HALIFAX
REGIONAL MUNICIPALITY

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Audit & Finance Standing Committee
February 20, 2013

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: Original Signed
Brad Anguish, Director, Community and Recreation Services

DATE: January 21, 2013

SUBJECT: Financial Performance of HRM's Regional Facilities (2011/12)

INFORMATION REPORT

ORIGIN

- November 8, 2011 Regional Council motion directing staff to undertake work on accountability, reporting and alignment associated with the 'Multi-District Facilities' as defined in that report.

LEGISLATIVE AUTHORITY

HRM Charter including - Section 79 1(k) and (x)

EXECUTIVE SUMMARY

This report provides the financial results for HRM's 12 Regional Facilities (also referred to as Multi-District Facilities or MDFs) for the 2011/12 fiscal year as well as the cumulative financial position for each facility and an analysis of the financial management of each facility. A number of factors have contributed to the increased financial pressures on the facilities in recent years including requirements for capital repairs and replacements, reductions in facility memberships and program revenues, addition of both public and private sector facilities, as well as increases in a number of expenses.

HRM has agreements with volunteer community boards to operate HRM facilities with the expectation that the facilities operate on a 100% cost recovery basis. Cost recovery indicates the level at which the facility is able to cover costs by user fees, memberships, and other types of facility generated revenue streams. Over the last five years most facilities have operated within 93-100% cost recovery after receiving approved subsidies. Subsidies have been put in place for some facilities to supplement the shortfall in operating revenues and to help cover operating expenses. The 5-year cost recovery measurement excludes the BMO Centre (BMO) and the Canada Games Centre (CGC) which only began operations in 2010/11. The full recovery expectation is becoming less achievable given several environmental and operational factors including some beyond the facilities' control, such as increased private and public sector options, increasing expenses (wages, fuel, utility costs), changing demographics, complexity of technology and community expectations. General Managers have undertaken efforts to manage their budgets by exploring various cost saving and revenue opportunities in order to mitigate the impact of those factors.

For comparison purposes and in order to isolate operating performance and challenges, the annual operating surplus (deficit) referred to in this report is before any subsidies, debt repayments or capital. Most facilities ended the year with an operating deficit ranging from ($9K) at the Eastern Shore Arena to ($359K) at the Dartmouth Sportsplex. Cole Harbour Place, Halifax Forum and Metro Centre were exceptions in that they realized surpluses of $268K, $126K, and $566K, respectively.

Since 2007/08, the combined annual operating performance of all HRM's Regional Facilities has decreased from a surplus of $1M to a deficit of ($316K) in 2011/12. This change in financial performance, results in a combined net deficit position at March 31, 2012 of ($4.6M). Although the Sackville Sports Stadium and Dartmouth Sportsplex are the main contributors at ($3.4M) and ($1.6M), respectively, they are part of a regional network of recreational facilities with citizens utilizing various facilities based on their recreational needs. Therefore, it is important to assess the financial performance of the overall network of facilities, rather than individual performances. Past practice of looking at the facilities individually does not reflect the interlinked nature of these regional facilities.

As a regional network, any changes to the number or condition of public and private facilities will impact the overall financial health of facilities within the network. Other factors such as societal changes and residents' expectations can also impact the financial health of individual facilities as well as the collective network. As a result, individual financial performances of each facility will improve or decline as the result of changes within the overall network of facilities. It should be noted that during the past few years, both HRM and the private sector created new recreational facilities. This has impacted the overall financial position of individual facilities as well as HRM's overall network of facilities including the decline from an overall surplus to a deficit position.

The net deficit position of all regional facilities is consolidated with HRM's financial statements at year-end. In order to improve service delivery and the financial health of facilities, a sustainable regional approach needs to be identified as part of the second phase of the Multi-District Facilities project.

BACKGROUND

In recent years, staff has prepared a report annually on the financial performance of the Regional Facilities which included Multi-District, event, and some Indoor Sport facilities. This practice originated with the performance failure of one of the facilities several years ago, and the increasing concern from other General Managers regarding their facilities' financial outlook. Reports were not provided for 2009/10 and 2010/11 due to staff changes and mobilization of the MDF project.

Table 1 summarizes the facilities included in this report for comparison purposes. The eight facilities identified by an (*) are included in the scope of the MDF Project.

Table 1: Multi-District Facilities

Facility	Category (Community Facility Master Plan)	Type of Agreement	Facility Size (square feet)
Canada Games Centre (CGC)*	Category 2: Multi-District	Interim Agreement	176,000
Cole Harbour Place (CHP)*	Category 2: Multi-District	Lease Agreement	200,000
Dartmouth Sportsplex (DSS)*	Category 2: Multi-District	Management Agreement	115,900
Sackville Sports Stadium (SSS)*	Category 2: Multi-District	Operated by HRM [(2)]	118,300
St Margaret's Centre (SMC)*	Category 2: Multi-District	Management Agreement	100,000
BMO Centre (BMO)	Category 3: Indoor Sports	Management Agreement	160,000
Centennial Arena	Category 3: Indoor Sports	Management Agreement	28,000
Centennial Pool*	Category 3: Indoor Sports	Management Agreement	17,430
Eastern Shore Arena	Category 3: Indoor Sports	Management Agreement	27,000
Alderney Landing (AL)*	Category 4: Events	Management Agreement	32,000
Halifax Forum*	Category 4: Events	Management Agreement	71,500
Metro Centre	Category 4: Events	Tri-partite Operating Agreement [(1)]	205,000

[(1)] Under the Tri-partite agreement between HRM, the Province and Trade Centre Limited to operate the Metro Centre, HRM retained ownership of the Metro Centre and does not provide direct operating subsidies, however, any annual operating surplus/deficit accrues to HRM.
[(2)] Operations at the Sackville Sports Stadium are currently being managed by HRM directly.

At the September 21, 2011 meeting of the Audit & Finance Standing Committee, staff presented a report 'Multi-District & Event Facilities – A Case for Action' that identified the key problems facing the Multi-District & Event Facilities portfolio, with financial management being an area requiring attention. As a result, Regional Council approved a two phase project related to the multi-district facilities. An update on this project has been provided at this meeting in the report entitled Multi-District Facility Project (Reporting Requirements). Phase one of the Multi-District Facility Project required that adequate reporting and management processes be put in place to support informed decision making and facilitate HRM oversight.

As a first step, as of March 31, 2012, all facilities within scope (Table 1) were required to submit annual budgets, business plans and quarterly financial reporting. Most facilities provided the information as requested without major issues or concern. Annual Budget & Business Plans were provided with information that is consistent with HRM's Approved Operating Budget 2012/13. This, along with the quarterly reporting, had not been requested previously from the Regional Facilities.

DISCUSSION

The information presented in this report includes the financial results of the 2011/12 fiscal year as well as the cumulative financial position for each facility and an analysis on the financial management of the facility. In addition to providing the annual financial summary to Council, this report provides baseline information for the second phase of the MDF Project.

Overview

Cost recovery has been the key performance measurement in place for MDFs. It shows the percent to which a facility can cover its costs including operating and applicable capital. HRM's direction to facilities as outlined in their management agreements is that they meet 100% cost recovery. Cost recovery rates included in the attached tables (Attachment 1) are calculated using operating revenues and operating expenses only. By separating subsidies and debt repayments, each facility's ability to cover ongoing operating costs through facility generated revenues alone can be determined and analyzed.

Over the last five years, with the exception of Alderney Landing (83%) and Centennial Pool (73%), the facilities have operated within 95-110% operating cost recovery. This 5-year measurement excludes BMO and CGC which only began operations in 2010/11. After factoring in subsidies, debt and net capital, the recovery falls to 93-100%. Cole Harbour Place, Eastern Shore Arena, and Halifax Forum achieved an average 100% or above. The remaining facilities are not able to cover current operating costs and obligations, address outstanding debts, build financial capacity for future operations or contribute to capital reserves.

Based on all operational factors, it is unlikely that this situation will improve under the current funding model. As an example, the Dartmouth Sportsplex's average recovery rate has been 93%, meaning without putting a subsidy in place, additional revenues or reduced expenditures of $350K would be required to achieve 100% recovery. Dartmouth Sportsplex staff have implemented several changes to close this gap including securing additional revenue through concert bookings, redesigning programs, as well as additional cost control measures. Other facilities have implemented similar improvements to address their cost recovery shortfalls. Even with the improvements, the gaps between operating costs and revenue generation continue. The overall conclusion is that the operating costs for facilities are outpacing the total available revenue.

Included in HRM's operating budget is $918K in annual subsidy funding. Operating subsidies have been implemented for facilities over the years due to concerns regarding the ability of the facilities to cover operating costs solely on facility generated revenues. Facilities receiving subsidies can be found in Table 2 and 3. In 2011/12, an additional $200K was provided to the Canada Games Centre as one-time start-up funding approved for the first full year of operations.

It should be noted that HRM provides funding for all facility capital needs related to code compliance, health, and safety and therefore, the facilities are primarily responsible for operating costs. However, there have been cases where the facilities used operating funds to complete small capital projects. As well, any major expansions that include facility improvements beyond capital recapitalization are partially covered by the facilities. This has resulted in capital debt obligations for half of the HRM owned facilities. The outstanding capital debt ranges from $200K (Cole Harbour Place) to $5.7M (Sackville Sports Stadium).

Financial Results: 2011/12 Fiscal Year
The current year financial results, commentary, major achievements, operating cost recovery rates, as well as the board approved 2012/13 budgets can be found in the attached schedules (Attachment 1) as referenced on Table 3. Audited financial statements were provided by each facility and were summarized for this report.

Most facilities ended the year with an operating deficit as outlined in Table 2. These deficits ranged from ($9K) at the Eastern Shore Arena to ($359K) at the Dartmouth Sportsplex. Some highlights of the results are included below.

- Cole Harbour Place, Halifax Forum and Metro Centre realized surpluses of $268K, $126K, and $566K, respectively.
- Centennial Pool received a subsidy but it was not sufficient to cover all operating costs as it still had a net deficit of ($55K).
- Alderney Landing received a subsidy that provided a turnaround in net results from a ($127K) deficit to a $48K surplus; however no debt payment was made.
- Cole Harbour Place and Dartmouth Sportsplex do not receive a subsidy and are both repaying previous debts to HRM. Remittance of their debt repayments negatively impacted their net financial position.
- Halifax Forum realized a $126K surplus and received a $103K subsidy which was sufficient to yield positive net results for the year after remitting the required debt payment and contributing to capital expenditures.
- Sackville Sports Stadium experienced a ($181K) deficit and received a $200K operating subsidy; however the subsidy was applied to the debt repayment by HRM so it had no impact on reducing the operating deficit. Additional cash capacity allowed the facility to pay an additional $100K against the debt during the year.

Table 2: Financial Results Summary
(in thousands of dollars)

FACILITY	Subsidy	Debt Outstanding	Debt Payment Remitted	11/12 Operating Surplus (Deficit) (before subsidy, debt, and capital)	NET 11/12 Operating Surplus (Deficit) (after subsidy, debt, and capital)
Canada Games Centre	√			($259)	$71
Cole Harbour Place		√	√	$268	($70)
Dartmouth Sportsplex		√	√	($359)	($470)
Sackville Sports Stadium	√	√	√	($181)	($309)
St Margaret's Centre		√	√	($59)	($69)
BMO Centre				($52)	($52)
Centennial Arena				($35)	($39)
Centennial Pool	√			($195)	($55)
Eastern Shore Arena				($9)	$4
Alderney Landing	√	√		($127)	$48
Halifax Forum	√	√	√	$126	$8
Metro Centre				$566	$0

Budget Variances

Comments received from General Managers indicate that budget variances are mainly due to the decline in facility memberships, related fitness and aquatic program registrations, utility increases, wage scale pressures (due to minimum wage increases) and increased private and public sector competition. General Managers undertake efforts to manage their budgets by exploring various cost saving and revenue opportunities.

Some key points include:

- Membership revenues were approximately $100K or 10% less than budget for Cole Harbour Place, Dartmouth Sportsplex, and Sackville Sports Stadium. In 2011/12, membership programs accounted for between 17% - 32% of the total revenues. It is expected that membership retention will continue to be challenging with limited potential for growth due to the opening of new public and private facilities offering similar services.

  New public and private facilities create an increase in the overall recreational facility footprint. While new facilities may attract some new users, the primary impact is a migration of existing users from other facilities. In recent years, HRM has undertaken construction of new facilities and refurbishment of others including Beaverbank Community Centre, Canada Game Centre, East Dartmouth Community Centre, Emera Oval, Prospect Community Centre, Porter's Lake Community Centre, St. Margaret's Centre expansion and BMO Centre.

- Minimum wage has increased from $8.60 to $10.00, a 16% increase, in the period 2009 to March 2012. This has impacted costs for minimum wage employees as well as others to prevent wage compression. Some facilities have been able to manage their staffing requirements which have helped to reduce the impact of these cost increases. Minimum wage increased another 1.5% to $10.15/hr effective April 1, 2012. It has recently been announced that minimum wage will be increasing April 1, 2013 to $10.30 an hour, which represents an additional 1.5 per cent increase. This is the fourth increase in the minimum wage since 2010.

- Utility costs were impacted by an average 7% increase in energy rates effective January 2012. Again, some facilities have been able to manage the increases through efficiency programs and savings in other areas. It should be noted that additional cost increases (3%) have been approved for each of the next two years.

Financial Management

Financial Health
Since 2007/08, the combined annual operating performance of the Regional Facilities has decreased from a surplus of $1M to a deficit of ($316K) in 2011/12. During this period, both HRM and the private sector have opened new facilities including Beaverbank Community Centre, Canada Game Centre, East Dartmouth Community Centre, Emera Oval, Prospect Community Centre, Porter's Lake Community Centre, St. Margaret's Centre expansion, BMO Centre and numerous Good Life fitness centres.

Overall financial viability is outlined in Table 3 in the net assets (deficit) column. A positive asset position can be interpreted that the facility is in a position of relatively good financial health, whereas, a deficit position indicates concerns with the financial health of the facility. The table also provides a summary of the capital and operating debt obligations and existing subsidies from HRM. Some key points are summarized as follows:

- Combined overall net deficit position is ($4.6M). This amount is consolidated with HRM's financial statements at year-end.
- Total outstanding capital and operating debt is $12.9M. At March 31, 2012, $5.3M (41%) was due or past due, the majority without a repayment plan.
- The Dartmouth Sportsplex experiences operating shortfalls but currently does not receive a subsidy. Repayment of payroll charges to HRM is completed on a deferred basis.
- Sackville Sports Stadium has an outstanding debt amount of $5.7M. The facility has not been able to generate sufficient revenues to make payments; rather the operating subsidy has been used annually by HRM to offset a portion of amounts due.
- St. Margaret's Centre was unable to generate sufficient capacity to cover monthly payroll costs in summer 2012. Council approved an advancement of funds to cover costs for a three month period. A repayment plan has been put in place which allows SMC to be relatively current on payments while at the same time helping to avoid future cash flow issues.
- Annual required facility debt payments have not changed in five years. Review and development of repayment plans as part of the MDF project may change the required payment amounts.

Table 3: Financial Status – HRM Regional Facilities (as at March 31, 2012)

(in thousands of dollars)

FACILITY	Schedule Reference	Approved Annual HRM Operating Subsidy	Accumulated Net Assets (Deficit) at Mar 31, 2012	Capital(C) & Operating(O) Debts Outstanding (to HRM) at Mar 31, 2012		Years Remaining on repayment	Annual Facility Payments Principle + Interest
Canada Games Centre	1	$300	$97	-		-	-
Cole Harbour Place	2	-	$281	$640 $201	C C	5 years 3.5 years	$150 $57
Dartmouth Sportsplex	3	-	($1,557)	$1,239 $152	O C	[1] 2.03 years	 $75
Sackville Sports Stadium	4	$200	($3,426)	$5,722	C	[1]	
St Margaret's Centre	5	-	($44)	$2,408 $210	C O	14.5 years 3 years	$259 $51 (avg)
BMO Centre	6	-	$36	-		-	-
Centennial Arena	7	-	$38	-		-	-
Centennial Pool	8	$140	$13	-		-	-
Eastern Shore Arena	9	-	$107	-		-	-
Alderney Landing	10	$175	$362	$1,051	[2] C	[1]	
Halifax Forum	11	$103	($455)	$1,278	C	14.5 years	$160
Metro Centre[3]	12	-	$0	-		-	-
TOTAL (NET)		**$918**	**($4,550)**	**$12,901**	[4]		

[1] There is currently no debt repayment plan in place for these amounts.
[2]The Alderney Landing Association only acknowledges $600K on their financial statements as outstanding debt to HRM. The $600K is included in their net asset position.
[3]All surpluses (deficit) of the Metro Centre are transferred to HRM at year-end resulting in $0 Net Assets (Deficit).
[4]Capital and Operating debts outstanding for Dartmouth Sportsplex and Sackville Sports Stadium ($1,239k and $3,397k, respectively) are currently due to HRM and therefore also reflected in their net deficit figures. Payment plans to be determined as indicated above.

Debt Recovery and Repayment Plans

As noted, each facility has been expected to cover its portion of outstanding capital construction and expansion debt. Most facilities are continuing to make the required payments against outstanding capital debt amounts outlined in Table 3. Operating subsidies and payroll deferral terms are forms of general rate subsidization that make debt repayment possible. St. Margaret's Centre has an area rate in place to cover the capital debt and Cole Harbour Place has capacity through operating surpluses. The Sackville Sports Stadium has not been able to meet the payment obligation included in the repayment schedule developed 10 years ago and Alderney Landing has not presented any repayment plan for their debt.

In addition to the capital debts, two facilities are carrying operating debts. In 2011/12, the Dartmouth Sportsplex (DSP) and St. Margaret's Centre (SMC) both had operating debts outstanding that were due at year end, $830K and $51K, respectively. The DSP amount related to payroll costs paid by HRM on their behalf and SMC related to repayments due on two operating loans. Neither facility had the financial capacity to bring those accounts up to date at March 31, 2012. Staff does not see the facilities' financial capacity improving to resolve this situation in 2012-2013 despite the many efforts of the General Managers.

The on-going work of the MDF project will determine if financial capacity will exist under the current subsidization levels to enable the facilities to comply with the payment obligations without further compromising their financial health and further if repayment plans can be developed prior to the completion of the full scope of work.

Budget Management

The facility boards and their staff continue to respond to operational challenges and pressures while still delivering their programs and services to the community. As the MDFs are mandated to a 100% cost recovery performance measure, the priority of recreational programing has generally become secondary to leased space, as the revenue generated is required to meet the cost recovery requirement. Phase 2 of the MDF project relates to the alignment of the facilities to HRM mandates and recreation programming expectations. This work will be used to evaluate the appropriateness and validity of the cost recovery expectation, in light of the fact that the current model seems to have created a situation where commercial revenue has a higher priority than~~t~~ recreational programming. Phase 2 will also take into consideration citizen expectations as expressed in the 2012 Citizen Survey, which noted improving existing recreation facilities as citizen's priority.

In reviewing the 2012/13 Annual Budget and Business Plans, the 2012/13 Operating Budgets project that the fiscal year will end with a combined impact of ($812K) in operating deficit. This combined deficit has increased over the prior years as expenses have increased at a greater rate compared to revenues. Without action, the MDFs remain a financial risk as HRM is covering these deficits through the general rate.

For most facilities, their individual financial health will not be impacted by a projected deficit this year as it would be offset by the existing subsidy. However, the practice of providing subsidies will not improve the overall financial health of the facilities nor is it a desired way to effectively manage budgets. Recommendations from previous reviews, as well as the MDF review, could help re-position some of these facilities toward improved financial health and sustainability. As well, the new reporting requirements for submission of quarterly results and forecasts will provide staff with information to determine the level to which the facilities are managing their budgets, achieving their objectives and the financial implications of any actions taken.

The overall fiscal health of HRM's recreational facilities is impacted by several factors. While HRM can influence some impacts to the regional network of facilities including the siting of new recreation facilities, many factors fall outside HRM's span of control. The choices being offered to residents and changes in overall societal habits can impact the ability of facilities to meet revenue targets. Inclusion of private sector fitness centres paired with a more commuter based society means that residents have numerous choices to meet their recreational needs. As a result, it is important to assess the health of HRM's overall network of facilities, rather than individual facilities. Individual financial performance of each facility will improve or decline as a result of these factors and changes to the overall network of facilities. Past practice of looking at the facilities individually does not provide a true reflection of the interlinked nature of these regional facilities. Therefore, a regional approach to the facilities is necessary to ensure a balanced network is maintained.

FINANCIAL IMPLICATIONS

There are no financial implications to this report as it serves only to provide information on the financial performance of the Regional Facilities for fiscal 2011/12. As part of the work of the HRM Multi-District Facility Project, subsequent staff reports will be brought to the Audit & Finance Standing Committee in order to address new or outstanding financial items for some of the facilities included in this review.

COMMUNITY ENGAGEMENT

Not applicable

ATTACHMENTS

Attachment 1: Schedule 1: Canada Games Centre
Schedule 2: Cole Harbour Place
Schedule 3: Dartmouth Sportsplex
Schedule 4: Sackville Sport Stadium
Schedule 5: St. Margaret's Centre
Schedule 6: BMO Centre
Schedule 7: Centennial Arena
Schedule 8: Centennial Pool
Schedule 9: Eastern Shore Arena
Schedule 10: Alderney Landing
Schedule 11: Halifax Forum
Schedule 12: Metro Centre

A copy of this report can be obtained online at http://www.halifax.ca/commcoun/cc.html then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Danielle Paris, Senior Financial Consultant, Financial Policy & Planning, 490-4397
Michael Ryan, Manager Facility Partnerships, Regional Recreation & Culture, 490-1585

Original Signed

Report Approved by: Denise Schofield, Manager, Regional Recreation & Culture, 490-6252

Original Signed

Financial Approval by: Greg Keefe, Director of Finance & Information Technology, 490-6308

Attachment 1

Schedule 1

Canada Games Centre

(in thousands of dollars)	Prior Year 2010/11 Actuals	2011/12 2011/12 Budget	 2011/12 Final Audited Results	 Actual vs Budget Fav (Unfav)	2012/13 2012/13 Budget
Operating Revenues	$274	$3,259	$3,742	**$483**	$4,257
Operating Expenditures	$789	$4,270	$4,001	**$269**	$4,694
Annual Operating Surplus (Deficit) before subsidy	**($515)**	**($1,011)**	**($259)**	**$752**	**($437)**
Cost Recovery Rate (before subsidy, debt, and capital)	*35%*	*76%*	*94%*		*91%*
Operating Subsidy	$1,188	$1,035	$330	($705)	$450
Annual Operating Surplus (Deficit) after subsidy	**$673**	**$24**	**$71**	**$47**	**$13**
Debt Repayment	$0	$0	$0	$0	$0
Capital Contributions from HRM	$0	$0	$170	$0	$0
Capital Expenditures	($647)	$0	($170)	($170)	$0
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**$26**	**$24**	**$71**	**($123)**	**$13**
Accumulated Net Assets (Deficit) from balance sheet	***$26***		***$97***		

2011/12 Operating Results

A positive revenue variance of $1.4M from budget in membership, day passes, rentals was realized offset by less than budget recreation, fitness & wellness of $458K due to lower number of programs offered and registered for. Wages & Benefits were down by $212K due to not being fully staffed when opened and reduced programs offered. Progam expenses were reduced by $206K due to lower number of programs offered as customer demand was less than anticipated.

Major Achievements in 2011/12

- Successfully hosted Halifax 2011 Canada Games in February 2011
- Membership numbers exceeded budget
- No major operational issues during first year of operations
- Largest aquatic program in Atlantic Canada
- Only required 32% of the budgeted HRM operating subsidy

Financial Notes

Subsidy: Funding of $500K was provided in 2011/12, $300K as an ongoing operating subsidy and an additional $200K as one-time start-up funding approved for the first full year of operations. The CGC Board originally approved their 12/13 operating budget with a $450K subsidy to provide a balanced budget. Subsequently, adjustments are being made to the 12/13 forecasts to reduce the subsidy required to only $300K, as budgeted by HRM.

Schedule 2

Cole Harbour Place

	Prior Year	2011/12			2012/13
(in thousands of dollars)	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$3,530	$3,653	$3,491	**($162)**	$3,674
Operating Expenditures	$3,161	$3,390	$3,223	**$167**	$3,444
Annual Operating Surplus (Deficit) before subsidy	**$369**	**$263**	**$268**	**$5**	**$230**
Cost Recovery Rate (before subsidy, debt, and capital)	*112%*	*108%*	*108%*		*107%*
Operating Subsidy	$0	$0	$0	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**$369**	**$263**	**$268**	**$5**	**$230**
Debt Repayment	($207)	($205)	($205)	$0	($203)
Capital Contributions from HRM	$0	$0	$0	$0	$0
Capital Expenditures	($59)	($58)	($133)	($75)	($27)
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**$103**	**$0**	**($70)**	**($70)**	**$0**
Accumulated Net Assets (Deficit) from balance sheet	***$351***		***$281***		

2011/12 Operating Results

The year ended with an operating surplus of $268K, 2% above budget. Membership revenue and Athletic programming were the main contributors to the less than budget revenues, as they were down by a combined $152K. This reduction, however, was partially offset by less spending in salaries and wages of $81K.

Major Achievements in 2011/12

- Balanced budget
- Increased Aquatic Program
- Increased Spring Ice rentals
- Changed lighting and e ceilings in Scotia 1 Rink
- Replaced Roof in Scotia 1

Financial Notes

Capital: Construction of Lifestyle and Prevention Medicine Centre, July 2000, Cost $2.0M ($1.5M financed by HRM to be repaid by CHP). The outstanding amount is $640K. Leasehold Improvements (LHI), 2005, Cost $450K. On August 2, 2005, Council approved a loan to Cole Harbour Place for the LHI. The outstanding amount is $201K.

Cole Harbour Place is the only facility able to fulfill its HRM debt obligations without incurring deficits, requiring an operating subsidy or loan from HRM. CHP has multiple lease tenants which provide significant and consistent funding for operations. Surpluses at the end of the year are used to cover debt payments and any remainder is transferred to the facilities' capital reserve. The reserve balance at March 31, 2012 was $281K.

Schedule 3

Dartmouth Sportsplex

	Prior Year	2011/12			2012/13
(in thousands of dollars)	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$4,786	$4,771	$4,637	**($134)**	$4,704
Operating Expenditures	$5,050	$5,361	$4,996	**$365**	$5,259
Annual Operating Surplus (Deficit) before subsidy	**($264)**	**($590)**	**($359)**	**$231**	**($555)**
Cost Recovery Rate (before subsidy, debt, and capital)	*95%*	*89%*	*93%*		*89%*
Operating Subsidy	$0	$0	$0	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**($264)**	**($590)**	**($359)**	**$231**	**($555)**
Debt Repayment	($75)	($75)	($75)	$0	($75)
Capital Contributions from HRM	$1,084	$0	$0	$0	$50
Capital Expenditures	($983)	$0	($36)	($36)	($100)
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($238)**	**($665)**	**($470)**	**$195**	**($680)**
Accumulated Net Assets (Deficit) from balance sheet	***($1,087)***		***($1,557)***		

2011/12 Operating Results

The year ended with an operating deficit of ($359K) before debt and capital, which is $231K (39%) favorable against budget. Revenues were ($135K) less than budget due to loss of memberships and associated program registrations ($87K), food and beverage ($67K), ice rentals ($31K), and public swims ($24K) offset by increased bingo revenues of $87K. An expenditure savings of $365K was realized, mainly in areas of staffing costs due to staff reductions and programming needs $195K, equipment repairs & maintenance $83K, and building operations $34K.

Major Achievements in 2011/12

- $70K reduction in staff costs
- Securing design monies for facility revitalization
- Transition to micro fibre cleaning processes greatly reducing chemical usage in the building
- Increased revenues in children's learn to swim lessons
- Installation of a lift to assist patrons in and out of the swimming pool
- Launch of spinning (stationary bike exercise program)

Financial Notes

Capital: Renovations, 1998, $1.5M. On May 3, 2005, Council agreed to reduce the annual debt repayment from $182K to $75K to enable the facility to meet its operational requirements without incurring a deficit. The outstanding amount is $152K.

Operating: Payable to HRM for 2011/12 payroll costs at year end of $1.2M; $830K was in arrears.

Schedule 4

Sackville Sports Stadium

(in thousands of dollars)	Prior Year	2011/12			2012/13
	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$3,260	$3,345	$3,139	**($206)**	$3,260
Operating Expenditures	$3,240	$3,404	$3,320	**$84**	$3,451
Annual Operating Surplus (Deficit) before subsidy	**$20**	**($59)**	**($181)**	**($122)**	**($191)**
Cost Recovery Rate (before subsidy, debt, and capital)	*101%*	*98%*	*95%*		*94%*
Operating Subsidy	$200	$200	$200	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**$220**	**$141**	**$19**	**($122)**	**($191)**
Debt Repayment	($200)	$0	($300)	($300)	$0
Capital Contributions from HRM	$0	$0	$0	$0	$0
Capital Expenditures	($46)	($80)	($28)	$52	($151)
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($26)**	**$61**	**($309)**	**($370)**	**($342)**
Accumulated Net Assets (Deficit) from balance sheet	***($3,132)***		***($3,426)***		

2011/12 Operating Results

The year ended with an operating deficit of ($181K), 207% above budget. Revenues were below budget mainly due to less memberships and participation in fitness & leisure and aquatics programs ($244K). New facilities opening in the area have increased supply of similar services, impacting use of the SSS. Despite increases in expenses for wage inflation, utilities, and repairs, a 3% savings was realized as less demand in fitness and aquatics directly resulted in reduced staffing needs in these areas. SSS was able to pay an additional $100K, over than the allocation of the $200K subsidy amount, towards the required debt payment in the year. Full debt payments are not being satisfied.

Major Achievements in 2011/12

• A hot water Heat Recovery System has been installed to preheat the water required for Ice Resurfacing
• The Direct Digital Control System was replaced and upgraded to enable us to build towards state of the art Energy Management capabilities
• The Aquatic Centre Air Handling Unit was replaced with a new air handling unit with heat recovery to capture energy to heat pool water
• The Leisure Pool Fitration System was replaced
• New heaters were installed in Arena Dressing Rooms
• Health and Wellness seminars and initiatives and Sporting Events have taken place and have been well attended

Financial Notes

Capital: Stadium Expansion, 99/00, Cost $4.5M (all financed by HRM to be repaid by SSS). An amount of $3.4M is included on the financial statements as a payable to HRM for debt payments made to date on behalf of SSS. HRM will pay an additional $2.3M over nine (9) years against the debt, refinanced in November 2011. As these payments are made, the SSS payable to HRM will increase.
Since the start of the capital debt in 2000, the Sackville Sports Stadium has not made required debt payments according to the repayment schedule. They were operating under a Council approved debt deferral arrangement for two years to 09/10, with the expectation that debt payments would begin again as soon as the facility was financially restabilized. For 08/09 to 11/12, the Stadium was able to cover operating expenses and contribute $200K ($300K in 2011/12) against the debt payment. No debt repayment has been provided for in the 2012/13 budget.

Subsidy: In May 2003 Council approved an increase of the operating subsidy from $78K to $200K for a three year period as part of the operational review, extended in November 2006 with the possibility of a decrease after 2009/10. The $200K operating subsidy provided in 2011/12 was directly applied against the required debt payment. No subsidy amount is included for the 2012/13 fiscal year.

Schedule 5

St. Margaret's Centre

	Prior Year	2011/12			2012/13
(in thousands of dollars)	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$1,557	$1,618	$1,498	**($120)**	$1,532
Operating Expenditures	$1,560	$1,543	$1,557	**($14)**	$1,534
Annual Operating Surplus (Deficit) before subsidy	**($3)**	**$75**	**($59)**	**($134)**	**($2)**
Cost Recovery Rate (before subsidy, debt, and capital)	*100%*	*105%*	*96%*		*100%*
Operating Subsidy	$0	$0	$0	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**($3)**	**$75**	**($59)**	**($134)**	**($2)**
Debt (Loan) Repayment	($10)	($35)	($10)	$25	$0
Capital Contributions from HRM	$0	$242	$0	$0	$0
Capital Expenditures	$0	($292)	$0	$292	$0
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($13)**	**($10)**	**($69)**	**$183**	**($2)**
Accumulated Net Assets (Deficit) from balance sheet	***$25***		***($44)***		

2011/12 Operating Results

The year ended with an operating deficit of ($59K), 179% below budget. Ice rental revenues were down by $74K due to reduced customer requirements and the summer camp program was down by $68K as a similar camp opened in the area. Propane and Furnace oil were the major expenses over budget by $15K.

Major Achievements in 2011/12

• The Centre was recognized as the "2011 Blue Nose Achievement Award" recipient for its outstanding contribution to recreation in Nova Scotia

Financial Notes

Capital: For expansion, 2004, Cost $8M ($2.9M financed by HRM as loan to SMC). At the April 9, 2004 Council meeting, a loan to a maximum of $2.9Mk was approved. The St. Margaret's Bay Centre Board indicated they did not have the capacity in operating funds. Therefore, a new area rate of $0.01/$100 of taxable assessment was established to fund the debt payments. The area rate is applied to all residential, resource, commercial and business occupancy property in former Districts 22 and 23 with the exception of the area that is charged the Prospect Road recreation area rate. The area rate collected will be sufficient to service the debt to its maturity in 2025/26. The outstanding amount is $2.4M.

Operating: Two short-term operating loans were approved by Regional Council to the Board of St. Margaret's Centre, one on September 8, 2009 for $130K and the other on July 5, 2011 for $125K. These loans were approved 1) due to cash flow difficulties experienced as a result of a three month shut down of one ice surface in summer 2009 and 2) to bridge the cash flow gap during the summer months in 2011. The first loan is to be fully repaid over five years, commenced in 2010/11 and the second over three years, commenced in 2011/12. To date, payments for 2011/12 have not been received. The total outstanding amount is $210K.

Schedule 6

BMO Centre

(in thousands of dollars)	Prior Year	2011/12			2012/13
	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$927	$2,319	$1,905	**($414)**	$2,036
Operating Expenditures (incl reserve contribution)	$839	$2,076	$1,957	**$119**	$1,944
Annual Operating Surplus (Deficit) before subsidy	**$88**	**$243**	**($52)**	**($295)**	**$92**
Cost Recovery Rate (before subsidy, debt, and capital)	*110%*	*112%*	*97%*		*105%*
Operating Subsidy	$0	$0	$0	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**$88**	**$243**	**($52)**	**($295)**	**$92**
Debt Repayment	$0	$0	$0	$0	$0
Capital Contributions from HRM	$0	$0	$0	$0	$0
Capital Expenditures	$0	$0	$0	$0	$0
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**$88**	**$243**	**($52)**	**($295)**	**$92**
Accumulated Net Assets (Deficit) from balance sheet	***$88***		***$36***		

2011/12 Operating Results

The first full year of operation saw a very strong winter season however, lower than expected revenue in the Spring and September hurt the overall revenue targets. The canteen revenue did not meet expectations due in part to timing of opening and approval of licensing. A slow start to volleyball resulted in revenues of $34K less than budget. Staffing budget was better than projected but utility costs were impacted by a 7% energy rate increase in January.

Major Achievements in 2011/12

- Large percentage of minor sport association in metro booked ice-time at the facility (both hockey and ringette)
- Hosted several large tournaments during the season
- Canteen and Beach volleyball courts officially opened
- Hosted several events in the facility: Hyundia Hockey Day, Paul Henderson Jersey Tour and Heart and Stroke Hockey Heroes Weekend
- Hosted Halifax Roller Derby practices to help establish club
- HNS programs: Sledge hockey and black hockey initiative both used facility and show signs of increased growth
- Public programming (Men's & Women's Shinny, Public Skates, Adult/Senior Skates, Parent & Tot) all doing much better than expected
- Estimated close to 1 million visits during the year

Financial Notes

The BMO Centre does not have any capital, operating debts, or subsidies to note.
$250K was transferred from operating to the facility capital reserve Q141 BMO Centre Life Cycle Reserve maintained by HRM. The 2011/12 year-end reserve balance was $333,333.

Schedule 7

Centennial Arena

	Prior Year	2011/12			2012/13
(in thousands of dollars)	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$578	**$598**	$596	**($2)**	$620
Operating Expenditures	$599	**$598**	$631	**($33)**	$603
Annual Operating Surplus (Deficit) before subsidy	**($21)**	**$0**	**($35)**	**($35)**	**$17**
Cost Recovery Rate (before subsidy, debt, and capital)	*96%*		*94%*		*103%*
Operating Subsidy	$0	$0	$0	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**($21)**	**$0**	**($35)**	**($35)**	**$17**
Debt Repayment	*$0*	$0	$0	$0	$0
Capital Contributions from HRM	$33	$0	$146	$146	$0
Capital Expenditures	($36)	$0	($150)	($150)	$0
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($25)**	**$0**	**($39)**	**($39)**	**$17**
Accumulated Net Assets (Deficit) from balance sheet	***$77***		***$38***		

2011/12 Operating Results

The year ended with an operating deficit of ($35K) against a balanced budget. Expenditures were more than budget due to increases in utility rates ($15K), increased propane requirements for the Olympia (zamboni) given higher ice rentals ($12K), and the old Olympia required more repairs then budgeted ($12K).

Major Achievements in 2011/12

Operations at the Centennial Arena are relatively consistent year over year. Therefore, all achievements are within the normal course of operations.

Financial Notes

The Centennial Arena does not have any capital, operating debts, or subsidies to note.

Schedule 8

Centennial Pool

(in thousands of dollars)	Prior Year 2010/11 Actuals	2011/12 2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 2012/13 Budget
Operating Revenues	$396	$392	$356	**($36)**	$438
Operating Expenditures	$593	$532	$551	**($19)**	$578
Annual Operating Surplus (Deficit) before subsidy	**($197)**	**($140)**	**($195)**	**($55)**	**($140)**
Cost Recovery Rate (before subsidy, debt, and capital)	*67%*	*74%*	*65%*		*76%*
Operating Subsidy	$140	$140	$140	$0	$140
Annual Operating Surplus (Deficit) after subsidy	**($57)**	**$0**	**($55)**	**($55)**	**$0**
Debt Repayment	*$0*	$0	$0	$0	$0
Capital Contributions from HRM	$0	$0	$80	$80	$0
Capital Expenditures	$0	$0	($80)	($80)	$0
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($57)**	**$0**	**($55)**	**($55)**	**$0**
Accumulated Net Assets (Deficit) from balance sheet	***$68***		***$13***		

2011/12 Operating Results

The year ended with an operating deficit of ($195K), 39% above budget. Monthly parking revenue was less than budget by $28K.

Major Achievements in 2011/12

No information was provided by the General Manager with respect to major achievements in the year.

Financial Notes

Subsidy: $140K operating subsidy is in place. Centennial Pool also receive net parking revenues, $124K in 11/12, to subsidize operations.

Schedule 9

Eastern Shore Arena

	Prior Year	2011/12			2012/13
(in thousands of dollars)	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$493	$513	$479	**($34)**	$497
Operating Expenditures	$497	$508	$488	**$20**	$493
Annual Operating Surplus (Deficit) before subsidy	**($4)**	**$5**	**($9)**	**($14)**	**$4**
Cost Recovery Rate (before subsidy, debt, and capital)	99%	101%	98%		101%
Operating Subsidy	$0	$0	$0	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**($4)**	**$5**	**($9)**	**($14)**	**$4**
Debt Repayment	$0	$0	$0	$0	$0
Capital Contributions from HRM	$36	$120	$94	($26)	$100
Capital Expenditures	($33)	($120)	($81)	$39	($100)
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($1)**	**$5**	**$4**	**($1)**	**$4**
Accumulated Net Assets (Deficit) from balance sheet	***$103***		***$107***		

2011/12 Operating Results

The year ended with a slight operating deficit or ($9K), but overall results for the facility were favorable. Despite increased power rates, continued reduction in consumption has contributed to keeping the expenditures stable.

Major Achievements in 2011/12

Operations at the Centennial Arena are relatively consistent year over year. Therefore, all achievements are within the normal course of operations.

Financial Notes

The Eastern Shore Arena does not have any capital, operating debts, or subsidies to note.

Schedule 10

Alderney Landing

(in thousands of dollars)	Prior Year: 2010/11 Actuals	2011/12: 2011/12 Budget	2011/12: 2011/12 Final Audited Results	2011/12: Actual vs Budget Fav (Unfav)	2012/13: 2012/13 Budget
Operating Revenues	$900	$1,000	$1,073	**$73**	$1,084
Operating Expenditures	$1,155	$1,137	$1,200	**($63)**	$1,226
Annual Operating Surplus (Deficit) before subsidy	**($255)**	**($137)**	**($127)**	**$10**	**($142)**
Cost Recovery Rate (before subsidy, debt, and capital)	*78%*	*88%*	*89%*		*88%*
Operating Subsidy	$171	$175	$175	$0	$175
Annual Operating Surplus (Deficit) after subsidy	**($84)**	**$38**	**$48**	**$10**	**$33**
Debt Repayment	$0	$0	$0	$0	$0
Capital Grants	$0	$0	$0	$0	$0
Capital Expenditures	$0	$0	$0	$0	$0
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($84)**	**$38**	**$48**	**$10**	**$33**
Accumulated Net Assets (Deficit) from balance sheet	***$314***		***$362***		

2011/12 Operating Results

Alderney Landing (AL) ended the year with an operating deficit 7% below budget. However, with the HRM operating subsidy an overall surplus of $48K was realized. The Events Plaza and the Alderney Landing Programming continues to increase net profits from the festival, events and internal programming produced by Alderney Landing. The Craig Gallery and Farmer's Market continues to show steady growth in revenue, while the permanent retail declined, due to the largest square footage restaurant closing. Increases in property taxes and decreases in general grants effected the bottom line. The Alderney Landing theatre lost a major tentant in 2009, representing a third of the theatre revenue, some gains where realized in 2011. In 2011/2012 Alderney Landing had new bookings from four major theatre companies that brought the full season back to the Alderney Landing Theatre.

Major Achievements in 2011/12

There were several achievements in the year but a few include:

- The Farmers Market revenue is up approximately 30% over the last year
- The Permanent Vendor revenue is up approximately 20% over last year
- Generated a net profit of $142,000 from the Alderney Landing programming up another $75,000 over the previous year
- Secured a new successful concert Arcade Fire to the Region
- Established the Freedom Festival that will be a new annual event on the Labour Day weekend

Financial Notes

Capital: Construction, 1998, Cost $8.3M ($3.2M financed by HRM, $1.4 as loan to AL). In August 1999, Regional Council approved a loan to the Alderney Landing Board of Directors to complete the Alderney Landing project, which was to be repaid with interest through a fundraising campaign over 5 years (by April 2005). A portion of the amount was received but the Board has not presented any repayment plan for the remainder. The amount outstanding is $1.1M, however the Alderney Landing Association only has $600K acknowledged on their financial statements as outstanding debt to HRM.

Subsidy: Alderney Landing receives an operating subsidy of $175K. HRM retains $36K to cover heating energy costs (paid directly to the Citigroup who incurrs the cost for the entire building) and $26K to apply against AL property taxes. They also retain the net parking revenues annually for a nearby HRM parking lot, net for 2011/12 was $88K.

Schedule 11

Halifax Forum

(in thousands of dollars)	Prior Year	2011/12			2012/13
	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$3,559	$3,549	$3,799	**$250**	$3,910
Operating Expenditures	$3,601	$3,492	$3,673	**($181)**	$3,853
Annual Operating Surplus (Deficit) before subsidy	**($41)**	**$57**	**$126**	**$69**	**$57**
Cost Recovery Rate (before subsidy, debt, and capital)	*99%*	*102%*	*103%*		*101%*
Operating Subsidy	$103	$103	$103	($0)	$103
Annual Operating Surplus (Deficit) after subsidy	**$61**	**$160**	**$229**	**$69**	**$160**
Debt Repayment	($156)	($160)	($151)	$9	($160)
Capital Contributions from HRM	$314	$0	$315	$315	$0
Capital Expenditures	($330)	$0	($385)	($385)	$0
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($110)**	**$0**	**$8**	**$8**	**$0**
Accumulated Net Assets (Deficit) from balance sheet	***($463)***		***($455)***		

2011/12 Operating Results

The year finished with an operating surplus of $126K, 121% above budget. Activity levels increased (break-open and cosmic bingo plus spinoff concessions, 25 additional special events) generating more revenue than planned. Staffing cost increases and spending for special items, such as furniture, gas shack, energy monitoring system, desiccant de-humidifier, etc has contributed to the increase in expenses. HRM capital along with operating revenue surplus was used to update and replace some much needed and out-dated infrastructure. Improvements were made on energy efficiency and customer service options.

Major Achievements in 2011/12

- Established an all-time high for net bingo revenue $905K
- Introduced Cosmic Bingo and Tuesday night bingo to the event calendar
- Finished the year with an operating surplus of $126K
- Increased special events by 28 days and $80K
- Introduced and continued with energy saving operational programs (light, water, energy management)

Financial Notes

Capital: New dedicated bingo hall, 2002/03, Cost $1.8M (financed by HRM to be repaid by Forum). The outstanding amount is $1.3M.

Subsidy: Halifax Forum received an ad hoc subsidy of $96K in 2008/09 and 09/10 to assist with collective agreement costs. The amount increased to $103K in 10/11. Regional Council approved a subsidy of $103K on February 28, 2012.

Schedule 12

Metro Centre

(in thousands of dollars)	Prior Year	2011/12			2012/13
	2010/11 Actuals	2011/12 Budget	2011/12 Final Audited Results	Actual vs Budget Fav (Unfav)	2012/13 Budget
Operating Revenues	$6,317	$6,999	$7,021	**$22**	$6,684
Operating Expenditures	$6,584	$6,389	$6,455	**($66)**	$6,429
Annual Operating Surplus (Deficit) before subsidy	**($267)**	**$610**	**$566**	**($44)**	**$255**
Cost Recovery Rate (before subsidy, debt, and capital)	*96%*	*110%*	*109%*		*104%*
Operating Subsidy	$0	$0	$0	$0	$0
Annual Operating Surplus (Deficit) after subsidy	**($267)**	**$610**	**$566**	**($44)**	**$255**
Debt Repayment	*$0*	$0	$0	$0	$0
Capital Expenditures	$0	($300)	$0	$300	($200)
Transfer to HRM	($267)	($310)	($566)	($256)	($55)
Net Annual Surplus (Deficit) after subsidy, debt, and capital	**($534)**	**$0**	**$0**	**$0**	**$0**
Accumulated Net Assets (Deficit) from balance sheet	***$0***		***$0***		

2011/12 Operating Results

The following items contributed to the operating results for the year:

1. Halifax Mooseheads season attendance this past fiscal has increased compared to the team's season attendance figures achieved the last two seasons. The Mooseheads have put a very competitive team on the ice with exciting young players, that is driving the attendance numbers back towards historical levels. Also the fact that they reached the playoffs, this has impacted the numbers of rental revenue and food/beverage revenue positively.
2. The actual concert activity achieved was slightly less than budgeted, but similar to last year.
3. Overall rental revenues achieved were in line with total budgeted revenues expected. This was an increase over last year. A major reason for this was the increase in attendance for the Halifax Mooseheads.
4. Premium seat revenue was slightly under budget, but increased over prior year's revenue achieved.

Major Achievements in 2011/12

No Major Achievements were received from the Metro Centre for this report.

Financial Notes

Net Assets (Deficit): Up to 09/10, surpluses had been forwarded to HRM and paid against the capital debt owing. With the capital debt obligation fulfilled in 10/11, all surpluses are remitted to HRM and deposited to the reserve Major Events Facilities Reserve Q319 as approved by Council on Sept 16, 2008. The purpose of the reserve is to provide funding for development of major cultural and public event facilities including the Metro Centre. Operating surpluses from the Metro Centre are deposited into the reserve to allow HRM to re-invest the funds back into the Metro Centre for capital improvements. The Metro Centre funds are segregated and accounted for separately from other funds in the reserve to be used specifically for that facility.