



# City of Richmond

## Report to Committee

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**To:** Finance Committee **Date:** August 24, 2023  
**From:** Jerry Chong, CPA, CA **File:** 03-1200-09/2023-Vol  
General Manager, Finance & Corporate Services 01  
**Re:** **Richmond Olympic Oval Corporation – 2nd Quarter 2023 Financial  
Information**

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### Staff Recommendation

That the Richmond Olympic Oval Corporation – 2nd Quarter 2023 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

Jerry Chong, CPA, CA  
General Manager  
Finance & Corporate Services  
(604-276-4064)

REPORT CONCURRENCE	
APPROVED BY CAO	

**DATE:** August 24, 2023

**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 – 2<sup>nd</sup> Quarter 2023 Financial information**

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## **Origin**

This staff report addresses the second quarter financial results for the 3 months ended June 30, 2023 (“Q2”) which was endorsed by the Corporation’s Board of Directors. Below are some of the highlights of the activities undertaken during Q2.

## **Q2 Highlights**

### Community Use

Q2 2023 saw the first full quarter of services at the Fields. As anticipated, the uptake was significant, garnering approximately \$49,000 in revenues, with programs and offerings further expanding into Q3 and Q4 2023. Community sport programming, in particular, Learn to Skate lessons continued to see growth with a 23% increase over Q2 of 2022, with over 620 lesson sign-ups. Additional sport program offerings by the Oval in Q2 include, but are not limited to: climbing, ice hockey, high performance speed skating, performance development volleyball, and strength and conditioning programs.

In Q2 2023, total visitations were close to 100,000 per month with drop-in visitations at approximately 28,000 per month, which includes group fitness, climbing, table tennis, ice sports and visits to the Fitness Centre. In addition, the ROX hosted 32 schools with over 1,600 students taking part in the inspiring Education Program. At the end of Q2, 71% of Oval members reside in Richmond. The remaining 29% is a key indicator that the Oval has regional appeal, and while satisfying community demand, it can also attract a client base outside of Richmond that positively contributes to the Oval’s brand awareness and financial performance.

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 this quarter included: Canadian Sport for Life Summit, Sport Climbing BC Youth Provincials, World Karate Federation Championships, U17/18 Volleyball Provincial Championships, Karate BC Provincial Championships, CEC High Performance Climbing Competition, Delta Gymnastics Cash and Carry Invitational, Canada Border Services Agency Training, Chinese Street Dance Festival, Canadian Wheelchair Basketball League Finals, Artistic Gymnastics National Championships, Hoopfest, Steveston Meltdown Hockey Tournament, Can-Am International Martial Arts Championships & International Dragon and Lion Dance Competition, Sport Events Congress, BCSRA Summer Trade Show, Volleyball Canada vs St Mary's Series, Weightlifting Canada National Training Camp and the ViaSport Safe Sport Announcement.

New events secured in Q2 by Events and Sport Hosting included: 2023 Wheelchair Basketball National Team Training Camp ADCC Jiu Jitsu Open, Fairchild TV Family Day, 2023 United Filipino Volleyball Tournament, , 2024 Short Track Canada Cup Junior Final, 2024 Western Canadian Gymnaestrada, and 2024 Indo Pacific Trampoline and Tumbling Championships.

Athletes representing various provincial and national sports organizations utilized the Oval for training and competition in Q2. These groups included, but were not limited to the following: Alpine Ski Canada, BC Wheelchair Sports Association, BC Wheelchair Basketball, BC Wheelchair Rugby, BC Basketball, Climbing Escalade Canada, Field Hockey Canada, Table Tennis North, Sport Climbing BC, Skate Canada, Volleyball Canada, Wheelchair Rugby Canada, and Weightlifting Canada.

### Governance

Meetings of the Corporation's Audit & Finance Committee, Richmond Olympic Experience (ROX) Committee and the Board of Directors took place during Q2.

### Financial

The results for the 3 months ended June 30, 2023 show income of \$164,000 after amortization compared to a budgeted loss of \$362,000, indicating a favorable variance of \$526,000 (please see page 4 for the Corporation's balance sheet as of June 30, 2023 and page 5 for the statement of operations). In Q2, \$573,000 was allocated to the reserves/equity.

### **Comments on the Financial Results for Q2**

#### Revenues

The Q2 portion of the estimated 2023 Games Operating Trust Fund ("GOT") distribution of \$931,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,432,000 in Q2 and other revenue of \$488,000 primarily pertained to space leasing, parking, and interest revenue. Overall, revenue was \$639,000 favorable to budget.

Expenses

Memberships, admissions and program services costs for Q2 2023 were \$1,872,000, facility operations costs were \$1,307,000, marketing expenses were \$142,000, and administration and finance expenses were \$924,000. Overall, expenditures were \$113,000 unfavorable to budget which is offset by and due in part to, expenses incurred in generating 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 June 30, 2023

Unaudited, prepared by management

Jun 30 2023

#### ASSETS

##### Financial Assets

Cash	\$	1,183,670
Investments		14,229,362
Inventory		199,614
GOT receivable		1,862,500
Accounts receivable		1,070,136
		<u>18,545,281</u>

##### Financial Liabilities

Accounts payable and accrued liabilities		2,759,209
Deferred revenue		11,174,151
Rental deposits		7,373
		<u>13,940,732</u>

Net financial assets 4,604,549

##### Non-Financial Assets

Tangible capital assets		14,910,384
Prepaid expenses and other deposits		565,694
		<u>15,476,078</u>

Accumulated Surplus (Note 1) \$ 20,080,628

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

Investment in capital assets	7,927,356
Reserves/Provisions	11,265,827
Common Shares	1
Surplus	887,443
	<u>20,080,628</u>

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 \$2.14M 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.

