



City of Richmond

Report to Committee

To: Finance Committee

Date: December 5, 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 - 3rd Quarter Financial Information**

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 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: November 30, 2018

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 – 3rd Quarter 2018 Financial information**

Origin

This staff report deals with the third quarter financial results for the 3-month period from July 1st, 2018 to September 30th, 2018 (“Q3”) which was endorsed by the Corporation’s Board of Directors.

Highlights

The first nine months of operations in 2018 for the Corporation reflect a positive performance with overall metrics and financial performance tracking strongly. The following are some of the highlights of the activities undertaken by the Corporation during Q3.

Community Use

As of October 31st, the Oval has maintained an active base of over 6,100 pass holders for nine consecutive months. At the end of Q3 2018, a total of 81% of Oval members were from the Richmond community. Members typically use the facility for a variety of activities including fitness, drop-in sports, group fitness classes, etc.

Oval Canada Day activities included activations at both SalmonFest and McArthurGlen Outlet malls. The SalmonFest activities included a large booth set up, a portable climbing wall and sport demo stations. McArthurGlen included three Yoga and three cycling classes in the main square which were filled to capacity.

Summer camps were very successful this year with the highest registration to date for Community Sport summer camps. One of the camp offerings this year included a basketball camp delivered by Canadian NBA player Jamal Murray which had 180 participants.

As in previous quarters, community group use continued to constitute the majority of Oval usage in Q3. Some of the community groups from Richmond or groups with strong Richmond based participation include, but are not limited to, Richmond Minor Hockey, Vancouver Ki Society, Richmond Ravens, Connaught Figure Skating, Brazilian Soccer School, Volleyball BC, DRIVE Basketball, Metro Basketball League, Dynamo Fencing, Greater Vancouver Canadians, the John MS Lecky Boathouse, Urban Rec, Zone Golf Academy, Aura Rhythmic Gymnastics, the Non-Contact Hockey League and Panther Cheer.

Sport Development and Events

Some of the highlights from Sport Hosting and Events held at the Oval during Q3 included the BC Sport Rep Association Trade Show, World Cup Field Painting, NECAC Summer Family Day, John Dumont Basketball 3x3 Classic, Hooplaw Basketball Tournament, International Taekwondo Canada Cup, Linus Tech Expo, Katana Jiu Jitsu Tournament, Noah Yelazaroff Memorial 3x3 Hockey Tournament, Heroes Challenge (Make a Wish Foundation) and the Rehab Expo. The Corporation planned and delivered the 4th annual Forever Young 8K Run in September.

Future events secured in Q3 included the 55+ BC Games, Vancouver International Swordplay Symposium, Free Style Canada Judges Clinic, special olympics powerlifting camp, Battle of the Badges International basketball tournament, Vancouver Dragon's basketball home games, Linus Tech Expo 2019, Richmond Home Show, Fire Flight Cultural Performance, Dawn Wall film presentation and the RYU Warehouse Sale.

Q3 was an exciting quarter for the Oval's High Performance (HP) department. Events and training camps occurring during Q3 including the 2018 Volleyball Canada Cup, Ultimate Scouting Hockey Camp, Volleyball BC Baden Cup, Volleyball BC Training Camp, Vancouver FC preseason training camp, Canada Games squash training camp, BC Para-Nordic camp and two Learn to speed skate clinics in partnership with the Richmond Rockets.

National Team athletes training at the Oval during Q3 as part of formal training groups included athletes from Volleyball Canada, Field Hockey Canada, Canadian Wheelchair Sports, BMX Canada and Softball Canada.

Notable athlete successes during Q3 included:

- Ian Ryder won the U18 gold and U21 gold at the Canada Cup and Caleigh Kuramoto won U18 bronze. Ian went on to win U18 Gold and U21 Bronze at the Pan American Championships
- Volleyball Canada Women's National Team swept their Pan Am Group and secured a spot at the 2019 Pan Am Games.
- Field Hockey Canada junior national team member Alexis De Armond was named the best female player at the 6-Nations Tournament in Europe.

- Peter Isherwood won his first international match at the U.S Para Table Tennis Open. Peter also played for the provincial Wheelchair Rugby Team and competed in athletics during the 2017/18 seasons.
- Citius women's table tennis team was 1st place and Citius men's team placed 2nd at the 2018 Canada Cup. Cindy Wang won 1st in women's singles and Gu Meng won 3rd.

Governance

Meetings of the Corporation's Audit & Finance Committee and the Board of Directors took place during Q3.

Financial

The first 9 months of 2018 has been successful for the Corporation. The YTD results for the 9 months ended September 30, 2018 were budgeted at an income before transfers to reserves/provisions of \$432,000 and the actual results show income of \$1,184,000 indicating a favorable variance of \$752,000 (please see page 4 for the Corporation's balance sheet as of September 30, 2018 and page 5 for the statement of operations). In Q3, \$335,000 was allocated to the reserves/provisions.

Comments on the Financial Results for Q3

Revenues

The Q3 portion of the estimated 2018 Games Operating Trust Fund ("GOT") distribution of \$721,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,239,000 in Q3 and other revenue of \$511,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue. Overall, revenue was \$69,000 favorable to budget

Expenses

Memberships, admissions and program services costs for Q3 2018 were \$1,541,000, facility operations costs were \$1,179,000, marketing expenses were \$123,000, and administration and finance expenses were \$696,000. Overall, expenditures were \$135,000 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 September 30, 2018

Unaudited, prepared by management

		Sept 30, 2018
ASSETS		
Financial Assets		
Cash	\$	1,016,817
Investments		13,001,205
Inventory		157,902
GOT receivable		-
Accounts receivable		692,296
		<u>14,868,220</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,308,526
Deferred revenue		8,166,817
Rental deposits		9,263
		<u>9,484,606</u>
Net financial assets		5,383,614
Non-Financial Assets		
Tangible capital assets		11,893,709
Deferred lease costs		57,176
Prepaid expenses and other deposits		152,017
		<u>12,102,901</u>
Accumulated Surplus (Note 1)	\$	17,486,515
Note 1 - Breakdown of accumulated surplus account is as follows:		
Investment in capital assets		9,490,266
Reserves/Provisions		5,898,833
Common Shares		1
Surplus		2,097,416
		<u>17,486,515</u>

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended September 30, 2018

Unaudited, prepared by management

	QTR 3 2018		QTR 3 2017		YTD ended September 30, 2018		YTD ended September 30, 2017		2018 BUDGET
	BUDGET	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	
			\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
REVENUES									
2010 Games Operating Trust Fund	725,000	720,681	(4,319)	-1%	688,336		2,175,000	2,116,336	2,900,000
Contribution from City of Richmond	862,861	862,861	-	0%	844,287		2,588,584	2,532,858	3,451,446
Memberships, admissions and programs	2,177,351	2,238,507	61,156	3%	2,074,286		6,318,161	6,027,750	8,347,591
Other	499,336	511,002	11,666	2%	465,316		1,631,309	1,448,077	2,110,345
	4,264,548	4,333,051	68,503	2%	4,072,224		12,692,753	12,125,022	16,809,382
EXPENSES									
Memberships, admissions, and program services	1,572,142	1,541,157	30,985	2%	1,506,634		4,488,032	4,277,590	5,924,776
Facility Operations	1,142,197	1,179,322	(37,125)	-3%	1,173,283		3,470,209	3,277,686	4,604,527
Marketing	162,797	122,642	40,155	25%	162,612		470,728	308,509	608,575
Admin/Finance	799,194	696,464	102,730	13%	681,089		2,481,781	2,311,550	3,288,065
Amortization	449,997	452,098	(2,101)	0%	371,082		1,349,993	1,118,328	1,800,000
	4,126,327	3,991,683	134,644	3%	3,894,700		12,260,743	11,394,204	16,225,943
Net Income (Note 1)	138,221	341,368	203,147	147%	177,524		432,010	730,818	583,439

Note 1 - In Q3, \$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.