



To: Finance Committee

Date: February 19, 2014

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

File:

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

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

Staff Recommendation

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

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

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



DATE: February 20, 2014

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

Andrew Nazareth
Chief Financial Officer, Richmond Olympic Oval Corporation

John Mills
Chief Operating Officer, Richmond Olympic Oval Corporation

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

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

Origin

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

Business Plans and Financial Results

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

Highlights

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

Community Use

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

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

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

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

Sport Development and Events

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

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

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

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

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

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

Governance

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



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

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

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended Dec 31, 2013

Unaudited, prepared by management

	QTR 4 2013		QTR 4 2012		Year ended Dec 31, 2013		Year ended Dec 31, 2012		
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES									
2010 Games Operating Trust Fund	675,000	705,852	696,159	696,159	2,700,000	2,823,239	123,239	5%	2,784,637
Contribution from City of Richmond (Note 1)	786,175	1,216,175	768,471	768,471	3,144,700	3,574,700	430,000	14%	3,073,883
Memberships, admissions and programs	1,446,399	1,656,320	1,477,183	1,477,183	6,126,945	6,571,657	444,712	7%	5,907,870
Other	250,384	307,380	429,602	429,602	1,011,531	1,235,038	223,507	22%	1,156,163
	3,157,958	3,885,727	3,371,414	3,371,414	12,983,176	14,204,635	1,221,459	9%	12,922,552
EXPENSES									
Memberships, admissions, and program services	1,003,404	1,014,101	875,810	875,810	4,254,568	3,952,104	302,464	7%	3,757,564
Facility Operations	941,934	971,433	918,903	918,903	3,776,280	3,817,667	(41,387)	-1%	3,532,457
Marketing	147,087	99,345	110,900	110,900	495,831	392,473	103,358	21%	429,944
Admin/Finance	717,854	714,458	493,064	493,064	2,905,366	2,343,598	561,768	19%	2,135,763
Net before items below	2,810,279	2,799,337	2,398,677	2,398,677	11,432,046	10,505,842	926,204	8%	9,855,728
Transfers to reserves/provisions (Note 2)	347,679	1,086,390	972,737	972,737	1,551,130	3,698,793	2,147,663		3,066,824
	325,000	1,748,983	765,447	765,447	1,300,000	3,595,322	2,295,322		2,611,786
Net after items above	22,679	(662,593)	207,290	207,290	251,130	103,471	(147,660)		455,038

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

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

Numbers may be off due to rounding.

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