



# City of Richmond

## Report to Committee

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**To:** Finance Committee

**Date:** August 26, 2021

**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 – 2<sup>nd</sup> Quarter 2021 Financial Information**

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### Staff Recommendation

That the report on Financial Information for the Richmond Olympic Oval Corporation for the second quarter ended June 30, 2021 from the Director, Finance of the 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:** August 19, 2021

**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 – 2<sup>nd</sup> Quarter 2021 Financial information**

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### Origin

This staff report addresses the second quarter financial results for the 3 months ended June 30, 2021 (“Q2”) which was endorsed by the Corporation’s Board of Directors.

### Highlights

During Q2 the Corporation continued its gradual restoration of services approach to the COVID-19 pandemic. With safety and community health as our guiding principles, the Corporation remained agile and continued to make operational adjustments to adhere to evolving provincial health orders and province wide restrictions. Below are some of the highlights of the activities undertaken by the Corporation during Q2.

### Community Use

Q2 of 2021 marked continued changes to the Provincial Health Order, and the announcement of the 4-step Restart Plan for British Columbia. In alignment with the move to Steps 1 and 2 of the Restart Plan, the Oval began to offer outdoor group fitness classes and modified indoor group fitness classes respectively. By the end of Q2, the Oval offered 23 weekly group fitness classes. Personal training services continued to increase to pre-pandemic levels with a high of 122 sessions in a bi-weekly period. For those unable or not yet ready to return to activities in-facility, the Oval continued to provide virtual group fitness classes on social media, garnering over 14,000 views across 40 live streams.

In Q2, numerous community groups utilized the Oval to provide programs and services to young children through to and including actively aging seniors. These programs and services include the following sports: basketball, karate, gymnastics, soccer, hockey, figure skating, speed skating, aikido, sport climbing and volleyball.

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

Due to COVID-19 and the restrictions outlined in the Provincial Health Order, events scheduled to take place in Q2 at the Oval have been limited, altered or postponed. The postponed events were rescheduled for 2022 and 2023. Some of the future new events secured in Q2 by Events and Sport Hosting include: Futbol de Salon, City Shred, Boccia Provincials, and the Western Canadian Powerlifting Championship.

Throughout Q2, the Oval’s climbing wall proved to be an important training facility for Canada’s sport climbing athletes training as they prepared for the Tokyo 2020 Summer Games (“the Games”). Additionally, CBC The National profiled Alannah Yip and Sean McColl training at the Richmond Olympic Oval on April 28<sup>th</sup> in advance of their debut at the Games.

Athletes from Field Hockey Canada, Wheelchair Rugby Canada, Wheelchair Basketball Canada and Climbing Escalade Canada utilized the Oval’s facilities and services during Q2 as a part of their preparations for the Games. Additionally, the Oval hosted a mock competition on June 5<sup>th</sup> for Alannah Yip and Sean McColl of Climbing Escalade Canada to prepare for the Games, in addition to future mock competitions planned for early Q3.

### Governance

Meetings of the Corporation’s Audit & Finance Committee and the Board of Directors took place during Q2.

### Financial

For Q2, the Corporation continued to exceed conservative budget targets that were established during the pandemic. The actual surplus before amortization and transfers to reserves/equity for the 3 months ended June 30, 2021 was \$169,000 compared to a budgeted break-even amount, indicating a favorable variance of \$169,000 (please see page 4 for the Corporation’s balance sheet as of June 30, 2021 and page 5 for the statement of operations).

## Comments on the Financial Results for Q2

### Revenues

The Q2 portion of the estimated 2021 Games Operating Trust Fund ("GOT") distribution of \$931,000 was recognized as revenue. Memberships, admissions and programs revenues were \$986,000 in Q2 and other revenue of \$243,000 primarily pertained to sponsorship, space leasing, parking, and interest revenue. Overall, revenues were \$16,000 favorable to budget.

### Expenses

Memberships, admissions and program services costs for Q2 2021 were \$1,179,000, facility operations costs were \$968,000, marketing expenses were \$119,000, and administration and finance expenses were \$642,000. Overall, expenditures were \$215,000 favorable to budget.



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

## RICHMOND OLYMPIC OVAL CORPORATION

### Balance sheet

As at June 30, 2021

Unaudited, prepared by management

		Jun 30, 2021
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash	\$	1,367,278
Investments		11,741,759
Inventory		156,242
GOT receivable		1,862,500
Accounts receivable		326,106
		15,453,884
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities		1,624,316
Deferred revenue		7,797,646
Rental deposits		7,373
		9,429,334
Net financial assets		6,024,550
<b>Non-Financial Assets</b>		
Tangible capital assets		12,062,119
Prepaid expenses and other deposits		359,332
		12,421,452
Accumulated Surplus (Note 1)	\$	18,446,002

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

Investment in capital assets	8,393,660
Reserves/Provisions	9,071,867
Common Shares	1
Surplus	980,474
18,446,002	

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 capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to fund the Oval's future capital program, which has averaged \$2.10M 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 June 30, 2021  
 Unaudited, prepared by management

	QTR 2 2021				YTD ended June 30, 2021				2021 BUDGET
	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	BUDGET	ACTUAL	\$ Variance Fav/(Unfav)	% Variance Fav/(Unfav)	
<b>REVENUES</b>									
2010 Games Operating Trust Fund	931,250	931,250	-	0%	1,862,500	1,862,500	-	0%	3,725,000
Contribution from City of Richmond	917,471	917,471	-	0%	1,834,942	1,834,942	-	0%	3,669,885
Memberships, admissions and programs	897,674	985,662	87,988	10%	1,870,126	2,111,207	241,081	13%	4,294,411
Other	315,243	242,918	(72,326)	-23%	602,886	540,144	(62,742)	-10%	1,320,973
	<b>3,061,638</b>	<b>3,077,300</b>	<b>15,662</b>	<b>1%</b>	<b>6,170,454</b>	<b>6,348,792</b>	<b>178,339</b>	<b>3%</b>	<b>13,010,269</b>
<b>EXPENSES</b>									
Memberships, admissions and program services	1,113,844	1,179,452	(65,608)	-6%	2,240,594	2,283,208	(42,614)	-2%	4,860,783
Facility Operations	1,030,027	967,736	62,291	6%	1,988,478	1,920,687	67,791	3%	4,205,075
Marketing	131,916	119,307	12,609	10%	238,924	214,806	24,118	10%	527,951
Admin/Finance	785,651	641,794	143,857	18%	1,499,812	1,275,780	224,032	15%	3,250,600
Amortization	492,053	430,084	61,969	13%	934,069	861,336	72,733	8%	2,000,000
	<b>3,553,491</b>	<b>3,338,373</b>	<b>215,118</b>	<b>6%</b>	<b>6,901,877</b>	<b>6,555,818</b>	<b>346,059</b>	<b>5%</b>	<b>14,844,409</b>
<b>Net Loss</b>	<b>(491,853)</b>	<b>(261,073)</b>	<b>230,780</b>	<b>47%</b>	<b>(731,424)</b>	<b>(207,025)</b>	<b>524,398</b>	<b>72%</b>	<b>(1,834,140)</b>

Numbers may be off due to rounding.