



City of Richmond

Report to Committee

To: Finance Committee

Date: May 24, 2016

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 - 1st Quarter 2016 Financial Information

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the first quarter ended March 31, 2016 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 26, 2016

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 2016 Financial information**

Origin

This staff report deals with the first quarter financial results for the 3 months ended March 31, 2016 ("Q1") which was approved by the Corporation's Board of Directors.

Highlights

The following are some of the highlights of the activities undertaken by the Corporation during Q1.

Community Use

Several community groups used the Oval facility in Q1. Some of the community groups from Richmond include, but are not limited to: DRIVE Basketball, Richmond Minor Hockey Association, Seafair Minor, Richmond Ringette, Richmond Rockets, Connaught Figure Skating, Richmond Ravens, UBC Boathouse, Air Attack Volleyball Club, Brazilian Soccer School, Aura Rhythmic Gymnastics, and Kajaks Track and Field.

The Member Care department continued to build member engagement with the March 'Spring into Fit' thirty day challenge which is an incentive program designed to improve retention and use of the Oval facility. The challenge filled to its capacity of 750 participants. At the end of Q1 2016, a total of 79% of Oval members were Richmond residents.

Sport Development and Events

Some of the highlights from Sport Hosting and Events held at the Oval during Q1 included the Tim Horton's 3rd annual new year's skate, Vancouver Hawks field hockey tournament, BCSRA winter trade show, wrestling provincials, karate nationals, Harry Jerome track meet, World Cup Fencing, Elite Canada rhythmic gymnastics, VFA futsal tournament, BC high school boys basketball lower

mainland championships, Judo Pacific International, Percy Williams track meet, Wheel Chair Rugby Vancouver Invitational, and the Ringette Western Canadians.

Some of the events secured by Sport Hosting in Q1 included: Dharma Talks, Wayland Cup gymnastics meet, 2016 Can-Am International martial arts championships (Wushu), 2016 Canadian university synchronized swimming league nationals, 2016 Volleyball Canada national team challenge cup (NTCC), 2016 BC Hockey U16 & U18 female strength and conditioning camp, and the 2016 Toronto FC II pre-season training camp.

The High Performance department began 2016 with two exciting events. On February 2nd, 2016, Volleyball Canada officially announced that the Women's National Team Training Centre will be based at the Richmond Olympic Oval beginning in January 2017. Secondly, on February 20th, 2016, the Oval hosted the RBC Training Ground event, which is a partnership between the Royal Bank of Canada (RBC), the Canadian Broadcast Corporation (CBC), the Canadian Olympic Committee (COC) and the Canadian Olympic Foundation (COF) whose goal is to find Canada's next great Olympian. One hundred athletes were selected from 400 applicants to execute a series of performance tests in front of various national/provincial sport organizations. Eight Oval trained athletes participated in the RBC Training Ground event with Kieanna Stephens, an Oval Hockey Camp athlete in 2015, winning the grand prize of a trip to Rio to experience the 2016 Olympic Games. The Richmond Olympic Oval was the first of four event locations across Canada to participate as a training ground.

The High Performance department continued to deliver technical coaching and integrated high performance services to teams and players at the community through national level, including but not limited to the following groups: UBC Thunderbirds Rowing, FusionFC (soccer), Vancouver Pacific Wave Synchro (swimming), Seafair Minor Hockey, India Field Hockey Club, BC Wheelchair Sports, Wheelchair Rugby Canada and Field Hockey Canada.

Notable athlete successes during Q1 included:

- Stephanie Dickinson (synchronized swimming) won Junior Figures at the National stream provincials in February. In March, Stephanie was selected for the Canadian 2016 Junior World team.
- Judo athlete Ian Ryder won Gold at the BC Winter Games.
- Speed skating athlete Chris Poljer pre-qualified for the National Senior Selection #2 event
- Speed skating athlete Lukas Macdonald placed 2nd overall at the 2016 Can West Championships
- Oval Table Tennis athletes Cherry Cheng, Mo Zhang and Jane Yan were selected to travel to Montreal for the Canadian Cup Finals, an Olympic qualifier competition. Mo Zhang was also the champion of the North American Cup in Women's singles
- Volleyball Centre of Excellence athlete Tova Rae was recruited to the Vancouver Island University Mariners Women's Volleyball Team.

Governance

Meetings of the Corporation's Business and Budget Planning Committee and the Board of Directors took place during Q1.

Financial

Q1 was a successful quarter for the Corporation. The Q1 results were budgeted at an income before transfers to reserves/provisions of \$483,000 and the actual results show income of \$634,000, indicating a favorable variance of \$151,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2016 and page 5 for the statement of operations). In Q1, \$430,000 was allocated to the reserves/provisions.

Comments on the Financial Results for Q1

Revenues

The Q1 portion of the estimated 2016 Games Operating Trust Fund ("GOT") distribution of \$700,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,017,000 in Q1 and other revenue of \$482,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue.

Expenses

Memberships, admissions and program services costs for Q1 2016 were \$1,267,000 which is \$87,000 (6%) favorable to budget. Facility Operations costs for Q1 were \$961,000 which was \$103,000 (10%) favorable to budget. Marketing expenses for Q1 were \$93,000 which was \$66,000 favorable to budget. Administration and Finance expenses for Q1 were \$739,000 being \$68,000 (8%) 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 March 31, 2016****Unaudited, prepared by management**

		Mar 31, 2016
ASSETS		
Financial Assets		
Cash	\$	1,445,070
Investments		6,014,960
Inventory		109,420
GOT receivable		700,000
Accounts receivable		1,166,064
		<u>9,435,513</u>
Financial Liabilities		
Accounts payable and accrued liabilities		1,602,235
Deferred revenue		5,652,006
Rental deposits		9,263
		<u>7,263,503</u>
Net financial assets		2,172,010
Non-Financial Assets		
Tangible capital assets		11,817,975
Deferred lease costs		121,300
Prepaid expenses and other deposits		736,032
		<u>12,675,306</u>
Accumulated Surplus (Note 1)	\$	14,847,317

Note 1 - Breakdown of accumulated surplus account is as follows:

Investment in capital assets	9,495,878
Reserves/Provisions	4,062,727
Common Shares	1
Surplus	1,288,710
	<u>14,847,317</u>

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended March 31, 2016

Unaudited, prepared by management

	QTR 1 2016				QTR 1 2015				2016 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
REVENUES									
2010 Games Operating Trust Fund	700,000	700,000	-	0%	575,000	575,000	-	0%	2,800,000
Contribution from City of Richmond	827,732	827,732	-	0%	809,925	809,925	-	0%	3,310,927
Memberships, admissions and programs	2,079,171	2,016,856	(62,315)	-3%	1,987,195	1,930,154	(57,041)	-3%	8,432,194
Other	473,491	481,559	8,068	2%	385,412	579,606	194,194	50%	1,638,960
	4,080,394	4,026,147	(54,247)	-1%	3,757,532	3,894,685	137,153	4%	16,182,081
EXPENSES									
Memberships, admissions, and program services	1,354,203	1,267,154	87,049	6%	1,164,796	1,090,523	74,273	6%	5,509,331
Facility Operations	1,064,176	961,056	103,120	10%	991,082	1,000,716	(9,634)	-1%	4,256,704
Marketing	159,494	93,153	66,341	42%	114,394	105,254	9,140	8%	989,947
Contribution to capital	-	1,524	(1,524)	-	-	82,077	(82,077)	-	-
Admin/Finance	807,467	739,253	68,213	8%	747,951	644,521	103,430	14%	3,283,509
	3,385,340	3,062,140	323,200	10%	3,018,223	2,923,091	95,132	3%	14,039,491
Income before amortization and transfers	695,054	964,007	268,953		739,309	971,594	232,285		2,142,590
Amortization	212,535	330,341	(117,806)	-55%	170,031	102,297	67,734	40%	850,144
Income after amortization and before transfers	482,519	633,666	151,147	31%	569,278	869,298	300,019	53%	1,292,446
Transfers to reserves/provisions (Note 1)	300,000	430,205	130,205		175,000	268,788	93,788		1,200,000
Net after transfers to reserves/provisions	182,519	203,461	20,942		394,278	600,510	206,231		92,446

Note 1 - In Q1, \$430,000 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.