



City of Richmond

Report to Committee

To: Finance Committee

Date: November 18, 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: **3rd 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 third quarter ended September 30, 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: November 19, 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 – 3rd 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 third quarter business plan and financial results for the 3 months ended September 30, 2014 (“Q3”) which was approved by the Corporation’s Board of Directors.

Business Plans and Financial Results

In Q3, the Corporation had an overall favorable variance (revenues less expenditures) of \$176,000 before transfers to reserves/provisions (please see page 4 for the Corporation’s statement of operations). In Q3, \$327,000 has been allocated to the reserves/provisions.

Highlights

Some of the highlights of the activities undertaken by the Corporation during Q3 are described below.

Community Use

Member Care continued to provide member engagement with the Membership Challenge, which is an incentive program designed to improve retention and use of the Oval facility. Registration for the October Membership Challenge opened on September 15th and all 750 spots were reserved by the beginning of the challenge. This challenge has proven to be successful as entrants that have completed the challenge increase their usage of the Oval. At the end of Q3 2014, a total of 78% of Oval members were Richmond Residents.

Total visitation for Q3 2014 was 175,564, a 10% 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.

Sport Development and Events

High Performance Training continues to service athletes ranging from the community through to the National level. Training camps were delivered to Table Tennis Canada, Speed Skating Canada, Field Hockey Canada, Athletics Australia, Volleyball BC and the Vancouver Fusion Football Club.

Oval trained athlete successes in Q3 included:

- Oval table tennis athlete and coach Mo Zhang placed first at the North American Cup, Canadian Open, and the Canadian Championships. Mo Zhang and her doubles partner also placed third at the Commonwealth Games.
- Jane Yan, another Oval trained table tennis athlete, was selected to Team BC and won the singles, and doubles category at the Canadian Championships.
- Dylan French of BC Fencing was selected to carry the flag for Canada during the Opening Ceremonies of the Youth Olympic Games in Nanjing, China.
- Megan and Nicole McNamara won silver at the Youth Olympic Games in Nanjing, China and bronze medals at the Under-19 World Volleyball Championship in Portugal.
- Six Oval Volleyball Centre of Excellence athletes were selected to participate in the U16 Baden Cup Team BC selection camp in July.
- The Canadian Wheelchair Rugby team won Silver at the World Championships in Denmark. Trevor Hirschfield and Ian Chan were named to the World All Star team.

Once again Q3 was a very busy Sport Hosting and Events quarter at the Oval. Some of the highlights included the following: Pacific Rim Gymnastics Championship, Canadian Wheelchair Basketball League Women's Championship, UROC Awards Night, Can AM Wushu Championship, Rotary Skates for the World, Reebok Crossfit Games Canada West Regional, Rhythmic Gymnastics Millennium Cup, SOS Children's Village 10K Oval Run, Karate BC Provincials, Corporate Champions of Vancouver Event, Canadian Cancer Society Relay for Life Event, WC Rugby Canada Cup, and the BC Fencing Provincials.

Events secured in Q3 included: 2015 Rhythmic Gymnastics National Championships, BC Hockey Canada Winter Games, 2014 Winter Fit Challenge, 2015 Tournament of Champions Hockey Tournament, Team Finland National Women's Ice Hockey Team Camp and the 2015 Red Bull Crashed Ice Qualifier.

Governance

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



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 Sep 30, 2014

Unaudited, prepared by management

| | QTR 3 2014 | | QTR 3 2013 | | YTD ended Sep 30, 2014 | | 2014 BUDGET | |
|--|---------------|-----------|----------------------------|---------------------------|---------------------------|------------|----------------------------|---------------------------|
| | BUDGET | ACTUAL | \$ Variance Fav/(Unfav) | % Variance Fav/(Unfav) | BUDGET | ACTUAL | \$ Variance Fav/(Unfav) | % Variance Fav/(Unfav) |
| REVENUES | | | | | | | | |
| 2010 Games Operating Trust Fund | 550,000 | 580,386 | 30,386 | 6% | 1,650,000 | 1,690,514 | 40,514 | 2% |
| Contribution from City of Richmond | 801,900 | 801,900 | - | 0% | 2,405,700 | 2,405,700 | - | 0% |
| Memberships, admissions and programs | 1,488,900 | 1,784,024 | 295,124 | 20% | 4,667,215 | 5,160,765 | 493,550 | 11% |
| Other | 353,308 | 329,032 | (24,276) | -7% | 927,022 | 1,006,933 | 79,911 | 9% |
| | 3,194,108 | 3,495,342 | 301,234 | 9% | 9,649,936 | 10,263,912 | 613,976 | 6% |
| EXPENSES | | | | | | | | |
| Memberships, admissions, and program services (Note 1) | 1,063,152 | 1,151,088 | (87,936) | -8% | 3,118,990 | 3,098,599 | 20,391 | 1% |
| Facility Operations | 1,022,670 | 1,085,399 | (62,729) | -6% | 3,063,738 | 2,957,339 | 106,399 | 3% |
| Marketing | 106,557 | 74,469 | 32,088 | 30% | 339,500 | 258,661 | 80,839 | 24% |
| Admin/Finance (Note 1) | 668,879 | 675,272 | (6,393) | -1% | 2,059,673 | 1,815,738 | 243,935 | 12% |
| | 2,861,258 | 2,986,229 | (124,971) | -4% | 8,581,901 | 8,130,337 | 451,564 | 5% |
| Net before transfers to reserves/provisions | 332,849 | 509,112 | 176,263 | | 1,068,035 | 2,133,575 | 1,065,540 | |
| Transfers to reserves/provisions (Note 2) | 325,000 | 327,122 | 2,122 | | 975,000 | 981,365 | 6,365 | |
| Net after transfers to reserves/provisions | 7,849 | 181,991 | 174,141 | | 93,035 | 1,152,210 | 1,059,175 | |

Note 1 - \$33,344 was transferred from the contingency budget to program services in relation to the Summer Play Days, plaza activation events. This contingency was originally budgeted in the Admin/Finance line.

Note 2 - In Q3, \$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 in accordance with the operating agreement.

Numbers may be off due to rounding.

Also see attached comments on the results for the third quarter of Fiscal Year 2014.