



**To:** Finance Committee

**Date:** November 25, 2015

**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:** 3<sup>rd</sup> Quarter 2015 – Financial Information for the Richmond Olympic Oval

---

**Staff Recommendation**

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ended September 30, 2015 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 19, 2015

**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 – 3<sup>rd</sup> Quarter 2015 Financial information

---

**Origin**

This staff report deals with the third quarter financial results for the 3 months ended September 30, 2015 ("Q3") which was approved by the Corporation's Board of Directors. The Q2 financial results were presented at the September 21<sup>st</sup>, 2015 Finance Committee meeting. During this meeting, committee members requested that future quarterly reports include a balance sheet as well as additional commentary on financial results. Staff have provided this additional information in this report on pages 3 and 4.

**Highlights**

The following are some of the highlights of the activities undertaken by the Corporation during Q3.

**Community Use**

Several community groups used the Oval facility in Q3. Some of the community groups from Richmond include, but are not limited to; DRIVE Basketball, Richmond Minor Hockey Association, Richmond Ringette, Connaught Figure Skating, Panther Cheer, and Aura Rhythmic Gymnastics.

The Member Care department continued to build member engagement with the Membership Challenge, which is an incentive program designed to improve retention and use of the Oval facility. In Q3 the Oval ran a Corporate Membership Challenge to engage its corporate member base and 488 members participated. At the end of Q3 2015, a total of 76% of Oval members were Richmond residents.

Total visitation for Q3 2015 was 174,312. 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, the number of visits to the Oval's YYoga studios

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.

### Sport Development and Events

Some of the highlights of sport hosting and events held at the Oval during Q3 included the following: the Baden Cup Volleyball BC U14 Tournament, Tournament of Champions Hockey, Play4Life Hockey, Volleyball National Team Challenge Cup, BC Sport Rep Association Trade Show, West Coast Basketball Classic, Brazilian Jiu Jitsu Challenge, World Cup Field Painting Competition, the Rehab Equipment Expo, The National Strength & Conditioning Association's Northwest Regional Conference, Fencing Canada Cup West, and an Urban Rec Volleyball Tournament.

Some of the events secured in Q3 included: Canadian Wheelchair Basketball League (2015), Fencing BC Provincials (2016), Hockey Canada designated Pre-Stage location for National Women's Ice Hockey teams prior to IIHF World Women's Hockey Championship – Finland, Czech Republic, Switzerland (2016), Wheelchair Rugby Vancouver Invitational (2016), Judo Pacific International (2016), West Coast Winter Challenge (2015), BC Hockey U16 Pre-Stage Camp (2015), Team BC Female Ice Hockey Preparation Camp (2015), Volleyball BC 17U/18U Boys and Girls Provincials (2016), Masters Swimming Provincial Championship (2016 ) and the BC Age Class Wrestling Championships (2016).

High Performance Training continues to service athletes ranging from the community through to the national level. Training sessions were delivered to the Table Tennis Canada, Volleyball Canada, Speed Skating Canada, Field Hockey Canada, Sail Canada, Canadian Wheelchair Sports Association, Canadian Blind Sports Association, Cycling Canada, BC Wheelchair Sports Association, Volleyball BC, Cycling BC, BC Hockey, Swim BC , SkateCanada British Columbia\Yukon, Field Hockey BC, Skiing BC, Fusion Football Club, Vancouver Futsol Association , Vancouver Pacific Wave (Synchro) , Winskill Dolphins Swim Club, Vancouver Icemen, Steveston Selects, Vancouver Warriors Hockey, Vancouver Ringette Association, and Thunderbird Rowing. Two new high performance programs also launched at the Oval in Q3, including: the BC Speed Skating Association Academy (on-ice technical coaching combined with off-ice integrated services) and the UBC Thunderbird Rowing program.

Oval trained athlete successes in Q3 2015 included:

- Eight medals won by Oval Trained athletes at the 2015 Pan Am Games.
- 3 Oval Trained hockey players named to the national Women's U18 and Development Hockey teams: Ivana Bilic, Amy Potomak and Sarah Potomak.
- The Canadian Wheelchair Rugby and Men's Field Hockey teams qualified for the 2016 Olympic Games in Rio.

### Governance

Meetings of the Corporation's Audit & Finance Committee, Business and Budget Planning Committee and the Board took place during Q3.

### Financial

Q3 was a successful quarter for the Corporation. The Q3 results were budgeted at a net loss before transfers to reserves/provisions of \$114,000 and the actual results show income of \$222,000, indicating a favorable variance of \$336,000 (please see page 4 for the Corporation's balance sheet as of September 30, 2015 and page 5 for the statement of operations). In Q3, \$1,069,000 was allocated to the reserves/provisions.

### **Comments on the Financial Results for Q3**

#### Revenues

The Q3 portion of the 2015 Games Operating Trust Fund ("GOT") distribution of \$657,000 was recognized as revenue. Memberships, admissions and programs revenue of \$1,919,000 had a favorable variance of \$48,000 (3%) when compared to budget. Other Revenue of \$417,000 pertained to sponsorship, space leasing, parking, and interest revenue.

#### Expenses

Memberships, admissions and program services costs for Q3 2015 were \$1,372,000 which is \$80,000 (6%) favorable to budget. Facility Operations costs for Q3 were \$1,053,000 which was \$36,000 (3%) favorable to budget. Marketing expenses for Q3 were \$181,000 which was \$153,000 favorable to budget primarily due to timing of projected marketing expenses pertaining to the new initiatives which will increase in the fourth quarter of the year as the Richmond Olympic Experience officially opens. The contribution to capital expense of \$278,000 for Q3 pertains to the Oval Corporation's contribution to the retail store. The Oval Corporation contributed capital reserve funding to complete the retail store which is a City asset. Administration and Finance expenses for Q3 were \$697,000 being \$182,000 (21%) favorable to budget primarily due to savings in the contingency budget, professional fees, and other admin related expenses.



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 September 30, 2015**

Unaudited, prepared by management

		<b>Sept 30, 2015</b>
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$	1,829,816
Investments		9,614,089
Accounts receivable		614,567
		<u>12,058,473</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities		3,365,830
Deferred revenue		7,277,652
Rental deposits		9,263
		<u>10,652,744</u>
Net financial assets		1,405,729
<b>Non-Financial Assets</b>		
Tangible capital assets		10,388,887
Deferred lease costs		134,124
Inventory		87,060
Prepaid expenses and other deposits		1,419,000
		<u>12,029,073</u>
Accumulated Surplus (Note 1)	\$	13,434,801

<b>Note 1 - Breakdown of accumulated surplus account is as follows:</b>	
Investment in capital assets	10,388,887
Reserves/Provisions	1,244,319
Common Shares	1
Surplus	1,801,595
<u>13,434,801</u>	

**RICHMOND OLYMPIC OVAL CORPORATION**

Statement of Operations  
 For the quarter ended September 30, 2015  
 Unaudited, prepared by management

	QTR 3 2015			QTR 3 2014			YTD ended Sept 30, 2015			YTD ended Sept 30, 2014		
	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	% Variance Fav/(Unfav)
<b>REVENUES</b>												
2010 Games Operating Trust Fund	575,000	657,014	14%	580,386	580,386		1,725,000	1,807,015	5%	1,690,514	2,300,000	
Contribution from City of Richmond (COR)	809,925	809,925	0%	801,900	801,900		2,429,775	2,429,775	0%	2,405,700	3,239,700	
Memberships, admissions and programs	1,871,235	1,918,819	3%	1,784,024	1,784,024		5,622,653	5,726,496	2%	5,160,765	7,735,242	
Other	383,912	417,362	9%	329,032	329,032		1,151,735	1,459,660	27%	1,006,933	1,535,646	
	3,640,072	3,803,121	4%	3,495,342	3,495,342		10,929,163	11,422,945	5%	10,263,912	14,810,588	
<b>EXPENSES</b>												
Memberships, admissions, and program services	1,452,731	1,372,463	6%	1,230,207	1,230,207		3,865,640	3,711,383	4%	3,229,768	5,358,190	
Facility Operations	1,088,335	1,052,686	3%	1,085,399	1,085,399		3,254,131	3,143,486	3%	2,957,339	4,337,346	
Marketing	333,648	181,057	46%	74,469	74,469		735,348	439,672	40%	258,661	989,947	
Contribution to capital (Note 1)	-	277,971	0%	-	-		-	360,048	0%	-	-	
Admin/Finance	879,555	697,328	21%	596,154	596,154		2,523,659	2,112,355	16%	1,684,569	3,343,531	
	3,754,269	3,581,505	5%	2,986,229	2,986,229		10,378,778	9,766,944	6%	8,130,337	14,029,013	
<b>Income (loss) before transfers to reserves/provisions</b>	(114,197)	221,616	335,813	509,112	509,112		550,385	1,656,001	1,105,616	2,133,575	781,575	
Transfers to reserves/provisions (Note 2)	175,000	1,068,788	893,788	327,123	327,123		525,000	1,606,365	1,081,365	981,365	700,000	
<b>Net after transfers to reserves/provisions</b>	(289,197)	(847,173)	(557,976)	181,990	181,990		25,385	49,637	24,252	1,152,210	81,575	

**Note 1** - This amount pertains to the Oval's capital contribution to the retail store. The Oval Corporation committed capital reserve funding to complete the retail store which is a City asset.

**Note 2** - In Q3, \$1,069,000 was transferred into reserves/provisions. The transfers to capital reserves vary from quarter to quarter and are not finalized until year end by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.