reserves (at YE)	\$111,302	\$85,796	29.7%	\$111,302	\$85,796	29.7%
Affordable Housing Reserves (at YE)	\$2,586	\$7,662	(66.2%)	\$2,586	\$7,662	(66.2%)
Other Reserves (at YE)	\$125,563	\$109,516	14.7%	\$125,563	\$109,516	14.7%
Total Uncommitted Reserves (at YE)	\$239,452	\$202,975	18.0%	\$239,452	\$202,975	18.0%
3) Taxes to date						
Taxes Collected	\$9,497	\$8,580	10.7%	\$354,778	\$339,370	4.5%
City Portion of Taxes Collected	\$4,653	\$4,204	10.7%	\$173,841	\$166,291	4.5%
Unpaid Taxes - Delinquent & Arrears	\$1,628	\$1,544	5.4%	\$1,628	\$1,544	5.4%
No. of Participants on PAWS (Pre authorized withdrawal)	6,202	6,031	2.8%	6,202	6,031	2.8%
Pre authorized withdrawals monthly payments at YE	\$6,907	\$6,608	4.5%	\$22,601	\$21,234	6.4%
Interest Rate Paid to PAWS %	1.00%	1.00%	-	1.00%	1.00%	-
<i>Sources: All data is from City of Richmond records</i>						
4) Investments						
Total Investments	\$743,842	\$633,732	17.4%	\$743,842	\$633,732	17.4%
Interest Earned on Investments						
Average City Rate of Return on Investments %	1.80%	1.79%	0.01	1.80%	1.79%	0.01
5) Planning and Development						
Building Permit Fees Collected	\$2,762	\$1,130	144.5%	\$7,118	\$5,568	27.8%
Development Applications Received	49	36	36.1%	206	206	0.0%
Development Applications Fees	\$206	\$266	(22.6%)	\$857	\$986	(13.1%)
6) Business Licenses						
Revenue Received for Current Year Licenses	\$420	\$548	(23.3%)	\$3,465	\$3,520	(1.6%)
Revenue Received for Next Year (Deferred)	\$1,264	\$1,423	(11.2%)	\$1,830	\$1,936	(5.4%)
Total License Revenue	\$1,684	\$1,971	(14.6%)	\$5,296	\$5,456	(2.9%)
<i>Year to date valid licenses and revenue include current year licenses issued in the prior year.</i>						
7) Other Revenues						
Parking Program Revenue	\$520	\$365	42.4%	\$1,994	\$1,591	25.3%
Gaming Revenue	\$4,292	\$4,493	(4.5%)	\$17,631	\$15,585	13.1%
Traffic Fine Revenue to date	n/a	\$390	0%	\$1,512	\$4,201	(64.0%)

* All figures presented above are unaudited

KEY INDICATORS

December 31, 2013

All \$ in 000s	Q4 2013	Q4 2012	Change	YTD 2013	YTD 2012	Change
8) Employees						
Full Time Equivalent (FTE) Employees (City and Library)	1,405	1,407	(0.1%)	1,405	1,407	(0.1%)
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results excluding overtime</i>						
9) Fire Rescue Responses	2,574	2,515	2.3%	9,710	9,596	1.2%
10) RCMP - Calls for Service Handled	16,515	17,127	(3.6%)	68,484	70,861	(3.4%)
11) Public Works calls for Service				12,927	13,380	(3.4%)
12) Affordable Housing						
	2013	2012				
Subsidized Rental (units)	316	331	4.7%			
Affordable Rental (LEMR) (units)	238	238	0.0%			
Market Rental (units)	267	267	0.0%			
Entry Level Home ownership (units)	19	19	0.0%			
Secondary Suite / Coach House (units)	<u>101</u>	<u>118</u>	<u>16.8%</u>			
	941	973	3.4%			
Floor Space secured, unit mix & other (sq feet)	70,857					
Unspent Affordable Housing Funds Allocated to Capital Projects to date	\$18,081	\$10,478	72.6%			
<i>*Note that the reduction in units relates to Affordable Housing value transfers that were originally included in the inventory figure</i>						
<i>Sources: All data is from City of Richmond records</i>						
12) Richmond Population Estimate Year End**	2013			205,133		
	2012			201,471		

****Note: BC Stats Population figures**

Capital Project Highlights

Infrastructure Highlights:

Westminster Hwy: Nelson Rd. to McMillan Way – Widening Westminster Hwy:

- Approved Budget: \$10.4M (2011)
- *30% Complete*
- Preload works are continuing. The main road construction contract has been awarded and will commence once the preload settlement is complete.

Nelson Road Improvements – Widening Nelson Road between Blundell Road and Westminster Highway:

- Approved Budget: \$4.1M (2011)
- *Design Complete*
- The main road construction contract has been awarded. Property approvals have been finalized and the construction started in February.

Asphalt Re-paving Program (MRN and Non-MRN):

- Approved Budget: \$3.9M (2013)
- *90% Complete*
- This project consists of the repaving of the City's roads in order to minimize the overall life cycle cost of the road network.

No. 1 Road Drainage Pump Station:

- Approved Budget: \$3.45M (2010)
- *Complete*
- The pump station is fully operational. The architectural feature panels are being finalized with installation started in February.

Steveston Drainage Area Replacement and Upgrades – Williams Road West Drainage Pump Station Upgrade:

- Approved Budget: \$2.0M (2011)
- *Complete*
- This project has been substantially completed, including installation of a water bottle filling station.

No. 6 Road Widening:

- Approved Budget: \$1.7M (2011)
- *Design Complete*
- Construction completed in February.

Building Highlights:

Hamilton Childcare Centre:

- Approved Budget: \$1.8M (Land value \$480K) (2010)
- *70% Complete*
- As part of the development application by TransLink, land and funding was received to design and build a facility for childcare services. Completion remains on schedule for summer 2014 to accommodate the child care provider's needs.

Minoru Aquatic Centre/Older Adults Centre

- Approved budget \$79.6M
- *1% Complete*
- On November 12, 2013 Council confirmed funding and the site location for the new facility to be the Minoru 2 soccer pitch. Geotechnical investigation commenced and Requests For Proposals for design services were issued in December. Preparation of field relocation tenders, public engagement and communication plans are underway.

Firehall No. 1

- Approved budget \$21.5M
- *1% Complete*
- On November 12, 2013 Council confirmed funding and the site location for the Firehall No. 1 replacement. Requests For Proposals for design services were issued in December. Design and construction processes to temporarily relocate Fire staff to City Hall West commenced. Development of options to maintain fire training and equipment maintenance programs is underway.

Community Services / Parks Highlights:

Railway Greenway:

- Approved Budget: \$2.2M (2013)
- *95% Complete*
- The major trail construction work is completed. Work is proceeding on intersection improvements and the Branscombe House site with completion expected in March 2014.

Terra Nova Heritage Building Restorations:

- Approved Budget: \$2.0M (2005)
- *75% Complete*
- Restoration of the Cannery Store nearly complete. Work is commencing on rebuilding the Edwardian Cottage and replacing the derelict Cannery House. Late Summer /early Fall completion.

Terra Nova Play Environment:

- Approved Budget: \$1.0M (2012)
- *60% Complete*
- Site preparation for the playground (pathways, drainage, etc.) is complete. The custom play equipment is being manufactured with installation of some parts in February. Construction is expected to be complete by mid to late Spring.

Oval West Waterfront Park:

- Approved Budget: \$850K (2012)
- *95% Complete*
- Construction is largely complete with a few minor details remaining. Construction was completed at the end of February.

Britannia Heritage Shipyards, Boardwalks Restoration:

- Approved Budget: \$100K (2013)
- *Boardwalk restoration Completed. Rail Carriages 20% Complete*
- Construction is underway for the replacement of the boat carriages and rails along the main trail of the heritage shipyards site.

Garden City Community Park:

- Approved Budget: \$500K (2012)
- *60% Complete*
- Design Completed. Excavation, rough grading and storm drainage installation completed. Final grading and shaping of jumps and tracks, and construction of special skill features will commence in the spring. Planting and final landscaping will occur in the fall.

The Gardens Agricultural Park:

- Approved Budget: \$316K (2012)
- *15% Complete*
- City construction of parks works for Phase 1 will be coordinated with works to be completed under a Servicing Agreement with Townline Homes. Construction of the Servicing Agreement works is scheduled to begin in March 2014 and, once completed, City constructed works are scheduled to begin.

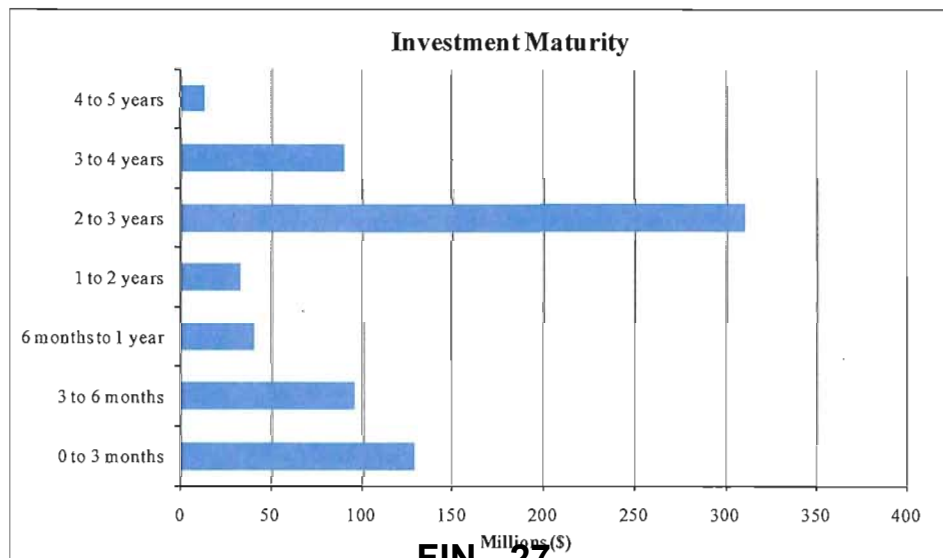
Thompson Youth Park, Phase 3:

- Approved Budget: \$300K (2013)
- *10% Complete*
- Design for the third phase began in October with construction expected to begin in the spring of 2014.

Cash and Investment Portfolio

December 31, 2013 (in 000's)

Issuer	Amount	% of Portfolio
Federal Government and Federal Crown Corporations		
Canadian Mortgage and Housing Corporation	\$ 293,597	41.44%
Government of Canada	\$ 6,527	0.92%
Total	\$ 300,124	42.36%
Provincial Governments and Provincial Crown Corporations		
Province of Ontario	\$ 105,614	14.91%
Province of New Brunswick	\$ 23,820	3.36%
Financement Quebec	\$ 21,024	2.97%
Total	\$ 150,458	21.23%
Schedule I Banks		
Scotia Bank	\$ 42,549	6.01%
Royal Bank	\$ 15,664	2.21%
Canadian Western Bank	\$ 10,000	1.41%
CIBC	\$ 8,991	1.27%
TD Financial	\$ 8,643	1.22%
Bank of Montreal	\$ 5,122	0.72%
Total	\$ 90,970	12.84%
Credit Unions		
Vancity Savings Credit Union	\$ 69,803	9.85%
Gulf & Fraser Financial Group	\$ 49,174	6.94%
Coast Capital Savings	\$ 25,981	3.67%
Total	\$ 144,959	20.46%
Pooled Investments		
Municipal Finance Authority	\$ 22,033	3.11%
Total	\$ 22,033	3.11%
Total Investments	\$ 708,545	100.00%
Funds held in trust for Richmond Community Associations	(1,107)	
Total Cash & Cash Equivalents	\$ 36,404	
Total Reported Investments and Cash & Cash Equivalents	\$ 743,842	



Contract Awards > \$25,000
October 1st, 2013 to December 31st, 2013

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
1.	4705Q - Supply and delivery of one (1) 22 passenger bus (replacement)	Dynamic Specialty Vehicles Ltd.	\$95,304	Engineering and Public Works
2.	4882Q - Commercial refrigeration equipment for City Hall (replacement)	Brugman Commercial Kitchens	\$43,178	Finance and Corporate Services
3.	4883P - South Arm, West Richmond, and Gateway Theatre pot-light retrofits	Sparky Electric-\$67,577 PVL Projects-\$32,612	\$100,190	Engineering and Public Works
4.	4948Q - Supply and installation of fibre optic cable - South Arm Community Center and Fire Hall # 6	Plan Group	\$37,730	Finance and Corporate Services
5.	4961F - Complete conservation plans on City owned Heritage Sites	Donald Luxton The Arlington Group Planning & Architecture Inc.	\$50,000	Community Services
6.	4976F - Submersible pumps Broadmoor pump station upgrades	Xylem Canada Company	\$28,550	Engineering and Public Works
7.	4978F – Call Pilot telephone equipment and installation	Telus Communications	\$42,660	Finance and Corporate Services
8.	4979F - Supply and install new art rack system at Library Cultural Centre	Hi-Cube Storage Products Ltd.	\$61,700	Engineering and Public Works
9.	4994 EOI - Consulting Services – Development of a Concept Plan and Design/Development Guidelines for Garden City Lands	PWL Partnership Landscape Architects	\$45,000	Community Services
10.	5013 EOI - Consulting Services -PeopleSoft Human Resources Capital Management Release 9.1 Technical Consultant	L Parker Consulting Services	\$47,360	Finance and Corporate Services
11.	5016Q - Supply and installation of Methyl Methacrylate ("MMA") Skid Resistant Paint and Preformed Thermoplastic Pavement Markings	Sutton Road Marking Ltd.	\$73,761	Community Services
12.	5026Q - Supply and delivery of street banners	Big Bold Beautiful Banners (Nylon) \$ 19,695 Textile Image (Polyester) \$ 23,500	\$43,195	Community Services
13.	5029J - OC PW2013.18.01 - Install 8" water meter in underground chamber at 5999 Andrews Rd, as part of Multi-Family Water Meter Program	Ashton Service Group	\$47,282	Engineering and Public Works
14.	5031F - Maintenance services for the second quarter of an annual contract for the Knight Street Corridor.	Mainroad	\$28,168	Engineering and Public Works
15.	5033E Executive search	Boyden Vancouver	\$36,500	Corporate Administration

<i>Item</i>	<i>Contract Name and Description</i>	<i>Award</i>	<i>Amount</i>	<i>Department</i>
16.	5034F - Supply and delivery of Anti-Icing Brine Mixer	Barr Plastics	\$74,009	Engineering and Public Works
17.	5035F – Legacy Conversion Project – Retail space	Cannon Design Architecture Inc.	\$31,182	Engineering and Public Works
18.	5036F - Replace existing sanitary pumps at Burrows, Woodhead, Bennett East pump stations Replace existing sanitary pumps	Xylem Canada	\$128,269	Engineering and Public Works
19.	5040P – Supply & delivery of desktop computers (replacement)	Island Key Computers	\$104,238	Finance and Corporate Services
20.	5041F – Legacy Conversion Project – Mezzanine infill	Stuart Olson Dominion Construction Ltd	\$31,573	Engineering and Public Works
21.	5042F - Investigation of Box Culvert Joint Leakage	AECOM Canada Ltd	\$30,320	Engineering and Public Works
22.	5043F - DMZ VMware host Dell server replacement	Dell Canada Inc	\$35,084	Finance and Corporate Services
23.	5044P – Supply & delivery of desktop computers for library	Turning Point	\$40,869	Library
24.	5051Q - Speed hump installations	Imperial Paving	\$83,062	Engineering and Public Works
25.	5053F - Thompson Youth Park - Phase 3	Space 2 Place Design Inc.	\$28,938	Community Services
26.	5054F - Total lease buyout of 10 x 52 ft Office Trailer Serial# 805208329 c/w all accessories as originally supplied.	Shelter Modular Inc	\$25,200	Engineering and Public Works
27.	5057F - Printing of 2014 Collection Calendar - Versions I, 2 & 3 single-family, town homes and multifamily	Blanchette Press	\$25,459	Engineering and Public Works
28.	5058F - Portable water purification / desalination units	SLMCO Pure Water Systems	\$34,920	Law and Community Safety
29.	5061F – Legacy Conversion Project – Fitness room	Stuart Olson Dominion Construction Ltd	\$44,868	Engineering and Public Works
30.	5064Q - Supply and Installation of a DDC Replacement System - West Richmond Community Centre	ESC Automation	\$27,696	Engineering and Public Works
31.	5068J – JOC - OC PW2013.23.01 - install 6" water meter in underground chamber at 8000 Heather St, as part of multi-family water meter program	Ashton Service Group	\$44,967	Engineering and Public Works
32.	5074F - Restoration Manager, Steveston Interurban Tram Car #1220	David Youngson	\$35,000	Community Services



To: Finance Committee

Date: February 19, 2014

From: George Duncan
Chief Administrative Officer
& President and CEO
Richmond Olympic Oval

File:

Andrew Nazareth
General Manager, Finance and Corporate Services
& Chief Financial Officer, Richmond Olympic Oval

Re: 4th Quarter 2013 - Financial Information for the Richmond Olympic Oval Corporation

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the fourth quarter ended December 31, 2013 from the Controller of the Richmond Olympic Oval Corporation be received for information.

George Duncan
Chief Administrative Officer
& President and CEO
Richmond Olympic Oval

Andrew Nazareth
General Manager, Finance and Corporate Services
& Chief Financial Officer,
Richmond Olympic Oval



DATE: February 20, 2014

TO: George Duncan
Chief Executive Officer, Richmond Olympic Oval Corporation

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills
Chief Operating Officer, Richmond Olympic Oval Corporation

FROM: Rick Dusanj, CPA, CA
Controller, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 4th Quarter 2013 Financial information**

Origin

Section 7.3 of the Operating Agreement between the City of Richmond (the “City”) and the Richmond Olympic Oval Corporation (the “Corporation”) requires reporting with respect to business plans, budgets, audited financial statements, and quarterly comparisons of actual results to budget along with projections to fiscal year end. This staff report deals with the fourth quarter business plan and financial results for the 3 months ended December 31, 2013 (“Q4”) which was approved by the Corporation’s Board of Directors.

Business Plans and Financial Results

The Q4 results were budgeted at a surplus of \$348,000 and the actual results show a surplus of \$1,086,000, indicating a favorable variance of \$739,000 (please see page 4 for the Corporation’s statement of operations). However, as \$430,000 of this net surplus figure pertains to funding that the Corporation received from the City (from the Post Games Legacy Project) for the Corporation’s Mezzanine project, the favourable variance is \$309,000 before transfers to reserves/provisions. In Q4, \$1,749,000 has been allocated to the reserves/provisions bringing the total allocated to the reserves/provisions for 2013 to \$3,595,000.

Highlights

Some of the highlights of the activities undertaken by the Corporation during Q4 are described below.

Community Use

The Corporation had its 5th Anniversary in Q4 and celebrated with a 4-day anniversary event from December 12 to 15, featuring Original Gold Membership rates, program discounts, complimentary fitness classes, high performance workshops, education seminars and discounted service packages from our leaseholders.

The five-year anniversary event contributed to an all-time record month for long-term membership and personal training sales at the Oval. At the end of Q4 2013, the Oval's long term membership base remained steady with 87% of active members being on long-term Annual or Monthly Continuous memberships. A total of 78% of the Oval members were Richmond Residents and 57 different community sport and recreation groups used the Oval facility during the fourth quarter. Winter break sport camps were also a success, contributing to total sport camp sales for 2013 being 25% above budget.

With respect to total visitation, there were over 700,000 visits in 2013, which is more than a 14% increase over 2012. Total visitations are calculated based on the sum of the following figures: the number of paid admissions, the number of membership scans, the number of visits for those individuals in registered programs, and the number of visits from event rentals and user groups. The event rental and user group figures are based on data obtained from the clients and programmers responsible for the respective rentals.

One of the newly launched programs in Q4 included the Fundamental Movement School, which now serves as Community Sport's marquee program for physical literacy development. The program also includes a new age range for Oval programming: an 18 to 36 months, parent and tot participation program.

Sport Development and Events

High Performance Sport Services continues to make its mark at the Oval. Over 6,185 individual athlete training sessions were completed in Q4, a 5% increase over the same quarter last year. These sessions included:

- Local athletes from the Dynamo Fencing Club, Pacific Wave Synchronized Swimming, Richmond Girls Soccer Association, Greater Vancouver Canadians, and Richmond Sockeyes;
- Provincial level athletes from the Canadian Sport Institutes IGNITE Program (Taekwondo, Field Hockey, Softball, Alpine Skiing, Water Polo), Synchro BC, BC Fencing Association, and BC Weightlifting; and
- National level athletes from the Men's & Women's National and Junior National Field Hockey Teams, National Wheelchair Rugby Team, Canada Beach Volleyball, Athletics Canada, Table Tennis Canada and Sailing Canada.

Some additional 'Oval trained' athlete success stories from Q4 included:

- The Women's National Field Hockey Team winning bronze at the Pan American Cup
- Six Oval trained BC Fencing athletes qualifying to represent Canada at the Cadet / Junior Pan American Championships in Guatemala City in February 2014
- Six Oval trained Field Hockey athletes being named to the Pan American Elite ('All-Star') Teams

Once again Q4 was a very busy Sport Hosting and Events quarter at the Oval. Some of the highlights included the following: hosting the Western Canadian Single Distance Short Track Championship, a Calgary Olympic Oval short track speed skating group mini-camp, a Field Hockey BC Training Camp, the 2013 PGA of BC Tradeshow & Conference, the Western Marine Tradeshow, the Sport Chek Winter Pro Sport Show, a Panasonic commercial film shoot, a TWU exhibition basketball game and the 1st Annual Pacific Coastal Cup (Richmond Ravens International Women's Hockey Tournament).

Events secured in Q4 included: Red Bull Crashed Ice Qualifiers, the Sport Chek Spring Pro Sport Show, 2014 BC Hockey PeeWee Provincial Championship, 2014 World Fencing Grand Prix, 2014 Fencing Provincial Championship, 2014 Millennium Cup Rhythmic Gymnastics Championship, 2014 Women's Wheelchair Basketball National Championship, and the 2014 Pacific International Judo Championship.

Governance

Meetings of the Corporation's Board of Directors, the Audit & Finance Committee and the Business & Budget Planning Committee took place during Q4.



Rick Dusanj, CPA, CA
Controller, Richmond Olympic Oval Corporation

cc: Shana Turner
Director, Finance and Corporate Services, Richmond Olympic Oval Corporation

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended Dec 31, 2013

Unaudited, prepared by management

	QTR 4 2013		QTR 4 2012		Year ended Dec 31, 2013		Year ended Dec 31, 2012	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
REVENUES								
2010 Games Operating Trust Fund	675,000	705,852	696,159	696,159	2,700,000	2,823,239	2,784,637	2,784,637
Contribution from City of Richmond (Note 1)	786,175	1,216,175	768,471	768,471	3,144,700	3,574,700	3,073,883	3,073,883
Memberships, admissions and programs	1,446,399	1,656,320	1,477,183	1,477,183	6,126,945	6,571,657	5,907,870	5,907,870
Other	250,384	307,380	429,602	429,602	1,011,531	1,235,038	1,156,163	1,156,163
	3,157,958	3,885,727	3,371,414	3,371,414	12,983,176	14,204,635	12,221,459	12,922,552
EXPENSES								
Memberships, admissions, and program services	1,003,404	1,014,101	875,810	875,810	4,254,568	3,952,104	302,464	3,757,564
Facility Operations	941,934	971,433	918,903	918,903	3,776,280	3,817,667	(41,387)	3,532,457
Marketing	147,087	99,345	110,900	110,900	495,831	392,473	103,358	429,944
Admin/Finance	717,854	714,458	493,064	493,064	2,905,366	2,343,598	561,768	2,135,763
	2,810,279	2,799,337	2,398,677	2,398,677	11,432,046	10,505,842	926,204	9,855,728
Net before items below	347,679	1,086,390	972,737	972,737	1,551,130	3,698,793	2,147,663	3,066,824
Transfers to reserves/provisions (Note 2)	325,000	1,748,983	765,447	765,447	1,300,000	3,595,322	2,295,322	2,611,786
Net after items above	22,679	(662,593)	207,290	207,290	251,130	103,471	(147,660)	455,038

Note 1 - The favorable variance of \$430,000 is due to the City providing this amount from its Post Games Legacy Capital project towards the mezzanine infill project.

Note 2 - In Q4, \$1,749,000 was transferred into reserves/provisions which includes \$1,430,000 into the operating capital reserve fund (of which \$430,000 pertains to the mezzanine funding referenced in Note 1 above), and \$300,000 transferred into a corporate provision account to be used to fund future operating contingencies that may arise. The transfers to capital reserves vary from quarter to quarter and are not finalized until year end by the Capital Works Committee. As a result, in this specific instance Q4 shows a large transfer relative to other quarters. For the 2013 fiscal year, the following transfers make up the bulk of the \$3,595,000 transfers: \$2,800,000 transferred to the capital reserves, \$430,000 transferred to the capital reserve to fund the mezzanine project, \$300,000 transferred to the corporate provision to fund any future operating contingencies that may be required, and \$62,000 transferred to the enterprise reserve fund.

Numbers may be off due to rounding.

Also see attached comments on the results for the Fourth Quarter of Fiscal Year 2013.