



To: Finance Committee

Date: September 27, 2013

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: 2nd 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 second quarter ended June 30, 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: October 1, 2013

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, CA
Controller, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 2nd 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 second quarter business plan and financial results for the 3 months ended June 30, 2013 (“Q2”) which was approved by the Corporation’s Board of Directors.

Business Plans and Financial Results

The Q2 results were budgeted at a net income of \$311,000 and the actual results show a net income of \$834,000, indicating a favorable variance of \$523,000 (please see page 4 for the Corporation’s statement of operations). However, as \$156,000 of this net income figure is external funding revenue received from Tourism Richmond which flows through to the Richmond Olympic Experience (ROE) project, the favourable variance is slightly less with the Corporation having still earned a net income of \$678,000 before transfers to reserves. In Q2, \$615,000 has been allocated to the reserves.

Highlights

Some of the highlights of the activities undertaken by the Corporation during Q2 are described below.

Community Use

The Oval continues to attract a significant number and broad range of users from the Community. At the end of Q2, 77% of our 5,361 members were Richmond Residents. In addition to the 5,361 members, over 120 different community sport and recreation groups used the Oval facility during the second quarter. With respect to visitation for the 6 months ended June 30th, 2013, total visits to the Oval were over 370,000, which is more than an 18% increase over the same period last year. 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. A May membership promotion increased membership usage for participants by 43%. The Oval also observed the most successful Student Summer Special pass sales to date, more than doubling the results from the previous year. The Student Summer Special pass was a 3 month membership designed for ages 25 and under.

April 2013 saw the launch of new TRX Suspension Training programs. All free demo classes were at capacity and all 6 TRX programs ran successfully, surpassing projected revenue targets. Q2 also saw a number of facility improvements to the Oval's fitness spaces, including the opening of the larger and more private Personal Training Studio and the installation of soundproof performance flooring in the Fitness Centre. The usage for the Fitness Centre increased by 12% over the same time last year to 39,989 visits per month.

Sport Development and Events

High Performance Sport Services continues to make its mark at the Oval. Over 3,800 individual athlete training sessions were completed in Q2. These sessions included:

- Local athletes from figure skating, swimming, soccer, and hockey (Richmond Sockeyes);
- Provincial level athletes in the Canadian Sport Centre Pacific IGNITE Program and BC Fencing; and
- National level athletes from the men's & women's National Field Hockey Teams, National Wheelchair Rugby Team and Canada Beach Volleyball.

Some of the highlights of Oval trained athletes in Q2 included Nadav Dinur who qualified for the Squash Junior World Championships and the McNamara twins winning their Olympic Youth Qualification matches in beach volleyball.

Q2 continued the Oval's great start to the events season, with 17 Major events held in one 36 day period (May 25th to June 30th). These events included the 2013 Bust A Move, Corporate Champions, Crossfit Regionals, City of Richmond UROC Awards and Chevy's Safe Fun Hockey with Bobby Orr. Olympic Day, held on June 17 at the Oval, was certainly a highlight with over 3,000 Richmond school children participating in dozens of sports, many led by Canadian Olympians such as Christine Girard and Arjan Bhullar.

Sport Hosting events held in Q2 included the 2013 Can-Am Wushu Martial Arts Championship, 2013 Karate BC Provincial Championship, 2013 CrossFit Games - Western Canada Regionals and the 2013 Fencing Provincial Championship. Events secured at the Oval during Q2 include the 2013 1st Annual Pacific Coast Female Rep Hockey Classic, 2013 SportFest West and the 2014 International Wheelchair Rugby Canada Cup.

Governance

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

Summary

For the three month period ending June 30, 2013, the Corporation budgeted a net income of \$311,000 and the actual results showed a net income of \$834,000, a favorable variance of \$523,000.

Rick Dusanj, 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 June 30, 2013

Unaudited, prepared by management

	QTR 2 2013			QTR 2 2012			6 months 2013			6 months 2012		
	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)
REVENUES												
2010 Games Operating Trust Fund	675,000	705,784	30,784	5%	696,159		1,350,000	1,411,534	61,534	5%	1,392,319	2,700,000
Contribution from City of Richmond	786,175	786,175	-	0%	768,471		1,572,350	1,572,350	-	0%	1,536,942	3,144,700
Memberships, admissions and programs	1,425,986	1,529,290	103,304	7%	1,441,495		3,212,169	3,356,206	144,037	4%	2,970,936	6,126,945
Interest, ROE funding, and other (Note 1)	240,383	475,835	235,452	98%	251,368		500,764	862,441	361,677	72%	487,424	1,011,531
	3,127,544	3,497,084	369,540	12%	3,157,492		6,635,283	7,202,531	567,248	9%	6,387,621	12,983,176
EXPENSES												
Memberships, admissions, and program services	1,000,901	970,796	30,105	3%	996,871		2,178,673	2,009,476	169,197	8%	1,952,575	4,254,568
Facility Operations	948,282	1,011,357	(63,075)	-7%	898,286		1,889,865	1,899,834	(9,969)	-1%	1,661,955	3,776,280
Marketing	117,167	101,868	15,299	13%	99,287		201,856	188,538	13,318	7%	202,342	495,831
Admin/Finance	750,651	579,308	171,343	23%	611,093		1,432,245	1,103,484	328,761	23%	1,148,354	2,905,366
	2,817,001	2,663,329	153,672	5%	2,605,536		5,702,639	5,201,332	501,308	9%	4,965,227	11,432,046
Net before items below	310,543	833,755	523,212		551,956		932,644	2,001,199	1,068,555		1,422,394	1,551,130
ROE capital expenditure (Note 1)	-	155,644	155,644		-		-	260,598	260,598		-	-
Transfers to reserves/provisions (Note 2)	325,000	615,447	290,447		530,893		650,000	1,230,893	580,893		1,230,893	1,300,000
Net after items above	(14,457)	62,664	77,121		21,063		282,644	509,708	227,064		191,501	251,130

Note 1 - Included in the \$476,000 revenue figure is \$156,000 of externally funded revenue recognized pertaining to the ROE project.

Note 2 - In Q2, \$615,000 was transferred into reserves and provision accounts including \$600,000 into the Operating Capital Reserve Fund.

Numbers may be off due to rounding.

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