



To: Finance Committee

Date: January 20, 2022

From: George Duncan
Chief Administrative Officer
& President and CEO
Richmond Olympic Oval

File:

Jerry Chong
Acting General Manager, Finance and Corporate
Services & Chief Financial Officer, Richmond
Olympic Oval

Re: Richmond Olympic Oval Corporation – 2022 Annual Operating and Capital Budgets

Staff Recommendation

That the report on the 2022 Annual Operating and Capital Budgets for the Richmond Olympic Oval Corporation from the Director, Finance, Richmond Olympic Oval Corporation be received for information.

George Duncan
Chief Administrative Officer
& President and CEO
Richmond Olympic Oval

Jerry Chong
Acting General Manager, Finance and Corporate
Services & Chief Financial Officer
Richmond Olympic Oval

DATE: January 19, 2022

TO: George Duncan
Chief Executive Officer, Richmond Olympic Oval Corporation

Jerry Chong
Chief Financial Officer, Richmond Olympic Oval Corporation

FROM: Rick Dusanj, CPA, CA
Director, Finance, Richmond Olympic Oval Corporation

Re: **Richmond Olympic Oval Corporation – 2022 Annual Operating and Capital Budgets**

Origin

This staff report addresses the Richmond Olympic Oval Corporation's (the "Corporation") 2022 annual operating and capital budgets which were unanimously approved by the Corporation's Board of Directors ("BOD").

Analysis

2022 Operating Budget

In 2022, the Corporation will continue to build on the operational successes from 2021 in addressing the pandemic recovery. Although the operations are trending in a positive direction, it is anticipated that the gross revenues from memberships, admissions, programs and services for 2021 will be approximately \$4 Million less than it was in 2019 during pre-pandemic times. The Corporation has continued to remain agile and is taking proactive measures to adhere to evolving provincial health orders and province wide restrictions and ensuring that Richmond residents and the broader community are safely returning to their sport and fitness routines. An expected outcome of operating in this dynamic environment is the additional expense required to provide services to the public. In preparing the budget, the expenses included primarily focusing on sustaining operations with on-going pandemic protocols, planning and executing the progressive resumption of programs and services, and ensuring the Corporation's clientele remains engaged. The Corporation will continue with an appropriately timed resumption of programs and services using the restoration of programs and services continuum as a guide which takes into account level of risk, exposure, and ability to mobilize service delivery with strict adherence to health and safety guidelines. Given the uncertainty with respect to the health guidelines, health outcomes, and individual's personal comfort levels of returning to in person fitness, staff have prepared a cautious 2022 operating budget that has been unanimously approved by the BOD (please see Attachment 1).

2022 Outlook

The Corporation looks forward to building from the momentum and successes over the past year. As the COVID-19 pandemic continues to be an ever-evolving situation, the Corporation will continue to work to restore its service levels in 2022 while meeting and exceeding health and safety guidelines set forth by the provincial government. Subject to continued positive health outcomes in the community and restrictions in the Provincial Health Orders, the Corporation will provide the community with drop-in sport and fitness offerings, popular sports programs like learn to skate lessons, climbing programs for all ages and levels of athletes and children's camps. Some of the community groups and organizations from Richmond or with strong Richmond-based participation expected for 2022 include, but are not limited to: Drive Basketball, Split Second Basketball, Richmond FC, Richmond Rockets Speed Skating Club, Aura Gymnastics, Brazilian Soccer School, Urban Rec, Connaught Figure Skating Club, Air Attack Volleyball Club, Richmond Arenas Community Association (RACA), and Fusion FC.

Pending continued positive health outcomes in the community and restrictions in the Provincial Health Orders, the upcoming year may include a careful return of sporting events, tournaments and competitions. Events currently slated to take place in 2022 include, but are not limited to: BC Sport Climbing Provincials, Climbing Escalade Canada's Speed and Lead Nationals, Wheelchair Rugby Vancouver Invitational, Short Track Canada Cup Junior Final, Judo Pacific International, Karate BC Provincials, Fencing Canada Cup, and Volleyball U14 Nationals.

2022 Capital Budget

The 2022 capital budget totals \$4.07M and included in this amount is a \$2.90M major capital project for the improvement of outdoor space (Lot 5) which will be fully funded by external sources. Staff continue to be prudent as only \$1.17M of the 2022 capital budget will be funded from the Corporation's capital reserves. The other capital projects included in the 2022 capital budget are primarily projects that involve maintenance or replacement of existing capital assets and infrastructure and projects that support programming. This includes \$0.24M of building operations requirements (e.g. safety equipment), \$0.61M of program related improvements and equipment (e.g. sporting equipment), \$0.13M of computer software & equipment and a \$0.20M contingency for any safety, security, or other related issues.



Rick Dusanj, CPA, CA
Director, Finance, Richmond Olympic Oval Corporation

ATTACHMENT 1

2022 Operating Budget

RICHMOND OLYMPIC OVAL CORPORATION				
Operating Budget				
	2021 BUDGET	2022 BUDGET	\$ Change	% Change
REVENUES				
2010 Games Operating Trust	\$ 3,725,000	\$ 3,725,000	\$ -	0%
Contribution from City of Richmond	3,669,885	3,754,292	84,407	2%
Memberships, admissions and programs	4,294,411	5,854,079	1,559,668	36%
Other	1,320,973	1,174,859	(146,114)	-11%
	13,010,269	14,508,229	1,497,960	12%
EXPENSES				
Memberships, admissions and programs	4,860,783	5,544,075	683,291	14%
Facility Operations	4,205,075	4,608,583	403,508	10%
Marketing	527,951	545,155	17,204	3%
Admin/Finance	3,250,600	3,391,864	141,264	4%
	12,844,409	14,089,676	1,245,267	10%
Net income before amortization and transfers	\$ 165,860	\$ 418,553	\$ 252,693	152%
Amortization	2,000,000	2,200,000	200,000	10%
Net income after amortization and before transfers	\$ (1,834,140)	\$ (1,781,447)	\$ 52,693	3%
Transfer to reserves/provisions (Note 1)	TBD	TBD		
Net income after amortization and transfers	TBD	TBD		
Note 1 - The budgeted transfer to reserves/provisions is not estimated at this time as the amount will be determined by the Capital Works Committee.				