



City of Richmond

Memorandum Administration

To: Mayor and Councillors ("the Shareholder") **Date:** April 30, 2014
From: George Duncan **File:** 01-0005-01/2014-Vol 01
Chief Administrative Officer

President & CEO
Richmond Olympic Oval Corporation
Re: **Notice to the Shareholder of the 2014 AGM of the Richmond Olympic Oval Corporation**

Attached herein are the agenda items for the AGM of the Richmond Olympic Oval Corporation to be held on May 20, 2014 following the General Purposes meeting at the Richmond City Hall.

- Appendix A - Notice of AGM, to be sent at least 10 days prior to the AGM to:
- the City;
 - each member of the Board; and
 - the auditors
- Appendix B - 2013 Audited Financial Statements
- Appendix C - Consent Resolutions of the Shareholder, consenting to the resolutions required to be passed at the AGM, including:
- The appointment of Directors
 - The appointment of Auditors
- Appendix D - Notice of Appointment of Auditor
- Appendix E - 2013 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 Tuesday May 20, 2014 following the General Purposes meeting at the Richmond City Hall, 6911 No. 3 Road, Richmond, British Columbia for the following purposes:

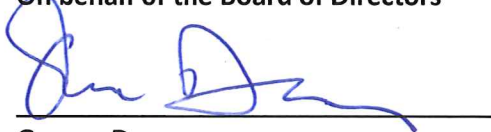
1. to acknowledge and confirm previous receipt of the audited financial statements of the Corporation for the fiscal year ended December 31, 2013 and the report of the auditors thereon;
2. to elect directors to the board of directors of the Corporation (the "**Board**");
3. to appoint auditors of the Corporation for the 2014 fiscal year and to authorize the Board to fix the auditors' remuneration;
4. to acknowledge and confirm previous receipt of the Corporation's 2013 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 May 20, 2014 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, 2013 to December 31, 2013 and the report of the auditors thereon are attached to this Notice of Annual General Meeting.

Dated this 2 day of May, 2014.

On behalf of the Board of Directors



George Duncan
President & CEO

APPENDIX B

RICHMOND OLYMPIC OVAL CORPORATION

2013 Audited Financial Statements

Financial Statements of

**RICHMOND OLYMPIC OVAL
CORPORATION**

Year ended December 31, 2013



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying financial statements of Richmond Olympic Oval Corporation, which comprise the statement of financial position as at December 31, 2013, the statements of operations, changes in net financial assets (debt) 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 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 financial statements based on our audits. We conducted our audits 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 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2013 and its results of operations, its changes in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants
April 23, 2014
Burnaby, Canada

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Financial Position

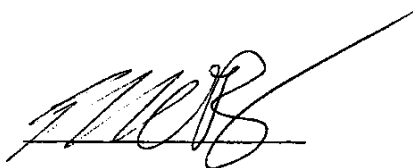
December 31, 2013, with comparative information for 2012

	2013	2012
Financial Assets		
Cash	\$ 1,963,267	\$ 2,053,574
Investments (note 3)	8,676,448	4,805,363
Due from City of Richmond	-	132,632
Accounts receivable	223,030	390,081
	<u>10,862,745</u>	<u>7,381,650</u>
Liabilities		
Accounts payable and accrued liabilities	1,692,492	952,216
Obligations under capital leases (note 6)	-	8,491
Deferred revenue (note 7)	2,824,218	2,317,370
Due to City of Richmond (note 8)	532,415	-
Rental deposits	9,263	5,513
	<u>5,058,388</u>	<u>3,283,590</u>
Net financial assets	5,804,357	4,098,060
Non-Financial Assets		
Tangible capital assets (note 9)	2,663,644	694,497
Deferred lease costs (note 10)	141,665	121,186
Inventories of supplies	1,755	2,508
Prepaid expenses and other deposits	426,251	428,954
	<u>3,233,315</u>	<u>1,247,145</u>
Accumulated surplus (note 11)	<u>\$ 9,037,672</u>	<u>\$ 5,345,205</u>

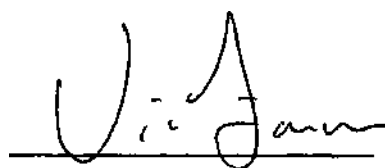
Economic dependence (note 15)

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, 2013, with comparative information for 2012

	2013 Budget	2013	2012
Revenue:			
2010 Games Operating Trust Fund (note 5)	\$ 2,700,000	\$ 2,823,239	\$ 2,784,637
Contribution from City of Richmond (note 13)	3,144,700	3,574,700	3,073,883
Memberships, admissions and programs	6,126,945	6,568,014	5,907,870
Other	1,011,531	1,235,038	1,156,163
	<u>12,983,176</u>	<u>14,200,991</u>	<u>12,922,553</u>
Expenses:			
Salaries and benefits	7,008,311	6,712,878	6,261,653
Utilities	1,000,000	1,002,566	914,519
Amortization	359,904	309,991	286,071
Supplies and equipment	588,450	618,349	557,441
Insurance	368,225	350,543	347,487
General and administration	989,593	642,501	425,988
Marketing and sponsorship	292,000	209,857	235,990
Program services	662,473	619,247	677,223
Professional fees	163,090	42,592	149,357
	<u>11,432,046</u>	<u>10,508,524</u>	<u>9,855,729</u>
Annual surplus	1,551,130	3,692,467	3,066,824
Accumulated surplus, beginning of year	5,345,205	5,345,205	2,278,381
Accumulated surplus, end of year	<u>\$ 6,896,335</u>	<u>\$ 9,037,672</u>	<u>\$ 5,345,205</u>

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Changes in Net Financial Assets (Debt)

Year ended December 31, 2013, with comparative information for 2012

	2013 Budget	2013	2012
Annual surplus for the year	\$ 1,551,130	\$ 3,692,467	\$ 3,066,824
Acquisition of tangible capital assets	(6,075,000)	(2,279,138)	(319,013)
Amortization of tangible capital assets	359,904	309,991	286,071
	(5,715,096)	(1,969,147)	(32,942)
Amortization of deferred lease costs	-	17,711	13,729
Acquisition of inventory of supplies	-	(1,390)	(3,655)
Acquisition of prepaid expense	-	(582,833)	(500,385)
Consumption of inventories of supplies	-	2,143	3,012
Use of prepaid expenses and other deposits	-	585,536	515,758
Additions of deferred leasing costs	-	(38,190)	(11,106)
Change in net financial assets	(4,163,966)	1,706,297	3,051,235
Net assets, beginning of year	4,098,060	4,098,060	1,046,825
Net financial assets (debt), end of year	\$ (65,906)	\$ 5,804,357	\$ 4,098,060

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 3,692,467	\$ 3,066,824
Items not involving cash:		
Amortization of tangible capital assets	309,991	286,071
Amortization of deferred lease costs	17,711	13,729
Changes in non-cash operating working capital:		
Accounts receivable	167,051	(21,337)
Deferred lease costs	(38,190)	(11,106)
Inventories of supplies	753	(643)
Prepaid expenses and other deposits	2,703	15,373
Accounts payable and accrued liabilities	740,276	179,786
Deferred revenue	506,848	438,120
Due to the City of Richmond	665,047	(272,430)
	6,064,657	3,694,387
Capital activities:		
Cash used to acquire tangible capital assets	(2,279,138)	(319,013)
Investing activities:		
Purchase of investments	(3,871,085)	(2,555,363)
Financing activities:		
Repayment of obligations under capital leases	(8,491)	(197,172)
Increase in rental deposits	3,750	-
	(4,741)	(197,172)
Increase (decrease) in cash	(90,307)	622,839
Cash, beginning of year	2,053,574	1,430,735
Cash, end of year	\$ 1,963,267	\$ 2,053,574

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2013

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"). On August 10, 2010, the Corporation changed its name from 0827805 B.C. Ltd. to Richmond Olympic Oval Corporation. 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 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 Canadian Institute of Chartered Accountants.

(b) 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 5) 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.

(c) 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.

(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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(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
Building improvements	5 years
Automobile	5 years
Facility equipment	3 years
Computer software and equipment	3 years
Uniforms, ice skates and helmets	3 years
Signage	3 years

Tenant improvements are amortized over the term of the lease.

(ii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Company'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) Assets held under capital lease:

Assets held under capital lease are stated at historical cost, being the lesser of the present value of the future minimum lease payments and fair value at the date of acquisition, and are amortized on a straight-line basis over their estimated useful lives.

(iv) 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.

(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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(f) Income taxes:

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

(g) Functional and object reporting:

The operations of the Oval are comprised of a single function, operations related to sport, fitness and recreation. As a result, the expenses of the Oval are presented by object in the statement of operations.

(h) Budget data:

The budget data presented in these financial statements is based upon the 2013 budget approved by the Board of Directors on February 27, 2013.

(i) 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.

(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 (continued)

Year ended December 31, 2013

3. Investments:

Investments represent term deposits as follows:

Purchase Date	Maturity Date	2013	2012
October 30, 2013	February 27, 2014	\$ 1,010,754	\$ -
October 31, 2013	February 28, 2014	3,747,109	-
November 12, 2013	February 10, 2014	1,851,597	-
December 23, 2013	March 24, 2014	2,066,988	-
March 28, 2012	March 28, 2013	-	2,000,000
July 20, 2012	January 16, 2013	-	1,805,363
July 20, 2012	January 16, 2013	-	1,000,000
Total		\$ 8,676,448	\$ 4,805,363

The interest rate of the term deposits range from 1.80% to 1.95%.

4. 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.

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 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

5. 2010 Games Operating Trust Fund (continued):

Effective December 31, 2007:

- (a) the Fund was divided into three funds: the Speed Skating Oval Fund; the Whistler Sliding Centre and Nordic Centre Fund, and the Contingency Fund; and
- (b) the capital and any accumulated but undistributed income of the Fund was divided 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:

	2013	2012
2012 annual distributable amount approved and received in 2013	\$ 2,823,239	\$ -
2011 annual distributable amount approved and received in 2012	-	2,784,637
	<u>\$ 2,823,239</u>	<u>\$ 2,784,637</u>

6. Obligations under capital leases:

As at December 31, 2013, the Corporation had no remaining commitments for capital leases payments as the remaining obligation was paid in 2013. The underlying capital assets are included in computer software and equipment.

7. Deferred revenue:

	2013	2012
Balance, beginning of year	\$ 2,317,370	\$ 1,879,250
Add: amounts received during the year	8,309,900	7,502,153
Less: revenue recognized	(7,803,052)	(7,064,033)
Balance, end of year	<u>\$ 2,824,218</u>	<u>\$ 2,317,370</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

7. Deferred revenue (continued):

Deferred revenue comprises of:

	2013	2012
Memberships and programs	\$ 1,008,067	\$ 946,082
Sponsorship fees	333,333	433,333
Sport Hosting funding (note 13)	552,642	507,779
Richmond Olympic Experience (note 13)	930,176	430,176
	<u>\$ 2,824,218</u>	<u>\$ 2,317,370</u>

8. Due to City of Richmond:

The amount due to City of Richmond is non-interest bearing with no stated repayment terms. This balance primarily consists of \$526,413 in costs paid for by the City for the Mezzanine Infill project, which are repayable by the Oval.

9. Tangible capital assets:

Cost	Balance at December 31, 2012	Additions	Balance at December 31, 2013
Athletic equipment	\$ 857,024	\$ 117,685	\$ 974,709
Automobile	23,158	-	23,158
Building improvements	36,690	82,910	119,600
Computer software and equipment	1,142,253	39,102	1,181,355
Facility equipment	77,370	112,792	190,162
Signage	43,884	-	43,884
Tenant improvements	16,979	-	16,979
Uniforms, ice skates, and helmets	127,966	18,378	146,344
Work in progress	69,824	1,908,271	1,978,095
	<u>\$ 2,395,148</u>	<u>\$ 2,279,138</u>	<u>\$ 4,674,286</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Tangible capital assets (continued):

	Balance at December 31, 2012	Amortization expense	Balance at December 31, 2013
Accumulated amortization			
Athletic equipment	\$ 427,610	\$ 176,227	\$ 603,837
Automobile	11,193	4,632	15,825
Building improvements	11,521	15,783	27,304
Computer software and equipment	1,058,958	50,947	1,109,905
Facility equipment	25,043	45,997	71,040
Signage	38,617	3,174	41,791
Tenant improvements	16,555	300	16,855
Uniforms, ice skates, and helmets	111,154	12,931	124,085
	\$ 1,700,651	\$ 309,991	\$ 2,010,642
		Net book value December 31, 2013	Net book value December 31, 2012
Athletic equipment		\$ 370,872	\$ 429,414
Automobile		7,333	11,965
Building improvements		92,296	25,169
Computer software and equipment		71,450	83,295
Facility equipment		119,122	52,327
Signage		2,093	5,267
Tenant improvements		124	424
Uniforms, ice skates, and helmets		22,259	16,812
Work in progress		1,978,095	69,824
		\$ 2,663,644	\$ 694,497

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 (2012 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

10. Deferred lease costs:

	2013	2012
Balance, beginning of year	\$ 121,186	\$ 123,809
Add: additional costs incurred	38,190	11,106
Less: amortization	(17,711)	(13,729)
Balance, end of year	\$ 141,665	\$ 121,186

11. Accumulated surplus:

Accumulated surplus is comprised of:

	2013	2012
Share capital	\$ 1	\$ 1
Capital reserve	4,731,850	4,100,000
Other reserves/provisions	577,108	211,790
Operating surplus	1,065,070	347,408
Invested in tangible capital assets	2,663,643	686,006
	\$ 9,037,672	\$ 5,345,205

12. 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 management monitors and controls them.

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if 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 investments and accounts receivables. The Corporation assesses these financial assets, on a continuous basis for any amounts that are not collectible or realizable.

(b) Market risk

Market risks are 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 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

12. Financial risk management (continued):

(c) Liquidity risk

Liquidity risks are 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.

13. Related party transactions:

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

Included in general and administration expenses is a management fee of \$63,630 to the City for the provision of city staff time in fiscal year 2013 (2012 - \$61,835).

In 2013, \$70,000 (2012 - \$93,979) 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 fifteen 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 \$1.5 million per year indexed at the City of Vancouver's Consumer Price Index. After fifteen years, any financial assistance from the City will be determined by the City in its sole discretion.

During 2013, the Corporation received a contribution from the City of \$3,574,700 (2012 - \$3,073,883). \$430,000 of this contribution (2012 - nil) was for the Mezzanine Infill project.

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 2013, \$400,000 (2012 - nil) was transferred from the City to the Corporation as funding for the operations of the function. As at December 31, 2013, \$552,642 (2012 - \$507,779) remains in deferred revenue (note 7) and \$355,137 (2012 - \$426,097) was recognized in memberships, admissions, and programs on the statement of operations.

The Corporation also received \$500,000 from the City of Richmond via hotel tax funding in 2013 (2012 - \$500,000) to be used to purchase capital assets related to the Richmond Olympic Experience project. As at December 31, 2013, \$930,176 (2012 - \$430,176) remains in deferred revenue. In order to retain this funding, the Oval must maintain and operate the capital assets purchased with these funds over the life of the related 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

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 overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2012 indicated liability funding deficit of \$1,370 million for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The funding deficit noted above represents a deficit for the Plan as a whole. Management considers the Corporation's future contributions to the Plan not to be significant. During the current fiscal year, the Corporation paid \$312,990 (2012 - \$263,064) as employer contributions to the Plan.

15. Economic dependence:

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

16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

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, 2013 to December 31, 2013, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 23, 2014 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 5, 2014;
2. The shareholder acknowledges that the following directors are currently serving a 2 year term and will continue to serve as directors for the coming year:

Name

Edward Michael O'Brien
Dennis Skulsky
George Duncan
Moray Keith

3. in accordance with Article 14.1 of the Company's Articles, the following persons, each of whom has consented in writing 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>
Linda Sanderson	2016
Umendra Mital	2016
Victor John Farmer	2016
Wayne Duzita	2016

4. 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;
5. the 2013 Annual Report of the Company is hereby received; and
6. May 20, 2014 be and is hereby selected as the annual reference date for the Company for its current annual reference period.

DATED as of May 20, 2014.

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 II
Suite 2400- 4720 Kingsway
Burnaby, British Columbia
V5H 4N2

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 May 20, 2014.

RICHMOND OLYMPIC OVAL
CORPORATION

George Duncan
President & Chief Executive Officer

APPENDIX E

RICHMOND OLYMPIC OVAL CORPORATION

2013 Annual Report



2013

ANNUAL REPORT

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Letter from Board Chair

In 2008, the Council of the City of Richmond elected to hand the operation of its Olympic jewel to an appointed Board of local business people to ensure operational success of a complex and multi-faceted venue while maintaining accountability to the Oval's ultimate owners, the citizens of the City of Richmond. December 2013 marked the fifth year of that decision, which has proven to be insightful as evidenced by a record 700,000 visits to the facility in 2013 and a year ending with a \$3.7 million surplus.

On behalf of the Board of Directors, I am pleased to introduce the 2013 Annual Report of the Richmond Olympic Oval Corporation. Since 2008 the Oval has been on a year-over-year upward financial trajectory with the 2013 performance continuing that trend. Such results were envisioned by Council when they elected to use a municipal corporate governance model for the Oval and are aligned with the Board's fundamental mandate of overseeing a legacy operation that is efficiently run, financially viable and not a burden to the taxpayers.

In 2013 we continued to work closely and collaboratively with our stakeholders and sport groups to enhance our programs and services, to strengthen our membership base and to expand our reach through diversification of our offerings. To that end, the Board supported the introduction of three exciting new lines of business that will come to fruition over the next two years: a prominent lobby retail business and a dedicated Yoga studio in 2014 and the much anticipated Richmond Olympic Experience in 2015. Through enhancement and diversification we are well-positioned to continue to deliver on our promise to the City of Richmond to provide an outstanding centre of excellence for sports and wellness and to be the most successful Olympic legacy venue of any Olympic games.

The success of the Oval is in no small measure attributable to the ongoing significant support of the City of Richmond, the Board of the Games Operating Trust, our long-term Legacy Partners TELUS, Aspac and Scotiabank and our new 2013 Legacy Partner Stuart Olsen Dominion. To all we are sincerely grateful.

I also wish to acknowledge and sincerely thank my fellow Board Directors for their commitment to the vision and success of the Oval, the Oval management team led with strength and vision by the CEO George Duncan, and all Oval staff for their dedication, hard work and enthusiasm. Together we are able to strengthen and grow the legacy of the Oval for the benefit of all Richmond residents.

A handwritten signature in black ink, appearing to read 'E. Michael O'Brien', with a stylized flourish at the end.

E. Michael O'Brien

Chair of the Board of Directors



Letter from CEO

On December 12, 2013, the Richmond Olympic Oval celebrated five years of service to the community and progress toward our goal to transition into the Community Legacy facility the City envisioned when we developed our bid to be a Venue City in the 2010 Olympic Winter Games. Over those five years, the Oval has grown from a 400 metre long track speed skating oval into an award winning, multi-purpose Olympic legacy venue that has been embraced by the city and is utilized by people throughout the region and across the country. More than 3.5 million visitors have come to the Oval to participate in community recreation and high performance sport; to pursue their health and wellness goals; and to experience world-class cultural and entertainment events. The Oval has also been financially sustainable, outperforming budget for the third of the Oval's three full years of operation.

With progress being made on all four pillars of the original Oval vision – community recreation; athletics; sports and wellness; culture; and entertainment – 2013 was a year to focus on refining and diversifying the business. 2013 saw much growth and definition in high performance sport services at the Oval, building out our integrated athlete support team model with nutritional consulting, performance testing, functional screens, sport psychology, physiological consulting;

strength and conditioning program design; and a broad range of sport related medical services. Additionally, the Oval launched a short track speed skating legacy program, became an official training centre for the Women's National Table Tennis team and reached a three-year agreement with Volleyball Canada to develop the Oval as a national, provincial and regional Training Centre.

Users of the Oval have welcomed the addition of a new personal training space, the launch of TRX Suspension Training programs and the new Fundamental Movements School – the Oval's marquee program for physical literacy development. 2013 also saw approval for locker room upgrades to proceed in the summer of 2014 that will provide significant enhancements for the convenience and benefit of our members and user groups.

To further diversify the Oval's lines of business a significant expansion of our programs was approved, including a new extensive yoga program, in partnership with a major yoga studio, and a new dedicated retail space.

Due to successful fundraising through commercial sponsorship, the Oval has been able to expand the scope of the Olympic Experience project and presently has commenced planning and development on a new major interactive exhibition on the history of aviation in Richmond. The new yoga business unit will see two new purpose built yoga studios and an infra-red sauna added to the Oval, allowing for the provision of over 100 yoga classes per week across multiple types of yoga, including hot yoga. The new retail space will support the additions of yoga and the Richmond Olympic Experience, plus ensure that participants in the Oval's sport, health and wellness programs have access to the desired equipment and accessories needed to further enhance their enjoyment of the facility.

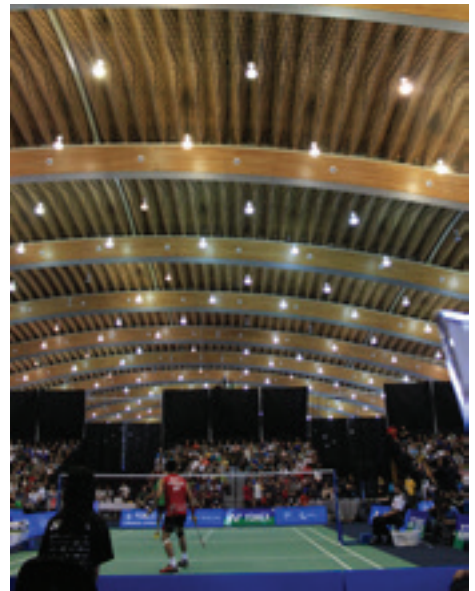
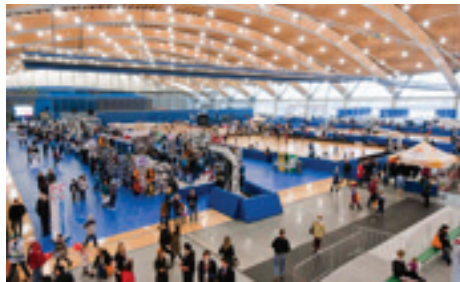
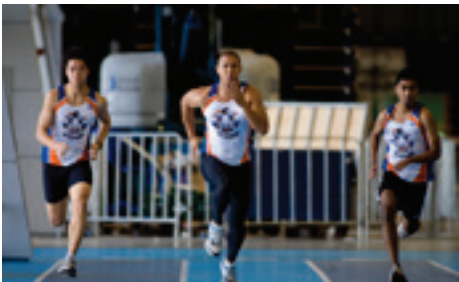
The Richmond Olympic Experience (ROX) – the only officially IOC endorsed and sponsored Olympic Museum in North America—is a transformative exhibit experience that will inspire excellence in sport, promote community, and motivate all to dream big. The ROX, which has entered the design and construction phase, will now encompass over 15,000 square feet of space throughout the Richmond Olympic Oval's three levels, including part of its outdoor surrounding grounds, further enhancing an already world class facility and Richmond's tourism related goal for the City to become an international destination of choice.

With significant increases in membership and participation, expanded program offerings and the approvals for additional business units to increase the Oval's draw, we are proud to be building the vision for Richmond's Olympic legacy facility.

Management and staff will continue to work to achieve excellence in all areas of this significant community amenity. Our ongoing commitment to the community is to continually strive to capitalize on the full value of this unique asset for the citizens of Richmond and for all Canadian athletes who train at Richmond's Olympic Oval. I would like to thank our team of dedicated staff who deliver the vast suite of programs and services offered at the Oval and acknowledge the valuable assistance that we receive from the Oval Corporation's Board of Directors and Richmond City Council.

George Duncan

Chief Executive Officer



5 Years of Participation, Progress, and Performance



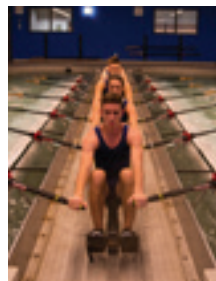
“When you pull the moments together you realize what a journey it’s been.”

—George Duncan

Chief Executive Officer
Richmond Olympic Oval Corporation

SEE IT ON TV!

View the journey of the Richmond Olympic Oval from inception to present day at richmondoval.ca/Legacy.



**CNCL - 37
(Special)**

2013 Progress Report

The City of Richmond (the "City") has engaged the Richmond Olympic Oval Corporation (the "Corporation"), to embrace and deliver:

- The City's Vision to be "the most appealing, liveable, and well-managed community in Canada";
- The Project Vision for the Richmond Olympic Oval (the "Oval") to be "an outstanding centre of excellence for sports and wellness at the heart of an exciting urban waterfront"; and
- The Project Mission to "transform our City by blending the spirit of Olympism with inspired leadership, and seamlessly combining a world class site, a sport and wellness agenda and innovative community planning to create the premiere legacy of the 2010 Olympic and Paralympic Winter Games" (the "Games").

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 for non-sporting, community and entertainment events;
- 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; and
- the Oval will provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above.

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"). As the Oval transitions from Games phase to Legacy phase, 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; and
5. operating in a financially sustainable manner.

This document reports out on our progress in fulfilling each of the Corporation's Legacy Goals.

1. Establishing Positive Brand Awareness



HIGHLIGHTS

FEBRUARY
Richmond Celebrates Hockey Day in Canada

MARCH
World Fencing Grand Prix
Rhythmic Gymnastics Elite Canada Championship

APRIL
BC Cancer Foundation Bust-a-Move

MAY
Richmond Olympic Oval Report to the Community Released
Can-Am Wushu Championships

JUNE
Richmond Olympic Oval joins Planat.com
CrossFit Games Canada West Regionals

JULY
Oval featured on Amazing Race Canada
Judo National Championships
Yonex Canada Open Badminton Tournament

AUGUST
World Cup Field Painting Competition

SEPTEMBER
Canadian Olympic Committee Reception

NOVEMBER
Richmond Ravens Elite Girls Hockey Tournament

DECEMBER
Challenge the Olympians Media Day

- In May of 2013, the Richmond Olympic Oval Corporation published a Community Update in the Richmond Review and Richmond News reviewing Oval usage, revenue, expenses, and benefits to residents of Richmond. The report also announced the upcoming Richmond Olympic Experience and upcoming major events.

- The Richmond Olympic Oval joined 28 other Richmond facilities on Planat.com, an initiative by the Rick Hansen Foundation, which rates facility access to people with disabilities. The criteria used to rate the venues is based on best practices of universal design by the Human Rights Commission of Canada and local and national building codes. Richmond was the first municipality to support the Planat.com program.

Planat.com venues rated in Richmond include:

- » Brighthouse Library
- » Britannia Shipyard and Imperial landing
- » Cambie Community Centre
- » Caring Place
- » Garden City Park
- » Garret Wellness Centre
- » Garry Point Park
- » Gateway Theatre
- » Hamilton Community Centre
- » Ironwood Library
- » John M.S. Lecky UBC Boathouse
- » King George Park
- » Middle Arm Park
- » Minoru Arenas
- » Minoru Chapel
- » Minoru Place Activity Centre
- » Richmond Centre for Disability
- » Richmond City Hall
- » Richmond Cultural Centre
- » Richmond Ice Centre
- » Richmond Nature Park
- » Richmond Olympic Oval
- » Richmond Community Safety Building
- » South Arm Community Centre
- » Steveston Community Centre
- » Terra Nova Park
- » Thompson Community Centre
- » Watermania
- » West Richmond Community Centre

- On June 5, 2013, Lindsay Anderson had her last meal as the Richmond food blogger. You may recall that Lindsay beat out 1,500 other applicants to get the Tourism Richmond job where she was paid \$50,000 plus a daily stipend of \$30 to become the "ambassador of Richmond's diverse culinary scene." She also received an Oval membership to help her maintain her physical fitness, which is a challenge when you eat out at 800 restaurants in one year.



"I did go [to the Oval] quite a bit. I was able to maintain relatively consistent exercise and I stayed the same weight, which is nice."

- The second episode of Amazing Race Canada aired on CTV nationally on July 22, 2013 in which eight teams came to the Oval for their first challenge of the day: to get into a very tight, very revealing Spandex outfit and skate two laps around our short track speed skating oval in one minute and 30 seconds.
- On December 16, 2013, the Oval hosted a Media Day in which media could challenge a diverse range of Olympians and high performance athletes that use the facility for their training. These athletes included: Trevor Hirschfield (Men's Paralympic Wheelchair Rugby), Mo Zhang (Women's National Table Tennis Team), Kate Gillis and Natalie Sourisseau (National Women's Field Hockey Team) and Michelle Pepin (Master's Canadian Short Track Speed Skating Champion).



I SAW THE OVAL ON TV!

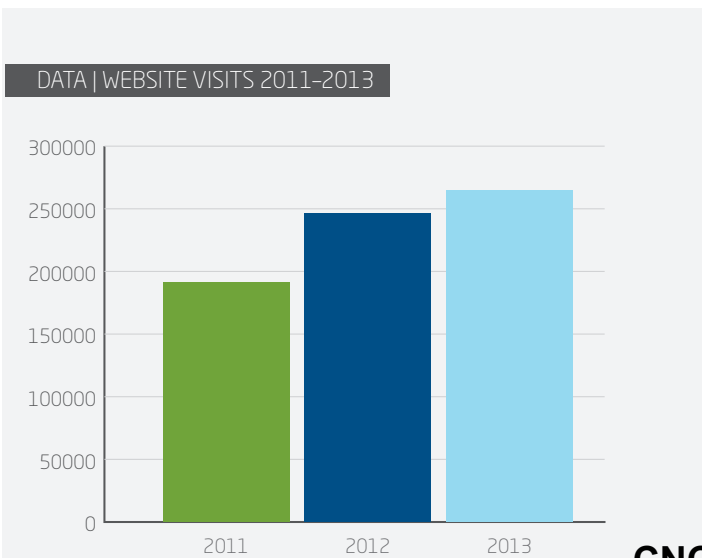
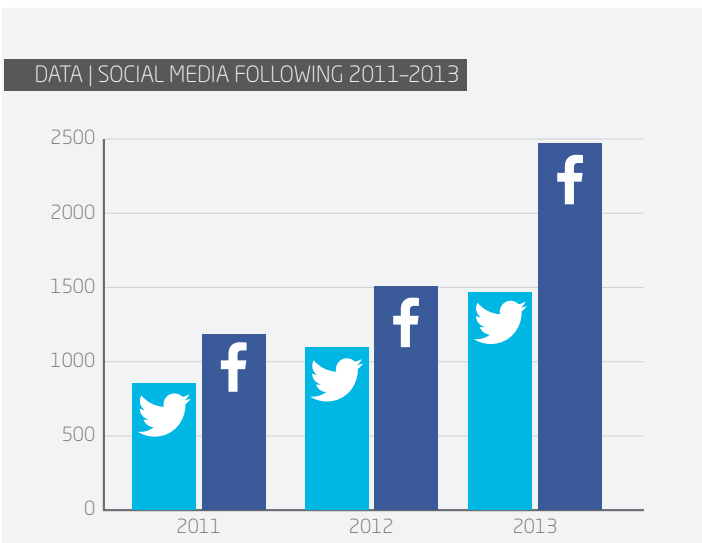
Highlights of the Oval in episode two of Amazing Race Canada can be viewed at richmondoval.ca/AMC.



- 417 media articles were published about the Richmond Olympic Oval in 2013. Combined viewership reach of these articles is estimated at 25 million.
- Over the past year, events held at the Oval have drawn hundreds of thousands of people into the facility and contributed greatly to building the community's volunteer base and event hosting capacity. A complete list of events held at the Oval plus event descriptions are listed in Appendix B.



- On January 24, young players with Richmond Girls Soccer U-7 met Erin McLeod, the goalkeeper of the Canadian women's national soccer team. McLeod shared her story, showed the girls a few tricks and brought along her bronze medal from the 2012 Summer Olympics. She explained to them the values of sportsmanship and being a part of a team and doing their best even if they lose. McLeod also encouraged the girls to cheer on Canada's women when they compete on home turf in 2015, when Canada hosts the FIFA Women's World Cup.
- New electric vehicle charging stations were installed in April at Richmond City Hall and the Richmond Olympic Oval, along with community centre parking lots in Steveston, Thompson and Cambie. Owners of electric vehicles can fuel up for free at the stations, which offer two Level 2 plug-ins capable of fully charging a vehicle in four to six hours.



2013 READERSHIP AWARDS

WINNER

Best Sports Adventure Centre
Georgia Straight

WINNER

Best Sports Facility
Richmond Review

MENTION

Best Gym
Richmond Review

2. Becoming Valued by the Community and Its Employees



HIGHLIGHTS

JANUARY

Erin McLeod (National Women's Soccer Team) meets Richmond Girls Soccer U-7 Teams
Tim Horton's Free Skate

FEBRUARY

Family Day Events

APRIL

Electric vehicle charging stations added to the Oval
Easter Skate

JUNE

Olympic Day

JULY

Visitation since opening surpasses 3 million

OCTOBER

Totally 80's Skate Party

NOVEMBER

Annual Information Meeting
Karaoke Beach Skate Party

DECEMBER

Totally 80's Skate Party

- The Corporation held its Annual Information Meeting on November 27, 2013, where members of the community met with the Corporation's Board of Directors, Senior Officers and Management, regarding the Corporation's activities, achievements and future plans for the Richmond Olympic Oval.
- The Corporation celebrated its 5th Anniversary with a four-day anniversary event from December 12 to 15, featuring Original Gold Membership rates, program discounts, complimentary fitness classes, high performance workshops, education seminars and discounted service packages from our LifeMark Sport Medicine. The five-year anniversary event contributed to an all-time record month for long-term membership and personal training sales at the Oval.
- The Corporation recognizes the value of creating a corporate culture built on employee commitment, trust and teamwork. In order to position itself as the employer of choice in the sport and fitness industry, the Corporation has focused its efforts on talent acquisition, program development, training, and employee

engagement. The Corporation also strives for continuous improvement, and endeavours to be a conduit for its employees to realize their true potential and achieve excellence through collaboration and a shared passion for improving lives.

3. Supporting High Performance Sport



HIGHLIGHTS

MARCH

Olympic Medalist Christine Girard joins Oval Weightlifting program as a coach

APRIL

Oval's Short Track Speed Skating Legacy Program opens with David Morrison as Head Coach

MAY

Mo Zhang (Oval Table Tennis Centre of Excellence athlete and coach) crowned Commonwealth Games Singles Champion

JULY

Mo Zhang wins Canadian singles and doubles titles at 2013 Butterfly National Championships

SEPTEMBER

Carla Bradstock and Alex Tyzuk join the Oval's Volleyball Centre of Excellence coaching staff

DECEMBER

Oval announced as an Official Training Centre of the Women's National Table Tennis Team

- Since opening in March of 2012, 33,735 individual high performance athlete workout sessions have been completed at the Oval, 20,242 of which occurred in 2013 (a 46% increase over 2012). The Oval's High Performance Training Centre continues to service high performance athletes ages 12 through to Olympians.
- Launched in 2012, the Corporation's Integrated Support Team (IST) model served as a point of difference for the Oval while providing significant value to community, provincial and national level high performance athletes in 2013. Services, including performance testing, functional movement screens, nutritional consulting, physiological consulting, and mental performance sessions, were delivered to individual athletes and whole teams as a la carte services and integrated into team training camps.
- Officially launched at the Richmond Olympic Oval in June 2011, the Canadian Sport Institute (CSI) IGNITE™ program is designed to help provincially recognized athletes between the ages of 14 and 17 improve their athleticism, physical literacy and fitness. With the aim of developing upcoming youth athletes into national champions, the IGNITE program is instrumental in shaping the future of sport in Canada. In 2013, the Metro Vancouver IGNITE™

OVAL IN THE NEWS!

Richmond News

Wednesday, June 19, 2013



Fanning the flames of Olympic Games spirit; Thousands headed to oval to meet Canada's hero athletes

The Richmond Oval was abuzz with the Olympic spirit Monday as around 2,500 elementary school students from across the city attempted to go faster, higher, and stronger at a wide variety of sports.

Helping guide, and maybe plant a seed for the future, were a number of current and former Canadian Olympians. One of them on hand was Richmond's Arjan Bhullar who has proudly worn the maple leaf at the Olympics and Commonwealth Games.

Bhullar said he can relate to what events like this can mean to a youngster.

"This is where dreams can begin," said Bhullar who later this month is starting a wrestling program at the oval.

"I was a little child like them. Fourteen-years-old when Daniel Igali won his gold medal for Canada (Olympic wrestling, in 2000 Sydney, Australia). And I'm hoping to inspire some of these kids to be the next generation of wrestling champions to represent our country and be our nation's heroes."

Being at Olympic Day was also a source of inspiration for Bhullar. "It's inspiring for me to see these kids and all the energy they bring, how excited they are about the sport and just about the Olympic Games," he said. "It means a lot to me. It energizes me."

Bhullar added the event is an investment in not only the future of sport in Canada, but children in general. "A lot of people in this day and age are very materialistic, investing in other aspects and forget the family, when our kids are our real future."

One of those youngsters excited by the event was nine-year-old Holden Kanelopoulos who is in Grade 4 at Manoah Steves elementary. "I think it was really cool, actually," he said, adding he tried his hand at table tennis, wrestling and speed skating, which was his favourite. Asked if he sees a sports career ahead of him, he said his focus right now is to make it to Major League Baseball.

Fellow Steves student Alexander Vogel, who is in Grade 5, said his favourite sport at Olympic Day was fencing. "I prefer that because you get to use swords," he said.



program at the Oval consisted of three 14 week phases of training with athletes from a multitude of sports, including: racquetball, alpine skiing, freestyle skiing, track cycling, field hockey, soccer, rowing, softball, synchronized swimming, and taekwondo.

- A partnership program created between fitness facilities, health clubs and community centres across the province, Canadian Sport Institute's GYMWORKS™ program provides provincially and nationally carded athletes access to training environments within a close proximity to their home, school and other personal, professional, and sport related obligations. Since joining the program in 2010, the Corporation has had 338 athletes choose the Oval as their training location.
- The Richmond Oval Short Track Speed Skating program continues to grow and contribute to the development of the sport in Western Canada. David Morrison, Oval head coach and Speed Skating Canada Regional mentor, works at identifying and training high potential youth athletes and mentoring local club coaches as part of the evolution of the high performance program to an official Speed Skating Canada Short Track Regional Centre. Summer 2013 included the launch of the Oval's High Performance Speed Skating Camp. Sixteen top level skaters spent 6 days in Richmond completing on-ice technical instruction, off-ice strength and conditioning and video analysis.
- Christine Girard, Olympic bronze medalist and Head Coach of the Oval's High Performance Weightlifting Program, delivered specialty day clinics, weekend seminars and multi week training programs to competitive lifters and those looking to enter the sport. Over 50 BC based coaches completed NCCP club coach practical Weightlifting certifications delivered at the Oval in 2013.

■ Athletes from the following 27 National, Provincial and Local Sport Associations used Oval High Performance services and facilities during 2013:

- » Table Tennis Canada
- » Men's Junior and Senior Field Hockey
- » Women's Junior and Senior Field Hockey
- » Hockey Canada
- » Sailing Canada
- » Canada Beach Volleyball
- » Athletics Canada
- » Canadian Wheelchair Sports Association (Wheelchair Rugby, Wheelchair Basketball)
- » Canadian Blind Sports (Goalball)
- » Field Hockey BC
- » Judo BC
- » Karate BC
- » BC Fencing Association
- » BC Hockey
- » Volleyball BC
- » Synchro BC
- » Greater Vancouver Canadians
- » Richmond Sockeyes
- » Seafair Minor Hockey
- » Vancouver Thunderbirds
- » Richmond Girls Soccer Association
- » Vancouver Angels
- » Vancouver Warriors
- » Pacific Wave Synchro
- » Vancouver Rapids
- » Sideout Beach Volleyball
- » Connaught Skating Club

CNCL - 43 (Special)

- The Richmond Oval served as the off field training home for Field Hockey Canada's Men's and Women's Senior and Junior National programs during 2013. Both teams utilized the Oval's indoor courts training for technical sport specific training while completing their strength and conditioning in the Oval's High Performance Training Centre.
- The Table Tennis Centre of Excellence has consistently grown in the number of lessons offered with an increase in nationally recognized athletes training in the centre. Beginning in 2012, through a collaborative effort, the Oval began providing support to Table Tennis Canada in the advancement of high performance athlete development training and standards. Currently, the Oval is training 4-5 athletes each month who have been recognized as top performers in their respective age categories in Canada. In August 2013, Table Tennis Canada hosted their elite Cadet Training Camp, which brought over 20 up and coming athletes and coaches from across Canada and the USA to the Oval.



#OVALTRAINED Table Tennis Athletes

MO ZHANG

- Women's Singles Champion at the Commonwealth Table Tennis Championships
- Women's Single, Women's Doubles, and Women's Team Champion at the Canadian Championships
- Competed at the 2008 and 2012 Olympic Summer Games

LAURA LAI

- Under 11 Champion for Girls Single Competition, Under 13 Girls Single and Under 11 Girls Doubles Champion in Canadian Western Hopes Championships

ANDY CHEN

- Under 11 Doubles Champion and second place finisher for the Under 11 Singles Canadian Western Hopes Championships.

CINDY WANG, JANE YAN & DONGRI LIU

- Finished first, second and third respectively in the BC and Vancouver Opens

- The Corporation is proud to be working with Baseball BC and delivering the Rally Cap Program. Baseball Canada launched this initiative nation-wide in 2006. It introduces better tools for players and coaches in order to enhance their first experience with the game of baseball. The Corporation's batting cages and large indoor space make it an ideal learning and training environment for baseball players of all ages.
- 2013 saw continued growth and success in the delivery of the Rally Cap program with an additional 300-plus baseball athletes utilizing the services and facilities of the Oval for skill development, player assessment and high performance training.

- Since opening in September 2010, the Volleyball Canada Centre of Excellence (VCCE) has shown continued solid performance, with over 1,000 registrations in development programs and 500 in its high performance streams.
- The Corporation entered into a 3-year Athlete Development Partnership Agreement with Volleyball Canada to develop the Richmond Olympic Oval as a National, Regional, and/or Provincial Training Centre for:
 - » athlete development and education,
 - » to collaborate on the development and implementation of a continuum of integrated sport services, programming and events; and
 - » to foster High Performance Volleyball in Richmond, Metro Vancouver, and British Columbia.
- Of the high performance athletes training at the Volleyball Centre of Excellence since 2010, 30 have been named to Team BC's 16U, 17U and 18U provincial programs, in addition to two being named to the Junior National team; 20 have progressed to play post-secondary volleyball.
- In July 2013, the corporation welcomed over 75 of the lower mainland's best female and male U14 volleyball Athletes as they trained for the Volleyball BC U14 Baden Cup.
- In Partnership with the Richmond Virtual School (RVS) District, 17 of the Oval's Volleyball Canada Center of Excellence athletes are receiving PE credits for their training done at the Richmond Olympic Oval.
- RVS is a 'Distributed Learning' secondary school that opened in 2007. RVS uses a hybrid model of online and face-to-face interaction to deliver high quality and dynamic learning opportunities. This learning model is of great benefit to high performance athletes as it helps balance the demands of sport, life and academics by enabling students to obtain their Physical Education credit through a sport specific training program. High Performance PE 10-12 online incorporates the required ministry elements of PE through a variety of sports and disciplines offered at the Richmond Oval. Students acquire their physical activity hours by documenting their training program at the Richmond Oval and through competitions in their sporting discipline. Students who partake in this program are highly motivated and are part of the Oval's High Performance Pathway.

4. Becoming the Desired Location for Community Sport, Health and Fitness

HIGHLIGHTS

- FEBRUARY**
Membership Challenge
- APRIL**
Launch of TRX® Suspension Training Programs
Fitness Centre Improvements
Opening of Personal Training Studio
- MAY**
Membership Challenge
- AUGUST**
Record Number of Summer Program registrations
- SEPTEMBER**
New Pilates TRX® program
Launch of Fundamental Movements School programs starting at age 18 months
- OCTOBER**
Membership Challenge
- DECEMBER**
Record Month for Membership Sales

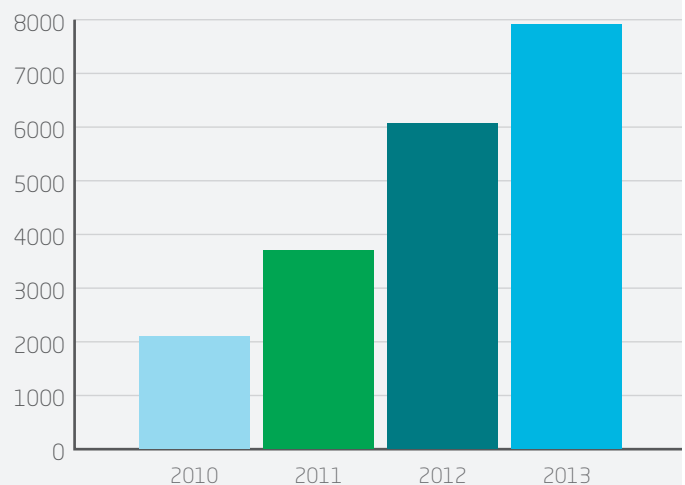
- The Richmond Olympic Oval experienced over 700,000 visits in 2013, a 14% increase over 2012. Total combined visitation since opening day on December 12, 2008 is now over 3.5 million visitors.

- Membership usage of the facility also increased by over 10% over 2012, averaging 28,462 member visits per month throughout 2013.
- Member appreciation events were held in January, April and December with over 1,000 members attending several complimentary program demos.
- Additionally, the Oval held three membership usage challenges in February, May and October, each designed to improve retention and use of the Oval facility. Over 2,000 members took part in the challenges, increasing their usage of the facility by 30%.
- The Oval also observed the most successful Student Summer Special pass sales to date, more than doubling the results from the previous year. The Student Summer Special pass was a 3 month membership designed for ages 25 and under.
- April 2013 saw the launch of new TRX Suspension Training programs. All free demo classes were at capacity, and all 6 TRX programs ran successfully. The spring of 2013 also saw a number of facility improvements to the Oval's fitness spaces, including the opening of the larger and more private Personal Training Studio and the installation of soundproof performance flooring in the Fitness Centre.
- September saw the launch of a new Pilates TRX program and an increase to 43 group fitness classes per week with all peak time classes at full capacity.
- August 30th saw the close of our most successful summer programming season ever, with total summer program registrations up 23% over the same period last year.

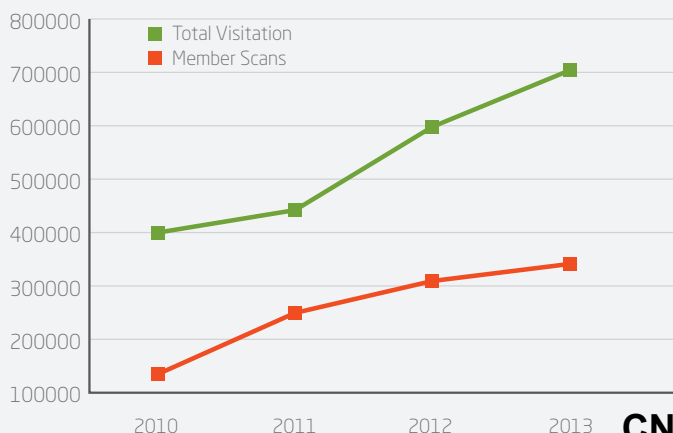
Total sport camp registration across spring, summer and winter also achieved record registration with 1,265 campers.

- One of the newly launched programs in September included the Fundamental Movement School, which now serves as Community

DATA | TOTAL PROGRAM REGISTRATIONS 2010-2013



DATA | TOTAL VISITATION & MEMBERSHIP SCANS 2011-2013





Sport's marquee program for physical literacy development. The program also includes a new age range for Oval programming: an 18 to 36 months, parent and tot participation program.

- The Oval is currently host to 4 sport leagues, including a Planet Ice Hockey League, Urban Rec, the Vancouver Futsal Association and Metro basketball.
- Facility usage agreements have been set up with 4 local sports organizations totaling 7,842 hours of use, a 92% increased over 2012:
 - » **DRIVE Basketball:** Youth Basketball Enrichment Programs
 - » **Richmond Arenas Community Association:** Ice Time: Minor Sport Orgs (Hockey, Figure, Ringette, Short Track)
 - » **Panther Cheer:** Cheer and Tumbling Programs
 - » **Richmond Soccer Association:** Enrichment & integrated sport services for youth soccer players
- The Oval hosted 56 Sport User Groups in 2013 (up from 42 in 2012):
 - » Richmond Ravens
 - » Richmond Minor Hockey
 - » Seafair Minor Hockey
 - » Connaught
 - » Richmond Ringette
 - » Richmond Rockets
 - » DRIVE
 - » Air Attack
 - » Richmond Soccer
 - » Steveston Hockey
 - » Richmond Ultimate Hockey
 - » Seafair Breakers
 - » Richmond Soccer Association
 - » Richmond School District
 - » BC Bears
 - » Panther Cheer
 - » YVR
 - » Hapkido Martial Arts
 - » The Dugout Club
 - » Urban Rec
 - » Vancouver Metro Basketball
 - » Vancouver Hawks Field Hockey

- » VFA
- » Wheelchair Basketball
- » Wheelchair Rugby
- » Wheelchair Athletics
- » Vancouver Warriors
- » Vancouver Ice Men
- » Hockey Jams
- » Field Hockey Canada
- » GV Canadians
- » Vancouver Thunderbirds
- » Vancouver Minor Hockey
- » ASHL
- » Planet Ice
- » Vancouver School District
- » ISEA Private Schools
- » Basketball BC
- » Top Ten Martial Arts
- » Volleyball BC
- » Vancouver Angels
- » UBC Rowing
- » Kerrisdale Baseball
- » Vancouver City Baseball
- » New West Little League
- » Sport Ability
- » Aura Gymnastics
- » Field Hockey BC
- » Dynamo Fencing
- » Delta Ice Hawks
- » Cycling Canada
- » Langara Basketball
- » Vancouver College
- » BC Hockey
- » Telus
- » Corporate Champions

■ Total visitation from all sport user groups and leagues total 155,268 in 2013 or 22% of total visitation.



5. Operating in a Financially Sustainable Manner



HIGHLIGHTS

REVENUE

\$6.6 million revenue from memberships, admissions programs (2012—\$5.9 million)

CAPITAL RESERVES

\$3.6 million transferred to capital reserves / provisions.

SURPLUS

Annual Surplus of \$3.7 million before transfers to capital reserves / provisions.

Financially Sustainable

The Corporation realized an annual surplus of \$3.7 million before transfers to capital reserves / provisions, for the year ended December 31, 2013, which included a one-time contribution of \$0.4 million for the Mezzanine Infill project. Excluding this one-time contribution, the annual surplus for 2013 was \$3.3 million compared to \$3.1 million in 2012 before transfers to capital reserves and provisions. \$3.6 million was transferred to capital reserves / provisions which primarily include \$3.2 million to the capital reserves, \$0.3 million transferred to the corporate provision and \$0.1 million transferred to the enterprise reserve fund.

The Corporation's main sources of revenues in 2013 were 'memberships, admissions and programs', City of Richmond contributions, 2010 Games Operating Trust funding, followed by other revenue (mainly consisting of parking, leasing and Community Legacy Partner sponsorship revenue).

The Corporation would like to thank the City of Richmond, the Games Operating Trust and our Community Legacy Program Partners—Scotiabank, TELUS, and ASPAC Developments—for their continued support. Our partners have been critical in helping the Oval bring positive sport, health and wellness changes to as many people as possible.

Appendix

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 “0827805 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 2013, the Company has 8 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	Corporate Secretary and Vice President, Strategic Planning and Legal Services, Vancouver International Airport Authority	June 2008	May 2013	2 years
Dennis Skulsky, British Columbia, Canada	President & Chief Executive Officer, BC Lions Football Club	February 2011	May 2013	2 years
Moray Keith, British Columbia, Canada	President, Dueck Auto Group	June 2008	May 2013	2 years
George Duncan, British Columbia, Canada	Chief Administrative Officer, City of Richmond	June 2008	May 2013	2 years
Linda Sanderson, British Columbia, Canada	Executive Director, Human Resources, Vancouver Community College	June 2008	May 2013	1 year
Victor Farmer, British Columbia, Canada	Senior Vice President, Progressive Construction Ltd.	June 2008	May 2013	1 year
Umendra Mital, British Columbia, Canada	Vice President and General Manager, Ebco Industries Ltd. and Advanced Cyclotron Systems Inc.	June 2008	June 2012	2 years
Wayne Duzita, British Columbia, Canada	Associate Vice President, Western Region, AeroTerm	August 2011	June 2012	2 years

Executive Officers

As of December 2013, 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.

Name & Province of Residence	Position	Principal Occupation
Mayor Malcolm Brodie, British Columbia, Canada	Council Liaison	Mayor, City of Richmond

Committees

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

Business Planning Committee	Audit & Finance Committee
Moray Keith (Chair)	Victor Farmer (Chair)
George Duncan	George Duncan
E. Michael O'Brien (ex officio)	Umendra Mital
Dennis Skulsky	E. Michael O'Brien (ex officio)
Wayne Duzita	Linda Sanderson

Appendix B | Events



Tim Horton's Free Skate January 1, 2013

Close to 800 patrons enjoyed the first Tim Horton's Family Skate to kick off the New Year at the Richmond Oval. Skaters enjoyed free admission to the ice and were served complimentary hot drinks and timbits.

Futsal Fiesta January 5 - 6, 2013

Close to 200 boys and girls participated in the fourth annual Richmond Futsal Fiesta at the Richmond Olympic Oval on January 5th and 6th. Athletes aged four to eighteen learned the fast-paced and fun sport of Futsal. The festival featured 250 games and clinics led by BC Soccer Futsal-certified coaches.



BCSRA Tradeshow January 19 - 20 and July 24 - 26, 2013

The BC Sports Rep Association (BCSRA) meets bi-annually to showcase the latest seasonal sporting goods, clothing, and accessories to perspective retailers. The tradeshow hosts hundreds of retailers and exhibitors over the three day event.



Harry Jerome Indoor Classic February 2, 2013

The Oval hosted the 3rd annual Harry Jerome Indoor Classic for track athletes 12 years and up, showcasing some of the province's top junior performers. The meet almost tripled in size from the previous year with more than 300 athletes participating in over 60 events. In addition to high school athletes, UBC, SFU and TWU entered several athletes into the open events.



Judo Vancouver International February 2, 2013

Judoka from all over British Columbia competed in the annual Vancouver International Open Judo Tournament at the Richmond Olympic Oval for Junior Boys and Girls, Juvenile Men & Women, Cadet Men and Women, Junior Men and Women, Senior Men and Women. Close to 150 participants competed, and over 300 spectators took in the event.

Richmond Celebrates Hockey Day in Canada February 9, 2013

Kicking off the new BC Family Day long weekend, the Richmond Olympic Oval Celebrated Hockey Day in Canada. The event was a family-focused, day-long celebration of Canada's greatest passion. Some highlights of the event included a special appearance by Hockey Hall of Famer Guy Lafleur and an on-ice showdown with the Vancouver Canucks Alumni team vs. the Richmond Sockeyes Alumni. The Canucks Alumni team featured many of the most popular Vancouver Canucks of the past 40

years, including members of 1994 and 1982 Stanley Cup finalists. Other highlights included an appearance by Canucks mascot Fin, an interactive fun zone where fans tested their shooting skills and performances from Canadian rock band the Odds.



BCPA Winter Open February 10, 2013

This was first time the Oval hosted the BC Powerlifting Association Winter Open. The event was a great success with 100 athletes and 300 spectators. Medals were awarded for the top 3 placements in each weight class and Best Lifter awards for Open, Masters, Junior and Bench Press categories.



Judo Pacific International February 15 - 17, 2013

It was a great weekend of Judo at the Richmond Olympic Oval for the 28th Annual Pacific International Invitational. Eight athletes from host club Steveston Judo, including Lisa Nakajima who trains at the Oval, competed against athletes from all over Canada, the US, Japan and France.



Millennium Cup Gymnastics February 22 - 24, 2013

The 14th Annual Millennium Cup was hosted at the Oval in a three day competition that saw athletes from across Canada, the United States, China, and Wales. The event was a great success with over 200 international individual and group competitors and 300 spectators daily.



Panther Cheer Mardi Parti March 2, 2013

The 1st annual Mardi Parti Cheer and Dance Extravaganza was a huge success. This was the first themed competition in the region. There were over 700 participants and 1,500 spectators. The event featured competition in All Star, Special needs, High School and Dance divisions. Prizes were also awarded for best dressed fan, athlete, judge and coach.

Rhythmic Gymnastics Elite Canada Championship March 7 - 10, 2013

The Elite Canada Championships were held at the Olympic Oval March 7-10. This was the first time in four years that the competition has been hosted in Western Canada. The winners of the event had the opportunity to be awarded on the Oval's authentic 2010 Olympic Games podium. Over 120 individuals and group athletes from five provinces competed in the event, including six BC athletes that finished top ten in competition rankings.



ANNUAL **Wheelchair Rugby Vancouver Invitational**
March 15 - 17, 2013

The 14th Vancouver International Wheelchair Rugby Tournament drew large crowds and fans in support of the Canadian National team players and silver-medalists of the 2012 London Paralympics. The Canadian roster included Vancouver's Trevor Hirshfield, who was recently named athlete of the year with a disability by Sport BC, and Ian Chan of Richmond. Both athletes train regularly at the Oval and are trained by our High Performance coaches. Squads from across Canada and teams from Seattle and Portland, which included members of the U.S. National team, competed in fast-paced, high intensity, 'bash-and crash' matches.

Powerlifting Nationals
March 19-23, 2013

It was a great day of competition for North Vancouver's Martha Woodruff as she went on to win the women's powerlifting national championships in the 84kg division. Martha was one of over 100 athletes from across Canada ages 16 to 65 that competed over the five-day event. The event ran two platforms for simultaneous competitions, which were also open for BC Special Olympic and Paralympic athletes competing in their respective divisions.

ANNUAL **World Fencing Grand Prix Event**
March 22 - 24, 2013

The Richmond Olympic Oval attracted 85 of the world's most talented fencing athletes this past March. In collaboration with Dynamo Fencing, the Oval team was able to land this event, which is one of only three Grand Prix's held each season. This event has been a fixture for years in Stockholm. Athletes competed at a very high level as the event affords athletes ranking points to qualify for the world championships in Hungary.

ANNUAL **SOS Children's Village 10K Run**
May 26, 2013

The North Plaza of the Oval was the site of the 5th Annual SOS Children's Village Run. The charity fundraises to support programs for foster children and youth in need. Close to 2,000 runners and participants enjoyed experiencing a number of exhibitors and entertainment throughout the day.

ANNUAL **Province Gran Forza Pentathlon**
April 5, 2013

The third annual Province Gran Forza High School Team Pentathlon Competition was held at the Oval on April 5, 2013. Each team consisted of five athletes in either the Open (Grades 10-12) or Juvenile (Grades 8-9) division for both girls and boys. Teams competed for TELUS bursary awards in the amounts of \$500, \$1250 and \$7500 in sprint, relay, standing long jump and shot put events. This event hosted a record number of 64 teams from 20 high schools from the Okanagan, Vancouver Island, Fraser Valley and Metro Vancouver. Several meet records fell in the indoor event including the 50m sprint in both the senior girls and boys divisions, senior girls and boys shot put, juvenile boys long jump, and senior boys 800m. Summerland, Vancouver College, and the Lord Tweedsmuir Panthers all set team point records in their respective divisions.

ANNUAL **BC Cancer Foundation Bust a Move**
April 13, 2013

Over 300 people participated in BC Cancer Foundation's annual fundraiser at the Richmond Oval. The day-long fitness extravaganza was headlined by former CFL player and fitness trainer, Tommy Europe. Tommy led a packed house to fun and high-intense Zumba dance classes. The event raised close to \$500,000 for cancer research.



ANNUAL City of Richmond UROC Awards
May 2, 2013

Every year during BC Youth Week the City of Richmond Hosts the U-ROC (Richmond Outstanding Community) Youth Awards to celebrate the achievement and dedication of outstanding Richmond youth. Youth nominated have displayed qualities of mentorship, leadership, and teamwork in their community and school networks.

ANNUAL CAN AM Wushu Championships
May 3 - 4, 2013

The Oval hosted over 600 athletes from across North America over the two-day annual martial art competition. The Can-Am Wushu Championships has several categories for competition, including Chinese traditional Kungfu, Wushu, Tai Chi, Karate and Taekwondo. The event kicked off with a spectacular display of traditional dragon and lion dance performances by athletes young and old during the opening ceremonies.

Chinese Canadian Table Tennis Federation (CCTF) International City Challenge Cup
May 11, 2013

On Saturday, May 11, University Canada West was the title sponsor for the 2013 Metro Vancouver Invitational and Open Table Tennis Tournament, hosted by the Canadian Chinese Table Tennis Federation (CCTTF). Players from B.C. and Alberta gathered at the Richmond Olympic Oval in friendly competition for cash prizes and the coveted University Canada West Friendship Cup. The games were overseen by Chief Umpire Tony Shaw, a man widely regarded as one of the top table tennis umpires in the world. Special guests in attendance included Richmond Mayor Malcolm Brodie and other local dignitaries.

ANNUAL Karate BC Provincials
May 24 - 26, 2013

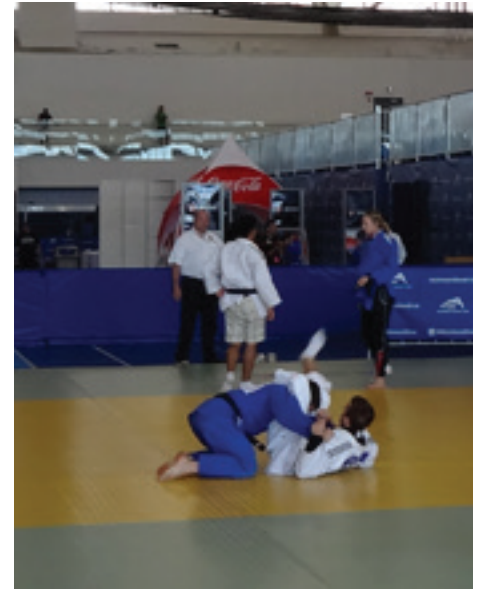
Karate BC held their Provincial championship at the Oval May 24-26, 2013. Twenty-two BC communities represented Team BC in the province's largest ever contingent. 300 of Canada's best athletes were represented at the event, including five Richmond athletes - brother and sister, Toshi and Sumi Uchiage, both National champions, and another sibling pair, David and Sherea Lu, both winning gold in their Kata divisions.

ANNUAL Corporate Champions Vancouver
June 1 - 2, 2013

Business organizations across Metro Vancouver gathered at the Oval to encourage team building and health and wellness in the workplace. Over 2,000 participants from 50 companies got out of the office and competed in a weekend of multi-sport action.

ANNUAL CrossFit Games Regionals Canada West
June 7 - 9, 2013

The CrossFit Games, which combines weightlifting, sprinting, and gymnastics, will showcase some of Western Canada's most intense athletes and fans alike. Over the course of the three day competition, athletes performed intense workouts to test their physical and mental abilities. With the tremendous growth of CrossFit around the world, the Oval hosted some of the toughest competitors, and at the end of competition three men, three women, and three teams received invitations to the 2013 Reebok CrossFit Games in California. The Centaurs from the CrossFit Fraser Valley affiliate were standouts in the whole competition, finishing top four in every event. The team finished number one, 10 points ahead of second place team, Taranis, from Victoria.



ANNUAL Orb Warehouse Sale
June 7 - 9, 2013

Over 1,000 shoppers daily enjoyed the Orb Clothing warehouse sale for its 2013 summer line. Men's and Women's outerwear, street-wear and accessories were available at a discount of up to 80% off.

Chevrolet Safe & Fun Hockey
June 15, 2013

The Safe & Fun Hockey Program seeks to inform parents, coaches and players of the values of positive attitude towards healthy competition, cooperative teamwork, fair play and grace under pressure. Special guest and hockey legend Bobby Orr was the program's spokesperson for a number of local hockey youth and their coaches during a fun day of scrimmages and drills.

ANNUAL Relay for Life
June 15-16, 2013

The Canadian Cancer Society Relay for Life is an event that brings together family and friends to celebrate cancer survivors, remember loved ones lost to cancer and to fight back against cancer in hopes to find a cure for the disease. The Relay hosted their 12-hour event at the Oval, and close to 50 teams raised funds for cancer care and research.

ANNUAL Olympic Day
June 17, 2013

Olympic Day was a highlight for over 2,500 Richmond school children participating in a variety of sports at the Oval. Some activities were led by Canadian Olympians, including weightlifting silver-medalist Christine Girard, and Richmond's Arjan Bhuller, who competed at his first Olympic appearance at the London 2010 Games in wrestling.

ANNUAL BC Fencing Association Provincials
June 21-23, 2013

The BCFA welcomed athletes from the Canadian Fencing Federation and US Fencing Association to the Oval over a three day team event. This event is one of the major training events for athletes to prepare for national and international competitions.

Sportsfest West
June 28 - 30, 2013

Athletes of all ages, male and female, competed in basketball, badminton, table tennis, indoor soccer, ball hockey and volleyball events. Sportsfest West is an annual tradition for Ismaili Muslim athletes and hosts participants from across Western Canada. This year saw 700 participants and 500 spectators daily.

ANNUAL Judo Canada National Championship
July 4 - 10, 2013

The Oval hosted the National Championship for Judo over a four day competition, which included 11 athletes from the Steveston Judo Club. Among the athletes was Lisa Nakajima, who has reached the podium at both national and international competitions and was named Judo BC Female Athlete of the Year in 2010. Lisa has been training at the Oval since 2010. Other #OvalTrained athletes at the event included Meghan and Tavis Jamieson, Georgia Larden and Shunpei Yamawaki.

YONEX Canada Open Badminton Tournament
July 13-20, 2013

The fourth annual Yonex Canada Open attracted some of the world's top badminton talents to the Oval over the week long competition. Players from over 20 countries competed at the Oval for \$50,000 in prize money at Canada's highest ranked badminton tournament. The tournament positioned the athletes for qualification rounds at the 2016 Summer Olympic Games in Rio de Janeiro.



ANNUAL **Juvenile Diabetes Research Foundation
2nd Annual Dodgeball Open
July 27-28, 2013**

In partnership with the Juvenile Diabetes Research Foundation (JDRF) and the BC Professional Firefighters Association, the International Dodgeball association hosted its second annual Dodgeball Open. The tournament brought together a variety of athletes from all over the world to raise funds to cure Juvenile Diabetes.

ANNUAL **World Cup Field Painting Competition
Aug 12 and 15, 2013**

150 youth artists 25 years and under competed in the second annual live field painting competition at the Richmond Oval. Prizes were awarded for all age divisions including Best Colour, Composition, Technique and Creativity categories.

ANNUAL **Richmond Olympic Oval Kajaks 10km Race
August 18, 2013**

The Kajak 10k marked the tenth event of the Lower Mainland Road Race Series. The course ran along the scenic Fraser River, starting and finishing at the Oval's North Plaza. Drew Nicholson of Surrey won the race in just over 34 minutes in the male category, and Melissa Ross of Errington topped the female category finishing the race in 37 minutes.

ANNUAL **Noah Yelizarov Memorial Hockey Tournament
August 18, 2013**

The 9th Annual Noah Yelizarov Memorial 3-on-3 Hockey Tournament brought in 120 players and 500+ spectators of family and friends from across the Lower Mainland. The tournament raised over \$30,000 for local charities including Canuck Place and the BC Children's Hospital. The tournament was organized in memory of Noah who died in an accident while traveling overseas.

**Nothing but Net: 3 on 3 Basketball Tournament
August 31, 2013**

Play4Life, a BC youth sports organization dedicated to making a positive impact on young people in Canada and abroad, hosted a basketball tournament at the Oval to raise funds for local community basketball programs and organizations that focus on stopping child trafficking in Asia. The event featured competitive 3-on-3 basketball games made up of teams ranging from 10 years old and up.

ANNUAL **Rehab Equipment Expo
September 9, 2013**

The Rehab Equipment Expo is an opportunity for clinic professionals and clients to test the latest products and technologies in community health accessibility and education. The event drew over five hundred participants and over seventy exhibitors.

**Canadian Olympic Committee Reception
September 27, 2013**

The Richmond Olympic Oval hosted members of the COC and Canadian Sport Institute in an evening to celebrate Metro Vancouver's impact on sport: past, present, and future. The evening included appearances from notable athletes and dignitaries including COC president, Marcel Aubut, and Richmond native, Darcy Marquardt, the three time Olympian who steered Canada's women's eight to silver at the London Games.

**Trinity Western University Basketball Game
October 11, 2013**

TWU Spartans put up a tremendous rally in the final quarter of their game against the Seattle Mountaineers on October 11, 2013 at the Richmond Olympic Oval. They erased a 22-point deficit from the third quarter to only fall short by one basket in a 90-88 loss to the Mountaineers. The game was a send off to the Men's Basketball team as they headed to China on a goodwill trip that would see them compete against four teams from China. The game also marked the new opening of the TWU Richmond Campus which holds its classes at the Oval.



ANNUAL Professional Golfers' Association Trade Show
October 16 - 17, 2013

The Richmond Oval was the new location for the PGA of BC trade show after an absence of the show in 2012. The PGA of BC Board of Directors were pleased to host the show's return at the spectacular Oval. Over 80 exhibitors showcased their latest products and technologies for the upcoming season.

ANNUAL Western Marine Trade Show
October 18 - 20, 2013

Over 700 staff representing more than 300 dealerships across Canada attended the 14th annual Western Marine and Transat Marine Trade Show. This was an opportunity for retail professionals to see and test some of the latest gear in the industry.

ANNUAL Richmond Raven's Elite Girls Hockey Tournament
November 1 - 3, 2013

The Oval hosted a very successful elite female hockey tournament over the first weekend of November. The event attracted the top rep teams at the Pee wee, Bantam, and Midget levels from across Western Canada. Each of the teams brought a high level of skill and intensity over the three days of close competition. The North Shore Avalanche, Surrey Falcons, and Richmond Ravens all earned division championships at the conclusion of the event. Organizers are looking into expanding the tournament to add an Atom division and include eight teams per division.

Western Canadian Short Track Speed Skating Single Distance Championship
November 16, 2013

Over 80 speed skaters from Western Canada and the U.S. participated in five individual races over three distances - 500m, 1,000m and 1,500m. The event marked the first of many high performance short track competitions for the B.C. Speed Skating Association and the Richmond Olympic Oval Short Track Legacy Program. The annual event supports the development of speed skaters in B.C. and the City of Richmond.

is also an opportunity to train officials for future national and international competitions. The four athletes from Richmond that skated in the two-day competition were Peter Li, Justin Russell, and Yoshika Soga. Justin finished with top 10 times in 4 of 5 of his events, and Yoshika produced the fastest time in the female 500m distance in the final day of competition.

ANNUAL De Danaan Christmas Feis
Nov 30 - Dec 1, 2013

This annual Christmas event is a celebration of Gaelic culture through song, dance, music and theatre. 500 participants and 800 spectators enjoyed Irish dance competitions all weekend at the Oval. Prizes were awarded for Beginner, Novice and Advanced jig categories for dancers five to eighteen years of age. Participants also enjoyed Irish singing from local artists.

ANNUAL Panther Cheer Athletics Pink Championships
December 7, 2013

Panther Cheer Athletics 14th Annual Pink Championships took place the first weekend in December. The event showcased athletes from six to sixteen years of age who competed in cheerleading and dance. Stephanie Kennedy, co-founder of Panther Cheer and Richmond native, was recently named coach of the year at the Leading Edge Cheerleading Conference for instructors of BC and the US Pacific Northwest.

Events Secured in 2013 (2014 & beyond)

Event	DATE
2014 Football Combine	February 2014
2014 Speed Skating Canada ST National Championship	March 2014
2014 Pacific Rim Gymnastics Championships	April 2014
2014 International Wheelchair Rugby Canada Cup	June 2014
2014 TAFISA World Martial Arts Games	September 2014
2014 Pan Am Taekwondo Championship	November 2014
2014-2016 Fencing World Gran Prix	March 2014-16
2014 Fencing Provincial Championship	June 2014-16
2015 Western Canadian Fencing Championship	March 2015
2016-2017 Taekwondo Canada National Championship	May 2016/17



APPENDIX C | Awards

Awarding Body	Award
International Olympic Committee, International Association for Sports and Leisure Facilities	IOC/IAKS Gold Medal
International Paralympic Committee, International Association for Sports and Leisure Facilities	IPC/IAKS Distinction Award
Canadian Interiors, Best in Canada Design Awards	Best of Canada Design Award
CEBC Awards for Engineering Excellence	Merit Award
Royal Architectural Institute of Canada	Award of Excellence for Innovation in Architecture
Vancouver Organizing Committee	Sustainability Star Award
Wood WORKS!	Institutional Wood Design
Institution of Structural Engineers	Sports of Leisure Structures Award
The ASHRAE Technology Awards	Region XI Winner: New Public Assembly Building
Canadian Consulting Engineer Awards	Technical Merit Award
National Council of Structural Engineers Association	Finalist Award of Exceptional Merit in Buildings over \$100 million
The Globe Foundation and the World Green Building Council	Excellence for Green Building Award
VRCA Awards of Excellence	Chairman's Trade Award Gold
VRCA Awards of Excellence	Chairman's Trade Award Silver
VRCA Awards of Excellence	President's Trade Award Silver
VRCA Awards of Excellence	Manufacturer & Supplier Silver
VRCA Awards of Excellence	Electrical Contractors Over \$ Million - Gold
VRCA Awards of Excellence	General Contractor of the Year Award
VRCA Awards of Excellence	Trade Contractor of the Year Award
CISC/ICCA Steel Awards (British Columbia Chapter)	Outstanding Steel Structure: Engineering Division Award of Excellence
Canadian Wood Council	North American Wood Design Award
Inform Awards	Honor Award, interior design
Concrete Reinforcing Steel Institute	Award winner, Cultural & Entertainment Facilities
Society of American Registered Architects (SARA), New York Council	Citation
VANOC Sustainability Star Award	The 2009 Sustainability Star
2010 BUILDINGS Project Innovations Awards	Grand Prize Winner (New Construction Category)
2010 SARA Professional Design Awards Program	2010 Design Awards Competition (Philadelphia)
2010 International Property Award (Bloomberg, Inc.)	Public Services Development
2010 Athletic Business	Facility of Merit
2010 European Centre for Architecture Art Design and Urban Studies and The Chicago Athenaeum: Museum of Architecture	Green GOOD Design Awards
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 | 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, 2013 relative to the year ended December 31, 2012.

This management's discussion and analysis should be read in conjunction with the Corporation's audited financial statements for the year ended December 31, 2013 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"). On August 10, 2010 the Corporation changed its name from 0827805 BC Ltd to Richmond Olympic Oval Corporation. 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, 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.

Overview of Performance

Revenue

2013 revenue from memberships, admissions and programs totalled \$6,568,000 (2012 - \$5,908,000). In 2013 revenue from these sources of \$1,008,000 was deferred to fiscal 2014 (2012 - \$946,000 was deferred to 2013).

The City applies for and receives funding from the 2010 Games Operating Trust ("GOT") as explained in note 5 to the financial statements. The City received \$2,823,000 during the year which was recognized as revenue earned in the year (2012 - \$2,785,000).

The Corporation received a contribution of \$3,575,000 from the City in 2013 (2012 - \$3,074,000). \$430,000 of this contribution was for the Mezzanine Infill project.

Other revenue of \$1,235,000 was recognized in 2013 (2012 - \$1,156,000) and mainly consisted of parking, leasing and sponsorship revenue. In addition included in other revenue is \$355,000 (2012 - \$426,000) pertaining to Sport Hosting revenue. Effective July 1, 2011, the Sport Hosting department from the City of Richmond was transferred over to the Corporation. The function is fully funded by the hotel tax. The funding is recognized as deferred revenue until it is spent at which time the revenue and expense are both recognized.

Expenses

During 2013, expenses were incurred for the following:

- Salaries and benefits of \$6,713,000 (2012 - \$6,262,000). There were 60 full-time and 168 part-time employees on the payroll as of December 31, 2013; (2012 - 62 full-time and 145 part-time employees);
- Other operating expenses incurred in 2013 totalled \$3,796,000 (2012 - \$3,594,000) 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; and
 - » Costs associated with running the Oval high performance and fitness 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 sport fitness programs and rentals of facilities;
 - » Sport Hosting department related expenditures; and
 - » Professional fees mainly related to leases for prospective tenants, other legal agreements and audit fees;

The annual surplus for the year was \$3,692,000, which included a one-time contribution of \$430,000 for the Mezzanine Infill project. Excluding this one-time contribution, the annual surplus for 2013 was \$3,262,000, compared to a surplus of \$3,067,000 in 2012 before transfers to Capital Reserves and Provisions. The total accumulated surplus as of December 31, 2013 is \$9,038,000 (2012 - \$5,345,000).

Summary of Financial Position

The following table presents summary information on the Corporation's financial position at December 31, 2013.

	\$000s	
	2013	2012
Financial Assets	\$10,863	\$7,382
Financial Liabilities	5,058	3,284
Net Financial Assets	\$5,805	\$4,098
Non-Financial Assets	\$3,233	\$1,247
Accumulated Surplus	\$9,038	\$5,345

Financial Assets

The Corporation has a cash balance of \$1,963,000 at year end (2012 - \$2,054,000). The accounts receivable aggregating \$223,000 (2012 - \$390,000) resulted primarily from sponsorship fees, leases, sales of memberships, admissions, programs, rentals and special events. The Investment balance of \$8,676,000 (2012 - \$4,805,000) represents the Corporation's investments invested in term deposits.

Financial Liabilities

Accounts payable and accrued liabilities of \$1,692,000 (2012 - \$952,000) include payroll accruals and trade payables for heat, light, power, legal and audit fees. Deferred revenue of \$2,824,000 (2012 - \$2,317,000) 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 2013 for membership and programs to be delivered in 2014. The amount due to the City of \$532,000 (2012 - due from the City of \$133,000) primarily pertains to costs paid for by the City for the Mezzanine Infill project, which will be repaid by the Corporation. A rental deposit of \$9,000 (2012 - \$6,000) is held as of the end of the year.

Non-Financial Assets

As at December 31, 2013, the Corporation had \$4,674,000 (2012 - \$2,395,000) of capital assets primarily pertaining to athletic equipment, building improvements, computer software and equipment, facility equipment, staff uniforms, and work-in-progress related to the Richmond Olympic Experience and the Mezzanine Infill project. Amortization for the year was \$310,000 (2012 - \$286,000). Accumulated amortization of the capital assets amounted to \$2,011,000 (2012 - \$1,701,000) at year end.

Deferred lease costs of \$142,000 (2012 - \$121,000) are direct costs incurred in connection with leases and are deferred and amortized over the terms of the lease.

Prepaid expenses of \$426,000 (2012 - \$429,000) consist of unamortized portions of the premiums on the Corporation's insurance policies

together with prepaid information technology licences, equipment maintenance, and sponsorship commissions.

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 \$4,732,000 (2012 - \$4,100,000), other reserves/provisions is \$577,000 (2012 - \$212,000), accumulated operating surplus is \$1,065,000 (2012 - \$347,000), and the invested in tangible capital assets balance is \$2,664,000 (2012 - \$686,000) for a total accumulated surplus balance of \$9,038,000 (2012 - \$5,345,000).

Liquidity and Capital Resources

Operating

Cash provided by operations in the year amounted to \$6,065,000 (2012 - \$3,694,000).

Capital Activities

The Corporation purchased capital assets consisting primarily of the sport and fitness, information technology, facility equipment and work-in-progress for the Richmond Olympic Experience and the Mezzanine Infill project totalling \$2,279,000 (2012 - \$319,000).

Investing

The Corporation has invested an additional \$3,871,000 (2012 - \$2,555,000) in term deposits in 2013 for a total of \$8,676,000 of investments as of December 31, 2013 (2012 - \$4,805,000).

Financing

Principal payments on the capital lease obligations amounted to \$8,000 (2012 - \$197,000).

Related Party Transactions

The Corporation is a municipal corporation wholly-owned by the City which is its only related party. Note 13 to the financial statements discloses related party transactions.

Appendix E | Audited Financial Statements

Financial Statements of

RICHMOND OLYMPIC OVAL CORPORATION

Year ended December 31, 2013



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying financial statements of Richmond Olympic Oval Corporation, which comprise the statement of financial position as at December 31, 2013, the statements of operations, changes in net financial assets (debt) 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 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 financial statements based on our audits. We conducted our audits 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 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2013 and its results of operations, its changes in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants
April 23, 2014
Burnaby, Canada

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.

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RICHMOND OLYMPIC OVAL CORPORATION

Statement of Financial Position

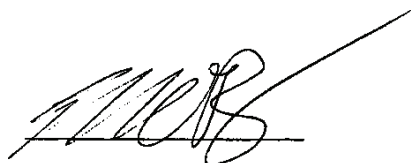
December 31, 2013, with comparative information for 2012

	2013	2012
Financial Assets		
Cash	\$ 1,963,267	\$ 2,053,574
Investments (note 3)	8,676,448	4,805,363
Due from City of Richmond	-	132,632
Accounts receivable	223,030	390,081
	<u>10,862,745</u>	<u>7,381,650</u>
Liabilities		
Accounts payable and accrued liabilities	1,692,492	952,216
Obligations under capital leases (note 6)	-	8,491
Deferred revenue (note 7)	2,824,218	2,317,370
Due to City of Richmond (note 8)	532,415	-
Rental deposits	9,263	5,513
	<u>5,058,388</u>	<u>3,283,590</u>
Net financial assets	5,804,357	4,098,060
Non-Financial Assets		
Tangible capital assets (note 9)	2,663,644	694,497
Deferred lease costs (note 10)	141,665	121,186
Inventories of supplies	1,755	2,508
Prepaid expenses and other deposits	426,251	428,954
	<u>3,233,315</u>	<u>1,247,145</u>
Accumulated surplus (note 11)	<u>\$ 9,037,672</u>	<u>\$ 5,345,205</u>

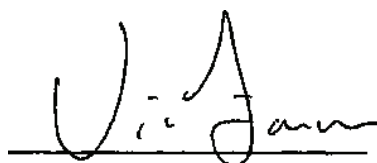
Economic dependence (note 15)

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, 2013, with comparative information for 2012

	2013 Budget	2013	2012
Revenue:			
2010 Games Operating Trust Fund (note 5)	\$ 2,700,000	\$ 2,823,239	\$ 2,784,637
Contribution from City of Richmond (note 13)	3,144,700	3,574,700	3,073,883
Memberships, admissions and programs	6,126,945	6,568,014	5,907,870
Other	1,011,531	1,235,038	1,156,163
	12,983,176	14,200,991	12,922,553
Expenses:			
Salaries and benefits	7,008,311	6,712,878	6,261,653
Utilities	1,000,000	1,002,566	914,519
Amortization	359,904	309,991	286,071
Supplies and equipment	588,450	618,349	557,441
Insurance	368,225	350,543	347,487
General and administration	989,593	642,501	425,988
Marketing and sponsorship	292,000	209,857	235,990
Program services	662,473	619,247	677,223
Professional fees	163,090	42,592	149,357
	11,432,046	10,508,524	9,855,729
Annual surplus	1,551,130	3,692,467	3,066,824
Accumulated surplus, beginning of year	5,345,205	5,345,205	2,278,381
Accumulated surplus, end of year	\$ 6,896,335	\$ 9,037,672	\$ 5,345,205

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Changes in Net Financial Assets (Debt)

Year ended December 31, 2013, with comparative information for 2012

	2013 Budget	2013	2012
Annual surplus for the year	\$ 1,551,130	\$ 3,692,467	\$ 3,066,824
Acquisition of tangible capital assets	(6,075,000)	(2,279,138)	(319,013)
Amortization of tangible capital assets	359,904	309,991	286,071
	(5,715,096)	(1,969,147)	(32,942)
Amortization of deferred lease costs	-	17,711	13,729
Acquisition of inventory of supplies	-	(1,390)	(3,655)
Acquisition of prepaid expense	-	(582,833)	(500,385)
Consumption of inventories of supplies	-	2,143	3,012
Use of prepaid expenses and other deposits	-	585,536	515,758
Additions of deferred leasing costs	-	(38,190)	(11,106)
Change in net financial assets	(4,163,966)	1,706,297	3,051,235
Net assets, beginning of year	4,098,060	4,098,060	1,046,825
Net financial assets (debt), end of year	\$ (65,906)	\$ 5,804,357	\$ 4,098,060

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 3,692,467	\$ 3,066,824
Items not involving cash:		
Amortization of tangible capital assets	309,991	286,071
Amortization of deferred lease costs	17,711	13,729
Changes in non-cash operating working capital:		
Accounts receivable	167,051	(21,337)
Deferred lease costs	(38,190)	(11,106)
Inventories of supplies	753	(643)
Prepaid expenses and other deposits	2,703	15,373
Accounts payable and accrued liabilities	740,276	179,786
Deferred revenue	506,848	438,120
Due to the City of Richmond	665,047	(272,430)
	6,064,657	3,694,387
Capital activities:		
Cash used to acquire tangible capital assets	(2,279,138)	(319,013)
Investing activities:		
Purchase of investments	(3,871,085)	(2,555,363)
Financing activities:		
Repayment of obligations under capital leases	(8,491)	(197,172)
Increase in rental deposits	3,750	-
	(4,741)	(197,172)
Increase (decrease) in cash	(90,307)	622,839
Cash, beginning of year	2,053,574	1,430,735
Cash, end of year	\$ 1,963,267	\$ 2,053,574

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2013

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"). On August 10, 2010, the Corporation changed its name from 0827805 B.C. Ltd. to Richmond Olympic Oval Corporation. 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 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 Canadian Institute of Chartered Accountants.

(b) 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 5) 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.

(c) 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.

(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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(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
Building improvements	5 years
Automobile	5 years
Facility equipment	3 years
Computer software and equipment	3 years
Uniforms, ice skates and helmets	3 years
Signage	3 years

Tenant improvements are amortized over the term of the lease.

(ii) Impairment of tangible capital assets:

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Company'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) Assets held under capital lease:

Assets held under capital lease are stated at historical cost, being the lesser of the present value of the future minimum lease payments and fair value at the date of acquisition, and are amortized on a straight-line basis over their estimated useful lives.

(iv) 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.

(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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Significant accounting policies (continued):

(f) Income taxes:

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

(g) Functional and object reporting:

The operations of the Oval are comprised of a single function, operations related to sport, fitness and recreation. As a result, the expenses of the Oval are presented by object in the statement of operations.

(h) Budget data:

The budget data presented in these financial statements is based upon the 2013 budget approved by the Board of Directors on February 27, 2013.

(i) 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.

(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 (continued)

Year ended December 31, 2013

3. Investments:

Investments represent term deposits as follows:

Purchase Date	Maturity Date	2013	2012
October 30, 2013	February 27, 2014	\$ 1,010,754	\$ -
October 31, 2013	February 28, 2014	3,747,109	-
November 12, 2013	February 10, 2014	1,851,597	-
December 23, 2013	March 24, 2014	2,066,988	-
March 28, 2012	March 28, 2013	-	2,000,000
July 20, 2012	January 16, 2013	-	1,805,363
July 20, 2012	January 16, 2013	-	1,000,000
Total		\$ 8,676,448	\$ 4,805,363

The interest rate of the term deposits range from 1.80% to 1.95%.

4. 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.

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 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

5. 2010 Games Operating Trust Fund (continued):

Effective December 31, 2007:

- (a) the Fund was divided into three funds: the Speed Skating Oval Fund; the Whistler Sliding Centre and Nordic Centre Fund, and the Contingency Fund; and
- (b) the capital and any accumulated but undistributed income of the Fund was divided 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:

	2013	2012
2012 annual distributable amount approved and received in 2013	\$ 2,823,239	\$ -
2011 annual distributable amount approved and received in 2012	-	2,784,637
	<u>\$ 2,823,239</u>	<u>\$ 2,784,637</u>

6. Obligations under capital leases:

As at December 31, 2013, the Corporation had no remaining commitments for capital leases payments as the remaining obligation was paid in 2013. The underlying capital assets are included in computer software and equipment.

7. Deferred revenue:

	2013	2012
Balance, beginning of year	\$ 2,317,370	\$ 1,879,250
Add: amounts received during the year	8,309,900	7,502,153
Less: revenue recognized	(7,803,052)	(7,064,033)
Balance, end of year	<u>\$ 2,824,218</u>	<u>\$ 2,317,370</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

7. Deferred revenue (continued):

Deferred revenue comprises of:

	2013	2012
Memberships and programs	\$ 1,008,067	\$ 946,082
Sponsorship fees	333,333	433,333
Sport Hosting funding (note 13)	552,642	507,779
Richmond Olympic Experience (note 13)	930,176	430,176
	<u>\$ 2,824,218</u>	<u>\$ 2,317,370</u>

8. Due to City of Richmond:

The amount due to City of Richmond is non-interest bearing with no stated repayment terms. This balance primarily consists of \$526,413 in costs paid for by the City for the Mezzanine Infill project, which are repayable by the Oval.

9. Tangible capital assets:

Cost	Balance at December 31, 2012	Additions	Balance at December 31, 2013
Athletic equipment	\$ 857,024	\$ 117,685	\$ 974,709
Automobile	23,158	-	23,158
Building improvements	36,690	82,910	119,600
Computer software and equipment	1,142,253	39,102	1,181,355
Facility equipment	77,370	112,792	190,162
Signage	43,884	-	43,884
Tenant improvements	16,979	-	16,979
Uniforms, ice skates, and helmets	127,966	18,378	146,344
Work in progress	69,824	1,908,271	1,978,095
	<u>\$ 2,395,148</u>	<u>\$ 2,279,138</u>	<u>\$ 4,674,286</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Tangible capital assets (continued):

Accumulated amortization	Balance at December 31, 2012	Amortization expense	Balance at December 31, 2013
Athletic equipment	\$ 427,610	\$ 176,227	\$ 603,837
Automobile	11,193	4,632	15,825
Building improvements	11,521	15,783	27,304
Computer software and equipment	1,058,958	50,947	1,109,905
Facility equipment	25,043	45,997	71,040
Signage	38,617	3,174	41,791
Tenant improvements	16,555	300	16,855
Uniforms, ice skates, and helmets	111,154	12,931	124,085
	\$ 1,700,651	\$ 309,991	\$ 2,010,642

	Net book value December 31, 2013	Net book value December 31, 2012
Athletic equipment	\$ 370,872	\$ 429,414
Automobile	7,333	11,965
Building improvements	92,296	25,169
Computer software and equipment	71,450	83,295
Facility equipment	119,122	52,327
Signage	2,093	5,267
Tenant improvements	124	424
Uniforms, ice skates, and helmets	22,259	16,812
Work in progress	1,978,095	69,824
	\$ 2,663,644	\$ 694,497

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 (2012 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

10. Deferred lease costs:

	2013	2012
Balance, beginning of year	\$ 121,186	\$ 123,809
Add: additional costs incurred	38,190	11,106
Less: amortization	(17,711)	(13,729)
Balance, end of year	\$ 141,665	\$ 121,186

11. Accumulated surplus:

Accumulated surplus is comprised of:

	2013	2012
Share capital	\$ 1	\$ 1
Capital reserve	4,731,850	4,100,000
Other reserves/provisions	577,108	211,790
Operating surplus	1,065,070	347,408
Invested in tangible capital assets	2,663,643	686,006
	\$ 9,037,672	\$ 5,345,205

12. 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 management monitors and controls them.

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if 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 investments and accounts receivables. The Corporation assesses these financial assets, on a continuous basis for any amounts that are not collectible or realizable.

(b) Market risk

Market risks are 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 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

12. Financial risk management (continued):

(c) Liquidity risk

Liquidity risks are 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.

13. Related party transactions:

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

Included in general and administration expenses is a management fee of \$63,630 to the City for the provision of city staff time in fiscal year 2013 (2012 - \$61,835).

In 2013, \$70,000 (2012 - \$93,979) 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 fifteen 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 \$1.5 million per year indexed at the City of Vancouver's Consumer Price Index. After fifteen years, any financial assistance from the City will be determined by the City in its sole discretion.

During 2013, the Corporation received a contribution from the City of \$3,574,700 (2012 - \$3,073,883). \$430,000 of this contribution (2012 - nil) was for the Mezzanine Infill project.

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 2013, \$400,000 (2012 - nil) was transferred from the City to the Corporation as funding for the operations of the function. As at December 31, 2013, \$552,642 (2012 - \$507,779) remains in deferred revenue (note 7) and \$355,137 (2012 - \$426,097) was recognized in memberships, admissions, and programs on the statement of operations.

The Corporation also received \$500,000 from the City of Richmond via hotel tax funding in 2013 (2012 - \$500,000) to be used to purchase capital assets related to the Richmond Olympic Experience project. As at December 31, 2013, \$930,176 (2012 - \$430,176) remains in deferred revenue. In order to retain this funding, the Oval must maintain and operate the capital assets purchased with these funds over the life of the related 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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

14. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteesd pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2012 indicated liability funding deficit of \$1,370 million for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The funding deficit noted above represents a deficit for the Plan as a whole. Management considers the Corporation's future contributions to the Plan not to be significant. During the current fiscal year, the Corporation paid \$312,990 (2012 - \$263,064) as employer contributions to the Plan.

15. Economic dependence:

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

16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.



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