



# City of Richmond

## Report to Committee

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**To:** Finance Committee **Date:** May 10, 2019  
**From:** George Duncan **File:**  
Chief Administrative Officer  
& President and CEO  
Richmond Olympic Oval  
  
Andrew Nazareth  
General Manager, Finance and Corporate Services  
& Chief Financial Officer, Richmond Olympic Oval  
**Re:** **Richmond Olympic Oval Corporation – 1<sup>st</sup> Quarter 2019 Financial Information**

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### Staff Recommendation

That the report on financial information for the first quarter ended March 31, 2019 for the Richmond Olympic Oval Corporation 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:** May 10, 2019

**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 – 1<sup>st</sup> Quarter 2019 Financial information**

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### **Origin**

This staff report deals with the first quarter financial results for the 3 months ended March 31, 2019 (“Q1”) which was endorsed by the Corporation’s Board of Directors.

### **Highlights**

The following are some of the highlights of the activities undertaken by the Corporation during Q1.

#### Community Use

The Oval executed a number of community events in Q1. Highlights include a New Year’s Day Tim Horton’s Free Family Skate, which drew over 1,600 people. A family day event, which included rock climbing, Olympian autographs, skating, a family fitness circuit, and the Richmond Olympic Experience was activated, and saw 1,400 participants.

In accordance with the Richmond Oval Agreement between the City of Richmond (“City”) and the Corporation, the funding that is received from the City on an annual basis is required for the Corporation to fulfill the operating objectives which include the Corporation providing facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public. Without the Oval and the annual contribution from the City, these facilities, programs and services would have to be provided elsewhere. As in previous quarters, community group use continued to constitute the majority of Oval usage in Q1. All prime time space (ice, court & track zones) at the Oval is fully allocated. In Q1, Richmond-based organizations or programs/organizations with significant Richmond representation used 95% of prime time space. At the end of Q1 2018, 78% of Oval Members were Richmond residents.

Community groups from Richmond, or strong Richmond based participation, who utilized the Oval in Q1 2019 included but are not limited to: Richmond Minor Hockey, Vancouver Ki Society (Aikido), Shoseikan Karate, Richmond Ravens, Richmond Ringette, Richmond Lacrosse, Kajaks, Richmond Rockets, Richmond Youth Soccer Association, Richmond FC, Richmond City Baseball Association, Connaught Figure Skating, Brazilian Soccer School, Volleyball BC, DRIVE Basketball, Metro Basketball League, Leslie Global Sports, Greater Vancouver Canadians, the John MS Lecky Boathouse, Urban Rec, Aura Rhythmic Gymnastics, the Non-Contact Hockey League, and Panther Cheer. High Performance community groups who utilized the Oval in Q1 included: Connaught figure skating, UBC Rowing Club, Kajaks, Wheelchair Rugby, Apex Volleyball Club, Softball Canada, Softball BC, Fusion FC, Greater Vancouver Canadians, Men's Field Hockey Team Canada, Air Attack, and Thunder Rowing Crew.

### Sport Development and Events

Highlights from Sport Hosting and Events held at the Oval during Q1 included: The Winter BC Sport Rep Association buymart, Panther Cheer snowflake, Fencing Canada Cup, Harry Jerome track meet, fencing world cup, BC High School Boys lower mainland basketball championships, wheel chair rugby Vancouver invitational, Judo Pacific invitational, Queen Vickie volleyball tournament, and the para hockey provincials.

Additionally, some of the future events secured in Q1 by Events and Sport Hosting include: Taiwanese cultural festival, Copa Katana VIII Jiu Jitsu Tournament, Fight to Win – Jiu Jitsu Masters, Garden Expo, gymnastics western Canadian championships, Fencing World Cup Men's Epee, para-ice hockey provincials, Canadian junior speed skating championships, speed skating western elite circuit, and judo pacific international.

Q1 was an exciting quarter for High Performance at the Oval. Events and training camps that occurred during Q1 for High Performance included: Rowing BC training camp, BC speed skating academy camp, wheelchair basketball Canada Games tournament, Softball Canada and Softball BC regional skill development academy camp, Volleyball BC training camp, Greater Vancouver Canadians major bantam evaluations and Volleyball BC adult provincials.

Notable Oval athlete successes during Q1 include:

- Oval athlete Jenn Gardiner won gold with Team Canada at the International Ice Hockey Federations U18 Women's World Championships in Japan.
- 35 Oval athletes (current and alumni) were selected to compete at the 2019 Canada Winter Games. Results:
  - Men's Squash Team won Silver with Oval athletes Matt Bicknell, Sam Scivier, James Toth & Gabriel Yun.
  - Women's Squash Team won Silver with Oval athletes Lucia Bicknell, Cindy Cao, Sarah Cao & Quan Ng.
  - Figure Skating's Wesley Chiu won Silver and David Li won Bronze.
  - Women's Hockey Team placed Bronze with Oval athletes Nina Jobst-Smith, Devyn Millwater, Kate Reilly, Stefanie Wallace, Rebecca Clarke & Jenn Gardiner.
  - In Judo Ian Ryder won Gold in the 81 + KG and Caleigh Kuramoto won Silver in the 57KG.

### Governance

Meetings of the Corporation's Business Planning Committee and the Board of Directors took place during Q1.

## Financial

The first 3 months of 2019 has been successful for the Corporation. The YTD results for the 3 months ended March 31, 2019 were budgeted at an income before transfers to reserves/equity of \$184,000 and the actual results show income of \$557,000 indicating a favorable variance of \$373,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2019 and page 5 for the statement of operations). In Q1, \$441,000 was allocated to the reserves/equity.

## **Comments on the Financial Results for Q1**

### Revenues

The Q1 portion of the estimated 2019 Games Operating Trust Fund ("GOT") distribution of \$725,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,215,000 in Q1 and other revenue of \$500,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue. Overall, revenue was \$23,000 favorable to budget.

### Expenses

Memberships, admissions and program services costs for Q1 2019 were \$1,459,000, facility operations costs were \$1,074,000, marketing expenses were \$124,000, and administration and finance expenses were \$675,000. Overall, expenditures were \$350,000 favorable to budget.



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

cc: Shana Turner  
Director, Administration & Corporate Services, Richmond Olympic Oval Corporation

## RICHMOND OLYMPIC OVAL CORPORATION

### Balance sheet

As at March 31, 2019

Unaudited, prepared by management

		Mar 31, 2019
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$	1,520,174
Investments		10,454,638
Inventory		143,306
GOT receivable		725,000
Accounts receivable		1,324,935
		14,168,053
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities		1,609,883
Deferred revenue		6,189,050
Rental deposits		9,263
		7,808,195
Net financial assets		6,359,858
<b>Non-Financial Assets</b>		
Tangible capital assets		11,346,609
Deferred lease costs		44,351
Prepaid expenses and other deposits		335,212
		11,726,172
Accumulated Surplus (Note 1)	\$	18,086,029
<b>Note 1 - Breakdown of accumulated surplus account is as follows:</b>		
Investment in capital assets		9,025,614
Reserves/Provisions		7,920,470
Common Shares		1
Surplus		1,139,944
		18,086,029

The Accumulated Surplus shown above essentially represents the Corporation's Shareholder's Equity. The investment in capital assets represents funding that has already been spent on existing capital assets currently being depreciated. The reserves/provisions balance primarily includes committed funding for approved capital projects as well as funding required for future capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to fund the Oval's future capital program, which has averaged \$2.80M annually over the past 5 years. The amount transferred each quarter varies and the final amount is determined by the Capital Works Committee in accordance with the operating agreement.

**RICHMOND OLYMPIC OVAL CORPORATION**

Statement of Operations

For the quarter ended March 31, 2019

Unaudited, prepared by management

	QTR 1 2019			QTR 1 2018			2019 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav) % Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav) % Variance Fav/(Unfav)	
<b>REVENUES</b>							
2010 Games Operating Trust Fund	725,000	725,000	- 0%	725,000	729,046	4,046	2,900,000
Contribution from City of Richmond	881,844	881,844	- 0%	862,862	862,862	-	3,527,378
Memberships, admissions and programs	2,182,033	2,214,865	32,832 2%	2,148,543	2,070,212	(78,331)	8,667,697
Other	509,836	499,520	(10,316) -2%	612,336	610,960	(1,376)	2,039,345
	4,298,713	4,321,229	22,516 1%	4,348,741	4,273,079	(75,661)	17,134,420
<b>EXPENSES</b>							
Memberships, admissions, and program services	1,511,616	1,459,188	52,428 3%	1,474,059	1,352,919	121,140	6,124,619
Facility Operations	1,145,440	1,074,044	71,396 6%	1,170,050	1,114,473	55,577	4,574,850
Marketing	164,994	123,822	41,172 25%	146,205	69,302	76,903	708,575
Admin/Finance	817,400	675,484	141,916 17%	898,003	743,058	154,945	3,287,067
Amortization	475,000	431,434	43,566 9%	450,000	425,531	24,469	1,900,000
	4,114,450	3,763,971	350,479 9%	4,138,317	3,705,282	433,035	16,595,111
<b>Net Income (Note 1)</b>	184,263	557,258	372,995 202%	210,424	567,797	357,373	539,309

Note 1 - In Q1, \$0.44M was transferred into reserves/equity mainly for future capital programs. The total transfers vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement. The Oval Corporation's capital program, which is primarily funded from the Capital Reserves, has averaged \$2.80M annually over the past 5 years.

Numbers may be off due to rounding.