



**City of  
Richmond**

**Report to Committee**

**To:** Finance Committee

**Date:** December 16, 2022

**From:** Jerry Chong  
GM, Finance & Corporate Services

**File:** 03-1200-09/2022-Vol  
01

**Re: Richmond Olympic Oval Corporation – 3rd Quarter 2022 Financial  
Information**

**Staff Recommendation**

That the report on Financial Information for the Richmond Olympic Oval Corporation for the third quarter ending September 30, 2022 from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

Jerry Chong  
GM, Finance & Corporate Services  
(604-276-4064)

**REPORT CONCURRENCE**

**APPROVED BY CAO**

**DATE:** December 16, 2022

**TO:** Serena Lusk  
Chief Administrative Officer, City of Richmond

Jerry Chong  
General Manager, Finance & Corporate Services, City of Richmond

**FROM:** Rick Dusanj, CPA, CA  
Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

**Re:** **Richmond Olympic Oval Corporation – 3<sup>rd</sup> Quarter 2022 Financial information**

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### **Origin**

This staff report addresses the third quarter financial results for the 3 months ended September 30, 2022 (“Q3”) which was endorsed by the Corporation’s Board of Directors. Below are some of the highlights of the activities undertaken during Q3.

### **Q3 Highlights**

#### Community Use

The Oval continued to offer developmental programs and sport camps, with ice programs continuing to be particularly popular in Q3. Summer Learn to Skate registrations totaled just under 600, which was the highest for any single season of the Learn to Skate program. Over the course of the summer, 36 different camps were offered resulting in summer sport camps registration of 2,500, a 7% increase compared to 2021.

In Q3, numerous community groups utilized the Oval to operate their programs and services for ages ranging from tots to seniors. These programs and services include the following sports: aikido, basketball, figure skating, gymnastics, hockey, karate, soccer, and speed skating.

In accordance with the Richmond Oval Agreement between the City of Richmond (“City”) and the Corporation, the funding that is received from the City on an annual basis is required for the Corporation to fulfill the operating objectives which include the Corporation providing facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public. Without the Oval and the annual contribution from the City, these facilities, programs and services would have to be provided elsewhere.

### Sport Development and Events

Events that took place in this quarter included: Cars and Hoops Charity Fundraiser, Canadian Wheelchair Floorball Championships, CN Sports Youth Competition, Toms Warehouse Sale, Beat The Heat Hockey Tournament, Forever Young 8K, Hoop-Law 2022 Charity Basketball Tournament and the Women's National Team High School Volleyball Tournament. Some of the future new events secured in Q3 by Events and Sport Hosting included: Clear One Badminton Exhibition Match, Climbing Escalade Canada Senior Lead Climbing Provincials, 2022 Volleyball Canada Women's National Team High School Tournament, 2022 Taekwondo Korean Consul Cup, 2022 Speed Skating BC Provincial Championships, 2023 Wrestling BC Western Canadian Championships and 2023 Wheelchair Rugby Vancouver Invitational and National Team Training Camp.

National and Provincial Team training that occurred in Q3 included: BC Wheelchair Sports Association, Field Hockey Canada Next Gen and TAP Athlete Program, Volleyball Canada Women's National Team and Next Gen Team.

### Governance

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

### Financial

Although the Oval's programming revenues are trending in a positive direction as we continue our pandemic recovery, an expected outcome of operating in this new environment are the additional expenses required to provide services to the public. Overall for Q3, the Corporation continued to exceed cautious budget targets. The results for the 3 months ended September 30, 2022 show income of \$375,000 after amortization compared to a budgeted loss of \$523,000, indicating a favorable variance of \$898,000 (please see page 4 for the Corporation's balance sheet as of September 30, 2022 and page 5 for the statement of operations). In Q3, \$823,000 was allocated to the reserves/equity.

### **Comments on the Financial Results for Q3**

#### Revenues

In Q3, 1,175,000 of revenue was recognized pertaining to the 2022 Games Operating Trust Fund ("GOT") distribution. Memberships, admissions and programs revenue was \$2,266,000 in Q3 and other revenue of \$387,000 primarily pertained to space leasing, parking, and interest revenue. Overall, revenue was \$1,044,000 favorable to budget.

#### Expenses

Memberships, admissions and program services costs for Q3 2022 were \$1,814,000, facility operations costs were \$1,151,000, marketing expenses were \$142,000, and administration and finance expenses were \$828,000. Overall, expenditures were \$145,000 unfavorable to budget which is more than offset by the favorable variance in corresponding revenues.

A handwritten signature in black ink, appearing to read 'R. Dusanj'.

Rick Dusanj, CPA, CA

Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

## RICHMOND OLYMPIC OVAL CORPORATION

### Balance sheet

As at Sept 30, 2022

Unaudited, prepared by management

		Sept 30, 2022
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$	1,520,561
Investments		16,767,053
Inventory		177,664
Accounts receivable		519,329
		18,984,607
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities		2,159,340
Deferred revenue		10,293,755
Rental deposits		7,373
		12,460,467
Net financial assets		6,524,140
<b>Non-Financial Assets</b>		
Tangible capital assets		12,448,715
Prepaid expenses and other deposits		242,286
		12,691,001
Accumulated Surplus (Note 1)	\$	19,215,141

<b>Note 1 - Breakdown of accumulated surplus account is as follows:</b>	
Investment in capital assets	8,115,741
Reserves/Provisions	10,231,444
Common Shares	1
Surplus	867,955
19,215,141	

The Accumulated Surplus shown above represents the Corporation's Shareholder's Equity. The investment in capital assets represents funding that has already been spent on existing capital assets currently being depreciated. The reserves/provisions balance primarily includes committed funding for approved capital projects as well as funding required for future minor capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to primarily fund the Oval's future minor capital program, which has averaged \$2.00M annually over the past 5 years. The amount transferred each quarter varies and the final amount is determined by the Capital Works Committee in accordance with the operating agreement.

## RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations  
For the quarter ended September 30, 2022  
Unaudited, prepared by management

	QTR 3				YTD ended				2022	
	2022		2022		September 30, 2022		September 30, 2022		BUDGET	
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	BUDGET
<b>REVENUES</b>										
2010 Games Operating Trust Fund	931,250	1,174,785	243,535	26%	2,793,750	3,037,286	243,536	9%	3,725,000	3,725,000
Contribution from City of Richmond	938,573	938,573	-	0%	2,815,719	2,815,719	-	0%	3,754,292	3,754,292
Memberships, admissions and programs	1,572,547	2,266,328	693,781	44%	4,252,582	5,814,432	1,561,850	37%	5,854,079	5,854,079
Other	279,975	386,507	106,532	38%	877,628	1,088,887	211,259	24%	1,174,859	1,174,859
	3,722,345	4,766,194	1,043,848	28%	10,739,679	12,756,324	2,016,645	19%	14,508,230	14,508,230
<b>EXPENSES</b>										
Memberships, admissions and program services	1,509,144	1,813,626	(304,482)	-20%	4,171,609	4,813,222	(641,613)	-15%	5,544,075	5,544,075
Facility Operations	1,154,049	1,151,478	2,571	0%	3,389,802	3,429,192	(39,390)	-1%	4,608,583	4,608,583
Marketing	124,288	142,317	(18,029)	-15%	424,774	422,365	2,409	1%	545,155	545,155
Admin/Finance	880,288	828,408	51,880	6%	2,475,213	2,305,730	169,483	7%	3,391,864	3,391,864
Amortization	577,878	455,093	122,785	21%	1,600,128	1,338,298	261,830	16%	2,200,000	2,200,000
	4,245,647	4,390,923	(145,276)	-3%	12,061,526	12,308,808	(247,282)	-2%	16,289,677	16,289,677
<b>Net Income/(Loss) (Note 1)</b>	(523,302)	375,270	898,572	172%	(1,321,847)	447,516	1,769,363	134%	(1,781,447)	(1,781,447)

Note 1 - In Q3, \$0.82M was transferred into reserves/equity mainly for future minor capital programs. The total transfers vary from quarter to quarter and will be finalized by the Capital Works Committee in accordance with the operating agreement. The Oval Corporation's minor capital program, which is primarily funded from the Capital Reserves, has averaged \$2.00M annually over the past 5 years.

Numbers may be off due to rounding.