



City of Richmond

Report to Committee

To: Finance Committee

Date: May 18, 2017

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 – 1st Quarter 2017 Financial Information**

Staff Recommendation

That the report on the first quarter Financial Information ended March 31, 2017 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 18, 2017

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 – 1st Quarter 2017 Financial information**

Origin

This staff report deals with the first quarter financial results for the 3 months ended March 31, 2017 (“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. Some of the community groups from Richmond include, but are not limited to: DRIVE Basketball, Richmond Minor Hockey Association, Seafair Minor, Richmond Ringette, Richmond Rockets, Connaught Figure Skating, Richmond Ravens, UBC Boathouse, Air Attack Volleyball Club, Brazilian Soccer School, Aura Rhythmic Gymnastics, Kajaks Track and Field, 655 Air Cadets, 609 Steveston Squadron, Shoseikan Karate, Richmond FC, and Richmond Girls Soccer. Additionally, over 15 new soccer groups from Richmond and the surrounding area used the Oval in Q1. At the end of Q1 2017, a total of 82% 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 Rehab Expo, BC Sports Rep Association trade show, Fencing World Cup, 2017 Canadian Fencing Federation Canada Cup West, Harry Jerome track meet, BC high school basketball lower mainland championships, 5th annual Mardi Parti Cheer Extravaganza, Pacific Judo International, Sheraton Vancouver Airport Atom/PeeWee spring classic tournament, 2017 Belfry Hockey Network Training-to-Game transfer festival, wheelchair rugby national team training, and the Wheelchair Rugby Vancouver Invitational.

Some of the events secured by Events/Sport Hosting in Q1 included: Vancouver International Home Show, Canada Bread Run, Panther Cheer's 3rd event Snowflake, Apex Jiu Jitsu Tournament, ISKF BC Junior Karate Championship, Vancouver Whitecaps March Tournament, CCES Meeting, and the 2017 Golf Canada tournament administration and rules seminar.

Q1 was busy for the Oval's High Performance (HP) department once again. In addition to ongoing program delivery and servicing of community, provincial and national team athletes, Oval HP was involved in coordinating and/or delivering the following events and training camps: Western Elite #2 short track speed skating competition, Field Hockey Canada women's national team testing camp, Special Olympics BC Powerlifting training camp, BC Speed Skating Association Academy, Squash BC High Performance training camp, Judo BC training camp, BC Wheelchair Sports athletics clinic, BC Table Tennis Association Richmond Open Table Tennis Tournament, Vroom Short Track Speed Skating Competition, and Volleyball BC Atomic Jamboree.

The RBC Training Ground Finals were held at the Oval on March 4th. In collaboration with the Canadian Sport Institute Pacific, Canadian Olympic Committee, CBC and various national and provincial sport organizations, over 100 athletes completed performance tests to assess power, speed, strength and endurance. The goal of the initiative was to identify athletic potential and Canada's next great future Olympian. The winner, Avalon Wasteneys will be joining RBC & CBC at the 2018 Olympics in Pyeongchang.

Notable athlete successes during Q1 included:

- Ian Ryder, Richmond Resident, won Silver at Judo Canada National Championships held in Montreal, Jan 7-8;
- The Western Elite #2 Speed Skating Competition on Jan 13th to 15th had 49 registered competitors from BC, Alberta, Manitoba, NWT, and the Yukon. Oval Athletes competed very well, including Kiersten Hagen finishing 3rd overall and Chris Poljer-So finished 6th overall;
- The BC Table Tennis Association hosted the Richmond Open on Saturday Feb 18th. Nathan Uy, a 16-year-old table tennis player who trains with Oval Coach Khen Ng weekly, won 1st in U200 and was runner up in U400;
- Six Speed Skating Performance athletes raced in the final competition of the Western Elite Circuit, Feb 17th to 19th at the Calgary Olympic Oval.

Governance

Meetings of the Corporation's Business and Budget 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 \$213,000 and the actual results show income of \$410,000 indicating a favorable variance of \$198,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2017 and page 5 for the statement of operations). In Q1, \$335,000 was allocated to the reserves/provisions.

Comments on the Financial Results for Q1

Revenues

The Q1 portion of the estimated 2016 Games Operating Trust Fund ("GOT") distribution of \$714,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,077,000 in Q1 and other revenue of \$480,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue.

Expenses

Memberships, admissions and program services costs for Q1 2017 were \$1,394,000 which is \$78,000 (5%) favorable to budget. Facility Operations costs for Q1 were \$1,010,000 which was \$83,000 (8%) favorable to budget. Marketing expenses for Q1 were \$148,000 which was \$20,000 (12%) favorable to budget. Administration and Finance expenses for Q1 were \$775,000 being \$29,000 (4%) favorable to budget.



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

Balance sheet

As at March 31, 2017

Unaudited, prepared by management

			Mar 31, 2017
ASSETS			
Financial Assets			
Cash	\$		1,269,217
Investments			7,248,715
Inventory			129,534
GOT receivable			714,000
Accounts receivable			1,326,770
			10,688,237
Financial Liabilities			
Accounts payable and accrued liabilities			1,563,323
Deferred revenue			5,668,964
Rental deposits			9,263
			7,241,550
Net financial assets			3,446,687
Non-Financial Assets			
Tangible capital assets			11,673,550
Deferred lease costs			95,650
Prepaid expenses and other deposits			309,971
			12,079,171
Accumulated Surplus (Note 1)	\$		15,525,858

Note 1 - Breakdown of accumulated surplus account is as follows:

Investment in capital assets	9,022,761
Reserves/Provisions	5,217,144
Common Shares	1
Surplus	1,285,952
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	15,525,858

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended March 31, 2017

Unaudited, prepared by management

	QTR 1 2017			QTR 1 2016			2017 BUDGET		
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav) % Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav) % Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav) % Variance Fav/(Unfav)
REVENUES									
2010 Games Operating Trust Fund	714,000	714,000	- 0%	700,000	700,000	- 0%	2,856,000		
Contribution from City of Richmond	844,286	844,286	- 0%	827,732	827,732	- 0%	3,377,146		
Memberships, admissions and programs	2,099,235	2,077,027	(22,208) -1%	2,079,171	2,016,856	(62,315) -3%	8,288,202		
Other	467,797	480,392	12,595 3%	473,491	481,559	8,068 2%	1,871,192		
	4,125,318	4,115,706	(9,613) 0%	4,080,394	4,026,147	(54,247) -1%	16,392,540		
EXPENSES									
Memberships, admissions, and program services	1,471,905	1,393,928	77,977 5%	1,354,203	1,267,154	87,049 6%	5,873,242		
Facility Operations	1,093,727	1,010,242	83,485 8%	1,064,176	961,056	103,120 10%	4,374,914		
Marketing	167,369	147,857	19,512 12%	159,494	93,153	66,341 42%	703,533		
Admin/Finance	804,420	775,033	29,387 4%	807,467	740,777	66,690 8%	3,173,011		
	3,537,421	3,327,060	210,361 6%	3,385,340	3,062,140	323,200 10%	14,124,700		
Income before amortization and transfers	587,897	788,646	200,749 34%	695,054	964,007	268,953 39%	2,267,840		
Amortization	375,000	378,174	(3,174) -1%	212,535	330,341	(117,806) -55%	1,500,000		
Income after amortization and before transfers	212,897	410,471	197,574 93%	482,519	633,666	151,147 31%	767,840		
Transfers to reserves/provisions (Note 1)	-	335,013	335,013 0%	300,000	430,205	130,205 43%	-		
Net after amortization and transfers	212,897	75,459	(137,438)	182,519	203,461	20,942	767,840		

Note 1 - In Q1, \$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.