



To: Finance Committee

Date: May 20, 2014

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 2014 - Financial Information for the Richmond Olympic Oval
Corporation

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2014 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 15, 2014

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 2014 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 first quarter business plan and financial results for the 3 months ended March 31, 2014 (“Q1”) which was approved by the Corporation’s Board of Directors.

Business Plans and Financial Results

The Q1 revenues were budgeted at \$3,348,000 and the actual results show revenues of \$3,399,000, indicating a favorable variance of \$51,000. Q1 expenses were budgeted at \$2,874,000 and the actual results show expenses of \$2,512,000, indicating a favorable variance of \$362,000. As such, there is an overall favorable variance of \$413,000 before transfers to reserves/provisions (please see page 4 for the Corporation’s statement of operations). In Q1, \$327,000 has been allocated to the reserves/provisions.

Highlights

Some of the highlights of the activities undertaken by the Corporation during Q1 are described below.

Community Use

Member Care continued to provide member engagement with the February Membership Challenge, which is an incentive program designed to improve retention and use of the Oval facility. This challenge was successful as entrants that completed the challenge, increased their usage of the Oval

by 28% on average. At the end of Q1 2014, a total of 78% of Oval members were Richmond Residents.

Total visitation for Q1 2014 was 199,277, a 4% increase over the same time 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.

Spring Break Sport Camps had its most successful season with 1,674 registrants, a 43% increase over the same time last year. Personal Training at the Oval also had a very strong start to 2014, with personal training revenues showing a 33% increase over the same period last year.

Sport Development and Events

High Performance Sport Services continues to make its mark at the Oval. Over 4,300 individual athlete training sessions were completed in Q1 2014.

These sessions included:

- Local athletes from the Richmond Sockeyes, Greater Vancouver Canadians, Trinity Western, Pacific Wave Synchro, and South Delta Secondary;
- Provincial level athletes from the Canadian Sport Institute's IGNITE Program (Field Hockey, Softball, Alpine Skiing, Freestyle Skiing), Synchro BC, BC Fencing Association, Skate BC and Judo BC; and
- National level athletes from Field Hockey Canada, Sailing Canada, Wheelchair Rugby, Beach Volleyball Canada, Athletics Canada, and a new contract with Goalball (a Paralympic Sport played exclusively by athletes who are blind or visually impaired).

Some additional 'Oval trained' athlete success stories from Q1 included:

- Oval trained Volleyball Canada Daytime Centre of Excellence Athletes accomplished a number of accolades in Q1 2014:
 - The South Delta Secondary Senior Girls Volleyball Team went onto win the AAAA Provincial Championships, a team that featured four Oval trained athletes: Laura Findlay, Zoe Mydanksy, Ashley Klassen and Maria Starko.
 - At the 2014 Volleyball Club Provincials, two athletes were selected to the All-Star Team: Kaleigh Matheson and Siobhan Finan.
 - Tamara Clarke was part of the AAA Provincial Champion Seaquam Secondary team and was also named Tournament MVP.
- Mo Zhang, Oval High Performance Table Tennis athlete and coach, attended the Canadian Challenge Trial Cup in Toronto and placed first, solidifying her number 1 ranking in Canada.

Once again Q1 was a very busy Sport Hosting and Events quarter at the Oval. Some of the highlights included the following: New Years Day Tim Horton's Annual Family Skating Event, BC Sports Rep Association Trade Show, Karate Nationals, Vancouver International Open Judo Tournament, Harry Jerome Indoor Classic, Football BC Provincial Combine, Judo Pacific International Tournament, Red Bull Crashed Ice, BC Power Lifting Winter Open, AAA & AAAA Lower Mainland High School Boys Basketball Championships, Panther Cheer Mardi Parti Event, Vancouver Island University Career Fair, BC Cancer Foundation's Workout to Conquer Cancer, Vancouver Invitational Wheelchair Rugby Tournament, World Grand Prix Fencing Championship, North American Cup Karate Championship, Canadian Short Track National Team Trials, and the Province Gran Forza Pentathlon.

Events secured in Q1 included: 2014 Can Am Wushu Martial Arts Championship, 2014 Canadian Short Track Speed Skating National Team Selections, 2014 SportAbility PowerChair Soccer Tournament, and the 2015 Judo Pacific International Tournament.

Governance

Meetings of the Corporation's Board of Directors and the Audit & Finance Committee took place during Q1.



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

Statement of Operations

For the quarter ended Mar 31, 2014

Unaudited, prepared by management

	QTR 1 2014			QTR 1 2013			2014 BUDGET		
	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)
REVENUES									
2010 Games Operating Trust Fund	550,000	550,000	0%	675,000	705,750	5%	2,200,000		
Contribution from City of Richmond	801,900	801,900	0%	786,175	786,175	0%	3,208,000		
Memberships, admissions and programs	1,709,591	1,726,935	1%	1,786,183	1,826,916	2%	6,348,893		
Other	286,857	320,452	12%	260,381	386,606	48%	1,383,695		
	3,348,347	3,399,287	2%	3,507,739	3,705,447	6%	13,140,588		
EXPENSES									
Memberships, admissions, and program services	1,056,507	918,500	13%	1,177,772	1,038,680	12%	4,227,515		
Facility Operations	1,014,883	955,544	6%	941,583	888,477	6%	4,065,225		
Marketing	119,201	97,047	19%	84,689	86,670	-2%	487,432		
Admin/Finance	683,666	541,003	21%	681,594	524,176	23%	2,784,663		
	2,874,257	2,512,094	13%	2,885,638	2,538,002	12%	11,564,835		
Net before transfers to reserves/provisions	474,090	887,193	413,102	622,101	1,167,444	545,343	1,575,753		
Transfers to reserves/provisions (Note 1)	325,000	327,122	2,122	325,000	615,447	290,447	1,300,000		
Net after transfers to reserves/provisions	149,090	560,071	410,981	297,101	551,997	254,896	275,753		

Note 1 - In Q1, \$327,122 was transferred into reserves/provisions which primarily includes \$325,000 into the capital reserve fund. The transfers to capital reserves vary from quarter to quarter and are not finalized until year end by the Capital Works Committee.

Numbers may be off due to rounding.

Also see attached comments on the results for the First Quarter of Fiscal Year 2014.