



City of Richmond

Report to Committee

To: Finance Committee

Date: August 30, 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 - 2nd Quarter 2017 Financial Information**

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2017 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 30, 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 – 2nd Quarter 2017 Financial information**

Origin

This staff report deals with the second quarter financial results for the 3-month period from April 1st, 2017 to June 30th, 2017 (“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

Several community groups used the Oval facility in Q2. Some of the community groups from Richmond or with strong Richmond based participation include, but are not limited to: Yogi Elite Hockey, Steveston Selects, Richmond Air Cadets, Prime Badminton Academy, Connaught Figure Skating, Brazilian Soccer School, DRIVE Basketball, Shoseikan Karate, Metro Basketball, Greater Vancouver Canadians, Focus Volleyball, BC Aboriginal Athletic Association, Urban Rec, Ottobat Running Clinic, Aura Rhythmic Gymnastics, the Non Contact Hockey League, Field Hockey BC, and Vancouver Community Baseball. At the end of Q2 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 Q2 included the Rhythmic Gymnastics Provincial Championships, Volleyball U18/19 Provincial Championships, LifeMark Sport Conference, Delta Gymnastics Invitational and Cash & Carry Cup, Volleyball Canada Women’s National Team Selection Camp, Challenge Cup Hockey Tournament, Wushu Can Am International Festival, Karate BC Canadian Open Championships, Wheelchair Rugby National Team Training, Adult BC Volleyball Provincials, Western Canadian Police Hockey Championships, Rhythmic

Gymnastics Provincials, Jiu Jitsu Open, Hoopfest (Basketball), Rotary Skates for the World, Corporate Champions, Olympic Day, and the BC Hockey U17 and U15 Camps.

Additionally, some of the events secured by Events/Sport Hosting in Q2 included: 2020 CARHA Hockey World Cup, Judo Pacific International and National Training Camp, Wheelchair Basketball National Championships, Delta Gymnastics Invitational and Cash & Carry Cup, World Field Painting Championships, the Noah Yelizarov Memorial Hockey Tournament and the Rhythmic Gymnastics Nationals.

Q2 was busy for the Oval's High Performance (HP) department once again. On June 3rd and 4th the British Columbia Table Tennis Association held the sanctioned Butterfly BC Open tournament at the Oval with over 100 athletes competing. Over 200 athletes competed in the Volleyball BC Baden Cup (July 1st and 2nd) in the Oval's track zone. The BC Hockey League Exposure Camp took place from July 1st to 3rd. Over 130 hockey players from Bantam-Midget participated in the camp designed to help the athletes gain exposure to BCHL coaches, scouts and management.

The Volleyball Canada Women's National Team Selection Camp took place from May 8th to 12th at the Oval. This was one of the largest selection camps in history with 60 athletes from all over Canada travelling to Richmond to try and earn a spot on the National Team Program. This successful event involved significant collaboration between Oval and Volleyball Canada staff, including the completion of all performance testing by Oval High Performance coaches led by Matt Fisher, Oval Head Strength and Conditioning Coach. The final selections for the National Team were completed on May 12th, with 27 players being named to the roster. The team's first training session in their new home at the Richmond Olympic Oval occurred on May 15th.

Notable athlete successes during Q2 included:

- a 5th place finish for the Pacific Wave Synchronized Junior Team in the Canadian Qualifier Championships,
- the National Men's Field Hockey Canada Team finishing 2nd in World League,
- Cycling Canada BMX athlete Alex Tougas experiencing his first A Pro win and Tory Nyhaug finished 2nd in the Elite Men National Championships,
- Pacific Storm Water Polo Club Senior Men's team winning bronze at Nationals,
- Kendell Stirrat from Vancouver Pacific Wave Synchronized Swim Club being named to the 2017 Junior National Athlete Pool, and
- Richmond resident Ian Ryder winning the U19 Gold (-90kg) and U21 Bronze (-90kg) at the Judo Canada National Championships.

Governance

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

Financial

The first half of 2016 has been successful for the Corporation. The YTD results for the 6 months ended June 30, 2017 were budgeted at an income before transfers to reserves/provisions of \$404,000 and the actual results show income of \$553,000 indicating a favorable variance of \$150,000 (please see page 4 for the Corporation's balance sheet as of June 30, 2017 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 2016 Games Operating Trust Fund ("GOT") distribution of \$714,000 was recognized as revenue. Memberships, admissions and programs revenue was \$1,876,000 in Q2 and other revenue of \$502,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue.

Expenses

Memberships, admissions and program services costs for Q2 2017 were \$1,377,000, facility operations costs were \$1,094,000, marketing expenses were \$99,000, and administration and finance expenses were \$855,000. Overall, expenditures were \$76,000 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 June 30, 2017

Unaudited, prepared by management

June 30, 2017		
ASSETS		
Financial Assets		
Cash	\$	611,043
Investments		9,648,350
Inventory		122,870
GOT receivable		1,428,000
Accounts receivable		608,183
		<u>12,418,446</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,343,369
Deferred revenue		7,293,714
Rental deposits		9,263
		<u>8,646,345</u>
Net financial assets		3,772,101
Non-Financial Assets		
Tangible capital assets		11,532,835
Deferred lease costs		89,237
Prepaid expenses and other deposits		274,509
		<u>11,896,581</u>
Accumulated Surplus (Note 1)	\$	15,668,682

Note 1 - Breakdown of accumulated surplus account is as follows:	
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Investment in capital assets	8,923,271
Reserves/Provisions	5,282,575
Common Shares	1
Surplus	1,462,835
	<u>15,668,682</u>

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended June 30, 2017

Unaudited, prepared by management

	QTR 2 2017		QTR 2 2016		YTD ended June 30, 2017		YTD ended June 30, 2016		2017 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	ACTUAL	
REVENUES									
2010 Games Operating Trust Fund	714,000	714,000	-	0%	700,000	1,428,000	1,428,000	1,400,000	2,856,000
Contribution from City of Richmond	844,286	844,286	-	0%	827,732	1,688,572	1,688,572	1,655,464	3,377,146
Memberships, admissions and programs	2,040,939	1,876,437	(164,502)	-8%	1,896,658	3,953,464	3,953,464	3,913,515	8,288,202
Other	467,798	502,370	34,571	7%	494,272	935,595	982,762	975,831	1,871,192
	4,067,023	3,937,093	(129,930)	-3%	3,918,662	8,052,798	(139,543)	7,944,810	16,392,540
EXPENSES									
Memberships, admissions, and program services	1,441,340	1,377,028	64,312	4%	1,396,015	2,770,956	142,289	2,663,169	5,900,842
Facility Operations	1,093,727	1,094,162	(435)	0%	1,046,865	2,104,403	83,051	2,007,921	4,374,914
Marketing	179,820	98,579	81,241	45%	373,071	246,437	100,752	466,225	703,533
Admin/Finance	786,293	855,428	(69,135)	-9%	767,788	1,630,461	(39,748)	1,508,565	3,173,011
	3,501,180	3,425,197	75,983	2%	3,583,740	6,752,257	286,344	6,645,879	14,152,300
Income before amortization and transfers	565,843	511,896	(53,947)	-10%	334,923	1,300,541	146,801	1,298,931	2,240,240
Amortization	375,000	369,072	5,928	2%	341,041	747,247	2,753	671,382	1,500,000
Income after amortization and before transfers	190,843	142,824	(48,019)	-25%	(6,118)	553,294	149,554	627,549	740,240
Transfers to reserves/provisions (Note 1)	-	335,013	335,013	0%	330,205	670,025	670,025	760,410	-
Net after amortization and transfers	190,843	(192,188)	(383,031)		(336,323)	(116,731)	(520,471)	(132,861)	740,240

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.