



To: Finance Committee

Date: November 26, 2013

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 2013 - Financial Information for the Richmond Olympic Oval Corporation**

Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended September 30, 2013 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 27, 2013

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, CA
Controller, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 3rd Quarter 2013 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, 2013 ("Q3") which was approved by the Corporation's Board of Directors.

Business Plans and Financial Results

The Q3 results were budgeted at a surplus of \$271,000 and the actual results show a surplus of \$611,000, indicating a favorable variance of \$340,000 (please see page 4 for the Corporation's statement of operations) as the Corporation continues to outperform its budget. The unfavorable variance in other revenue of \$195,000 is as a result of the reversal of \$261,000 of revenue in Q3 that was previously recognized in Q1 and Q2. This external funding revenue received from Tourism Richmond will now be recognized over the life of the underlying asset once the Richmond Olympic Experience (ROE) project is complete. Once this adjustment is accounted for, the other revenue has a favorable variance of \$66,000. In Q3, \$615,000 has been allocated to the reserves.

Highlights

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

Community Use

The Oval continues to attract a significant number and broad range of users from the Community. At the end of Q3, 78% of members were Richmond Residents and over 75 different community sport and recreation groups used the Oval facility during the third quarter. While there are fluctuations in overall membership from quarter to quarter due to seasonal promotions with finite expiry dates, for example our popular Student Summer Pass Promotion, the long term membership base remained constant. Fitness Centre usage increased by 5.8% over the same time period, largely due to a focus on membership engagement.

With respect to visitation for the 9 months ended September 30th, 2013, total visits to the Oval were over 530,000 which is more than a 17% increase over the same period 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.

The beginning of Q3 saw the launch of a new Pilates TRX program and an increase to 43 group fitness classes per week with all peak time classes at full capacity. August 30th saw the close of our most successful summer programming season ever, with Sport Camp revenues up 41% compared to 2012. Total summer program registration was also up significantly, with a 23% increase in registrations over the same period last year.

Sport Development and Events

High Performance Sport Services continues to make its mark at the Oval. Over 4,200 individual athlete training sessions were completed in Q3. These sessions included:

- Local athletes from synchronized swimming, figure skating, speed skating, volleyball, soccer, and hockey (Richmond Sockeyes);
- Provincial level athletes in the Canadian Sport Centre Pacific IGNITE Program and BC Fencing (including athletes from taekwondo, rowing, alpine skiing, softball, hockey, soccer, track cycling, and water polo); and
- National level athletes from the men's & women's National Field Hockey Teams, National Wheelchair Rugby Team and Canada Beach Volleyball.

Some additional High Performance highlights from Q3 include hosting:

- The Kazakhstan Women's Ice Hockey team for on-ice sessions as well as strength and conditioning sessions.
- The Table Tennis Canada Cadet Camp (August 18-20), which included 20 top level athletes from across Canada and the USA training with Oval and international coaches.
- Speed Skating Canada High Performance Camp, featuring 16 athletes from BC, Alberta, Manitoba and the Northwest Territories participating in on-ice technical, video analysis and strength and conditioning sessions.

Once again Q3 was a very busy Sport Hosting and Events Quarter at the Oval. Some of the highlights included the following: the Annual Juvenile Diabetes Research Foundation (JDRF) Dodgeball International Tournament, the 2013 Judo National Championships & National Team Training Camp, and the 2013 YONEX Canada Open. Sport Hosting events secured at the Oval during Q3 included the 2013 Western Canadian Single Distance Short Track Speed Skating Championship and the 2014 Athletes Canada Annual General Meeting.

Governance

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

A handwritten signature in black ink, appearing to read 'RD', is positioned above the name of the signatory.

Rick Dusanj, 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, 2013

Unaudited, prepared by management

	QTR 3 2013			QTR 3 2012			9 months 2013			9 months 2012		
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	ACTUAL	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	ACTUAL	BUDGET
REVENUES												
2010 Games Operating Trust Fund	675,000	705,852	30,852	5%	696,159	5%	2,025,000	2,117,387	92,387	5%	2,088,478	2,700,000
Contribution from City of Richmond	786,175	786,175	-	0%	768,471	0%	2,358,525	2,358,525	-	0%	2,305,412	3,144,700
Memberships, admissions and programs	1,468,377	1,559,131	90,754	6%	1,459,750	6%	4,680,546	4,915,337	234,791	5%	4,430,687	6,126,945
Other (Note 1)	260,383	65,218	(195,165)	-75%	239,138	-75%	761,147	927,659	166,512	22%	726,562	1,011,531
	3,189,935	3,116,377	(73,558)	-2%	3,163,518	-2%	9,825,218	10,318,908	493,690	5%	9,551,139	12,983,176
EXPENSES												
Memberships, admissions, and program services	1,072,490	928,526	143,964	13%	929,179	13%	3,251,163	2,938,002	313,161	10%	2,881,754	4,254,568
Facility Operations	944,482	946,400	(1,919)	0%	951,599	0%	2,834,347	2,846,234	(11,888)	0%	2,613,554	3,776,280
Marketing	146,888	104,590	42,298	29%	116,701	29%	348,744	293,127	55,617	16%	319,044	495,831
Admin/Finance	755,267	525,656	229,611	30%	494,344	30%	2,187,512	1,629,140	558,372	26%	1,642,699	2,905,366
	2,919,127	2,505,173	413,954	14%	2,491,824	14%	8,621,766	7,706,504	915,262	11%	7,457,051	11,432,046
Net before items below	270,808	611,204	340,396		671,695		1,203,452	2,612,404	1,408,952		2,094,087	1,551,130
Transfers to reserves/provisions (Note 2)	325,000	615,447	290,447		615,447		975,000	1,846,340	871,340		1,846,340	1,300,000
Net after items above	(54,192)	(4,243)	49,949		56,248		228,452	766,064	537,612		247,748	251,130

Note 1 - This negative variance is as a result of an accounting reversal of \$260,598 of revenue in Q3 that was previously recognized in Q1 and Q2 2013 pertaining to the capital expenditures on the Richmond Olympic Experience (ROE) project which was approved previously by the Corporation's Board of Directors.

Note 2 - In Q3, \$615,000 was transferred into reserves and provision accounts including \$500,000 into the Operating Capital Reserve Fund.

Numbers may be off due to rounding.

Also see attached comments on the results for the Third Quarter of Fiscal Year 2013.