



City of Richmond

Report to Committee

To: Finance Committee **Date:** December 7, 2023
From: Jerry Chong, CPA, CA **File:** 03-1200-09/2023-Vol 01
General Manager, Finance & Corporate Services
Re: Richmond Olympic Oval Corporation – 3rd Quarter 2023 Financial Information

Staff Recommendation

That the Richmond Olympic Oval Corporation – 3rd 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: November 23, 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 – 3rd Quarter 2023 Financial information**

Origin

This staff report addresses the third quarter financial results for the 3 months ended September 30, 2023 (“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

Q3 2023 saw the official grand opening of the Fields. Already utilized by several user groups, The Fields Open House invited the community to take part in activities on the turf, basketball courts, and plaza while celebrating the official opening of the community asset. Over 3,000 community members attended the official grand opening event. Additional sport program offerings by the Oval in Q3 included, but were not limited to: climbing, soccer, speed skating, volleyball, and basketball.

The Oval continues to offer developmental programs and sport camps, with the newest offering for ice programming, *Learn to Skate+*, realizing significant uptake in Q3. With the new program, Learn to Skate registration continued to see growth with a 7% increase over Q3 of 2022. Over the course of the summer, 42 camps were offered featuring 24 different sports, with over 2,200 registrations.

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: Cars and Hoops Charity Festival, Boccia Provincials, Fairchild TV Sports Day, Wheelchair Floorball Championships, Canadian Alliance of Chinese Associations Multicultural Festival, Made Hoops Basketball Camp, Philippine Volleyball Tournament, Wheelchair Basketball Canada U25 Training Camp and Friendly Games vs U25 Japanese team, Wheelchair Basketball Canada Next Gen National Camp, Super Hero 5K run, ADCC Jiu Jitsu Tournament, Beat the Heat Hockey Tournament, World Cup Field Painting Competition, Nintendo Movie Nights, The Fields Grand Opening, Climbing Escalade Canada North American Cup Series, Hooplaw Basketball Tournament, Forever Young 8K and the Functional Fitness World Masters and Junior Championships.

New events secured in Q3 by Events and Sport Hosting included: 2024 Ray Sawada Memorial Hockey Tournament, 2024 Shasta Trampoline Provincials, 2024 Muay Thai BC Provincials, 2024 BC Soccer Futsal Provincials, 2024 Vancouver Gay Volleyball Association Tournament, 2024 International Shotokan Karate Federation National Championships, 2024 Dodgeball Canada National Championships, 2024 Wheelchair Rugby National Team Training Camp, 2024 BC Wheelchair Sports Association Wheelchair Rugby Canada Cup, 2025 World Health Qigong Tournament, and the 2026 Wheelchair Basketball Canada Women's National Championships.

Athletes representing various provincial and national sport organizations utilized the Oval for training and competition in Q3. These groups included but were not limited to the following: Alpine Ski Canada, Athletics Canada Basketball BC, BC Wheelchair Sports Association, BC Wheelchair Basketball, BC Wheelchair Rugby, Beach Volleyball Canada, Climbing Canada, Softball Canada, Volleyball Canada, Weightlifting Canada, Wheelchair Basketball Canada, and Wheelchair Rugby Canada.

Governance

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

Financial

The results for the 3 months ended September 30, 2023 show income of \$261,000 after amortization compared to a budgeted loss of \$143,000, indicating a favorable variance of \$404,000 (please see page 4 for the Corporation's balance sheet as of September 30, 2023 and page 5 for the statement of operations). In Q3, \$792,000 was allocated to the reserves/equity.

Comments on the Financial Results

Revenues

In Q3, \$1,096,000 of revenue was recognized pertaining to the 2023 Games Operating Trust Fund ("GOT") distribution. Memberships, admissions and programs revenue was \$2,682,000 in Q3 and other revenue of \$578,000 primarily pertained to space leasing, parking, and interest revenue. Overall, YTD revenues were 13% favorable to budget.

Expenses

Memberships, admissions and program services costs for Q3 2023 were \$2,169,000, facility operations costs were \$1,333,000, marketing expenses were \$161,000, and administration and finance expenses were \$986,000. Overall, YTD expenditures were within 2% of budget.



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

RICHMOND OLYMPIC OVAL CORPORATION

Balance sheet

As at Sep 30, 2023

Unaudited, prepared by management

		Sep 30 2023
ASSETS		
Financial Assets		
Cash	\$	1,334,121
Investments		16,136,680
Inventory		212,400
Accounts receivable		839,066
		18,522,268
Financial Liabilities		
Accounts payable and accrued liabilities		2,369,186
Deferred revenue		10,892,434
Rental deposits		7,373
		13,268,992
Net financial assets		5,253,276
Non-Financial Assets		
Tangible capital assets		14,746,327
Prepaid expenses and other deposits		342,026
		15,088,353
Accumulated Surplus (Note 1)	\$	20,341,629

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

Investment in capital assets	7,804,822
Reserves/Provisions	11,757,381
Common Shares	1
Surplus	779,424
20,341,629	

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.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

For the quarter ended September 30, 2023

Unaudited, prepared by management

	QTR 3 2023			YTD ended September 30, 2023			2023 BUDGET		
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET
REVENUES									
2010 Games Operating Trust Fund	931,250	1,095,776	164,526	18%	2,793,751	2,958,276	164,525	6%	3,725,000
Contribution from City of Richmond	975,926	975,926	-	0%	2,927,780	2,927,780	-	0%	3,903,713
Memberships, admissions and programs	2,300,526	2,681,970	381,444	17%	6,293,640	7,474,938	1,181,298	19%	8,379,796
Other	438,531	578,380	139,849	32%	1,226,574	1,575,676	349,102	28%	2,405,931
	4,646,233	5,332,052	685,819	15%	13,241,745	14,936,670	1,694,925	13%	18,414,440
EXPENSES									
Memberships, admissions and program services	1,795,569	2,168,934	(373,365)	-21%	5,049,168	5,701,479	(652,311)	-13%	6,787,937
Facility Operations	1,232,488	1,333,104	(100,616)	-8%	3,687,646	3,829,029	(141,383)	-4%	5,020,164
Marketing	149,390	160,935	(11,545)	-8%	439,718	441,187	(1,469)	0%	582,571
Admin/Finance	939,231	985,577	(46,346)	-5%	2,811,710	2,857,584	(45,874)	-2%	3,750,592
Amortization	672,093	422,503	249,590	37%	1,797,276	1,260,578	536,698	30%	2,500,000
	4,788,771	5,071,053	(282,282)	-6%	13,785,518	14,089,857	(304,339)	-2%	18,641,264
Net Income/(Loss) (Note 1)	(142,538)	260,999	403,537	283%	(543,773)	846,813	1,390,586	256%	(226,824)

Note 1 - In Q3, \$0.79M 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 \$2.14M annually over the past 5 years.

Numbers may be off due to rounding.