

## Servus Place Quarterly Report Third Quarter 2013

### Income Statement of Revenue and Expenditures For the Period Ended September 30, 2013 (Un-Audited)

	2013 Q3 Actual	2013 Q3 Budget	2013 Q3 Variance	2013 YTD Actual	2013 YTD Budget	2013 YTD Variance	2013 Forecast (As submitted 09-13)
Memberships	\$610,046	\$592,000	\$18,046	\$2,009,638	\$2,024,600	\$(14,962)	\$2,658,500
Admission Fees	354,810	299,600	55,210	1,097,470	1,009,900	87,570	1,415,200
Lesson Fees	302,287	284,700	17,587	819,775	761,900	57,875	1,069,800
Rentals - Facility	414,331	341,200	73,131	1,264,364	1,148,900	115,464	1,717,900
Advertising/Sponsorship	150,760	124,500	26,260	441,930	379,700	62,230	593,500
Commission & Vending	127,188	121,400	5,788	461,281	439,200	22,081	649,400
Miscellaneous Revenue	19,571	7,800	11,771	40,201	24,000	16,201	58,500
<b>Total Revenue</b>	<b>\$1,978,993</b>	<b>\$1,771,200</b>	<b>\$207,793</b>	<b>\$6,134,659</b>	<b>\$5,788,200</b>	<b>\$346,459</b>	<b>\$8,162,800</b>
Personnel Costs	1,130,003	1,147,900	(17,897)	3,453,836	3,459,300	(5,464)	4,733,100
Contracted & General Services	221,439	210,900	10,539	632,649	717,700	(85,051)	941,200
Utilities	248,006	174,600	73,406	757,115	667,500	89,615	1,069,800
Materials, Goods & Supplies	154,550	157,100	(2,550)	518,263	485,500	32,763	693,800
Transfer to Reserves	21,076	19,600	1,476	66,690	63,500	3,190	88,500
Transfer to Aquatics	179,118	176,700	2,418	538,808	554,300	(15,492)	730,200
Transfer to Public Works	173,051	177,000	(3,949)	557,862	564,700	(6,838)	781,700
<b>Total Expenditure</b>	<b>\$2,127,243</b>	<b>\$2,063,800</b>	<b>\$63,443</b>	<b>\$6,525,224</b>	<b>\$6,512,500</b>	<b>\$12,724</b>	<b>\$9,038,300</b>
<b>Net Surplus (Deficit)</b>	<b>(148,250)</b>	<b>(292,600)</b>	<b>144,350</b>	<b>(390,565)</b>	<b>(724,300)</b>	<b>333,735</b>	<b>(875,500)</b>
<b>Recovery Rate</b>	93%	86%	+7%	94%	89%	+6%	90%
Cost Centre 3171 Revenue	<b>\$156,537</b>	<b>\$90,200</b>	<b>\$66,337</b>	<b>\$390,745</b>	<b>\$339,800</b>	<b>\$50,945</b>	<b>\$591,300</b>
Cost Centre 3171 Expenses	32,455	39,300	(6,845)	95,812	114,100	(18,288)	133,200
<b>Operating Surplus (Deficit)</b>	<b>\$124,082</b>	<b>\$50,900</b>	<b>\$73,182</b>	<b>\$294,933</b>	<b>\$225,700</b>	<b>\$69,233</b>	<b>\$458,100</b>
<b>Total Operating Surplus (Deficit)</b>	<b>\$(24,168)</b>	<b>\$(241,700)</b>	<b>\$217,532</b>	<b>\$(95,632)</b>	<b>\$(498,600)</b>	<b>\$402,968</b>	<b>\$(417,400)</b>

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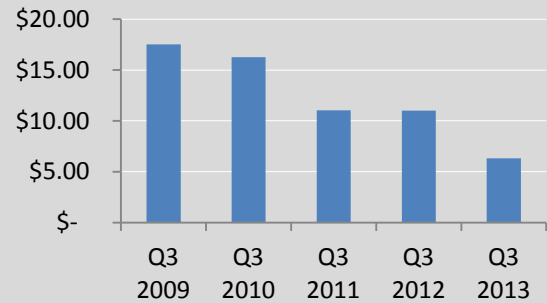
## Department Overview

During the third quarter of 2013, Servus Place operated at a net deficit of \$148,250 which is under budget by approximately \$144,000 for the quarter.

The department is forecasting to end the year with an 90% cost recovery rate and a deficit of \$875,800 which is 2% ahead of budget.

In Q3 2013, the St. Albert tax support for Servus Place per household was \$6.31. The number of households for 2013 is based on the City of St. Albert 2012 Census.

**St. Albert Tax Support for Servus Place per Household**



Total revenue for Q3 2013 is \$1,978,993 with a variance of \$207,793 (8.3%) above budget projections. This variance is due to increased revenues in most areas, with strong revenues in facility rentals.

Year to date revenue is ahead of budget by 6.0% with memberships very slightly under budget (0.7%). All other revenue areas are ahead of budget by a minimum of 5.0%, particularly Rentals-Facility and Advertising/Sponsorship showing strong YTD revenues.

**Servus Place Q3 Revenue**

**+8.3%**



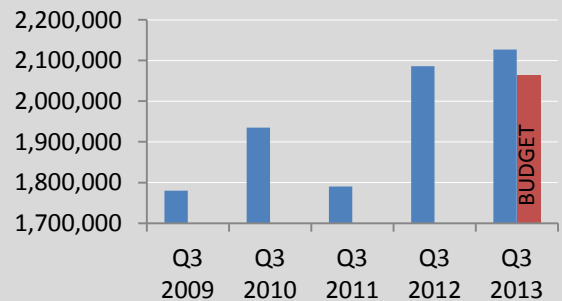
Revenue is forecast to end the year \$362,000 ahead of budget due to increases in admission fees (\$90,000), lesson fees (\$80,000), facility rental revenue (\$100,000), advertising and sponsorship revenue (\$82,000), sale of goods (\$25,000) and miscellaneous revenue (\$15,000). These increases are slightly offset by a \$30,000 decrease in membership revenue.

Total expenses for Q3 2013 are \$2,127,243. Total expense variance for Q3 was \$63,443 (2.0%) above budget projections.

Year to date expenses are currently \$12,724 over budget and are anticipated to end the year ahead of budget due to increases in personnel costs (\$31,000), utilities (\$137,000) and materials, goods and supplies (\$35,000). There is a savings of \$45,000 anticipated in transfer to aquatics and \$17,000 in contracted and general services that will offset these increases slightly.

**Servus Place Q3 Expenses**

**+2.0%**

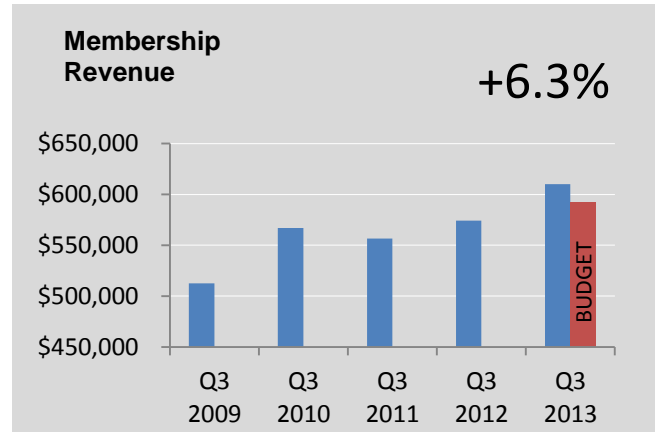


# Servus Place Quarterly Report Third Quarter 2013

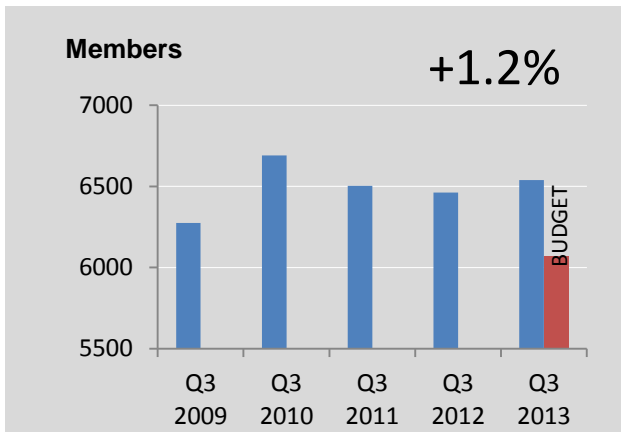
## Guest Services

Servus Place telephone reception continues to be a value added service with over 2,599 calls taken in Q3 2013. The non-traditional office hours of the facility provide residents with increased opportunity to speak to someone directly during evenings and weekends to answer any questions in regards to the City. Many of the calls are received after 5:00 pm and on weekends when the main switch board at City Hall is closed. A majority of the call volumes continue to involve aquatics, general facility questions and bookings of the facility. In October, Servus Place reception will be participating in a two week pilot in partnership with Corporate Communications, providing coverage for City Hall Reception during their 12-1pm lunch break and 15 min daily breaks. Following the pilot, an evaluation will be completed to determine how to proceed.

Corporate memberships represent 22.8% of the Servus Place memberships.



Membership revenue for Q3 2013 is \$610,046 which is ahead budget, 6.3% above Q3 2012 and forecasted \$30,000 below budget.



Servus Place members of 6,539 are ahead of budget for Q3 2013 and compared to Q3 2012.

The average number of family membership units per month for Q3 2013 is 487. This equates the 2302 individual members to 5 individuals family membership unit.

## Servus Place Quarterly Report Third Quarter 2013

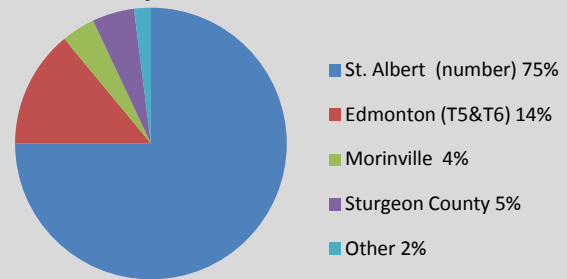
In Q3 2013, the average percentage of members who are St. Albert residents is 75% which is a 1% decrease from Q3 2012. This number has seen gradual decreases over the past few years. The improved accessibility to other communities has led to an increase in the number of members from outside of St. Albert.

The percentage of members that are from Edmonton has seen high growth from 10% in Q3 2012 to 14% in Q3 2013.

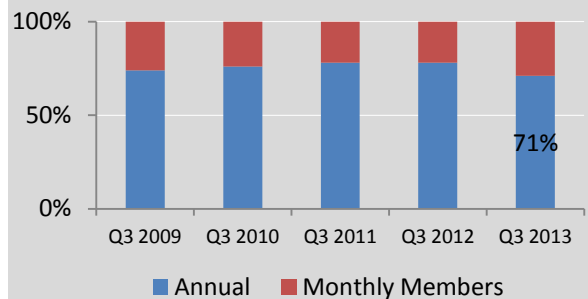
In Q3 2013, annual memberships accounted for 71% of the total memberships, a decrease of 7% from Q3 2012. The trend has been slightly lower than anticipated corporate annual memberships, which has reduced the overall annual membership total for the quarter.

In this quarter, an average of 22.2% renewed their membership with no lapse and 22.9% were brand new members who have never had a membership before.

**Members by Postal Code - Q3 2013**



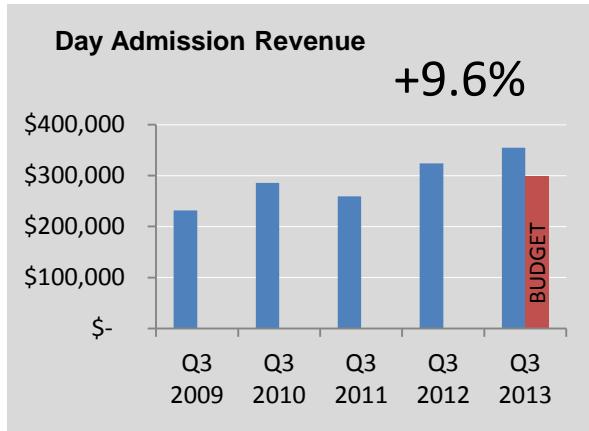
**Percentage of Annual Members**



Memberships	Q3 2011 Actual	Q3 2012 Actual	Q3 2013 Actual	Q3 2013 Budget	Q3 2013 Variance	YTD Actual	YTD Budget	YTD Variance
Adult	2,594	2,596	2,585	2,612	-26	2,777	2,854	-76
Child	332	316	284	238	46	294	263	32
Family	2,240	1,547	2,302	1,963	339	2,392	2,169	223
Senior	628	445	702	714	-12	783	789	-6
Student	386	225	318	298	21	335	329	7
Youth	322	198	246	238	8	257	263	-6
<b>Total Members</b>	<b>6,503</b>	<b>6,462</b>	<b>6,539</b>	<b>6,068</b>	<b>472</b>	<b>6,889</b>	<b>6,704</b>	<b>185</b>
Total Paid Membership Units	4,733	4,641	4,724			4,992		4,992
Corporate Memberships	1,841	1,166	1,079			1,094		1,094
<b>Membership Revenue</b>	<b>\$556,602</b>	<b>\$382,686</b>	<b>\$610,046</b>	<b>\$592,000</b>	<b>\$18,046</b>	<b>\$2,009,637</b>	<b>\$2,024,600</b>	<b>-\$14,962</b>

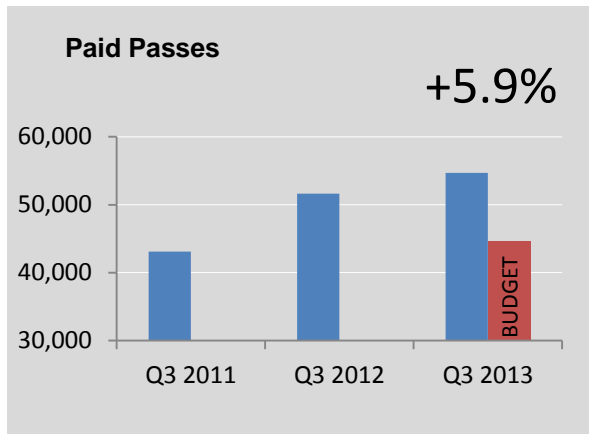
## Servus Place Quarterly Report Third Quarter 2013

### Day Admissions



The day admission revenue for Q3 2013 is \$354,810, has increased 9.6% over Q3 2012 and is \$90,000 ahead budget for the quarter due to an increase in the number of paid passes, particularly the family and senior admissions.

The admission highlight for Q3 2013 was the weekend of September 7 and 9 with 4,300 users over the two day period.

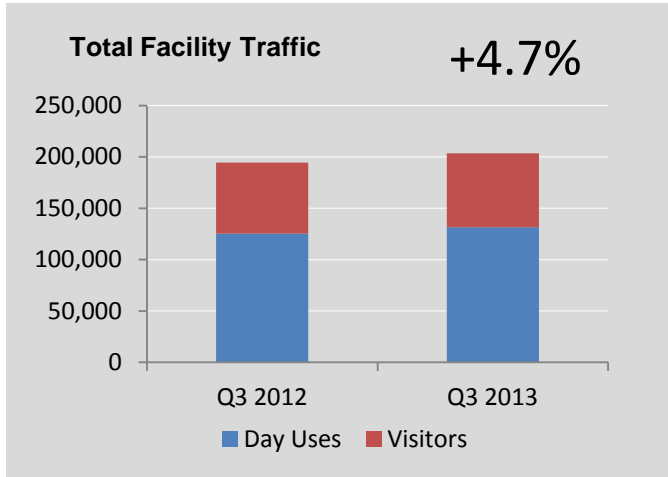


Paid passes were 54,675 for Q3 2013. An increase of 5.9% has been seen in Q3 2013 in all categories.

Paid Passes are the number of people that purchased a day admission to use the facility. Paid passes information has been collected since 2011 to provide a better indication of the number of individuals paying to access the facility.

Day Admissions	Q3 '11	Q3 '12	Q3 '13	Q3 '13 Budget	Q3 '13 Variance	YTD	YTD Budget	YTD Variance
Adult	10,068	11,862	13,011	11,153	1,858	41,993	37,339	4,654
Child	13,384	15,578	15,816	13,383	2,433	48,329	44,805	3,524
Family	14,858	18,463	19,798	14,723	5,075	55,529	49,289	6,240
Senior	876	1,021	1,222	892	330	4,030	2,988	1,042
Youth	3,924	4,720	4,828	4,462	366	15,395	14,938	457
<b>Total Paid Passes</b>	<b>43,110</b>	<b>51,644</b>	<b>54,675</b>	<b>44,613</b>	<b>10,062</b>	<b>165,276</b>	<b>149,359</b>	<b>15,917</b>
Total Membership Swipes	68,494	73,798	76,951			285,953		
<b>Total Day Uses</b>	<b>111,604</b>	<b>125,442</b>	<b>131,626</b>			<b>451,229</b>		
Paid Pass Revenue	248,356	310,683	343,107	177,517	-176,815	1,053,786	745,406	-297,384
Childminding Revenue	10,139	12,171	11,703	7,599	-7,281	42,576	31,269	-13,506
Comm Drop-In Program Rev	834	1,000	0	800	-800	1,109	3,096	-1,747
<b>Total Admission Fees Rev</b>	<b>\$259,329</b>	<b>\$323,854</b>	<b>\$354,810</b>	<b>\$190,995</b>	<b>-\$184,456</b>	<b>\$1,097,471</b>	<b>\$790,851</b>	<b>-\$312,734</b>

## Servus Place Quarterly Report Third Quarter 2013

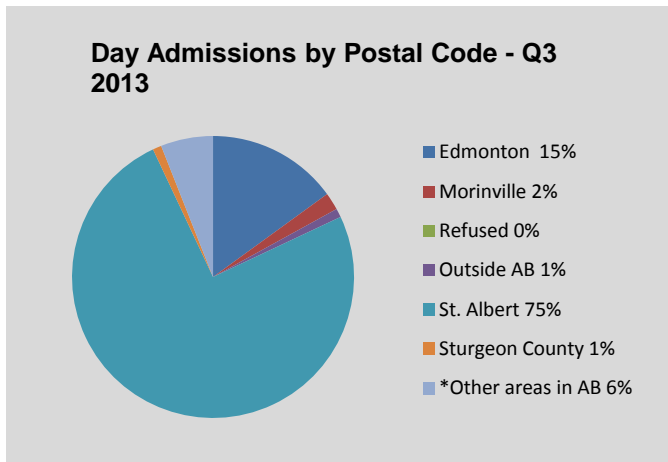


This quarter saw an increase of over 10,000 day admissions which is an increase of 6.8% over 2012 for a total of over 54,000 accesses.

Overall facility traffic has seen a slight increase from the same period in 2012 with just over 200,000 people through the facility in Q3 2013. This increase is due to a number of larger events in the facility including Rock’N August’s Jukebox Saturday Night, Edmonton Oil Kings Pre-Season Hockey Tournament and An Evening with Colin and Brad Concert. Servus Place sees an average of 2,600 individuals through the facility daily.

The number of day users at Servus Place in July was over 45,000 which is an increase (approx 3,500) over July 2012. This increase could be attributed to higher drop-in participants and Fitness Centre users as well as a 6% increase in the number of day admissions over the same quarter last year.

The busiest days in the facility were the weekend of September 28 and 29 which saw almost 6,300 individuals through the facility during the 5 Rivers 4 on 4 Ball Hockey Tournament.

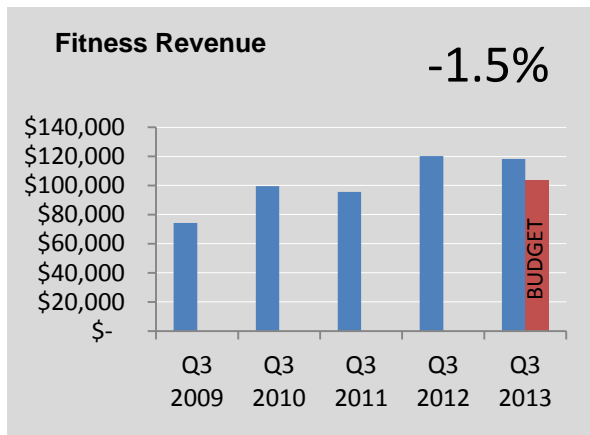


# Servus Place Quarterly Report Third Quarter 2013

## Lesson Fees

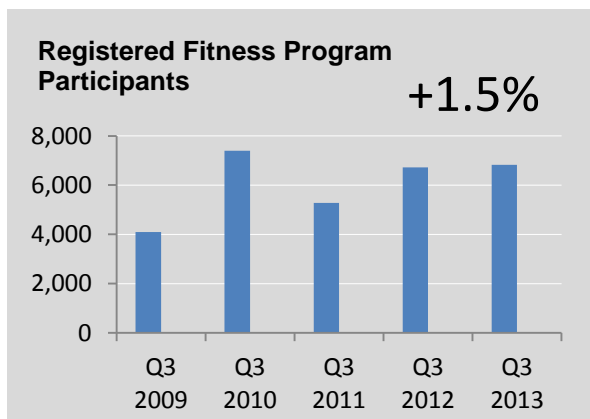
Lesson fees are ahead of budget for the quarter due to Fitness services being quite strong along with Recreation camp revenues for July which broke \$102,000 in revenues, the highest ever for Servus Place.

## Fitness Programs & Services



In Q3 2013, fitness program revenue is \$118,310 which is ahead of budget but slightly below 2012 YTD and forecasted \$80,000 ahead of budget.

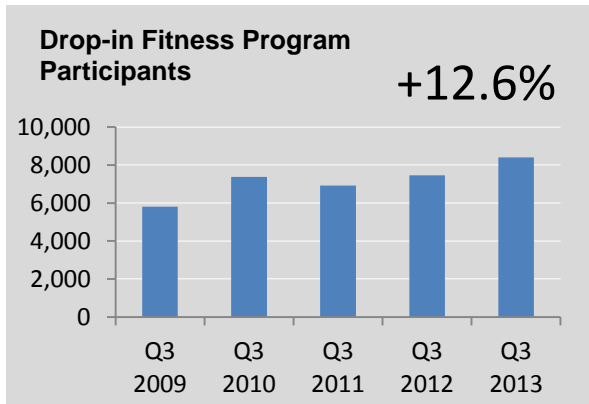
Fitness services averaged just over \$13,000 in revenue per month which was the primary reason for increased revenues with program revenues also slightly ahead of plan.



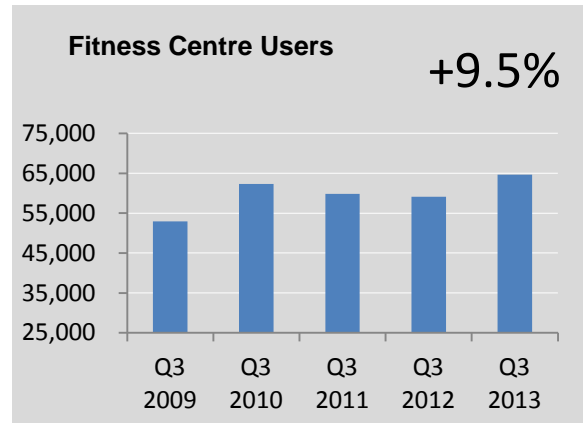
Registered fitness program participants are at 6,818 for Q3 2013 which is a slight increase from Q3 2012.

Some examples of strong fitness program participation were in the Mom & Baby aquafit, Metabolic training, and the new re-boot body bootcamp program. This new program incorporates small group participation and the benefits of a large class design.

## Servus Place Quarterly Report Third Quarter 2013



Drop-in participants were 8,405 in Q3 2013 which is an increase of 12.6% over Q3 2012. In Q3, The drop-in schedule provided an average of 34 classes/week for a total of 137 programs monthly. On average there were over 700 participants/week as compared to 622 in 2012.

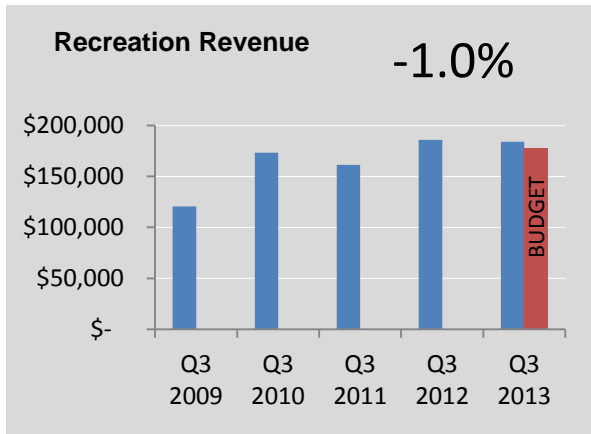


In Q3 2013, there were 64,663 users of the Fitness Centre which is an increase from Q3 2012 (9.5%).



# Servus Place Quarterly Report Third Quarter 2013

## Recreation Programs & Services



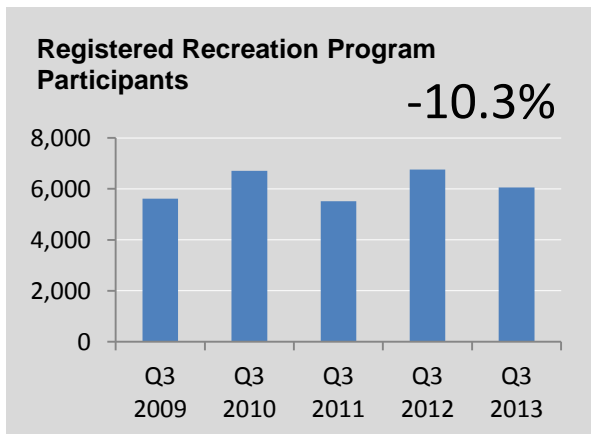
Recreation program revenue for Q3 2013 is \$183,976 which is slightly under Q3 2012 (1.0%) however 3.4% above budget. This variance is due to slightly lower camp registrations for August and 5% lower program registrations for the month of September.

In Q3 2013, there were 2,244 child minding attendees which is a decrease of 460 children over the same period in 2012. The 17% decrease in attendance is hypothesized due to a warmer than usual summer.

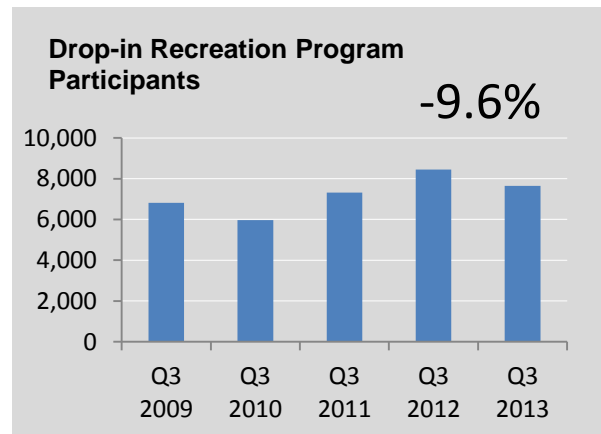
Program evaluations were completed and recreation programs received 94% program satisfaction in Q3. The breakdown was as follows:

- 40.2% extremely satisfied, 37.4% very satisfied and 17.2% satisfied for an overall total of 94.8%.

Feedback from the program evaluations is used to ensure that programs are meeting people's expectations. Any feedback about a specific program is shared with the instructors so they can ensure they continue to deliver outstanding programs.



Registered Program participants are 6,057 in Q3 2013 which is a decrease over Q3 2012 with a 75% fill rate in Servus Place and Community Recreation programs.



Drop in Program participants for Q3 were 7,647, a 9.6% decrease from Q3 2012.

## Servus Place Quarterly Report Third Quarter 2013

### Servus Place Recreation Programs

In Q3, Servus Place Recreation staff hosted "A Day in the Life" summer camp training to 36 camp leaders from surrounding municipalities. Staff provided ten different learning sessions for these individuals from game preparations to camp participant engagement strategies to large group game activity delivery.

The Recreation Team based out of Servus Place conducted numerous summer camps and many of those camps involved field trips within St. Albert. Recreation and Parks staff collaborated with Transit and used existing transit services for these trips. To keep costs low for the camp operations, existing routes and buses were used. Trips were also timed for the midday when demand was lower to ensure the buses had enough capacity to accommodate the campers and counsellors. The program was a resounding success and will be pursued again next summer. The goal of this partnership with Transit was to teach camp participants how to use transit and to increase their comfort level with buses and routes.

In July and August, the inflatables replaced mini-golf in the Leisure Ice, were available 5 days/week and served 1,069 participants.

Over 18,000 individuals took advantage of the spontaneous spaces at Servus Place including the ReidBuilt Community Gymnasium (9,400) and the Kingsway Toyota Indoor Playground (6,800) and Leisure Ice (2,000). This is an increase of approximately 1,000 users from 2012.

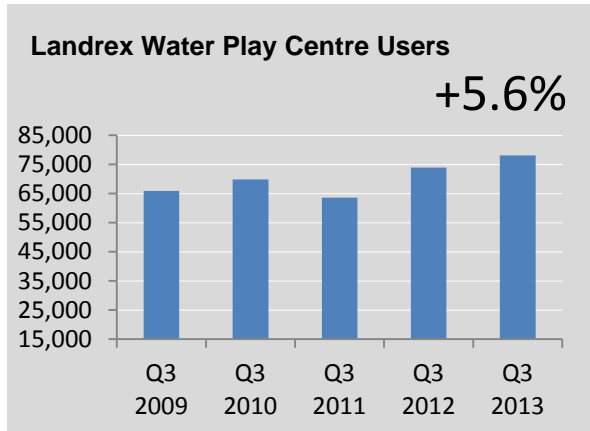
### Community Recreation Programs

The Cruisin' Clubhouse program served 1,957 children over an 8 week period at 10 community locations weekly. An increase of 7% was achieved this summer compared to 2012.

# Servus Place Quarterly Report Third Quarter 2013

## Aquatics

In Q3 2013, there were approximately 78,000 users of the Landrex Water Play Centre, which is a 5.6% increase from Q3 2012. The highest days of use were Sunday, July 14 and Sunday, September 29, both with approximately 1,350 users.



The Aquatics contract of \$179,118 was slightly over budget for Q3 2013 however 12.8% above Q3 2012. This increase from 2012 to 2013 was due to the scope of repair and maintenance costs for the shutdown. 83% of the total cost of the shutdown was for repair and maintenance. The Landrex Water Play Centre shutdown occurred in Q2, however, invoiced continued to be received into Q3. The Aquatics contract is forecasted to be \$45,000 below budget.

The contract is an internal transfer from the aquatics department to service, staff and maintain the Landrex Water Play Centre at Servus Place.

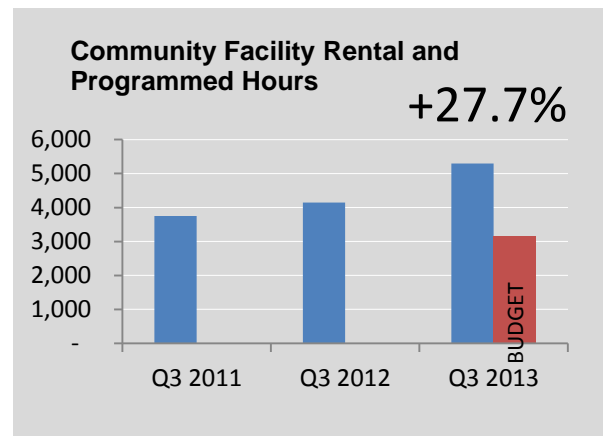
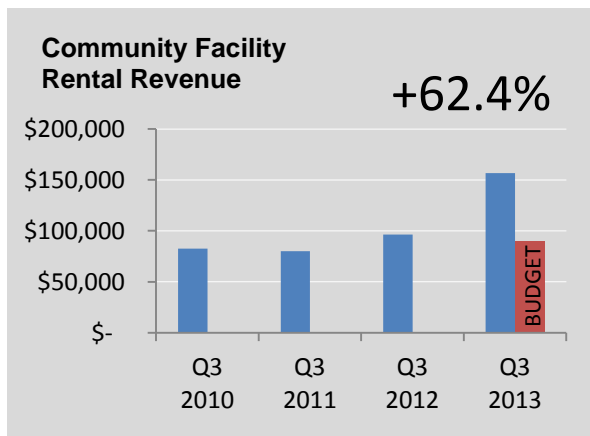
# Servus Place Quarterly Report Third Quarter 2013

## Booking & Events

In Q3 2013, Booking & Events staff:

- Completed the Spring Summer Outdoor Field Schedules.
- Completed allocation of Community Fields to SASA, SA Rugby, SAMBA, School programs in relation to the Riel Refurbishment Project.
- Completed open ice allocation completed for Fall/Winter Season.
- Implemented the Spring/Summer Master schedule for dry floor and Ice.
- Amalgamated into Community Recreation branch.

### Community Facility Rental and Programmed Hours



Community recreation facility rental revenue of \$156,537 is vastly over budget and Q3 2012 (62.4%) due to increased revenues at the arenas Akinsdale/Kinex which had ice rentals use through July, which typically the facility is closed. Revenues are forecasted to be \$60,000 above budget for 2013.

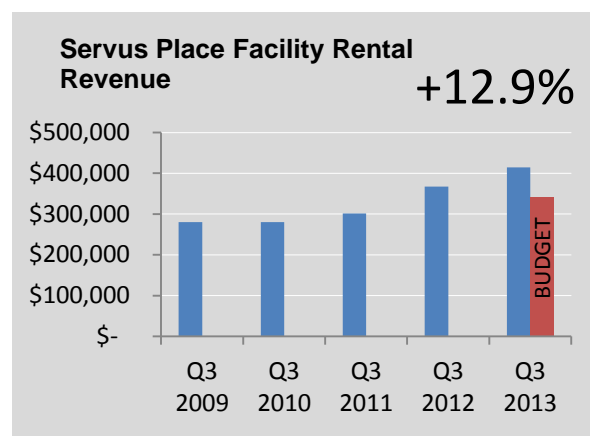
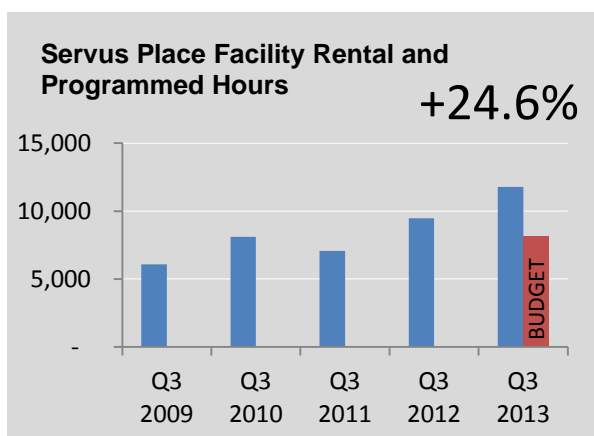
Rental and programmed hours were 5,299 in Q3 2013 which is above budget by 40.2% and 27.7% above Q3 2012 due to higher usage of City operated fields with Riel fields (SASA/Rugby) being refurbished and rental fees funded from the Capital project.

Community Recreation Facilities Rental Revenue	Q3 '11	Q3 '12	Q3 '13	Q3 '13 Budget	Q3 '13 Variance	YTD Actual	YTD Budget	YTD Variance
10920 Akinsdale/Kinex	58,436	72,136	109,762	70,100	39,662	302,578	249,300	53,278
10921 Playfields/Playgrounds	5,968	8,608	31,225	3,900	27,325	46,512	32,500	14,012
10922 Outdoor Rinks	384	168	294	600	-306	7,852	7,600	252
10923 Clubhouses	792	798	955	850	105	3,770	3,360	410
10924 Riel Sport Field	14,364	14,703	14,301	14,420	-119	30,036	35,850	-5,814
<b>Total</b>	<b>\$79,944</b>	<b>\$96,413</b>	<b>\$156,537</b>	<b>\$89,870</b>	<b>\$66,667</b>	<b>\$390,747</b>	<b>\$328,610</b>	<b>\$62,137</b>

## Servus Place Quarterly Report Third Quarter 2013

### Servus Place Facility Rental and Programmed Hours

Q3 2013 Servus Place Events List	Approx. Participants	Approx Spectators	Date
Ladies JR Provincial lacrosse Championships	100	100	June 29, 30, July 1
A and C Provincial Lacrosse Championships	250	500	July 5,6,7
Edmonton Oilers Hockey School – 4 – One Week Camps	800		July 15-19, July 22-26 July 29 – August 3 August 5-9
Rockin August Night at the Drive In	300 vehicles		August 8
Rockin August Jukebox Saturday Night	1000+		August 16
J.R. CLASSIC 3 on 3 Basketball Tournament	200+		August 17-18
Edmonton Oil Kings Pre- Season Hockey Tournament	150/game	400/game	August 31 – September 1
An Evening with Colin and Brad	1500+		September 20
Kinderland Market	300		September 21
Blood Donor Clinic	200		September 25
5 Rivers 4 on 4 Ball Hockey	400		September 28/29



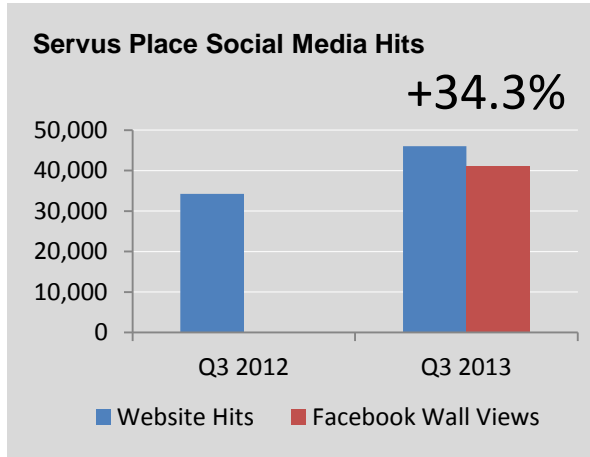
Servus Place rental hours (11,787) and revenue (\$414,331) are above Q3 2012 by almost 25% and 13% respectively and over budget by 30.8% and 17.7% respectively.

In Q3 2013, there was an additional week of the Oilers Hockey School, 4 weeks vs. 3 weeks.

Servus Place Rental Revenue	Q3 '11	Q3 '12	Q3 '13	Q3 '13 Budget	Q3 '13 Variance	YTD Actual	YTD Budget	YTD Variance
Arenas	192,760	240,019	264,802	220,000	44,802	719,789	670,000	49,789
Fieldhouses	28,027	28,781	34,656	24,700	9,956	207,644	189,800	17,844
Gymnasiums	1,930	2,201	2,169	2,500	-331	18,200	15,800	2,400
Meeting rooms	20,150	34,414	48,113	30,000	18,113	111,611	76,600	35,011
Leaseholders	48,323	59,676	51,166	53,200	-2,034	161,175	159,700	1,475
Party Rentals	1,363	1,998	1,150	0	1,150	5,756	0	5,756
Refurbishment Charges*	9,021	0	12,276	10,800	1,476	40,192	37,000	3,192
<b>Total Revenue</b>	<b>\$301,274</b>	<b>\$367,088</b>	<b>\$414,331</b>	<b>\$341,200</b>	<b>\$73,131</b>	<b>\$1,264,367</b>	<b>\$1,148,900</b>	<b>\$115,467</b>

# Servus Place Quarterly Report Third Quarter 2013

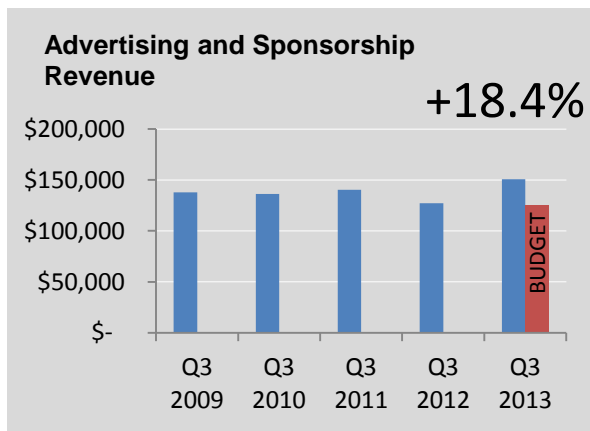
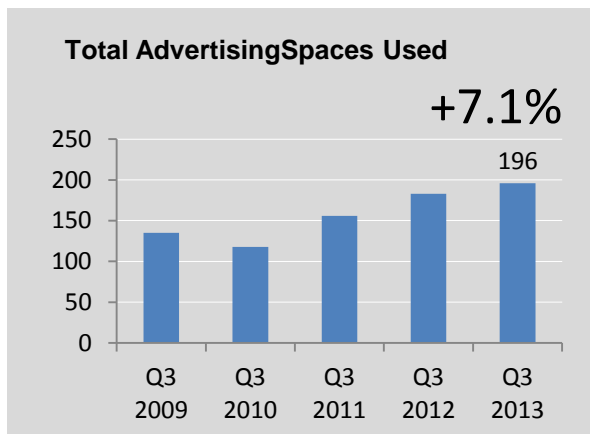
## Business & Marketing



The Servus Place website had over 46,000 hits in Q3 with August seeing the highest number of hits (15,986). This is a significant increase of 34.3% over the same period last year which is consistent with the website growth this year. Mobile usage has steadily increased throughout the year with almost 50% of website hits coming from mobile devices. Facebook and Twitter continue to be well utilized methods of communication with over 41,130 Facebook wall views in Q3 2013.

Other work completed by Business & Marketing in Q3 2013 includes:

- Actively promoting the Oilers hockey school on social media.
- Second edition of the online guide rolled out July 24th/31st.
- Signed agreement with new Fieldhouse Sponsor.
- Continued growth in electronic marketing including the development of a Servus Place mobile application.
- Upgrades to LCD system.
- As part of the development of the new Recreation and Parks Department, the Business and Marketing Branch has expanded its scope to include all of the Recreation and Parks area. In addition to physically moving, significant work was completed in Q3 to ensure that the transition was managed so that service levels could be maintained.



Advertising sales are over budget by \$10,959 due to continued implementation of the advertising strategy. The strategy identified new inventory opportunities such as LCD screens and wall signs. Advertising has been steadily growing over the past two years and this year continues to see such growth.

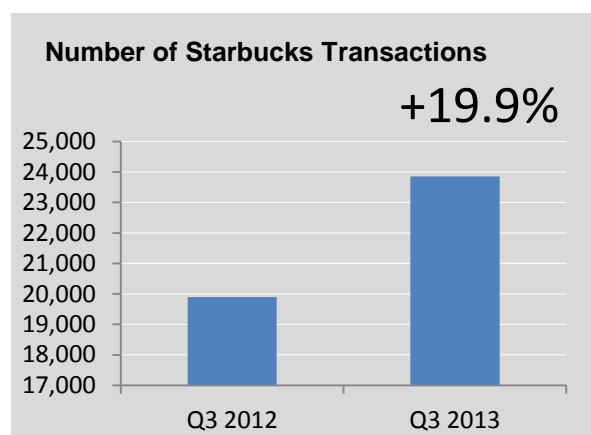
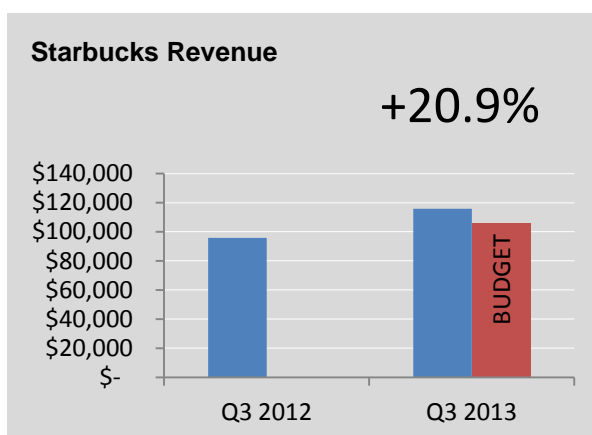
Sponsorship revenue is over budget by \$15,301 due to additions of new sponsors and unburdened revenue from program sponsorship. The implementation of the sponsorship strategy and tactical plan has produced steady growth over the past two years. It is forecasted for Advertising and Sponsorship to be \$42,000 above budget.

This area is anticipated to end the year \$40,000 ahead of budget based on signed advertising and sponsorship commitments.

## Servus Place Quarterly Report Third Quarter 2013

### Retail

Starbucks continues to operate to the standards as set out in the Master Licence Agreement, offering a full line of hot and cold beverages, pastries, and merchandise as well as meeting all the customer service, quality standards and expectations of the Starbucks Master Licence Agreement. The addition of Starbucks has contributed to an enhanced user experience and reflects upon the social and community gathering opportunities within the facility.



Retail Revenue	Q3 '12	Q3 '13	Q3 '13 Budget	Q3 '13 Variance	YTD Actual	YTD Budget	YTD Variance
Operating Revenue	95,844	115,875	105,800	10,075	408,220	384,300	23,920
Operating Expenses	105,523	100,028	96,800	4,028	353,825	324,100	29,725
<b>Subtotal</b>	<b>-9,679</b>	<b>15,847</b>	<b>9,800</b>	<b>6,047</b>	<b>54,395</b>	<b>60,200</b>	<b>-5,805</b>
Transfer To Reserves	3,750	8,800	8,800	-	26,500	26,500	-
<b>Total</b>	<b>-\$13,429</b>	<b>\$7,047</b>	<b>\$1,000</b>	<b>-\$6,047</b>	<b>\$27,895</b>	<b>\$33,700</b>	<b>-\$5,805</b>

Note: The annual transfer to reserves includes \$7,000 in lifecycle replacement accrual and \$28,000 in capital cost repayments for the store construction costs.

Revenue reflects the total sales for Q3 2013 and is 20.9% over Q3 2012 and 9.5% over Q3 budget. Starbucks saw over 24,000 transactions with an average of \$4.85 per transaction. This is an increase of almost 4,000 transactions over the same period in 2012. This growth was driven from increased facility traffic and a higher capture rate. This type of growth in the second full year of operation is not unusual as customers develop new habits

The retail operation has made an operating profit of \$15,847 in Q3 with transfers of \$8,800 to reserves leaving a net profit of \$7,047. This compares to a net loss of \$13,429 for the same period in 2012. The third quarter is typically the lowest traffic quarter for Servus Place and the Starbucks sales reflect this trend. Expenses have increased to support the sales growth through staffing and supplies for resale

There are a number of factors contributing to the improved financial success of the store including;

- Focus on improving food attachment ratio and reducing waste.
- Improved efficiency in staffing and scheduling.
- Improved customer service and focus on efficiency on high volume periods.
- Increase in average transaction values as well as number of transactions.
- Customer awareness and natural third year growth.
- Improved sales in merchandise and 'pick-up' items.

The Starbucks Operation continues to show strong growth and, as of October 2013, anticipates a net contribution of approximately \$55,000 at year end.

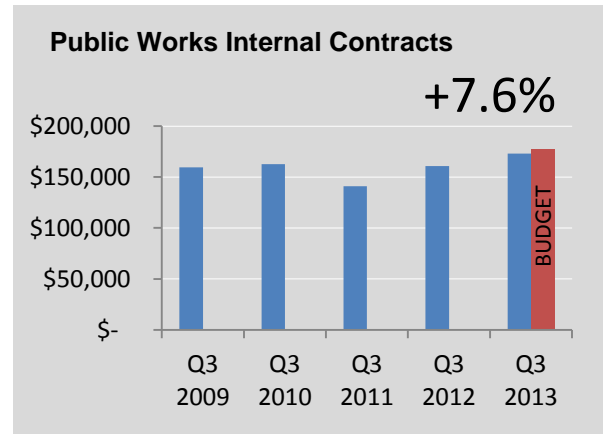
# Servus Place Quarterly Report Third Quarter 2013

## Operations

### Public Works Internal Contracts

The Transfer to Public Works was \$173,051 which is 7.6% above Q3 2012. The variance is due to timing of initiatives.

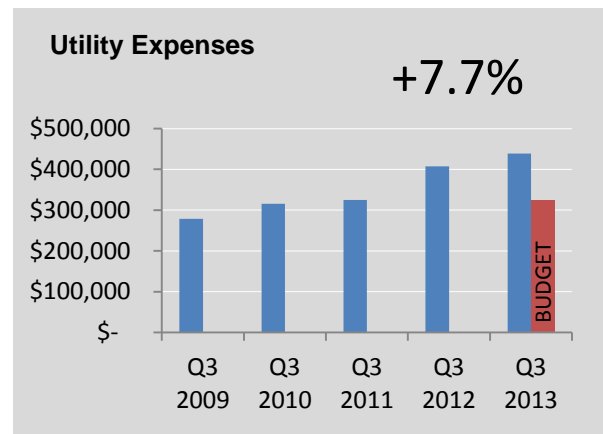
This account is anticipated to end the year on budget.



### Utilities

Overall utilities ended the quarter significantly (\$114,500) over budget for Q3 and over Q3 2012 due to higher than budgeted electricity, natural gas and water/waste charges.

This area is anticipated to end the year over budget by \$137,000. The utility budget is set based on the corporate utility model.

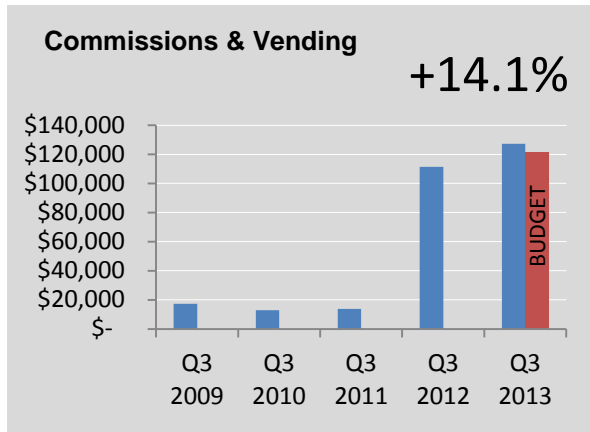


Utility Expenses	Q3 '11	Q3 '12	Q3 '13	Q3 '13 Budget	Q3 '13 Variance	YTD Actual	YTD Budget	YTD Variance
Electricity	221,315	282,938	305,814	207,000	98,814	518,860	436,000	82,860
Natural Gas	58,956	68,082	77,250	67,900	9,350	140,100	147,000	(6,900)
Water and Waste	40,615	49,179	48,228	43,600	4,628	84,572	74,600	9,972
Telephone and Cable	4,052	7,180	7,295	5,500	1,795	13,583	9,900	3,683
<b>Total</b>	<b>\$324,938</b>	<b>\$407,379</b>	<b>\$438,587</b>	<b>\$324,000</b>	<b>\$114,587</b>	<b>\$757,115</b>	<b>\$667,500</b>	<b>\$89,615</b>



## Servus Place Quarterly Report Third Quarter 2013

### Commissions & Vending



Commissions and vending are ahead of budget primarily due to higher than budgeted sales in the retail cost centre. For more detailed information, please refer to page 15 of the report.

This area is anticipated to end the year above budget by \$25,000 due to higher than budgeted retail revenue.

Commissions and vending were \$ 127,188 for Q3 2013 which is 14.1% over Q3 2012 and 4.6% over budget. The variance in commissions and vending is primarily due to higher than budgeted retail revenue.

Commissions & Vending Revenue	Q3 '11	Q3 '12	Q3 '13	Q3 '13 Budget	Q3 '13 Variance	YTD Actual	YTD Budget	YTD Variance
Vending Commission Rev	6,209	6,710	1,602	-5,298	-5,298	30,555	29,300	1,255
Locker Revenue	6,395	8,162	8,564	8,700	-136	26,116	26,100	16
Guest Services	675	962	853	300	553	3,130	1,000	2,130
Miscellaneous Revenue	477	120	120	-	120	1,200	-	1,200
Retail Revenue	-	95,561	116,050	105,500	10,550	406,823	382,800	24,023
<b>Total C&amp;V Revenue</b>	<b>\$13,756</b>	<b>\$111,515</b>	<b>\$127,188</b>	<b>\$121,400</b>	<b>\$5,788</b>	<b>\$461,281</b>	<b>\$439,200</b>	<b>\$22,081</b>

## Servus Place Quarterly Report Third Quarter 2013

### Personnel Costs

Personnel Costs for Q3 2013 are \$1,130,003 which is only slightly over Q3 2012 (305%) and slightly under Q3 2013 budget (1.6%).



The retail personnel costs for Q3 2013 are slightly over budget due to adjustments in scheduling to compensate for additional sales.

The Q3 variance in Guest Services personnel costs is due to casual staff hour reductions and scheduling efficiencies as compared to budget.

The variance in personnel costs for booking and events is due to replacement of the vacancies which are paid at lower pay grid levels as well a reduction in casual hours.

This account is forecasted to end the year ahead of budget by \$31,000.

Personnel by Cost Centre	Q3 '11	Q3 '12	Q3 '13	Q3 '13 Budget	Q3 '13 Variance	YTD Actual	YTD Budget	YTD Variance
Admin	62,554	63,875	72,512	70,800	1,712	207,593	204,800	2,763
Recreation	182,937	194,394	205,051	204,800	251	504,619	487,400	17,219
Fitness	175,847	185,992	193,243	194,000	(757)	705,626	688,100	17,526
Operations	189,521	130,020	161,600	162,100	(500)	482,380	487,100	(4,720)
Marketing	53,368	56,622	61,317	59,600	1,717	177,869	176,600	1,269
Bookings and Events	61,139	65,398	69,732	72,000	(2,268)	208,980	219,600	(10,620)
Guest Services	147,924	216,214	176,404	191,900	(15,496)	570,907	594,000	(23,093)
Retail	-	32,625	37,019	34,800	2,219	130,933	126,700	4,233
<b>Subtotal</b>	<b>873,290</b>	<b>945,140</b>	<b>976,878</b>	<b>990,000</b>	<b>(13,122)</b>	<b>2,988,877</b>	<b>2,984,300</b>	<b>4,577</b>
Benefits	135,224	147,051	153,194	157,900	(4,706)	464,958	475,000	(10,042)
<b>Total Personnel Costs</b>	<b>1,008,514</b>	<b>1,092,191</b>	<b>1,130,072</b>	<b>1,147,900</b>	<b>(17,828)</b>	<b>3,453,835</b>	<b>3,459,300</b>	<b>(5,465)</b>

## Servus Place Quarterly Report Third Quarter 2013

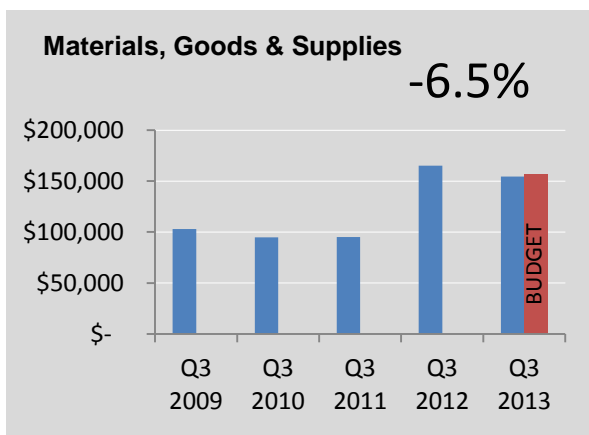
### Contracted & General Services



Contracted and general services were \$221,439 for Q3 2013 which is 6.9% below Q3 2012 and slightly ahead of budget. The variance is due to timing of initiatives that were planned for Q2.

This area is anticipated to end the year below budget by \$17,000.

### Materials, Goods & Supplies



Materials, goods and supplies are \$154,550 which is on budget for Q3. Increased expenses in construction materials and maintenance, retail operating supplies are offset by savings in uniforms and program supplies.

This area is anticipated to end the year ahead of budget by \$35,000.