



**City of
Richmond**

**Memorandum
Administration**

To: Mayor and Councillors ("the Shareholder") **Date:** May 28, 2018
From: George Duncan **File:** 01-0005-01/2018-Vol 01
 Chief Administrative Officer
 President & CEO
 Richmond Olympic Oval Corporation
Re: **Notice to the Shareholder of the 2018 AGM of Richmond Olympic Oval Corporation**

Attached herein are the agenda items for the AGM of the Richmond Olympic Oval Corporation to be held on June 4, 2018 adjacent to Council meeting at the Richmond City Hall.

| | |
|------------|--|
| Appendix A | Notice of AGM, to be sent at least 10 days prior to the AGM to: <ul style="list-style-type: none"> • the City, • each member of the Board, and • the Auditors. |
| Appendix B | Audited Financial Statements |
| Appendix C | Consent Resolutions of the Shareholder, consenting to the resolutions required to be passed at the AGM, including: <ul style="list-style-type: none"> • The appointment of Directors, and • The appointment of Auditors. |
| Appendix D | Notice of Appointment of Auditor |
| Appendix E | 2017 Annual Report |

George Duncan
Chief Administrative Officer

GD:lc
Att. 5

APPENDIX A

RICHMOND OLYMPIC OVAL CORPORATION

Notice of Annual General Meeting

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Shareholder of:

Richmond Olympic Oval Corporation
(the "Corporation")

will be held on June 4, 2018 adjacent to Council meeting at the Richmond City Hall, 6911 No. 3 Road, Richmond, British Columbia for the following purposes:


1. to acknowledge and confirm previous receipt of the audited financial statements of the Corporation for the fiscal year ended December 31, 2017 and the report of the auditors thereon;
2. to elect directors to the board of directors of the Corporation (the "Board");
3. to appoint auditors of the Corporation for the 2018 fiscal year and to authorize the Board to fix the auditors' remuneration;
4. to acknowledge and confirm previous receipt of the Corporation's 2017 Annual Report; and
5. to transact such other business as may be properly brought before the meeting.

The board of directors of the Corporation has fixed the close of business on June 4, 2018 as the record date for determining the names of the shareholders who are entitled to vote at the meeting.

The audited financial statements of the Corporation for the period from January 1, 2017 to December 31, 2017 and the report of the auditors thereon are attached to this Notice of Annual General Meeting.

Dated this 14 day of May, 2018.

On behalf of the Board of Directors



George Duncan
President & CEO

APPENDIX B

RICHMOND OLYMPIC OVAL CORPORATION

2017 Audited Financial Statements

Consolidated Financial Statements of

**RICHMOND OLYMPIC
OVAL CORPORATION**

Year ended December 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying consolidated financial statements of Richmond Olympic Oval Corporation, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations, consolidated changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2017 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

April 25, 2018
Burnaby, Canada

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Financial Position

December 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|--|----------------------|----------------------|
| Financial Assets | | |
| Cash | \$ 309,846 | \$ 865,289 |
| Investments (note 3) | 10,576,342 | 8,701,850 |
| Accounts receivable | 907,140 | 565,143 |
| Due from City of Richmond (note 4) | 250,737 | 11,304 |
| Inventories held for resale | 203,782 | 115,112 |
| | <u>12,247,847</u> | <u>10,258,698</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 1,702,855 | 1,727,883 |
| Deferred revenue (note 7) | 6,514,601 | 5,818,952 |
| Rental deposits | 9,263 | 9,263 |
| | <u>8,226,719</u> | <u>7,556,098</u> |
| Net financial assets | 4,021,128 | 2,702,600 |
| Non-Financial Assets | | |
| Tangible capital assets (note 8) | 11,648,902 | 11,679,181 |
| Deferred lease costs (note 9) | 76,412 | 102,062 |
| Prepaid expenses and other deposits | 354,712 | 414,881 |
| | <u>12,080,026</u> | <u>12,196,124</u> |
| Economic dependence (note 15) | | |
| Accumulated surplus (note 10) | <u>\$ 16,101,154</u> | <u>\$ 14,898,724</u> |

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:



Director



Director

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

| | 2017 Budget | 2017 | 2016 |
|---|---------------|---------------|---------------|
| | (Note 2(j)) | | |
| Revenue: | | | |
| 2010 Games Operating Trust Fund (note 6) | \$ 2,856,000 | \$ 2,804,671 | \$ 2,800,000 |
| Contribution from City of Richmond (note 12(a)) | 3,377,146 | 3,377,146 | 3,310,927 |
| Memberships, admissions and programs | 8,288,202 | 8,099,678 | 7,892,385 |
| Other | 1,871,192 | 2,252,637 | 1,984,908 |
| | 16,392,540 | 16,534,132 | 15,988,220 |
| Expenses: | | | |
| Salaries and benefits | 8,990,133 | 8,916,249 | 8,684,234 |
| Utilities | 1,050,000 | 1,050,194 | 1,048,006 |
| Amortization | 1,500,000 | 1,513,281 | 1,394,439 |
| Supplies and equipment | 934,500 | 930,883 | 794,447 |
| Insurance | 350,000 | 342,203 | 344,412 |
| General and administration | 996,058 | 905,986 | 931,639 |
| Marketing | 456,508 | 283,826 | 759,554 |
| Program services | 1,245,011 | 1,300,871 | 1,118,165 |
| Professional fees | 130,090 | 88,209 | 45,361 |
| | 15,652,300 | 15,331,702 | 15,120,257 |
| Annual surplus | 740,240 | 1,202,430 | 867,963 |
| Accumulated surplus, beginning of year | 14,898,724 | 14,898,724 | 14,030,761 |
| Accumulated surplus, end of year | \$ 15,638,964 | \$ 16,101,154 | \$ 14,898,724 |

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

| | 2017 Budget | 2017 | 2016 |
|--|--------------|--------------|--------------|
| | (Note 2(j)) | | |
| Annual surplus for the year | \$ 740,240 | \$ 1,202,430 | \$ 867,963 |
| Acquisition of tangible capital assets | (2,665,002) | (1,483,002) | (1,317,632) |
| Amortization of tangible capital assets | 1,500,000 | 1,513,281 | 1,394,439 |
| | (1,165,002) | 30,279 | 76,807 |
| Amortization of deferred lease costs | - | 25,650 | 25,650 |
| Increase in prepaid expenses | - | (459,544) | (399,078) |
| Use of prepaid expenses and other deposits | - | 519,713 | 543,123 |
| Change in net financial assets | (424,762) | 1,318,528 | 1,114,465 |
| Net financial assets, beginning of year | 2,702,600 | 2,702,600 | 1,588,135 |
| Net financial assets, end of year | \$ 2,277,838 | \$ 4,021,128 | \$ 2,702,600 |

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|---|--------------|-------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Annual surplus | \$ 1,202,430 | \$ 867,963 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 1,513,281 | 1,394,439 |
| Amortization of deferred lease costs | 25,650 | 25,650 |
| Net transfers of tangible capital assets | 39,754 | - |
| Changes in non-cash operating working capital: | | |
| Accounts receivable | (341,997) | (92,011) |
| Inventories held for resale | (88,670) | 21,196 |
| Prepaid expenses and other deposits | 60,169 | 144,045 |
| Accounts payable and accrued liabilities | (25,028) | (1,040,043) |
| Deferred revenue | 695,649 | 220,493 |
| Due from (to) the City of Richmond | (239,433) | (199,057) |
| | 2,841,805 | 1,342,675 |
| Capital activities: | | |
| Acquisition/transfer of tangible capital assets | (1,522,756) | (1,317,632) |
| Investing activities: | | |
| Net purchase of investments | (1,874,492) | (8,701,850) |
| Decrease in cash | (555,443) | (8,676,807) |
| Cash, beginning of year | 865,289 | 9,542,096 |
| Cash, end of year | \$ 309,846 | \$ 865,289 |

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements

Year ended December 31, 2017

1. Incorporation and nature of business:

The Richmond Olympic Oval Corporation (the "Corporation") was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the "City"). The business of the Corporation is to use the Richmond Olympic Oval facility (the "Oval") to provide a venue for a wide range of sports, business and community activities, including, but not limited to, being the long-track speed skating venue for the 2010 Olympic and Paralympic Winter Games (the "Games").

2. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

These consolidated financial statements include the accounts of all the funds of the Corporation and the Corporation's 50% proportionate share of the operations of VROX Sport Simulation Ltd. ("VROX"). VROX was established to: (a) conduct the necessary research and development to produce prototype simulators for installation in the Richmond Olympic Experience ("ROX") at the Richmond Olympic Oval; (b) provide ongoing technical and maintenance support for the interactive and sport simulation devices operating in the ROX; (c) utilize the ROX to showcase the Company's products to potential commercial or retail purchasers and the public in general; and (d) conduct research and development needed to produce alternative and/or next generation sport simulators needed to refresh the ROX on an approximately two to three-year cycle. As at December 31, 2017, VROX transferred all its assets and liabilities to the Corporation (note 13).

(b) Investment in government partnership:

Government partnerships are accounted for under the proportionate consolidation method, where the Corporation's share of the partnership is accounted for on a line-by-line basis on the financial statements.

(c) Revenue recognition:

Memberships, admissions and programs fees are recorded as revenue in the period that the services are rendered, with any unearned portion recorded as deferred revenue. Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by 2010 Games Operating Trust (note 6) and when the related operating expenses and capital maintenance costs of the Oval are incurred.

Sponsorship revenues are deferred and amortized to revenue over the term of sponsorship agreements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(c) Revenue recognition (continued):

Restricted contributions are deferred and recognized as revenue when the resources are used for the purposes specified by the related agreement.

(d) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. The Corporation holds financial instruments consisting of accounts receivables and term deposits that mature within one year. Due to the short-term nature of these assets, their fair values approximate book value.

The Corporation does not have any financial instruments required or elected to be subsequently recorded at fair value.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(f) Capital assets:

(i) Tangible capital assets:

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis at rates that reflect estimates of the economic lives of the assets over the following periods:

| Assets | Rate |
|------------------------------------|-------------------|
| Athletic equipment | 5 years |
| Automobile | 5 years |
| Building improvements | 5 years |
| Computer software and equipment | 3 years |
| Facility equipment | 3 years |
| Infrastructure | 40 years |
| Simulators and exhibit fabrication | 10 years |
| Tenant improvements | Term of the lease |
| Uniforms, ice skates and helmets | 3 years |
| Signage | 3 years |

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(f) Capital assets (continued):

(ii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(iii) Deferred lease costs:

The initial direct costs incurred in connection with leases of rental properties in the Oval are deferred and amortized over the initial term of the leases. Such costs include agent commissions, legal fees, and costs of negotiating the leases.

(g) Pension plan:

The Corporation and its employees make contributions to the Municipal Pension Plan (the "Plan"). As the Plan is a multi-employer contributory defined benefit pension plan, these contributions are expensed as incurred.

(h) Income taxes:

The Corporation is not subject to income taxes as it is a municipal corporation wholly-owned by the City of Richmond.

(i) Functional and object reporting:

The operations of the Corporation are comprised of a single function, which includes sports, fitness, and recreation. As a result, the expenses of the Corporation are presented by object in the statement of operations.

(j) Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board of Directors on December 1, 2016.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of valuation of accounts receivable, useful lives of tangible capital assets for amortization, and deferred lease costs. Actual results could differ from those estimates. The estimates are reviewed periodically and as adjustments become necessary, they are recorded in earnings in the year in which they become known.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(l) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. Investments:

Investments represent term deposits as follows:

| Purchase Date | Maturity Date | 2017 | 2016 |
|-----------------|-------------------|---------------|--------------|
| July 4, 2017 | January 5, 2018 | \$ 1,000,000 | \$ - |
| July 10, 2017 | January 5, 2018 | 3,640,899 | - |
| August 22, 2017 | February 19, 2018 | 1,841,571 | - |
| October 2, 2017 | October 2, 2018 | 4,093,872 | - |
| July 8, 2016 | January 3, 2017 | - | 2,800,000 |
| August 22, 2016 | February 20, 2017 | - | 3,047,992 |
| October 6, 2016 | April 4, 2017 | - | 2,853,858 |
| | | \$ 10,576,342 | \$ 8,701,850 |

The interest rate of the term deposits range from 1.60% to 2.10%.

4. Due from/to the City of Richmond:

The amounts due from/to the City of Richmond arise in the normal course of business and are non-interest bearing with no stated repayment terms.

5. Richmond Oval Agreement:

The Corporation is party to the Richmond Oval Agreement (the "Agreement") with the City, which had an effective date of July 1, 2008. The Agreement established the terms and conditions of the relationship between the City and the Corporation.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

6. 2010 Games Operating Trust Fund:

On November 14, 2002, under the terms of the Multiparty Agreement for the Games, the Government of Canada and the Province of British Columbia agreed to establish the Legacy Endowment Fund (the "Fund") and to each contribute \$55 million. On March 31, 2004, under the terms of the 2010 Games Operating Trust Agreement, an irrevocable trust was created known as GOT and the 2010 Games Operating Trust Society (the "Society") became the trustee of the Fund. The purpose of the Fund is to fund operating expenses and capital maintenance costs of certain facilities created for the Games, specifically the Oval and the Whistler Sliding Centre and Nordic Centre, and to assist with the continued development of amateur sport in Canada. Subsequent to the formation of the Trust, the City, as owner of the Oval, became a beneficiary of the Trust and became responsible for complying with obligations set by the Trust and GOT in order to receive funding.

Effective December 31, 2007:

- (a) the GOT Board divided the Fund into three funds: the Speed Skating Oval Fund; the Whistler Sliding Centre and Nordic Centre Fund, and the Contingency Fund; and
- (b) the GOT Board divided the capital and any accumulated but undistributed income of the Fund as follows: Speed Skating Oval Fund (40%), Whistler Sliding Centre and Nordic Centre Fund (40%), and the Contingency Fund (20%).

Effective April 21, 2009, the City entered into an agreement with VANOC. The agreement details the terms and conditions to which the City is required to adhere in order to receive funding from GOT. Effective September 1, 2011 VANOC assigned the agreement to the Society.

Funds from GOT are paid to the City first and the City distributes the funds to the Corporation.

Revenue from GOT is comprised of:

| | 2017 | 2016 |
|--|--------------|--------------|
| 2016 annual distributable amount approved and received in 2017 | \$ 2,804,671 | \$ - |
| 2015 annual distributable amount approved and received in 2016 | - | 2,800,000 |
| | \$ 2,804,671 | \$ 2,800,000 |

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

7. Deferred revenue:

| | 2017 | 2016 |
|----------------------------|--------------|--------------|
| Balance, beginning of year | \$ 5,818,952 | \$ 5,598,459 |
| Add: additions | 11,047,964 | 10,097,786 |
| Less: revenue recognized | (10,352,315) | (9,877,293) |
| Balance, end of year | \$ 6,514,601 | \$ 5,818,952 |

Deferred revenue comprises of:

| | 2017 | 2016 |
|--|--------------|--------------|
| Memberships and programs | \$ 1,064,226 | \$ 1,110,552 |
| Sponsorship fees | 1,123,000 | 1,400,001 |
| Sport Hosting funding (note 12(b)) | 382,189 | 616,386 |
| Richmond Olympic Experience (note 12(b)) | 3,945,186 | 2,692,013 |
| | \$ 6,514,601 | \$ 5,818,952 |

8. Tangible capital assets:

| | Balance, December 31, 2016 | Additions/ transfers | Balance, December 31, 2017 |
|------------------------------------|----------------------------------|-------------------------|----------------------------------|
| Athletic equipment | \$ 2,511,975 | \$ 98,284 | \$ 2,610,259 |
| Building improvements | 504,754 | 783,242 | 1,287,996 |
| Computer software and equipment | 2,209,380 | 137,947 | 2,347,327 |
| Facility equipment | 874,263 | 115,131 | 989,394 |
| Infrastructure | 5,880,940 | - | 5,880,940 |
| Signage | 91,425 | 40,682 | 132,107 |
| Simulators and exhibit fabrication | 3,687,168 | 137,218 | 3,824,386 |
| Tenant improvements | 65,729 | - | 65,729 |
| Uniforms, ice skates, and helmets | 200,017 | 65,671 | 265,688 |
| Work-in-progress | 14,382 | 144,581 | 158,963 |
| | \$ 16,040,033 | \$ 1,522,756 | \$ 17,562,789 |

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

8. Tangible capital assets (continued):

| | Balance, December 31, 2016 | Amortization expense/ transfers | Balance, December 31, 2017 |
|------------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| Athletic equipment | \$ 1,201,416 | \$ 245,224 | \$ 1,446,640 |
| Building improvements | 215,790 | 130,147 | 345,937 |
| Computer software and equipment | 1,649,667 | 363,151 | 2,012,818 |
| Facility equipment | 473,462 | 238,162 | 711,624 |
| Infrastructure | 168,930 | 147,023 | 315,953 |
| Signage | 66,188 | 21,561 | 87,749 |
| Simulators and exhibit fabrication | 370,678 | 376,704 | 747,382 |
| Tenant improvements | 43,073 | 9,750 | 52,823 |
| Uniforms, ice skates, and helmets | 171,648 | 21,313 | 192,961 |
| | \$ 4,360,852 | \$ 1,553,035 | \$ 5,913,887 |

| | 2017 Net book value | 2016 Net book value |
|------------------------------------|---------------------------|---------------------------|
| Athletic equipment | \$ 1,163,619 | \$ 1,310,559 |
| Building improvements | 942,059 | 288,964 |
| Computer software and equipment | 334,509 | 559,713 |
| Facility equipment | 277,770 | 400,801 |
| Infrastructure | 5,564,987 | 5,724,452 |
| Signage | 44,358 | 25,237 |
| Simulators and exhibit fabrication | 3,077,004 | 3,323,750 |
| Tenant improvements | 12,906 | 2,954 |
| Uniforms, ice skates, and helmets | 72,727 | 28,369 |
| Work-in-progress | 158,963 | 14,382 |
| | \$ 11,648,902 | \$ 11,679,181 |

The Oval land and building complex and its major equipment components are the property of the City and are not recorded in these financial statements.

(a) Write-down of tangible capital assets:

There was no write-down of tangible capital assets during the year (2016 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

9. Deferred lease costs:

| | 2017 | 2016 |
|----------------------------|------------|------------|
| Balance, beginning of year | \$ 102,062 | \$ 127,712 |
| Less amortization | (25,650) | (25,650) |
| Balance, end of year | \$ 76,412 | \$ 102,062 |

10. Accumulated surplus:

Accumulated surplus is comprised of:

| | 2017 | 2016 |
|-------------------------------------|---------------|---------------|
| Share capital | \$ 1 | \$ 1 |
| Capital reserve | 4,749,421 | 4,260,950 |
| Other reserves/provisions | 1,683,596 | 1,098,682 |
| Operating surplus | 546,350 | 551,923 |
| Invested in tangible capital assets | 9,121,786 | 8,987,168 |
| | \$ 16,101,154 | \$ 14,898,724 |

11. Financial risk management:

The Corporation has exposure to the following risks from the use of financial instruments: credit risk, market risk, and liquidity risk. The Board of Directors ensures that the Corporation has identified its major risks and ensures that the management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of cash equivalents and account receivables. The Corporation assesses these financial assets on a continuous basis for any amounts that are not collectible or realizable.

It is management's opinion that the Corporation is not exposed to significant credit risk from its financial instruments.

(b) Market and interest rate risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the Corporation's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return of risk.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

11. Financial risk management (continued):

(c) Market and interest rate risk (continued):

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rate.

It is management's opinion that the Corporation is not exposed to significant market or interest rate risk from its financial instruments.

(d) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages liquidity risks by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

It is management's opinion that the Corporation is not exposed to significant liquidity risk.

12. Related party transactions:

(a) Contribution from/to City of Richmond:

The Corporation leases the Oval from the City for \$1 annually.

Included in general and administration expenses are fees of \$204,451 (2016 - \$189,470) from the City for the provision of City staff time.

In 2017, \$104,185 (2016 - \$94,526) of salaries and benefits expenses were charged to the City relating to the costs of the Corporation's staff time for services performed.

In accordance with the Agreement, the City will provide, for the first 15-years of the term, financial support as agreed between the City and the Corporation from time to time; for the years 2010, 2011 and 2012 the annual financial support shall not be less than \$1,500,000 per year indexed at the City of Vancouver's Consumer Price Index. After 15-years, any financial assistance from the City will be determined by the City in its sole discretion.

During 2017, the Corporation received a contribution from the City of \$3,377,146 (2016 - \$3,310,927).

(b) Sport Hosting Function:

Effective July 1, 2011, the Sport Hosting function of the City was transferred to the Corporation. This function is fully funded by the hotel tax. In 2017, \$100,000 (2016 - \$400,000) was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2017, \$382,189 (2016 - \$616,386) has been included in deferred revenue (note 7) and \$334,197 (2016 - \$352,934) was recognized in memberships, admissions, and programs on the statement of operations.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

12. Related party transactions (continued):

(b) Sport Hosting Function (continued):

The Corporation also received \$1,418,070 from the hotel tax funding in 2017 (2016 - \$500,000) to be used to purchase capital assets related to the Richmond Olympic Experience project. In order to retain this funding, the Oval must maintain and operate the capital assets purchased with these funds over the life of the capital assets. On an annual basis, the Oval must provide a report to the City as to the use of the funds and the maintenance and operation of these capital assets. As at year-end, \$3,945,186 (2016 - \$2,692,013) of the funds restricted for the purchase of capital assets for the Richmond Olympic Experience remains in deferred revenue and the revenue will be recognized over the life of the underlying assets.

(c) Transfer of assets and liabilities from VROX:

On December 31, 2017, the assets and liabilities of VROX were transferred to the Corporation and recorded at their net book values (note 13).

13. Government partnership:

On November 29, 2017, the Corporation and VRX Ventures Ltd. ("VRX") entered into an agreement to dissolve VROX. VROX also entered into a Distribution and Assumption Agreement ("Agreement") with the Corporation. In accordance with the Agreement, VROX transferred all its assets and liabilities to the Corporation on December 31, 2017. The following table summarizes the net book value of the assets and liabilities of VROX prior to the transfer to the Corporation, and the 50% proportionate share of the assets and liabilities recorded by the Corporation at December 31, 2017:

| | Net book value before dissolution | Oval's 50% proportionate share |
|--|--------------------------------------|-----------------------------------|
| Assets: | | |
| Cash | \$ 30,638 | \$ 15,319 |
| Accounts receivable | 1,444 | 722 |
| Prepaid expenses | 3,428 | 1,714 |
| Inventory | 97,109 | 48,555 |
| Property and equipment | 8,907 | 4,453 |
| Intangible assets | 22,058 | 11,029 |
| | 163,584 | 81,792 |
| Liabilities: | | |
| Accounts payable and accrued liabilities | 49,937 | 24,969 |
| Deferred revenue | 41,051 | 20,525 |
| | 90,988 | 45,494 |
| Net book value of assets and liabilities | \$ 72,596 | \$ 36,298 |

The net amount of the assets acquired and liabilities assumed were recorded as wind-up costs on the financial statements of VROX, and recorded as a gain by the Corporation upon transfer.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

13. Government partnership (continued):

VROX's revenues during the year included transactions with the Corporation which have been eliminated on consolidation. This includes revenue pertaining to an operating contribution received from the Corporation of \$380,000 (2016 - \$195,560) and the cost of the maintenance services provided of \$30,000 (2016 - \$10,000). In 2016, these revenues also included the sale of sport simulators for \$263,000. No simulators were sold to the Corporation in 2017. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the Corporation and VROX. These amounts are within the appropriate approvals provided by the Corporation's Board of Directors.

The financial results of the Corporation's 50% proportionate share in VROX reflecting adjustments necessary to arrive at the amounts included in the Corporation's financial statements is as follows:

| | 2017 | 2016 |
|--------------------------|--------------|--------------|
| Financial position: | | |
| Total assets | \$ 50 | \$ 65,418 |
| Total liabilities | - | (37,836) |
| Equity | \$ 50 | \$ 27,582 |
| Results of operations: | | |
| Total revenues | \$ 928 | \$ 852 |
| Total expenses | (180,427) | (154,676) |
| Net expense for the year | \$ (179,499) | \$ (153,824) |

14. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit. The most recent valuation for the Plan as of December 31, 2015, indicated a \$2,224,000,000 funding surplus for basic pension benefits on a going concern basis. The Corporation paid \$506,170 (2016 - \$443,446) for employer contributions to the Plan in fiscal 2017.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

14. Pension plan (continued):

The next valuation will be as at December 31, 2018, with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

15. Economic dependence:

The Corporation is economically dependent on receiving funding from GOT and the City.

16. Comparative figures:

Certain comparative figures have been reclassified to provide presentation consistency.

APPENDIX C

RICHMOND OLYMPIC OVAL CORPORATION

Unanimous Consent Resolutions of the Shareholder

**UNANIMOUS CONSENT RESOLUTIONS OF THE SHAREHOLDER OF
RICHMOND OLYMPIC OVAL CORPORATION**
(the "Company")
(in lieu of the annual general meeting)

The undersigned, being the Shareholder of the Company entitled to vote at an annual general meeting, hereby consents to and adopts in writing the following resolutions:

RESOLVED THAT:

1. the Shareholder acknowledges and confirms the previous receipt of financial statements of the Company for the period from January 1, 2017 to December 31, 2017, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 25, 2018 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 7, 2018;
2. in accordance with Article 14.1 of the Company's Articles, the following persons, each of whom has consented to act as a director, are hereby elected as directors of the Company, to hold office for the term ending immediately prior to the election or appointment of directors at the annual general meeting of the Company held in the year set out opposite their name below:

| <u>Name</u> | <u>Term</u> |
|-------------------|-------------|
| 1) Dennis Skulsky | 2019 |
| 2) Moray Keith | 2019 |
| 3) Umendra Mital | 2019 |
| 4) Tony Kwan | 2019 |
| 5) Lisa Cowell | 2019 |
| 6) George Duncan | 2020 |
| 7) Peter German | 2020 |
| 8) Gail Terry | 2020 |
| 9) Dan Nomura | 2020 |
| 10) Walter Soo | 2020 |
| 11) Gary Collinge | 2020 |

3. KPMG LLP be appointed as auditors of the Company until the next annual reference date of the Company or until a successor is appointed, at a remuneration to be fixed by the directors;
4. the 2017 Annual Report of the Company is hereby received; and
5. June 4, 2018 be and is hereby selected as the annual reference date for the Company for its current annual reference period.

DATED as of June 4, 2018.

CITY OF RICHMOND

Mayor Malcolm Brodie

APPENDIX D

RICHMOND OLYMPIC OVAL CORPORATION

Notice of Appointment of Auditor

NOTICE OF APPOINTMENT OF AUDITOR

TO: KPMG LLP
Chartered Accountants
Metrotower I
Suite 2400- 4710 Kingsway
Burnaby, British Columbia
V5H 4M2

Pursuant to Section 204(6) of the British Columbia *Business Corporations Act*, notice is hereby given of your appointment as auditor of Richmond Olympic Oval Corporation, to hold office until the close of the next annual reference date of the Company, or until a successor is appointed.

DATED as of June 4, 2018.

RICHMOND OLYMPIC OVAL
CORPORATION

George Duncan
President & Chief Executive Officer

APPENDIX E

RICHMOND OLYMPIC OVAL CORPORATION

2017 Annual Report

MORE THAN MEETS THE ICE

CNCL - 32
(Special)

2017 ANNUAL
REPORT



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MESSAGE FROM THE CHAIR

On behalf of the Board of Directors, I am pleased to present to you the 2017 Annual Report of the Richmond Olympic Oval Corporation (the Oval).

Central to the role of the Board of Directors is the responsibility to keep the Oval focused and driven on becoming a centre of excellence for sports and wellness. Throughout 2017, the Board continued to engage with members of the management team, providing direction and business oversight, to deliver long term value for Oval stakeholders, customers, and the residents of Richmond. The Oval has continued to build on its foundation of financial sustainability and 2017's performance reflects that trend.

In 2016, when the City of Richmond Council elected to expand the Board from seven members to up to 13, seven new directors joined the Board. With this new expanded structure, the various Richmond perspectives were greater represented in 2017 board discussions. Also evident was the ability to thoroughly examine and discuss more sophisticated and challenging operational, financial and legal issues. The Board is well positioned to build on past accomplishments to make the Oval's successful post-Olympic Games operating legacy a best-practice model to be examined and replicated by future host cities.

We again delivered positive financial results in 2017 for our sole shareholder, the City of Richmond. An economic impact study prepared for the City of Richmond by KPMG shows the Oval has provided a major boost to the local and regional economies, generating more than \$300 million in gross domestic product (GDP) through its construction and ongoing operation. The Oval has also led a catalyst for \$3.8 billion in added property value within the surrounding neighbourhood, generated \$234 million in GDP creating over 3,000 jobs. An additional \$19 million in ongoing total GDP is generated by the Oval; its operation supports 400 full-time equivalent jobs, including direct, indirect and induced employment.

Looking forward, the Board is confident that the Oval will continue to be successful due to the City and broad appeal of its programs and services, as well as, its ability to adapt to a changing marketplace.

In closing, I would like to take this opportunity to thank the members of the Board for their valuable contribution throughout the year. In turn, the Board extends its thanks to George Duncan, Chief Executive Officer, for his leadership and the staff for their daily commitment and hard work which drives our overall success.



UMENDRA MITAL

Interim Chair of the Board of Directors

MESSAGE FROM THE CEO

MARKING A DECADE IN OLYMPIC HISTORY

At the Richmond Olympic Oval (the Oval) our business has always been and will continue to be about people and earning the right to be their first choice for fitness, performance and wellness training. We aim to deliver excellent service, meaningful interactions and personalized, life-long client relationships. Whether it is their day-to-day personal training needs or their long-term wellness goals, we want to continue to be the best, so that they can perform at their best.

This extraordinary journey began on December 12, 2008 when the Oval opened fourteen months in advance of the Games, providing access to a state-of-the-art venue to both the public and high-performance athletes.

Today, I am privileged to lead a phenomenal team of hardworking individuals, sharing a commitment beyond Oval's decade-long legacy. Our achievements throughout 2017 reflects what we stand for and what we seek to accomplish together, every day. From strong financial performance, to our ongoing investments in delivering exceptional experiences, we can be proud of our achievements and in particular of the positive impact the Oval is having on the City of Richmond.

I am extremely excited for the opportunities that lie ahead. On behalf of my colleagues, I am honoured to share a few of our successes and achievements throughout 2017:

- The staff's contributions and volunteer work within the community included the Oval team's volunteer work at the Richmond Food Bank, the Sharing Farm and Forever Young 8K event. Additionally, Oval Volunteers volunteered over 12,000 hours in 2017.
- An Economic Impact Study completed by KPMG on behalf of the City of Richmond highlights the economic boost the Oval has provided to the local and regional communities.
- 57,350 high performance athlete training sessions were completed in 2017. Since March of 2012, over 234,350 athlete training sessions have been completed. These sessions are aligned with the Corporation's legacy goal of supporting high performance sport.
- Community Sport saw a record breaking 8,273 sport registrations in 2017 – a 15% increase over 2016.
- The Fédération Internationale de Volleyball (FIVB) World Grand Prix Volleyball tournament was held at the Oval in July. An 1800 seat stadium was constructed in the Oval's track zone and sold

out crowds cheered Canada on. Online streaming exceeded 300,000 views over the three-day event.

- The growth and success of the Oval's partnership with Yoga for yoga programming and the Oval's youth summer camps programs, are two such examples. The Oval is continuing to diversify its offerings to achieve its legacy goal of being the desired location for community sport, health and wellness.
 - The Volleyball Canada's Women's National Team officially moved into their new home at the Richmond Olympic Oval. The first selection camp ran from May 8 – 12. The volleyball athletes are joining an existing community of national team athletes from various sports who use the training services, facilities and programs available at the Oval.
 - The Oval has had over one million visitors in 2017 and was ranked the 3rd busiest tourist attraction in the lower mainland by Business in Vancouver (BIV). The Olympic Experience and the 50+ sport events hosted at the Oval brought visitors from all over the world in 2017. The Oval welcomed delegations of various faculties from China and Korea to tour the facility and learn about Olympic legacy planning in preparation for the 2018, 2020 and 2022 Olympic Games.
- Our ongoing commitment is to continually strive to build on this great legacy for the residents of Richmond and other communities, our Canadian athletes and anyone who wishes to train at the Oval.
- I would like to thank my team of dedicated employees who deliver beyond expectations on programs and services offered and acknowledge the valuable assistance that we receive from the Oval Corporation's Board of Directors, the Games Operating Trust and Richmond City Council.



GEORGE DUNCAN

Chief Executive Officer

The Richmond Olympic Oval was the signature venue of the 2010 Olympic Winter Games and has now become an iconic landmark and international centre for sport, health, wellness, culture and entertainment. For the City of Richmond, the Oval signifies a major investment in the overall health and well-being of a diverse community of Richmond.

**CNCL - 34
(Special)**

THE OVAL CORPORATION'S LEGACY GOALS

The Corporation adopted a set of five objectives that addresses its obligations to the City under the Operating Agreement and the funding requirements of the 2010 Games Operating Trust ("GOT"). To continue to build on its strong Olympic legacy, the Corporation will focus on:

1. Establishing positive brand awareness.
2. Becoming valued by the community and its employees.
3. Supporting high performance sport.
4. Becoming the desired location for community sport, health and fitness.
5. Operating in a financially sustainable manner.

OPERATING AGREEMENT OBJECTIVES

The City and the Corporation are parties to an operating agreement dated July 1, 2008 (the "Operating Agreement") wherein the following four objectives are noted:

- The Oval will provide facilities, programs and services for quality sport, fitness, recreational uses, and wellness services for the Richmond community, neighbouring communities and the general public.
- The Oval will be developed, used and promoted as a training and competition facility for high performance sport.
- The Oval will provide facilities for cultural, community and entertainment events.
- The Oval will provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above.

THANKS TO OUR CORPORATE PARTNERS

RICHMOND OLYMPIC OVAL



RICHMOND OLYMPIC EXPERIENCE



**ESTABLISHING
POSITIVE BRAND
AWARENESS**



**CNCL - 35
(Special)**



THIRD BUSIEST TOURIST ATTRACTION IN BRITISH COLUMBIA

CNCL 36

(Special)

1,010,000
Visitations in 2017

▲ 9.1%
over 2016

BUSINESS
VANCOUVER





07/01 STEVESTON SALMON FESTIVAL

The Oval's activation at the ninth annual Steveston Salmon Festival helped to boost awareness of the Oval's community based programs and services. Thousands of Richmond residents attend the festival where the Oval's booth drew long line ups. Activation created additional exposure for partners LifeMark, Telus and Yyoga. A new passport stamp challenge was introduced in 2017 and the Olympic Experience was part of the Salmon Festival parade.

06/19 2020 CARHA HOCKEY WORLD CUP ANNOUNCEMENT

On Jun 19, the Canadian Adult Recreation Hockey Association (CARHA) announced that Richmond, BC would be the Host City for the 2020 CARHA Hockey World Cup. The world renowned CARHA Hockey World Cup is the largest international adult recreational hockey tournament in the world. Organized every four years in a select Canadian city, Richmond was selected from three finalist communities, including Quebec City, Quebec and Regina, Saskatchewan. The event has been labelled the "Olympics" of recreational hockey. It is expected that over 120 adult recreational hockey teams from 15 countries will compete at the Oval and other Richmond arenas, March 29 to April 5, 2020.



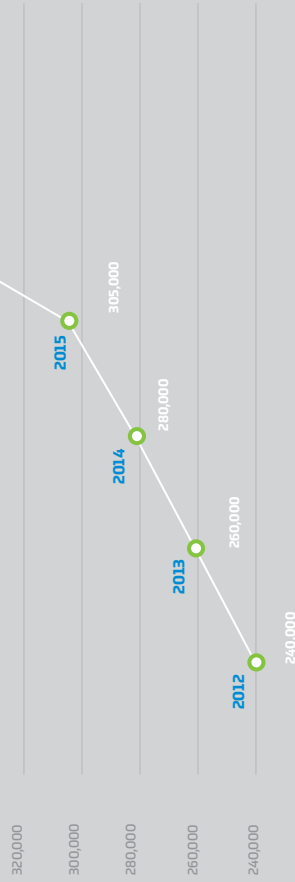
09/25 ANNUAL BC FIELD TRIP FAIR

The Richmond Oval hosted the 15th annual BC Field Trip fair in September 2017. The event brought 600 teachers to the Oval to preview programming, available from 60 exhibitors, including the Richmond Olympic Experience (ROX). This important event increased awareness of the ROX's curriculum based Olympic Museum field trip options.

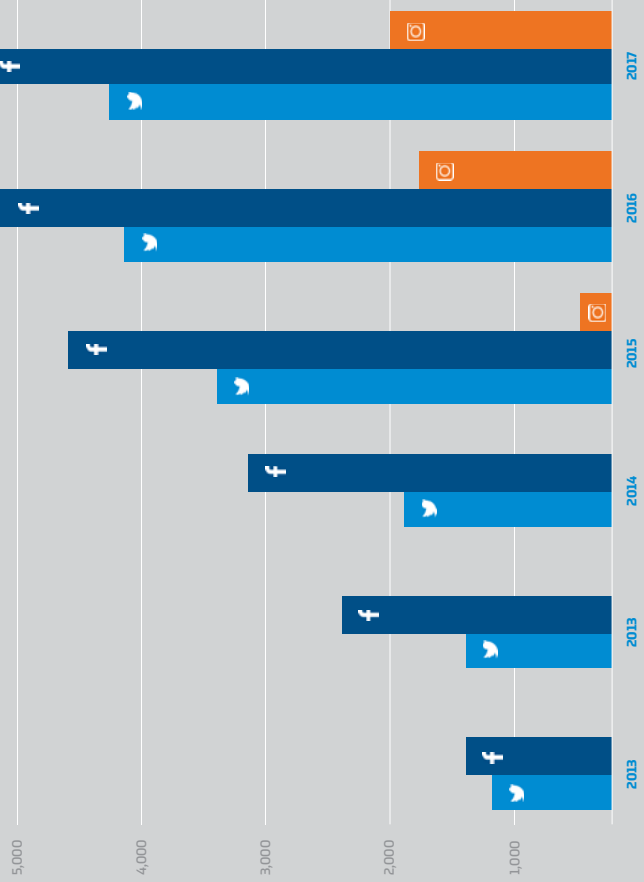


2017 WEBSITE AND SOCIAL MEDIA STATS

WEBSITE VISITS



SOCIAL MEDIA FOLLOWERS



OLYMPIC DAY

On June 9, Canadian Olympians, in conjunction with the Richmond Olympic Oval, Olympic Experience, ViaSport, BC Sports Hall of Fame and Canadian Tire Corporation, celebrated Olympic Day with over 2,500 students. Olympic Day is a great opportunity for children and youth to discover and try a new sport, while inspiring them to find their own Olympic journey. With Olympians in attendance, it also provides participants the opportunity to engage with their Olympic

heroes and their sport role models. Students enjoyed many sports including wheelchair rugby, wheelchair basketball, golf, volleyball, basketball, athletics, rhythmic gymnastics, speed skating, table tennis, ringette, bobsleigh and rock climbing. International Olympic Day is celebrated annually worldwide, in honour of the founding of the modern Olympic Games and is a way to create awareness of the Olympic Movement and the Olympic values.



**CNCL - 38
(Special)**

VIMFF VANCOUVER INTERNATIONAL MOUNTAIN FILM FESTIVAL

During climbing week in November 2017, the Oval hosted its first ever Vancouver International Mountain Film Festival (VIMFF) event. Participants enjoyed a Learn to Climb course, clinics and refined their skills on Metro Vancouver's tallest climbing wall. The best of the Film Festival featured inspiring mountain biking, climbing, travelling and surfing films that left people dreaming of their next adventure. Patrons got to meet professional climbers and enjoyed complimentary craft beer tastings.



AWARDS AND RECOGNITIONS

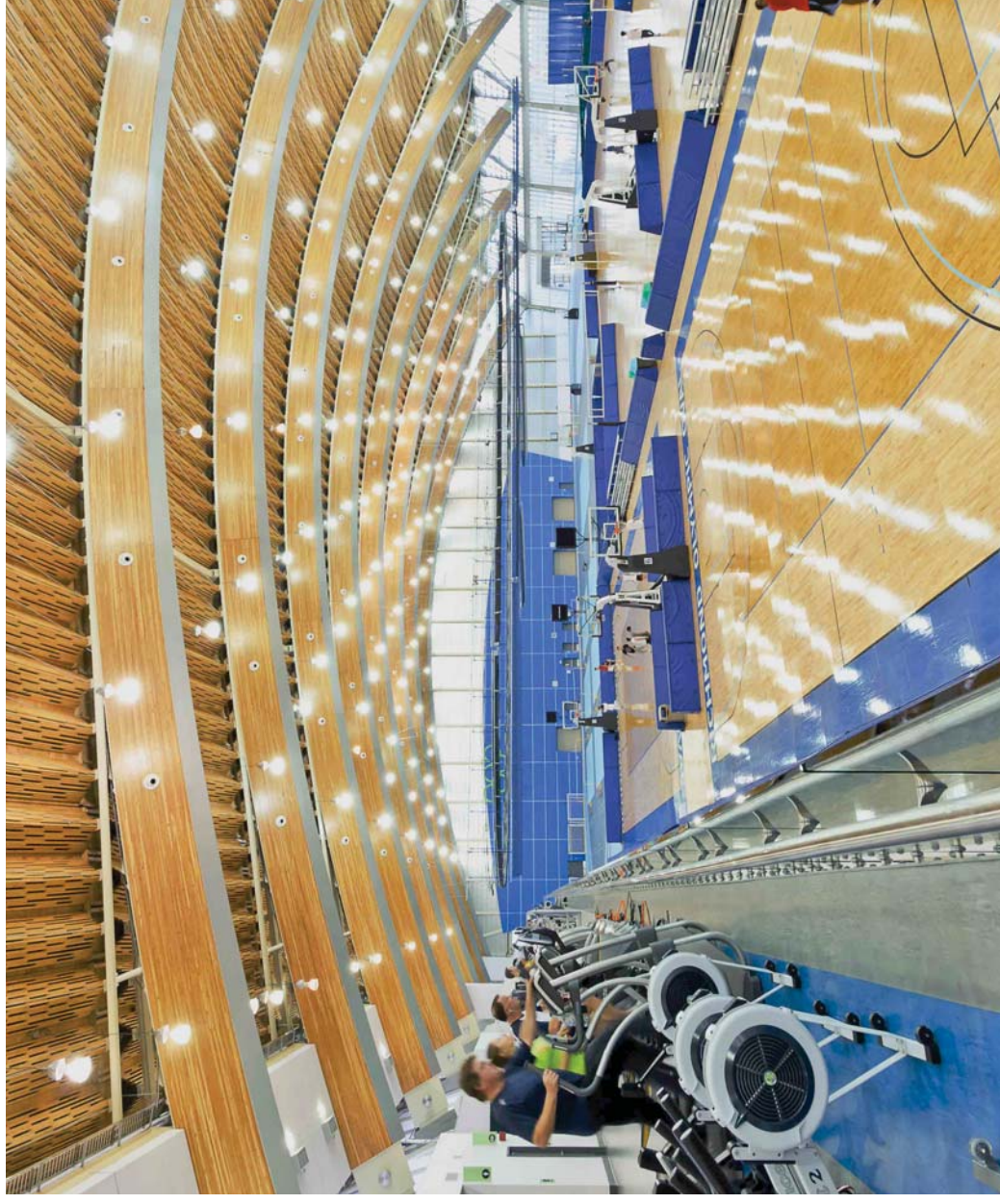


In May 2017, The Rick Hansen Foundation announced the City of Richmond as a winner of its Accessible Cities Award. As part of the Award, the Richmond Olympic Oval was inducted into the Award's Circle of Excellence and was recognized as one of five spaces across Canada that exemplify best practices towards universal access.

For a complete list of awards, go to appendix C



The Oval's progressive design and investment in accessibility enhancements has contributed to the facility becoming a training hub for provincial, NextGen and National level wheelchair and para athletes.





GIVING BACK TO THE COMMUNITY

Richmond Olympic Oval staff were regular Thursday night volunteers at the Richmond Food Bank Society. Cross department teams volunteered at the Cedarbridge Way location. The Richmond Food Bank gives healthy and nutritionally-balanced food to more than 1400 people in a typical week.

The Oval staff organized and completed a coat drive in the winter of 2017. Seven boxes of coats, predominately for children and women, were collected and delivered to Chimo Community Services, a Richmond based non-profit organization serving people in crisis and transition.

In June, the Sharing Farm played host to the 6th Annual Richmond Day of Caring. Organized by Richmond Cares, Richmond Gives (RCRG), Oval staff volunteered alongside employees from Back in Motion, TD Bank, the Richmond RCMP, Ignite the Warmth Society, the Richmond News, and the City of Richmond Public Works Department. The Sharing Farm donates its produce to the Richmond Food Bank and other community meal programs.

SETTING AN EXAMPLE FOR THE WORLD (Special)

Learn about legacy planning in preparation for 2018, 2020 and 2022 Olympic Games, the Oval was visited and toured in 2017 by Olympic Winter Games delegations from Hebei, Beijing, Bloomage Biotechnology China, representatives from the Korean Institute of Sports Science, researchers from Korean Sport Promotion Foundation and the Hyundai Research Institute.



NBA STARS HOST OVAL BASKETBALL CAMPS

The Oval hosted the NBA Kelly Olynyk Skills Clinic in July 2017. Joining the former B.C. high school basketball star and Miami Heat member was Danny Green of the San Antonio Spurs. Campers were put through drills focused on improving ball-handling, shooting, passing and defense during the two-day session.

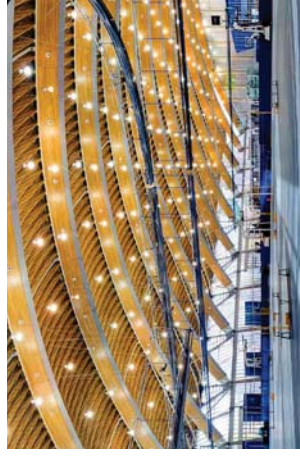
10/04 – 10/06



OWN THE PODIUM SPORT INNOVATION SUMMIT

The 12th annual conference brought 300+ sport science and medicine experts from around the globe together at the Oval to share knowledge and tools to nurture future Olympic and Paralympic sport success.

Feature on the OTP Spin Summit: The Own the Podium Sport Innovation (SPIN) Summit is Canada's leading-edge symposium for professional development and networking in the areas of applied sport science, sport's medicine, and innovation. The SPIN Summit was held in Richmond at the Oval and the Sheraton Hotel October 4-6. The conference included a full day of applied workshops at the Richmond Olympic Oval. The 12th annual conference brought 300+ sport science and medicine experts from around the globe together at the Oval to share knowledge and tools to nurture future Olympic and Paralympic sport success through technological and scientific research.



BEST PRACTICE FOR WOOD CONSTRUCTION

The Oval was a popular destination toured by architecture and engineering groups interested in the Oval's construction and use of wood. Groups included Kelly McCloskey Australian architects, UBC School of Architecture and Landscape Architecture, UBC Department of Wood Science, BC Council of Forest Industries and Wood WORKS! BC.

CANADIAN NATIONAL VOLLEYBALL TEAM FINDS A NEW HOME IN RICHMOND



Vancouver already hosts a lot of Olympic athletes, summer and winter, who use this as their training base, but a new tenant has arrived at the Richmond Oval. The Canadian women's national volleyball team just moved in, hoping it will help turn around a program that could use a fresh start.

SPEED SKATING RETURNS TO OLYMPIC OVAL



The V-Room Challenge III will feature 160 short track speed skaters competing at the Richmond Olympic Oval.

ROCKING MORNING WITH CITYTV HOST RIAZ MEGHJI AS WE PLAY WITH FUNCTIONAL FITNESS



Big thank you to OvalHP and Richmond Oval for letting me and Riaz Meghji play with their gear this morning! - @daimanuel



CANADA CONCLUDES VOLLEYBALL GRAND PRIX WITH LOSS TO CZECH REPUBLIC

Despite the loss, Canada's three-win campaign is the top World Grand Prix performance in the program's history.

THE GLOBE AND MAIL

CHINA LOOKS TO NORTH AMERICA IN QUEST TO BECOME HOCKEY POWER

Oval Athletes Leah Lum and Emily Costales were invited to Team China's Exposure Camp for Beijing 2022.



HEAD OF THE CLASS 2017: KIERA VAN RYK

Van Ryk found herself as one of just three Canadian high school seniors invited to full tryouts with the senior national team at the Richmond Oval. And there, in the greatest training environment her country affords, she could see her future self in the actions of the nation's veteran players.

150 SEMINAL MOMENTS IN RICHMOND



Dec. 12, 2008 - The Richmond Olympic Oval opens and becomes a corporate subsidiary of the City of Richmond, as it enters into a longstanding partnership with the International Olympic Committee.

2017 MEDLINES



ITF TAEKWONDO PROVINCIAL CHAMPIONSHIPS A HIT AT OVAL

It was an action-packed weekend at the Richmond Olympic Oval for the 2017 ITF Taekwondo Provincial Championships that saw athletes compete in a variety of categories.

**BECOMING
VALUED BY THE
COMMUNITY AND
ITS EMPLOYEES**

**CNCL - 42
(Special)**



**BECOMING VALUED
BY THE COMMUNITY
AND ITS EMPLOYEES**

**In 2017, the Oval
hosted six member-
appreciation events
and challenges to
help build community
amongst members
and staff as well
as to communicate
the Corporation's
appreciation to our
loyal members.**

**CNCL - 43
(Special)**



06/28

WE WILL MISS YOU RHONDA!

The Corporation hosted a fitness event to recognize the 7-year contribution and impact of Rhonda Bourne, a group fitness instructor and personal trainer who positively impacted the health and well-being of hundreds of Oval members and clients. 100+ staff and Oval members participated in Rhonda's final group fitness class taught at the Oval. Members and staff spoke to recognize Rhonda for her impact, contribution and friendship.



08/26

JOHN DUMONT 3X3 BASKETBALL CLASSIC

Established in 2016, the John Dumont 3x3 Basketball Classic started after the sudden passing of Richmond resident John Dumont to raise funds for his young sons. It is a full day of competitive basketball for U17, U15, U13, U11/12 and High School Girls with a BBQ for all the participants to enjoy on the Olympic Riverside Plaza.



09/10

FOREVER YOUNG 8K

The Oval co-produced the Forever Young 8k (FY8K) race in collaboration with John Young who founded the annual event. The FY8K serves to promote senior health and fitness and had over 250 racers ages 55 to 90. An amount of \$3,500 of the proceeds were donated to Dream On Seniors' Wish Foundation which helps seniors realize dreams like arranging for a WWII veteran to fly in a Harvard plane again.



CNCL - 44
(Special)

Rhonda leading a farewell group training class for Oval members and staff in celebration of her years of service and dedication.

Thank you to our amazing volunteers!

Oval Volunteers gave over 12,000 hours in 2017 to programs including The Olympic Experience, Oval Ambassador program, Olympic Oval Sport Camps, and Education ROX. A volunteer program launched in conjunction with the Olympic Experience museum at the Richmond Olympic Oval has resulted in tremendous community support from local volunteers interested in being involved in the Olympic movement.



HOWARD SMYTHE



JOHN HOPKINS



JOHN YOUNG

Howard Smythe was honoured at the 2017 Annual Volunteer Recognition event for having given over 1000 hours of service to the Olympic Oval. He joins Oval volunteers John Hopkins and John Young in the 1000-hour club. The three have been with the Olympic Oval since the 2010 Olympic Winter Games. They set a wonderful example of leadership and service, inspiring others to continue their involvement.

“As one of the many volunteers at Richmond Olympic Oval, I can say with pride, it has been and continues to be a privilege and honour to show others what a special jewel we have in our community.”

JOHN HOPKINS, NOV 2017



11/17

UNWIND - A MEMBER APPRECIATION EVENT

The Fitness & Wellness department in collaboration with the Member Care department hosted Unwind, a member appreciation evening. The evening attracted 215 members to the ROX where Richmond vendors including New Balance, Yoga, Freshii, Fuggies & Warlock, Buter Organics and the Ocafé had booths. The evening ended with a Yoga cohosted candlelight yoga class in the Legacy Suite.



ROTARY SKATES FOR THE WORLD

Rotary Skates for the World is organized by the Rotary Club of Richmond Sunset to raise funds for an orphanage in Beifwe, South Africa. The Oval donated the ice time for the event and looks forward to supporting the Rotary Club in 2018 as they continue to support Rotary projects locally and internationally.

CNCL 46
(Special)



OLYMPIC WEIGHTLIFTING CLINICS

In 2017, Oval High Performance hosted four Olympic Weightlifting Clinics with Canadian Olympian, Christine Girard. These half day clinics ran in April, May, September and October and were created to educate Oval members and the Richmond Olympic lifting community. Thirty-three participants ranging in age from 20 to 63 attended the clinics. These attendees had varying sporting backgrounds and levels of experience. The clinics focused on optimal warm up, stretching techniques and technical coaching for the "snatch" and the "clean and jerk". Christine also shared stories of competing on the world stage and her Olympic experience.

ATHLETES

ARJAN SINGH BHULLAR

2010 Commonwealth Games Gold Medalist

ANDREW MAVIS

2000 Olympic Athlete

DARCY MARQUARDT

2012 Olympic Silver Medalist and 2006 World Champion

BRIAN JOHNS

2010 Commonwealth Games Gold Medalist

JENNIFER JOYCE

2006 Commonwealth Games Silver Medalist

RICHMOND SPORT WALL OF FAME

Nine outstanding individuals were inducted into the Richmond Sports Wall of Fame on Saturday, November 18, 2017 at Richmond City Hall. Originally launched in 2015, The Wall honours individuals and teams who have played significant roles in building Richmond's sports community and/or excelled at their sport.

COACHES

GLENN KISHI

Two-Time Junior Football Provincial Champion Coach

BUILDER

NANCY CAREY

30 years of service as a Volunteer, Administrator and Coach of Girls Field Hockey

OFFICIAL

KANWAL SINGH NEEL

Outstanding Contribution to Amateur Sport as an International Athletics Official

03 SUPPORTING HIGH PERFORMANCE

The Richmond Olympic Oval's High Performance (HP) programs and services fuel sustainable Canadian sport excellence on the local and international stage.

Oval HP builds better athletes of all ages through the provision of world-class technical coaching, strength and conditioning, mental performance and nutrition optimization services. Oval HP supports Canada's top athletes who are at, or are striving for the podium.

OVALHP



SUPPORTING HIGH PERFORMANCE

OVALHP

The Oval's High Performance Training Program continues to train and provide coaching and sport science services to community, provincial, national, Olympic and Paralympic athletes.

CNCL - 48
(Special)

NEXTGEN

In 2017, Field Hockey Canada, Volleyball Canada, and Canadian Wheelchair Sports Association (Wheelchair Rugby Canada) engaged the Oval's High Performance Department to train and service their targeted NextGen athletes.

In June 2017, the Department of Canadian Heritage released a report reviewing the current system of funding Canadian high performance sport. The report included a recommendation to provide more sustainable funding to athletes, five to eight years from their peak performances. This group represents Canada's medalists of the future and is termed 'NextGen'. The federal government committed \$5 million annually for four years to fund NextGen athletes.

The Oval has experienced considerable success in being a key contributor to Canada's high performance sport community. The Oval maintains an ongoing dialogue with community, provincial and national sport organizations to ensure that the Oval is accessible, is best equipped to meet the training and competition needs of current and future national team athletes, and to ensure the facility is maintained to the standards expected of a national sports centre.

Since opening a dedicated High Performance Training Centre in March of 2012, approximately 234,350 training sessions have been completed at the Oval, 57,350 of which occurred in 2017.

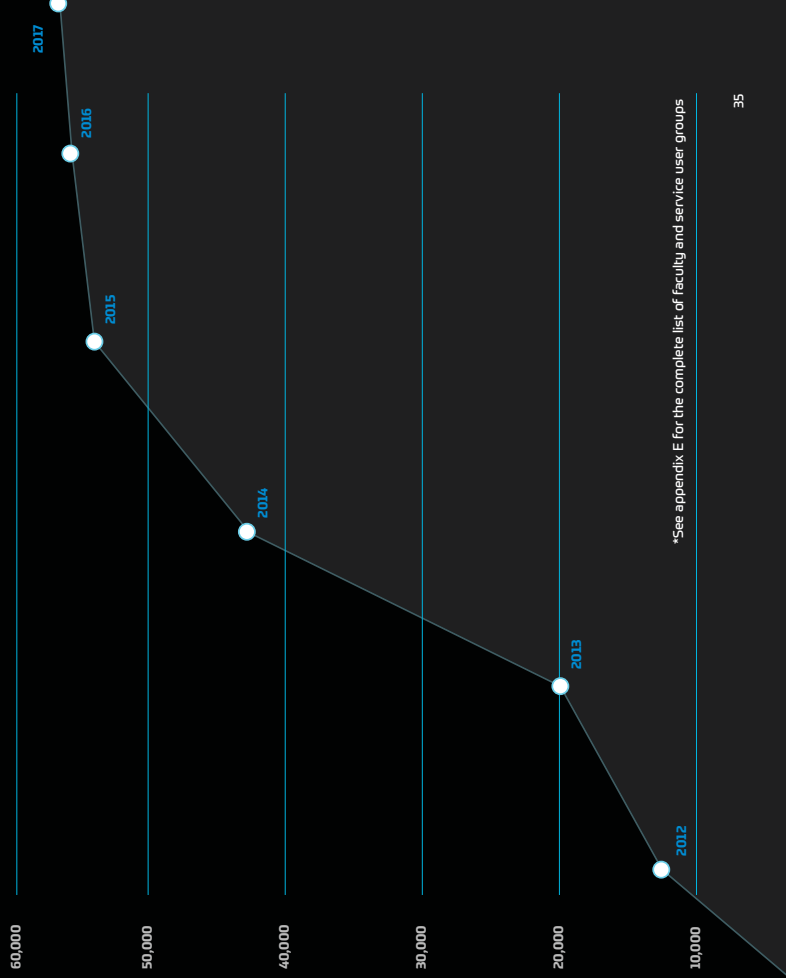
The Oval is a participating partner in the Canadian Sport Institute's GYMWORKS™ program. The program provides provincially and nationally carded athletes, access to training environments within a proximity to their home, school and other personal, professional and sport-related obligations. In 2017, 309 carded athletes and coaches accessed the Oval through Gymworks™.

234,350 Training sessions completed

45 Number of national, provincial, and local sport associations represented by athletes who used Oval High Performance services and facilities during 2017*

13 Training camps and clinics hosted by Oval High Performance*

Athlete training sessions



*See appendix E for the complete list of faculty and service user groups

NEW HOME OF THE CANADIAN WOMEN'S NATIONAL VOLLEYBALL PROGRAM.

“Following the largest women’s selection camp ever, our program will undoubtedly see a new beginning in its new training centre in Richmond.”

Jean Boucher, Volleyball Canada High Performance Director



ATHLETE ACHIEVEMENTS

Volleyball Canada Women’s National Team finished first overall and picked up 7 awards at the NORCECA World Championship Qualifier ▶

ALEXA GRAY Most Valuable Player, Best Scorer, Best Opposite

MARIE-ALEX BÉLANGER Best Server

KRISTEN MONCKS Best Digger

KYLA RICHEY Best Receiver

MEGAN CYR Best Setter

The Volleyball Canada’s Women’s National Team selection camp ran May 8-12 at the Richmond Olympic Oval. The first selection camp at the program’s new home was one of the largest in the history of the program with 60 athletes travelling to Richmond to earn a spot on the national team roster. This successful event involved significant collaboration between Oval and Volleyball Canada staff including the completion of performance testing led by Matt Fisher, the Oval’s Head Strength and Conditioning Coach. The final selections for the National Team were completed on May 12 with 27 players being named to the roster.

The team’s first training session occurred on May 15. The Women’s National Team Program ran year-round with July and August being key competition months for the National A Team and October to April 2018 focusing on NextGen Programming and player development.

Oval staff have collaborated extensively with Volleyball Canada throughout 2017 on the coordination of facilities and the delivery of services. Volleyball Canada’s use of the Oval’s facility and services during 2017 has been significant. The Oval’s High Performance staff have supported the program through the provision of performance testing and strength and conditioning services. Oval High Performance staff were involved in the search and hiring of the team’s athletic therapists and facilitated the integration of Volleyball Canada sport medical with the LifeMark clinic. Access to medical imaging was arranged through Richmond based Priority MRI.

WHEELCHAIR RUGBY CANADA

Throughout 2017, the Corporation has continued to collaborate with wheelchair sports associations both at the provincial and national level. In 2017, the Canadian Wheelchair Sports Association (CWSA), designated the Richmond Oval as the National Training Centre for Wheelchair Rugby in Canada. An agreement was signed in April formalizing the designation. Under the Oval roof, the National team athletes efficiently complete strength and conditioning, performance analysis work in the Canadian Sport Institute Lab and on court technical work. The team eats at the Ocafé following practices and utilizes the wheelchair storage recently built for them.



ATHLETE ACHIEVEMENTS
Wheelchair Rugby National team WWRC Test Event - 4th place

Wheelchair Rugby National team IWRF Americas Championship - 2nd Place



▲ **Trevor Hirschfield and Travis Murao named All Stars and MVP at the Canadian Wheelchair Rugby Championship**

TABLE TENNIS CANADA



The Corporation continues to collaborate closely with Table Tennis Canada on initiatives related to high performance and youth development performance programs. Oval programs are designed and delivered to align with national coaching standards, programming best practices and the Table Tennis Canada Long Term Athlete Development model.

In 2017, the Oval signed an agreement with Citius Table Tennis club to collaborate on the delivery of technical training and high performance services. Cindy Wang, head coach and Director of Citius, and her team of coaches work with development, NextGen and Table Tennis Canada National team squad athletes including Edison Huang, Laura Lai and Mo Zhang. The club focuses on systematic training and practical competition experience is aligned with the objectives of the partnership between Table Tennis Canada and the Oval.

CANADA CUP #1

ATHLETE ACHIEVEMENTS

▼ **GU MENG & EDISON HUANG**

Gold in Open

CINDY WANG

Gold in Women's Single

EDISON HUANG

9th in Men's Single and 2nd for U15

GU MENG

Gold in Men's Single

BENITA ZHOU

5th place in Women's Single and 1st for U15

ATHLETE ACHIEVEMENTS

NATHAN UY

◇ Placed 1st, in U200 and 2nd in U400 at the BC Table Tennis Association Richmond Open in Feb 2018



NOTABLE ATHLETE ACHIEVEMENTS

See appendix D for other notable athlete achievements



IAN RYDER WINS GOLD IN CANADIAN NATIONAL CHAMPIONSHIPS AND SILVER IN JUDO CANADA NATIONAL CHAMPIONSHIPS



MADDOX ANGERHOFER

Selected to the U18 USA National Development Team

COURTNEY VORSTER

Named to the U18 Women's National Hockey team which competed at the 2018 IIHF U18 Women's World Championship

Named team captain for Team BC U18 Nationals - Bronze medal

KATE STUART

U18 Team BC goalie, named team captain for Team BC

Invited to Team Canada National Selection Camp

Committed to Boston University



GENNY KNOWLES NAMED TO THE KOREAN WOMEN'S NATIONAL TEAM PLAYING IN PYEONGCHANG 2018



HANNAH FINKELSTEIN NAMED TO THE JUNIOR NATIONAL SOFTBALL TEAM AND RECEIVED A FULL-RIDE SCHOLARSHIP TO LONG ISLAND UNIVERSITY



INTEGRATED SCHOOL MODEL



Richmond Virtual School and Oval High Performance

The Corporation partnered with the Richmond Virtual School (RVS) to offer a distributed learning secondary school program which successfully combines online and face-to-face interaction for high performance athletes training at the Oval. High performance student athletes are eligible to receive secondary school credits by completing over 100 hours of training at the Oval in 2017.



SHORT TRACK SPEED SKATING

The Oval's short track speed skating programming continued to grow in 2017 with an expansion to include more training times for athletes in the Performance Speed Skating Program. The Oval delivered its second year of the BC Speed Skating Association (BCSSA) academy program which was originally developed by C.V.C. High Performance staff. Academy numbers grew from 16 skaters in 2015 to 25 skaters in 2017. Skaters from across the lower mainland were provided on-site technical coaching, strength and conditioning training, sport psychology and sport nutrition education.

Academy skaters **25** ▲ **+09** over 2016

ATHLETE ACHIEVEMENTS

WESTERN ELITE CIRCUIT IN CALGARY

CAN AM INTERNATIONAL LONG TRACK COMPETITION

ANDERS JOHNSON 12TH IN CANADA, 3rd IN BC

KIERSTEN HAGEN

3rd place

CHRIS POLJER-SO

8th place



PARALYMPIAN SEARCH



The Richmond Oval hosted the first Paralympian Search in B.C. on October 22. Paralympian Search is a program designed to identify future potential Paralympic athletes. The event offered people with a disability, the chance to test their performance abilities and discover opportunities in Paralympic sports. Twelve participants attempted exercises that tested their speed, strength and agility under the supervision of national team coaches and Paralympic sport high performance experts.

**BECOMING THE
DESIRED LOCATION
FOR COMMUNITY
SPORTS, HEALTH
AND FITNESS**

**CNCL - 53
(Special)**



The most popular services in this department continue to be personal and small group training sessions.

CNCL - 54
(Special)

FITNESS

The year 2017 saw the launch of many new Fitness and Wellness programs designed to cater to the Oval member base. New programs included Women on Weights, Y Ride (Cycle & Yoga), Lift, Barre fitness, TRX-HIT and TRX Strong. The fitness mezzanine area saw a growth in visitations with more teens completing the orientation.

Personal and small group training sessions continued to be an area of growth in 2017. The Oval personal training team delivered over 4600 private training sessions, introducing 120 new clients to personal training. Corrective exercise services delivered by an Oval Kinesiologist also grew in 2017.

The Oval Fitness and Wellness department hosted the Sun Run In Training clinics and was a lower mainland certification and education site for TRX instructor trainings.

120 New personal training clients

4,600 Private training session delivered

COMMUNITY SPORT

Community Sport saw record breaking sport registrations for 2017. There was a total of 8,273 registrants in Community Sport Registered Programs, Camps, and Private Lessons (Camps, Climbing, Ice, and Court Sports) compared to 7,038 registrants in 2016. The majority of these registrations are Richmond residents.

2017 Summer Camp recorded the highest registration number ever. A total of 1,822 registrations were reached by utilization of outdoor and off-site spaces. Get Skills, our marquee physical literacy camp, continues to be the most popular along with fencing.

CNCL - 55
(Special)

COMMUNITY SPORT 2017 HIGHLIGHTS

14,000

Hours of activity level time rented out

The following Richmond based organizations and groups used the Oval:

RICHMOND GROUPS

Air Attack Volleyball
Aura Rhythmic Gymnastics
Comnaught Skating Club
DRIVE Basketball
Kajaks Track and Field
Royal Canadian Air Cadets 655 Squadron
609 Stevenson Squadron
Prime Badminton Academy
Richmond Minor Hockey Association
Richmond FC
Richmond Girls Soccer
Richmond Field Lacrosse
Richmond Ravens Female Ice Hockey
Richmond Rugbyette
Richmond Rockets Speed Skating Club
Richmond South Delta Minor Ball Hockey Association
Richmond Vancouver Sports Association
Shosokan Karate
Safari Minor Hockey Association (ice rental & high performance services)
Selects Hockey BC
Vancouver Ki Society

Yogi Elite Hockey
15 Individual Richmond Soccer Teams due to January inclement weather
Richmond City Baseball
Richmond Evangelical Church

HIGH RICHMOND PARTICIPATION GROUPS

NCHL
Urban Rec
Greater Vancouver Canadians
Aura Rhythmic Gymnastics
Brazilian Soccer Schools
John W.S. Lecky UBC Boat House
Metro Basketball
Focus Volleyball
BC Aboriginal Athletic Association
Oxbat Running Clinic
Field Hockey BC
Vancouver Community Baseball
Asahi Baseball Association
Pentaspport
BC Wheelchair Association

Independent Schools Association of British Columbia
Special Olympics BC
Vancouver Hawks Field Hockey Club
Feng Li Basketball Club
Richmond Vancouver Sports Association
Vancouver Futsal Association
BC Hockey
Volleyball BC
Big Brothers of Greater Vancouver
Vancouver Rowing Club
The Century Dragons
Dragon Boat Canada U16/U18 National Team
Raise a Little Swoil
Abreast in a Boat
False Creek Racing Canoe Club
Paddle Pushers Dragon Boating Team
Braegin Dragons
FLCC Ferried and Sundragns
Vancouver College
St. George's
UBC Novice Women
University of Fraser Valley

8,273

15%
OVER 2016

38

SMALL SPORTING EVENTS

Sport registrations in Camps, and Private Lessons

Small sporting events executed by Community sport including Sports Day, Urban Rec Volleyball Tournaments, and Richmond Minor Midget Hockey Tournament and more.

The Oval's Rowing and Paddling Centre served as a centre for performance and community use during 2017.

Rowing athletes from the John M.S. Lecky Boathouse, UBC Novice Women's Program, Vancouver College, St. George's, Vancouver Rowing Club and University of the Fraser Valley utilized the tank for training. The tank, which can be modified for Dragon Boat practice was also utilized by Dragon Boat Canada's U16/U18 National Team, Raise a Little Swell, Abreast in a Boat, False Creek Racing Canoe Club, Paddle Pushers Dragon Boating Team, Braggin' Dragons and the FLCC Fortified and Sundragons.



CNCL - 56
(Special)

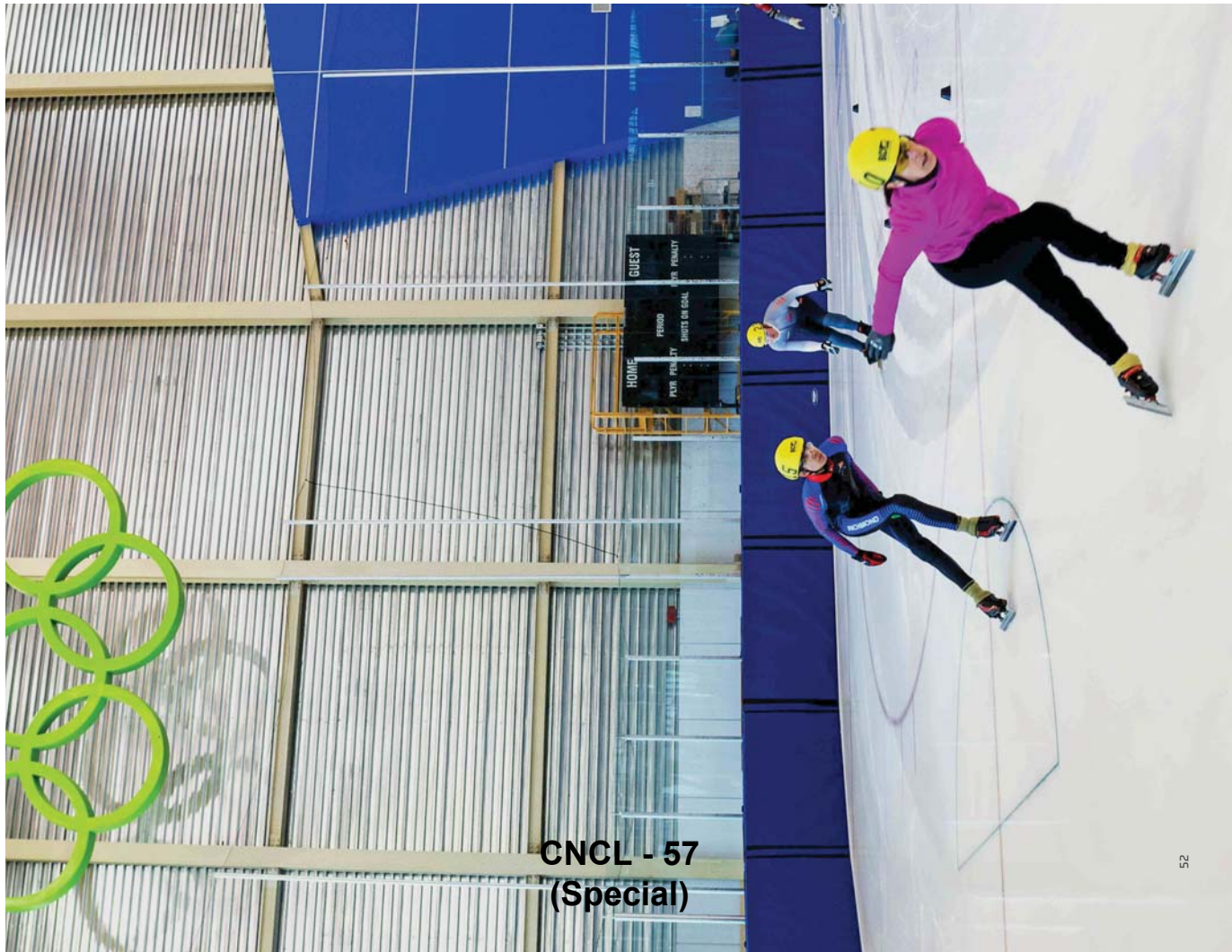
BCRPA FITNESS LEADER OF THE YEAR AWARD



LYNN WALTERS

Oval Fitness and Wellness Team Member

Lynn Walters, Fitness and Wellness team member, won the 2017 BCRPA Fitness Leader of the Year Award and was officially recognized by her BCRPA peers at the 2017 BCFit Conference this Year. Lynn volunteered countless hours in the Richmond Community and her contributions to the Oval staff culture and member community is significant and ongoing.



COMMUNITY SPORT

WE CONTINUE TO BUILD AN ACTIVE COMMUNITY THROUGH SPORT PARTNERSHIPS.

GREATER VANCOUVER CANADIANS AND BC HOCKEY PARTNERSHIP



The Oval is the home of the Greater Vancouver Canadians Major Midget Hockey team. This year-round agreement combines ice, team room and high performance centre rental, games, training camps, and team building activities. The team includes up and coming stars including Richmond residents Tyler Horstmann, Hayden Hurst, Vincent Thrum, Hayden Tubba, and Van Lupplen.

SPORT CLIMBING BC COMPETITION HOSTING

Delivered in partnership with Sport Climbing BC, the 2017 "Spring Cling" competition was a huge success. The competition is viewed by participants as the most comprehensive event on the circuit. The pool of competing athletes has grown annually with 2017 having 100 competitors.

RICHMOND ROCKETS PARTNERSHIP



The Oval continues to foster a strong relationship/partnership with the Richmond Rockets Speedskating Club to ensure alignment in the promotion and delivery of essential grassroots short track programs in Richmond and Vancouver. The agreement includes ice usage, marketing support, event hosting and technical coaching mentorship and planning supported by Oval Coaches Yan Yan and David Morrison. 2017 was the Rockets' most successful year to date, placing 5 skaters on the BC Winter Games teams, a best ever for the club.

RICHMOND ARENAS COMMUNITY ASSOCIATION

The Oval has an ongoing partnership with the Richmond Arenas Community Association (RACA). RACA guides arena operations in Richmond and maintains and fosters ongoing relationships with its members. Their works includes, allocating ice and organizing the programming and utilization of Richmond arenas. Forty-six hours a week of Oval ice time was provided to RACA in 2017. This ice was utilized by Richmond groups including Seafair Minor Hockey Association, Richmond Ravens Female Hockey Association and Connaught Skating Club.

EVENTS HIGHLIGHTS



CNCL - 58
(Special)

FIVB GRAND PREMIER

CNCL - 59
(Special)



CNCL - 60
(Special)



The FIVB World Grand Prix Volleyball tournament was held at the Oval July 21-23. This was the first time the team played a World Grand Prix in Canada. An 1800 seat stadium was constructed in the Oval's track zone and sold out crowds cheered on Canada as they competed against Germany, Peru and Czech Republic. Canada's three-win campaign is the top World Grand Prix performance in the program's history. Online streaming views exceeded 300,000 over the three-day event. Oval staff played a key role in the organization, promotion and delivery of this prestigious event.

Countries represented **4**

Attendance **5,400+**

Online streaming views **300,000+**

GLOBAL CHAMPIONSHIPS KARATE-DO GOJU-KAI

CNCL - 61
(Special)

Nearly 600 athletes from more than 20 countries competed at the Karate-do Goju-kai Global Championships in 2017. The Karate-do Goju-kai Global Championships take place every four years. This is the seventh time the martial arts event has been held and the first time the tournament was in North America. Over 1500 spectators visited the Oval each day to witness athletes ages 6 to 60 compete.



Countries represented **20**

Age of competitors **6-60 yrs**

Spectators **4,500**

FOREVER YOUNG 8K

CNCL - 63
(Special)





CNCL - 64
(Special)



In 2017, the FY8K moved from Garry Point to the Richmond Olympic Oval Riverside Plaza and teamed up with Oval staff to produce this exciting 55+ Seniors 8K. This BC Athletics sanctioned run attracted over 250 seniors aged 55 to 90. The 4-kilometre route went west along the dyke and turned back at Terra Nova with a finish line back at the Oval Plaza. This event was supported by over seven sponsors with over 100 door prizes donated by the community of Richmond. The Dream On Seniors' Wish Foundation Charity received the proceeds of the 2017 event.

Athletes
250+
Age of
runners **55-90** yrs



**NORTH EAST CHINESE
ASSOCIATION OF**

CANADA DUMPLING FESTIVAL

ANNUAL

**GNCL - 65
(Special)**



The NECAC hosted its annual Dumpling festival at the Oval this year with over 1200 guests for dinner. The guests were treated to live entertainment along with freshly prepared dumplings which were cooked to perfection on the Olympic Riverside Plaza and brought inside to the awaiting dumpling lovers.

Dinner guests
1,200

MARTI PARTI

In 2017 this annual event expanded to two days with teams participating from Western Canada and the West Coast of the US. Over 6,000 participants and spectators visited the Oval each day with participants ranging from 10 to 17 years old.



Age of participants **10-17 yrs**
Participants and visitors combined **12,000**

RBC TRAINING GROUND FINALS





CNCL - 67
(Special)



The RBC Training Ground Finals were held at the Oval on March 4. The objective of the Training Ground initiative is to identify athletic potential and Canada's next great future Olympian. Oval High Performance worked in collaboration with the Canadian Sport Institute Pacific, Canadian Olympic Committee, CBC and numerous national and provincial sport organizations, to plan and execute the event. Over 100 athletes completed performance tests to assess power, speed, strength and endurance. Avalon Wasteneys, the BC winner, joined winners from Alberta, Ontario and the Maritimes and travelled to the 2018 Olympics in PyeongChang to experience the Olympics from an athlete's perspective.

OVALHP



100+
Athletes completed performance test

**FINANCIALLY
SUSTAINABLE**

**THE CITY IS
THE SOLE
SHAREHOLDER
OF THE OVAL.**

**CITY COUNCIL
APPOINTS THE
OVAL BOARD.**

**ALL PROFITS ARE
RE-INVESTED
OR PLACED
IN FINANCIAL
RESERVES
BELONGING TO
THE CITY.**

OBS

RICHMOND OLYMPIC OVAL'S ECONOMIC IMPACT

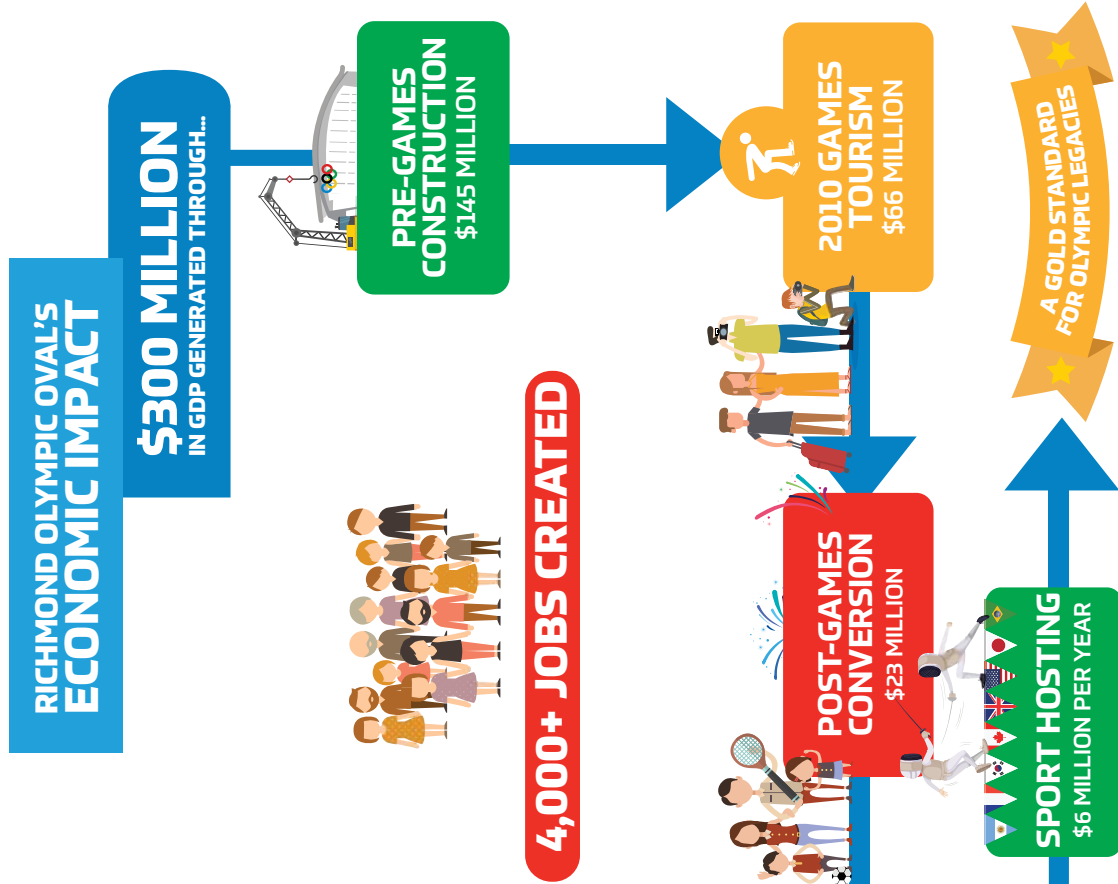
2017 ECONOMIC IMPACT STUDY HIGHLIGHTS

Prepared for the City of Richmond by KPMG

"This report is a testament to the ongoing legacies of the 2010 Olympic Games and the Richmond Olympic Oval for our community. The City's investment in the Oval continues to generate huge social and economic benefits for Richmond."

Richmond Mayor Malcolm Brodie

69 (Special)



HIGHLIGHTS

The Richmond Olympic Oval has provided a major boost to the local and regional economies, generating more than \$300 million in gross domestic product (GDP) through its construction and ongoing operation.

The Oval has also been a catalyst for \$3.8 billion in added property value within the surrounding neighbourhood.

The Oval generated \$234 million in GDP and created 3,076 jobs. An additional \$19 million in ongoing annual GDP is generated by the Oval and its operation supports 400 full time equivalent jobs, including direct, indirect and induced employment.

The Richmond Sports Hosting program generates more than 20,000 hotel room stays nightly with an estimated economic value of \$9 million.

A full copy of the economic impact study can be found at: www.businessinrichmond.ca

APPENDIX A – THE CORPORATION

The Company, which changed its name to the “Richmond Olympic Oval Corporation,” on August 10, 2010, was incorporated under the name “0827895 BC Ltd.” on June 16, 2008 under the Business Corporations Act of British Columbia. Its purpose is to manage the business, operations and maintenance of the Oval. The City of Richmond, as the sole shareholder of the Company, has appointed a Board of Directors consisting of a selection of community leaders with a broad range of specialized expertise.

DIRECTORS

As of December 2017, the Company has 12 Directors. The name and province of residence of each Director, each Director’s principal occupation, and the month each Director was appointed to the Board are indicated in the chart below. The term of office for full-term directors is one to two years.

| NAME & PROVINCE OF RESIDENCE | PRINCIPAL OCCUPATION | DIRECTOR SINCE | RE-ELECTED | TERM |
|---|---|----------------|------------|---------|
| E. Michael O’Brien*, British Columbia, Canada | Retired – (Former Corporate Secretary & Vice President, Strategic Planning & Legal Services, Vancouver International Airport Authority) | June 2008 | June 2016 | 2 years |
| Dennis Skulsky, British Columbia, Canada | Vice Chairman, BC Lions Football Club | February 2011 | June 2016 | 2 years |
| Morey Keith, British Columbia, Canada | President, Dorek Auto Group | June 2008 | June 2016 | 2 years |
| George Duncan, British Columbia, Canada | Chief Administrative Officer, City of Richmond | June 2008 | June 2016 | 2 years |
| Umeshra Mital, British Columbia, Canada | Executive Vice President and General Manager, Ebco Industries Ltd. and Advanced Cyclotron Systems Inc. | June 2008 | June 2016 | 2 years |
| Peter German, British Columbia, Canada | Principal, Peter German & Assocs. Inc. | June 2016 | June 2016 | 2 years |
| Tony Kwan, British Columbia, Canada | Partner, Pryke Lambert Leathley Russell LLP | June 2016 | June 2016 | 2 years |
| Gail Terry, British Columbia, Canada | General Manager, Richmond Auto Mall Association | June 2016 | June 2016 | 2 years |
| Dan Nomura, British Columbia, Canada | President, Canadian Fishing Company | June 2016 | June 2016 | 2 years |
| Lisa Cowell, British Columbia, Canada | Manager, Fund and Community Development, Richmond Society for Community Living | June 2016 | June 2016 | 2 years |
| Walter Soo, British Columbia, Canada | Executive Vice President, Player & Gaming Development, Great Canadian Gaming Corporation | June 2016 | June 2016 | 2 years |
| Gary Collinge, British Columbia, Canada | General Manager, Hilton Vancouver Airport | June 2016 | June 2016 | 2 years |

*Transitioned out of position in April 2018

EXECUTIVE OFFICERS

As of December 2017, the Company has two executive officers. The name and province of residence of each executive officer, the offices held by each officer and each officer’s principal occupation are as follows:

| NAME & PROVINCE OF RESIDENCE | POSITION | PRINCIPAL OCCUPATION |
|---|-------------------------|---|
| George Duncan, British Columbia, Canada | Chief Executive Officer | Chief Administrative Officer, City of Richmond |
| Andrew Nazareth, British Columbia, Canada | Chief Financial Officer | General Manager, Finance & Corporate Services, City of Richmond |

COUNCIL LIAISON

The City has assigned a Council Liaison to attend the meetings of the Richmond Olympic Oval Board. The Mayor currently holds the Council Liaison position with Councillor Alexa Loo as the alternate.

| NAME & PROVINCE OF RESIDENCE | POSITION | PRINCIPAL OCCUPATION |
|--|---------------------------|------------------------------|
| Mayor Malcolm Brodie, British Columbia, Canada | Council Liaison | Mayor, City of Richmond |
| Councillor Alexa Loo, British Columbia, Canada | Alternate Council Liaison | Councillor, City of Richmond |

COMMITTEES

The committees of the Board and the current members of each committee are listed below.

BUSINESS PLANNING & BUDGET COMMITTEE

| | |
|---------------------------------|---------------------------------|
| Morey Keith (Committee Chair) | Umeshra Mital (Committee Chair) |
| George Duncan | George Duncan |
| E. Michael O’Brien (ex officio) | E. Michael O’Brien (ex officio) |
| Dennis Skulsky | Gary Collinge |
| Walter Soo | Peter German |
| Lisa Cowell | Tony Kwan |
| Gail Terry | |
| Dan Nomura | |

AUDIT & FINANCE COMMITTEE

| |
|---------------------------------|
| Umeshra Mital (Committee Chair) |
| George Duncan |
| E. Michael O’Brien (ex officio) |
| Gary Collinge |
| Peter German |
| Tony Kwan |

APPENDIX B – EVENTS



CNCL - 71 (Special)

● FEATURED EVENTS - Refer to the events section for more details

APPENDIX C – AWARDS

| AWARDING BODY | | AWARD |
|--|---|--|
| Rick Hansen Foundation | 2017 Circle of Excellence Award for Best Practices Towards Universal Access | A Best New Attraction in Canada Award: the Olympic Experience at the Richmond Olympic Oval |
| Where Magazine | IOC/IAKS All Time Award | IOC/IAKS Gold Medal |
| International Olympic Committee | IOC/IAKS All Time Award | IOC/IAKS Gold Medal |
| International Association for Sports and Leisure Facilities | IOC/IAKS All Time Award | IOC/IAKS Gold Medal |
| International Olympic Committee | IOC/IAKS All Time Award | IOC/IAKS Gold Medal |
| International Association for Sports and Leisure Facilities | IOC/IAKS All Time Award | IOC/IAKS Gold Medal |
| International Paralympic Committee | IOC/IAKS All Time Award | IOC/IAKS Gold Medal |
| International Association for Sports and Leisure Facilities | IOC/IAKS All Time Award | IOC/IAKS Gold Medal |
| Canadian Interiors, Best in Canada Design Awards | Best of Canada Design Award | Best of the Best - Across Canada |
| CEBC Awards for Engineering Excellence | Merit Award | Distinction Award |
| Royal Architectural Institute of Canada | Award of Excellence for Innovation in Architecture | Best of the Best - Across Canada |
| Vancouver Organizing Committee | Sustainability Star Award | Best of the Best - Across Canada |
| Wood WORKSI | Institutional Wood Design | Best of the Best - Across Canada |
| Institution of Structural Engineers | Sports of Leisure Structures Award | Best of the Best - Across Canada |
| The ASHRAE Technology Awards | Region XI Winner: New Public Assembly Building | Best of the Best - Across Canada |
| Canadian Consulting Engineer Awards | Technical Merit Award | Best of the Best - Across Canada |
| National Council of Structural Engineers Association | Finalist Award of Exceptional Merit in Buildings over \$100 million | Best of the Best - Across Canada |
| Green Globe Foundation and the World Green Building Council | Excellence for Green Building Award | Best of the Best - Across Canada |
| VRCA Awards of Excellence | Chairman's Trade Award Gold | Best of the Best - Across Canada |
| VRCA Awards of Excellence | Chairman's Trade Award Silver | Best of the Best - Across Canada |
| VRCA Awards of Excellence | President's Trade Award Silver | Best of the Best - Across Canada |
| VRCA Awards of Excellence | Manufacturer & Supplier Silver | Best of the Best - Across Canada |
| VRCA Awards of Excellence | Electrical Contractors Over \$1 Million - Gold | Best of the Best - Across Canada |
| VRCA Awards of Excellence | General Contractor of the Year Award | Best of the Best - Across Canada |
| VRCA Awards of Excellence | Trade Contractor of the Year Award | Best of the Best - Across Canada |
| CISC/CCA Steel Awards (British Columbia Chapter) | Outstanding Steel Structure: Engineering Division Award of Excellence | Best of the Best - Across Canada |
| Canadian Wood Council | North American Wood Design Award | Best of the Best - Across Canada |
| Inform Awards | Honor Award, Interior Design | Best of the Best - Across Canada |
| Concrete Reinforcing Steel Institute | Award winner, Cultural & Entertainment Facilities | Best of the Best - Across Canada |
| Society of American Registered Architects (SARA), New York Council | Citation | Best of the Best - Across Canada |
| VANOC Sustainability Star Award | The 2009 Sustainability Star | Best of the Best - Across Canada |
| 2010 BUILDINGS Project Innovations Awards | Grand Prize Winner (New Construction Category) | Best of the Best - Across Canada |
| 2010 SARA Professional Design Awards Program | 2010 Design Awards Competition (Philadelphia) | Best of the Best - Across Canada |
| 2010 International Property Award (Bloomberg, Inc.) | Public Services Development | Best of the Best - Across Canada |
| 2010 Athletic Business | Facility of Merit | Best of the Best - Across Canada |
| 2010 European Centre for Architecture Art Design and Urban Studies and The Chicago Athenaeum: Museum of Architecture | Green GOOD Design Awards | Best of the Best - Across Canada |

(Special)

| | |
|---|--|
| 2010 ARIDO Award | Awards of Merit, Public and Institutional Spaces |
| 2010 REBGV Commercial Building Awards | Legacy Merit Award |
| ArchDaily Building of the Year 2010 | Sports Category Winner |
| International Property Awards | Best Public Services Development Canada |
| IOC/IAKS 2011 | Gold Medal Award |
| IPC/IAKS | Distinction Award |
| 2010 CISC "National" Steel Design Award | Best of the Best - Across Canada |

APPENDIX D – ATHLETE ACHIEVEMENTS

| VOLLEYBALL | |
|-----------------------------|---|
| Max Haronaga | Volleyball Regional Excellence Program athletes committed to Douglas College Royals |
| Sydney Grills | Volleyball Regional Excellence Program athletes committed to UBC Okanagan Heat |
| Cara Kovacs | Volleyball Regional Excellence Program athletes committed to UBC Thunderbirds |
| Rejan Gill | Volleyball Regional Excellence Program athletes committed to Douglas College Royals |
| Alexa Gray | NORECA World Championship Qualifier - Most Valuable Player, Best Scorer and Best Opposite |
| Marie-Alex Bélanger | NORECA World Championship Qualifier - Best Server |
| Kristen Moncks | NORECA World Championship Qualifier - Best Digger |
| Kyla Richey | NORECA World Championship Qualifier - Best Receiver |
| Megan Cyr | NORECA World Championship Qualifier - Best Setter |
| Grant O'Gorman & Ben Saxton | National Team Beach Volleyball Athletes won the Sigheq two-star event at the FIVB Beach Volleyball World Tour |

| TABLE TENNIS | |
|------------------------|---|
| Nathan Uy | Placed 1st in U200 and 2nd in U400 at the BC Table Tennis Association Richmond Open in Feb 2018 |
| Gu Meng | Gold in Men's Single at the Canada Cup #1 |
| Gu Meng & Edison Huang | Table Tennis Gold in Open at the Canada Cup #1 |
| Cindy Wang | Gold in Women's Single at the Canada Cup #1 |

| WHEELCHAIR RUGBY | |
|-------------------------------------|--|
| Trevor Hirschfield and Travis Muroo | Named All Stars and MVP at the 2017 Canadian Wheelchair Rugby Championship |
| Wheelchair Rugby National team | 2018 IWRC Test Event - 4th place |
| Wheelchair Rugby National team | 2017 IWRF Americas Championship - 2nd Place |

| SPEED SKATING | |
|--|---|
| Chris Poljer-50 | Western Elite Circuit in Calgary 16-17 season - 8th place |
| Canadian Open National Qualifier in Calgary | - ranked 25th |
| Kiersten Hagen | Western Elite #2 Short Track Event 2016-2017 season - 3rd place |
| Western Elite Circuit in Calgary - 3rd place | |
| Marshall Shupe | Western Elite #2 Short Track Event 2017-2018 season - 7th place |
| Lukas Macdonald | Western Elite #2 Short Track Event 2017-2018 season - 11th place |
| Teunis Takemori | Western Elite #2 Short Track Event 2017-2018 season - 14th place |
| Cormac Chui | Qualified for Canadian Open National Qualifier in Calgary |
| Anders Johnson | Can Am International Long Track Competition - 12th in Canada, 3rd in BC |

APPENDIX E – FACULTY AND SERVICE USER GROUPS

| | |
|---|---|
| NATIONAL, PROVINCIAL AND LOCAL SPORT ASSOCIATIONS OR CLUBS USERS | Seafair Minor Hockey Seabirds Hockey Softball Canada University of BC Kinesiology Program BC Thunderbird Rowing Vancouver Angels Vancouver Community Baseball Vancouver FC Vancouver Thunderbirds Vancouver Warbirds West Coast Volleyball Society |
| Apex Volleyball Club | Air Attack Volleyball Club |
| Canadian Wheelchair Sports Association – Wheelchair Rugby | Canadian Wheelchair Sports Association – Wheelchair Rugby |
| Cycling Canada | Cycling Canada |
| Field Hockey Canada | Field Hockey Canada |
| Hockey Canada | Hockey Canada |
| Special Olympics BC | Special Olympics BC |
| Speed Skating Canada | Speed Skating Canada |
| Table Tennis Canada | Table Tennis Canada |
| Volleyball Canada | Volleyball Canada |
| BC Hockey | BC Hockey |
| BC Rugby Union | BC Rugby Union |
| BC Speed Skating Association | BC Speed Skating Association |
| BC Wheelchair Basketball Society | BC Wheelchair Basketball Society |
| BC Wheelchair Sports Association | BC Wheelchair Sports Association |
| BC Table Tennis Association | BC Table Tennis Association |
| BC Hockey League | BC Hockey League |
| Bobsleigh BC | Bobsleigh BC |
| Cycling BC | Cycling BC |
| Canadian Chinese Table Tennis Federation | Canadian Chinese Table Tennis Federation |
| Judo BC | Judo BC |
| Squash BC | Squash BC |
| Synchro BC | Synchro BC |
| Volleyball BC | Volleyball BC |
| Asahi Baseball | Asahi Baseball |
| MacCabi Canada Volleyball Team | MacCabi Canada Volleyball Team |
| Fusion Football Club | Fusion Football Club |
| Greater Vancouver Canadians | Greater Vancouver Canadians |
| Kajaks Track and Field | Kajaks Track and Field |
| Karate BC | Karate BC |
| Kerrisdale Little League | Kerrisdale Little League |
| Pacific Storm Water Polo Club | Pacific Storm Water Polo Club |
| Pacific Wave | Pacific Wave |
| Richmond Minor Hockey Association | Richmond Minor Hockey Association |
| Richmond Rapids | Richmond Rapids |
| Richmond Rockets | Richmond Rockets |
| TRAINING CAMPS AND CLINICS HOSTED BY OVAL HIGH PERFORMANCE | Special Olympic BC Powerlifting Camp Squash BC Training Camp BC Wheelchair Sports Association Athletic Clinic Judo BC Training Camp Synchro BC Training Camp Olympic Weightlifting Clinic with Olympic Bronze medalist and presumed Gold Medalist Christine Girard BCHL Exposure Hockey Camp Synchro BC Annual Summit BC Wheelchair Basketball Clinic Field Hockey Canada U15 Talent ID camp BC Rugby Training Camp |

FIELD HOCKEY

| | |
|--|--|
| World Number 1- 2nd World League 2 - 2nd World League 3 – Qualified for the World Cup PanAm Cup - 2nd place | World Number 1- 2nd World League 2 - 2nd World League 3 – Qualified for the World Cup PanAm Cup - 2nd place |
| Best goalkeeper at the PanAm Cup | Best goalkeeper at the PanAm Cup |

ICE HOCKEY

| | |
|-------------------|--|
| Genny Knowles | Named to the Korean Women's National Team playing in PyeongChang 2018 |
| Courney Vorster | Named to the U18 Women's National Hockey team which competed at the 2018 IIHF U18 Women's World Championship Named team captain for Team BC U18 Nationals - Bronze medal |
| Maddox Angerhofer | Selected to the U18 USA National Development Team |
| Kate Stuart | U18 Team BC goalie Invited to Team Canada National Selection Camp Committed to Boston University |
| Mathew Twells | Selected to the Richmond Sockeyes |
| Zakary Mujowich | Signed with the Florida Everglades Jr A team |
| Cassie Reale | Committed to Princeton University |

BMX - CYCLING CANADA BMX ATHLETES (TRAINED BY CSIP 56C COACH KIT WONG)

| | |
|-------------|--|
| Alex Tougas | USA BMX NASX Elite- 1st BMX Canada Open- 2nd National Championships- 3rd |
| Tori Njhaug | USA BMX NASX Elite-2nd BMX Canada Open- 1st BMX Canada Open- 1st BMX Canada Open- 1st |

OTHER SPORTS

| | |
|---|--|
| Ian Ryder - Judo Athlete | Judo Canada National Championships-Silver Canadian National Championships- Gold in U19 (90KG), Bronze in U21 (90KG) Pan Am Cup- Bronze in U18 (90KG) |
| Caleigh Kuramoto- Judo Athlete | Canada West Invitational- Gold in the U18 (57KG), Gold the U21 (63KG). |
| Pacific Wave Synchronized Swimming Club Junior Team | Canadian Qualifier Championship 5th |
| Kendall Skira - Synchro Athlete | Named to the 2017 Junior National Athlete pool |
| Pacific Storm Water Polo Club Men's Team | Canadian Nationals- Bronze |
| Hannah Finkelstein | Named to the Junior National Softball Team and received a full-ride scholarship to Long Island University |

APPENDIX F – MANAGEMENT’S DISCUSSION AND ANALYSIS

Management’s discussion and analysis provides an overview of the Corporation’s business operations for the year ended December 31, 2017 relative to the year ended December 31, 2016.

This management’s discussion and analysis should be read in conjunction with the Corporation’s audited financial statements for the year ended December 31, 2017 and the accompanying notes. The financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada.

ABOUT THE CORPORATION

The Richmond Olympic Oval Corporation (the “Corporation”) was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the “City”). The Corporation’s objectives with respect to the long-term use and operation of the Richmond Olympic Oval facility (the “Oval”) include but are not limited to the following: a) the Oval will be developed, used and promoted for a training and competition facility for high performance sport; b) the Oval will provide facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public; c) the Oval will provide facilities for non-sporting, community and entertainment events; and d) the Oval will provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above.

The Corporation operates in a highly competitive sport and fitness market which offers personal and group training classes, high performance training, personal training, yoga, wellness and fitness equipment, weight training and sport specific facilities and training. The Corporation also hosts many local and national events and also has various open spaces and rooms which are available for rent to the public. In addition, the Corporation also operates an Olympic museum and a retail store as part of the overall services offered to the public.

OVERVIEW OF PERFORMANCE REVENUE

Revenue

2017 revenue from memberships, admissions and programs totalled \$8,100,000 (2016 - \$7,892,000). In 2017 revenue from these sources of \$1,064,000 was deferred to fiscal 2018 (2016 - \$1,111,000 was deferred to 2017).

The City applies for and receives funding from the 2010 Games Operating Trust (“GOT”) as explained in note 6 to the financial statements. The City received \$2,805,000 during the year which was recognized as revenue earned in the year (2016 - \$2,800,000).

The Corporation received a contribution of \$3,377,000 from the City in 2017 (2016 - \$3,311,000).

Other revenue of \$2,253,000 was recognized in 2017 (2016 - \$1,985,000) and mainly consisted of parking, leasing, sponsorship and capital funding revenue.

Expenses

During 2017, expenses were incurred for the following:

- Salaries and benefits of \$8,916,000 (2016 - \$8,684,000). There were approximately 70 full-time, and 260 part-time employees on the payroll as of December 31, 2017; (2016 - 70 full-time and 230 part-time employees);
- Other operating expenses incurred in 2017 totalled \$6,416,000 (2016 - \$6,436,000) and mainly included the following:
 - Facility operations of the Oval including the heat, light and power, the ice-making equipment and building maintenance;
 - Amortization costs of tangible capital assets;
 - Property and liability insurance;
 - Costs associated with running the Oval high performance, fitness and other programs;
 - Administration costs related to accounting, information technology, development of organizational infrastructure such as safety programs, internal controls, office supplies and equipment support, human resource policies, etc;
 - Costs related to marketing the Oval programs and rentals of facilities;
 - Sport Hosting department related expenditures; and
 - Professional fees mainly related to legal and accounting fees;

The annual surplus for 2017 was \$1,202,000 (2016 - \$868,000). The total accumulated surplus as of December 31, 2017 is \$16,101,000 (2016 - \$14,899,000). Please refer to note 10 to the financial statement notes for the details of the accumulated surplus balance.

Summary of Financial Position

The following table presents summary information on the Corporation’s financial position at December 31, 2017.

| | \$’000s | |
|----------------------|----------|----------|
| | 2017 | 2016 |
| Financial Assets | \$12,248 | \$10,259 |
| Liabilities | 8,227 | 7,556 |
| Net Financial assets | \$4,021 | \$2,703 |
| Non-Financial assets | \$12,080 | \$12,196 |
| Accumulated surplus | \$16,101 | \$14,899 |

Financial Assets

The Corporation has a cash balance of \$310,000 at year end (2016 - \$865,000). The investments balance is \$10,576,000 (2016 - \$8,702,000). The investments represent the Corporation’s investments held in term deposits. The accounts receivable aggregating \$907,000 (2016 - \$965,000) resulted primarily from sponsorship fees, leases, sales of memberships, admissions, programs, rentals and special events. The amount due from the City of \$251,000 (2016 - \$11,000 due from the City) arises in the normal course of operations.

Financial Liabilities

Accounts payable and accrued liabilities of \$1,703,000 (2016 - \$1,728,000) include payroll accruals, trade payables for heat, light, power, legal and audit fees, GST payable and holdbacks on capital projects. Deferred revenue of \$6,515,000 (2016 - \$5,819,000) includes unspent funding pertaining to the Sport Hosting department and the Richmond Olympic Experience project, sponsorship fees, and the pro rata portion of fees received in 2017 for membership and programs to be delivered in 2018. A rental deposit of \$9,000 (2016 - \$9,000) is held as of the end of the year.

Non-Financial Assets

As at December 31, 2017, the Corporation had \$17,563,000 (2016 - \$16,040,000) of capital assets primarily pertaining to athletic equipment, building improvements, computer software and equipment, facility equipment, infrastructure and assets relating to the Richmond Olympic Experience project and the Mezzanine infill project. Amortization for the year was \$1,513,000 (2016 - \$1,394,000). Accumulated amortization of the capital assets amounted to \$5,914,000 (2016 - \$4,361,000) at year end.

Deferred lease costs of \$76,000 (2016 - \$102,000) are direct costs incurred in connection with leases and are deferred and amortized over the terms of the lease.

Prepaid expenses of \$355,000 (2016 - \$415,000) primarily consists of unamortized portions of the premiums on the Corporation’s insurance policies together with prepaid information technology licences, and equipment maintenance.

Accumulated Surplus

The Corporation has an authorized share capital consisting of an unlimited number of common shares without par value. One share has been issued to the Corporation’s parent, the City.

The capital reserve balance is \$4,749,000 (2016 - \$4,261,000). Other reserves/provisions is \$1,684,000 (2016 - \$1,099,000), accumulated operating surplus is \$546,000 (2016 - \$552,000), and the amount invested in tangible capital assets is \$9,122,000 (2016 - \$8,987,000) for a total accumulated surplus balance of \$16,101,000 (2016 - \$14,899,000).

LIQUIDITY AND CAPITAL RESOURCES

Operating

Cash provided by operations in the year amounted to \$2,842,000 (2016 - \$1,343,000).

Capital Activities

The Corporation purchased capital assets consisting primarily of the sport and fitness, building improvement, information technology, facility equipment and infrastructure and assets relating to the Richmond Olympic Experience project totalling \$1,523,000 (2016 - \$1,318,000).

Related Party Transactions

The Corporation is a municipal corporation wholly-owned by the City. Note 12 to the financial statements discloses related party transactions.



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying consolidated financial statements of Richmond Olympic Oval Corporation, which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of operations, consolidated changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Consolidated Financial Statements of

**RICHMOND OLYMPIC
 OVAL CORPORATION**
 - 45
 Year ended December 31, 2017
(Special)

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2017 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

April 25, 2018
Burnaby, Canada

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Financial Position

December 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|--|---------------|---------------|
| Financial Assets | | |
| Cash | \$ 309,846 | \$ 865,289 |
| Investments (note 3) | 10,576,342 | 8,701,850 |
| Accounts receivable | 907,140 | 565,143 |
| Due from City of Richmond (note 4) | 250,737 | 11,304 |
| Inventories held for resale | 203,782 | 115,112 |
| | 12,247,847 | 10,258,698 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 1,702,855 | 1,727,883 |
| Deferred revenue (note 7) | 6,514,601 | 5,818,952 |
| Rental deposits | 9,263 | 9,263 |
| | 8,226,719 | 7,556,098 |
| Net financial assets | 4,021,128 | 2,702,600 |
| Non-Financial Assets | | |
| Tangible capital assets (note 8) | 11,648,902 | 11,679,181 |
| Deferred lease costs (note 9) | 76,412 | 102,052 |
| Prepaid expenses and other deposits | 354,712 | 414,881 |
| | 12,080,026 | 12,196,124 |
| Economic dependence (note 15) | | |
| Accumulated surplus (note 10) | \$ 16,101,154 | \$ 14,896,724 |

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

Umesh Mittal Director

Demetrius Gudy Director

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

| | 2017 Budget | 2017 | 2016 |
|---|---------------|---------------|---------------|
| (Note 2(i)) | | | |
| Revenue: | | | |
| 2010 Games Operating Trust Fund (note 6) | \$ 2,856,000 | \$ 2,804,671 | \$ 2,800,000 |
| Contribution from City of Richmond (note 12(a)) | 3,377,146 | 3,377,146 | 3,310,927 |
| Memberships, admissions and programs | 8,288,202 | 8,099,678 | 7,892,385 |
| Other | 1,871,192 | 2,252,637 | 1,984,908 |
| | 16,392,540 | 16,534,132 | 15,988,220 |
| Expenses: | | | |
| Salaries and benefits | 8,990,133 | 8,916,249 | 8,684,234 |
| Utilities | 1,050,000 | 1,050,194 | 1,048,006 |
| Amortization | 1,500,000 | 1,513,281 | 1,394,439 |
| Supplies and equipment | 934,500 | 930,883 | 794,447 |
| Insurance | 350,000 | 342,203 | 344,412 |
| General and administration | 996,058 | 905,986 | 931,639 |
| Marketing | 456,508 | 283,826 | 759,554 |
| Program services | 1,245,011 | 1,300,871 | 1,118,165 |
| Professional fees | 130,090 | 88,209 | 45,361 |
| | 15,652,300 | 15,331,702 | 15,120,257 |
| Annual surplus | 740,240 | 1,202,430 | 867,963 |
| Accumulated surplus, beginning of year | 14,898,724 | 14,898,724 | 14,030,761 |
| Accumulated surplus, end of year | \$ 15,638,964 | \$ 16,101,154 | \$ 14,898,724 |

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

| | 2017 Budget | 2017 | 2016 |
|--|--------------|--------------|--------------|
| (Note 2(i)) | | | |
| Annual surplus for the year | \$ 740,240 | \$ 1,202,430 | \$ 867,963 |
| Acquisition of tangible capital assets | (2,665,002) | (1,483,002) | (1,317,632) |
| Amortization of tangible capital assets | 1,500,000 | 1,513,281 | 1,394,439 |
| | (1,165,002) | 30,279 | 76,807 |
| Amortization of deferred lease costs | - | 25,650 | 25,650 |
| Increase in prepaid expenses | - | (459,544) | (399,078) |
| Use of prepaid expenses and other deposits | - | 519,713 | 543,123 |
| Change in net financial assets | (424,762) | 1,318,528 | 1,114,465 |
| Net financial assets, beginning of year | 2,702,600 | 2,702,600 | 1,588,135 |
| Net financial assets, end of year | \$ 2,277,838 | \$ 4,021,128 | \$ 2,702,600 |

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements

Year ended December 31, 2017

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

| | 2017 | 2016 |
|---|--------------|-------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Annual surplus | \$ 1,202,430 | \$ 867,963 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 1,513,281 | 1,394,439 |
| Amortization of deferred lease costs | 25,650 | 25,650 |
| Net transfers of tangible capital assets | 39,754 | - |
| Changes in non-cash operating working capital: | | |
| Accounts receivable | (341,997) | (92,011) |
| Inventories held for resale | (88,670) | 21,196 |
| Prepaid expenses and other deposits | 60,169 | 144,045 |
| Accounts payable and accrued liabilities | (25,028) | (1,040,043) |
| Deferred revenue | 695,649 | 220,493 |
| Due from (to) the City of Richmond | (239,433) | (199,057) |
| | 2,841,805 | 1,342,675 |
| Capital activities: | | |
| Acquisition/transfer of tangible capital assets | (1,522,756) | (1,317,632) |
| Investing activities: | | |
| Net purchase of investments | (1,874,492) | (8,701,850) |
| Decrease in cash | (555,443) | (8,676,807) |
| Cash, beginning of year | 865,289 | 9,542,096 |
| Cash, end of year | \$ 309,846 | \$ 865,289 |

See accompanying notes to consolidated financial statements.

1. Incorporation and nature of business:

The Richmond Olympic Oval Corporation (the "Corporation") was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the "City"). The business of the Corporation is to use the Richmond Olympic Oval facility (the "Oval") to provide a venue for a wide range of sports, business and community activities, including, but not limited to, being the long-track speed skating venue for the 2010 Olympic and Paralympic Winter Games (the "Games").

2. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

These consolidated financial statements include the accounts of all the funds of the Corporation and the Corporation's 50% proportionate share of the operations of VROX Sport Simulation Ltd. ("VROX"). VROX was established to: (a) conduct the necessary research and development to produce prototype simulators for installation in the Richmond Olympic Experience ("ROX") at the Richmond Olympic Oval; (b) provide ongoing technical and maintenance support for the interactive and sport simulation devices operating in the ROX; (c) utilize the ROX to showcase the Company's products to potential commercial or retail purchasers and the public in general; and (d) conduct research and development needed to produce alternative and/or next generation sport simulators needed to refresh the ROX on an approximately two to three-year cycle. As at December 31, 2017, VROX transferred all its assets and liabilities to the Corporation (note 13).

(b) Investment in government partnership:

Government partnerships are accounted for under the proportionate consolidation method, where the Corporation's share of the partnership is accounted for on a line-by-line basis on the financial statements.

(c) Revenue recognition:

Memberships, admissions and programs fees are recorded as revenue in the period that the services are rendered, with any unearned portion recorded as deferred revenue. Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by 2010 Games Operating Trust (note 6) and when the related operating expenses and capital maintenance costs of the Oval are incurred.

Sponsorship revenues are deferred and amortized to revenue over the term of sponsorship agreements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(c) Revenue recognition (continued):

Restricted contributions are deferred and recognized as revenue when the resources are used for the purposes specified by the related agreement.

(d) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. The Corporation holds financial instruments consisting of accounts receivables and term deposits that mature within one year. Due to the short-term nature of these assets, their fair values approximate book value.

The Corporation does not have any financial instruments required or elected to be subsequently recorded at fair value.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(f) Capital assets:

(i) Tangible capital assets:

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis at rates that reflect estimates of the economic lives of the assets over the following periods:

| Assets | Rate |
|------------------------------------|-------------------|
| Athletic equipment | 5 years |
| Automobile | 5 years |
| Building improvements | 5 years |
| Computer software and equipment | 3 years |
| Facility equipment | 3 years |
| Infrastructure | 40 years |
| Simulators and exhibit fabrication | 10 years |
| Tenant improvements | Term of the lease |
| Uniforms, ice skates and helmets | 3 years |
| Signage | 3 years |

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(f) Capital assets (continued):

(ii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

(iii) Deferred lease costs:

The initial direct costs incurred in connection with leases of rental properties in the Oval are deferred and amortized over the initial term of the leases. Such costs include agent commissions, legal fees, and costs of negotiating the leases.

(g) Pension plan:

The Corporation and its employees make contributions to the Municipal Pension Plan (the "Plan"). As the Plan is a multi-employer contributory defined benefit pension plan, these contributions are expensed as incurred.

(h) Income taxes:

The Corporation is not subject to income taxes as it is a municipal corporation wholly-owned by the City of Richmond.

(i) Functional and object reporting:

The operations of the Corporation are comprised of a single function, which includes sports, fitness, and recreation. As a result, the expenses of the Corporation are presented by object in the statement of operations.

(l) Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board of Directors on December 1, 2016.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of valuation of accounts receivable, useful lives of tangible capital assets for amortization, and deferred lease costs. Actual results could differ from those estimates. The estimates are reviewed periodically and as adjustments become necessary, they are recorded in earnings in the year in which they become known.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(i) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. Investments:

Investments represent term deposits as follows:

| Purchase Date | Maturity Date | 2017 | 2016 |
|-----------------|-------------------|---------------|--------------|
| July 4, 2017 | January 5, 2018 | \$ 1,000,000 | \$ - |
| July 10, 2017 | January 5, 2018 | 3,640,899 | - |
| August 22, 2017 | February 19, 2018 | 1,841,571 | - |
| October 2, 2017 | October 2, 2018 | 4,093,872 | - |
| July 8, 2016 | January 3, 2017 | - | 2,800,000 |
| August 22, 2016 | February 20, 2017 | - | 3,047,992 |
| October 6, 2016 | April 4, 2017 | - | 2,853,858 |
| | | \$ 10,576,342 | \$ 8,701,850 |

The interest rate of the term deposits range from 1.60% to 2.10%.

4. Due from/to the City of Richmond:

The amounts due from/to the City of Richmond arise in the normal course of business and are non-interest bearing with no stated repayment terms.

5. Richmond Oval Agreement:

The Corporation is party to the Richmond Oval Agreement (the "Agreement") with the City, which had an effective date of July 1, 2008. The Agreement established the terms and conditions of the relationship between the City and the Corporation.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

6. 2010 Games Operating Trust Fund:

On November 14, 2002, under the terms of the Multiparty Agreement for the Games, the Government of Canada and the Province of British Columbia agreed to establish the Legacy Endowment Fund (the "Fund") and to each contribute \$55 million. On March 31, 2004, under the terms of the 2010 Games Operating Trust Agreement, an irrevocable trust was created known as the GOT and the 2010 Games Operating Trust Society (the "Society") became the trustee of the Fund. The purpose of the Fund is to fund operating expenses and capital maintenance costs of certain facilities created for the Games, specifically the Oval and the Whistler Sliding Centre and Nordic Centre, and to assist with the continued development of amateur sport in Canada. Subsequent to the formation of the Trust, the City, as owner of the Oval, became a beneficiary of the Trust and became responsible for complying with obligations set by the Trust and GOT in order to receive funding.

Effective December 31, 2007:

- (a) the GOT Board divided the Fund into three funds: the Speed Skating Oval Fund; the Whistler Sliding Centre and Nordic Centre Fund, and the Contingency Fund; and
- (b) the GOT Board divided the capital and any accumulated but undistributed income of the Fund as follows: Speed Skating Oval Fund (40%), Whistler Sliding Centre and Nordic Centre Fund (40%), and the Contingency Fund (20%).

Effective April 21, 2009, the City entered into an agreement with VANOC. The agreement details the terms and conditions to which the City is required to adhere in order to receive funding from GOT. Effective September 1, 2011 VANOC assigned the agreement to the Society.

Funds from GOT are paid to the City first and the City distributes the funds to the Corporation.

Revenue from GOT is comprised of:

| | 2017 | 2016 |
|--|--------------|--------------|
| 2016 annual distributable amount approved and received in 2017 | \$ 2,804,671 | \$ - |
| 2015 annual distributable amount approved and received in 2016 | - | 2,800,000 |
| | \$ 2,804,671 | \$ 2,800,000 |

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

7. Deferred revenue:

| | 2017 | 2016 |
|--|---------------------|---------------------|
| Balance, beginning of year | \$ 5,818,952 | \$ 5,598,459 |
| Add: additions | 11,047,964 | 10,097,786 |
| Less: revenue recognized | (10,352,315) | (9,877,293) |
| Balance, end of year | \$ 6,514,601 | \$ 5,818,952 |
| Deferred revenue comprises of: | | |
| Memberships and programs | \$ 1,064,226 | \$ 1,110,552 |
| Sponsorship fees | 1,123,000 | 1,400,001 |
| Sport Hosting funding (note 12(b)) | 382,189 | 616,386 |
| Richmond Olympic Experience (note 12(b)) | 3,945,186 | 2,692,013 |
| Total | \$ 6,514,601 | \$ 5,818,952 |

Tangible capital assets:

| | Balance, December 31, 2016 | Additions/ transfers | Balance, December 31, 2017 |
|------------------------------------|----------------------------------|-------------------------|----------------------------------|
| Athletic equipment | \$ 2,511,975 | \$ 98,284 | \$ 2,610,259 |
| Building improvements | 504,754 | 783,242 | 1,287,996 |
| Computer software and equipment | 2,209,380 | 137,947 | 2,347,327 |
| Facility equipment | 874,263 | 115,131 | 989,394 |
| Infrastructure | 5,880,940 | - | 5,880,940 |
| Signage | 91,425 | 40,682 | 132,107 |
| Simulators and exhibit fabrication | 3,687,168 | 137,218 | 3,824,386 |
| Tenant improvements | 65,729 | - | 65,729 |
| Uniforms, ice skates, and helmets | 200,017 | 65,671 | 265,688 |
| Work-in-progress | 14,382 | 144,581 | 158,963 |
| Total | \$ 16,040,033 | \$ 1,522,756 | \$ 17,562,789 |

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

8. Tangible capital assets (continued):

| | Balance, December 31, 2016 | Amortization expense/ transfers | Balance, December 31, 2017 |
|------------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| Athletic equipment | \$ 1,201,416 | \$ 245,224 | \$ 1,446,640 |
| Building improvements | 215,790 | 130,147 | 345,937 |
| Computer software and equipment | 1,649,667 | 363,151 | 2,012,818 |
| Facility equipment | 473,462 | 238,162 | 711,624 |
| Infrastructure | 168,930 | 147,023 | 315,953 |
| Signage | 66,188 | 21,561 | 87,749 |
| Simulators and exhibit fabrication | 370,678 | 376,704 | 747,382 |
| Tenant improvements | 43,073 | 9,750 | 52,823 |
| Uniforms, ice skates, and helmets | 171,648 | 21,313 | 192,961 |
| Total | \$ 4,360,852 | \$ 1,553,035 | \$ 5,913,887 |

| | 2016 Net book value | 2017 Net book value |
|------------------------------------|---------------------------|---------------------------|
| Athletic equipment | \$ 1,163,619 | \$ 1,310,559 |
| Building improvements | 942,059 | 288,964 |
| Computer software and equipment | 334,509 | 559,713 |
| Facility equipment | 277,770 | 400,801 |
| Infrastructure | 5,564,987 | 5,724,452 |
| Signage | 44,358 | 25,237 |
| Simulators and exhibit fabrication | 3,077,004 | 3,323,750 |
| Tenant improvements | 12,906 | 2,954 |
| Uniforms, ice skates, and helmets | 72,727 | 28,369 |
| Work-in-progress | 158,963 | 14,382 |
| Total | \$ 11,648,902 | \$ 11,679,181 |

The Oval land and building complex and its major equipment components are the property of the City and are not recorded in these financial statements.

(a) Write-down of tangible capital assets:

There was no write-down of tangible capital assets during the year (2016 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

9. Deferred lease costs:

| | 2017 | 2016 |
|----------------------------|------------|------------|
| Balance, beginning of year | \$ 102,062 | \$ 127,712 |
| Less amortization | (25,650) | (25,650) |
| Balance, end of year | \$ 76,412 | \$ 102,062 |

10. Accumulated surplus:

Accumulated surplus is comprised of:

| | 2017 | 2016 |
|-------------------------------------|---------------|---------------|
| Share capital | \$ 1 | \$ 1 |
| Capital reserve | 4,749,421 | 4,260,950 |
| Other reserves/provisions | 1,683,596 | 1,098,682 |
| Operating surplus | 546,350 | 551,923 |
| Invested in tangible capital assets | 9,121,786 | 8,987,168 |
| | \$ 16,101,154 | \$ 14,898,724 |

11. Financial risk management:

The Corporation has exposure to the following risks from the use of financial instruments: credit risk, market risk, and liquidity risk. The Board of Directors ensures that the Corporation has identified its major risks and ensures that the management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Corporation consisting of cash equivalents and account receivables. The Corporation assesses these financial assets on a continuous basis for any amounts that are not collectible or realizable.

It is management's opinion that the Corporation is not exposed to significant credit risk from its financial instruments.

(b) Market and interest rate risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the Corporation's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return of risk.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

11. Financial risk management (continued):

(c) Market and interest rate risk (continued):

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rate.

It is management's opinion that the Corporation is not exposed to significant market or interest rate risk from its financial instruments.

(d) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages liquidity risks by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

It is management's opinion that the Corporation is not exposed to significant liquidity risk.

12. Related party transactions:

(a) Contribution from/to City of Richmond:

The Corporation leases the Oval from the City for \$1 annually.

Included in general and administration expenses are fees of \$204,451 (2016 - \$189,470) from the City for the provision of City staff time.

In 2017, \$104,185 (2016 - \$94,526) of salaries and benefits expenses were charged to the City relating to the costs of the Corporation's staff time for services performed.

In accordance with the Agreement, the City will provide, for the first 15-years of the term, financial support as agreed between the City and the Corporation from time to time; for the years 2010, 2011 and 2012 the annual financial support shall not be less than \$1,500,000 per year indexed at the City of Vancouver's Consumer Price Index. After 15-years, any financial assistance from the City will be determined by the City in its sole discretion.

During 2017, the Corporation received a contribution from the City of \$3,377,146 (2016 - \$3,310,927).

(b) Sport Hosting Function:

Effective July 1, 2011, the Sport Hosting function of the City was transferred to the Corporation. This function is fully funded by the hotel tax. In 2017, \$100,000 (2016 - \$400,000) was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2017, \$382,189 (2016 - \$616,386) has been included in deferred revenue (note 7) and \$334,197 (2016 - \$352,934) was recognized in memberships, admissions, and programs on the statement of operations.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

12. Related party transactions (continued):

(b) Sport Hosting Function (continued):

The Corporation also received \$1,418,070 from the hotel tax funding in 2017 (2016 - \$500,000) to be used to purchase capital assets related to the Richmond Olympic Experience project. In order to retain this funding, the Oval must maintain and operate the capital assets purchased with these funds over the life of the capital assets. On an annual basis, the Oval must provide a report to the City as to the use of the funds and the maintenance and operation of these capital assets. As at year-end, \$3,945,186 (2016 - \$2,692,013) of the funds restricted for the purchase of capital assets for the Richmond Olympic Experience remains in deferred revenue and the revenue will be recognized over the life of the underlying assets.

(c) Transfer of assets and liabilities from VROX:

On December 31, 2017, the assets and liabilities of VROX were transferred to the Corporation and recorded at their net book values (note 13).

13. Government partnership:

On November 29, 2017, the Corporation and VRX Ventures Ltd. ("VRX") entered into an agreement to dissolve VROX. VROX also entered into a Distribution and Assumption Agreement ("Agreement") with the Corporation. In accordance with the Agreement, VROX transferred all its assets and liabilities to the Corporation on December 31, 2017. The following table summarizes the net book value of the assets and liabilities of VROX prior to the transfer to the Corporation, and the 50% proportionate share of the assets and liabilities recorded by the Corporation at December 31, 2017:

| | Net book value before dissolution | Oval's 50% proportionate share |
|---|--------------------------------------|-----------------------------------|
| Assets: | | |
| Cash | \$ 30,638 | \$ 15,319 |
| Accounts receivable | 1,444 | 722 |
| Prepaid expenses | 3,428 | 1,714 |
| Inventory | 97,109 | 48,555 |
| Property and equipment | 8,907 | 4,453 |
| Intangible assets | 22,058 | 11,029 |
| | 163,584 | 81,792 |
| Liabilities: | | |
| Accounts payable and accrued liabilities | 49,937 | 24,969 |
| Deferred revenue | 41,051 | 20,525 |
| | 90,988 | 45,494 |
| Net book value of assets and liabilities | \$ 72,596 | \$ 36,298 |

The net amount of the assets acquired and liabilities assumed were recorded as wind-up costs on the financial statements of VROX, and recorded as a gain by the Corporation upon transfer.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

13. Government partnership (continued):

VROX's revenues during the year included transactions with the Corporation which have been eliminated on consolidation. This includes revenue pertaining to an operating contribution received from the Corporation of \$380,000 (2016 - \$195,560) and the cost of the maintenance services provided of \$30,000 (2016 - \$10,000). In 2016, these revenues also included the sale of sport simulators for \$263,000. No simulators were sold to the Corporation in 2017. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the Corporation and VROX. These amounts are within the appropriate approvals provided by the Corporation's Board of Directors.

The financial results of the Corporation's 50% proportionate share in VROX reflecting adjustments necessary to arrive at the amounts included in the Corporation's financial statements is as follows:

| | 2017 | 2016 |
|---------------------------------|---------------------|---------------------|
| Financial position: | | |
| Total assets | \$ 50 | \$ 65,418 |
| Total liabilities | - | (37,836) |
| Equity | \$ 50 | \$ 27,582 |
| Results of operations: | | |
| Total revenues | \$ 928 | \$ 852 |
| Total expenses | (180,427) | (154,676) |
| Net expense for the year | \$ (179,499) | \$ (153,824) |

14. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusted pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit. The most recent valuation for the Plan as of December 31, 2015, indicated a \$2,224,000,000 funding surplus for basic pension benefits on a going concern basis. The Corporation paid \$506,170 (2016 - \$443,446) for employer contributions to the Plan in fiscal 2017.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

14. Pension plan (continued):

The next valuation will be as at December 31, 2018, with results available in 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

15. Economic dependence:

The Corporation is economically dependent on receiving funding from GOT and the City.

16. Comparative figures:

Certain comparative figures have been reclassified to provide presentation consistency.