



**To:** Finance Committee

**Date:** March 31, 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:** **Richmond Olympic Oval – 2015 Annual Operating and Capital Budgets**

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**Staff Recommendation**

That the report on the 2015 Annual Operating and Capital Budgets for the Richmond Olympic Oval from the Controller of the Richmond Olympic Oval Corporation be received for information.

for  
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:** March 25, 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 – 2015 Annual Operating and Capital Budgets**

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### Origin

This staff report deals with the Richmond Olympic Oval Corporation's (the "Corporation") 2015 annual operating and capital budgets which were unanimously approved by the Corporation's Board of Directors ("BOD").

### Analysis

#### 2015 Budget Mandate

In preparing the 2015 operating budget, staff were given a mandate from the CEO that aside from the operating budget impacts of the 3 new lines of business (ROX, Retail, YYoga), non-discretionary items, and except where there was a favorable gross margin impact, there were to be no increases to the operating budget. Based on this, staff prepared, and the BOD unanimously approved, the 2015 operating budget as shown on page 3.

#### 2015 Outlook

In 2015, more Oval high performance programs will integrate with the Richmond virtual school district, allowing greater numbers of athletes involved in the high performance training at the Oval the opportunity to earn PE 10-12 high school credits. New initiatives planned for 2015 include the development and launch of a tactical training program designed for first responders, the launch of the elite goalies hockey centre of excellence, the Vancouver futsal high performance program, expansion of the Oval summer volleyball academy program, and a year round training program with

Fusion FC high performance soccer that will see 200+ unique high performance players training at the Oval 35 weeks of the year. 2015 will also see continued expansion in high performance strength and conditioning and the short track speed skating legacy program in partnership with Speed Skating Canada.

To celebrate “2015: The Year of Sport in Canada,” the Corporation will be providing up to two free child memberships for every young adult, adult or seniors membership purchased, along with offering a number of volunteer opportunities for the public to become more involved with the sport community. Oval fitness programming will also expand with the launch of nutrition optimization services and bundling with personal training, a spring launch of LeBarre (Ballet Barre Fitness) and a summer launch of a new outdoor adventure series that will provide Oval members with sport, health and wellness experiences across the region.

Over 40 events have been confirmed for 2015, some of which include: the Toronto Blue Jays Winter Tour, BC Sports Rep Association Trade Show, BC Age Class Wrestling Championships, Karate Canada Nationals, Harry Jerome Indoor Track Meet, BC Sport Climbing Competition, Fencing World Cup, Judo Pacific Internationals, Red Bull Crashed Ice Regional Qualifiers, Panther Cheerleading Events, Wheelchair Rugby Vancouver Invitational, Fencing Western Championships, Weightlifting Western Canadian Championship, Province Gran Forza Pentathlon, Volleyball Provincials, Workout to Conquer Cancer for the Canadian Cancer Society, UROC Awards (to celebrate the achievements and dedication of outstanding youth, youth groups and asset champions within the Richmond Community), CAN AM Wushu Championship, Gymnastics BC Millennium Cup, Fencing Nationals, Rhythmic Gymnastics Nationals, Karate BC Provincial Championships, SOS Children’s Village 10K Run, Fencing Provincials, NTCC Volleyball Championship, West Coast Classic Basketball Tournament, BC Handball BC Cup, Powerlifting Commonwealth Games, Investors Group Walk for Memories with the Alzheimer Society of BC, Relay For Life for the Canadian Cancer Society, Lower Mainland Boys Basketball Championships, Corporate Champions of Vancouver, Play 4 Life Hockey Tournament, Western Marine Tradeshow, Rehab Equipment Expo, and the De Danaan Christmas Feis.

#### 2015 Operating and Capital Budget

The Corporation’s BOD approved 2015 operating and capital budgets are described on the following page.

**RICHMOND OLYMPIC OVAL CORPORATION**  
**Operating Budget**

	2014 BUDGET	2015 BUDGET	\$ Increase (decrease)	% Increase (decrease)
<b>REVENUES</b>				
2010 Games Operating Trust	\$ 2,200,000	\$ 2,300,000	\$ 100,000	5%
Contribution from City of Richmond	3,208,000	3,239,700	31,700	1%
Memberships, admissions and programs (Note 1)	6,471,768	7,559,238	1,087,470	17%
Other	1,260,830	1,711,650	450,820	36%
	<b>13,140,598</b>	<b>14,810,588</b>	<b>1,669,990</b>	<b>13%</b>
<b>EXPENSES</b>				
Memberships, admissions, and program services (Note 1)	4,335,516	5,358,190	1,022,674	24%
Facility Operations	4,084,987	4,337,345	252,358	6%
Marketing (Note 2)	487,432	989,947	502,515	103%
Admin/Finance	2,656,911	3,343,532	686,621	26%
	<b>11,564,845</b>	<b>14,029,013</b>	<b>2,464,168</b>	<b>21%</b>
<b>Net income before transfers to reserves/provisions</b>	<b>\$ 1,575,753</b>	<b>\$ 781,575</b>	<b>\$ (794,178)</b>	<b>-50%</b>
Transfer to reserves/provisions (Note 3)	1,300,000	700,000		
<b>Net income after transfers to reserves/provisions</b>	<b>\$ 275,753</b>	<b>\$ 81,575</b>		

**Note 1** - The memberships, admissions, and program services line items also include the ROX and Retail revenues and expenses. In the 2014 budget, these expenditures were included in the Admin/finance line. These have been reclassified appropriately for comparability.

**Note 2** - The increase in marketing expenses pertains to those expenditures required to create the appropriate level of awareness for the new initiatives. A portion of these expenditures are considered one-time expenses and are not expected to recur in future years.

**Note 3** - This budgeted transfer to reserves/provisions is an estimate and the final amount will be determined by the Capital Works Committee.

2015 Capital Budget

The 2015 capital budget is a total of \$3.15M and includes capital projects that are required to maintain the existing capital assets and infrastructure, those projects required to support Oval programming and those projects required to support the new lines of business. The capital budget is primarily funded from the Corporation's operating capital reserves.



Rick Dusanj, CPA, CA  
 Controller, Richmond Olympic Oval Corporation

cc: Shana Turner  
 Director, Finance & Corporate Services, Richmond Olympic Oval Corporation