City of Richmond

Agenda

Finance and Audit Committee

Anderson Room, City Hall
6911 No. 3 Road

Tuesday, September 8, 2026
Immediately following the General Purposes Committee meeting

Pg. #	ITEM	
		MINUTES
FIN-4		***Motion to adopt the minutes of the meeting of the Finance Committee held on June 1, 2026.***
		FINANCE AND CORPORATE SERVICES DIVISION
	1.	**FINANCIAL INFORMATION - 2ND QUARTER JUNE 30, 2026** (File Ref. No. 03-0970-09-01) (REDMS No. 8486162)
FIN-8		See Page **FIN-8** for full report
		Designated Speaker: Cindy Gilfillan
		STAFF RECOMMENDATION
		That the report titled Financial Information – 2nd Quarter June 30, 2026, from the General Manager, Finance and Corporate Services, dated August 7, 2026, be received for information.

Pg. # ITEM

2. **ACTIVE CAPITAL PROJECTS FINANCIAL UPDATE – 2ND QUARTER JUNE 30, 2026**
(File Ref. No. 03-0975-01) (REDMS No. 8485517)

FIN-37 See Page **FIN-37** for full report

Designated Speaker: Jenny Ho

STAFF RECOMMENDATION

That the report titled "Active Capital Projects Financial Update – 2nd Quarter June 30, 2026", from the General Manager, Finance and Corporate Services, dated August 3, 2026, be received for information.

LULU ISLAND ENERGY CORPORATION

3. **LULU ISLAND ENERGY COMPANY - 2026 2ND QUARTER FINANCIAL INFORMATION**
(File Ref. No. 03-0950-01) (REDMS No. 8502224)

FIN-54 See Page **FIN-54** for full report

Designated Speaker: Helen Zhao

STAFF RECOMMENDATION

That the Lulu Island Energy Company report titled "Lulu Island Energy Company – 2026 2nd Quarter Financial Information", from the Chief Executive Officer and Chief Financial Officer, dated July 20, 2026, be received for information.

RICHMOND OLYMPIC OVAL CORPORATION

4. **RICHMOND OLYMPIC OVAL CORPORATION – 2ND QUARTER 2026 FINANCIAL INFORMATION**
(File Ref. No. 03-1200-09) (REDMS No. 8507848)

FIN-64 See Page **FIN-64** for full report

Designated Speaker: Rick Dusanj

STAFF RECOMMENDATION

That the Richmond Olympic Oval Corporation 2nd Quarter 2026 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

ADJOURNMENT

City of Richmond

Minutes

Finance and Audit Committee

Date:	Monday, June 1, 2026
Place:	Anderson Room Richmond City Hall
Present:	Mayor Malcolm D. Brodie, Chair Councillor Carol Day Councillor Laura Gillanders Councillor Kash Heed Councillor Andy Hobbs Councillor Alexa Loo Councillor Bill McNulty Councillor Michael Wolfe
Call to Order:	The Chair called the meeting to order at 5:29 p.m.

MINUTES

It was moved and seconded
That the minutes of the meeting of the Finance and Audit Committee held on May 4, 2026, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **FINANCIAL INFORMATION - 1ST QUARTER MARCH 31, 2026**
(File Ref. No. 03-0970-09-01) (REDMS No. 8392221)

It was moved and seconded
That the report titled Financial Information – 1st Quarter March 31, 2026, from the General Manager, Finance and Corporate Services, dated May 1, 2026, be received for information.

The question on the motion was not called as discussion ensued regarding (i) the City's position within the Housing Starts–Comparator Cities chart and possible contributing factors, (ii) anticipated gaming revenue projection, (iii) financial impact due to staff vacancies, and (iv) Council approval of contracts awarded greater than $75,000.

The question on the motion was then called and it was **CARRIED**.

2. **2025 ANNUAL REPORT AND 2025 ANNUAL REPORT HIGHLIGHTS STAFF**

(File Ref. No. 01-0375-01) (REDMS No. 8412599)

It was moved and seconded
That the report titled "2025 Annual Report" and "2025 Annual Report – Highlights", from the General Manager Finance and Corporate Services, be approved and posted on the City's website.

CARRIED

3. **ACTIVE CAPITAL PROJECTS FINANCIAL UPDATE – 1ST QUARTER MARCH 31, 2026**

(File Ref. No. 03-0975-01) (REDMS No. 8403480)

It was moved and seconded
That the report titled "Active Capital Projects Financial Update – 1st Quarter March 31, 2026", from the General Manager, Finance and Corporate Services, dated May 4, 2026, be received for information.

CARRIED

4. **DEVELOPMENT COST CHARGES IMPOSITION BYLAW NO. 9499, AMENDMENT BYLAW NO. 10732**

(File Ref. No. 03-0900-01) (REDMS No. 8352525)

It was moved and seconded

(1) That Option 2, as outlined in the report titled "Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10732", from the General Manager, Finance and Corporate Services, dated May 7, 2026, be used as the unit of measurement for the new SSMUH development category for the proposed Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10732; and

(2) ***That Development Cost Charges Imposition Bylaw No. 9499, Amendment Bylaw No. 10732 be introduced and given first, second and third readings.***

The question on the motion was not called. In response to queries from the Committee, staff provided an overview of the options for the SSMUH unit of measurement outlined in the report.

The question on the motion was then called and it was **CARRIED** with Cllr. Loo opposed.

LULU ISLAND ENERGY CORPORATION

5. **LULU ISLAND ENERGY COMPANY – 2026 1ST QUARTER FINANCIAL INFORMATION**
(File Ref. No. 03-0950-01) (REDMS No. 8402254)

It was moved and seconded
That the Lulu Island Energy Company report titled "Lulu Island Energy Company – 2026 1st Quarter Financial Information", from the Chief Executive Officer and Chief Financial Officer, dated May 7, 2026, be received for information.

CARRIED

RICHMOND OLYMPIC OVAL CORPORATION

6. **RICHMOND OLYMPIC OVAL CORPORATION – 1ST QUARTER 2026 FINANCIAL INFORMATION**
(File Ref. No.) (REDMS No.)

It was moved and seconded
That the Richmond Olympic Oval Corporation 1st Quarter 2026 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

The question on the motion was not called as a brief discussion ensued with respect to the expanded subsidized program offerings.

The question on the motion was then called and it was **CARRIED**.

ADJOURNMENT

It was moved and seconded
That the meeting adjourn (5:47 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Finance and Audit Committee of the Council of the City of Richmond held on Monday, June 1, 2026.

Mayor Malcolm D. Brodie
Chair

Lorraine Anderson
Legislative Services Associate

City of Richmond

Report to Committee

To:	Finance and Audit Committee	**Date:**	August 7, 2026
From:	Jerry Chong General Manager, Finance and Corporate Services	**File:**	03-0970-09-01/2025-Vol 01
Re:	**Financial Information - 2nd Quarter June 30, 2026**		

Staff Recommendation

That the report titled Financial Information – 2nd Quarter June 30, 2026, from the General Manager, Finance and Corporate Services, dated August 7, 2026, be received for information.

Executive Summary

This report provides an update on the City's economic environment, financial results, investment position and key operating indicators before the annual audited financial statements are presented.

Richmond's economy showed mixed results. Tourism, YVR activity, hotel revenue and industrial/commercial activity remained strong, while housing starts, construction value and development-related revenues softened.

City's year-to-date operating results are favourable compared to the approved 2026 Financial Plan. Net operating activity has a favourable variance of $3.3 million, or 5.7% including Utilities. These variances are primarily attributable to vacant positions, timing differences in expenditures, and lower-than-budgeted policing contract costs.

Financial indicators remained stable overall. Total cash and investments were $2.22 billion at June 30, 2026, a 3.1% increase from Q2 2025, with investment activities conducted in compliance with the City's Investment Policy 3703. The City continued to maintain a diversified, high-quality investment portfolio and received an independent ESG rating of "AA" for its fixed income portfolio. In addition, 43 contracts greater than $75,000 were awarded during the first quarter, totalling over $39.9 million.

Staff Report

Origin

Pre-audited financial information for the second quarter (ended June 30, 2026) is being provided to the Finance and Audit Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with an overview of the City of Richmond's (the City's) financial results throughout the year and before the annual audited financial statements are presented.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

> *Responsible financial management and efficient use of public resources to meet the needs of the community.*

Economic Overview

At mid-year, the global economy has remained resilient despite ongoing geopolitical uncertainty and the impacts of the war in the Middle East. Growth is being supported by strong investment in new technologies, including artificial intelligence (AI), while some economies continue to face challenges from higher energy costs and ongoing uncertainty. The International Monetary Fund (IMF) forecasts global growth of 3.0% in 2026 and 3.4% in 2027, broadly in line with its previous outlook. The U.S. economy is forecast to grow by 2.3% in 2026, while China's GDP growth is expected to reach 4.6%.

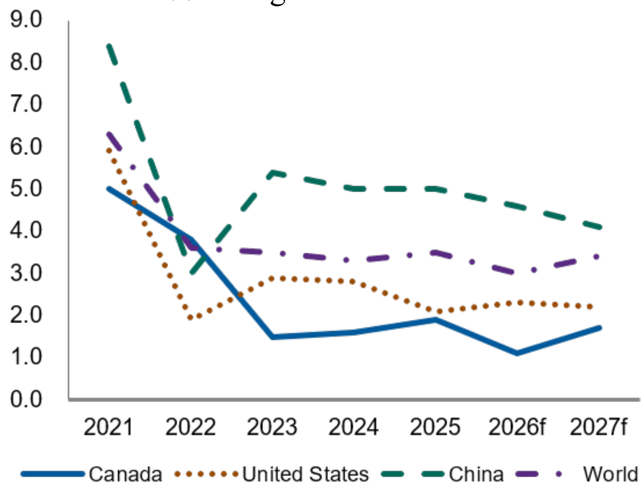
Canada's economic outlook remains subdued, with GDP growth forecasted to slow to 1.1% in 2026 and then rising to 1.7% in 2027. Growth is expected to be impacted by ongoing uncertainty, including slower population growth and weaker business investment. However, trade conditions remain relatively supportive with Canada-United States-Mexico Agreement (CUSMA) exemptions still protecting most Canadian exports from U.S. tariffs. In addition, resilient consumer spending continues to provide support to economic growth.

Inflation in British Columbia has remained relatively stable, with the Consumer Price Index increasing 2.8% year over year in June 2026. While some goods and services have seen larger price increases than others, overall inflation has moderated compared with previous years and is expected to ease further as economic conditions improve.

Richmond's economy continues to demonstrate resilience amid a slower national economic outlook and ongoing global uncertainty, supported by strong demand for industrial space, increased commercial permitting, growing passenger and cargo activity at YVR, and a strong tourism sector. While housing development and construction activity have softened, Richmond's diverse economy and strategic location continue to support stable economic performance.

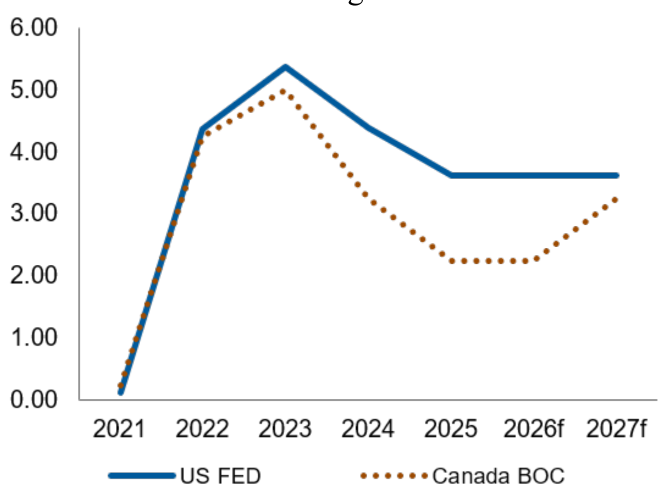
Macroeconomic Indicators & Forecast

1) Global Growth – Real GDP % Change[1]



- The IMF projects global GDP growth to be 3.0% in 2026, down from 3.5% in 2025, with a modest rebound to 3.4% in 2027. Growth is expected to be supported by investment in AI despite ongoing geopolitical tensions and higher energy prices.
- In 2026, Canadian GDP is now forecasted to slow to 1.1%, with U.S. and China GDP forecasts at 2.3% and 4.6%, respectively.

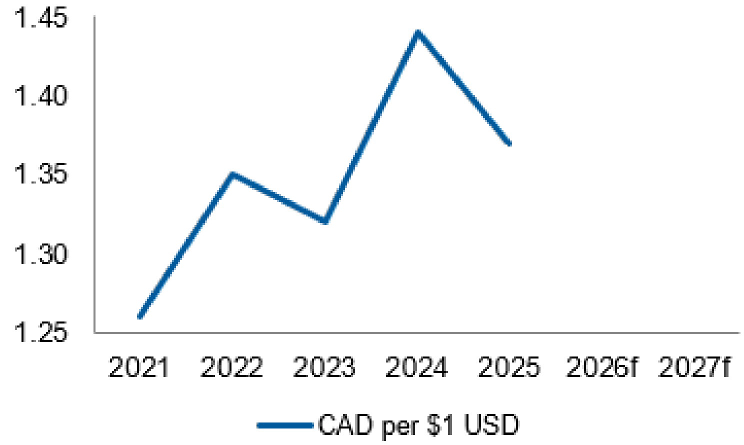
2) Interest Rates – U.S. and Canadian Overnight Central Bank Rate % at Year-End[2]



- At the end of Q2 2026, the Bank of Canada (BOC) continued to maintain its overnight lending rate at 2.25%, despite ongoing trade and energy price uncertainty.
- The U.S. Federal Reserve (U.S. FED) is expected to maintain its key borrowing rate within the 3.50%-3.75% range through to 2027. While stronger labour market conditions and persistent inflation have increased the possibility of additional rate hikes, the current outlook is that rates will remain unchanged.

[1] International Monetary Fund, World Economic Outlook (July 2026). Global Economy in Crosscurrents of War and Technology.
[2] US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; RBC Monthly Forecast Update, July 2026.

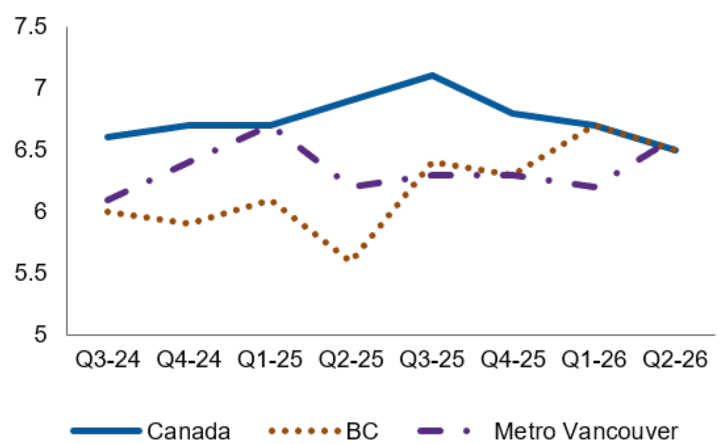
3) Exchanges Rates – CAD/USD at Year-End[3]



Note: RBC's exchange rate forecasts for 2026 and 2027 are not yet available.

- The Canadian dollar was trading at $1.42 CAD/$1 USD at the end of Q2 2026, indicating some weakening from the end of 2025, compared with $1.37 CAD/$1 USD.

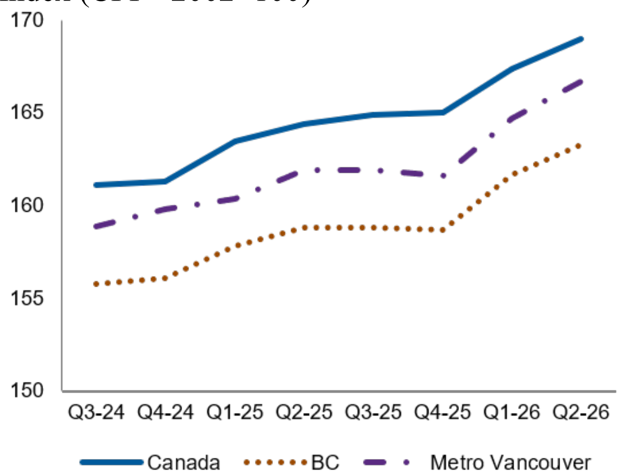
4) Unemployment[4]



- According to Statistics Canada, at the end of Q2 2026, the Canadian, B.C. and Metro Vancouver unemployment rates were 6.5%, 6.5% and 6.6%, respectively.
- The province added 7,800 jobs in June, with approximately two-thirds of the increase in full-time employment, while the unemployment rate declined to 6.5%, suggesting improving but still cautious labour market conditions.

[3] RBC Monthly Forecast Update, July 2026.
[4] Statistics Canada Labour Force Survey (June 2026); BC Stats, Labour Force Statistics Highlights, June 2026.

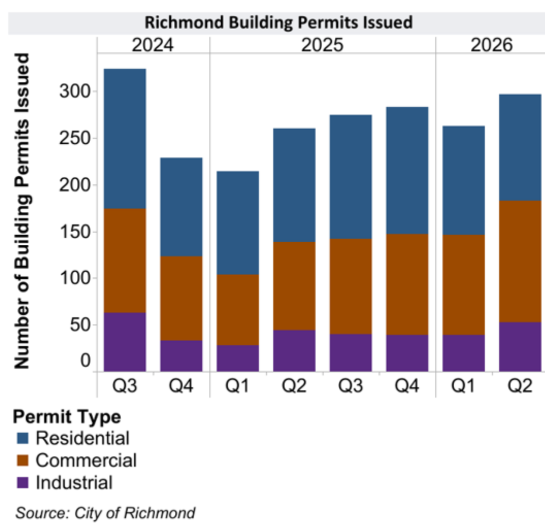
5) Consumer Price Index (CPI – 2002=100)[5]



- Canada's CPI was up 2.8% in June 2026 when compared to June 2025. British Columbia also increased 2.8%, ranking the second lowest among the provinces. Metro Vancouver saw a 3.0% increase over the same period.
- Gasoline prices fell 10.2% month-over-month in June as some easing of geopolitical tensions during the period helped lower global oil prices, though prices remained 20.5% higher year-over-year.

Regional & Local Economic Activity Indicators

6) Building Permits – Richmond[6]

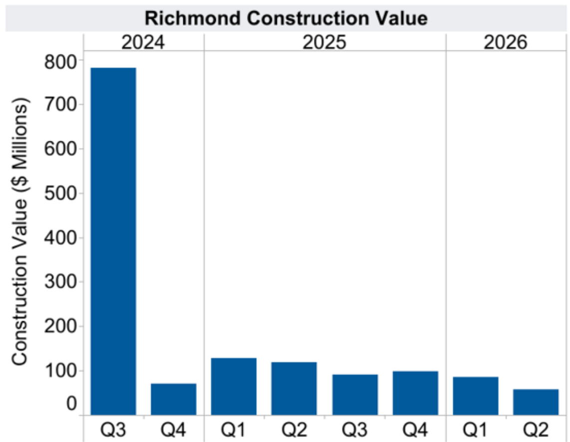


- During the second quarter of 2026, 114 residential, 130 commercial and 53 industrial building permits were issued in Richmond.
- This represents a 14.2% increase in total building permits issued over the same period in 2025, with the highest increase in commercial building permits at 36.8%.

[5] Statistics Canada, Consumer Price Index; also Consumer Price Index, June 2026; also BC Stats, Consumer Price Index, June 2026, Issue #26-06.
[6] City of Richmond Building Permits.

- 30 new housing units were added to Richmond's housing supply in Q2 2026, a 92.3% decrease compared with the same period in 2025. Substantial year-over-year fluctuations in quarterly housing units are expected as large residential projects can contribute a significant number of dwelling units in a single month. The trend is for fewer construction starts of larger, multi-family residential projects.

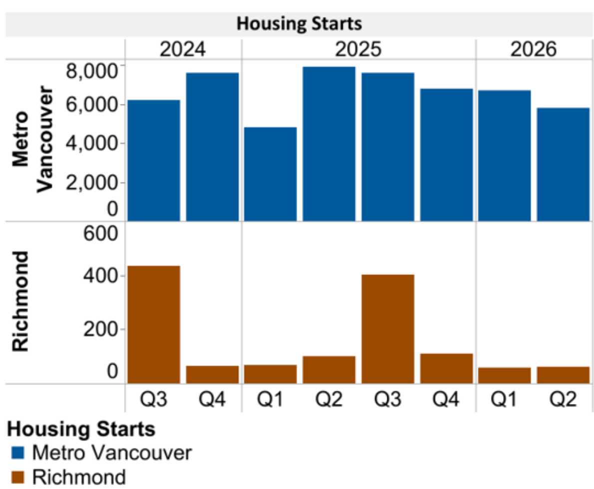
7) Construction Value[7]



Source: City of Richmond

- Approximately $57.7 million in construction value was registered in Q2 2026, representing a 51.6% decrease compared to the same period last year.
- Although substantial quarter-to-quarter fluctuations in construction value are expected, the overall trend indicated lower construction value year-over-year.

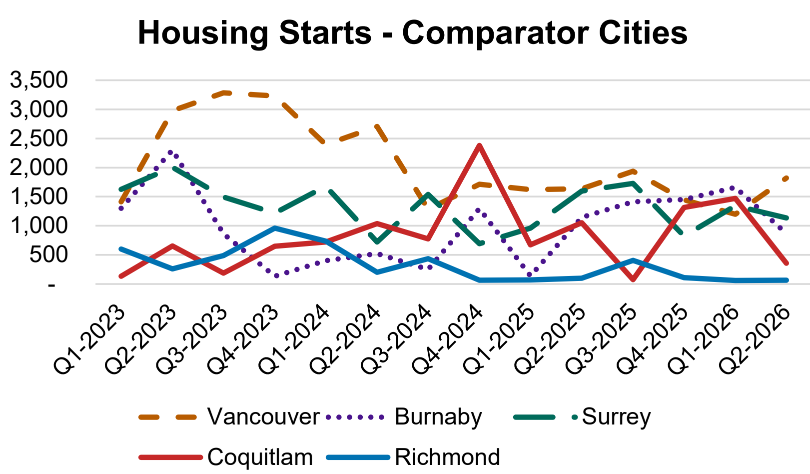
8) Housing Starts[8]



Source: Canada Mortgage and Housing Corporation

[7] City of Richmond Building Permits.
[8] Canada Mortgage and Housing Corporation for Housing Starts and Unabsorbed Units.

- In Q2 2026, there were 63 housing starts in Richmond and 5,815 across Metro Vancouver, as reported by the Canada Mortgage and Housing Corporation (CMHC) based on confirmed construction commencement.[9]
- Compared with the same period in 2025, year-to-date housing starts declined by 26.8% in Richmond and 2.0% across Metro Vancouver. While quarter-to-quarter comparisons across sequential years can show significant volatility, the broader trend suggests that housing starts are declining on a year-over-year basis.
- Although the economic factors for residential development affect communities throughout the region, Richmond is particularly impacted by the high construction costs specifically due to geology, high development property costs and the inability to build beyond 15 stories in accordance with airport and Transport Canada regulations. The height limitation, not affecting other communities, makes it challenging for developers to spread costs across enough units to support project viability.

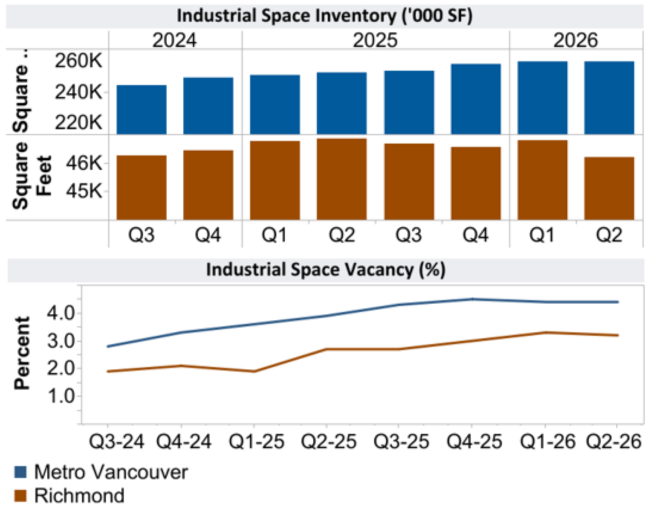


- The Metro Vancouver housing starts statistics are broken down further including select comparator cities in the chart above.
- CMHC forecasts indicate that housing starts in Metro Vancouver and British Columbia are expected to remain below historical averages over the 2026–2028 period, reflecting elevated construction costs, softer demand and higher inventories of unsold units, particularly in the condominium segment.

[9] Housing Start is defined as the beginning of construction work on a building, generally when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

9) Commercial Space[10]

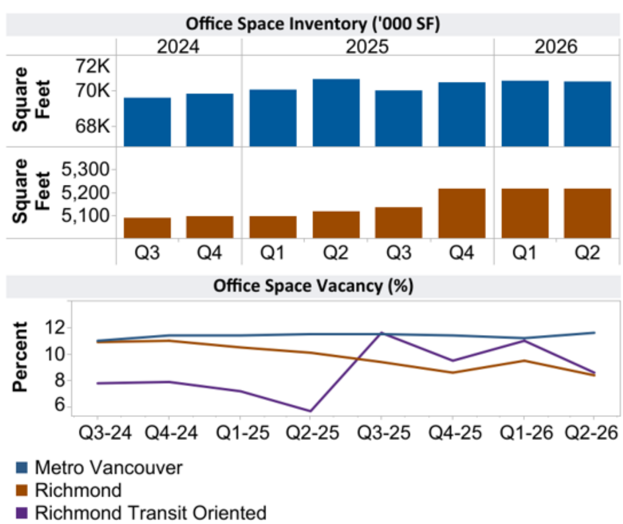
a) Industrial Space



Source: Cushman & Wakefield

- Following three years of consecutive increases, industrial vacancy in Metro Vancouver remained unchanged from Q1 2026 at 4.4%, with demand and available space staying balanced despite ongoing economic uncertainty.
- Richmond's industrial vacancy rate remained lower than the Metro Vancouver average at 3.2% in Q2 2026, reflecting continued strong demand for industrial space.
- Quarter-over-quarter, average industrial asking rents in Richmond increased slightly to $21.02/square foot, which reflects higher asking rates for newer industrial space.

b) Office Space



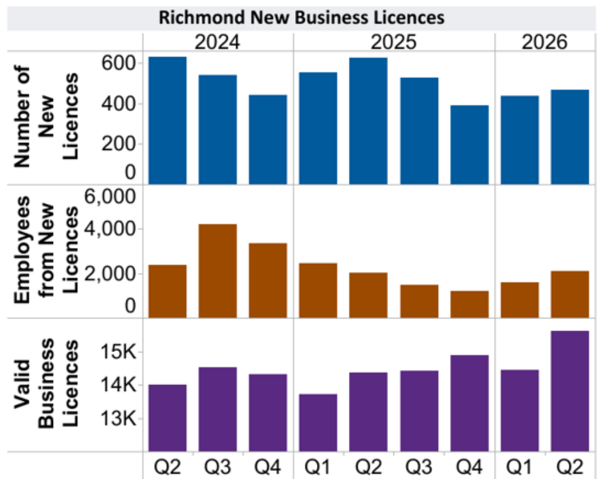
Source: Cushman & Wakefield

[10] Cushman & Wakefield Office and Industrial Market Beat Reports, Q2 2026.

- At the end of Q2 2026, Metro Vancouver's office vacancy rate increased slightly to 11.6%, up from 11.5% in Q2 2025. Market conditions remained relatively stable, with limited new office space added during the quarter.
- In Richmond, the office vacancy rate decreased to 8.4% in Q2 2026, down from 10.1% year-over-year.
- Transit-oriented office vacancy in Richmond decreased to 8.6%, down from 11.0% in Q1 2026. This rate is largely driven by vacant office spaces in newly built developments that are in the process of being absorbed.
- Average asking rents in Richmond continue to be the lowest in Metro Vancouver.

10) Business Growth – Richmond[11]

a) New Business Licences – Number and Employees

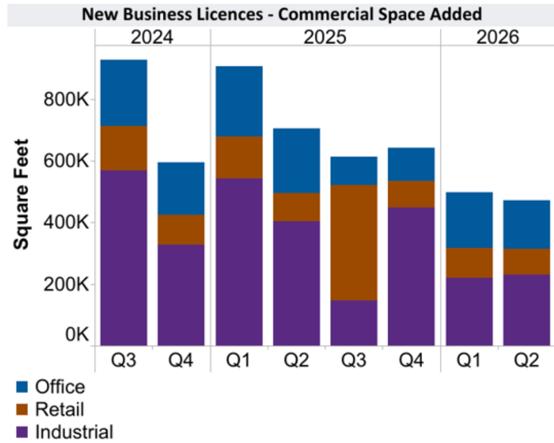


Source: City of Richmond

- The City of Richmond issued 468 new business licences in Q2 2026, representing 2,091 jobs. This was a 25.6% decrease in new licences and a 2.7% increase in associated jobs compared to the same period last year. Fluctuations in the number of new business licences are expected from quarter-to-quarter.
- There were 15,622 total valid business licences at the end of Q2 2026, an 8.7% increase from the same time last year. This increase is due in part to staff's continued efforts to follow up on outstanding applications and confirm business status.

[11] City of Richmond Business Licensing Data.

b) New Business Licences – Commercial Space

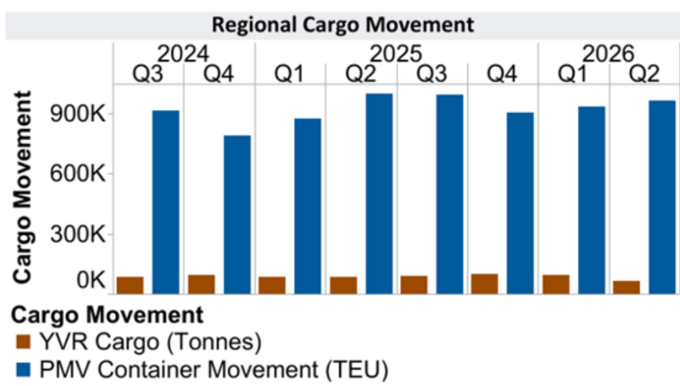


Source: City of Richmond

- New business licences issued in Q2 2026 accounted for 471,939 square feet of commercial space absorption, a 33.0% decrease compared to the same period last year.
- Industrial accounted for the largest share of space absorption at 229,825 square feet, followed by office at 157,965 square feet and retail at 84,149 square feet.
- Commercial space absorption can fluctuate from quarter to quarter depending on the scale and space needs of businesses opening or expanding during the period.

11) Goods and People Movement

a) Regional Cargo Movement[12]

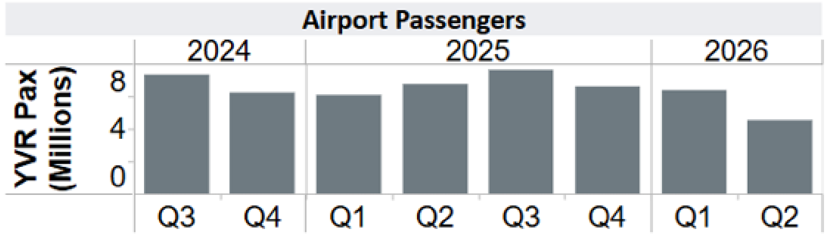


Source: PMV; YVR.
Note: YVR for Q2 2026 includes April and May data only, where Q2 2025 includes the full 3 months.
The analysis compares the same periods for Q2, i.e. April and May only for both 2026 and 2025.

- In Q2 2026, the Port of Vancouver (PMV) handled 966,516 twenty-foot equivalent units (TEUs) of cargo, representing a 3.4% decrease compared with the same period in 2025.
- In April and May of Q2 2026, 66,728 tonnes of air cargo passed through the Vancouver International Airport (YVR), which is a 16.3% increase as compared to the same period last year.

[12] Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.

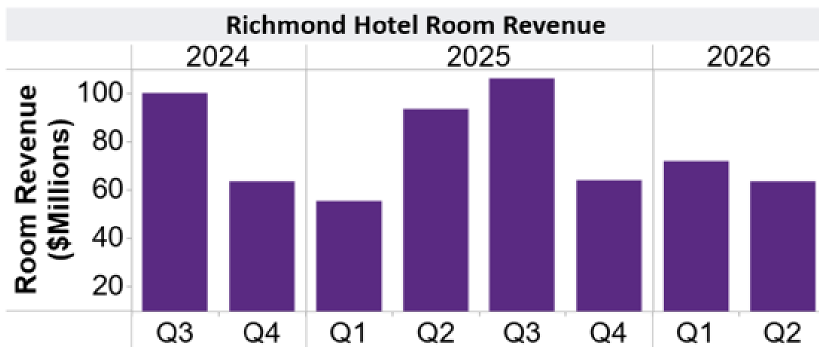
b) Airport Passengers[13]



Note: The chart for YVR for Q2 2026 includes April and May data only, where Q2 2025 includes the full 3 months. The analysis compares the same periods for Q2, i.e. April and May only for both 2026 and 2025.

- Passenger travel through YVR continued to be strong, with an increase of 4.2% during the first two months of Q2 2026 (4.5 million) as compared to the same period last year (4.3 million).
- As a host city for the FIFA World Cup 2026™, nearly 2.8 million passengers travelled through YVR during the games period from June 8 to July 10, averaging nearly 86,000 travellers per day.

c) Hotel Revenue[14]



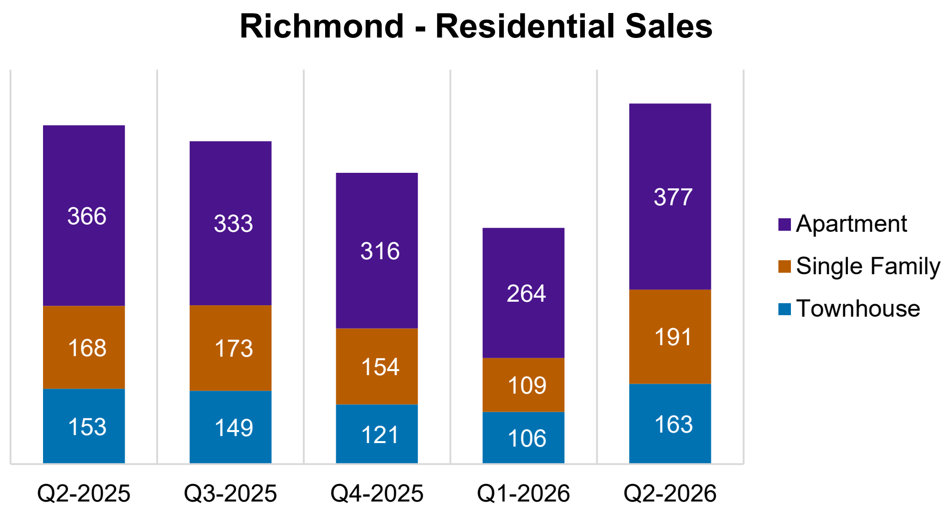
Source: City of Richmond Hotel Tax Ledger
The chart for Richmond Hotel Room Revenue for Q2 2026 includes April and May data only, where Q2 2025 includes the full 3 months. The analysis compares the same periods for Q2, i.e. April and May only for both 2026 and 2025.

- Richmond hotel room revenue in the first two months of Q2 2026 was $63.7 million, representing a 30.8% increase compared with the same period last year.
- Year-to-date hotel room revenue in Richmond (January to May 2026) increased 30.4% year-over-year. Performance in 2026 has continued to build on the strong momentum established in 2025.
- General Municipal and Regional District Tax (MRDT) revenues for April and May totaled $1,783,240.

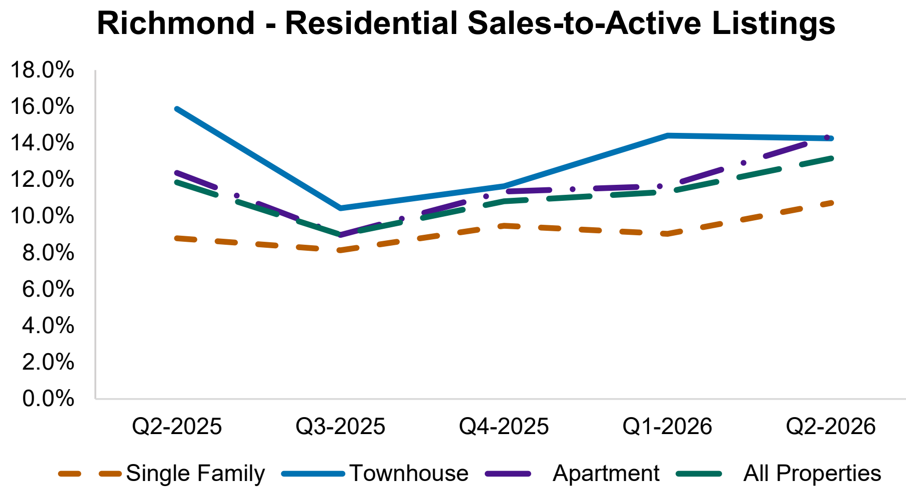
[13] YVR Monthly Statistics, YVR News.
[14] City of Richmond Hotel Tax Ledger.

Residential Real Estate

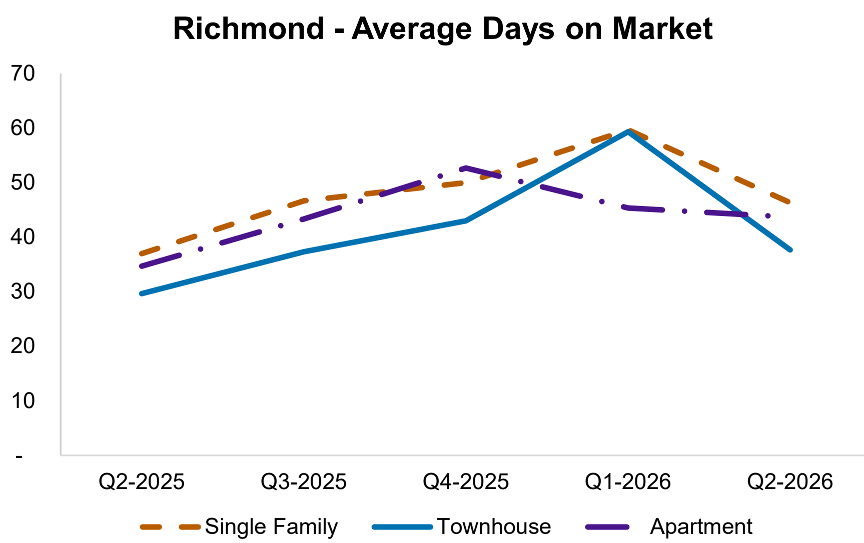
Richmond's residential real estate market remained in balanced market conditions in Q2 2026, with a total of 731 residential homes sold and a sales-to-active listings ratio of 13.2%. Overall sales increased 6.4% year-over-year, led by a 13.7% rise in single-family detached home sales, while townhouse and apartment sales increased by 6.5% and 3.0% respectively. Selling times continued to lengthen, with average days on market increasing to 46 for single-family detached homes, 38 for townhouses and 44 for apartments. Despite stronger sales activity, home prices declined across all property types compared to the same period last year.



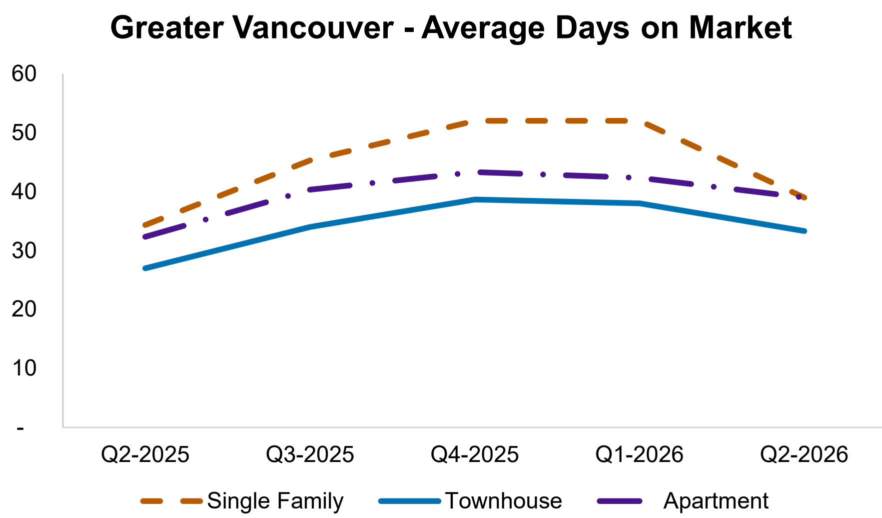
- Single-family detached (SFD) home sales increased by 13.7% compared to Q2 2025.
- Townhouse sales have increased by 6.5%, and apartment sales have increased by 3.0% compared to Q2 2025.
- Townhouse sales comprise 22.0% of the residential home sales in Richmond. SFD and apartment sales account for 26.0% and 52.0%, respectively, of home sales in Richmond.
- There were 731 residential home sales in Richmond in Q2 2026, a 6.4% increase compared to the same period last year.



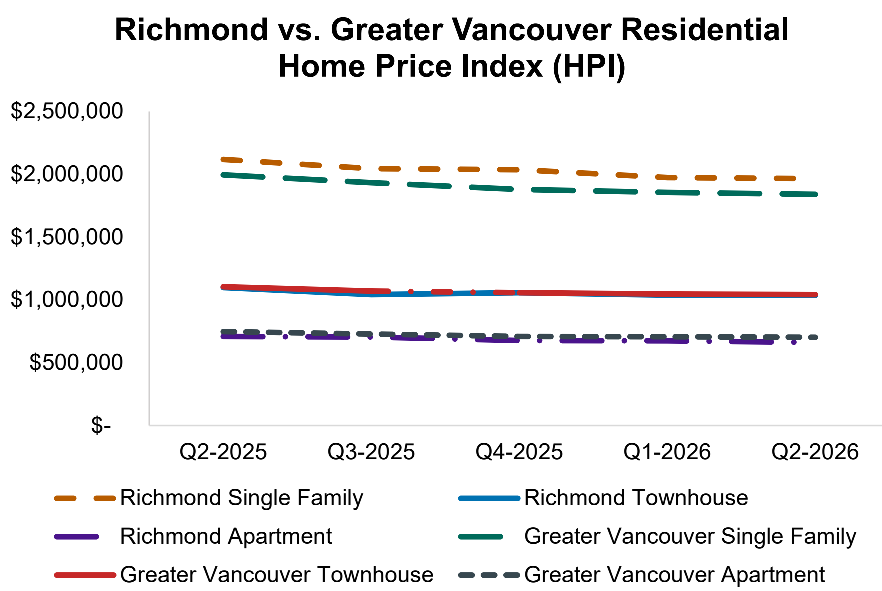
- Richmond residential properties had a sales-to-active listings ratio of 13.2% as at June 30, 2026.
- Analysis of historical data suggests downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months.



- At Q2 2026, SFD properties in Richmond had an average of 46 days on the market, a 24.3% increase compared to Q2 2025.
- Townhouses and apartments in Richmond had an average of 38 and 44 days on the market, respectively, representing a 26.7% and 25.7% increase, respectively, over the same period last year.



- At Q2 2026, SFD properties in GVRD had an average of 39 days on the market, which represents an increase of 14.7% compared to Q2 2025.
- Townhouses and apartments in GVRD had an average of 33 and 39 days on the market, respectively, representing a 22.2% and 21.9% increase, respectively, over the same period last year.



- The Home Price Index (HPI)[15] for SFD properties in Richmond at Q2 2026 was $1,964,000, a 7.2% decrease compared to Q2 2025. The GVRD housing market has decreased with SFD properties priced at $1,840,700, which represents a 7.7% decrease compared to the same quarter last year.

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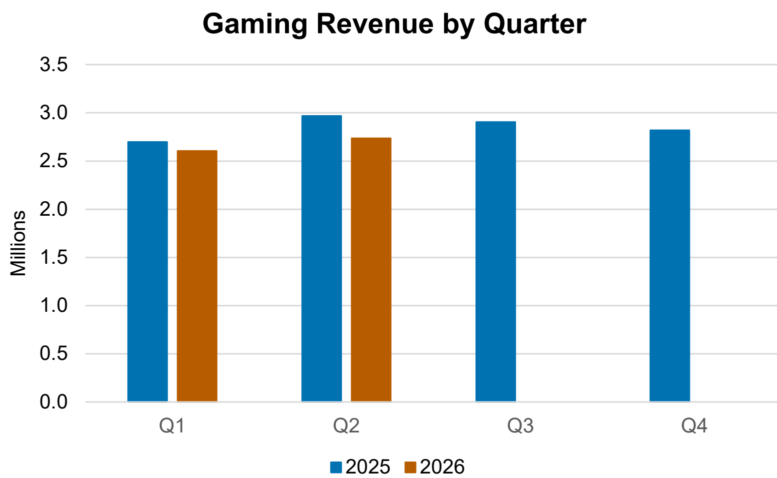
[15]Home Price Index is a tool to measure home prices trends in Metro Vancouver and other major markets in the country. It is an alternative measure of real estate prices that provides the market trends over traditional tools such as mean or median average prices.

- At Q2 2026, the HPI for townhouse properties in Richmond was $1,036,400, a decrease of 5.6% compared to Q2 2025. The HPI for townhouse properties in GVRD was $1,043,400, which represents a 5.5% decrease compared to the same quarter last year.
- The HPI for apartments in Richmond was $662,200, a decrease of 6.6% compared to Q2 2025. The HPI for apartments in GVRD was $703,000, which represents a 6.0% decrease compared to the same period last year.

Gaming Revenue

In accordance with the Host Financial Assistance Agreement with the Province of BC (Province), the Province pays 10% of net gaming income to the City. Net gaming revenue is calculated as net win from casino games, less (i) fees payable by BC Lottery Corporation (BCLC) to the service provider, and (ii) BCLC's administrative and operating costs. Distributions are subject to volatility due to fluctuations in net win from casino games, operating costs and accounting adjustments.



- The gaming revenue for Q2 2026 was $2,736,570, a decrease of 7.8% compared to the same quarter last year when $2,967,526 was received.
- The 2026 budget for gaming revenue is $10,500,000. Actual revenue received year to date is 50.9% of the total budget.

Gaming revenue is dependent on the operations of the River Rock Casino, and as such, these amounts vary due to consumer behaviour, changes in regulations and competition.

At the January 26, 2026 Council meeting, the 2026 Budget was approved which included the gaming revenue allocation for 2026. The distribution of these funds is detailed in Table 1 with any surplus revenue or shortfall to be transferred to the capital reserve.

Table 1: Distribution of the 2026 gaming revenue allocation

	Distribution	2026 Budget
Capital Reserves	Remainder	$1.0M
Grants	Policy	2.9M
Council Community Initiatives Account	2%	0.2M
Debt Servicing	Fixed	6.4M
Total		**$10.5M**

Operating Activity

Table 2 compares budget to unaudited actual activity up to June 30, 2026. The net figure represents combined revenue and expense amounts. Actuals include estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

Table 2: Net Operational Activity for the period January 1, 2026 to June 30, 2026 (in $000s)

Division/Department[1]	Q2 YTD Net Budget[2]	Q2 YTD Actuals and Commitments[3]	Q2 YTD Variance ($)	Q2 YTD Variance (%)
Corporate Administration	$6,148	$5,988	$160	2.6%
Engineering and Public Works	31,552	31,750	(198)	0.6%
Finance and Corporate Services	16,394	15,849	545	3.3%
Fire-Rescue	29,559	29,510	49	0.2%
Law and Community Safety[4]	805	803	2	0.2%
Library	6,899	6,499	400	5.8%
Parks, Recreation and Culture	28,872	28,296	576	2.0%
Planning and Development	4,059	3,979	80	2.0%
Policing	44,573	41,979	2,594	5.8%
Fiscal	(127,383)	(128,484)	1,101	0.9%
Total	**$41,478**	**$36,169**	**$5,309**	**12.8%**
Flood Protection Utility	$9,075	$9,064	$11	0.1%
Sanitary Sewer Utility	3,987	5,989	(2,002)	50.2%
Sanitation and Recycling Utility	1,128	251	877	77.7%
Water Utility	2,826	3,703	(877)	31.0%
Utilities Total[5]	**$17,016**	**$19,007**	**($1,991)**	**11.7%**

[1]Net Operational Activity does not include amounts related to capital such as: contributed assets, developer contributions, amortization, etc. It does not represent Generally Accepted Accounting Principles but is presented on a modified cash basis.
[2]The Net Budget is based on the operating budget approved by Council on January 26, 2026.
[3]Includes budgeted equity transactions such as transfer to reserves, transfer to provision, transfers from provision, etc.
[4]Includes Law and Community Safety Administration, Animal Protection Services, Business Licences, Community Bylaws, Emergency Programs and Legal Services.
[5]Utilities are restricted funds where amounts collected for each utility may only be used for that utility's intended purpose. Each utility also has an associated rate stabilization provision established through any accumulated surplus from prior years.

The following section provides an explanation on a Divisional/Departmental basis of year-to-date variances in relation to the 2026 Financial Plan:

- Corporate Administration's favourable variance is mainly due to vacant positions.
- Engineering and Public Works has an unfavourable variance due to the timing of operational spending.
- Finance and Corporate Services' favourable variance is mainly due to vacant positions and the timing of IT maintenance and subscription contract renewals.
- Fire-Rescue's favourable variance is mainly driven by Firefighter vacant positions, retirements and leaves offset by higher Firefighter overtime usage.
- Law and Community Safety (excluding fire-rescue and policing) is on budget.
- Library's favourable surplus is mainly due to vacant positions and timing of operational spending. Any surplus at year-end will be appropriated for future use within Library operations.
- Parks, Recreation and Culture's favourable variance is mainly due to vacant positions.
- Planning and Development has a favourable variance due to vacant positions.
- Policing's favourable variance is due to lower-than-budgeted expenditures on the policing contract, primarily driven by vacant positions within the RCMP officer complement.
- Fiscal's favourable variance is mainly due to favourable investment income and timing of expenditures.
- Flood Protection Utility is on budget. Any surplus at year-end will be transferred to the Flood Protection Provision.
- Sanitary Sewer Utility's unfavourable variance is due to metered utility revenue being lower than budgeted based on forecast assumptions. Operating costs payable to Metro Vancouver for sanitary sewer services are fixed, resulting in a higher variance relative to the Water Utility. An estimate for the anticipated funding requirement will be included in the financial plan amendment from the Sewer Levy Stabilization Provision.
- Sanitation and Recycling Utility's favourable variance is due to vacant positions, favourable utility fees and timing of operational spending. Any surplus at year-end will be transferred to the General Solid Waste and Recycling Provision.
- Water Utility's unfavourable variance is mainly due to lower metered utility revenue as a result of water consumption levels being lower than projected. This is likely attributable to Metro Vancouver's water restrictions which entered Stage 2 and Stage 3 in June. The impact was partially offset by lower water purchase costs from Metro Vancouver. An estimate for the anticipated funding requirement will be included in the financial plan amendment from the Water Levy Stabilization Provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses, and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Statement of Operations for the Six Month Period Ended June 30, 2026, with comparative figures for 2025, is included in Attachment 3.

Cash and Investment Portfolio

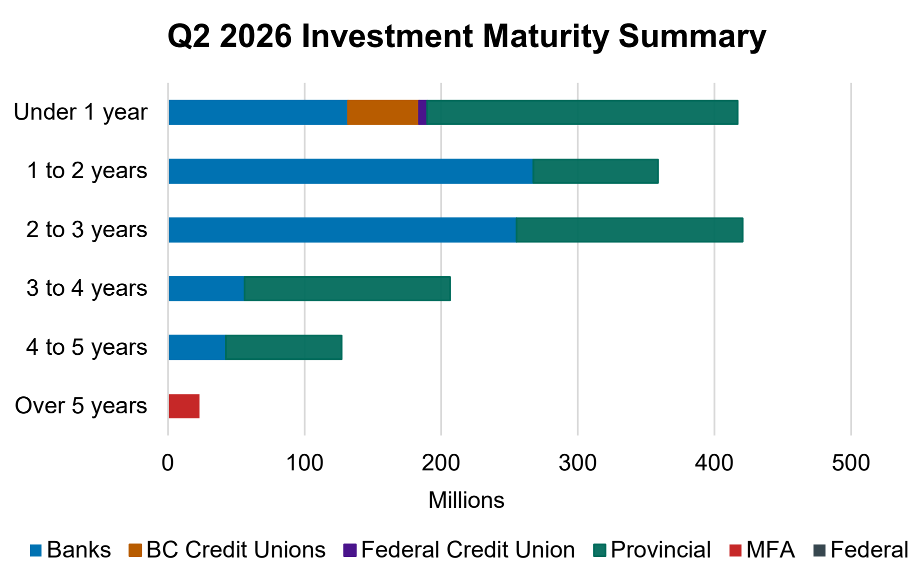
As of June 30, 2026, the City's total cash and investment balance was $2.22 billion, which represented the City's working capital for ongoing operational obligations, as well as funds held in reserves and liability accounts for future and restricted uses. The higher than usual cash and investment balance is mainly due to the timing of property tax collection for the July 2, 2026 due date. The City has subsequently remitted approximately $350 million to various external agencies for taxes that were collected on their behalf.

The City's total cash and investment balance was comprised of $1.59 billion in investments and $634 million in high interest savings cash accounts, with an overall investment yield of 3.64% for the quarter.

At the most recent July 15, 2026 interest rate announcement meeting, the BOC held the policy interest rate unchanged at 2.25%. This marks the sixth consecutive decision by the BOC to hold the interest rate since the last reduction in late 2025. Inflation remains the key source of uncertainty, with CPI inflation around 3% mainly due to higher energy costs stemming from the conflict in the Middle East. The BOC will continue to assess the strength of the Canadian economy and the outlook for inflation and is prepared to adjust monetary policy as needed.

The City's overall credit risk exposure remains stable as the City continues to maintain a diversified and high credit quality investment portfolio, where 49% is invested in chartered bank deposits and bonds, 46% in provincial and federal government securities, 3% in credit union deposits and approximately 2% in MFA bond and pooled investment funds.

The chart below shows the investment maturity summary by term to maturity. The City's cash and investment portfolio has been strategically positioned to allow the City to sustain favourable investment yields in the long-run, while balancing the needs of near-term cash flow required to support operations and approved capital plans.



Staff will continue to monitor the interest rate movement and will position its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions.

All investment activities have been conducted in compliance with the City's Investment Policy 3703. Based on independent ESG rating of the City's fixed income portfolio, the City continues to receive a high ESG Rating of "AA" as of Q2 2026.

Contract Awards

In accordance with Procurement Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than $75,000. During the second quarter, 43 contracts greater than $75,000 were awarded, totaling $39.9 million (Attachment 4).

Budgetary Implications

None.

Conclusion

The June 30, 2026, financial information report provides details on the economic environment, financial results and other key indicator information to the Finance and Audit Committee for information.

Respectfully submitted,

Mike Ching, Director, Finance

Report Contributors

This report was prepared by Cindy Gilfillan, Manager, Financial Reporting and reviewed by: Arts, Culture and Heritage Services; Building Approvals; Climate & Environment; Community Bylaws; Community Safety Administration; Community Social Development; Development Applications; Economic Development; Engineering; Facilities and Project Development; Fire-Rescue; Housing Office; Information Technology; Library Services; Parks Services; Policy Planning; PRC, Planning and Strategic Initiatives; Public Works; RCMP; Real Estate Services; Recreation and Sport Services; and Transportation.

Endorsed by Serena Lusk, CAO

Att. 1: Economic Indicators
2: Financial Key Indicators
3: Unaudited Statement of Operations
4: Contract Awards Greater than $75,000

Economic Indicators — June 30, 2026

Macroeconomic Indicators & Forecast

		2024	2025	Change	2026f	2027f
1)	**Real GDP (% at YE)**					
	Canada	1.6	1.9	18.8%	1.1	1.7
	United States	2.8	2.1	(25.0%)	2.3	2.2
	China	5.0	5.0	0.0%	4.6	4.1
	World	3.3	3.5	6.1%	3.0	3.4

		2024	2025	Change	2026f	2027f
2)	**Interest Rates (at YE)**					
	Bank of Canada	3.25	2.25	(30.8%)	2.25	3.25
	US FED	4.38	3.63	(17.1%)	3.63	3.63

		2024	2025	Change	2026f	2027f
3)	**Exchange Rate (at YE)**					
	CAD per $1 USD	1.32	1.44	9.1%	1.37	1.34

		Q2-2026	Q1-2026	Change	Q2-2025	Change
4)	**Unemployment (% at QE)**					
	Canada	6.5	6.7	(3.0%)	6.9	(5.8%)
	BC	6.5	6.7	(3.0%)	5.6	16.1%
	Metro Vancouver	6.6	6.2	6.5%	6.2	6.5%

		Q2-2026	Q1-2026	Change	Q2-2025	Change
5)	**CPI (2002=100) (at QE)**					
	Canada	169.0	167.4	1.0%	164.4	2.8%
	BC	163.3	161.7	1.0%	158.8	2.8%
	Metro Vancouver	166.7	164.7	1.2%	161.9	3.0%

Regional and Local Market Indicators

		Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
6)	**Richmond Building Permits**						
	Residential – New Construction*	24	44	(45.5%)	57	74	(23.0%)
	Residential – Alterations	90	77	16.9%	174	157	10.8%
	Residential Total	114	121	(5.8%)	231	231	0.0%
	*Number of units from new residential construction	30	391	(92.3%)	75	585	(87.2%)
	Residential	114	121	(5.8%)	231	231	0.0%
	Commercial	130	95	36.8%	237	171	38.6%
	Industrial	53	44	20.5%	92	72	27.8%
	Building Permits Total	297	260	14.2%	560	474	18.1%
	Construction Value ($ million)	57.7	119.2	(51.6%)	143.8	246.7	(41.7%)

		Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
7)	**Housing Starts CMHC (Units)**						
	Starts - Richmond	63	99	(36.4%)	123	168	(26.8%)
	Starts - Metro Vancouver	5,815	7,937	(26.7%)	12,521	12,771	(2.0%)

		Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
8)	**Richmond Residential Sales Activity**						
	Sales - Detached	191	168	13.7%	300	331	(9.4%)
	Sales - Townhouse	163	153	6.5%	269	312	(13.8%)
	Sales - Apartment	377	366	3.0%	641	700	(8.4%)
	Sales - Total	731	687	6.4%	1,210	1,343	(9.9%)

Economic Indicators — June 30, 2026

Regional and Local Market Indicators (continued)

9) Richmond Sales to Active Listings Ratio (% at QE)

Ratio (% at QE)	Q2-2026	Q2-2025	Change
Single Family Detached	10.7%	8.8%	21.6%
Townhouse	14.3%	15.9%	(10.1%)
Apartment	14.4%	12.4%	16.1%
Total	13.2%	11.8%	11.9%

10) Average Days on Market

	Richmond			Metro Vancouver		
Property Type	Q2-2026	Q2-2025	Change	Q2-2026	Q2-2025	Change
Single Family Detached	46	37	24.3%	39	34	14.7%
Townhouse	38	30	26.7%	33	27	22.2%
Apartment	44	35	25.7%	39	32	21.9%

11) Home Price Index ($000 at QE)

	Richmond			Metro Vancouver		
Property Type	Q2-2026	Q2-2025	Change	Q2-2026	Q2-2025	Change
Single Family Detached	1,964	2,117	(7.2%)	1,841	1,995	(7.7%)
Townhouse	1,036	1,098	(5.6%)	1,043	1,104	(5.5%)
Apartment	662	709	(6.6%)	703	748	(6.0%)

12) Commercial Space (at QE)

	Richmond			Metro Vancouver		
	Q2-2026	Q2-2025	Change	Q2-2026	Q2-2025	Change
Office Vacancy (%)	8.4	10.1	(16.8%)	11.6	11.5	0.9%
Transit Oriented Office Vacancy (%)	8.6	5.7	50.9%	N/A	N/A	N/A
Office Inventory (000 sf)	5,216	5,116	2.0%	70,499	70,623	(0.2%)
Industrial Vacancy (%)	3.2	2.7	18.5%	4.4	3.9	12.8%
Industrial Inventory (000 sf)*	46,185	46,843	(1.4%)	254,129	249,039	2.0%

13) Richmond Business Growth

Richmond Business Growth	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Total Valid Business Licences (at QE)	15,622	14,368	8.7%	15,622	14,368	8.7%
New Licences - Number Issued	468	629	(25.6%)	905	1,185	(23.6%)
New Licences - Employees	2,091	2,037	2.7%	3,697	4,508	(18.0%)
New Licences - Office Added (sf)	157,965	209,245	(24.5%)	337,820	439,067	(23.1%)
New Licences - Retail Added (sf)	84,149	91,785	(8.3%)	180,934	227,519	(20.5%)
New Licences - Industrial Added (sf)	229,825	403,107	(43.0%)	450,190	944,923	(52.4%)
Total Space Added (sf)/Avg. Change	471,939	704,137	(33.0%)	968,944	1,611,509	(39.9%)

Economic Indicators — June 30, 2026

Regional and Local Market Indicators (continued)

14) Goods & People Movement	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
YVR Air Cargo (tonnes)**	66,728	57,384	16.3%	160,023	142,105	12.6%
PMV Container Movement (TEUs)	966,516	1,000,182	(3.4%)	1,901,593	1,877,769	1.3%
YVR Passengers (million)**	4.51	4.33	4.2%	10.88	10.42	4.4%
Richmond Hotel Revenue ($ million)***	63.7	48.7	30.8%	135.6	104.0	30.4%
MRDT Revenues ($ million)***	1.78	1.36	30.8%	3.80	2.91	30.4%

Notes:

a) QE indicates quarter-end; YE indicates year-end.
b) f - Forecast to year-end.

*The Q2 2026 industrial inventory decrease is primarily due to ongoing validation by the source, rather than a significant market-driven change.
**YVR data for Q2 2026 and Q2 2025 includes April and May data only. YTD includes data from January to May.
***Richmond Hotel Room Revenue and MRDT Revenues for Q2 2026 includes April and May only. YTD includes data from January to May.

List of Sources:

1) International Monetary Fund, World Economic Outlook (July 2026). Global Economy in Crosscurrents of War and Technology.
2) US Federal Reserve, Bank of Canada and Royal Bank of Canada Research; RBC Monthly Forecast Update, July 2026.
3) RBC Monthly Forecast Update, July 2026.
4) Statistics Canada Labour Force Survey (June 2026); BC Stats, Labour Force Statistics Highlights, June 2026.
5) Statistics Canada, Consumer Price Index; also Consumer Price Index, June 2026; also BC Stats, Consumer Price Index, June 2026, Issue #26-06.
6) City of Richmond Building Permits.
7) City of Richmond Building Permits.
8) Canada Mortgage and Housing Corporation.
9) Cushman & Wakefield Office and Industrial Market Beat Reports, Q2 2026.
10) City of Richmond Business Licencing data.
11) Port of Vancouver Monthly Cargo Statistics; YVR Monthly Statistics.
12) YVR Monthly Statistics, YVR News.
13) City of Richmond Hotel Tax Ledger.

Financial and Key Indicators June 30, 2026

(All dollar amounts in $000s)

1)	Development Cost Charges Contributions	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
	Roads, Water, Sewer DCCs Received	$107	$352	(69.6%)	$2,161	$10,143	(78.7%)
	Parks DCCs Received	$30	$33	(9.1%)	$231	$2,736	(91.6%)
	Total DCC Fees Received	$137	$385	(64.4%)	$2,392	$12,879	(81.4%)
	DCC Reserves – Uncommitted Balance at QE	$172,482	$166,495	3.6%	N/A	N/A	N/A

2)	Uncommitted Reserves (at QE)	Q2-2026	Q2-2025	Change
	Capital Funding Reserves	$249,461	$213,843	16.7%
	Utility Reserves	$89,478	$97,245	(8.0%)
	Affordable Housing Reserves	$17,798	$16,553	7.5%
	Other Reserves	$93,439	$101,651	(8.1%)
	Total Uncommitted Reserves	$450,176	$429,292	4.9%

3)	Taxes to date	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
	Taxes Collected	$464,302	$453,665	2.3%	$483,992	$475,759	1.7%
	City Portion of Taxes Collected	$236,794	$231,369	2.3%	$246,836	$242,637	1.7%
	Unpaid Taxes - Delinquent & Arrears (at QE)	$17,348	$14,464	19.9%	$17,348	$14,464	19.9%
	No. of Participants on Pre-authorized Withdrawal (at QE)	6,443	6,373	1.1%	6,443	6,373	1.1%
	Pre-authorized Withdrawals Payments	$9,503	$9,687	(1.9%)	$23,898	$24,208	(1.3%)
	Interest Rate % Paid	2.45%	2.95%	(16.9%)	2.45%	2.95%	(16.9%)

Sources: All data is from City of Richmond records

4)	Cash and Investments	Q2-2026	Q2-2025	Change
	Investments	$1,587,800	$1,580,120	0.5%
	Cash (Includes High Interest Savings Accounts)	$634,516	$575,925	10.2%
	Total Cash and Investments	$2,222,316	$2,156,045	3.1%
	Average City Rate of Return %	3.64%	4.00%	(9.0%)

5)	Planning and Development	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
	Building Permit Fees Collected	$1,126	$1,268	(11.2%)	$2,529	$3,399	(25.6%)
	Development Applications Received	53	28	89.3%	89	59	50.8%
	Development Applications Fees	$110	$206	(46.6%)	$527	$410	28.5%

Financial and Key Indicators — June 30, 2026

(All dollar amounts in $000s)

Financial and Key Indicators (continued)

6) Business Licences	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Revenue Received for Current Year Licences	$1,148	$997	15.1%	$3,369	$2,845	18.4%

7) Other Revenues	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
Parking Program Revenue	$941	$794	18.5%	$1,758	$1,527	15.1%
Gaming Revenue	$2,737	$2,968	(7.8%)	$5,341	$5,665	(5.7%)
Traffic Fine Revenue	$0	$0	0.0%	$0	$0	0.0%

8) Employees	Q2-2026	Q2-2025	Change
Full Time Equivalent (FTE) Employees (at QE)	1,773	1,759	0.8%

(City and Library)
FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.

9) Operating Indicators	Q2-2026	Q2-2025	Change	YTD-2026	YTD-2025	Change
RCMP - Calls for Service Handled	17,710	16,744	5.8%	34,383	33,193	3.6%
Community Bylaws	2,298	2,048	12.2%	3,993	3,632	9.9%
Fire-Rescue Incidents	3,263	3,147	3.7%	6,339	6,417	(1.2%)
Public Works Calls for Service	3,517	3,720	(5.5%)	6,673	6,816	(2.1%)

10) Richmond Population Estimate Year End	2026f	2025	2024	2023	2022
	238,628	239,584	242,142	235,936	228,349

Population figures from BC Stats

Notes:

a) All figures presented above are unaudited.
b) f - Forecast to year-end.

Unaudited Statement of Operations[1]

For the six month period ended June 30, 2026, with comparative figures for 2025.
(in $000s)

	Budget June 30, 2026	Actuals June 30, 2026	Actuals June 30, 2025
Revenue:			
Taxation and levies	$176,289	$176,078	$167,886
Utility fees	92,283	88,378	83,886
Sales of services	26,426	26,600	22,871
Payments-in-lieu of taxes	10,518	10,518	9,300
Provincial and federal contributions	6,583	7,048	2,809
Development cost charges	5,513	3,805	3,613
Other capital funding sources	37,492	11,897	12,737
Other revenue:			
Investment income	24,358	28,598	29,807
Gaming revenue	5,433	5,341	5,665
Licences and permits	8,254	7,361	7,004
Other	9,336	23,371	21,698
Equity income in LIEC	1,076	1,382	1,109
	$403,561	**$390,377**	**$368,385**
Expenses:			
Law and community safety	$89,410	$84,037	$80,677
Utilities[2]	86,484	82,418	72,265
General government	51,233	56,869	55,821
Parks, recreation and culture	41,761	39,666	37,398
Engineering, transportation, public works and project development	39,603	35,933	33,658
Planning and development	13,305	11,516	10,509
Richmond Public Library	6,967	6,580	6,233
	$328,763	**$317,019**	**$296,561**
YTD surplus (annual surplus)[3]	$74,798	$73,358	$71,824
Accumulated surplus, beginning of year	3,915,713	3,915,713	3,949,912
Accumulated surplus, end of June 30th	$3,990,511	$3,989,071	$4,021,736

[1]Statement of Operations for City and Library after intercompany eliminations includes investment in Lulu Island Energy Company but excludes Oval results.
[2]Utilities includes flood, sanitation, sewer and water.
[3]Annual surplus is the difference between revenues and expenses and reflects the change in the accumulated surplus on the Statement of Financial Position. Annual surplus is prior to transfer to reserves and surplus appropriations. The revenues include capital contributions, development cost charges and other items that impact the investment in tangible capital assets within the accumulated surplus. The expenses include amortization, which impacts the investment in tangible capital assets in accumulated surplus.
[4]Accumulated surplus is equivalent to the net worth of an organization and is comprised of investment in tangible capital assets, reserves, appropriated surplus, general surplus and other equity.

Contract Awards Greater than $75,000

April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
1	946F - Community Safety Building - Access Control Upgrade	Receiver General for Canada (RCMP-Ontario)	$228,358	Law and Community Safety
2	948F - Animal Shelter Operations and Animal Control Services (three year term)	BC SPCA	3,718,985 initial term 1,014,678 remaining terms 2,704,307	Law and Community Safety
3	8481Q - Supply and Delivery of One (1) Medium Flat Deck Crane Truck	Dams Ford Lincoln Sales Ltd.	255,226	Engineering and Public Works
4	957IQ - Britannia Shipyard - Building Exhibit Unpack and Re-Installation	Charlemain Productions Ltd.	94,500	Parks, Recreation and Culture
5	8402PQ – Office Supply and Installation	Heritage Office Furnishings Ltd.	220,672	Engineering and Public Works
6	954S - Operation of Restorative Justice Program - 2026-2028	Touchstone Family Association	332,310 initial term 110,770 remaining terms 221,540	Law and Community Safety
7	956IQ - First Nations Building Reconstruction - Quality Assurance Services	Iredale Architecture Inc.	111,565	Engineering and Public Works
8	8511Q -- Supply and Delivery of Multiple Conventional Two (2) Ton Dual Wheel Crew Cab Dump with 9' (Nine Foot) Dump Body	Abbotsford Chrysler Dodge Jeep Ram Ltd.	483,476	Engineering and Public Works
9	959IQ - Supply and Installation of Sport Fence at Burkeville Park	Streamline Fencing Ltd.	138,681	Parks, Recreation and Culture
10	9581Q - Recycling Depot Fence Upgrade	Fortress Fencing Inc.	76,350	Engineering and Public Works
11	8495P - Granville Avenue and Cooney Road Channelized Island Removal	Amrize Canada Inc.	826,090	Engineering and Public Works
12	964IQ - Richmond Ice Centre Fire Watch Services	Aimpoint Security Solutions Inc.	78,449	Engineering and Public Works

Contract Awards Greater than $75,000 (continued)

April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
13	8538Q - Rental of Coveralls and Related Services (3 year term)	Alsco Canada Corporation	337,281 initial term 112,427 remaining terms 224,854	Finance and Corporate Services
14	8506P - MRN and Non-MRN Asphaltic Concrete Paving	1166618 B.C. Ltd. DBA Save On Blacktop	8,232,265	Engineering and Public Works
15	8268P – Demolition for Works Yard Replacement - Phase 1	PCL Constructors Westcoast Inc.	1,574,664	Engineering and Public Works
16	967F - Project Manager and Business Analyst for the Workforce Management Solution	S.I. Systems Partnership	249,600	Finance and Corporate Services
17	8560Q - Supply and Delivery of Dell Virtualized Host Servers	Turning Point Technology Services Inc.	192,248	Finance and Corporate Services
18	8500P - Provision of Consulting Services for Streetlight Condition Assessment	Evari Consulting, Inc.	280,880	Engineering and Public Works
19	8541P - Permit Enhancements to Amanda and Citizen Portal	Meraki IT Consulting Incorporated	217,500	Finance and Corporate Services
20	977IQ - Kaiwo Maru	Japan Agency of Maritime Education and Training for Seafarers	136,240	Parks, Recreation and Culture
21	8385Q - Supply and Delivery of Safety Equipment (3 year term)	Associated Fire Safety Group WFR Wholesale Fire & Rescue Firetech Manufacturing Ltd.	481,870 initial term 267,205 remaining terms 214,665	Law and Community Safety
22	8555Q - Palo Alto Firewall Refresh, Support Licences and Subscriptions	Ion United Inc.	161,170	Finance and Corporate Services
23	969IQ - Asphalt Paving for No. 3 Road West Laneway Upgrades Project	1166618 B.C. Ltd. DBA Save On Blacktop	110,432	Engineering and Public Works

Contract Awards Greater than $75,000 (continued)

April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
24	984F - Application Traffic Load Balancer Refresh	Compugen Inc.	174,714	Finance and Corporate Services
25	8551 NOITC - AMANDA License Subscription and Maintenance (5 year term)	Granicus LLC	713,466 initial term 134,384 remaining terms 579,082	Finance and Corporate Services
26	978F - Imaging Development	Microserve	84,367	Finance and Corporate Services
27	981S - Voter Cards and Guide - Data Format, Printing and Postage - 2026 Election	IDRS	180,343	Finance and Corporate Services
28	8307P - Phase 1 - Provision of Parking Meter Equipment	J.J. MacKay Canada Limited	402,535	Law and Community Safety
29	8553P - Garratt Wellness Centre - Roof Replacement	Langley Roofing Co. Ltd.	264,800	Engineering and Public Works
30	8176P - West Richmond Pavilion - Facility Construction	PCL Constructors Westcoast Inc.	15,653,720	Engineering and Public Works
31	8561 NOITC - Marina Management Services (3 year term)	Dorset Realty Group Canada Ltd.	240,000 initial term 80,000 remaining terms 160,000	Finance and Corporate Services
32	8412P - Community Safety Division, Joint Mobile Command Unit	Intercontinental Truck Body (BC) Ltd.	1,347,325	Law and Community Safety
33	989F - PeopleSoft Financials Technical Support License Expansion 2026	Oracle Canada ULC	76,250	Finance and Corporate Services
34	991F - Minoru Centre for Active Living - Family Hot Tub and Leisure Pool Defender Filter Rebuild	Riverwest General Contractors Ltd.	212,814	Engineering and Public Works
35	8546Q - Supply and Delivery of Multiple Fully Electric Crossover Vehicles	Wheaton Chevrolet Buick GMC Ltd.	137,755	Engineering and Public Works

Contract Awards Greater than $75,000 (continued)

April 1st to June 30th, 2026

Item	Description	Awarded Vendor	Awarded Amount	Division
36	8530Q - Cisco Support and Licensing (3 year term)	Long View Systems	437,897 initial term 250,122 remaining terms 187,775	Finance and Corporate Services
37	996IQ - Garratt Wellness Centre - Boiler Replacement	Division Mechanical Ltd.	84,590	Engineering and Public Works
38	997S - Public Sector Annual Subscription Lease	Infor Canada Ltd.	151,107	Finance and Corporate Services
39	9941Q - Supply and Delivery of Bank Stabilizing Materials for the No. 9 Road Canal Stabilization Project	Terrafix Geosynthetics Inc.	135,791	Engineering and Public Works
40	8437Q - Supply and Delivery of Carbon Dioxide (CO2) at Minoru Centre for Active Living (3 year term)	Linde Canada Inc.	282,259 initial term 94,086 remaining terms 188,173	Parks, Recreation and Culture
41	8575Q - Seine Net Loft Heritage Items Protection, Relocation and Storage	Charlemaine Productions Ltd.	159,000	Parks, Recreation and Culture
42	8547Q - Supply and Delivery of Multiple Conventional Two (2) Ton Dual Wheel Crew Cab with 9' (Nine Foot) Dump Body and Required Outfitting	Viking-Cives, Ltd.	319,441	Engineering and Public Works
43	8556 RFI - Budget Planning & Monitoring Phase 2	EPM One Consulting Ltd.	294,580	Finance and Corporate Services

City of Richmond

Report to Committee

To:	Finance and Audit Committee	**Date:**	August 3, 2026
From:	Jerry Chong General Manager, Finance and Corporate Services	**File:**	03-0975-01/2025-Vol 01
Re:	**Active Capital Projects Financial Update – 2nd Quarter June 30, 2026**		

Staff Recommendation

That the report titled "Active Capital Projects Financial Update – 2nd Quarter June 30, 2026", from the General Manager, Finance and Corporate Services, dated August 3, 2026, be received for information.

Executive Summary

As of June 30, 2026, the City of Richmond had $1.1 billion in approved funding for active capital projects, excluding the contingent external contribution project. Of that amount, $488.8 million, or 46.5 per cent, had been spent or contractually committed. The largest share of the capital program consists of the Building and Infrastructure programs, which together account for 77.7 per cent of the overall budget. Major projects underway include the Steveston Community Centre and Library, the Works Yard Replacement Project, road and cycling improvements, flood protection upgrades, watermain replacements, park renewals, fleet and equipment replacement, and information technology initiatives.

The City also recorded $11.8 million in contributed assets from developers and third parties for the six-month period ended June 30, 2026.

Staff Report

Origin

The Active Capital Projects Financial Update for the 2nd quarter ended June 30, 2026, is provided to the Finance and Audit Committee for information.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

> *Responsible financial management and efficient use of public resources to meet the needs of the community.*

Analysis

Active Capital Project Definition

Council approves the budget for each capital project before its initiation. For the purposes of this report, a capital project is considered active if it falls within any of the stages outlined in Figure 1.

Figure 1: Capital Project Completion Stages

Capital projects include amounts set aside for land acquisition where Council approval is required for each specific land acquisition transaction.

Financial Overview

As of June 30, 2026, the approved budget for all active capital projects excluding the contingent external contribution project was $1.05B, of which $488.8M, or 46.5 per cent, has already been spent or contractually committed. Any unspent budget for each active capital project will remain allocated until the project is closed.

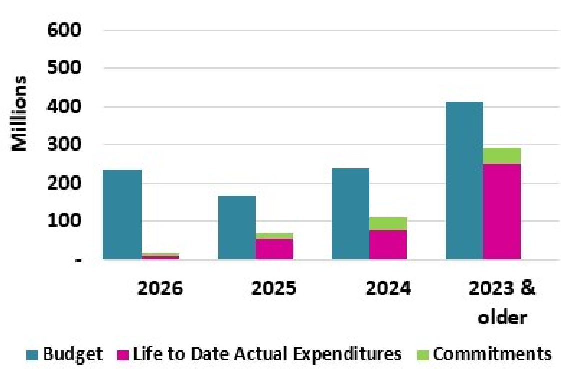
Table 1 highlights the unaudited capital financial information by program. Project managers responsibilities include reviewing project costs on a regular basis and attesting to the accuracy and completeness of project cost details for any open projects that are in the capitalization or project closure stages. Projects approved by Council three years ago or earlier requires the respective General Manager request to the Financial Officer to remain open. The list of all open capital projects is provided to Council on an annual basis.

The total budgets for the Building and Infrastructure Programs are $449.0M and $368.1M, respectively, representing 77.7 per cent of the overall capital budget. As the active capital projects progress, additional expenditures and commitments will arise in future periods, which will be covered by the remaining budget. As of June 30, 2026, the total actual expenditures for active capital projects amounted to $387.2M.

Table 1: Capital Financial Information by Program as of June 30, 2026 (in '000s)

Program	Budget	Actual Expenditures	Commitments	Remaining Budget
Building	$449,041	$144,718	$62,527	$241,796
Infrastructure	368,121	149,881	17,353	200,887
Land	102,186	31,839	-	70,347
Equipment	59,711	18,004	17,637	24,070
Parks	54,855	34,345	1,406	19,104
Information Technology	17,890	8,369	2,685	6,836
Total	$1,051,804	$387,156	$101,608	$563,040

Figure 2: Capital Financial Information by Plan Year as of June 30, 2026



Capital projects with Plan Years 2023 and prior include the Works Yard Replacement (2023), currently in the design stage, the Steveston Community Centre and Library, currently under construction, and the Steveston Highway Multi-Use Pathway – No. 2 Road to Railway, which is completed. For the Fire Vehicle Replacement projects, seven large fire apparatus were ordered.

Financial Information by Capital Program

Building Program

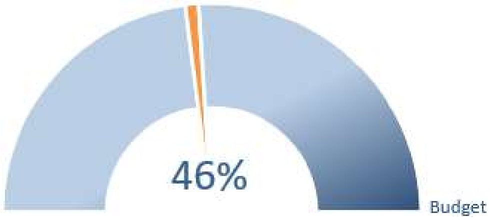


Figure 3: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Total approved budget for the Building Program is $449.0M, of which $207.2M has already been spent or contractually committed.
- Commitments as of June 30, 2026, were $62.5M.
- Current year capital expenditures were $25.2M.

Key capital projects are highlighted in Table 2, where project status updates are provided in Attachment 1.

Table 2: Key Capital Project Highlights – Building Program as of June 30, 2026 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Britannia Shipyards National Historic Site – Seine Net Loft and Britannia Shipyard Building (2023-2025)	$22,500	$7,021	$1,824	$13,655
Richmond Ice Centre Interior Renewals and Sprinkler System Replacement (2025-2026)	8,500	1,915	3,055	3,530
Steveston Community Centre and Library (2021)	95,000	63,008	25,298	6,694
West Richmond Pavilion (2024)	19,850	591	16,337	2,922
Works Yard Replacement Project– Phase 1 (2023-2024, 2026)	174,000	11,152	8,275	154,573

Infrastructure Program

Figure 4: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Within the Infrastructure Program, the actual expenditures and commitments compared to budget for each sub-program is broken down as follows:
  - Roads Program – 59%
  - Water Program – 52%
  - Flood Protection Program – 38%
  - Sanitary Sewer Program – 23%
- Commitments as of June 30, 2026, were $17.4M.
- Current year capital expenditures were $19.1M.

Key capital projects are highlighted in Table 3, with project status updates provided in Attachment 1.

Table 3: Key Capital Project Highlights – Infrastructure Program as of June 30, 2026 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Roads				
Active Transportation Improvement Program (2021), Sexsmith Road/Brown Road Bike Route (2022), Arterial Road Improvement Program (2025)	$4,250	$294	$1,500	$2,456
Annual Asphalt Re-Paving Program (2026)	9,291	852	6	8,433
Steveston Highway Multi-Use Pathway– Phase 3 and Phase 4 (2023)	8,426	1,991	177	6,258
Water				
Watermain Replacement Upgrades Program (2026)	5,515	811	4	4,700
Flood Protection				
Canal Stabilization and Drainage and Irrigation Upgrades (2026)	1,864	8	145	1,711
Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020-2024, 2026)	38,360	8,960	1,864	27,536
Invasive Species Management (2023-2026)	1,035	376	83	576
Laneway Drainage Upgrades (2026)	3,263	913	139	2,211

Equipment Program

Figure 5: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Total approved budget for the Equipment Program is $59.7M, of which 78% of the Vehicle Program budget and 27% of Equipment Program budget have already been spent or contractually committed.
- Commitments as of June 30, 2026, were $17.6M.
- Current year capital expenditures were $2.1M.

Key capital projects are highlighted in Table 4, with project status updates provided in Attachment 1.

Table 4: Key Capital Project Highlights – Equipment Program as of June 30, 2026 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Public Safety Mobile Command and Communication Centre Vehicle (2024)	$1,815	$ -	$ 1,442	$373
Vehicle and Equipment Purchases (Public Works and Corporate Fleet) (2023-2026)	15,178	8,743	1,577	4,858

Parks Program

Figure 6: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Total approved budget for the Parks Program is $54.9M, of which $35.8M has already been spent or contractually committed.
- Commitments as of June 30, 2026, were $1.4M.
- Current year capital expenditures were $1.2M.

Key capital projects are highlighted in Table 5, with project status updates provided in Attachment 1.

Table 5: Key Capital Project Highlights – Parks Program as of June 30, 2026 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Burkeville Neighbourhood Park Redevelopment (2024)	$777	$189	$263	$325
Garden City Community Park Gathering Space (2025)	300	99	106	95
McLean Park Dog Off-Leash Area (2023)	200	15	-	185
Minoru Lakes Renewal: Phase 2 (2024)	2,718	140	40	2,538
Pickleball Court Construction (2025)	800	30	291	479
Playground Improvement and Replacement Program				
Hugh Boyd Community Park Playground Renewal (2024 & 2025)	1,800	7	-	1,793
Playground Replacement Program (2024, 2026), Timber and Natural Play Replacement Program (2026)	1,950	252	383	1,315
Steveston Community Park Playground Expansion (2023)	2,318	2,153	31	134
Railway Greenway Solar Lighting – Phase 1 (2026)	360	-	-	360

Table 5: Key Capital Project Highlights – Parks Program as of June 30, 2026 (in '000s) - continued

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
South Dike Trail Enhancements (around Crown Packaging) (2025)	400	-	-	400
Steveston Park Legacy Walk (2025)	485	15	-	470

Information Technology Program

Figure 7: Life-to-Date Actual Expenditures and Commitments Compared to Budget

- Total approved budget for the Information Technology Program is $17.9M, of which $11.1M has already been spent or contractually committed.
- Commitments as of June 30, 2026, were $2.7M.
- Current year capital expenditures were $2.5M.

Key capital projects are highlighted in Table 6, with project status updates provided in Attachment 1.

Table 6: Key Capital Project Highlights – Information Technology Program as of June 30, 2026 (in '000s)

Project Name	Budget	Actual Expenditures	Commitments	Remaining Budget
Digital Strategy Initiatives (2019)	$900	$829	$58	$13
Document and Records Management System Modernization (2025)	3,440	643	1,590	1,207
Permit Optimization Project (MyPermit) (2021 & 2024)	2,916	1,727	281	908

Capital Budget Reallocation

Council Policy 3001 requires that changes to the Capital Budget be reported to the Finance and Audit Committee. The following reallocations were recorded in the 2nd quarter:

Table 7: Budget Reallocation Since the Quarter Ended June 30, 2026 (in ’000s)

Transfer From Capital Project	Transfer To Capital Project	Amount
Contingent External Contributions (2026): TransLink and the Government of Canada	Sexsmith Road/Brown Road Bike Route (2022)	$350
Playground Replacement Program (2022)	Burkeville Neighbourhood Park Redevelopment (2024)	157
Storm Main Drainage Upgrade (2021)	Drainage Infrastructure Enhancement in Minoru Park (2022)	140
Minoru Park Lakes Renewal (2019)	Minoru Lakes Renewal: Phase 2 (2024)	109
Server Replacement (2025)	Annual Virtual Hosts Refresh (2026)	80
Parks Ageing Infrastructure Replacement Program (2022)	Minoru Lakes Renewal: Phase 2 (2024)	65
Parks General Development (2023)	Minoru Lakes Renewal: Phase 2 (2024)	44
Playground Replacement Program (2023)	Burkeville Neighbourhood Park Redevelopment (2024)	20

Capital Projects Closed in the Quarter

The following capital projects were closed in the quarter ended June 30, 2026. Any unspent funding will be returned to the original source (e.g. Reserve Fund) for funding towards future projects, which require Council approval.

Table 8: Projects Closed in the Quarter Ended June 30, 2026 (in '000s)

Project Name	Plan Year	Budget	Actuals	Remaining Budget
Sanitary Sewer Repair - 100 to 1000 Block Lancaster Crescent	2023	$1,000	$514	$486
Transit-Related Roadway Improvement Program[1]	2022	400	187	213
LED Street Name Sign Program	2022	300	104	196
Public Works Minor Capital - Sanitary	2023	400	337	63
SCADA System Improvements	2023	350	301	49
Sanitary Sewer Gravity System Assessment and Rehabilitation	2023	550	503	47
Diking Land Acquisition	2025	222	203	19
Capstan Station Integration Design	2020	500	482	18
Enhanced Online Community Services Program Platform	2023	100	82	18
Sanitary Pump Station and Forcemain Upgrades and Rehabilitation	2023	350	349	1
Total		**$4,172**	**$3,062**	**$1,110**

[1]The project budget included an unfunded budget of $72K, as the grant received was lower than budgeted. The actual funding to return to the original funding sources is $141K.

Contributed Assets

Throughout the year, developers and third parties contribute assets to the City. The timing of the transfer of the contributed assets to the City is subject to the development and construction progress of the private developers, which the City cannot ascertain.

As of June 30, 2026, $11.8M of contributed assets were recorded. These contributed assets are non-cash contributions and have no impact on the net operating surplus. Under the Public Sector Accounting Standards, these are recorded as revenue at fair market value at the time of contribution and will be reflected in the financial statements in the annual surplus, with a corresponding increase to investment in tangible capital assets in accumulated surplus.

Budgetary Implications

None.

Conclusion

This report provides financial information on the active capital projects that were previously approved by Council for the 2nd quarter ended June 30, 2026.

Respectfully submitted,

Mike Ching, Director, Finance

Report Contributors

This report was prepared by Jenny Ho, Manager, Tangible Capital Assets and reviewed by Arts, Culture and Heritage Services; Building Approvals; Climate and Environment; Development Applications; Engineering; Facilities and Project Development; Fire-Rescue; Information Technology; Parks Services; PRC, Planning and Strategic Initiatives; Public Works; RCMP; Real Estate Services; Recreation and Sport Services; and Transportation.

Endorsed by Serena Lusk, CAO

Att. 1: Highlights of Key Active Capital Projects

Highlights of Key Active Capital Projects

Building Program

Britannia Shipyards National Historic Site – Seine Net Loft and Shipyard Building (2023-2025)

Budget: $22.5M Expected Completion Date: Q3 2027

Within the Britannia Shipyards National Historic Site, the Shipyard Building and the Seine Net Loft require structural, roof and envelope repairs. The site will continue to operate during phased building closures, which will ensure minimal impact to programming arrangements. The Shipyard Building renovations were completed and the building reopened to the public in June 2026. The Seine Net Loft construction works commenced in July 2026.

Richmond Ice Centre Interior Renewals and Sprinkler System Replacement (2025-2026)

Budget: $8.5M Expected Completion Date: Q4 2027

The project includes replacement of the original sprinkler system throughout the 155,000 sq. ft. facility, along with plumbing fixture upgrades in all washrooms and change rooms, bench seating replacements in the change rooms, as well as millwork upgrades to the skate rental shop. Phased construction will minimize disruption to arena users.

Steveston Community Centre and Library (2021)

Budget: $95.0M Expected Completion Date: Q4 2026

Construction for the new, three-storey, 60,350 sq. ft. facility is progressing on-site, with exterior glazing, cladding, and interior mechanical, electrical and plumbing works proceeding concurrently. The replacement facility includes a community centre with a double gymnasium, fitness centre, multipurpose rooms, gathering spaces, a shared community living room, and library with enhanced collections, children's and youth spaces, educational program rooms and space for quiet study. The facility will target Richmond's Enhanced Accessibility Design Guidelines and Technical Specifications, LEED Gold Certification, and Rick Hansen Foundation Accessibility Certification.

A 3,000 sq. ft. temporary facility (directly south of the existing centre) is open to the public, supporting library services, preschool, and community programming continuity. The temporary site will be open to the public until construction of the main replacement facility is completed.

The new parks washroom and electrical distribution centre is complete and opened to the public in March 2026. The original Steveston Community Centre and Library was demolished in April 2026 with a waste diversion rate of 97 per cent by weight.

West Richmond Pavilion (2024)

Budget: $19.9M Expected Completion Date: Q4 2027

Construction tender for the new 10,830 sq. ft. community facility is underway. The two-storey, community amenity building located in Hugh Boyd Community Park will feature multipurpose rooms, a kitchen, concession window, change rooms, washrooms, storage and office spaces. A second-floor balcony area will provide users with an outdoor area to view the sports fields and gather during events. The entrance plaza located to the north of the facility provides a welcoming gathering space upon arrival. The project will target Rick Hansen Foundation Accessibility Certification and will be the first City of Richmond civic building designed to Passive House Standards.

Works Yard Replacement Project– Phase 1 (2023-2024, 2026)

Budget: $174.0M Expected Completion Date: Q4 2029

The Works Yard is critical to essential core services, daily operations and emergency response to the community, and will be fully operational throughout construction works. The new facility will be designed to post-disaster standards to ensure continued functionality following major events. Phase 1 includes construction of a main building, inclusive of administration and workshop space, above a one-level parking structure. The operational areas will be constructed to a 4.7 metre geodetic Flood Construction Level target, to support long-term resilience and flood protection. Currently, enabling works and demolition of the building structures, utilities and asphalt is in progress.

Infrastructure Program

Roads

Active Transportation Improvement Program (2021), Sexsmith Road/Brown Road Bike Route (2022), Arterial Road Improvement Program (2025)

Budget: $4.3M Expected Completion Date: Q4 2026

The Arterial Road Improvement Program involves providing a north-south cycling connection between the Aberdeen Canada Line station and the Bridgeport Canada Line station. The project will connect existing bicycle lanes on No. 3 Road to the Canada Line Bikeway and Bridgeport Trail, and service the Aberdeen, Capstan and Bridgeport areas. Construction is scheduled to start in Q3 2026.

Annual Asphalt Re-Paving Program (2026)

Budget: $9.3M Expected Completion Date: Q4 2026

Each year, the City identifies priority locations in need of road repair. This program provides annual asphalt repaving across the City as part of the City's Infrastructure Replacement Strategy with 2026 work awarded in Q2 2026. In conjunction, deferred locations from previous years as well as ancillary works such as curb, gutter, road base repairs and line painting will be completed. Locations that will be completed in Q2 2026 include No. 6 Road from Triangle Road to Blundell Road, and Fraserwood Way from Fraserwood Place to Dyke Road.

Steveston Highway Multi-Use Pathway – Phase 3 and Phase 4 (2023)

Budget: $8.4M Expected Completion Date: Q2 2027

Currently, the Steveston Multi-Use Pathway connects Railway Avenue to Shell Road. Extension of the multi-use pathway between Shell Road and the Steveston Interchange through Phase 4 will complete the intended network connection, bridging users of the existing Shell Road Multi-Use Pathway and Steveston Highway Multi-Use Pathway to the Steveston Interchange. Construction tendering is currently ongoing with construction scheduled to start in Q3 2026.

Water

Watermain Replacement Upgrades Program (2026)

Budget: $5.5M Expected Completion Date: Q2 2027

This program replaces and upsizes ageing watermains at the end of their service life in line with the City's Ageing Infrastructure Renewal Strategy. As of Q2 2026, the watermain upgrades on Moncton Street have been completed and construction is currently ongoing at Yoshida Court and the Trimaran neighbourhood. Additional locations in the Daniels and Mellis neighbourhood are currently in the design phase.

Flood Protection

Canal Stabilization and Drainage and Irrigation Upgrades (2026)

Budget: $1.9M Expected Completion Date: Q4 2026

The City's drainage infrastructure network routinely goes through condition assessments, where canals and ditches are identified as a priority location for bank stabilization. Upcoming canal stabilization work along the west side of No. 9 Road is set to begin in Q3 2026 with additional locations in the design phase.

Disaster Mitigation and Adaptation Fund Infrastructure Upgrades (2020-2024, 2026)

Budget: $38.4M Expected Completion Date: Q4 2028

The City secured $13.8 million from the Federal Government through the Disaster Mitigation and Adaptation Fund grant to contribute towards the Flood Protection Program. The project includes various dikes and drainage pump station upgrades across the City. Completed dike locations includes the South Dike Upgrades between No. 3 Road and No. 4 Road, South Dike Upgrades between No. 9 Road and Dyke Road and the Drainage Pump Station Upgrades at Steveston Highway and Gilbert Road. Current ongoing projects includes the design and construction of the North Dike Upgrades between No. 2 Road and Lynas Lane, South Dike Upgrades from No. 4 Road to No. 5 Road and construction for the No. 9 Road Drainage Pump Stations set to begin in Q3 2026.

Invasive Species Management (2023-2026)

Budget: $1.0M Expected Completion Date: Ongoing

To protect drainage infrastructure and support flood management, the City has implemented a targeted invasive species treatment program focused on high-risk areas. As of Q2 2026, management of knotweed species, scotch broom and parrot's feather is underway at priority sites across the city. Control efforts follow a multi-year approach to ensure long-term effectiveness, with this year's treatments scheduled for completion by Q4 2026. Follow-up treatments will be assessed and implemented annually as needed.

Laneway Drainage Upgrades (2026)

Budget: $3.3M Expected Completion Date: Q4 2026

In order to resolve laneway drainage issues, the City has implemented a program to install drainage systems and upgrade road structures to laneways each year. As of Q2 2026, the drainage and paving improvements along No. 3 Road West have been completed. Upcoming locations in 2026 include the laneway at Sunnymede Gate and the Burkeville neighbourhood between Wellington Crescent and Miller Road, as well as the laneway between Hudson Avenue and Stirling Avenue.

Equipment Program

The Equipment Program includes machinery and vehicles for Richmond Fire-Rescue, Public Works, and other equipment.

Public Safety Mobile Command and Communication Centre Vehicle (2024)

Budget: $1.8M Expected Completion Date: Q4 2027

The purchase order has been placed, and the vehicle is expected to be delivered in Dec 2027.

Vehicle and Equipment Purchases (Public Works and Corporate Fleet) (2023-2026)

Budget: $15.2M Expected Completion Date: Ongoing

The 2023 to 2026 fleet vehicle and equipment projects involve the estimated acquisition of over 135 units that have been identified for replacement. As of Q2 2026, 90 units have arrived, 10 units are on order, and 35 units are in different stages of the evaluation process.

Parks Program

The Parks Program includes the development and replacement of parks, trails and natural areas in Richmond.

Burkeville Neighbourhood Park Redevelopment (2024)

Budget: $0.8M Expected Completion Date: Q4 2026

Construction at the basketball court was completed in Q4 2025. Construction at the tennis and pickleball courts is underway and expected to be completed in Q3 2026. Procurement for playground replacement is underway, with construction expected to start in Q3 2026.

Garden City Community Park Gathering Space (2025)

Budget: $0.3M Expected Completion Date: Q3 2026

Construction has started in Q2 2026 and anticipated to be completed in Q3 2026.

McLean Park Dog Off-Leash Area (2023)

Budget: $0.2M Expected Completion Date: Q4 2026

Detailed design is underway with construction expected to commence in Q3 2026.

Minoru Lakes Renewal: Phase 2 (2024)

Budget: $2.7M Expected Completion Date: Q2 2027

Proposals for construction services are currently under evaluation, with construction targeted to start in Q3 2026.

Pickleball Court Construction (2025)

Budget: $0.8M Expected Completion Date: Q3 2026

Construction has started in Q2 2026. Six new pickleball courts were completed and opened for public use in July 2026.

Playground Improvement and Replacement Program

Hugh Boyd Community Park Playground Renewal (2024 & 2025)

Budget: $1.8M Expected Completion Date: Q2 2027

Detailed design is currently underway to outline detailed work scope. Procurement for construction services will follow design completion.

Playground Replacement Program (2024, 2026), Timber and Natural Play Replacement Program (2026)

Budget: $2.0M Expected Completion Date: Q2 2027

Construction at McLean Neighbourhood Park has commenced in Q1 2026, and anticipated work at Dover Neighbourhood Park and Fedoruk Kartner Park is to follow. All three playgrounds are expected to be completed in Q3 2026. Public engagement for playground replacement at Aggasiz Neighbourhood Park, Albert Airey Neighbourhood Park, Park Lane Neighbourhood Park, Sea Island Community Centre, Olympic Riverside Plaza and Wowk Neighbourhood School Park is underway in Q2-Q3 2026 to receive public input on design, with construction completion tentatively scheduled for Q2 2027.

Steveston Community Park Playground Expansion (2023)

Budget: $2.3M Expected Completion Date: Q3 2026

Construction completed in Q2 2025, and the area is now open for public use. Procurement for additional playground enhancement based on community feedback is underway, with construction expected to start in Q3 2026.

Railway Greenway Solar Lighting - Phase 1 (2026)

Budget: $0.4M Expected Completion Date: Q4 2026

Following Council approval of the proposed work, detailed design are currently underway, followed by construction procurement. Lighting installation is anticipated to be completed by Q4 2026.

South Dike Trail Enhancements (around Crown Packaging) (2025)

Budget: $0.4M Expected Completion Date: Ongoing

Detailed design is currently underway to outline detailed work scope, including further analysis of environmental and permitting requirements along with an Agricultural Land Commission (ALC) application. Pending all permits and ALC approval, procurement for construction services will immediately follow, and the estimated construction timeline will be established.

Steveston Park Legacy Walk (2025)

Budget: $0.5M Expected Completion Date: Q4 2026

Detailed design was completed in Q2 2026, followed by construction procurement. Construction is anticipated to commence in Q3 2026.

Land Program

Strategic Real Estate Acquisition (2021-2026)

Budget: $102.2M Expected Completion Date: Ongoing

Capital projects include amounts set aside for potential real estate acquisition as per the Council Approved Strategic Real Estate Investment Plan. Council approval is required for each real estate acquisition transaction.

Information Technology

Digital Strategy Initiatives (2019)

Budget: $0.9M Expected Completion Date: Q4 2027

The Attendance Management Dashboard was originally launched as Phase 1 in January 2025 and was expected to be further enhanced through Phase 2 in multiple releases.

Document and Records Management System Modernization (2025)

Budget: $3.4M Expected Completion Date: Q4 2027

The City is replacing the Document and Records Management System with a modern solution that integrates well with collaboration tools and mobile devices, making it easier for staff to work together and improve productivity. The project has completed the Discovery and Planning phase and is now moving into Implementation and Migration in phases, with the first User Acceptance Testing cycle now underway.

Permit Optimization Project (MyPermit) (2021 & 2024)

Budget: $2.9M Expected Completion Date: Q4 2027

MyPermit is a multi-phased initiative to digitize development and building permits and expand customer self-service. Phases 1 and 2 introduced online processing for trade permits, servicing agreements, demolition and tree removal permits, and rezoning applications. Phase 3 expands the portal in 2026 to Single Family and Small-Scale Multi-Unit Housing (SSMUH), additions and alterations, development permits, and core functionality for subdivision and multi-family, industrial and commercial building permits. In 2027, work will continue with enhancements to these services and introduce Review Circulation functionality to support a broader range of plumbing and sprinkler permit applications.

City of Richmond

Report to Committee

To:	Finance & Audit Committee	**Date:**	August 7, 2026
From:	John Irving Deputy CAO Chief Executive Officer, Lulu Island Energy Company Jerry Chong General Manager, Finance and Corporate Services Chief Financial Officer, Lulu Island Energy Company	**File:**	03-0950-01/2025-Vol 01
Re:	**Lulu Island Energy Company – 2026 2nd Quarter Financial Information**		

Staff Recommendation

That the Lulu Island Energy Company report titled "Lulu Island Energy Company – 2026 2nd Quarter Financial Information", from the Chief Executive Officer and Chief Financial Officer, dated July 20, 2026, be received for information.

Executive Summary

This report presents the unaudited financial information of Lulu Island Energy Company for the second quarter of 2026. LIEC reported net income of $1.4 million, with revenues exceeding expenses.

As of June 30, 2026, LIEC's total assets were $116.4 million, total liabilities were $72.8 million, and shareholder's equity was $43.6 million, reflecting a stable financial position to support ongoing capital and operating needs.

Respectfully submitted,

John Irving Deputy CAO	Jerry Chong General Manager, Finance and Corporate Services

Endorsed by Serena Lusk, CAO

Att.1 – LIEC 2026 2nd Quarter Financial Information

6911 NO. 3 ROAD
RICHMOND, BC V6Y 2C1

Report

DATE:	July 20, 2026
TO:	Board of Directors
FROM:	Jerry Chong, Chief Financial Officer
Re:	**Lulu Island Energy Company – 2026 2nd Quarter Financial Information**

Staff Recommendation

That the 2nd Quarter Financial Information as presented in the report titled "Lulu Island Energy Company – 2026 2nd Quarter Financial Information", dated July 20, 2026, be approved.

Background

Lulu Island Energy Company (LIEC), a corporation wholly owned by the City of Richmond, was established to provide district energy services on behalf of the City. Information regarding LIEC's district energy utility (DEU) operations can be found in Attachment 1. All capital and operating costs are recovered through revenues from user fees, ensuring the business is financially sustainable. City Council is the regulator and thus sets customer rates.

This report provides pre-audited financial information to the Board of Directors and LIEC's shareholder, represented by Richmond City Council.

Analysis

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). LIEC's Q2 financial information (unaudited) consists of the interim statement of financial position as of June 30, 2026 (Attachment 2) and the interim income statement for the period ended June 30, 2026 (Attachment 3). Year-to-date budget-to-actual comparison is shown in Attachment 4.

Interim Statement of Financial Position

The interim statement of financial position provides a summary of assets, liabilities, and shareholder's equity. Total assets are comprised of current assets (cash, investments and receivables) of $27,714,660 and non-current assets (plant and equipment) of $88,650,299.

Current assets increased by $897,501 from December 31, 2025, mainly due to cash generated from operations. Accounts receivable primarily reflect accruals for the second-quarter meter billings, as well as GST receivable and amounts due from related parties. The decrease from December 31, 2025 is mainly due to the collection of one outstanding invoice, which is reflected in the increase in cash balance.

Non-current assets increased to $88,650,299 (2025 - $87,426,728) due to additional capital expenditures, partially offset by depreciation expense recognized in the period.

The total liabilities include outstanding invoices, deferred developer contributions and City Centre District Energy Utility (CCDEU) Project Agreement liabilities. Deferred developer contributions and CCDEU Project Agreement liabilities make up the majority of the liabilities and are the primary funding sources for new infrastructure. As of June 30, 2026, the total liabilities were $72,808,990 (2025 - $72,069,585). The increase from December 31, 2025, is due to additional capital expenditures to support infrastructure development.

Shareholder's equity represents the net worth of the company, calculated as total assets minus total liabilities. As of June 30, 2026, LIEC's shareholder equity was $43,555,969 (2025 - $42,174,302), a 3% increase from December 31, 2025.

Interim Income Statement and Budget Variance

Revenues

Metered billings reflect energy sales in the ADEU and CCDEU service areas[1]. Year-to-date metered billing revenue was $1,558,318 from ADEU, and $4,432,935 from CCDEU. Overall, 2026 year-to-date metered billing revenue increased by 18% to $5,991,253 (Q2 2025 - $5,090,705). This increase was driven by one new connection in 2026 and higher energy consumption from buildings that were newly connected and not fully occupied in 2025. Revenue was 3% below the budget due to the timing of the new customer connection.

Cost of Sales

The cost of sales represents total expenses attributable to the metered billing revenue, including contract services, utilities (electricity and natural gas), and depreciation.

Contract expenses increased by $318,721 to $1,671,246 (Q2 2025 – $1,352,525), primarily due to the planned additional operations and maintenance requirements associated with the three low carbon energy plants brought into service in 2025. The air-source heat pumps used by the LCEPs reduce carbon emissions compared to natural gas boilers; however, the equipment is more complex and requires more frequent maintenance. In addition, on-site energy plants have higher staffing requirements than centralized interim energy centers. Contract expenses were 4% below budget due to fewer unplanned maintenance events in the first half of 2026 compared to previous years.

[1] Note that OVDEU is now combined under the CCDEU service area.

Utility costs decreased by $80,865 to $1,224,830 (Q2 2025 – $1,305,695), primarily due to the elimination of the BC carbon tax. This was partially offset by the increased electricity usage due to the higher demand from three new LCEPs connected in late 2025. Utility costs were 6% below budget, due to moderate weather conditions and the difference in timing of the new connections.

Depreciation expense increased compared to Q2 2025 due to the addition of new capital assets placed into service. Depreciation expense was 6% below the budget due to timing differences in the in-service dates for certain assets.

Gross Margin

Gross margin as a percentage of revenue was 33%, compared to 34% in Q2 2025, remaining generally consistent with the prior year. Gross margin exceeded budget by 2% due to the lower-than-budgeted contract costs, utility costs, and depreciation expense.

General and Administration Expenses

General and administration (G&A) expenses represent costs incurred by LIEC to support ongoing operations and includes salaries and benefits, administration expenses, insurance, and professional fees. In Q2 2026, G&A expenses increased by 8% compared to the same period in 2025, in line with the overall company growth and the associated operational requirements. As a percentage of revenue, the G&A expenses decreased to 19% from 20% in Q2 2025.

- Salaries and benefits were in line with the budget and 11% higher than Q2 2025, primarily due to filling existing vacant positions to support the delivery of new infrastructure and the operation of existing systems for LIEC customers.

- Administration expenses increased by 3% compared to Q2 2025 due to company growth and general inflation and were 6% below budget.

- Insurance expense decreased by 5%, compared to Q2 2025, primarily due to the absence of a one-time asset valuation service incurred in 2025. This decrease was largely offset by the increase of insurance premiums associated with additional assets being insured during the period.

- Professional fees increased by 25% compared to Q2 2025, primarily due to a one-time consulting expense incurred in Q2 2026, and the higher audit fees for 2026. Professional fees were in line with the budget.

Contributions, Other Income and Financing Expenses

This section represents other sources of income and costs for the business. The recognized developer contributions revenue was higher than Q2 2025 due to additional on-site assets being placed into service. This is in line with the budget.

LIEC continued to invest available cash in secured term deposits. Investment income was lower than last year due to lower interest rates. Financing costs related to the CCDEU Project Agreement liabilities were higher than the prior year, reflecting ongoing investment in capital infrastructure to service new customers. Due to the careful timing of capital investments, slowdown in the development market, and the change in servicing strategy, these costs remained below budget.

LIEC's earnings before interest, tax, depreciation and amortization (EBITDA) was 39% higher than Q2 2025, while net income increased by 25% compared to the same period last year. This increase is primarily attributable to additional customer connections and the elimination of the BC carbon tax which reduced utility expenses. Consistent with the company's financial plan objectives, any net income will be retained in LIEC's equity to fund future capital projects and infrastructure replacements.

Financial Impact

None.

Conclusion

The pre-audited financial information shows positive financial results. This report will be presented to Council for information.

Helen Zhao
Controller
(604-204-8699)

Nicole Zhang
Assistant Controller
(604-204-8685)

Att. 1: District Energy in Richmond
2: Interim Statement of Financial Position as of June 30, 2026 (unaudited)
3: Interim Income Statement for the period ending June 30, 2026 (unaudited)
4: Year-To-Date Budget vs. Actual Comparison (unaudited)

District Energy in Richmond

Richmond's 2041 Official Community Plan (OCP) establishes a target to reduce greenhouse gas (GHG) emissions 50 percent below 2007 levels by 2030 and 100 percent by 2050. The City identified district energy utilities (DEUs) as a leading strategy to achieve the City's GHG reduction goals and incorporated Lulu Island Energy Company Ltd. (LIEC) in 2013 for the purpose of carrying out the City's district energy initiatives based on the following guiding principles:

1. The DEU will provide end users with energy costs that were competitive with conventional energy costs, based on the same level of service.
2. Council will retain the authority to set customer rates, fees and charges for DEU services.
3. The DEU will provide a flexible platform for adopting low-carbon energy technologies.

The City established three DEU service areas: ADEU, OVDEU, and CCDEU. Table 1 below provides a summary of the developments connected under the DEU service areas to date.

Table 1 – DEU Bylaw Service Areas - Current and Projected Connected Space

	Buildings To-Date	Residential Units To-Date	Floor Area To-Date	Floor Area Build-out
Alexandra DEU	13	2,200	2.4M ft^2	4.4M ft^2
Oval Village DEU	15	3,524	3.7M ft^2	6.4M ft^2
City Centre DEU	6	2,631	2.7M ft^2	48M ft^2
Total	**34**	**8,355**	**8.8M ft^2**	**58.8M ft^2**

The ADEU provides heating and cooling services to ten residential buildings, the large commercial development at "Central at Garden City", the Richmond Jamatkhana Temple, and Fire Hall No. 3, comprising 2,200 residential units and over 2.4 million square feet of floor area. While some electricity was consumed for pumping and equipment operations, most of this energy was currently produced locally from the geo-exchange fields in the greenway corridor and West Cambie Park, and highly efficient air source heat pumps.

The OVDEU services 15 buildings, containing 3,524 residential units. Energy is currently supplied from the four interim energy centres with natural gas boilers, which provide almost 24 MW of heating capacity. LIEC received a $6.2 million grant from the CleanBC Communities Fund for the design and construction of a sewer heat recovery permanent energy centre for the area. This project is in the detailed design stage and is expected to be completed in 2031. Once completed, the system will be able to produce up to 70% of low-carbon energy from the Gilbert Trunk sanitary force main sewer.

The CCDEU currently services six buildings, comprised of 2,631 residential units and approximately 2.7 million square feet of floor area. While off-site energy infrastructure is being built, CCDEU utilizes on-site low-carbon energy plants to service new customers. At full build-out, 176 developments, 28,000 residential units and approximately 48 million square feet of floor space will be serviced by 5 permanent energy centers with over 130 MW of heating and 115 MW of cooling capacity. The built-out system is estimated to reduce over one million tonnes of GHG emissions compared to conventional service.

Interim Statement of Financial Position (Unaudited)

	As of June 30 2026	As of December 31 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 5,524,808	$ 4,434,012
Accounts receivable (Note 1)	3,854,385	4,378,708
Prepaid expenses	28,045	35,361
Other investments	18,107,422	17,969,078
	27,714,660	26,817,159
Non-current assets:		
Plant and equipment	88,650,299	87,426,728
	$116,364,959	$ 114,243,887
Liabilities and Shareholder's Equity		
Current and non-current liabilities:		
Accounts payable and accrued liabilities	$ 1,941,787	$ 2,075,720
Deferred developer contributions	38,330,941	39,107,207
Government grants	1,529,289	1,360,090
Project Agreement liability	31,006,973	29,526,568
	72,808,990	72,069,585
Shareholder's equity:		
Share capital and contributed surplus	27,397,115	27,397,115
Retained earnings	16,158,854	14,777,187
	43,555,969	42,174,302
	$116,364,959	$ 114,243,887

Note 1:

	June 30, 2026			
Aging	Gross book balance	Bad debt provision	Proportion of provision	Credit-impaired
Current (not past due)	$ 2,834,846	$ -	-	No
1 to 30 days past due	-	-	-	-
31 to 60 days past due	-	-	-	-
61 to 90 days past due	-	-	-	-
91 days to 1 year past due	-	-	-	-
	$ 2,834,846	$ -	-	-

*Trade receivable aging table excludes GST receivable, and due from related parties.

Interim Income Statement (Unaudited)
For The Six Months Ended June 30, 2026

	2026	2025	$ Changes	% Change
Revenues				
Metered billings (Quarterly)	$ 5,991,253	$ 5,090,705	$ 900,548	18%
Service fee	490,743	490,743	-	-
	6,481,996	5,581,448	900,548	16%
Cost of Sales				
Contracts	1,671,246	1,352,525	318,721	24%
Utilities	1,224,830	1,305,695	(80,865)	(6%)
Depreciation	1,428,466	1,051,482	376,984	36%
	4,324,542	3,709,702	614,840	17%
Gross margin	**2,157,454**	**1,871,746**	**285,708**	15%
General and Administration Expenses				
Salaries and benefits	694,860	624,386	70,474	11%
Administration expenses	200,795	195,587	5,208	3%
Insurance	184,538	194,314	(9,776)	(5%)
Professional fees	153,238	122,730	30,508	25%
	1,233,431	1,137,017	96,414	8%
Net income before other items	924,023	734,729	189,294	26%
Contributions and Financing Expense				
Developer contributions	776,266	454,863	321,403	71%
Other income	6,622	8,036	(1,414)	(18%)
Financing income	391,442	466,903	(75,461)	(16%)
Financing cost	(716,686)	(555,254)	(161,432)	29%
	457,644	374,548	83,096	22%
Net Income	**$ 1,381,667**	**$ 1,109,277**	**$ 272,390**	25%

Earnings before interest, taxes, depreciation and amortization (EBITDA)				
Net income per above	$ 1,381,667	$ 1,109,277	$ 272,390	25%
Net financing cost	325,244	88,351	236,893	-
Depreciation expense	1,428,466	1,051,482	376,984	36%
EBITDA	$ 3,135,377	$ 2,249,110	$ 886,267	39%

Notes:

	Ending June 30 2026	Ending June 30 2025
Percentage of Revenue		
Gross margin percentage	33%	34%
General and administration percentage	19%	20%
Net income percentage	21%	20%
EBITDA percentage	48%	40%

Year-To-Date Budget vs. Actual Comparison (Unaudited)
For The Six Months Ended June 30, 2026

	Budget	Actual	$ Variance	%Variance
Revenues				
Metered billings (Quarterly)	$ 6,184,043	$ 5,991,253	$ (192,790)	(3%)
Service fee	490,743	490,743	-	-
	6,674,786	6,481,996	(192,790)	(3%)
Cost of Sales				
Contracts	1,745,018	1,671,246	(73,772)	(4%)
Utilities	1,298,470	1,224,830	(73,640)	(6%)
Depreciation	1,525,887	1,428,466	(97,421)	(6%)
	4,569,375	4,324,542	(244,833)	(5%)
Gross margin	2,105,411	2,157,454	52,043	2%
General and Administration Expenses				
Salaries and benefits	689,531	694,860	5,329	1%
Administration expenses	213,133	200,795	(12,338)	(6%)
Insurance	185,269	184,538	(731)	-
Professional fees	156,978	153,238	(3,740)	(2%)
	1,244,911	1,233,431	(11,480)	(1%)
Net income before other items	860,500	924,023	63,523	7%
Contributions and Financing Expense				
Developer contributions	776,734	776,266	(468)	-
Other income	7,000	6,622	(378)	(5%)
Financing income	326,667	391,442	64,775	20%
Financing cost	(894,723)	(716,686)	178,037	(20%)
	215,678	457,644	241,966	112%
Net Income	**$ 1,076,178**	**$ 1,381,667**	**$ 305,489**	**28%**

Earnings before interest, taxes, depreciation and amortization (EBITDA)

Net income per above	$ 1,076,178	$ 1,381,667	$ 305,489	28%
Net financing cost	568,056	325,244	(242,812)	(43%)
Depreciation expense	1,525,887	1,428,466	(97,421)	(6%)
EBITDA	$ 3,170,121	$ 3,135,377	$ (34,744)	(1%)

City of Richmond

Report to Committee

To:	Finance and Audit Committee	**Date:**	August 27, 2026
From:	Jerry Chong General Manager, Finance & Corporate Services	**File:**	03-1200-09/2025-Vol 01

Re: **Richmond Olympic Oval Corporation – 2nd Quarter 2026 Financial Information**

Staff Recommendation

That the Richmond Olympic Oval Corporation 2nd Quarter 2026 Financial Information report from the Director, Finance, Innovation & Technology, Richmond Olympic Oval Corporation be received for information.

Executive Summary

The Richmond Olympic Oval reported strong operating results, supported by rental, admissions, membership and program revenues. For the three-month ended June 30, 2026, net income before amortization was $462,000, exceeding the budgeted income of $196,000 by $266,000. Overall revenues were $262,000 favourable to budget, while expenditures were $4,000 favourable to budget.

Endorsed by Serena Lusk, CAO

REPORT

To:	Serena Lusk Chief Administrative Office, City of Richmond Jerry Chong General Manager, Finance & Corporate Services, City of Richmond	**Date:**	August 27, 2026
From:	Rick Dusanj, CPA, CA Director, Finance, Innovation & Technology		
Re:	**Richmond Olympic Oval Corporation – 2nd Quarter 2026 Financial Information**		

Origin

The Oval's Board and senior management continue to prioritize efficient and sustainable approaches to program delivery. The program highlights and the financial results for the second quarter ending June 30, 2026 ("Q2") are presented below and have been endorsed by the Corporation's Board of Directors.

Q2 Program Highlights

Memberships, Fitness and Longevity

The Fitness & Longevity portfolio continued to demonstrate strong member engagement and participation throughout Q2 2026. Group fitness delivered 746 classes with more than 14,000 participant check-ins, maintaining an 80% class fill rate and an exceptionally low 0.75% late cancellation/no-show rate. Specialty programming also performed well, including successful Summer Shred, HYROX, Pilates Small Group and sold-out Summer Solstice Yoga programs, while community events such as Zumba All-Star on the Fields attracted strong participation.

Overall facility usage remained positive, with 109,515 member scans, representing a 2% increase over Q2 2025, and Non-Peak admissions increasing 7% year over year. The active membership base grew to 4,800 members, with 75% of members residing in Richmond, while the Forever Young Wednesday membership more than doubled to 155 members, reflecting 142% year-over-year growth. Membership retention also improved, with cancellations declining 20% compared to the same period in 2025, and seasonal offerings continued to gain momentum, with Summer Youth and University Pass sales increasing 44% year over year.

The Oval continued to strengthen its community presence through highly attended promotional activations, including Seniors Week, which drew strong participation through complimentary access to fitness, basketball, badminton, and climbing activities. The Oval also hosted the opening event for Richmond Celebrates Soccer, attracting more than 3,000 attendees to cheer on Team Canada during its opening FIFA World Cup match.

High Performance Sport

Oval High Performance exceeded expectations in the second quarter, with revenue increasing 13% over Q2 2025 while continuing to expand athlete services and strengthen strategic partnerships. Private technical coaching for volleyball and table tennis saw a year-over-year growth, as did private strength and conditioning, which increased by 114 sessions compared to the same period in 2025.

The Oval further strengthened its position as a high-performance training centre by completing a new High Performance Services and Facility Use Agreement with Taekwondo BC. During the quarter, the Oval hosted training camps for six Provincial and National Sport Organizations, including Volleyball Canada, Wheelchair Basketball BC, Wheelchair Basketball Canada and Wheelchair Rugby Canada. Oval-supported athletes continued to produce exceptional results during competition, highlighted by Oval climbing athlete Noah Schwartz winning the 2025–26 U19 National Lead Climbing Championship and qualifying for the World Climbing Championships in Italy. The Oval also welcomed former Oval athlete and Olympian Anders Johnson back to coach and speak with athletes in the Speed Skating Performance Program.

Richmond Sport Hosting (RSH)

Consistent with Council's request for more comprehensive reporting on sport hosting activities across the City, the RSH update has been included as an **ATTACHMENT**.

Financial

Although revenues from rentals, admissions, memberships and programs (RAMP) showed a favourable variance in Q2, the pace of revenue growth has stabilized. Despite this moderation, Q2 2026 RAMP revenues remained strong, reflecting a 5% increase compared to Q2 2025. The results for the 3 months ended June 30, 2026 show income of $462,000 before amortization compared to a budgeted income of $196,000, indicating a favourable variance of $266,000. Overall revenues were $262,000 favourable to budget and expenditures were $4,000 favourable to budget.

In addition, year-to-date (YTD) results as of June 30, 2026, show net income before amortization of $1,428,000, exceeding the budgeted income of $1,017,000, resulting in a favourable variance of $411,000. Compared with YTD Q2 2025, the Corporation is reporting an unfavourable variance of $953,000, primarily attributable to the Shareholder's reduced annual contribution and a lower than anticipated disbursement from the Games Operating Trust. In keeping with its commitment to responsible financial stewardship, the Corporation continues to focus on cost management and operational efficiencies where possible.

Appendix A contains the Corporation's financial statements for the quarter. The Corporation's balance sheet as of June 30, 2026 can be found on page 5 and the statement of operations on page 6. In addition, pages 10 and 11 provides commentary and analysis on the balance sheet and income statement.

Rick Dusanj, CPA, CA
Director of Finance, Innovation & Technology, Richmond Olympic Oval Corporation

Event and Sport Hosting Update

The Richmond Olympic Oval continued to support Richmond's sport hosting profile through the delivery of a broad range of provincial, national, and international sport events, high-performance training camps, and community sport experiences.

Provincial and national level volleyball events were hosted at the Oval, including the Volleyball BC U12, U13 and U14 Girls' Provincial Championships and the Volleyball BC U15 Boys Tournament, Volleyball Canada Women's National Team NextGen Tryout and the Volleyball Canada Senior Women's National Team Tryouts. Collectively, these events attracted some of the country's top emerging and elite athletes to Richmond. Inclusive and parasport programming remained a significant focus, highlighted by the OneAbility Games, Wheelchair Basketball National Championships, Wheelchair Rugby Canada Cup, and the Wheelchair Rugby Provincial Team Training Camp. These events further strengthened Richmond's reputation as a destination for accessible and inclusive sport. Additional events hosted during the quarter included the BC Taekwondo Open, Can-Am International Wushu Invitational, Delta Gymnastics Gymnaestrada and Cash & Carry Cup, Hoopfest Basketball Tournament, Red Bull Four2Score Soccer Tournament, City Shred, and the Drive Summer Classic Basketball Tournament. Together, these events activated the facility across a broad range of sports, drew participants and spectators from across the region, and contributed to local economic activity.

In Q2, Richmond Sport Hosting supported several notable events at facilities throughout the city, as summarized in the table below.

Event Name	Event Venue
2026 Artistic Swimming Mable Moran Provincial Qualifiers and Masters Provincial Championship	Watermania
16th Annual Roadrunner Spring Classic Tournament (Richmond Lacrosse)	Minoru Arena
The One Dance Experience	River Rock Casino Resort
BC Elementary Track & Field Championships (Kajaks Track and Field Club)	Minoru Track
John Main Invitational (Richmond City Baseball)	Palmer Baseball Complex
Cat Wheatley Memorial Softball Tournament (Richmond Softball Association)	McNair Neighbourhood School Park and London/Steveston Neighbourhood School Park

During Q2, 19 events and training camps were secured for 2026 and 2027. Events secured for 2026 include the Korean Council Taekwondo Tournament, Sport Climbing BC Open Provincials, Scottie Barnes Basketball Camp, BC Rhythmic Gymnastics BC Cup, Canada International Wushu Championship, BC Race Director Conference (delivered in partnership between BC Athletics, Cycling BC & Triathlon BC), and two Chinese National Lacrosse Team Training Camps. Events secured for 2027 include the Special Olympics BC Winter Games, Para Hockey National Championships as part of the OneAbility Games, Volleyball Canada U14 Boys National Championships, Power Dance Championships, Van Éire Feis dance competition, Skate Canada Coaches Conference, Climbing Escalade Canada Youth Lead National Championships, Sport Climbing BC Provincial Championships, BC Rhythmic Gymnastics Provincial Championships, and First Touch Football Top 60 Showcase.

During Q2, 10 event opportunities did not proceed because of unsuccessful bids related to grant funding levels, event rights holders' budget considerations, and facility availability.

These results highlight the continued strength of Richmond's sport hosting program and collaboration among Richmond Sport Hosting, the Richmond Olympic Oval, City of Richmond, Tourism Richmond, community sport organizations, hotel partners, and provincial and national sport partners. Through these events, Richmond continues to strengthen its reputation as a leading sport tourism destination while supporting athlete development, community engagement, and local economic and social benefits.

RICHMOND OLYMPIC OVAL CORPORATION

Balance sheet

As at Jun 30, 2026 with comparative figures as at Dec 31, 2025

Unaudited, prepared by management

		Jun 30 2026		Dec 31 2025
ASSETS				
Financial Assets				
Cash	$	1,656,894	$	2,242,468
Investments		19,000,000		18,000,000
Due from City of Richmond		98,392		-
Inventory		136,360		123,061
GOT receivable		1,600,000		-
Accounts receivable - trade		399,819		564,228
		22,891,465		20,929,757
Financial Liabilities				
Accounts payable and accrued liabilities		1,547,160		1,428,581
Post-employment benefits		826,150		786,300
Deferred revenue		8,997,014		7,630,234
Due to City of Richmond		-		7,595
Rental deposits		11,781		11,781
		11,382,105		9,864,491
Net financial assets		11,509,360		11,065,266
Non-Financial Assets				
Tangible capital assets		13,615,324		13,777,156
Prepaid expenses and other deposits		829,920		348,949
		14,445,244		14,126,105
Accumulated Surplus (Note 1)	$	25,954,604	$	25,191,371

Note 1 - Breakdown of accumulated surplus account is as follows:		
Investment in capital assets	8,304,887	8,315,445
Reserves/Provisions	16,832,399	16,105,946
Common Shares	1	1
Surplus	817,317	769,979
	25,954,604	25,191,371

The Accumulated Surplus shown above represents the Corporation's Shareholder's Equity. The investment in capital assets represents funding that has already been spent on existing capital assets currently being depreciated. The reserves/provisions balance primarily includes committed funding for approved capital projects as well as funding required for future minor capital expenditures. In addition, at the end of each year, the majority of the surplus balance is transferred to the capital reserves to primarily fund the Oval's future minor capital program, which has averaged $2.26M annually over the past 5 years. The amount transferred each quarter varies and the final amount is determined by the Capital Works Committee in accordance with the operating agreement.

Numbers may be off due to rounding.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations
For the quarter ended June 30, 2026
Unaudited, prepared by management

	QTR 2 2026 BUDGET	QTR 2 2026 ACTUAL	$ Variance Fav(Unfav)	% Variance Fav(Unfav)	QTR 2 2025 ACTUAL	YTD ended June 30, 2026 BUDGET	YTD ended June 30, 2026 ACTUAL	$ Variance Fav(Unfav)	% Variance Fav(Unfav)	YTD ended June 30, 2025 ACTUAL	2026 BUDGET
REVENUES											
Rentals, admissions, memberships and programs	2,937,993	3,145,724	207,731	7%	2,993,967	6,168,378	6,436,064	267,686	4%	6,198,111	12,619,111
Parking, leasing, interest and other	642,612	697,002	54,390	8%	679,893	1,306,125	1,384,029	77,904	6%	1,348,388	2,580,469
2010 Games Operating Trust Fund	800,000	800,000	-	0%	1,245,541	1,600,000	1,600,000	-	0%	2,045,542	3,200,000
Contribution from City of Richmond (COR)	625,000	625,000	-	0%	893,375	1,250,000	1,250,000	-	0%	1,786,750	2,500,000
	5,005,605	5,267,726	262,121	5%	5,812,776	10,324,503	10,670,093	345,590	3%	11,378,791	20,899,580
EXPENSES											
Rentals, admissions, memberships and programs	2,415,173	2,518,893	(103,720)	-4%	2,344,630	4,749,691	4,834,291	(84,600)	-2%	4,560,170	9,713,054
Facility Operations	1,491,921	1,539,292	(47,371)	-3%	1,360,134	2,905,938	2,948,610	(42,672)	-1%	2,735,202	5,903,845
Admin/Finance	902,913	747,556	155,357	17%	912,009	1,651,425	1,459,183	192,242	12%	1,702,314	3,512,250
	4,810,007	4,805,741	4,266	0%	4,616,773	9,307,054	9,242,084	64,970	1%	8,997,686	19,129,149
Surplus/(loss) before amortization for period (Note 1)	195,598	461,985	266,387	136%	1,196,003	1,017,449	1,428,009	410,560	40%	2,381,105	1,770,431
Amortization	540,975	331,581	209,394	39%	459,940	1,040,355	664,776	375,579	36%	915,162	2,200,000
Surplus/(loss) after amortization for period (Note 1)	(345,377)	130,404	475,781	138%	736,063	(22,906)	763,233	786,139	3432%	1,465,943	(429,569)
Accumulated Surplus, beginning of the period	25,513,842	25,824,200			23,355,308	25,191,371	25,191,371			22,625,428	25,191,371
Accumulated Surplus, end of the period	25,168,465	25,954,604			24,091,371	25,168,465	25,954,604			24,091,371	24,761,802

Note 1 - For the quarter ended Jun 30, 2026, $0.45M was transferred into reserves/equity

Numbers may be off due to rounding.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Cash Flows
For the quarter ended June 30, 2026
Unaudited, prepared by management

	Q2 - 2026	YTD ended Jun 30, 2026	Q2 - 2025	YTD ended Jun 30, 2025
Cash provided by (used in):				
Operations:				
Surplus for the period	$ 130,404	$ 763,233	$ 736,064	$ 1,465,944
Item not involving cash:				
Amortization of tangible capital assets	331,581	664,776	459,940	915,162
Changes in non-cash operating working capital:				
Accounts receivable	168,698	164,409	428,129	199,277
GOT receivable	(800,000)	(1,600,000)	(1,245,541)	(2,045,542)
Inventory	2,793	(13,299)	20,405	(11,553)
Prepaid expenses	(486,215)	(480,971)	(521,763)	(418,883)
Accounts payable and accrued liabilities	252,793	118,579	146,748	17,334
Post-employment benefits	19,925	39,850	14,950	29,900
Deferred revenue	(369,076)	1,366,780	(638,885)	2,076,221
Due from City of Richmond	(64,988)	(105,987)	(134,583)	(39,928)
	(814,085)	917,370	(734,536)	2,187,934
Capital activities:				
Cash used to acquire tangible capital assets	(354,310)	(502,944)	(453,645)	(654,743)
	(354,310)	(502,944)	(453,645)	(654,743)
Investing activities:				
Change in investments	1,000,000	(1,000,000)	1,283,379	(1,716,622)
	1,000,000	(1,000,000)	1,283,379	(1,716,622)
Increase (decrease) in cash and cash equivalents	(168,395)	(585,574)	95,198	(183,431)
Cash, beginning of period	1,825,289	2,242,468	1,779,665	2,058,294
Cash, end of period	$ 1,656,894	$ 1,656,894	$ 1,874,863	$ 1,874,863

Numbers may be off due to rounding.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Changes in Net Financial Assets
For the quarter ended June 30, 2026
Unaudited, prepared by management

	YTD ended Jun 30, 2026 budget	QTR 2 2026 actual	YTD ended Jun 30, 2026 actual	Year ended Dec 31, 2025
Surplus/(loss) for the period	$ (22,906)	$ 130,404	$ 763,233	$ 2,565,943
Acquisition of tangible capital assets	(1,056,500)	(354,310)	(502,944)	(1,529,910)
Amortization of tangible capital assets	1,040,355	331,581	664,776	1,794,207
	(16,145)	(22,729)	161,832	264,297
Increase in prepaid expenses	-	(782,303)	(1,084,676)	(799,258)
Use of prepaid expenses and other deposits	-	296,088	603,705	821,840
Change in net financial assets	(39,051)	(378,540)	444,094	2,852,822
Net financial assets, beginning of period	11,065,266	11,887,900	11,065,266	8,212,444
Net financial assets, end of period	$ 11,026,215	11,509,360	$ 11,509,360	$ 11,065,266

Numbers may be off due to rounding.

RICHMOND OLYMPIC OVAL CORPORATION

SEGMENT NOTE DISCLOSURE
For the quarter ended June 30, 2026
Unaudited, prepared by management

	Program Services (Note 1)	Facility Operations and Admin/Finance	QTR 2 2026	QTR 2 2025
REVENUES				
Rentals, admissions, memberships and programs	$ 3,145,724		$ 3,145,724	$ 2,993,967
Parking, leasing, interest and other		$ 697,002	$ 697,002	$ 679,893
2010 Games Operating Trust Fund		$ 800,000	$ 800,000	$ 1,245,541
Contribution from City of Richmond		$ 625,000	$ 625,000	$ 893,375
	$ 3,145,724	$ 2,122,002	$ 5,267,726	$ 5,812,776
EXPENSES				
Salaries and benefits	$ 1,990,661	$ 1,237,271	$ 3,227,932	$ 3,213,734
Supplies and equipment	$ 366,417	$ 539,203	$ 905,620	$ 708,652
Utilities		$ 273,177	$ 273,177	$ 223,301
Insurance		$ 170,322	$ 170,322	$ 182,452
General and administration	$ 161,815	$ 66,875	$ 228,690	$ 288,634
	$ 2,518,893	$ 2,286,848	$ 4,805,741	$ 4,616,773
SURPLUS (DEFICIT) BEFORE AMORTIZATION	$ 626,831	$ (164,846)	$ 461,985	$ 1,196,003
Amortization	$ 137,836	$ 193,745	$ 331,581	$ 459,940
SURPLUS (DEFICIT) AFTER AMORTIZATION	$ 488,995	$ (358,591)	$ 130,404	$ 736,063

Note 1 - Program Services include Member Care, Fitness Services, Event Services, Sport Services, Yoga Services, Sport Hosting, High Performance Training, the Retail Store, ROX and Marketing operations.

Numbers may be off due to rounding.

Analysis of significant variances of actual results compared to the budget for Q2 of fiscal year 2026:

The unaudited financial statements and budget have been prepared in accordance with Public Sector Accounting Board ("PSAB") standards.

Statement of Operations Analysis

1) **Q2 results** were budgeted at a surplus of $196,000 before amortization and transfers to reserves and the actual results show a surplus of $462,000, a favorable variance of $266,000.
2) **Rentals, admissions, memberships and programs** revenue of $3,146,000 was 7% favorable to the budget. This primarily consisted of the following:
   - $1,031,000 of registered programs revenue,
   - $932,000 of membership and admissions revenue,
   - $871,000 of rental revenue, and
   - $150,000 of sport hosting revenue
3) **Parking, leasing, interest and other** revenue of $697,000 for the quarter was $54,000 favorable to the budget. The $697,000 primarily consisted of the following:
   - $303,000 of parking revenue,
   - $166,000 of interest revenue,
   - $140,000 of space leasing revenue, and
   - $78,000 of ROX and the Fields revenue recognition of capital funding
4) **Q2 Salaries and Benefits** were $3,228,000 which was $36,000 (1%) favorable to budget.
5) **Full Time Equivalent** (FTE) for Q2 2026 totaled 128, representing a 5% decrease from 135 in Q2 2025. FTE employees include Regular Full Time, Temporary, Part Time and Auxiliary status employees.
6) **Rentals, admissions, memberships and programs** expenses for Q2 were $2,519,000, an unfavorable variance to budget of $104,000 (4%), which is more than offset by a favorable variance of $208,000 in corresponding revenues. The costs included in this account pertain to running the Member Care, Fitness, Events, Sport Services, Yoga Services, High Performance Training, Richmond Olympic Experience, Retail store, Marketing, and Sport Hosting departments. Sport Hosting expenses for Q2 were $150,000 which included salaries and other expenditures pertaining to Sport Hosting related activities.
7) **Facility Operations** costs for Q2 were $1,539,000, with YTD costs within 1% of budget.
8) **Administration and Finance** expenses for Q2 were $748,000 which was $155,000 (17%) favorable to budget.
9) **Amortization** expenses for Q2 were $332,000 which was $209,000 (39%) favorable to budget. This is primarily due to the timing of purchases.
10) In Q2, $453,000 was transferred into Capital Reserves/Equity.

Balance Sheet Analysis

1) **Investments** of $19,000,000 represent the Oval's investments in GICs with Scotiabank.
2) **Due from the City of Richmond** of $98,000 is comprised of transactions between the parties that arise in the normal course of business such as funding received for the Sport Hosting program as per the City of Richmond's agreements with Tourism Richmond and Richmond Hotel Association.
3) **GOT receivable –** The Q2 portion of the estimated 2026 GOT funding from the 2010 Games Operating Trust ("GOT") of $800,000 was recognized as revenue for a total GOT receivable balance of $1,600,000 as of June 30, 2026. GOT funding of $3,354,000 was received in August 2026 which exceeds budget by $154,000 and will be recognized into revenue during Q3 and Q4.
4) **Accounts Receivable** of $400,000 includes:
    - $289,000 interest receivable, and
    - $111,000 trade, lease and other receivables
5) **Accounts Payable and Accrued Liabilities** of $1,547,000 includes:
    - $793,000 salaries and benefits payable, and
    - $754,000 trade payables and accrual
6) **Post-employment benefits** of $826,000 which are benefit obligations accrued based on projected benefits prorated as employees render services necessary to earn future benefits.
7) **Deferred Revenue** of $8,997,000 primarily consists of the following:
    - $3,146,000 for the Richmond Olympic Experience capital project,
    - $2,476,000 Programs, memberships, rentals & sport hosting,
    - $2,121,000 for the Fields capital project, and
    - $1,250,000 for annual funding received from the City of Richmond
8) **Tangible Capital Assets** net book value at the end of Q1 was $13,593,000, net additions during Q2 were $354,000 and Q2 amortization expense was $332,000, resulting in an ending NBV of $13,615,000.
9) **Prepaid Expenses** of $830,000 includes:
    - $509,000 prepaid insurance
    - $180,000 prepaid software/hardware maintenance costs, and
    - $141,000 of various other prepaid items