



City of Richmond

Report to Committee

To: Finance Committee **Date:** May 16, 2024
From: Jerry Chong **File:** 03-1200-09/2024-Vol
General Manager, Finance & Corporate Services 01
Re: **Richmond Olympic Oval Corporation – 1st Quarter 2024 Financial Information**

Staff Recommendation

That the report on the first Quarter 2024 Financial Information for the Richmond Olympic Oval Corporation from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

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

REPORT CONCURRENCE
APPROVED BY CAO 

DATE: May 16, 2024

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 – 1st Quarter 2024 Financial information**

Origin

This staff report addresses the first quarter financial results for the 3 months ended March 31, 2024 (“Q1”) which was endorsed by the Corporation’s Board of Directors. Below are some of the highlights of the activities undertaken during Q1.

Q1 Highlights

Community Use

The Oval’s overall visitation and community uptake continues to grow compared to the same period last year. Contributing to this positive trend is the increase in delivery of facility access to community groups and programs for participants ranging from tots to seniors. Some of these programs and services include: badminton, baseball, basketball, climbing, figure skating, floor hockey, ice hockey, field hockey, rhythmic gymnastics, table tennis, volleyball, track and field, soccer, futsal and speed skating. Further contributing to the increased visitation is membership activation exceeding 30,000 visits per month during the quarter.

Oval Spring Break camps were a popular offering in Q1, with 511 registrations over the two weeks of camps. In addition, ice programming continued to progress and saw an overall increase of 32% compared to Q1 2023 due to increased demand for private learn-to-skate and hockey lessons.

Also of note is the planning of new community engagement initiatives in collaboration with the City of Richmond’s Library and Community Services Department, which will aim to provide further engagement opportunities for youth and seniors through a variety of programs and offerings that will launch in Q3.

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

Q1 marked a successful quarter of competition for various groups and athletes who train with the Oval's High Performance department. Richmond Resident Wesley Chiu competed in his first International Skating Union Figure Skating Championships, and David Li competed in figure skating at the 2024 Youth Olympic Games in Gangwon, South Korea. Oval climbers swept the Youth B male and Youth C female podiums at the Provincial championships. Richmond resident Bruce Kong placed first at the climbing National Championships in the Youth B male category, which marks the first podium finish for an Oval athlete at a national event.

Events that took place this quarter included: BC Sports Rep Association Winter Trade Show, BC Hockey U18 Women's Showcase, Muaythai BC Provincial Championships, BC Wrestling Western Canadian Championship, Short Track Speed Skating Western Elite Circuit, Harry Jerome Indoor Track Meet, Aaron Johnson Memorial Cup (Trampoline Gymnastics), Climbing Escalade Canada High Performance Climbing Competition, Pinnacle Cheer Mardi Parti Cheer Extravaganza, Short Track Speed Skating Canada Cup Junior Final, Rhythmic Gymnastics Aura Cup, BC Soccer Futsal Provincials, Wheelchair Rugby Vancouver Invitational, Independent Schools Athletics Associations Basketball Tournament, Neil Squire Rehab Expo, Catholic Independent Schools of Vancouver Archdiocese Basketball Tournament, Vancouver Gay Volleyball Association Queen Vicki Volleyball Tournament and Sport Climbing BC Provincial Championships.

New events secured in Q1 by Events and Sport Hosting included: 2024 Weightlifting Western Canadian Championships, 2024 Powerlifting Union Nationals, Fencing World Cup, Karate Canada North American Cup, Henckel Trade Show Sale, Fits Production Car Show, Far East Broadcasting Associates of Canada Amplify Concert, and Cars and Kicks Car Show.

Athletes representing a variety of provincial and national sports organizations utilized the Oval for training and competition in Q1. These groups included but were not limited to the following: Athletics Canada, Bobsleigh Canada Skeleton, Climbing Canada, Field Hockey Canada, Rugby Canada, Table Tennis Canada, Ultimate Canada, Volleyball Canada, Weightlifting Canada, Wheelchair Basketball Canada, and Wheelchair Rugby Canada.

Governance

Meetings of the Board of Directors took place during Q1.

Financial

The results for the 3 months ended March 31, 2024 show income of \$463,000 after amortization compared to a budgeted surplus of \$150,000, indicating a favorable variance of \$313,000 (please see page 4 for the Corporation's balance sheet as of March 31, 2024 and page 5 for the statement of operations). In Q1, \$678,000 was allocated to the reserves/equity.

Comments on the Financial Results for Q1

Revenues

The Q1 portion of the estimated 2024 Games Operating Trust Fund ("GOT") distribution of \$800,000 was recognized as revenue. Memberships, admissions and programs revenue was \$2,919,000 in Q1 and other revenue of \$660,000 primarily pertained to space leasing, parking, and interest revenue. Overall, revenue was \$197,000 favorable to budget.

Expenses

Memberships, admissions and program services costs for Q1 2024 were \$2,023,000, facility operations costs were \$1,281,000, marketing expenses were \$143,000, and administration and finance expenses were \$1,016,000. Overall, expenditures were \$115,000 favorable to budget.



Rick Dusanj, CPA, CA

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

RICHMOND OLYMPIC OVAL CORPORATION

Balance sheet

As at Mar 31, 2024

Unaudited, prepared by management

		Mar 31 2024
ASSETS		
Financial Assets		
Cash	\$	1,470,877
Investments		16,600,001
Inventory		224,198
Accounts receivable		1,229,537
		20,324,613
Financial Liabilities		
Accounts payable and accrued liabilities		1,401,726
Post-employment benefits		1,183,650
Deferred revenue		10,970,100
Rental deposits		11,781
		13,567,257
Net financial assets		6,757,356
Non-Financial Assets		
Tangible capital assets		14,219,286
Prepaid expenses and other deposits		958,084
		15,177,371
Accumulated Surplus (Note 1)	\$	21,934,726

Note 1 - Breakdown of accumulated surplus account is as follows:	
Investment in capital assets	8,218,015
Reserves/Provisions	12,870,524
Common Shares	1
Surplus	846,186
21,934,726	

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 \$2.07M 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 March 31, 2024

Unaudited, prepared by management

	QTR 1 2024				QTR 1 2023				2024 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
REVENUES									
2010 Games Operating Trust Fund	800,000	800,000	-	0%	931,250	931,250	-	0%	3,200,000
Contribution from City of Richmond	1,000,325	1,000,325	-	0%	975,926	975,926	-	0%	4,001,306
Memberships, admissions and programs	2,813,907	2,919,375	105,468	4%	2,124,996	2,360,499	235,503	11%	10,515,858
Other	568,482	660,476	91,994	16%	374,898	509,554	134,656	36%	2,041,919
	5,182,714	5,380,176	197,462	4%	4,407,070	4,777,229	370,159	8%	19,759,083
EXPENSES									
Memberships, admissions and program services	1,967,233	2,023,363	(56,130)	-3%	1,603,782	1,660,838	(57,056)	-4%	7,738,885
Facility Operations	1,316,061	1,281,188	34,873	3%	1,227,579	1,189,061	38,518	3%	5,433,275
Marketing	148,440	142,775	5,665	4%	144,489	138,752	5,737	4%	602,864
Admin/Finance	1,035,644	1,016,089	19,555	2%	932,259	947,772	(15,513)	-2%	3,986,153
Amortization	564,864	453,623	111,241	20%	538,308	418,926	119,382	22%	2,600,000
	5,032,242	4,917,037	115,205	2%	4,446,417	4,355,350	91,067	2%	20,361,176
Net Income/(Loss) (Note 1)	150,472	463,139	312,667	208%	(39,347)	421,879	461,226	1172%	(602,093)

Note 1 - In Q1, \$0.68M 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 \$2.07M annually over the past 5 years.

Numbers may be off due to rounding.