



City of Richmond

Report to Committee

To: Finance Committee

Date: May 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: 1st Quarter 2018 – Financial Information for the Richmond Olympic Oval

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 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: May 24, 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 – 1st Quarter 2018 Financial information**

Origin

This staff report deals with the first quarter financial results for the 3 months ended March 31, 2018 ("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

Several community groups used the Oval facility in Q1, including, but not limited to: DRIVE Basketball, Richmond Minor Hockey Association, Seafair Minor Hockey Association, Richmond Ringette, Richmond Rockets Speed Skating Club, Connaught Figure Skating, Richmond Ravens girls hockey, UBC boathouse, Air Attack Volleyball Club, Brazilian Soccer School, Aura Rhythmic Gymnastics, Kajaks track and field, 655 Air Cadets, 609 Steveston Squadron, Richmond FC, and Richmond Girls Soccer. At the end of Q1 2018, 80% of Oval members were Richmond residents.

Sport Development and Events

Some of the highlights from Sport Hosting and Events held at the Oval during Q1 included the following: Karate BC team selection tournament, BCSRA Winter Buymart, Panther Cheer Snowflake, 6 Vancouver Knights basketball games, Harry Jerome track meet, Peter Bakonyi Vancouver Fencing World Cup, Rotary Skates for the World, BC high school basketball lower mainland championships, Panther Cheer Mardi Parti cheer extravaganza, Judo Pacific International, wheelchair rugby Vancouver International tournament, BC rhythmic gymnastic zone 4 championships, Belfry Cup, Miss Vickey volleyball tournament and the volleyball BC adult provincials. Events secured in Q1 included the 2019 Sport Leadership Conference, the 2018 and 2019 Taekwondo Canada Open and the 2019 U14 volleyball nationals.

Notable Oval athlete achievements during Q1 included:

- Ian Ryder won the gold medal at the 2018 elite nationals in the U18 Male – 90KG category
- Several high performance table tennis athletes who participated in the Canada Cup #2 in Burnaby:
 - Edison Huang – 1st place for U18 male
 - Tiffany Liu – 3rd place for U18 female
 - David Mandelstam – 1st place for U12 male
 - Benita Zhou – 5th place for women’s singles
 - Cindy Wang – 3rd place for women’s singles
 - Gu Meng – 3rd place for men’s singles
- 22 athletes who participated in BCSSA Academy and/or speed skating performance programs at the Richmond Olympic Oval attended the BC Winter Games for speedskating. Lukas MacDonald, Oval speed skating performance athlete, won four silver medals at the BC Winter Games. In addition, Lan-Vi Nguyen and Giang-Vi Nguyen of the Richmond Rockets Speed Skating club won a total of five medals.

Governance

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

Financial

Q1 was a successful quarter for the Corporation. The Q1 results were budgeted at an income before transfers to reserves/provisions of \$210,000 and the actual results show income of \$568,000 indicating a favorable variance of \$357,000 (please see page 4 for the Corporation’s balance sheet as of March 31, 2018 and page 5 for the statement of operations). In Q1, \$535,000 was allocated to the reserves/provisions.

Comments on the Financial Results for Q1

Revenues

The Q1 portion of the estimated 2018 Games Operating Trust Fund ("GOT") distribution of \$729,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,070,000 in Q1 and other revenue of \$611,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue.

Expenses

Memberships, admissions and program services costs for Q1 2018 were \$1,353,000 which is \$121,000 (5%) favorable to budget. Facility Operations costs for Q1 were \$1,114,000 which was \$56,000 (5%) favorable to budget. Marketing expenses for Q1 were \$69,000 which was \$77,000 (53%) favorable to budget. Administration and Finance expenses for Q1 were \$743,000 being \$155,000 (17%) 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, 2018

Unaudited, prepared by management

		Mar 31, 2018
ASSETS		
Financial Assets		
Cash	\$	1,148,537
Investments		8,629,002
Inventory		143,751
GOT receivable		729,046
Accounts receivable		1,774,335
		<u>12,424,671</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,533,956
Deferred revenue		6,413,298
Rental deposits		9,263
		<u>7,956,517</u>
Net financial assets		4,468,154
Non-Financial Assets		
Tangible capital assets		12,005,089
Deferred lease costs		70,000
Prepaid expenses and other deposits		327,217
		<u>12,402,306</u>
Accumulated Surplus (Note 1)	\$	16,870,460

Note 1 - Breakdown of accumulated surplus account is as follows:	
Investment in capital assets	9,519,197
Reserves/Provisions	6,101,969
Common Shares	1
Surplus	1,249,293
	<u>16,870,460</u>

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations
For the quarter ended March 31, 2018
Unaudited, prepared by management

	QTR 1 2018			QTR 1 2017			2018		
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav) % Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav) % Variance Fav/(Unfav)	BUDGET	ACTUAL	BUDGET
REVENUES									
2010 Games Operating Trust Fund	725,000	729,046	4,046 1%	714,000	714,000	- 0%	2,900,000		
Contribution from City of Richmond	862,862	862,862	- 0%	844,286	844,285	- 0%	3,451,446		
Memberships, admissions and programs	2,148,543	2,070,212	(78,331) -4%	2,099,235	2,077,027	(22,208) -1%	8,347,591		
Other	612,336	610,960	(1,376) 0%	467,797	480,392	12,595 3%	2,110,345		
	4,348,741	4,273,079	(75,661) -2%	4,125,318	4,115,705	(9,613) 0%	16,809,382		
EXPENSES									
Memberships, admissions, and program services	1,474,059	1,352,919	121,140 8%	1,471,905	1,393,928	77,977 5%	5,924,776		
Facility Operations	1,170,050	1,114,473	55,577 5%	1,093,727	1,010,242	83,485 8%	4,604,527		
Marketing	146,205	69,302	76,903 53%	167,369	147,857	19,512 12%	608,575		
Admin/Finance	898,003	743,058	154,945 17%	804,420	775,033	29,387 4%	3,288,065		
Amortization	450,000	425,531	24,469 5%	375,000	378,174	(3,174) -1%	1,800,000		
	4,138,317	3,705,282	433,035 10%	3,912,421	3,705,235	207,186 5%	16,225,943		
Net Income (Note 1)	210,424	567,797	357,373 170%	212,897	410,470	197,573 93%	583,439		

Note 1 - In Q1, \$535,000 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.