



To: Finance Committee

Date: August 24, 2018

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

File:

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

Re: Richmond Olympic Oval Corporation – 2nd Quarter 2018 Financial Information

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2018 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: August 23, 2018

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

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

Robert Gonzalez
Interim General Manager, Richmond Olympic Oval Corporation

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

Re: **Richmond Olympic Oval Corporation – 2nd Quarter 2018 Financial information**

Origin

This staff report deals with the second quarter financial results for the 3-month period from April 1st, 2018 to June 30th, 2018 (“Q2”) 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 Q2.

Community Use

As of June 30th, the Oval had sustained an active base of over 6,000 pass holders for six consecutive months. Richmond residents comprised 81% percent of the Oval membership at the end of Q2.

As in previous quarters, community group use continued to constitute the majority of Oval usage in Q2. Some of the community groups from Richmond or groups with strong Richmond based participation include, but are not limited to, Yogi Elite Hockey, Steveston Selects, Richmond Air Cadets, Connaught Figure Skating, Brazilian Soccer School, DRIVE Basketball, Shoseikan Karate, Feng Lu Basketball, Metro Basketball, Greater Vancouver Canadians, Vancouver Handball Club, Pentasport Athletics, Air Attack Volleyball, BC Wheelchair sports, Vancouver Ki Society, Urban Rec, Aura Rhythmic Gymnastics, the Non-Contact Hockey League, Field Hockey BC, and Rich-Van Sporting Association.

Sport Development and Events

Some of the highlights from Sport Hosting and Events held at the Oval during Q2 included the Rhythmic Gymnastics Provincials, CHE Hockey Tournament, Katana Jiu Jitsu Tournament, Volleyball BC U18 Provincial Championships, Delta Gymnastics Cash and Carry Cup, Next Wave Hockey Tournament, Spring Cling Climbing Competition, Sledge Hockey Nationals, Rhythmic Gymnastics

Canadian Championships, Wheelchair Basketball BC Hoopfest, WUSHU Martial Arts Tournament, Karate BC Provincials, Karate Canada Open, Corporate Champions, Jiu Jitsu Provincials, Canada Quest 3x3 Basketball Tournament, Wheelchair Rugby Canada Cup and the Gymnaestrada National Championships.

Q2 was an exciting quarter for the Oval's High Performance (HP) department. Oval HP hosted the 2018 RBC training ground finals. The objective of the Training Ground initiative is to identify athletic potential and Canada's next great future Olympian. Oval HP worked in collaboration with the Canadian Sport Institute Pacific, Canadian Olympic Committee, CBC and numerous national and provincial sport organizations, to plan and execute the event.

In Q2, over 912 athletes from 76 teams attended the Volleyball BC U17/U18 Provincials at the Richmond Oval. Special Olympics BC hosted their functional testing day at the Oval with approximately 60 athletes completing a series of performance tests. The 2nd annual BC Hockey League (BCHL) exposure camp occurred. The camp is an opportunity for 120 hockey players born in 2003-2004 to showcase their talent to BCHL coaches and scouts. The same weekend, the Oval hosted 100+ athletes who competed in the BC Table Tennis Association's Butterfly BC Open. The Volleyball Canada Women's National Team hosted their second annual team tryout at the Richmond Oval.

Notable athlete successes during Q2 included:

- Field Hockey Canada Women National Team finished fifth at Commonwealth Games in Australia
- 2018 Judo Canadian Championship medalists include Ian Ryder (U18 National Champion), Caleigh Kuramoto (U18 Silver Medalist) and Tavis Jamieson (Sr Men Silver Medalist)
- Emma Hall committed to UBC Women's Hockey Team starting Fall 2018
- Richmond Resident Hannah Green committed to UNB USports Hockey Programs starting Fall 2018
- Jakob Kryworuchko was named to the Men's Canadian Junior Team to attend the Junior World Championships racing in Men's Canoe
- Richmond resident Ian Ryder was named Judo BC's U18 Male Athlete of the Year, and
- Rita Ngo won Bronze at the 2018 Sr Pan American Karate Championship

Governance

Meetings of the Corporation's Audit & Finance Committee, Business Planning Committee and the Board of Directors took place during Q2.

Financial

The first half of 2018 has been successful for the Corporation. The YTD results for the 6 months ended June 30, 2018 were budgeted at an income before transfers to reserves/provisions of \$294,000 and the actual results show income of \$842,000 indicating a favorable variance of \$548,000 (please see

page 4 for the Corporation's balance sheet as of June 30, 2018 and page 5 for the statement of operations). In Q2, \$335,000 was allocated to the reserves/provisions.

Comments on the Financial Results for Q2

Revenues

The Q2 portion of the estimated 2018 Games Operating Trust Fund ("GOT") distribution of \$729,000 was recognized as revenue. Memberships, admissions and programs revenue was \$1,984,000 in Q2 and other revenue of \$509,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue.

Expenses

Memberships, admissions and program services costs for Q2 2018 were \$1,427,000, facility operations costs were \$1,119,000, marketing expenses were \$117,000, and administration and finance expenses were \$697,000. Overall, expenditures were \$186,000 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 June 30, 2018****Unaudited, prepared by management**

		June 30, 2018
ASSETS		
Financial Assets		
Cash	\$	1,489,521
Investments		11,080,448
Inventory		137,161
GOT receivable		1,458,093
Accounts receivable		483,451
		<u>14,648,673</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,639,868
Deferred revenue		8,252,149
Rental deposits		9,263
		<u>9,901,280</u>
Net financial assets		4,747,393
Non-Financial Assets		
Tangible capital assets		12,087,877
Deferred lease costs		63,588
Prepaid expenses and other deposits		246,289
		<u>12,397,754</u>
Accumulated Surplus (Note 1)	\$	17,145,147

Note 1 - Breakdown of accumulated surplus account is as follows:	
Investment in capital assets	9,643,210
Reserves/Provisions	5,862,973
Common Shares	1
Surplus	1,638,963
<u>17,145,147</u>	

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations
For the quarter ended June 30, 2018
Unaudited, prepared by management

	QTR 2 2018			QTR 2 2017			YTD ended June 30, 2018			YTD ended June 30, 2017		
	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)
REVENUES												
2010 Games Operating Trust Fund	725,000	729,046	4,046 1%	714,000	714,000		1,450,000	1,458,093	8,093 1%	1,428,000	1,428,000	
Contribution from City of Richmond	862,861	862,862	- 0%	844,286	844,286		1,725,723	1,725,722	- 0%	1,688,572	1,688,572	
Memberships, admissions and programs	1,992,267	1,983,596	(8,671) 0%	1,876,437	1,876,437		4,140,810	4,053,807	(87,003) -2%	3,953,464	3,953,464	
Other	499,336	509,347	10,011 2%	502,370	502,370		1,111,672	1,120,307	8,635 1%	982,762	982,762	
	4,079,464	4,084,851	5,386 0%	3,937,093	3,937,093		8,428,205	8,357,929	(70,275) -1%	8,052,798	8,052,798	
EXPENSES												
Memberships, admissions, and program services	1,441,831	1,427,408	14,423 1%	1,377,028	1,377,028		2,915,890	2,780,327	135,563 5%	2,770,956	2,770,956	
Facility Operations	1,157,962	1,119,437	38,525 3%	1,094,162	1,094,162		2,328,012	2,233,910	94,102 4%	2,104,403	2,104,403	
Marketing	161,726	116,565	45,161 28%	98,579	98,579		307,931	185,867	122,064 40%	246,437	246,437	
Admin/Finance	784,584	696,759	87,825 11%	855,428	855,428		1,682,587	1,439,816	242,771 14%	1,630,461	1,630,461	
Amortization	449,996	449,995	1 0%	369,072	369,072		899,996	875,526	24,470 3%	747,247	747,247	
	3,996,099	3,810,164	185,935 5%	3,794,269	3,794,269		8,134,416	7,515,446	618,970 8%	7,499,504	7,499,504	
Net Income (Note 1)	83,365	274,687	191,322 229%	142,824	142,824		293,789	842,483	548,694 187%	553,294	553,294	

Note 1 - In Q2, \$335,000 was transferred into reserves/provisions. The total transfers to capital reserves vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.