



To: Finance and Audit Committee **Date:** April 23, 2026
From: Jerry Chong **File:** 03-1200-09/2026-Vol
General Manager, Finance & Corporate Services 01
Re: **2025 Audited Financial Statements for the Richmond Olympic Oval Corporation**

Staff Recommendation

That the 2025 Audited Financial Statements for the Richmond Olympic Oval Corporation from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

Executive Summary

The 2025 audited financial statements for the Richmond Olympic Oval Corporation were approved by the Board on April 22, 2026. The annual surplus was \$2.56 million, primarily due to total revenues of \$22.7 million driven by strong results across rentals, admissions, memberships, and programs exceeding budget by approximately \$1.8 million. The Corporation continued to reduce its reliance on municipal funding, with City contributions decreasing by \$0.4 million from 2024, while expenditures remained below both budget and prior year levels due to continued operational efficiencies.

KPMG LLP have expressed an opinion that the Corporation's financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025, and its results of operations, its changes in net financial assets and its cash flows are in accordance with Canadian public sector accounting standards.

Endorsed by Serena Lusk, CAO

To: Serena Lusk
Chief Administrative Office, City of Richmond

Date: April 23, 2026

Jerry Chong
General Manager, Finance & Corporate Services, City of
Richmond

From: Rick Dusanj, CPA, CA
Director, Finance, Innovation & Technology

Re: Richmond Olympic Oval Corporation 2025 Audited Financial Statements

Origin

This staff report addresses the Richmond Olympic Oval Corporation's (the "Corporation") 2025 Audited Financial Statements (Attachment #1) which were unanimously approved by the Corporation's Board of Directors ("BOD") on April 22, 2026, as well as an update on the 2025 highlights.

2025 Highlights

The Corporation is pleased to present its Audited Financial Statements for the year ended December 31, 2025. The results reflect a year of continued improvement in financial and operational performance, and meaningful community impact.

In 2025, the Corporation achieved an operating surplus of \$4.4M before amortization - the strongest in its history. This milestone underscores the sustained demand for the Oval's diverse programs and services, as well as a disciplined focus on revenue growth, cost control, and long-term sustainability. Total revenues of \$22.7M exceeded both budget and prior year results, driven by strong performance across rentals, admissions, memberships, and programs.

At the same time, the Oval has continued to strengthen its financial independence. Contributions from the City of Richmond decreased by \$0.4M from 2024, reflecting a reduced reliance on municipal funding compared to prior years. These results were achieved while the Corporation continued to exceed its Games Operating Trust High Performance obligations and deliver on its core mandate as a premier sport, fitness, and wellness destination.

Expenditures for 2025 were \$20.1M, coming in below both budget and prior year levels. Salaries and benefits decreased year-over-year, reflecting the successful implementation of a more efficient service delivery model. The Corporation continued to strategically explore operational efficiencies without sacrificing service delivery and performance.

Importantly, these financial achievements were realized alongside significant growth in community engagement. In 2025, the Oval welcomed approximately 1.6 million visitors, reflecting increased

participation and expanded reach. The Oval broadened access through additional low- and no-cost programming, announcing extended hours of operation, and continued partnerships with sport organizations and community groups, ensuring the Oval remains inclusive and accessible to residents of all ages and abilities in pursuit of their health and wellness goals.

Hosting events continues to play a vital role in advancing the Corporation's high performance mandate and contributing to the local economy. In 2025, the Oval successfully hosted more than 65 events, ranging from regional competitions to national and international championships. These events not only provide critical opportunities for athlete development and high performance sport but also attract visitors from across the region and beyond, generating millions of dollars in economic activity each year for the City of Richmond through tourism, accommodation, and related spending.

2025 Audited Financial Statements & Audit Findings Report

Independent Auditors Report

KPMG LLP ("KPMG") has conducted the independent audit of the Corporation's financial statements. They have expressed an opinion, that the Corporation's financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025, 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. The annual financial statements and the auditor's report for the year ended December 31, 2025 are included as Attachment #1. The Audit Findings Report is included as Attachment #2. The comments below refer to figures included in the Audited Financial Statements.

Statement of Financial Position

The total financial assets of the Corporation were \$20.9M, with liabilities of \$9.9M, and non-financial assets of \$14.1M as of December 31, 2025. The total financial assets of \$20.9M primarily included investments of \$18.0M which represents the Corporation's investments, an accounts receivable balance of \$0.6M and a cash balance of \$2.2M. The total liabilities of \$9.9M primarily included accounts payable and accrued liabilities of \$1.4M, post-employment benefits of \$0.8M and deferred revenue of \$7.6M. The non-financial assets of the Corporation of \$14.1M included \$13.8M of tangible capital assets and \$0.3M of prepaid expenses.

Statement of Operations

The 2025 Audited Financial Statements have a surplus of \$4.4M before amortization and transfers to reserves, which represents a favourable variance of \$1.9M when compared to budget. Total revenues for 2025 were \$22.7M, and total expenses in 2025 before amortization were \$18.3M.



Rick Dusanj, CPA, CA

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

Financial Statements of

**RICHMOND OLYMPIC OVAL
CORPORATION**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Shareholder of Richmond Olympic Oval Corporation

Opinion

We have audited the financial statements of Richmond Olympic Oval Corporation (the "Corporation"), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.



In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 23, 2026

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial Assets		
Cash	\$ 2,242,468	\$ 2,058,293
Investments (note 3)	18,000,000	15,533,379
Accounts and other receivable	564,228	784,842
Due from City of Richmond (note 4)	-	96,765
Inventories held for resale	123,061	150,493
	<u>20,929,757</u>	<u>18,623,772</u>
Liabilities		
Accounts payable and accrued liabilities	1,428,581	1,838,173
Post-employment benefits (note 6)	786,300	754,900
Deferred revenue (note 7)	7,630,234	7,806,474
Due to City of Richmond (note 4)	7,595	-
Rental deposits	11,781	11,781
	<u>9,864,491</u>	<u>10,411,328</u>
Net financial assets	11,065,266	8,212,444
Non-Financial Assets		
Tangible capital assets (note 8)	13,777,156	14,041,453
Prepaid expenses and other deposits	348,949	371,531
	<u>14,126,105</u>	<u>14,412,984</u>
Economic dependence (note 13)		
Contractual rights (note 14)		
Accumulated surplus (note 9)	<u>\$ 25,191,371</u>	<u>\$ 22,625,428</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 2(h))	2025	2024
Revenue:			
Rentals, admissions, memberships and programs	\$ 11,846,547	\$ 12,353,496	\$ 11,665,157
Parking, leasing, interest and other (note 15)	2,300,205	2,633,366	2,712,269
2010 Games Operating Trust Fund (note 5)	3,200,000	4,091,083	3,148,868
Contribution from City of Richmond (note 11(a))	3,573,500	3,573,500	4,001,306
	<u>20,920,252</u>	<u>22,651,445</u>	<u>21,527,600</u>
Expenses:			
Salaries and benefits	12,740,950	12,734,495	12,749,513
Utilities	1,025,000	994,335	929,775
Amortization	2,500,000	1,794,207	1,805,807
Supplies and equipment	1,037,603	979,561	1,110,617
Insurance	825,000	734,981	788,100
General and administration	1,157,183	896,103	1,027,208
Program services	1,676,875	1,951,820	1,962,738
	<u>20,962,611</u>	<u>20,085,502</u>	<u>20,373,758</u>
Annual surplus (deficit)	(42,359)	2,565,943	1,153,842
Accumulated surplus, beginning of year	22,625,428	22,625,428	21,471,586
Accumulated surplus, end of year	<u>\$ 22,583,069</u>	<u>\$ 25,191,371</u>	<u>\$ 22,625,428</u>

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Changes in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 2(h))	2025	2024
Annual surplus (deficit), for the year	\$ (42,359)	\$ 2,565,943	\$ 1,153,842
Acquisition of tangible capital assets	(1,455,000)	(1,529,910)	(1,265,578)
Gain on sale of tangible capital assets	-	-	(4,470)
Proceeds on sale of tangible capital assets	-	-	5,365
Amortization of tangible capital assets	2,500,000	1,794,207	1,805,807
	1,045,000	264,297	541,124
Acquisition of prepaid expenses and other deposits	-	(799,258)	(1,264,911)
Use of prepaid expenses and other deposits	-	821,840	1,256,151
Change in net financial assets	1,002,641	2,852,822	1,686,206
Net financial assets, beginning of year	8,212,444	8,212,444	6,526,238
Net financial assets, end of year	\$ 9,215,085	\$ 11,065,266	\$ 8,212,444

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 2,565,943	\$ 1,153,842
Items not involving cash:		
Amortization of tangible capital assets	1,794,207	1,805,807
Gain on sale of tangible capital assets	-	(4,470)
Changes in non-cash operating items		
Accounts receivable	220,614	224,540
Due from (to) the City of Richmond	104,360	21,838
Inventories held for resale	27,432	34,782
Prepaid expenses and other deposits	22,582	(8,760)
Accounts payable and accrued liabilities	(409,592)	407,839
Post-employment benefits	31,400	(430,400)
Deferred revenue	(176,240)	(325,575)
	4,180,706	2,879,443
Capital activities:		
Acquisition of tangible capital assets	(1,529,910)	(1,265,578)
Proceeds on sale of tangible capital assets	-	5,365
	(1,529,910)	(1,260,213)
Investing activities:		
Net purchase of investments	(2,466,621)	(683,379)
Increase in cash	184,175	935,851
Cash, beginning of year	2,058,293	1,122,442
Cash, end of year	\$ 2,242,468	\$ 2,058,293

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

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"). The Corporation is not a taxable entity per *Income Tax Act* (Canada) as it is municipally controlled.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

(b) Revenue recognition:

Revenues from transactions such as memberships, programs fees, sponsorship revenues, leasing revenue, are recognized as the performance obligation is satisfied over a period of time. Revenues from transactions such as admissions and parking fees, are recognized when the performance obligation is satisfied at a point in time. The Corporation satisfies the performance obligations, which occurs when or as control of the benefits associated with the promised goods or services has passed to the payor. Any unearned portion is recorded as deferred revenue.

Revenues from transactions without performance obligations, such as fines, are recognized at realizable value when the Corporation has the right to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by the 2010 Games Operating Trust (note 5) and when the related operating expenses and capital maintenance costs of the Oval are incurred. Any amounts received but not yet spent are recognized as deferred revenue.

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

(c) Financial instruments:

Financial instruments include cash, investments, accounts receivable, and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. Equity instruments and derivatives that are quoted in an active market are subsequently recorded at fair value as at the reporting date.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

2. Significant accounting policies (continued):

(c) Financial instruments (continued):

All other financial instruments are subsequently recorded at cost or amortized cost unless management elects to carry the instruments at fair value. The Corporation has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized on the Statement of Remeasurement Gains and Losses. They are recorded in the Statement of Operations when they are realized. There are no unrealized changes in fair value as at December 31, 2025 and December 31, 2024. As a result, the Corporation does not have a Statement of Remeasurement Gains and Losses.

Transaction costs incurred on the acquisition of financial instruments recorded at cost and are expensed as incurred.

Sales and purchases of investments are recorded on the trade date.

Accounts receivables, investments, and accounts payable and accrued liabilities, are measured at amortized cost using the effective interest rate method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations.

(d) 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.

(i) Tangible capital assets:

Tangible capital assets are initially 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 - 10 years
Building improvements	5 - 20 years
Computer software and equipment	3 years
Facility equipment	3 - 10 years
Infrastructure	40 years
Signage	3 years
Simulators and exhibit fabrication	10 years
Tenant improvements	Term of the lease
Uniforms, ice skates and helmets	3 years

Work-in-progress assets are not amortized until the asset is available for use.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

2. Significant accounting policies (continued):

(d) Non-financial 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.

(e) 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.

(f) Income taxes:

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

(g) Functional and object reporting:

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

(h) Budget data:

The budget data presented in these financial statements is based upon the 2025 budget approved by the Board of Directors on November 27, 2024.

(i) Measurement uncertainty:

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. Areas requiring the use of management estimates relate to the determination of valuation of accounts receivable, valuation of employee future benefits, and useful lives of tangible capital assets for amortization. Actual results could differ from those estimates. The estimates are reviewed periodically and as adjustments become necessary, they are recorded in surplus (deficit) in the year in which they become known.

(j) 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

2. Significant accounting policies (continued):

(k) Post-employment benefits:

Post-employment benefits accrue to the Corporation's employees. The liabilities related to these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits.

3. Investments:

Investments represent term deposits as follows:

Purchase date	Maturity date	2025	2024
March 24, 2025	March 24, 2026	\$ 3,000,000	\$ -
June 23, 2025	June 23, 2026	5,500,000	-
August 14, 2025	August 14, 2026	4,500,000	-
August 14, 2025	August 14, 2030	2,000,000	-
December 16, 2025	December 16, 2026	1,000,000	-
December 16, 2025	December 16, 2030	2,000,000	-
January 22, 2024	January 22, 2025	-	2,500,000
April 8, 2024	April 8, 2025	-	1,783,379
May 21, 2024	May 21, 2025	-	5,000,000
August 9, 2024	August 11, 2025	-	4,000,000
December 13, 2024	December 15, 2025	-	2,250,000
		\$ 18,000,000	\$ 15,533,379

The interest rate of the term deposits ranges from 3.00% to 3.62% (2024 - 3.70% to 5.73%).

4. Due from/to City of Richmond:

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

5. 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 ("GOT") 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

5. 2010 Games Operating Trust Fund (continued):

Subsequent to the formation of the GOT, the City, as owner of the Oval, became a beneficiary of the GOT and became responsible for complying with obligations set by the Society and GOT in order to receive funding.

Effective December 31, 2007:

- (a) the Society 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 Society 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 the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games ("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:

	2025	2024
2024 annual distributable amount approved and received in 2025	\$ 4,091,083	\$ -
2023 annual distributable amount approved and received in 2024	-	3,148,868
	\$ 4,091,083	\$ 3,148,868

6. Post-employment benefits:

The Corporation provides certain post-employment benefits, non-vested sick leave, compensated absences, and termination benefits to its employees.

	2025	2024
Accrued benefit obligation, beginning of year	\$ 849,200	\$ 1,185,300
Current service cost	77,700	86,400
Interest cost	38,500	49,200
Benefits paid	(92,700)	(566,000)
Actuarial losses	15,900	94,300
Accrued benefit obligation, end of year	\$ 888,600	\$ 849,200

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

6. Post-employment benefits (continued):

An actuarial valuation for these benefits was performed to determine the Corporation's accrued benefit obligation as at December 31, 2025. This actuarial gain and losses are being amortized over a period equal to the employees' expected average remaining service lifetime of 12 years (2024 - 12 years).

	2025	2024
Accrued benefit obligation, end of year	\$ 888,600	\$ 849,200
Unamortized net actuarial loss	(102,300)	(94,300)
Accrued benefit liability, end of year	\$ 786,300	\$ 754,900

Actuarial assumptions used to determine the Corporation's accrued benefit obligation are as follows:

	2025	2024
Discount rate	4.40%	4.30%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	2.50 to 3.00%	2.50 to 3.00%

7. Deferred revenue:

	2025	2024
Balance, beginning of year	\$ 7,806,474	\$ 8,132,049
Add: amounts received	14,810,622	14,051,851
Less: revenue recognized	(14,986,862)	(14,377,426)
Balance, end of year	\$ 7,630,234	\$ 7,806,474

Deferred revenue comprises of:

	2025	2024
Memberships and programs	\$ 1,529,556	\$ 1,379,009
Sponsorship fees	-	28,226
Sport Hosting funding (note 11(b))	677,816	629,076
Richmond Olympic Experience (note 11(b))	3,222,171	3,374,104
The Fields (a)	2,200,691	2,396,059
	\$ 7,630,234	\$ 7,806,474

(a) The Fields is a year-round outdoor activity space for sports programs and events. As at December 31, 2025, \$2,200,691 (2024 - \$2,396,059) of the funds restricted for The Fields remain in deferred revenue and the revenue will be recognized based on the terms specified by the related agreements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

8. Tangible capital assets:

Cost	Balance			Balance December 31, 2025
	December 31, 2024	Additions, net	Disposals	
Athletic equipment	\$ 5,814,671	\$ 315,412	\$ (14,824)	\$ 6,115,259
Building improvements	3,636,440	185,562	-	3,822,002
Computer software and equipment	3,988,357	170,888	-	4,159,245
Facility equipment	2,038,958	393,188	-	2,432,146
Infrastructure	10,818,318	-	-	10,818,318
Signage	232,483	32,746	-	265,229
Simulators and exhibit fabrication	4,691,459	7,337	-	4,698,796
Tenant improvements	65,729	-	-	65,729
Uniforms, ice skates and helmets	411,961	26,358	-	438,319
Work-in-progress	153,332	398,419	-	551,751
	\$ 31,851,708	\$ 1,529,910	\$ (14,824)	\$ 33,366,794

Accumulated amortization	Balance			Balance December 31, 2025
	December 31, 2024	Amortization expense	Disposals	
Athletic equipment	\$ 3,629,273	\$ 443,695	\$ (14,824)	\$ 4,058,144
Building improvements	2,927,879	276,090	-	3,203,969
Computer software and equipment	3,783,360	164,267	-	3,947,627
Facility equipment	1,592,318	138,734	-	1,731,052
Infrastructure	1,509,446	270,458	-	1,779,904
Signage	206,391	16,367	-	222,758
Simulators and exhibit fabrication	3,703,701	464,362	-	4,168,063
Tenant improvements	65,729	-	-	65,729
Uniforms, ice skates and helmets	392,158	20,234	-	412,392
	\$ 17,810,255	\$ 1,794,207	\$ (14,824)	\$ 19,589,638

	2024	2025
	Net book value	Net book value
Athletic equipment	\$ 2,185,398	\$ 2,057,115
Building improvements	708,561	618,033
Computer software and equipment	204,997	211,618
Facility equipment	446,640	701,094
Infrastructure	9,308,872	9,038,414
Signage	26,092	42,471
Simulators and exhibit fabrication	987,758	530,733
Uniforms, ice skates and helmets	19,803	25,927
Work-in-progress	153,332	551,751
	\$ 14,041,453	\$ 13,777,156

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.

There was no write-down of tangible capital assets during the year (2024 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

9. Accumulated surplus:

	2025	2024
Accumulated surplus is comprised of:		
Share capital	\$ 1	\$ 1
Capital reserve	15,117,397	13,132,897
Other reserves/provisions	988,549	589,882
Operating surplus	769,979	605,797
Invested in tangible capital assets	8,315,445	8,296,851
	<u>\$ 25,191,371</u>	<u>\$ 22,625,428</u>

10. 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, account receivables, and investments. The Corporation limits its credit risk by holding its cash and investments with federally regulated, credit worthy financial institutions. 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.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument held by the Corporation will fluctuate because of changes in the market interest rate. The Corporation is exposed to this risk from its investments in guaranteed investment certificates (note 3).

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

10. Financial risk management (continued):

(c) 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.

There have been no changes in risk disclosures since 2024.

11. Related party transactions:

(a) City of Richmond:

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

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, including any financial support.

During 2025, the Corporation received a contribution from the City of \$3,573,500 (2024 - \$4,001,306) (note 16).

(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 2025, \$400,000 (2024 - \$400,000) was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2025, \$677,816 (2024 - \$629,076) has been included in deferred revenue (note 7) and during 2025, \$351,260 (2024 - \$435,821) was recognized in memberships, admissions, and programs revenue on the Statement of Operations relating to Sport Hosting.

In previous years, the Corporation received hotel tax funding restricted for the purpose of purchasing tangible capital assets related to the Richmond Olympic Experience project. In order to retain the funding received in prior years, the Corporation must maintain and operate the tangible capital assets purchased with these funds over the life of the tangible capital assets. On an annual basis, the Corporation must provide a report to the City as to the use of the funds and the maintenance and operation of these tangible capital assets. As at year-end, \$3,222,171 (2024 - \$3,374,104) of the funds relating to tangible capital assets for the Richmond Olympic Experience remains in deferred revenue and the revenue will be recognized over the life of the underlying assets.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

12. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The 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, 2024, the Plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

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.

The Corporation paid \$665,723 (2024 - \$638,872) for employer contributions to the Plan in fiscal 2025.

13. Economic dependence:

The Corporation is economically dependent on receiving funding from GOT (note 5) and the City (note 11).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2025

14. Contractual rights:

Contractual rights are the right to economic resources arising from contracts or agreements that will result in revenues and assets in the future and are not yet recorded in the financial statements. The Corporation has contractual rights to receive lease revenue over the next two years in the following total amounts:

2026	\$	535,102
2027		389,808

In addition, the Corporation receives funding from the City (note 11(a)) and from the GOT (note 5).

15. Parking, leasing, interest and other:

	2025	2024
Parking, leasing, interest and other is comprised of:		
Parking	\$ 897,462	\$ 772,695
Leasing	590,634	542,683
Interest	732,973	956,346
Other	412,297	440,545
	<hr/> \$ 2,633,366	<hr/> \$ 2,712,269

16. Government transfers:

Government transfers are received for operating and capital activities. During 2025, the Corporation received an operating transfer of \$3,573,500 (2024 - \$4,001,306) (note 11(a)).



Attachment #2

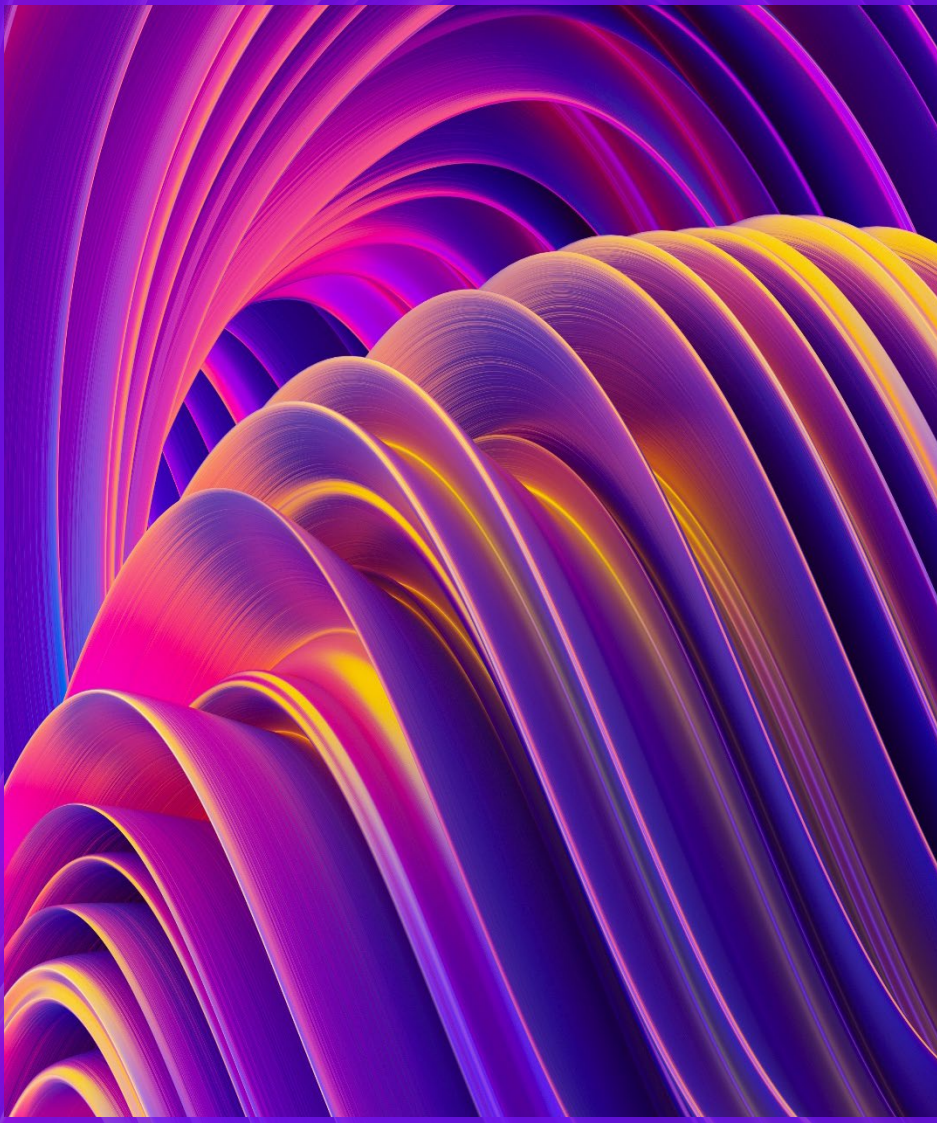
Richmond Olympic Oval Corporation

Audit Findings Report
for the year ended December 31, 2025

KPMG LLP

Prepared on March 31, 2026, for presentation to the Audit & Finance
Committee on April 8, 2026.

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



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Table of contents

Digital use information

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12	Policies and practices	13	Appendices		

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

The purpose of this report is to assist you, as a member of the Audit & Finance Committee (the “Committee”), in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of management, the Committee, and the Board of Directors (the “Board”), and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Highlights

No matters to report Matters to report – see link for details

Purpose of this report

The purpose of this Audit Findings Report is to assist you, as a member of the Audit & Finance Committee (the “Committee”), in your review of the results of our audit of the financial statements of Richmond Olympic Oval Corporation (the ‘Corporation’) as at and for the year ended December 31, 2025. This Audit Findings Report builds on the Audit Plan we provided to the Board dated November 26, 2025. Our audit has been performed in accordance with Canadian generally accepted auditing standards (CAS).

Status

As of the date of this Audit Findings Report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include, amongst others:

- Completing certain procedures, file documentation, review, and completion processes.
- Completing our discussions with the Committee.
- Obtaining evidence of the Board’s approval of the financial statements.
- Obtaining the signed management representation letter.
- Completing subsequent event review procedures up to the date of the Board’s approval of the financial statements.

We will update the Committee on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor’s report is enclosed with the draft financial statements.

Policies and practices

Accounting policies and practices

Significant changes

Significant changes since our audit plan

There have been changes to our audit plan since it was originally communicated in the Audit Planning Report. These updates will be discussed as part of our presentation of this report.

Risks and results

<input checked="" type="checkbox"/>	Significant risks
<ul style="list-style-type: none">• Presumed risk of management override of controls, as required by professional auditing standards	
<input checked="" type="checkbox"/>	Other risks of material misstatement
<ul style="list-style-type: none">• Revenue and deferred revenue• Expenses, including salaries and benefits expense• Costs related to the Richmond Olympic Experience (the “Rox”) and the Fields project	
<input checked="" type="checkbox"/>	Other areas of audit focus
<ul style="list-style-type: none">• Post-employment benefits	

Misstatements

<input type="checkbox"/>	Uncorrected misstatements
<input type="checkbox"/>	Corrected misstatements

Control deficiencies

<input type="checkbox"/>	Significant deficiencies
<input type="checkbox"/>	Other control deficiencies



Highlights (continued)

No matters to report Matters to report – see link for details

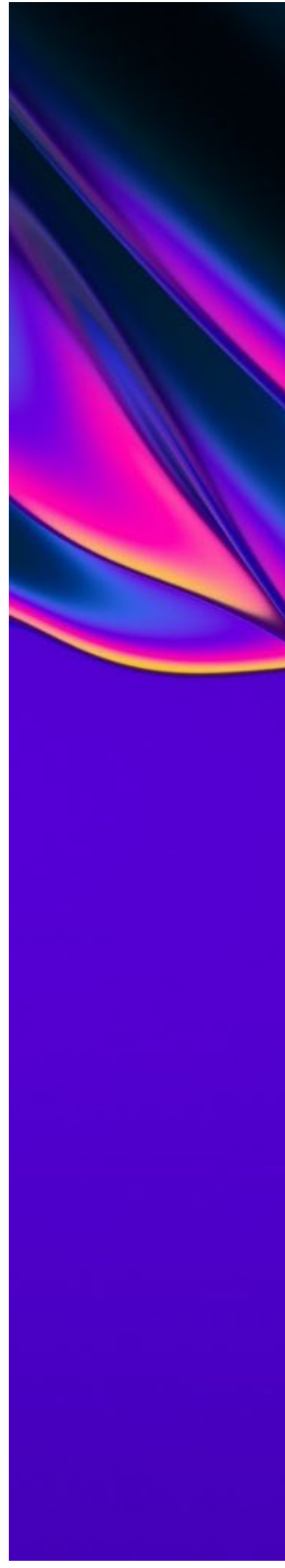
Independence

We confirm that we are independent with respect to the Oval within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from January 1, 2025 up to the date of this report.

Current developments

Current developments

There have been no updates to the current developments included in our Audit Planning Report previously provided to the Committee.



Significant risks and results



Presumed risk of fraud from management override of controls (non-rebuttable significant risk of material misstatement)

RISK OF

 FRAUD

This is a presumed fraud risk. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities. We have not identified any specific additional risks of management override relating to this audit.

Our response and findings

As this presumed risk of material misstatement due to fraud is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments.
- Performing a retrospective review of significant estimates and evaluating the business rationale of significant unusual transactions.
- Utilizing application software to evaluate the completeness of the journal entry population through a roll-forward of all accounts. We used computer-assisted audit techniques (CAATs) to analyze journal entries and apply certain criteria to identify potential high-risk journal entries for further testing.
- Reviewing the accounting estimates and assessing whether management's estimates are reasonable and not indicative of management bias.

Our findings

There were no issues noted in our audit testing described above.

Other risks of material misstatements and results



Revenues and deferred revenue

RISK OF

 ERROR

Other risk of material misstatement

Estimate?

There is an inherent risk over the completeness, existence, and accuracy due to revenue not being recorded in accordance with the Corporation's revenue recognition policy. No

Our response

- We updated our understanding of the process and controls over revenues, including processing of contributions received and disbursed, expenditures incurred, and deferral of unspent amounts.
- We reviewed new funding agreements to determine whether restrictions exist and how the funds should be recognized and/or deferred.
- We obtained confirmation of the funding received, reconciled the amounts to revenues recognized and deferred contributions.
- We tested a sample of membership, admissions and program revenues, and other revenue by vouching to supporting documents and agreements, as well as expenses incurred, in order to ensure that revenues and expenses are appropriately recognized and deferred contributions are appropriately recorded.

Our findings

There were no issues noted in our testing described above.



Other risks of material misstatements and results (continued)



Expenses including salaries and benefits expense

RISK OF

 ERROR

Other risk of material misstatement

Estimate?

The Corporation's expenses are closely monitored against approved budgets. Salaries and expenses represent a significant portion of the Corporation's expenses. There is a need to ensure that the expenses recognized are appropriate. No

Our response

- We updated our understanding of the process activities and controls over expenses, including salaries and benefits expense.
- We performed a walkthrough of the expense process, including the payroll process, by tracing a transaction from initiation through to being recorded in the general ledger to confirm that the controls are implemented as designed.
- We analyzed the overall change in expenses relative to the prior year based on changes in operations.
- In relation to salaries and benefits expenses, we performed a reconciliation from pay earnings reports to the Corporation's general ledger.
- We developed an independent expectation for the current year salaries and benefits expense by applying the prior-year ratio of salaries and benefits to total revenue. Adjusted for known changes in pay rates and identified non-recurring items. We compared this expectation to the actual salaries and benefits expense recorded for the year. We did not identify any significant variances.
- We performed substantive test of detail procedures on selected sample of other payroll transactions and verified these were appropriated recorded.
- We performed substantive procedures over expenses, including reviewing and vouching a sample of expenses to underlying supporting documentation as well as evidence of approval, ensuring the expenses are appropriately recognized and authorized.
- We selected a sample of payments made, trade payables recorded, and invoices received subsequent to year-end and ensured they were recorded in the appropriate fiscal year.

Our findings

There were no issues noted in our testing described above.

Other risks of material misstatements and results (continued)



Costs related to the Richmond Olympic Experience (“the ROX”) and The Fields project

RISK OF

 ERROR

Other risk of material misstatement

The Corporation has a significant amount of capital assets and deferred revenue related to the ROX and The Fields project. The amounts are comprised of contributions specifically restricted for the purchase of capital assets and improvements. Depending on the nature of the restricted contributions, there is a need to verify that the costs incurred meet the stipulations of the contributions.

Estimate?

Yes – the established useful lives of TCA. There is no risk of material misstatement due to estimation.

Our response

- We reviewed funding agreements to ensure that revenue is recognized in accordance with stipulations outlined in the agreements.
- We reviewed the terms and conditions of funding received for which deferred balances remain and ensured that such balances are appropriately accounted for.
- We reviewed capital expenditures incurred to ensure the amounts are accounted for (capital vs. expense) and amortized appropriately.

Our findings

There were no issues noted in our testing described above.

Other area of audit focus



Post-employment benefits

RISK OF

 ERROR

Other area of audit focus

Estimate?

The Corporation provides certain post-employment benefits, compensated absences, and termination benefits to employees. Due to the complexities of the estimate, management has engaged an actuarial expert to assist in the development of the estimate.

Yes – Actuarial valuations of employee future benefits. There is no risk of material misstatement due to estimation.

Our response

- We updated our understanding of the process activities and controls over post-employment future benefits.
- We obtained the actuarial valuation report prepared by Management's specialist, Convyta Partners Limited Partnership ("Convyta"), and agreed the liability amount in the report to the amount recorded by the Corporation.
- We assessed the competence, expertise and qualification of Convyta, and the reasonableness of the valuation methodology applied.
- We assessed the reasonableness of the significant assumptions used in the valuation, including changes in assumptions from the prior year.
- We obtained the data used by the actuary for the valuation and tested it on a sample basis for completeness and accuracy.
- We reviewed the financial statement note disclosure for accuracy and completeness.

Our findings

There were no issues noted in our testing described above.

Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Oval's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.



A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.



Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.



We did not identify any control deficiencies that we determined to be a significant deficiency in ICFR.

Accounting policies and practices



Significant accounting policies

- There have been no initial selections of, or changes to, significant accounting policies and practices.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the Oval's transactions in relation to the period in which they were recorded.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



Significant accounting estimates

- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.
- There were no significant factors affecting the Oval's asset and liability carrying values.



Significant disclosures and financial statement presentation

- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures, and uncertainties.



Appendices

1

Required communications

2

Management representation letter

3

Independence

Appendix 1: Required communications



Auditor's report

The conclusion of our audit is set out in the draft auditor's report attached to the draft financial statements.

Engagement letter

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter, copy of which has been provided to management.



Audit findings report

Represented by this report.

Management representation letter

In accordance with professional standards, copy of the management letter is included in Appendix 2.



Independence

We confirmed our independence to the Committee on page 5 of this report. We disclose the relevant ethical requirements, including those related to independence that we applied for the audit engagement in Appendix 3.

Internal control deficiencies

We did not identify any control deficiencies.

Appendix 1: Required communications (continued)

Management's responsibilities



Under the auditing standards, we are required to obtain the agreement of management that it acknowledges and understands its responsibility. An audit of the annual financial statements does not relieve management or those charged with governance of their responsibilities. We have obtained management's acknowledgment and understanding of their responsibilities in the engagement letter and as described below:

- (a) *the preparation and fair presentation of the annual financial statements in accordance with the financial reporting framework referred to above. information") such as financial records, documentation and other matters, including:*
- (b) *providing us with all information of which management is aware that is relevant to the preparation of the financial statements ("relevant — the names of all related parties and information regarding all relationships and transactions with related parties; and — the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of Board, and committees of Board that may affect the financial statements. All significant actions are to be included in such summaries.*
- (c) *providing us with unrestricted access to such relevant information.*
- (d) *providing us with complete responses to all enquiries made by us during the engagement.*
- (e) *providing us with additional information that we may request from management for the purpose of the engagement.*
- (f) *providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence.*
- (g) *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. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.*
- (h) *ensuring that all transactions have been recorded and are reflected in the financial statements.*
- (i) *ensuring that internal auditors providing direct assistance to us, if any, will be instructed to follow our instructions and that management, and others within the entity, will not intervene in the work the internal auditors perform for us.*
- (j) *providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.*



Appendix 2: Management representation letter

MANAGEMENT REPRESENTATION LETTER

KPMG LLP
Chartered Professional Accountants
PO Box 10426
777 Dunsmuir Street
Vancouver, BC V7Y 1K3
Canada

[Date of the Approval of the Financial Statements by the Board]

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of Richmond Olympic Oval Corporation (“the Entity”) as at and for the period ended December 31, 2025.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated October 26, 2022, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of the shareholder, board of directors and committees of the board that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.
 - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.

- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. ‘
 - f) We have disclosed to you all information regarding investigations into possible fraud and/or non-compliance or suspected non-compliance with laws and regulations, including illegal acts, that we have undertaken at our discretion and completed, including the results of such investigations, and the resolution of the matters, if any, identified in such investigations.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity’s related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Other information:

- 11) We confirm that the final version of the annual report will be provided to you when available, and prior to issuance by the Entity, to enable you to complete your required procedures in accordance with professional standards.

Non-SEC registrants or non-reporting issuers:

- 12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Employee future benefits:

- 14) The employee future benefits costs, assets and obligation have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 15) The information provided by us to Convyta Partners (the "Expert") and used in the work and findings of the Expert are complete and accurate. We agree with the findings of the Expert in evaluating post-employment future benefits and have adequately considered the qualifications of the Expert in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give nor cause any instructions to be given to the Expert with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence and objectivity of the Expert.

Other:

- 16) To the best of our knowledge, all expenditures reflected in the financial statements for the period ended December 31, 2025, were authorized, properly approved, and were incurred in the normal course of the entity's operations.
- 17) We confirm that supporting documentation exists for all significant expenditures and that such documentation has been made available to the auditors on request.

Yours very truly,

Mr. Gerry De Cicco, Managing Director

Mr. Rick Dusanj, Director, Finance, Innovation & Technology

Mr. Chris Hsu, Senior Finance & Accounting, Manager

cc: Board of Directors

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

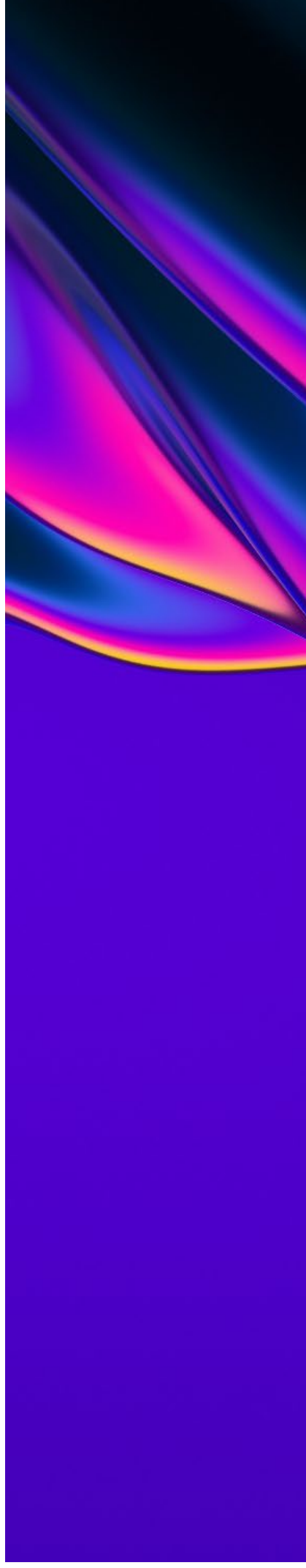
Appendix 3: Independence



Under the newly effective *Narrow-scope Amendments to Canadian Auditing Standard (CAS) 700, Forming an Opinion and Reporting on Financial Statements, and CAS 260, Communication with Those Charged with Governance*, the auditor shall communicate with those charged with governance the relevant ethical requirements, including those related to independence, that the auditor applies for the audit engagement, including if applicable in the circumstances, any independence requirements specific to audits of financial statements of certain entities.

In accordance with this requirement, we communicate to the Board that we apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada (“CPA Code”) that are relevant to audits of financial statements; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants that are relevant to audits of financial statements.





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