



City of Richmond

Notice and Agenda of Special Council Meeting

Public Notice is hereby given of a Special Meeting of Council duly called in accordance with Section 126 of the *Community Charter*, to be held on:

Date: Monday, June 19, 2017
Time: 4:00 p.m.
Place: Anderson Room
Richmond City Hall
6911 No. 3 Road

Public Notice is also hereby given that this meeting may be conducted by electronic means and that the public may hear the proceedings of this meeting at the time, date and place specified above.

The purpose of the meeting is to consider the following:

CALL TO ORDER

RECESS FOR OPEN GENERAL PURPOSES COMMITTEE

RECONVENE FOLLOWING OPEN GENERAL PURPOSES
COMMITTEE

RICHMOND OLYMPIC OVAL CORPORATION

1. **UNANIMOUS CONSENT RESOLUTIONS OF THE SHAREHOLDER
OF RICHMOND OLYMPIC OVAL CORPORATION**

(File Ref. No.: 01-0060-20-ROVA1, Xr: 03-1200-09) (REDMS No. 5391881)

CNCL-5

See Page CNCL-5 for AGM Material

CNCL-31

See Page CNCL-31 for ROO 2016 Annual Report

Special Council Agenda
Monday, June 19, 2017

RESOLVED THAT:

- (1) *the Shareholder acknowledges and confirms the previous receipt of financial statements of the Company for the period from January 1, 2016 to December 31, 2016, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 19, 2017 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 1, 2017;*
- (2) *the Shareholder acknowledges that the following directors are currently serving a 2-year term (2016- 2018) and will continue to serve as directors for the coming year:*

Name

- i. Edward Michael O'Brien*
 - ii. Dennis Skulsky*
 - iii. George Duncan*
 - iv. Moray Keith*
 - v. Umendra Mital*
 - vi. Peter German*
 - vii. Tony Kwan*
 - viii. Gail Terry*
 - ix. Dan Nomura*
 - x. Lisa Cowell*
 - xi. Walter Soo*
 - xii. Gary Collinge*
- (3) *the 2016 Annual Report of the Company is hereby received; and*
- (4) *June 19, 2017 be and is hereby selected as the annual reference date for the Company for its current annual reference period.*



LULU ISLAND ENERGY COMPANY LTD.

2. **UNANIMOUS CONSENT RESOLUTIONS OF THE SHAREHOLDER OF LULU ISLAND ENERGY COMPANY LTD.**

(File Ref. No.: 01-0060-20-LIEC1, Xr: 03-1200-08) (REDMS No. 5389058, 5389435, 5389439, 5389442)

CNCL-83

See Page CNCL-83 for AGM Material

CNCL-94

See Page CNCL-94 for LIEC 2016 Annual Report

RESOLVED THAT:

- (1) *the Shareholder acknowledges and confirms the previous receipt of financial statements of the Company for the period from January 1, 2016 to December 31, 2016, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 20, 2017 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 1, 2017;*
- (2) *all lawful acts, contracts, proceedings, appointments and payments of money by the directors of the Company since the last annual reference date of the Company, and which have previously been disclosed to the shareholder, are hereby adopted, ratified and confirmed;*
- (3) *the number of directors of the Company is hereby fixed at 5;*
- (4) *the following persons, each of whom has consented in writing to act as a director, are hereby elected as directors of the Company, to hold office until the next annual general meeting of the Company or unanimous resolutions consented to in lieu of holding an annual general meeting, or until their successors are appointed:*

Cecilia Maria Achiam

Jerry Ming Chong

Joseph Erceg

Robert Gonzalez

John David Irving

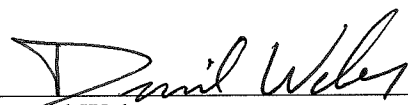
- (5) *KPMG LLP be appointed as auditors of the Company until the next annual reference date of the Company or until a successor is appointed, at a remuneration to be fixed by the directors; and*
- (6) *June 19, 2017 is hereby selected as the annual reference date for the Company for its current annual reference period.*



Special Council Agenda
Monday, June 19, 2017

ADJOURNMENT





David Weber
Corporate Officer

CNCL – 4
(Special)



To: Mayor and Councillors ("the Shareholder") **Date:** May 18, 2017

From: George Duncan
Chief Administrative Officer **File:** 01-0005-01/2017-Vol
01

President & CEO
Richmond Olympic Oval Corporation

Re: **Notice to the Shareholder of the 2017 AGM of Richmond Olympic Oval Corporation**

Attached herein are the agenda items for the AGM of the Richmond Olympic Oval Corporation to be held on June 19, 2017 adjacent to Council meeting at the Richmond City Hall.

- Appendix A - Notice of AGM, to be sent at least 10 days prior to the AGM to:
- the City;
 - each member of the Board; and
 - the auditors
- Appendix B - 2016 Audited Financial Statements
- Appendix C - Consent Resolutions of the Shareholder, consenting to the resolutions required to be passed at the AGM, including:
- The appointment of Directors
- Appendix D - 2016 Annual Report

George Duncan
Chief Administrative Officer

APPENDIX A

RICHMOND OLYMPIC OVAL CORPORATION

Notice of Annual General Meeting

Notice of Annual General Meeting

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

Richmond Olympic Oval Corporation
(the "**Corporation**")

will be held on June 19, 2017 adjacent to Council meeting at the Richmond City Hall, 6911 No. 3 Road, Richmond, British Columbia for the following purposes:


1. to acknowledge and confirm previous receipt of the audited financial statements of the Corporation for the fiscal year ended December 31, 2016 and the report of the auditors thereon;
2. to elect directors to the board of directors of the Corporation (the "**Board**");
3. to acknowledge and confirm previous receipt of the Corporation's 2016 Annual Report; and
4. to transact such other business as may be properly brought before the meeting.

The board of directors of the Corporation has fixed the close of business on June 19, 2017 as the record date for determining the names of the shareholders who are entitled to vote at the meeting.

The audited financial statements of the Corporation for the period from January 1, 2016 to December 31, 2016 and the report of the auditors thereon are attached to this Notice of Annual General Meeting.

Dated this 18th day of May, 2017.

On behalf of the Board of Directors



George Duncan
President & CEO

APPENDIX B

RICHMOND OLYMPIC OVAL CORPORATION

2016 Audited Financial Statements

Consolidated Financial Statements of

**RICHMOND OLYMPIC
OVAL CORPORATION**

Year ended December 31, 2016



KPMG LLP
Metro Tower I
4710 Kingsway, Suite 2400
Burnaby BC V5H 4M2
Canada
Telephone (604) 527-3600
Fax (604) 527-3636

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying consolidated financial statements of Richmond Olympic Oval Corporation, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations, consolidated changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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



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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2016 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

April 19, 2017
Burnaby, Canada

RICHMOND OLYMPIC OVAL CORPORATION

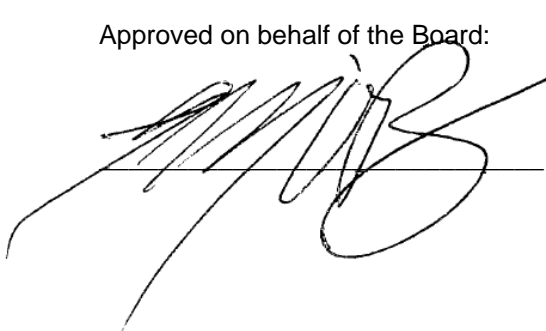
Consolidated Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Financial Assets		
Cash	\$ 865,289	\$ 910,373
Cash equivalents (note 3)	-	8,631,723
Investments (note 4)	8,701,850	-
Accounts receivable	565,143	473,132
Due from City of Richmond (note 5)	11,304	-
Inventories held for resale	115,112	136,308
	10,258,698	10,151,536
Liabilities		
Accounts payable and accrued liabilities	1,727,883	2,767,926
Deferred revenue (note 8)	5,818,952	5,598,459
Due to City of Richmond (note 5)	-	187,753
Rental deposits	9,263	9,263
	7,556,098	8,563,401
Net financial assets	2,702,600	1,588,135
Non-Financial Assets		
Tangible capital assets (note 9)	11,679,181	11,755,988
Deferred lease costs (note 10)	102,062	127,712
Prepaid expenses and other deposits	414,881	558,926
	12,196,124	12,442,626
Economic dependence (note 17)		
Accumulated surplus (note 11)	\$ 14,898,724	\$ 14,030,761

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:



Director



Director

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget	2016	2015
	(Note 2(k))		
Revenue:			
2010 Games Operating Trust Fund (note 7)	\$ 2,800,000	\$ 2,800,000	\$ 2,464,029
Contribution from City of Richmond (note 13(a))	3,310,927	3,310,927	3,814,700
Memberships, admissions and programs	8,177,190	7,892,385	7,643,069
Other	1,893,964	1,984,908	2,223,421
	16,182,081	15,988,220	16,145,219
Expenses:			
Salaries and benefits	8,618,681	8,684,234	7,867,871
Utilities	1,050,000	1,048,006	1,009,384
Amortization	850,144	1,394,439	606,294
Supplies and equipment	886,000	794,447	913,096
Insurance	365,000	344,412	347,453
General and administration	1,033,058	931,639	802,134
Capital contribution to City of Richmond (note 13(a))	-	-	437,017
Marketing	762,934	759,554	672,993
Program services	1,188,728	1,118,165	1,064,664
Professional fees	135,090	45,361	111,922
	14,889,635	15,120,257	13,832,828
Annual surplus	1,292,446	867,963	2,312,391
Accumulated surplus, beginning of year	14,030,761	14,030,761	11,718,370
Accumulated surplus, end of year	\$ 15,323,207	\$ 14,898,724	\$ 14,030,761

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget (Note 2(k))	2016	2015
Annual surplus for the year	\$ 1,292,446	\$ 867,963	\$ 2,312,391
Acquisition of tangible capital assets	(4,232,580)	(1,317,632)	(5,286,534)
Amortization of tangible capital assets	850,144	1,394,439	606,294
	(3,382,436)	76,807	(4,680,240)
Amortization of deferred lease costs	-	25,650	27,538
Increase in prepaid expenses	-	(399,078)	(358,625)
Use of prepaid expenses and other deposits	-	543,123	671,701
Change in net financial assets	(2,089,990)	1,114,465	(2,027,235)
Net financial assets, beginning of year	1,588,135	1,588,135	3,615,370
Net financial assets, end of year	\$ (501,855)	\$ 2,702,600	\$ 1,588,135

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 867,963	\$ 2,312,391
Items not involving cash:		
Amortization of tangible capital assets	1,394,439	606,294
Amortization of deferred lease costs	25,650	27,538
Changes in non-cash operating working capital:		
Accounts receivable	(92,011)	(154,030)
Inventories held for resale	21,196	(54,773)
Prepaid expenses and other deposits	144,045	313,076
Accounts payable and accrued liabilities	(1,040,043)	180,496
Deferred revenue	220,493	1,282,105
Due from (to) the City of Richmond	(199,057)	21,340
	1,342,675	4,534,437
Capital activities:		
Acquisition of tangible capital assets	(1,317,632)	(5,286,534)
Investing activities:		
Purchase of investments	(8,701,850)	-
Decrease in cash and cash equivalents	(8,676,807)	(752,097)
Cash and cash equivalents, beginning of year	9,542,096	10,294,193
Cash and cash equivalents, end of year	\$ 865,289	\$ 9,542,096

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements

Year ended December 31, 2016

1. Incorporation and nature of business:

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

2. Significant accounting policies:

(a) Basis of presentation:

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

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

(b) Investment in government partnership:

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

(c) Revenue recognition:

Memberships, admissions and programs fees are recorded as revenue in the period that the services are rendered, with any unearned portion recorded as deferred revenue. Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by 2010 Games Operating Trust (note 7) and when the related operating expenses and capital maintenance costs of the Oval are incurred.

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(c) Revenue recognition (continued):

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

(d) Cash equivalents:

Cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(e) Financial instruments:

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

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

(f) Non-financial assets:

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

(g) Capital assets:

(i) Tangible capital assets:

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(g) Capital assets (continued):

(ii) Impairment of tangible capital assets:

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

(iii) Deferred lease costs:

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

(h) Pension plan:

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

(i) Income taxes:

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

(j) Functional and object reporting:

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

(k) Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board of Directors on January 21, 2016.

(l) Use of estimates:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(m) Government transfers:

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

3. Cash equivalents:

Cash equivalents represent term deposits as follows:

Purchase Date	Maturity Date	2016	2015
October 13, 2015	January 11, 2016	\$ -	\$ 4,631,723
November 23, 2015	February 22, 2016	-	4,000,000
Total		\$ -	\$ 8,631,723

Cash equivalents are those instruments are considered highly liquid investments with a term to maturity of three months or less at the date of purchase.

4. Investments:

Investments represent term deposits as follows:

Purchase Date	Maturity Date	2016	2015
July 8, 2016	January 3, 2017	\$ 2,800,000	\$ -
August 22, 2016	February 20, 2017	3,047,992	-
October 6, 2016	April 4, 2017	2,853,858	-
Total		\$ 8,701,850	\$ -

Investments are those instruments with a term to maturity of more than three months at the date of purchase. The interest rate of the term deposits range from 1.60% to 1.65%.

5. Due from/to the City of Richmond:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

6. Richmond Oval Agreement:

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

7. 2010 Games Operating Trust Fund:

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

Effective December 31, 2007:

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

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

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

Revenue from GOT is comprised of:

	2016	2015
2015 annual distributable amount approved and received in 2016	\$ 2,800,000	\$ -
2014 annual distributable amount approved and received in 2015	-	2,464,029
	<u>\$ 2,800,000</u>	<u>\$ 2,464,029</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

8. Deferred revenue:

	2016	2015
Balance, beginning of year	\$ 5,598,459	\$ 4,316,354
Add: additions	10,097,786	11,148,595
Less: revenue recognized	(9,877,293)	(9,866,490)
Balance, end of year	\$ 5,818,952	\$ 5,598,459

Deferred revenue comprises of:

	2016	2015
Memberships and programs	\$ 1,110,552	\$ 960,680
Sponsorship fees	1,400,001	1,759,946
Sport Hosting funding (note 13(b))	616,386	569,320
Richmond Olympic Experience (note 13(b))	2,692,013	2,308,513
	\$ 5,818,952	\$ 5,598,459

9. Tangible capital assets:

Cost	Balance, December 31, 2015	Additions	Balance, December 31, 2016
Athletic equipment	\$ 2,207,918	\$ 304,057	\$ 2,511,975
Building improvements	364,929	139,825	504,754
Computer software and equipment	1,958,574	250,806	2,209,380
Facility equipment	651,791	222,472	874,263
Infrastructure	5,831,069	49,871	5,880,940
Signage	82,067	9,358	91,425
Simulators and exhibit fabrication	3,368,067	319,101	3,687,168
Tenant improvements	65,729	-	65,729
Uniforms, ice skates, and helmets	192,257	7,760	200,017
Work-in-progress	-	14,382	14,382
	\$ 14,722,401	\$ 1,317,632	\$ 16,040,033

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

9. Tangible capital assets (continued):

Accumulated amortization	Balance, December 31, 2015	Amortization expense	Balance, December 31, 2016
Athletic equipment	\$ 942,123	\$ 259,293	\$ 1,201,416
Building improvements	138,080	77,710	215,790
Computer software and equipment	1,333,996	315,671	1,649,667
Facility equipment	265,658	207,804	473,462
Infrastructure	9,750	146,738	156,488
Signage	52,161	14,027	66,188
Simulators and exhibit fabrication	20,807	342,611	363,418
Tenant improvements	53,025	9,750	62,775
Uniforms, ice skates, and helmets	150,813	20,835	171,648
	\$ 2,966,413	\$ 1,394,439	\$ 4,360,852

	2016	2015
	Net book value	Net book value
Athletic equipment	\$ 1,310,559	\$ 1,265,795
Building improvements	288,964	226,849
Computer software and equipment	559,713	624,578
Facility equipment	400,801	386,133
Infrastructure	5,724,452	5,821,319
Signage	25,237	29,906
Simulators and exhibit fabrication	3,323,750	3,347,260
Tenant improvements	2,954	12,704
Uniforms, ice skates, and helmets	28,369	41,444
Work-in-progress	14,382	-
	\$ 11,679,181	\$ 11,755,988

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

(a) Write-down of tangible capital assets:

There was no write-down of tangible capital assets during the year (2015 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

10. Deferred lease costs:

	2016	2015
Balance, beginning of year	\$ 127,712	\$ 155,250
Less amortization	(25,650)	(27,538)
Balance, end of year	\$ 102,062	\$ 127,712

11. Accumulated surplus:

Accumulated surplus is comprised of:

	2016	2015
Share capital	\$ 1	\$ 1
Capital reserve	4,260,950	3,191,222
Other reserves/provisions	1,098,682	890,195
Operating surplus	551,923	501,868
Invested in tangible capital assets	8,987,168	9,447,475
	\$ 14,898,724	\$ 14,030,761

12. Financial risk management:

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

(a) Credit risk:

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

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

(b) Market and interest rate risk:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

12. Financial risk management (continued):

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

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

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

(c) Liquidity risk:

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

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

13. Related party transactions:

(a) Contribution from/to City of Richmond:

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

Included in general and administration expenses are fees of \$189,470 (2015 - \$192,880) from the City for the provision of City staff time.

In 2016, \$94,526 (2015 - nil) of salaries and benefits expenses were charged to the City relating to the costs of the Corporation's staff time for services performed.

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

During 2016, the Corporation received a contribution from the City of \$3,310,927 (2015 - \$3,814,700). In 2015, \$575,000 of this contribution related to the Richmond Olympic Experience project that was funded from the City's Legacy Fund, no further amounts were contributed for this project in 2016.

During 2016, the Corporation spent nil (2015 - \$437,017) from its capital reserve funding towards the construction of the "ROX Shop" retail store, which is a City asset. Construction of the ROX Shop was completed in 2015, no further amounts were contributed in 2016.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

13. Related party transactions (continued):

(b) Sport Hosting Function:

Effective July 1, 2011, the Sport Hosting function of the City was transferred to the Corporation. This function is fully funded by the hotel tax. In 2016, \$400,000 (2015 - \$400,000) was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2016, \$616,386 (2015 - \$569,320) was included in deferred revenue (note 8) and \$352,934 (2015 - \$385,386) was recognized in memberships, admissions, and programs on the statement of operations.

The Corporation also received \$500,000 from the hotel tax funding in 2016 (2015 - \$500,000) to be used to purchase capital assets related to the Richmond Olympic Experience project. In order to retain this funding, the Oval must maintain and operate the capital assets purchased with these funds over the life of the capital assets. On an annual basis, the Oval must provide a report to the City as to the use of the funds and the maintenance and operation of these capital assets. The Corporation received nil (2015 - \$450,000) of grant funding from a third party that is also to go towards the purchase of capital assets related to the Richmond Olympic Experience project. As at year-end, \$2,692,013 (2015 - \$2,308,513) of the funds restricted for the purchase of capital assets for the Richmond Olympic Experience remains in deferred revenue and the revenue will be recognized over the life of the underlying assets.

14. Government partnership:

The Corporation has a 50% partnership interest in VROX, which is accounted for using the proportionate consolidation method.

The financial results of VROX are as follows:

	2016	2015
Financial position:		
Total assets	\$ 130,836	\$ 323,339
Total liabilities	(112,120)	(359,454)
Equity (deficit)	\$ 18,716	\$ (36,115)
Results of operations:		
Total revenues	\$ 470,264	\$ 868,880
Total expenses	(415,433)	(798,001)
Net income	\$ 54,831	\$ 70,879

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

14. Government partnership (continued):

VROX's revenues during the year included transactions with the Corporation which have been eliminated on consolidation. These included the sale of sport simulators for \$263,000 (2015 - \$866,020), the cost of the maintenance services provided of \$10,000 (2015 - nil) and an operating contribution received from the Corporation of \$195,560 (2015 - nil). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the Corporation and VROX. These amounts are within the appropriate approvals provided by the Corporation's Board of Directors.

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

	2016	2015
Financial position:		
Total assets	\$ 65,418	\$ 161,670
Total liabilities	(37,836)	(80,361)
Equity	\$ 27,582	\$ 81,309
Results of operations:		
Total revenues	\$ 852	\$ 1,430
Total expenses	(154,676)	(125,275)
Net expense for the year	\$ (153,824)	\$ (123,845)

15. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit. The most recent valuation for the Plan as of December 31, 2015, indicated a \$2,224,000,000 funding surplus for basic pension benefits on a going concern basis. The Corporation paid \$443,446 (2015 - \$398,948) for employer contributions to the Plan in fiscal 2016.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

15. Pension plan (continued):

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

16. Commitments:

The Board of Directors of the Corporation has committed to providing financial support to enable VROX to continue operations and to meet its obligations through January 1, 2018.

17. Economic dependence:

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

APPENDIX C

RICHMOND OLYMPIC OVAL CORPORATION

Unanimous Consent Resolutions of the Shareholder

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

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

RESOLVED THAT:

1. the Shareholder acknowledges and confirms the previous receipt of financial statements of the Company for the period from January 1, 2016 to December 31, 2016, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 19, 2017 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 1, 2017;
2. the Shareholder acknowledges that the following directors are currently serving a 2-year term (2016- 2018) and will continue to serve as directors for the coming year:

Name

- 1) Edward Michael O'Brien
- 2) Dennis Skulsky
- 3) George Duncan
- 4) Moray Keith
- 5) Umendra Mital
- 6) Peter German
- 7) Tony Kwan
- 8) Gail Terry
- 9) Dan Nomura
- 10) Lisa Cowell
- 11) Walter Soo
- 12) Gary Collinge

3. the 2016 Annual Report of the Company is hereby received; and
4. June 19, 2017 be and is hereby selected as the annual reference date for the Company for its current annual reference period.

DATED as of June 19, 2017.

CITY OF RICHMOND

Mayor Malcolm Brodie

APPENDIX D

RICHMOND OLYMPIC OVAL CORPORATION

2016 Annual Report

2016

ANNUAL REPORT

Winnie Wiggs, Oval Member
Inspired by Para Athletes to Recover



RICHMOND OLYMPIC OVAL

**Winnie Wiggs**

Oval Member and guest since
December 2008

Winnie was struck with rheumatoid arthritis back in May 2010. The autoimmune disorder was debilitating and she was in pain constantly.

Winnie can still recall not even having the strength to boost herself up onto a stationary bike. Winnie was ready to give up on an active lifestyle.

Then one day, by watching members of the Paralympic Wheelchair Rugby team practicing on the courts and realizing that their disabilities were not stopping them from living life to the fullest, Winnie was inspired to do everything she could to get better.

And over the past 6 years, with the support of the Oval and its staff encouraging and challenging her, Winnie has recovered. She now attends several fitness classes per week and has a stronger core than ever before. Winnie adds, "the Oval is her go-to place forever!"

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MESSAGE FROM THE CHAIR

On behalf of the Board of Directors, I am proud to introduce the Annual Report of the Richmond Olympic Oval Corporation for 2016.

Since the appointment of the Board by the City of Richmond Council in 2008, the Board has overseen the growth of the Oval's Legacy operation, which has evolved to become a model for success amongst post-Olympic Games community legacy venues. We are particularly proud that we have returned a surplus in every year of operation (with the exception of 2010 when the facility was closed for the Olympic Games and post-Games conversion construction), and we have done so without burdening the taxpayers of Richmond.

As the Richmond Oval has developed over the years, so too has the diversity and complexity of the suite of programs and services offered, which culminated in 2015 with the addition of the Olympic Experience, the RoxShop and the YYoga studio to a full complement of sport and recreation programs and services including major sport competitions, events, trade shows, corporate events. Onsite services also include medical and sport rehab clinic and on-site food and beverage.

With such complexity, in 2016 the City of Richmond Council elected to expand the board from seven up to thirteen directors. Five long term directors were retained and seven new directors were recruited based on their business acumen, skills, expertise and over-all business and community engagement experience. The expanded membership broadens the perspective and expertise of the Board, which will be required to ensure the continued financial viability of the Oval into the future.

We are grateful for the ongoing support we receive from the City of Richmond, the Board of the Games Operating Trust, our Legacy Partners – Telus, Scotiabank, Stuart Olsen Dominion, and Lehigh Hansen Heidelberg Cement Group – and our Olympic Experience supporters – Vancouver International Airport, ASPAC Developments and PLLR Lawyers. The support we receive significantly contributes to the Oval's ongoing success.

As the Chair of the Board, I am privileged to work with such an esteemed group of fellow Directors and I wish to welcome our newest Board appointees. I am grateful for the commitment and dedication of the Oval management team and all of the Oval staff. I particularly want to thank CEO, George Duncan, for his leadership, vision and commitment to the long-term success of the Oval for our sole shareholder, the City of Richmond, and ultimately for the benefit of all Richmond residents.

E. Michael O'Brien
Chair of the Board of Directors

A stylized, handwritten signature in black ink, appearing to read 'EMOB'.



MESSAGE FROM THE CEO

As the Richmond Olympic Oval has established itself as a premier community facility with a diverse range of users we thought that it would be appropriate to utilize this, the 9th Annual Report of the Richmond Olympic Oval Corporation (ROOC) to share various interesting facts about the Oval. First amongst the many interesting points about the Richmond Olympic Oval is that although the Oval is 100% owned by the City of Richmond - the City does not operate it.

The Facility: The Richmond Olympic Oval has set a new standard for civic facilities in Canada. It is the model of a successful post-Olympic Games community legacy venue. Over 950,000 visits to the Oval in 2016 are a strong indication of the Oval's broad appeal. This includes regular use by the Oval's approximately 6,000 members, 81% of which are Richmond residents, as well as, many users from across the province and country. The Oval has also built an impressive reputation internationally amongst all other post-Olympic Games venues. The International Olympic Committee and The International Academy of Sport Science and Technology in Lausanne view the Richmond Olympic Oval as a model post-Olympic Games community legacy facility. In addition to sport and recreation, the Oval also offers family and sport medicine services; trade shows; corporate events; and regional, national and international sport competition events.

Over 40 Richmond-based sports groups were active in the Oval throughout 2016. More than 2,000 children have participated in Oval Sport Camps in the last year and the Oval also provides subsidized rental rates to numerous community sport organizations. The Oval was also identified in Vancouver Business Magazine as the fourth ranked tourist attraction in Metro Vancouver and the Olympic Experience at the Richmond Olympic Oval (ROX) was recognized in another publication as the best new attraction. The fact that the Oval has generated a profit in each year of operation since the 2010 Olympic Winter Games is a testament to the broad appeal of the Oval and of the fine work of the team who operate it.

The Corporation: The purpose of the ROOC is to oversee the day-to-day operation of the Oval on behalf of the City of Richmond. The corporation, through an operating agreement, is responsible to ensure the Oval realizes its full potential as a community legacy venue of the 2010 Olympic Winter Games. ROOC has four primary areas of responsibility:

- Meet an 80% community programming mandate;
- Meet the high performance sport requirements of the 2010 Games Operating Trust (GOT);
- Protect and enhance the viability and value of the asset; and
- Oversee Oval day to day operations.

ROOC was established to help ensure the financial viability of the Oval, which must operate in a competitive market, outside of that which the City's other sport and recreation facilities operate in.

The City is the sole exclusive owner of the Richmond Olympic Oval, as well as being the sole shareholder owner of the company (ROOC) that operates it. ROOC is not compensated by the City to operate the Oval. The Oval Corporation simply operates the Oval on behalf of the City. All profits realized through the operation of the Oval must be invested back into the asset (Oval), or be placed in financial reserves, both of which belong to the City. The Oval is financially sound and the ROOC does not receive a fee, dividend, or share of profits for operating the Oval.

All directors presently sitting on the ROOC Board of Directors have been appointed by Richmond City Council. With the exception of the City's CAO (who does not receive any compensation for serving on the board), board directors receive compensation similar to that provided to Metro Vancouver Board Directors.

The Board has 13 director seats. At present 12 seats have been filled; one remains vacant.


ROOC board directors are selected on the basis of their strong connections to and investments in the community. With one exception, all board directors are either residents and/or owners/operators of Richmond businesses. They are also selected due to their business acumen, skills, expertise, and over-all business and community engagement experience.

In 2016, the Oval received approximately \$3.31 million in operating revenue from the City. A portion of these funds are retained by the City through the Oval's transfer of profits to its reserves. This contribution is not a subsidy - it is provided in support of the Oval offering community programming and to off-set the higher operating costs that are associated with operating such a unique, extraordinarily large and complex facility.

The City would have to contribute exactly the same amount of money, or possibly more, each year if the Oval were operated by the City.

The ROOC's financial performance post-2010 Olympic Winter Games has been consistently positive. The true net annual cost or contribution from the City in 2014 was \$502,000 versus the \$3.2 million reported. In 2015 the net contribution was \$1.06 million, versus the \$3.24 million gross amount reported; and in 2016 the net contribution was \$2.44 million versus the \$3.31 million reported. Over 80% of the Oval's programs and services are community based and approximately 81% of current Oval members are from Richmond.

George Duncan
Chief Executive Officer

 **CNCL - 35**
(Special)



2016 PROGRESS REPORT

CNCL - 36
(Special)



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

Operating Agreement Objectives

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

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

The Oval Corporation's Legacy Goals

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

1. establishing positive brand awareness;
2. becoming valued by the community and its employees;
3. supporting high performance sport;
4. becoming the desired location for community sport, health and fitness; and
5. operating in a financially sustainable manner.

1. Establishing Positive Brand Awareness

- 305 media articles were published about the Richmond Olympic Oval in 2016. Combined viewership reach of these articles is estimated at 54 million.
- viaSport live streamed 5 events from the Oval in 2016, generating a total of 163,456 views from 125 countries around the globe. The live streamed events included:
 - » 2016 Rhythmic Gymnastics Elite Canada Championships
 - » 2016 Peter Bakonyi Fencing World Cup
 - » 2016 Western Canadian Gymnastics Championships
 - » 2016 Canada Cup International Wheelchair Rugby Tournament
 - » 2016 Women's National Team Volleyball Challenge Cup
- On January 10, a group of four Chinese government officials toured the Oval and other 2010 Olympic Winter Games facilities to gather insight and information in the lead up to the Beijing 2022 Olympic Winter Games.

According to Frank Wu, Director of the non-profit Canada China Sports Foundation, *"(The Chinese delegation was) very surprised how packed the Oval is on any given weekend. Every corner was packed. It's a very important concept because... organizers (of Beijing 2022) are looking specifically for sustainability."*

- On January 17, the Boston Globe mentioned the Olympic Experience at the Richmond Olympic Oval as one of the top attractions to check out for international travellers in its weekly "Here, There and Everywhere" column.
- On January 25, a Vancouver Sun article on West Coast Basketball culture stated *"The Oval stands as a place for some of the region's best past, present and future prospects. It's a barometer in many ways of Metro Vancouver basketball and the potentially competitive environment that could be regularly employed and rival some of the country's other top hoop spots."*
- On February 5, the Canadian Olympic Committee, the Canadian Paralympic Committee, viaSport, Own the Podium and the Province of British Columbia announced a landmark collaboration in sport and additional funding to help B.C. athletes reach international success.

Attendees included:

- » Simon Whitfield, Four-time Olympian, Two-time Olympic medallist, Triathlon
- » Marni Abbott-Peter, Four-time Paralympian, Four-time Paralympic medallist, Wheelchair basketball
- » The Honourable Peter Fassbender, Minister of Community, Sport and Cultural Development, British Columbia
- » Tricia Smith, President, Canadian Olympic Committee
- » Gail Hamamoto, Director, Canadian Paralympic Committee Board
- » John Furlong, Chair, Own the Podium
- » Caley Denton, Chair, viaSport



The Olympic Experience Wins Tourism Award



The Olympic Experience at the Richmond Olympic Oval was recognized as a top new tourist attraction in Canada by Where magazine, the world's largest publisher of tourism-oriented visitor magazines. The hands-on, interactive and experience-driven museum, which opened in late 2015, was one of only eight attractions to receive the new attraction award across Canada.

Richmond Olympic Oval is the #4 Ranked Tourism Destination in Metro Vancouver

Business in Vancouver has ranked the Richmond Olympic Oval the number four tourist destination in Metro Vancouver based on annual visitation. This ranks the Oval behind only Grouse Mountain, the Vancouver Aquarium and the Capilano Suspension Bridge, but ahead of other long established attractions such as Science World and the Vancouver Art Gallery.

- On February 20, one hundred athletes between the ages of 14 and 25 were selected to take part in RBC Training Ground, a collaboration between RBC, the Canadian Broadcasting Corporation, the Canadian Olympic Committee and the Canadian Olympic Foundation, aimed at trying to deepen the pool of potential Olympic athletes in this country.

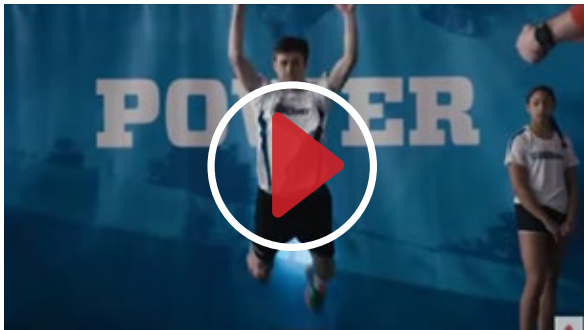
Eight "Oval Trained" athletes participated in the RBC Training Ground event with Kieanna Stephens, an Oval Hockey Camp athlete in 2015, winning the grand prize of a trip to Rio to experience the 2016 Olympic Games.

- On Monday, April 18, the City of Richmond hosted the COOL Richmond 2016 Exhibition, showcasing how event organizers could host sustainable events with the City of Richmond. The exhibition contained four major elements: meetings, a trade show, speakers / educators, and entertainment.



VIDEO HIGHLIGHT

RBC TRAINING GROUND AT THE OVAL



youtube.com/watch?v=I3Z33qs1RIY



To ensure that City staff were well educated on our sustainable events program, meetings were held at the event to review the objectives of the City partnership with AISTS and to review the 'Richmond Sustainable Event 7-Step Quick Guide'. Additionally, Basic (a biodegradable cutlery vendor) held a workshop with local restaurant industry participants regarding the benefits of biodegradable cutlery and their complete line of products.

The trade show component allowed a wide variety of local exhibitors, including the City of Richmond, to showcase their sustainable solutions: from water and bike stations to sustainable wineries and transportation.

An array of star speakers were invited to attract local event organizers to the event, including:

Ann Duffy

President of the Ann Duffy Group and former Corporate Sustainability Officer for VANOC (the Vancouver 2010 Games Organizing Committee).

Marc Stoiber

CEO and Founder of Marc Stoiber Brand Strategy and Your Ultimate Speech, Marc is a sustainability and brand marketing expert.

Geert Hendriks

Head of Projects, International Academy of Sports Science and Technology and Manager, Sustainable Sport and Events Centre

John Donnelly

Independent producer of concerts and events, including 3 Celebration Sites at the Vancouver 2010 Winter Olympic Games, 5 major festival properties for City of Surrey, a new summer concert series in North Vancouver, and numerous corporate events and awards shows.

Matt Carrico

Founder of the successful Main Street and Car Free Day local festivals.

Jane McFadden

Producer of the Khatsahlano Street Party; a free outdoor Music & Art Festival that attracts more than 150,000 locals every year.

Approximately 350 people attended COOL Richmond 2016 and received the 7-step quick guide. Additionally, City staff and event organizer attendees were able to make numerous new contacts with sustainable event providers.

Since hosting COOL 2016, the following additional benefits have been realized:

- » The City has received 27 applications for Event Champions program.
 - » The City has been able to expand many of its sustainable event services.
 - » Creating a sustainability commitment statement is now required for all event permits and Richmond Sport.
 - » Hosting incentive grant program applications.
 - » The creation of a 'Sustainable Food Services Quick Guide' for event organizers and planners.
 - » Greater use by the community of the City of Richmond sustainable event resources and services, including 50 events supported with over 700 recycling receptacles used by over 170,000 event attendees in 2016 alone.
- From May 5-8, teams representing over 1,700 athletes from all four western provinces and two territories competed in the Best of the West Gymnastics Championship at the Oval.
"This one-of-a-kind festival presents the opportunity to highlight the sport and activity of gymnastics from a recreational to a national elite level," said Ana Arciniega, Best of the West Committee Chair. "We chose the Oval as it is an iconic building that will attract audiences to experience four unforgettable days of hard work and celebration."
 - On Monday, June 6th, the Canadian Paralympic Committee and Canadian Wheelchair Sports Association announced the wheelchair rugby athletes nominated for the Rio 2016 Canadian Paralympic Team. Team Canada was ranked No. 1 in the world in wheelchair rugby after winning gold at the Toronto 2015 Parapan American Games and the World Wheelchair Rugby Challenge.

Attendees included:

- » Malcolm Brodie, Mayor of the City of Richmond
- » Hon. Peter Fassbender, Minister of Community, Sport and Cultural Development

- » BC athletes nominated for the Rio 2016 Canadian Paralympic Wheelchair Rugby Team
- » Chantal Petitclerc, Chef de Mission, Rio 2016 Canadian Paralympic Team
- » Andy Van Neutegem, High Performance Director, Wheelchair Rugby Canada
- » Gail Hamamoto, Board Member, Canadian Paralympic Committee

- From June 13-15, more than 300 airport executives from 20-plus countries and six continents gathered in Richmond for the SMART Airports and Regions Conference and Exhibition. Participants were able to tour the facilities at YVR, the Richmond Olympic Oval, and the BCIT Aerospace and Technology Campus.

This was the first foray into Canada for SMART.

- On June 23-26, the Richmond Olympic Oval hosted the 2016 Canada Cup International Wheelchair Rugby Tournament. Canada finished in fourth place, with the USA, Australia and Japan taking gold, silver and bronze respectively. A highlight of the tournament was the attendance of the Honourable Carla Qualtrough, Minister of Sport and Persons with Disabilities and Gail Hamamoto, Board Member for the Canadian Paralympic Committee and Executive Director of the BC Wheelchair Sports Association.

"The Government of Canada is proud to support Canada's wheelchair rugby athletes, coaches and support staff as they push for the podium again in Rio. The team's passion and tenacity is inspiring to



2016 AWARDS

BEST SPORT ADVENTURE CENTRE

2012-2016
Georgia Straight, Best of Awards



all of us, but especially our young people. Thanks to the Canadian Wheelchair Sports Association, the BC Wheelchair Sports Association, the local tournament organizers and especially the many volunteers for your hard work and dedication to making the 2016 Canada Cup such a wonderful event."

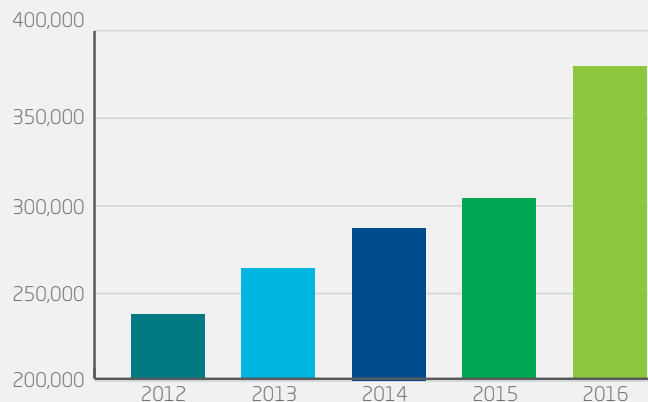
- The Honourable Carla Qualtrough, Minister of Sport and Persons with Disabilities

"The BC Wheelchair Sports Association and the Canadian Wheelchair Sports Association are very grateful for the support of the Government of Canada for the 2016 Canada Cup. The tournament is the last stop on the Road to Rio for wheelchair rugby, and we are incredibly excited to host seven of the top teams in the world at the Richmond Olympic Oval. This event is a key part of Team Canada's preparations for the Paralympic Games and will have enormous benefits for sport and community development over the long term."

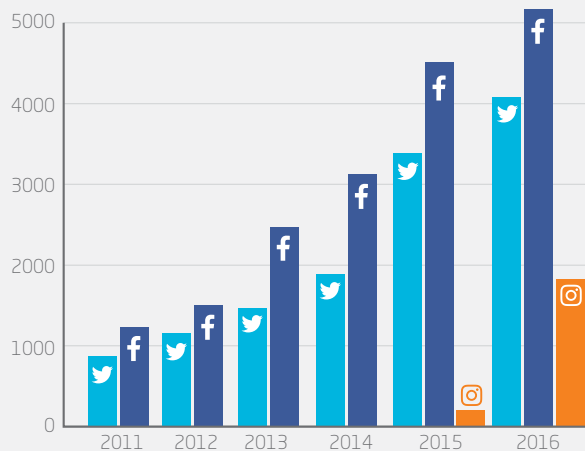
-Gail Hamamoto, Executive Director, BC Wheelchair Sports Association

- On July 1, the Richmond Olympic Oval expanded its presence at the Steveston Salmon Festival, activating with Oval sport and fitness activities, the Olympic Experience and a mobile climbing wall, raising awareness of all Oval programs with thousands of Richmond residents.

DATA | WEBSITE VISITS



DATA | SOCIAL MEDIA FOLLOWING 2011-2016



includes all Oval social media properties: Oval, High Performance, ROX

**CNCL - 40
(Special)**

- On August 12, DRIVE Basketball welcomed NBA star Zach LaVine to the Richmond Olympic Oval for his one-day camp. It marks the second straight year DRIVE has hosted the two-time NBA slam dunk champion. The 21-year-old Renton, WA native plays for the Minnesota Timberwolves. In an interview with Sports Illustrated, when asked about his second-time participation in DRIVE basketball camp at the Richmond Olympic Oval, LaVine said, *"The main thing is I like to come out and support the community. I played against the DRIVE Basketball AAU teams all the time when I was in high school. So I'm just expanding my reach across the border, man. I teach hard work, that's the main thing."*



- On August 31st, the Richmond Rockets Speed Skating Club and the Richmond Olympic Oval entered into an official partnership to jointly deliver speed skating programs to the community. The collaboration will support the growth of both grassroots and high performance delivery, as well as the hosting of annual competitions.



- Over the past year, events held at the Oval have drawn hundreds of thousands of people into the facility and contributed greatly to building the community's volunteer base and event hosting capacity. A complete list of events held at the Oval plus event descriptions are listed in Appendix B.

2016



HIGHLIGHT

HARD WORK STOKES TEEN'S RED-HOT HANDLES

January 14, 2016 The Province Newspaper

Like a good mailman, Lance Fuentes never lets snow, rain or heat keep him from working on his basketball moves.

It has paid off, not least by making him the highlight of the night on TSN a couple of weeks ago - a video clip of the 13-year-old dribbling two balls between his legs at the same time. While blindfolded.

"I started playing basketball when I was six, outside," Lance said by phone from his family's home in Richmond. "I'd practice rain or shine or even snow."

Today, he's a point guard for Vancouver College's Grade 8 team and the AthElite Academy under-14 squad.

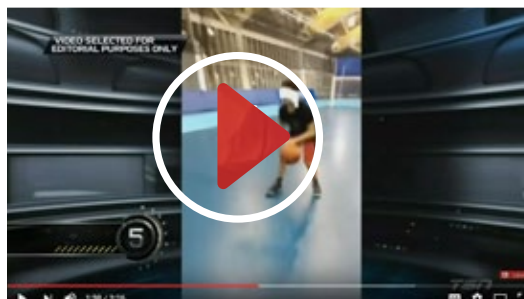
At just shy of five-feet-six, he will never be mistaken for, say, Karl Malone (The Mailman), a retired NBA all-star who stood 6' 9. But Lance does seem to share the famous power forward's renowned work ethic.

"He's worked so hard, that guy, every day," said Lance's father Ronald Fuentes. "He started practicing all the time outdoors."

"I felt so bad my kid was outside wearing gloves and a tuque, saying, 'I'm freezing, dad,' but still taking hundreds of shots a day."

When Lance was eight, he started trying out a different dribble.

"He just said, 'Dad, I think I can dribble two balls at once, between my legs,'" Ronald said.



<http://advil.tsn.ca/en/video.aspx?id=0f9c00ee-c8b5-475a-a690-a2532151df9d>

"It was unique. I'd never seen anything like it. I just said, 'Wow!'" Lance's TSN video was up for Advil highlight of the month. He is also followed by 23,000 people on Instagram (@a_handles), including the Harlem Globetrotters and the Holiday brothers, two of whom (Jrue and Justin) are in the NBA with a third (Austin) playing NCAA basketball.

Lance hadn't practiced indoors until his mom had an aneurysm in 2010. Her convalescence centre had a gym with hoops and one day he brought a couple of balls with him.

"All of a sudden I picked up two basketballs and tried some dribbling moves," he said. "My dad was amazed. Now I try to make up new dribbling moves every day and practice them."

Some involve three balls in between-the-legs and behind-the-back moves.

When Lance isn't at a gym with his Vancouver College or AthElite teammates, he can be found practicing at the Richmond Olympic Oval, taking his daily 450 shots and working on new moves.

2. Becoming Valued by the Community and its Employees

- The Richmond Olympic Oval Corporation supported eighty-five organizations in 2016 with over 200 donations of silent auction items and other value-in-kind exchanges. Many examples of the Oval's support of the community are detailed in this section.
- On April 2, 2016, the Richmond Olympic Oval proudly hosted the BC Cancer Foundation's Workout to Conquer Cancer event, which raised \$325,000 to power cancer research in the province. Emceed by CTV's Colleen Christie, the fun fitness challenge benefits the BC Cancer Foundation and features a full day of upbeat group exercise classes for those of all fitness levels.
- On June 1, 2016, the Sunset Club of Richmond hosted the 4th Annual Rotary Skates for World fundraiser at the Richmond Olympic Oval. The event, attended by Richmond Mayor Malcolm Brodie, raised \$50,000 for the Richmond Hospital.
- The City of Richmond's Sunset Series, featuring live music, a free yoga class, beach volleyball, food trucks and an outdoor screening of a movie at dusk, ran on the Oval's Olympic Riverside Plaza from July 10 to August 28, 2016. The series kicked off with performances by Maritime-based singer-songwriter, Jon Bryant and local favourite, Lizzie Kent, plus a screening of the action-packed dino adventure Jurassic Park.
- Exile Island BC took place on November 4, 2016 at the Richmond Olympic Oval. Children's Wish Society of BC is very proud to share that they raised over \$100,000.

Modeled after the television show "Survivor", Exile Island is an annual event that challenges local businesses to gather their tribes and take part in an action-packed afternoon, all in a united effort to grant heartfelt wishes.

Teams are paired with a local Wish Kid--an honorary member of your tribe--and work together to raise the goal amount of \$10,000. At the event, teams compete in a series of mental, physical, creative and strategic challenges, battling head-to-head to win the title of "BC's Ultimate Survivors!"

- On November 26, 2016, the City of Richmond added an additional 17 members to the Richmond Sport Wall of Fame at the Richmond Olympic Oval, bringing the total number of honourees to 33.



The 2016 inductees included:

Pioneer:

- » **Sam Gilmore** – contributed to early development of lacrosse in Richmond.
- » **Yuichi Akune** – founded the Steveston Kendo Club, competed nationally and internationally.
- » **Wally Iverson** – competitive bowler and member of BC Bowling Hall of Fame.

Builder:

- » **Paul Alexander** – long-time official and organizer with Richmond Rod and Gun Club and Shooting Federation of Canada.
- » **Betty Hedges** – a founder of the Richmond Swim Club, forerunner of the Richmond Kigoos.
- » **Dennis Hedges** – a founder of the Richmond Juvenile Soccer Association and active in building the Richmond Swim Club along with his wife, Betty.
- » **Matt Phillips** – founded numerous high school football programs in Richmond, member of BC Football Hall of Fame.
- » **Ron White** – founder of Richmond Raiders junior football club and BC Football Hall of Fame member.
- » **Rick Henderson** – founding member of Richmond Sports Council, founder of Richmond senior men's and masters basketball leagues, coach for ringette, soccer and basketball and special athletics advocate.

Special Achievement:

- » **Don Fennell** – Richmond Review sports editor for 25 years.
- » **Jim Lamond** – coach, administrator chair and board member since the 1970s for Richmond Soccer, BC Youth Soccer and Canada Soccer, charter member and long-time chair of Richmond Sports Council.



Athlete:

- » **Jason Jordan** – Vancouver Whitecap and USL first division all-star and MVP.
- » **Jim Donaldson** – rugby international with 30 caps for Canada and 10 national championships.
- » **Turlough O’ Hare** – two-time Olympic swimmer, medallist at Commonwealth and World University Games, and winner of 37 national championships.

Masters Athlete:

- » **Avril Douglas** – held three world records and 12 Canadian records in short distance running for masters athletes.
- » **Gwen McFarlane** – winner of numerous BC Seniors Games medals for running, has run 18 marathons as a masters athlete, BC Masters Athlete of the Year in 2010, 2012.

Team:

- » **1996 U-18 Air Attack Women’s Volleyball Team** – winner of numerous championships including the Canadian Juvenile Nationals.
- The Richmond Olympic Oval Corporation held its Annual Information Meeting on December 1, 2016, where members of the community had the opportunity to meet with the Corporation’s Board of Directors, Senior Officers and Management regarding the Corporation’s activities, achievements and future plans for the Richmond Olympic Oval.
- The Richmond Olympic Oval Corporation recognizes the value of creating a corporate culture built on employee commitment, trust and teamwork. In order to position itself as the employer of choice in the sport and fitness industry, the Corporation has focused its efforts on talent acquisition, program development, training and employee engagement. The Corporation also strives for continuous improvement and endeavours to be a conduit for its employees to realize their true potential and achieve excellence through collaboration and a shared passion for improving lives.



3. Supporting High Performance

- On February 2, Volleyball Canada announced that the Richmond Olympic Oval would become the official training home of the National Women’s Volleyball team.

"I am excited to welcome the women’s team to the City of Richmond. We have a world-class training facility in a vibrant city that will also serve the needs of the athletes off the court," said Tom Jones, co-chair of the bid committee and president of Volleyball BC. "Having the centre here is also a natural extension of the hard work already being done in the area of athlete development, and we’re confident that we will provide an ideal environment for the team. This is a great opportunity to help athletes realize their long-term dreams."

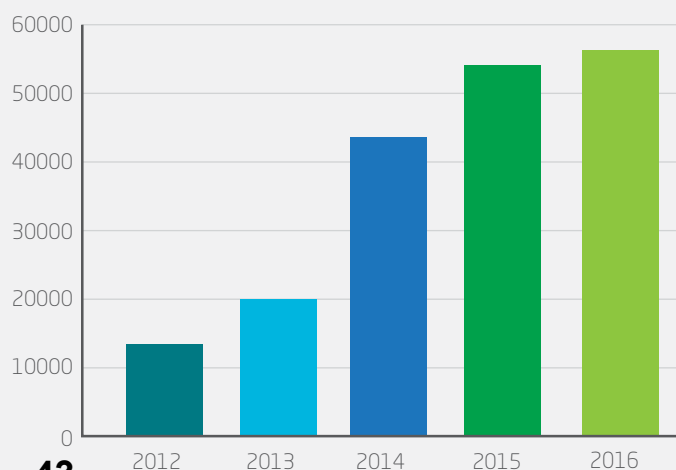
The Oval is already home to a Volleyball Canada Centre of Excellence, which has helped train more than 50 athletes who have played for their province, post-secondary school or the Junior National Team.

The process to bring the team to BC began nearly two years ago, and was supported by the local government.

"We are thrilled to welcome the women’s national volleyball team to the City of Richmond and the Richmond Olympic Oval," said Richmond Mayor Malcolm Brodie. "The Oval is already a training centre for many Canadian Olympic and Paralympic athletes, and this will continue to build on its status as a world-class centre for high performance sport. We look forward to helping our volleyball team achieve success, while inspiring the many novice and developmental athletes in the Oval’s highly successful volleyball programs to seek their own personal goals."

- Since opening a dedicated High Performance Training Centre in March of 2012, approximately 177,000 training sessions have been completed at the Oval, 56,073 of which occurred in 2016. The Oval’s High Performance Training Program continues to service developing youth athletes (from as young as 12 years old) to experienced Olympians.
- A partnership program created among fitness facilities, health clubs and community centres across the province, Canadian Sport Institute’s GYMWORKS™ program provides provincially and

DATA | High Performance Athlete Workout Sessions



The Richmond Olympic Oval's High Performance programs and services fuel sustainable Canadian sport excellence on the local and international stage. Oval HP builds better athletes of all ages through the provision of world-class technical coaching, strength and conditioning, mental performance and nutrition optimization services. Oval High Performance supports Canada's top athletes who are at, or are striving for, the podium.

VOLLEYBALL

- Three Volleyball Centre of Excellence athletes commit to post-secondary teams:
 - » Emma Barlow committed to the University of Guelph
 - » Cassandra Bagnell committed to the University of Dalhousie
 - » Tova Rae committed to Vancouver Island University
- Fourteen 14U Oval Athletes (Volleyball) selected to the 2016 Baden Cup High Performance Camp.
- Eleven 16U Oval Athletes (Volleyball) selected to attend Baden Cup Selection Camp.
- Four Oval Athletes (Volleyball) selected to Western Elite Team BC Program: Kennedy Bonner, Sydney Grills, Kara Kovacs, Katarina Pantovic.
- Two Oval Athletes (Volleyball) selected to the Youth National Development Program: Kara Kovacs and Sydney Grills.
- National Sitting Volleyball Team Athletes, Tessa Popoff and Felicia Voss qualified for the Rio Olympics.

TABLE TENNIS

- Oval Table Tennis athletes Cherry Cheng, Mo Zhang and Jane Yan were selected to travel to Montreal for the Canadian Cup Finals, an Olympic qualifier competition.
- Mo Zhang was champion of the North American Cup in Women's singles.
- Table Tennis Canada athletes Mo Zhang and Stephanie Chan attending the Olympic games in Rio, also attending Oval Coach YJ Liu. Stephanie Chan finished in 4th place in the Paralympic Games after falling 3-1 to Korea.

PARA-SPORTS

- Stephanie Chan won the Athlete with a Disability award at the 2016 Richmond Sport Awards.
- Swimming Canada athlete Jonathan Dieleman qualified for Rio and broke the Canadian record in the S3 classification 50-M breaststroke during his heat with a time of 50.39 seconds. Jonathan finished 5th place at the Rio 2016 Paralympic Games in the 50M breaststroke with a time of 50.21.
- The Canadian Wheelchair Rugby Team finished 4th at the 2016 Games.





SPEED SKATING

- Speed skating athlete Chris Poljer-So pre-qualified for the National Senior Selection #2 event.
- Speed skating athlete Lukas Macdonald placed 2nd overall at the 2016 Can West Championships.
- Six athletes from the Oval's Speed Skating Performance program travelled to Calgary to compete in Octoberfest against 100+ of the brightest young talent from across Canada. This was the largest group ever from the Oval to compete at Octoberfest, a preparation event for Nationals held in Feb 2017.

HOCKEY

- Luka Gracnar, professional goaltender from EC Red Bull Salzburg, came to the Oval to train with Alex Auld for 1 week.
- Sarah Potomak named to Women's National Hockey Team.
- Ivana Bilic signed with Connecticut Whale NWHL.
- The Vancouver Angel's Midget Team won Tier 1 at The Hayley Wickenheiser Female Hockey Festival. The team trains at the Richmond Oval weekly, developing their skills and performance with on-ice and off-ice sessions.

FIELD HOCKEY

- Field Hockey Canada won silver at the 2016 Junior Men's Pan American Championships.
- Field Hockey Canada Men's National Team announced 16 athletes going to Rio, all of whom train at the Oval. The team finished the 2016 Games by bumping their world ranking from 15th to 12th.
- Oval Athlete Gavin Bains was named to the Jr. World Cup Team for the Field Hockey Canada.

OTHER SPORTS

- Stephanie Dickinson (synchronized swimming) won Junior Figures at the National stream provincials in February. In March, Stephanie was selected for the Canadian 2016 Junior World team.
- Stefanie Dickinson selected for Synchro Canada 2016 Jr National Team.
- Fusion FC athlete Patrick Metcalfe signed on with the Whitecaps Residency u18 team.
- Hannah Finkelstein (Softball) named to the Jr. Women's National Team athlete pool.
- Judo athlete Ian Ryder won Gold at the BC Winter Games.



2016 HIGHLIGHTS

Rio Games Athlete Send Off BBQ



A Rio send-off BBQ was held on July 11th, in partnership with the Canadian Sport Institute Pacific, to recognize the athletes and coaches heading to Rio. Youths participating in our Summer Sport Camps were given the unique opportunity to meet these athletes and get signed #RioBound signature cards to remember the day.

nationally carded athletes access to training environments within a close proximity to their home, school and other personal, professional and sport-related obligations. In 2016, 241 carded athletes accessed the Oval for a total of 6,132 workout sessions..

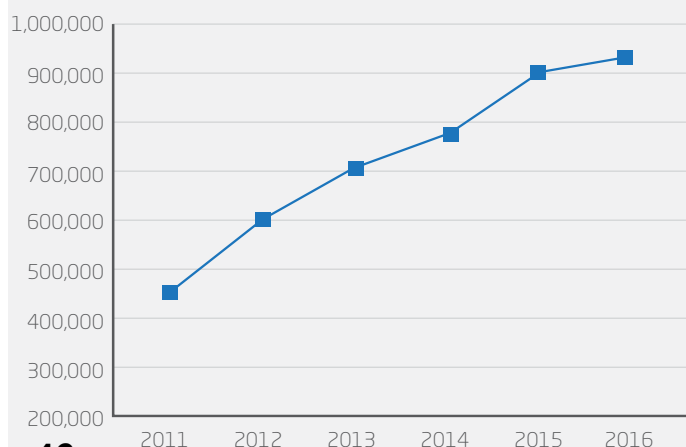
- Short Track Speed Skating programming at the Oval continued to grow in 2016, with an expansion of the program to include more training times for athletes in the Performance Speed Skating Program. The Oval delivered its second year of the BC Speed Skating Association (BCSSA) academy program which was originally created by Oval High Performance staff. In 2016., academy numbers grew from 16 skaters in 2015 to 22 skaters in 2016. Skaters from across the lower mainland were provided on-ice technical coaching, strength and conditioning training, sport psychology and sport nutrition education. This initiative is a component of our partnership with BCSSA and Speed Skating Canada.

Of the high performance athletes training at the Volleyball Canada Centre of Excellence since 2010, fifty have been named to Team BC's 16U, 17U and 18U provincial programs. In addition to two being named

to the Junior National team, 29 have progressed to play post-secondary volleyball. In July 2016, the corporation welcomed over 150 of the top nationally ranked female 16U and 18U athletes as they competed in the Volleyball Canada National Team Challenge Cup.

- Knowing the demands placed on athletes, Oval High Performance partnered with the Richmond School District to provide athletes the opportunity to earn high school credits for their training completed at the Oval. The program has grown substantially both in athlete registration and scope of courses since 2013 when ten Volleyball Canada Centre of Excellence athletes received PE credits. In 2016, planning, social studies and English were added to the list of courses available to Oval High Performance athletes.
- Athletes from the following 44 National, Provincial and Local Sport Associations or clubs used Oval High Performance services and facilities during 2015:
 1. Athletics Canada
 2. Canadian Wheelchair Sports Association – Wheelchair Rugby
 3. Cycling Canada
 4. Field Hockey Canada
 5. Hockey Canada
 6. Special Olympics
 7. Speed Skating Canada
 8. Table Tennis Canada
 9. Volleyball Canada
 10. BC Athletics
 11. BC Hockey
 12. BC Rhythmic Gymnastics
 13. BC Rugby Union
 14. BC Speed Skating Association
 15. BC Wheelchair Basketball Society
 16. BC Wheelchair Sports
 17. Bobsleigh BC

DATA | TOTAL GUEST ATTENDANCE 2011-2016



18. Cycling BC
19. Judo BC
20. Squash BC
21. Synchro BC
22. Volleyball BC
23. Weightlifting BC
24. Asahi Baseball
25. Connaught Skating Club
26. Fusion Football Club
27. Greater Vancouver Canadians
28. Indian Field Hockey Club
29. Kajaks Track and Field
30. Kerrisdale Little League
31. Pacific Predators
32. Pacific Storm Water Polo Club
33. Pacific Wave
34. Richmond Minor Hockey Association
35. Richmond Rapids
36. Seafair Minor Hockey
37. UBC Athletics
38. UBC Thunderbird Rowing
39. Vancouver Angels
40. Vancouver Community Baseball
41. Vancouver FC
42. Vancouver Futsal Association
43. Vancouver Thunderbirds
44. Vancouver Warbirds

- 30 athletes utilized the facilities and/or services of the Oval during 2016 in preparation for the Rio Olympic and Paralympic Games. These athletes represented Canada in the sports of Race Walking, Swimming, Field Hockey, Table Tennis, BMX, Sitting Volleyball, and Wheelchair Rugby.



- The Elite Hockey Player Camp was held at the Oval July 11 – 15. This one-week NHL Style camp brought in approximately 60 hockey players and had guest coaches including Willie Desjardins, Rob Cookson, Marc Crawford, Ron Johnson, Stu Barnes, Glen Gulutzan, Pasco Valana and Mike Valley.
- Training Camps hosted by Oval High Performance in 2016 included:
 - » BC Hockey Strength Camp
 - » Squash BC Camp
 - » BC Rhythmic Gymnastics
 - » BC Skeleton BC Recruitment Camps
 - » Special Olympics Canada
 - » Synchro BC
 - » Cycling BC

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

- The Richmond Olympic Oval experienced over 925,000 visits in 2016, a 3% increase over 2015. Total combined visitation since opening day on December 12, 2008 is now almost 6 million visitors.
- Community Sport rented 14,000 hours of Activity Level time in 2016 to twenty-eight different organizations with high Richmond participation for practice, training and competition.
 1. Air Attack Volleyball
 2. Air Cadets
 3. Aura Rhythmic Gymnastics
 4. Brazilian Soccer School
 5. Connaught FS Club
 6. DRIVE Basketball
 7. Greater Vancouver Canadians
 8. Kajaks Track and Field
 9. Richmond Ball Hockey
 10. Richmond Football Club
 11. Richmond Girls Soccer Club
 12. Richmond Ravens
 13. Richmond Ringette
 14. Richmond Rockets
 15. Richmond Minor Hockey Association
 16. Sea Cadets
 17. Seafair Minor Hockey
 18. Shoseikan Karate
 19. Steveston Selects
 20. T&T Supermarket
 21. Aura Rhythmic Gymnastics
 22. BC Aboriginal Athletic Association

23. BC Wheel Chair Rugby

24. BC Hockey

25. Catholic Independent Schools Vancouver Archdiocese (CISVA)

26. Greater Vancouver Canadians

27. Independent Schools Athletic Association Elementary Play Day (ISEA)

28. YVR Airport

- Additionally, six Richmond organizations partnered with the Oval to deliver programming to the community:
 1. Dynamo Fencing (Fencing Camp)
 2. Brazilian Soccer School (Brazilian Soccer School Camp)
 3. The John M Lecky Boathouse (Learn to Row and Learn to Dragon Boat Camps)
 4. Panther Cheer (Girls Only and Dance + Cheer Camps)
 5. Minoru Seniors Society (Outdoor Athlete and Get Outdoors Camps)
 6. Minoru Aquatics Centre (Girls Only, Triathlon camp and Get Wet Camps)
 7. Richmond Rockets (Speed Skating Programs)

- In the Fitness and Wellness department, fifteen new pieces of cardio equipment were introduced, including: step mills, treadmills, bikes and elliptical machines. New Olympic lifting platforms were also added.

New programs launched in 2016 included: Capoeira (a Brazilian Martial Art), Yhot Yoga, TRX Yoga and Stretch & Release.

The department also hosted several successful instructor training / certification courses, including TRX Suspension Training and Keiser M3 Indoor Cycling.

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

- The long-term membership base (Annual and Monthly Continuous members; excluding complimentary and promotional memberships) at the Oval held steady from 2015 to 2016, following an 11% increase from the year before. As the construction of several new condominiums within the Oval Village complete in 2017, along with the new Landsdowne corridor, we expect improved accessibility to the Oval to once again translate into strong membership growth.
- Member appreciation events were held in May, July and November with over 1,000 members attending several complimentary program demos, receiving product samples from the O Cafe and other local businesses, plus program discount coupons.

Additionally, the Oval held three membership usage challenges in March, June and October-November, each designed to improve retention and use of the Oval facility. Over 2,000 members took part in the challenges, increasing their usage of the facility by 25%.
- Oval Sport Camps did very well, achieving a 288% increase in registration over expectations. The majority of the increase came from two additional camps targeting schools with alternative schedules (ex. Spul'u'kwuks) as well as strong registration in Tot and multi-sport camps.

- From March 12 – 26, 2016, the Olympic Experience at the Richmond Olympic Oval hosted its first ever Spring Break Simulator Challenge, offering prizes to the community for posting the best bobsleigh and race car simulator race times. Over 600 guests attended the Olympic Experience during the challenge.
- On June 14, 2016, over 1,100 elementary school children attended Olympic Day celebrations at the Olympic Oval. Activity stations provided by the Olympic Oval included physical literacy, skating, climbing, athletes. Additionally, eight other local sport organizations participated to provide activities for the children.
- From August 12 – 21, the Olympic Experience at the Richmond Olympic Oval was home to Canada House, a place for locals to gather as a community to cheer on Canada's athletes at the Rio 2016 Games.



The Canada House environment featured a comfy lounge, four 75-inch TV's and a 12-ft by 6.5 feet projector screen on which to watch all the Olympic action. Almost 200 guests turned out to watch Olympic Events alongside Canadian Olympians:

- » Krista Guloien, Silver Medal, Rowing 2012
- » Darcy Marquardt, Silver Medal, Rowing 2012
- » Emily Zuerrer, Bronze Medal, Soccer 2012
- » Alex Tougas – World Champion BMX

- On November 27 and December 4, to mark the one-year Anniversary of the Olympic Experience, Oval Members were given free access and the public could bring a family of 4 for the price of one adult admission. Additionally, Meet and Greet sessions were run with the following Olympians:
 - » Evan Dunfee: Evan is a Richmond resident, the Canadian record holder in his sport and finished 4th at the 2016 Olympic Games.
 - » Shallon Olsen: at barely 16 years old, Shallon was the youngest Canadian athlete to compete at the 2016 Olympic Games (even younger than Penny Oleksiak) and made it all the way to Vault Finals.
- 2016 represented the first full year of operations for the ROX SHOP retail store at the Richmond Olympic Oval. Built to enhance the Oval member and guest experience, the ROX SHOP carries a wide array of sport, health and wellness apparel and equipment. The ROX SHOP also carries merchandise to remember your visit to The Olympic Experience. The ROX SHOP finished the year surpassing revenue expectations.



TRYING DIFFERENT SPORTS KEEPS KIDS ON THE RIGHT TRACK

Vancouver Sun April 15, 2016



It's an old refrain: the earlier you get your kids involved in sport, the less physical and social problems they'll have down the road. Plus, research has shown that physical movement can increase cerebral capillary growth, blood flow, and brain tissue volume.

Less talked about, though, is the importance of multiple sport involvement, something Jordan Mottl, Program Manager, community Sport for the Richmond Olympic Oval (richmondoval.ca), is passionate about. "We always hear about children who grow up to have remarkable careers, but never about the many kids who burn out on sports early on," he says. "A key reason they do so is because they're confined to a single type of physical activity."

Worse, not only do they burn out on the sport of their choice, they tend to avoid physical activity altogether, which Mottl points out "can lead to all sorts of harmful or unproductive habits."

That's why the Richmond Olympic Oval is such a valuable resource for parents. Diversity is emphasized in all of its various youth sport camps, with summer activities a case in point: children and youths ranging from four to 18 can try their hand at everything from badminton to fencing, climbing to hockey, with rowing, skating (various forms of skating, of course), paddling, and even dancing in between.

Better still, the camps (richmondoval.ca) at the Oval (which are open to the public) are offered year-round, so youths can develop physical skills just as easily at spring break as they can over the course of winter. Plus, the Oval offers several camps and programs for tots aged five years and younger.

One of the more interesting new additions to the Oval's offerings

is Just Play, a program that promotes unstructured activity. "We launched it last year and will re-do it this fall, and it was fascinating to see children assess personal risk, take leadership roles, play games adults had long forgotten about, and exhibit a creativity that is too often missing in formal sporting events," says Mottl.

In the spirit of inclusivity, the Oval's High Performance team also helps hundreds of athletes prepare for competitive success on the local, provincial, national, and international stages (coaching begins with a thorough evaluation of each athlete, including a functional movement screen and baseline performance assessments; the information is used to develop training programs and schedules to maximize results).

Mottl says, "Our goal is sports for life, so it follows that we help adult athletes transition from one activity to another once they decide to end the sport of their choice."

The passion that informs Mottl and his team of sport programmers and 60 instructors has resulted in as many as 2,000 people utilizing/experiencing the Oval daily, in addition to user groups such as Urban Rec and Vancouver Metro Basketball League.

And while the majority of sport camp (richmondoval.ca) activities stay on site in the Oval, the Get Skills camp visits Dover Park, and the Get Outdoors, Get Wet, Outdoor Athlete along with paddling and rowing camps involve regular scheduled off-site excursions. "Arguably, the most exciting locale is provided by our Outdoor Athlete camp intended for youths 13 and older," says Mottl. "It ends with a climbing excursion in Squamish."

Mottl, 34, was raised on Vancouver Island and chased a basketball scholarship to Alberta before discovering the Oval and becoming an intern in 2009 - the same year the first series of sport programs was launched. "All of us at the Oval have benefited enormously from athletics and have a strong commitment to imparting that passion onto the next generation," he says. "It may sound contradictory, but we work hard to make our activities fun, purposeful and inspiring, and we take our jobs very seriously in this regard."

If there's one message Mottl has for parents interested in enrolling their children in an Oval camp, it is to encourage them to pursue their interests no matter how diverse. "A love of one type of sport is great, but pursuing a wide range of activities is even better," he says. "It leads to transferrable skills, better health, less chance of injury, and wonderful mental benefits."

"And lastly, multi-sport activity goes a long way in ensuring that youths will remain active and healthy, even in old age."

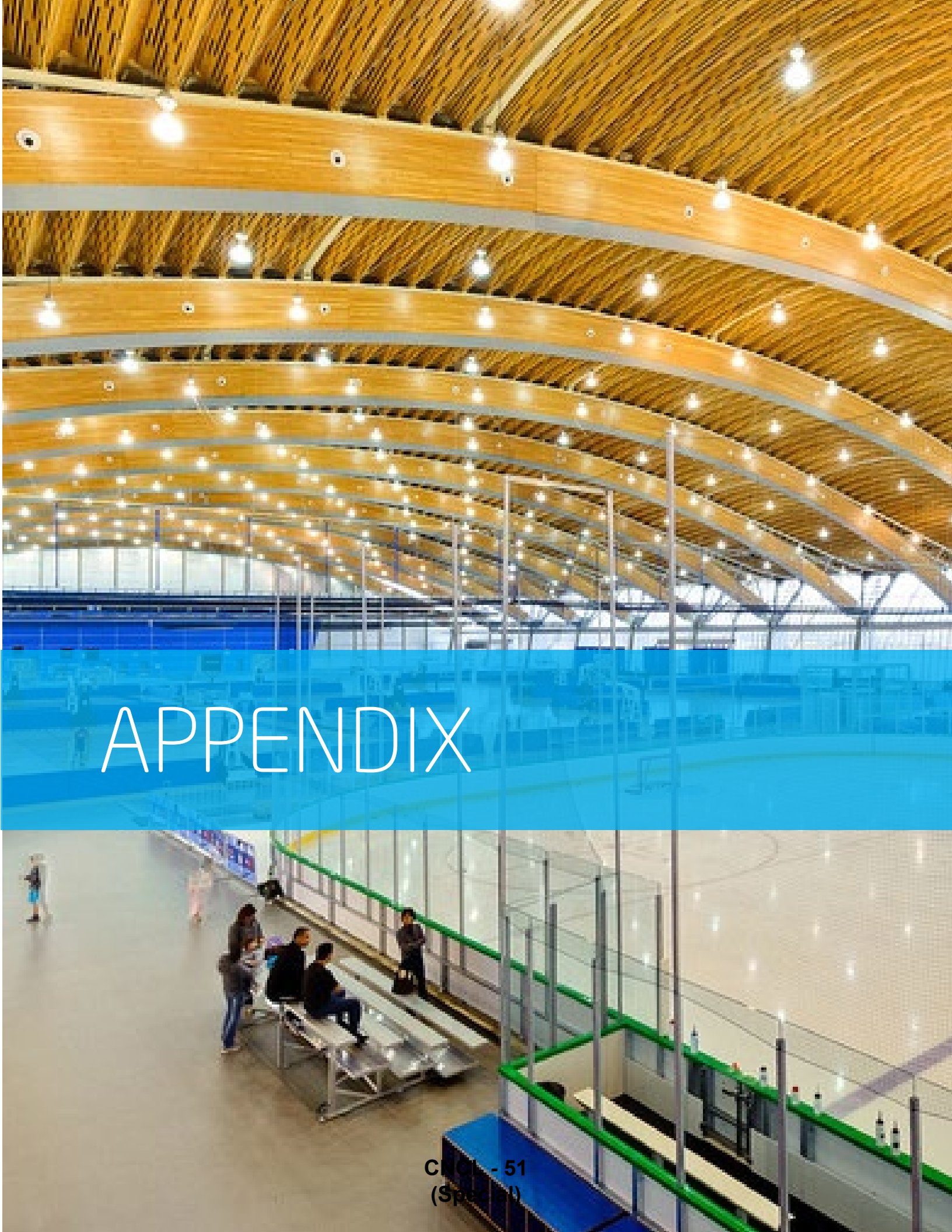
5. Financially Sustainable

The Corporation realized an annual surplus before amortization and transfers to reserves/provisions of \$2,262,000, which was \$120,000 favorable to budget. The Corporation's main sources of revenues in 2016 were 'memberships, admissions and programs', City of Richmond contributions, 2010 Games Operating Trust funding, followed by other revenue (mainly consisting of parking, leasing, and Community Legacy Partner Sponsorship revenue).

The Corporation would like to thank the City of Richmond, the Games Operating Trust and our official Community Legacy Program Partners: Scotiabank, TELUS, Lehigh Hanson Heidelberg Cement Group, and Stuart Olson. Our partners have been critical in helping the Oval bring positive sport, health and wellness changes to as many people as possible.

Additionally, the Corporation would like to thank our Olympic Experience sponsors: the River Green Community, Vancouver International Airport Authority, PLLR Lawyers and the Richberry Group. You have helped the Oval bring the inspiration of the Olympic Games to Canada.





APPENDIX

APPENDIX A | THE CORPORATION

The Company, which changed its name to the “Richmond Olympic Oval Corporation,” on August 10, 2010, was incorporated under the name “0827805 BC Ltd.” on June 16, 2008 under the Business Corporations Act of British Columbia. Its purpose is to manage the business, operations and maintenance of the Oval. The City of Richmond, as the sole shareholder of the Company, has appointed a Board of Directors consisting of a selection of community leaders with a broad range of specialized expertise.

Directors

As of December 2016, the Company has 12 Directors. The name and province of residence of each Director, each Director's principal occupation, and the month each Director was appointed to the Board are indicated in the chart below. The term of office for full-term directors is one to two years.

Name & Province of Residence	Principal Occupation	Director Since	Re-elected	Term
E. Michael O'Brien, British Columbia, Canada	Retired (Former Corporate Secretary & Vice President, Strategic Planning & Legal Services, Vancouver International Airport Authority)	June 2008	June 2016	2 years
Dennis Skulsky, British Columbia, Canada	President & Chief Executive Officer, BC Lions Football Club	February 2011	June 2016	2 years
Moray Keith, British Columbia, Canada	President, Dueck Auto Group	June 2008	June 2016	2 years
George Duncan, British Columbia, Canada	Chief Administrative Officer, City of Richmond	June 2008	June 2016	2 years
Umendra Mital, British Columbia, Canada	Executive Vice President and General Manager, Ebco Industries Ltd. and Advanced Cyclotron Systems Inc.	June 2008	June 2016	2 years
Peter German, British Columbia, Canada	Principal, Peter German & Assocs. Inc.	June 2016	June 2016	2 years
Tony Kwan, British Columbia, Canada	Partner, Pryke Lambert Leathley Russell LLP	June 2016	June 2016	2 years
Gail Terry, British Columbia, Canada	General Manager Richmond Auto Mall Association	June 2016	June 2016	2 years
Dan Nomura, British Columbia, Canada	President, Canadian Fishing Company	June 2016	June 2016	2 years
Lisa Cowell, British Columbia, Canada	Manager, Fund and Community Development Richmond Society for Community Living	June 2016	June 2016	2 years
Walter Soo, British Columbia, Canada	Executive Vice President, Player & Gaming Development Great Canadian Gaming Corporation	June 2016	June 2016	2 years
Gary Collinge, British Columbia, Canada	General Manager, Hilton Vancouver Airport	June 2016	June 2016	2 years

Executive Officers

As of December 2016, the Company has two executive officers. The name and province of residence of each executive officer, the offices held by each officer and each officer's principal occupation are as follows:

Name & Province of Residence	Position	Principal Occupation
George Duncan, British Columbia, Canada	Chief Executive Officer	Chief Administrative Officer, City of Richmond
Andrew Nazareth, British Columbia, Canada	Chief Financial Officer	General Manager, Finance & Corporate Services, City of Richmond

Council Liaison

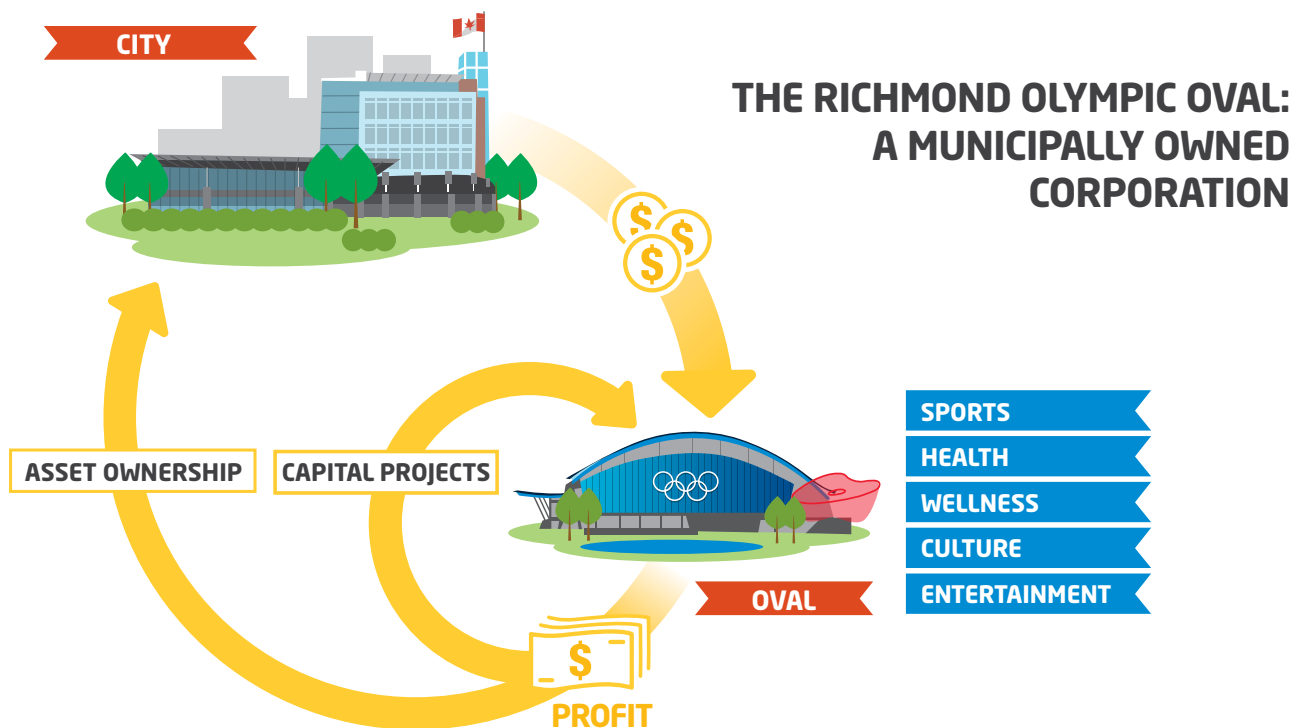
The City has assigned a Council Liaison to attend the meetings of the Richmond Olympic Oval Board. The Mayor currently holds the Council Liaison position with Councillor Alexa Loo as the alternate.

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

Committees

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

Business Planning & Budget Committee	Audit & Finance Committee
Moray Keith (Committee Chair)	Umendra Mital (Committee Chair)
George Duncan	George Duncan
E. Michael O'Brien (ex officio)	E. Michael O'Brien (ex officio)
Dennis Skulsky	Gary Collinge
Walter Soo	Peter German
Lisa Cowell	Tony Kwan
Gail Terry	
Dan Nomura	



APPENDIX B | EVENTS



Tim Horton's Family Skate **January 1, 2016**

Close to 1000 patrons enjoyed the third Tim Horton's Family Skate to kick off the New Year at the Richmond Oval. Skaters enjoyed free admission to the ice and were served complimentary hot drinks and timbits.



BCSRA Trade Show **January 15-17, 2016**

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



The Western Canada Age Class **January 22-23, 2016**

Over 800 competitors from across Canada and the United States competed at the Western Canada Age Class Championships. The event, hosted by the Bhullar Wrestling Club, featured Olympic free-style wrestling matches between youths of ages 5-18. B.C. Wrestling was very excited to support the first major wrestling championships to be held in Richmond. This was a terrific event, which was also a provincial and national qualifying tournament.



Karate Canada National Championships **January 29-31, 2016**

The 41st Karate Canada National Championships were held at the Richmond Olympic Oval from January 29-31. Hundreds of athletes and coaches from across the nation competed together and embodied the values of sports excellence, friendship and respect which are at the very heart of Canadian karate. And for the first time, it formally included athletes with a disability (AWAD) in active competition.



Harry Jerome Indoor Classic **February 6, 2016**

The Indoor Classic is an exciting event held each year that provides an opportunity for track athletes of all ages to participate. This is the sixth year that this event offers the opportunity to compete on the indoor track and field complex at the Richmond Olympic Oval. In addition to high school athletes, UBC, SFU and TWU entered several athletes into the open events.

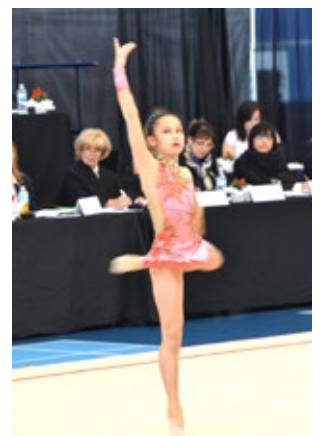


Football BC Combine **February 8, 2016**

The 2016 Combine Series was an opportunity for all amateur football players in BC ages 10-18 to undergo standard combine testing and be evaluated by Football BC provincial coaches in order to get on the radar for Football BC provincial programs (i.e. Team BC, Senior Bowl). Attendance in a combine session is required in order to be eligible for Football BC's provincial program in the 2016 calendar year.

2016 Elite Canada Rhythmic Gymnastics **February 11-14, 2016**

The Rhythmic Gymnastics Elite Canada Championship is an annual event held to determine the top junior and senior rhythmic gymnasts in Canada. The event will help select Team Canada for major international competitions and will qualify athletes for the National Championships in May. As one of the final competitions prior to final Rhythmic Gymnastics National Team selection, this event makes up 30% of the scores for National Team qualification. The Rhythmic Gymnastics Elite Canada Championship is an open event, allowing all athletes across Canada to participate.



CNCL - 54
(Special)



2016 Peter Bayonkyi World Cup Men's Epee Fencing February 11-14, 2016

The B.C. Fencing Association together with the Canadian Fencing Federation hosted the 2016 Peter Bakonyi World Cup Men's Epee event on February 11-14, 2016. This event hosted the top fencers in the world who are vying for spots on their respective country's Olympic team.



RBC Training Ground February 20, 2016

RBC Training Ground hit the road in hopes of finding future Canadian Olympians. In its first year, RBC Training Ground helped identify 25 athletes to receive ongoing support and funding through the RBC Future Olympian Program (a partnership with the Canadian Olympic Foundation). Two of those were 20-year-old Pierce LePage of Whitby, ON and 16-year-old Kieanna Stephens of Surrey, BC who were the top performers at the Toronto and Vancouver regional events.



Lower Mainland Basketball Championships February 22-26, 2016

High School boys from across the Lower Mainland took part in this instant basketball classic. The Lower Mainland AAAA zone featured five top-10 ranked teams with only three advancing to the Provincials. The AAA provincial rankings also featured plenty of Lower Mainland teams at the top and four Provincials berths were up for grabs.



Panther Cheer Mardi Parti February 27, 2016

The 4th annual Mardi Parti Cheer and Dance Extravaganza was a huge success. There were over 700 participants and 1,000 spectators. The event featured competition in All Star, Special Needs, High School and Dance divisions. Prizes were also awarded for best dressed fan, athlete, judge and coach.



Judo Pacific International March 5-6, 2016

It was a great weekend of Judo at the Richmond Olympic Oval for the 31st Annual Pacific International Invitational. Athletes from host club Steveston Judo competed against athletes from all over Canada, the US, Japan and France



Wheelchair Rugby Vancouver Invitational March 11-13, 2016

The 17th annual Vancouver Invitational Wheelchair Rugby Tournament welcomed 12 of the top club teams from across North America and was hosted by the BC Wheelchair Sports Association and Canadian Wheelchair Sports Association. The Vancouver Invitational provides a local opportunity for Canada's best wheelchair rugby athletes to showcase their talent. It is one of the most exciting tournaments on the West Coast and has been a longstanding pillar for wheelchair rugby in the Pacific Northwest. For fans, it's one of the few opportunities to see some of the best quad athletes in the world play the fast-paced sport poetically named Murderball. For some players, it's an opportunity to compete and train among the best in the world. For veterans, it's a training ground for the World Championships.



Percy William Indoor Meet March 12, 2016

New for this year, it's the inaugural edition of The Province Percy Williams Indoor Games. The event features a new format, an evolution from the Gran Forza V team event, that creates a wider opportunity for high school teams as well as open, masters and junior development athletes to compete on the indoor track and field complex at the Richmond Olympic Oval.



BCPA Winter Open February 22, 2016

This was the third time the Oval hosted the BC Powerlifting Association Winter Open. The event was a great success with 100 athletes and 200 spectators. Medals were awarded for the top 3 placements in each weight class and Best Lifter awards for Open, Masters, Junior and Bench Press categories.

IIHF World Women's Ice Hockey Exhibition Games March 21 & 23

To help teams continue with the preparation for the upcoming IIHF World Women's Ice Hockey Championships taking place in Kamloops, Finland, Switzerland and Czech Republic faced off in a pre-tournament exhibition game as part of their training camp at the Olympic Oval. It was the best chance for fans to see some of the best women's hockey players in the world compete.



Ringette Western Championships March 24-27, 2016

The Western Canadian Ringette Championships are held annually. The WCRCs provide U14A, U16A, U19A, and 18+A teams with the opportunity to compete at a national level. The winners of the Provincial Championships in each division represent British Columbia, Alberta, Saskatchewan, and Manitoba, and a fifth team in each division represents the hosting association.



Workout to Conquer Cancer April 2, 2016

Hundreds of participants took to the gym floor on Saturday April 2nd to Workout to Conquer Cancer, raising an inspiring \$325,000 for the BC Cancer Foundation. The funds will support priority cancer research at the BC Cancer Agency, kick-starting projects with the most promise to dramatically improve cancer outcomes. In four years, Workout has raised an incredible \$1.3 million for the BC Cancer Foundation, providing researchers at the BC Cancer Agency with the resources to launch new research initiatives with a near-sighted goal of making cancer a manageable disease.



Volleyball BC Provincial Championships April 16-17, 2016

The Volleyball BC Provincial Championships is the largest volleyball tournament in British Columbia, and features club teams from all regions of BC. This competition was the culmination of a season of competitive club volleyball and gives teams the chance to be crowned Provincial Champions. In 2016, over 350 teams took part in the Provincial Championships setting a new record.

COOL 2016 Expo April 18, 2016

This one-day event solutions expo featured three world renowned thought leaders – who shared their real-world experience and secrets on running successful, sustainable events – alongside over a dozen sustainable event solution providers, from water and bike stations to sustainable pyrotechnics and craft breweries. The COOL 2016 Expo responds to fundamental changes in today's evolving event-hosting landscape, with a strong focus on sustainability solutions across people, planet and profit.

U13 Basketball Provincials April 23-24, 2016

The best U13 Girls basketball players in the province took center stage as Basketball BC hosted the 2016 Provincial Club Championships at the Richmond Olympic Oval.

Best of the West Gymnastics Fest May 5-8, 2016

The Best of the West Gymnastics Fest celebrated a combination of three events, making it the largest gymnastics event in the province! Event number one was the Delta Gymnastics Annual Invitational, which attracted over 1,000 athletes from interclub and competitive levels from across the province and the country. This year the event hosted had teams from Alberta, Yellowknife, Whitehorse, Nunavut, Ontario and every corner of BC. Event number two was the Western Canadian Gymnastics Championship, with teams representing all four western provinces and two territories with approximately 200 athletes qualifying to participate. The BC Provincial Gymnaestrada was event number three, a Gymnastics For All program (open to all levels of ability, gender and age) that attracted 500 participants from across the province and some teams from outside of the province. All three events together featured over 1700 athletes.



BC Hockey U15 Camp May 5-8, 2016

BC Hockey's Male U15 High Performance Program was introduced with open Region Camps. Players attended the three-day camp within the zone their custodial parent(s) resided. Players went through numerous on and off ice training and skills development sessions. Following the end of the camp, players were selected to play in the Provincial Tournament.



37th Annual Can-Am International Championships and the 5th Annual Canada International Martial Arts Festival May 13-15, 2016

The 37th Annual Can-Am International Championships and the 5th Annual Canada International Martial Arts Festival was back at the Oval! The Can-Am Wushu Championships had several categories for competition, including Chinese traditional Kungfu, Wushu, Tai Chi, Ka-



rate and Taekwondo. The event kicked off with a spectacular display of traditional dragon and lion dance performances by athletes young and old during the opening ceremonies.

Hoopfest May 19, 2016

On May 19 eight corporate and community teams gathered at the Richmond Olympic Oval for BC Wheelchair Basketball Society's largest fundraiser of the year: Hoopfest 2016, presented by YVR. The atmosphere at the Oval was one of excitement, comradery and competitive spirit. Teams alternated between playing 15-minute full-court games, mingling with other participants, trying their luck at the BC Lions Football Toss, browsing the raffle table, scarfing down dinner and enjoying the tasty beverages.

Canadian Weightlifting Federation Senior Championships May 20-22, 2016

Organized by the BC Weightlifting Association and the Canadian Weightlifting Federation, the 2016 Canadian Senior Championships was held in Richmond, BC, where some of the nation's strongest athletes competed from British Columbia, Alberta, Saskatchewan, Manitoba and the Yukon. Athletes competed in seven women's and eight men's weight classes in the tournament - a qualification event for the 2016 Canadian Championships.

International Shotokan Karate Federation of Canada **National Championship** May 20-22, 2016

The International Shotokan Karate Federation (ISKF) of Canada - a well-established, non-profit traditional shotokan karate organization - hosted their National Championships at the Richmond Olympic Oval. Hundreds of athletes attended from clubs spanning across Canada from coast to coast.

Karate BC Provincial Championships May 27-29, 2016

Karate BC held their Provincial championship at the Oval from May 27-29, 2016. This provincial event brings together athletes from across the province and expects to draw large crowds as the province's best talent takes to the rings. Both recreational and elite karate athletes, ages 5 through 75 from across British Columbia, took to the mat for the provincial title.

Rotary Skates for the World - Skatathon May 28, 2016

More than a hundred people skated to raise money to make sure the community's students get the best possible start to their day at the 4th annual Rotary Skates for the World skate-a-thon. This event is organized by the Rotary Club of Richmond Sunset to help Rotarians to respond to the challenge to learn to skate and raise funds for the orphanage in Refilwe, South Africa and for The Rotary Foundation which actively participate and support Rotary projects locally and internationally.

SOS Children's Village 10K Oval Run May 29, 2016

The Olympic Riverside Plaza of the Oval was the site of the 8th Annual SOS Children's Village Run. The charity fundraises to support programs for foster children and youth in need. More than 400 runners enjoyed experiencing a number of exhibitors and entertainment throughout the day.

BC Fire Expo and Annual FCABC Conference June 4-6, 2016

The BC Fire Expo is the largest exhibition of fire service equipment and services in the Pacific Northwest. With 125 inside booths and 30 outside displays, the BC Fire Expo attracted over 300 Chief Officers, Emergency Vehicle Technicians and firefighters from across B.C.



Corporate Champions Vancouver Summer Games 2016 **June 11-12, 2016**

The Corporate Champions Vancouver (CCV) Summer Games was created as the solution to improving team culture and building internal camaraderie for corporate companies. A marquee event held once a year made up of 10+ sports and activities, this "Olympic for Businesses" is the largest corporate event of its kind in British Columbia that encourages team building, and enhances employee engagement and competitive performance.



Olympic Day **June 14, 2016**

Canadian Olympians, in conjunction with the Richmond Olympic Oval, viaSport, BC Sports Hall of Fame and Canadian Tire Corporation, celebrated Olympic Day in Richmond with over 3,500 students. Olympic Day is a great opportunity for children and youths to discover and try a new sport, while inspiring them to find their own Olympic journey. Some activities were led by Canadian Olympians, including TORONTO 2015 gold medallist, Evan Dunfee; two-time Olympian, Krista Gulloien; three-time Olympian, Brent Hayden and two-time Olympian, Mo Zhang, who recently qualified for the Rio 2016 Olympic Games.



Wheelchair Rugby Canada Cup **June 24-26, 2016**

The Canada Cup International Wheelchair Rugby Tournament was created in 2004 by BC Wheelchair Sports Association in order to provide another elite competition opportunity in wheelchair rugby. The Canada Cup takes place biannually and is considered the most prestigious wheelchair rugby tournament outside of a World Championship or Paralympic Games. From 2004 to 2008, Canada Cup was held in British Columbia. In 2010, Montreal graciously hosted the event, since BC was preparing to host 2010 World Wheelchair Rugby Championships. This year, we celebrated the 10th anniversary of Canada Cup at the beautiful Richmond Olympic Oval. This year's tournament held extra importance as teams were prepping for the Olympic Games in Brazil.



Volleyball BC - Baden Cup **July 2-5, 2016**

The Volleyball BC Team BC Programs work to advance volleyball talent and build a broader and stronger pipeline of athletes and coaches for our Canadian Olympic Teams. Team BC is the pathway for young athletes who aspire to reach the elite level and who dream to one day represent Canada on the National Men's or Women's Volleyball Team. The 14U Team BC Baden Cup was hosted at the Richmond Olympic Oval.



National Team Challenge Cup **July 15-18, 2016**

The National Team Challenge Cup (NTCC) was the largest elite/provincial team volleyball tournament held in Canada in 2016 with over 20 teams, combining two age groups in one venue over six days. The Women's Championship was hosted at Richmond Olympic Oval from July 15-18 and brought together the best athletes and coaches representing their province/territory in the quest for gold.



BCSRA Trade Summer 2016 Show **July 19-22, 2016**

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



World Cup Field Painting **August 11 & 16, 2016**

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



Noah Yelizarov Memorial Hockey Tournament August 21, 2016

Over 300 people attended the annual hockey tournament that celebrates Noah's love for the game and enables his friends and family to honour his memory by raising money for charitable organizations.

Dharma Talks September 3, 2016

World Peace Ambassador and Spiritual Master Jun Hong Lu spoke to an audience of over 3,000 guests at the Richmond Olympic Oval. With over 10 million Chinese following his teachings worldwide, Dharma Talks at the Oval is an outlet for his Buddhist teachings to a North American audience.



North East China Association of Canada - Family Day Event September 10, 2016

NECAC promotes a united, warming family to help find friends and happiness. No matter if it is a job interview, or a road test, or even establishing your family here in Metro Vancouver, their goal is to unite its members, help each other and improve together. The NECAC had several groups of volunteers who hosted a family day event at the Oval, which saw 3,000 members mingling and making social connections.

Women's Flat Track Roller Derby Association Playoffs September 16-18, 2016

The Women's Flat Track Derby Association came to the Richmond Olympic Oval! Some of the most talented skaters in world competed for women's flat track roller derby's highest honor in the 2016 International WFTDA D1 Playoffs. The local Team, the Terminal City Roller Girls, was the 5th seed in the bracket and Rose City Rollers won the 2016 International WFTDA Championships!



PGA Trade Show October 10-13, 2016

Making its inaugural appearance at the Oval in 2013, the show featured industry exhibitors showcasing products on an array of equipment, apparel, carts, accessories, golf balls, footwear, training aids, software, sunglasses, signage, and storage solutions. The Show is attended by the majority of the PGA of BC membership, representing over 120 golf facilities throughout the province, making it the largest golf buying show in British Columbia, with over \$2 million in orders written.



Western Marine Trade Show October 14-16, 2016

Western Marine Company is a distributor of marine parts and accessories serving wholesale customers throughout Canada. Over 700 staff representing more than 300 dealerships across Canada attended the 16th annual Western Marine and Transat Marine Trade Show. This was an opportunity for retail professionals to see and test some of the latest gear in the industry.



4th Annual Pacific Coast Female Hockey Classic October 21-23, 2016

The Richmond Ravens were proud to host the 4th Annual Pacific Coast Female Rep Hockey Classic this October, with the majority of games played at the Richmond Olympic Oval. The tournament hosted top rep teams at the Pee Wee, Bantam and Midget levels from Western Canada and the Western United States.

Canada - China Women's Ice Hockey Tournament October 23, 2016

The series was organized by the 2015-founded Canada China Sports Foundation. The Chinese women's national team is on a two-pronged mission: they're eager to qualify for both the 2018 Olympics in PyeongChang, South Korea – and even more excited about the 2022 Olympics in their capital city, Beijing. So, where better to prepare by playing some exhibition games than Canada, the motherland of hockey! On the 23 October, Xin He and Xin Fang staked the visitors to a 2-0 first period lead and the Lady Dragons never looked back, downing the Pacific Steelers 7-2.

Make It Safe Conference October 25-26, 2016

Make It Safe 2016 saw exhibitors, educational session speakers, panelists, keynotes - over 400 delegates. It was the vision of the Make It Safe Planning Committee to educate, entertain and provide a networking forum for members in a venue that recognizes excellence and drives team dynamics. Partnering with BC's industry leaders to achieve cultural change that ensures safe workplaces for all employees.



Exile Island November 4, 2016

Children's Wish Society of BC is very proud to share that they raised over \$170,000. Modeled after the television show "Survivor", Exile Island is an annual event that challenges local businesses to gather their tribes and take part in an action-packed afternoon, all in a united effort to grant heartfelt wishes. Teams are paired with a local 'Wish Kid'--an honorary member of your tribe--and work together to raise the goal amount of \$10,000. At the event, teams compete in a series of mental, physical, creative and strategic challenges, battling head-to-head to win the title of "BC's Ultimate Survivors!"

CBC Face Summit November 6-7, 2016

As part of their multi-year partnership, CBC/Radio-Canada and Petro-Canada hosted the second annual Fuelling Athlete and Coaching Excellence (FACE) Summit. This year's Summit included seminars, activities and presentations designed to further the development of the 2016 FACE grant recipients' skills that they will need off the field of play as they set their sights on becoming Tomorrow's Team Canada. And aiming to foster an environment of support and growth for high-potential Canadian athletes. The sessions were led by previous FACE athletes, Olympians and Paralympians, along with subject matter experts in the areas of media training, social media and personal brand development.



2016 BC Cup Handball Tournament November 12-13, 2016

Handball is a fast, technical and physical Olympic sport where two teams of six players and one goalkeeper, on an indoor court try to throw the ball into their opponents' goal. Often described as water polo on dry land, Handball utilizes a mixed skillset from other sports such as basketball, soccer, rugby and lacrosse.

Canadian Tire Jumpstart November 18, 2016

November 18 was a Pro-D Day out-trip to the Richmond Olympic Oval for Jumpstart, an initiative hosted by Canadian Tire and its affiliates. Many out-of-school-care programs participated in the event, and it was awesome to see everyone taking part in such a fun and active community event. Groups rotated through various activities such as basketball, table tennis, relay races, and a fantastic obstacle course. Each rotation provided the group with new challenges, and each child had the opportunity to participate in every event. By far the favourite activity of the day was wheelchair rugby, which was taught by a Paralympic athlete. The kids had the opportunity to practice moving around in the wheelchairs while catching and throwing a ball to each other, and they even played a rugby match with the professional athletes.



Pink Cheer Championships December 3, 2016

Panther Cheer Athletics 17th Annual Pink Championships took place in December. The event showcased 40 athletes from three to seventeen years of age who competed in cheerleading and Dance into the city, dancers from ages seven to twenty-eight, enthralled the audience with their precision, agility and teamwork.



Karate BC Open Tournament December 10-11, 2016

This provincial event brings together athletes from across the province and drew large crowds as the province's best talent took to the rings.



2016 Vancouver Futsal Winter Jamboree December 17-18, 2016

Vancouver Futsal was excited to host the 7th annual Winter Youth Futsal Jamboree on December 17-18. Vancouver Futsal Jamboree's hosted around 150 teams.

Events Secured in 2016

EVENT		DATES
Lower Mainland Regional Championships	February	2016
Richmond Ravens 19th Annual Spring Ice Classic	March	2016
2016 17/18U Volleyball Provincial Championships	April	2016
Basketball BC U13 Provincials	April	2016
Steve Nash Youth Basketball Challenge	April	2016
2016 Can-Am International Martial Arts Championships (Wushu)	May	2016
BC Hockey U15 Provincial Tournament	May	2016
2016 Volleyball Canada NTCC	July	2016-17
NCHL Draft Tournament	July	2016
Sister Cities Table Tennis	July	2016
BC Hockey U16 Female Strength and Conditioning Camp	July	2016
BC Hockey U18 Female Strength and Conditioning Camp	July	2016
2016 Women's Flat Track Derby Tournament	September	2016
2016 Pacific Coast Hockey Tournament	October	2016
Seafair MHA Ice Breaker Rep	October	2016
Petro-Canada FACE Summit	November	2016
Karate BC Open	December	2016
Richmond International Bantam Midget Hockey Tournament	December	2016
Rehab Expo	January	2017-18-19
BCSRA Trade Show	January	2017-18-19
Western Elite Circuit #2	January	2017
Fencing Canada Cup	January	2017
Fencing World Cup 2017	February	2017
Harry Jerome	February	2017-18-19
Dumpling Festival	February	2017
Panther Cheer	February	2017
2017 Judo Pacific International	March	2017
WC Rugby Vancouver Invitational & National Team Training	March	2017
WC Rugby Vancouver Invitational & National Team Training	March	2017
Western Canadian Police Championships	April	2017

EVENT		DATES	
Jiu Jitsu	April	2017	
Hoopfest	May	2017	
2017 Delta Invitational	May	2017	
Skatathon	June	2017-18-19	
Olympic Day	June	2017-18-19	
Corporate Champs	June	2017-18-19	
BC Hockey Camp	June	2017-18-19	
Canada Quest 3x3	July	2017	
BCSRA Tradeshow	July	2017-18-19	
NBA Clinic	July	2017	
2017 MRDA Roller Derby Div 1 Playoffs	August	2017	
Jiu Jitsu	August	2017	
Field Painting	August	2017-18-19	
Mens Roller Derby	August	2017	
Hooplaw	September	2017	
Forever Young Run	September	2017-18-19	
Van Intl. Home Show	September	2017	
Rehab Expo	September	2017-18-19	
Canada Bread Run	September	2017	
PGA Buying Show	October	2017-18-19	
Western Marine Tradeshow	October	2017-18-19	
SPIN Summit	October	2017	
Exile Island	November	2017-18-19	
Handball BC Cup	November	2017-18-19	
Panther Cheer	December	2017-18-19	
2018 Rhythmic Gymnastics Canadian Championships	May	2018	
FCABC Fire Expo	June	2019	

APPENDIX C | AWARDS

Awarding Body	Award
Where Magazine	A Best New Attraction in Canada Award: the Olympic Experience at the Richmond Olympic Oval
International Olympic Committee, International Association for Sports and Leisure Facilities	IOC/IAKS All Time Award
International Olympic Committee, International Association for Sports and Leisure Facilities	IOC/IAKS Gold Medal
International Paralympic Committee, International Association for Sports and Leisure Facilities	IPC/IAKS Distinction Award
Canadian Interiors, Best in Canada Design Awards	Best of Canada Design Award
CEBC Awards for Engineering Excellence	Merit Award
Royal Architectural Institute of Canada	Award of Excellence for Innovation in Architecture
Vancouver Organizing Committee	Sustainability Star Award
Wood WORKS!	Institutional Wood Design
Institution of Structural Engineers	Sports of Leisure Structures Award
The ASHRAE Technology Awards	Region XI Winner: New Public Assembly Building
Canadian Consulting Engineer Awards	Technical Merit Award
National Council of Structural Engineers Association	Finalist Award of Exceptional Merit in Buildings over \$100 million
The Globe Foundation and the World Green Building Council	Excellence for Green Building Award
VRCA Awards of Excellence	Chairman's Trade Award Gold
VRCA Awards of Excellence	Chairman's Trade Award Silver
VRCA Awards of Excellence	President's Trade Award Silver
VRCA Awards of Excellence	Manufacturer & Supplier Silver
VRCA Awards of Excellence	Electrical Contractors Over \$1 Million - Gold
VRCA Awards of Excellence	General Contractor of the Year Award
VRCA Awards of Excellence	Trade Contractor of the Year Award
CISC/ICCA Steel Awards (British Columbia Chapter)	Outstanding Steel Structure: Engineering Division Award of Excellence
Canadian Wood Council	North American Wood Design Award
Inform Awards	Honor Award, Interior Design
Concrete Reinforcing Steel Institute	Award winner, Cultural & Entertainment Facilities
Society of American Registered Architects (SARA), New York Council	Citation
VANOC Sustainability Star Award	The 2009 Sustainability Star
2010 BUILDINGS Project Innovations Awards	Grand Prize Winner (New Construction Category)
2010 SARA Professional Design Awards Program	2010 Design Awards Competition (Philadelphia)
2010 International Property Award (Bloomberg, Inc.)	Public Services Development
2010 Athletic Business	Facility of Merit
2010 European Centre for Architecture Art Design and Urban Studies and The Chicago Athenaeum: Museum of Architecture	Green GOOD Design Awards
2010 ARIDO Award	Awards of Merit, Public and Institutional Spaces
2010 REBGV Commercial Building Awards	Legacy Merit Award
ArchDaily Building of the Year 2010	Sports Category Winner
International Property Awards	Best Public Services Development Canada
IOC/IAKS 2011	Gold Medal Award
IPC/IAKS	Distinction Award
2010 CISC "National" Steel Design Award	Best of the Best - Across Canada

APPENDIX D | MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis provides an overview of the Corporation's business operations for the year ended December 31, 2016 relative to the year ended December 31, 2015.

This management's discussion and analysis should be read in conjunction with the Corporation's audited financial statements for the year ended December 31, 2016 and the accompanying notes. The financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

About the corporation

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

The Corporation operates in a highly competitive sport and fitness market which offers personal and group training classes, high performance training, personal training, wellness and fitness equipment, weight training and sport specific facilities and training. The Corporation also hosts many local and national events and also has various open spaces and rooms which are available for rent to the public.

Overview of Performance

Revenue

2016 revenue from memberships, admissions and programs totalled \$7,892,000 (2015 - \$7,643,000). In 2016 revenue from these sources of \$1,111,000 was deferred to fiscal 2017 (2015 - \$961,000 was deferred to 2016).

The City applies for and receives funding from the 2010 Games Operating Trust ("GOT") as explained in note 7 to the financial statements. The City received \$2,800,000 during the year which was recognized as revenue earned in the year (2015 - \$2,464,000).

The Corporation received a contribution of \$3,311,000 from the City in 2016 (2015 - \$3,815,000). Included in the contribution received in 2015 was \$575,000 related to the Richmond Olympic Experience project that was funded from the City Council approved Legacy capital project.

Other revenue of \$1,985,000 was recognized in 2016 (2015 - \$2,223,000) and mainly consisted of parking, leasing, sponsorship and external capital funding revenue.

Expenses

During 2016, expenses were incurred for the following:

- Salaries and benefits of \$8,684,000 (2015 - \$7,868,000). There were approximately 70 full-time and 230 part-time employees on the payroll as of December 31, 2016; (2015 - 68 full-time and 210 part-time employees);
- Other operating expenses incurred in 2016 totalled \$6,436,000 (2015 - \$5,965,000) and mainly included the following:
- Facility operations of the Oval including the heat, light and power, the ice-making equipment and building maintenance;
- Amortization costs of tangible capital assets;
- Property and liability insurance;
- Costs associated with running the Oval High Performance, fitness and other programs;
- Administration costs related to accounting, information technology, development of organizational infrastructure such as safety programs, internal controls, office supplies and equipment support, human resource policies, etc.;
- Costs related to marketing the Oval programs and rentals of facilities;
- Sport Hosting department related expenditures; and
- Professional fees mainly related to legal and accounting fees;

The annual surplus for the year 2016 before amortization and transfers to Capital Reserves and Provisions was \$2,262,000 (2015 - \$2,919,000). The total accumulated surplus as of December 31, 2016 is \$14,899,000 (2015 - \$14,031,000). Please refer to note 11 to the financial statement notes for details of the accumulated surplus balance.

Summary of Financial Position

The following table presents summary information on the Corporation's financial position at December 31, 2016.

	\$000s	
	2016	2015
Financial Assets	\$10,259	\$10,151
Liabilities	7,556	8,563
Net Financial assets	\$2,703	\$1,588
Non-Financial assets	\$12,196	\$12,443
Accumulated surplus	\$14,899	\$14,031

Financial Assets

The Corporation has a cash balance of \$865,000 at year end (2015 - \$910,000). The combined cash equivalents and investments balance is \$8,702,000 (2015 - \$8,632,000). The cash equivalents and investments represents the Corporation's investments held in term deposits. The accounts receivable aggregating \$565,000 (2015 - \$473,000) resulted primarily from sponsorship fees, leases, sales of memberships, admissions, programs, rentals and special events. The amount due from the City of \$11,000 (2015 - \$188,000 due to the City) arises in the normal course of operations.

Liabilities

Accounts payable and accrued liabilities of \$1,728,000 (2015 - \$2,768,000) include payroll accruals, trade payables for heat, light, power, legal and audit fees. Deferred revenue of \$5,819,000 (2015 - \$5,598,000) includes unspent funding pertaining to the Sport Hosting department and the Richmond Olympic Experience project, sponsorship fees, and the pro rata portion of fees received in 2016 for membership and programs to be delivered in 2017. A rental deposit of \$9,000 (2015 - \$9,000) is held as of the end of the year.

Non-Financial Assets

As at December 31, 2016, the Corporation had \$16,040,000 (2015 - \$14,722,000) of capital assets primarily pertaining to athletic equipment, building improvements, computer software and equipment, facility equipment, infrastructure and assets relating to the Richmond Olympic Experience project and the Mezzanine infill project. Amortization for the year was \$1,394,000 (2015 - \$606,000). Accumulated amortization of the capital assets amounted to \$4,361,000 (2015 - \$2,966,000) at year end.

Deferred lease costs of \$102,000 (2015 - \$128,000) are direct costs incurred in connection with leases and are deferred and amortized over the terms of the lease.

Prepaid expenses of \$415,000 (2015 - \$559,000) primarily consists of unamortized portions of the premiums on the Corporation's insurance policies together with prepaid information technology licences, and equipment maintenance.

Accumulated Surplus

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

The capital reserve balance is \$4,261,000 (2015 - \$3,191,000), other reserves/provisions is \$1,099,000 (2015 - \$890,000), accumulated operating surplus is \$552,000 (2015 - \$502,000), and the amount invested in tangible capital assets is \$8,987,000 (2015 - \$9,447,000) for a total accumulated surplus balance of \$14,899,000 (2015 - \$14,031,000).

Liquidity and Capital Resources

Operating

Cash provided by operations in 2016 amounted to \$1,343,000 (2015 - \$4,534,000).

Capital Activities

The Corporation purchased capital assets consisting primarily of the sport and fitness, building improvement, information technology, facility equipment and infrastructure and assets relating to the Richmond Olympic Experience project totalling \$1,318,000 (2015 - \$5,287,000).

Related Party Transactions

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

APPENDIX E | AUDITED FINANCIAL STATEMENTS

Consolidated Financial Statements of

RICHMOND OLYMPIC OVAL CORPORATION

Year ended December 31, 2016



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying consolidated financial statements of Richmond Olympic Oval Corporation, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations, consolidated changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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



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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2016 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

April 19, 2017
Burnaby, Canada

RICHMOND OLYMPIC OVAL CORPORATION

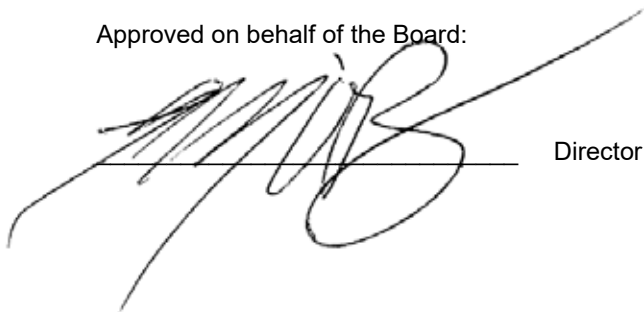
Consolidated Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Financial Assets		
Cash	\$ 865,289	\$ 910,373
Cash equivalents (note 3)	-	8,631,723
Investments (note 4)	8,701,850	-
Accounts receivable	565,143	473,132
Due from City of Richmond (note 5)	11,304	-
Inventories held for resale	115,112	136,308
	10,258,698	10,151,536
Liabilities		
Accounts payable and accrued liabilities	1,727,883	2,767,926
Deferred revenue (note 8)	5,818,952	5,598,459
Due to City of Richmond (note 5)	-	187,753
Rental deposits	9,263	9,263
	7,556,098	8,563,401
Net financial assets	2,702,600	1,588,135
Non-Financial Assets		
Tangible capital assets (note 9)	11,679,181	11,755,988
Deferred lease costs (note 10)	102,062	127,712
Prepaid expenses and other deposits	414,881	558,926
	12,196,124	12,442,626
Economic dependence (note 17)		
Accumulated surplus (note 11)	\$ 14,898,724	\$ 14,030,761

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:


Director


Director

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget	2016	2015
	(Note 2(k))		
Revenue:			
2010 Games Operating Trust Fund (note 7)	\$ 2,800,000	\$ 2,800,000	\$ 2,464,029
Contribution from City of Richmond (note 13(a))	3,310,927	3,310,927	3,814,700
Memberships, admissions and programs	8,177,190	7,892,385	7,643,069
Other	1,893,964	1,984,908	2,223,421
	16,182,081	15,988,220	16,145,219
Expenses:			
Salaries and benefits	8,618,681	8,684,234	7,867,871
Utilities	1,050,000	1,048,006	1,009,384
Amortization	850,144	1,394,439	606,294
Supplies and equipment	886,000	794,447	913,096
Insurance	365,000	344,412	347,453
General and administration	1,033,058	931,639	802,134
Capital contribution to City of Richmond (note 13(a))	-	-	437,017
Marketing	762,934	759,554	672,993
Program services	1,188,728	1,118,165	1,064,664
Professional fees	135,090	45,361	111,922
	14,889,635	15,120,257	13,832,828
Annual surplus	1,292,446	867,963	2,312,391
Accumulated surplus, beginning of year	14,030,761	14,030,761	11,718,370
Accumulated surplus, end of year	\$ 15,323,207	\$ 14,898,724	\$ 14,030,761

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016 Budget (Note 2(k))	2016	2015
Annual surplus for the year	\$ 1,292,446	\$ 867,963	\$ 2,312,391
Acquisition of tangible capital assets	(4,232,580)	(1,317,632)	(5,286,534)
Amortization of tangible capital assets	850,144	1,394,439	606,294
	(3,382,436)	76,807	(4,680,240)
Amortization of deferred lease costs	-	25,650	27,538
Increase in prepaid expenses	-	(399,078)	(358,625)
Use of prepaid expenses and other deposits	-	543,123	671,701
Change in net financial assets	(2,089,990)	1,114,465	(2,027,235)
Net financial assets, beginning of year	1,588,135	1,588,135	3,615,370
Net financial assets, end of year	\$ (501,855)	\$ 2,702,600	\$ 1,588,135

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Consolidated Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 867,963	\$ 2,312,391
Items not involving cash:		
Amortization of tangible capital assets	1,394,439	606,294
Amortization of deferred lease costs	25,650	27,538
Changes in non-cash operating working capital:		
Accounts receivable	(92,011)	(154,030)
Inventories held for resale	21,196	(54,773)
Prepaid expenses and other deposits	144,045	313,076
Accounts payable and accrued liabilities	(1,040,043)	180,496
Deferred revenue	220,493	1,282,105
Due from (to) the City of Richmond	(199,057)	21,340
	1,342,675	4,534,437
Capital activities:		
Acquisition of tangible capital assets	(1,317,632)	(5,286,534)
Investing activities:		
Purchase of investments	(8,701,850)	-
Decrease in cash and cash equivalents	(8,676,807)	(752,097)
Cash and cash equivalents, beginning of year	9,542,096	10,294,193
Cash and cash equivalents, end of year	\$ 865,289	\$ 9,542,096

See accompanying notes to consolidated financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements

Year ended December 31, 2016

1. Incorporation and nature of business:

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

2. Significant accounting policies:

(a) Basis of presentation:

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

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

(b) Investment in government partnership:

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

(c) Revenue recognition:

Memberships, admissions and programs fees are recorded as revenue in the period that the services are rendered, with any unearned portion recorded as deferred revenue. Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by 2010 Games Operating Trust (note 7) and when the related operating expenses and capital maintenance costs of the Oval are incurred.

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(c) Revenue recognition (continued):

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

(d) Cash equivalents:

Cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(e) Financial instruments:

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

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

(f) Non-financial assets:

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

(g) Capital assets:

(i) Tangible capital assets:

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(g) Capital assets (continued):

(ii) Impairment of tangible capital assets:

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

(iii) Deferred lease costs:

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

(h) Pension plan:

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

(i) Income taxes:

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

(j) Functional and object reporting:

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

(k) Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board of Directors on January 21, 2016.

(l) Use of estimates:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

2. Significant accounting policies (continued):

(m) Government transfers:

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

3. Cash equivalents:

Cash equivalents represent term deposits as follows:

Purchase Date	Maturity Date	2016	2015
October 13, 2015	January 11, 2016	\$ -	\$ 4,631,723
November 23, 2015	February 22, 2016	-	4,000,000
Total		\$ -	\$ 8,631,723

Cash equivalents are those instruments are considered highly liquid investments with a term to maturity of three months or less at the date of purchase.

4. Investments:

Investments represent term deposits as follows:

Purchase Date	Maturity Date	2016	2015
July 8, 2016	January 3, 2017	\$ 2,800,000	\$ -
August 22, 2016	February 20, 2017	3,047,992	-
October 6, 2016	April 4, 2017	2,853,858	-
Total		\$ 8,701,850	\$ -

Investments are those instruments with a term to maturity of more than three months at the date of purchase. The interest rate of the term deposits range from 1.60% to 1.65%.

5. Due from/to the City of Richmond:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

6. Richmond Oval Agreement:

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

7. 2010 Games Operating Trust Fund:

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

Effective December 31, 2007:

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

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

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

Revenue from GOT is comprised of:

	2016	2015
2015 annual distributable amount approved and received in 2016	\$ 2,800,000	\$ -
2014 annual distributable amount approved and received in 2015	-	2,464,029
	<u>\$ 2,800,000</u>	<u>\$ 2,464,029</u>

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

8. Deferred revenue:

	2016	2015
Balance, beginning of year	\$ 5,598,459	\$ 4,316,354
Add: additions	10,097,786	11,148,595
Less: revenue recognized	(9,877,293)	(9,866,490)
Balance, end of year	\$ 5,818,952	\$ 5,598,459

Deferred revenue comprises of:

	2016	2015
Memberships and programs	\$ 1,110,552	\$ 960,680
Sponsorship fees	1,400,001	1,759,946
Sport Hosting funding (note 13(b))	616,386	569,320
Richmond Olympic Experience (note 13(b))	2,692,013	2,308,513
	\$ 5,818,952	\$ 5,598,459

9. Tangible capital assets:

Cost	Balance, December 31, 2015	Additions	Balance, December 31, 2016
Athletic equipment	\$ 2,207,918	\$ 304,057	\$ 2,511,975
Building improvements	364,929	139,825	504,754
Computer software and equipment	1,958,574	250,806	2,209,380
Facility equipment	651,791	222,472	874,263
Infrastructure	5,831,069	49,871	5,880,940
Signage	82,067	9,358	91,425
Simulators and exhibit fabrication	3,368,067	319,101	3,687,168
Tenant improvements	65,729	-	65,729
Uniforms, ice skates, and helmets	192,257	7,760	200,017
Work-in-progress	-	14,382	14,382
	\$ 14,722,401	\$ 1,317,632	\$ 16,040,033

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

9. Tangible capital assets (continued):

Accumulated amortization	Balance, December 31, 2015	Amortization expense	Balance, December 31, 2016
Athletic equipment	\$ 942,123	\$ 259,293	\$ 1,201,416
Building improvements	138,080	77,710	215,790
Computer software and equipment	1,333,996	315,671	1,649,667
Facility equipment	265,658	207,804	473,462
Infrastructure	9,750	146,738	156,488
Signage	52,161	14,027	66,188
Simulators and exhibit fabrication	20,807	342,611	363,418
Tenant improvements	53,025	9,750	62,775
Uniforms, ice skates, and helmets	150,813	20,835	171,648
	\$ 2,966,413	\$ 1,394,439	\$ 4,360,852

	2016	2015
	Net book value	Net book value
Athletic equipment	\$ 1,310,559	\$ 1,265,795
Building improvements	288,964	226,849
Computer software and equipment	559,713	624,578
Facility equipment	400,801	386,133
Infrastructure	5,724,452	5,821,319
Signage	25,237	29,906
Simulators and exhibit fabrication	3,323,750	3,347,260
Tenant improvements	2,954	12,704
Uniforms, ice skates, and helmets	28,369	41,444
Work-in-progress	14,382	-
	\$ 11,679,181	\$ 11,755,988

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

(a) Write-down of tangible capital assets:

There was no write-down of tangible capital assets during the year (2015 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

10. Deferred lease costs:

	2016	2015
Balance, beginning of year	\$ 127,712	\$ 155,250
Less amortization	(25,650)	(27,538)
Balance, end of year	\$ 102,062	\$ 127,712

11. Accumulated surplus:

Accumulated surplus is comprised of:

	2016	2015
Share capital	\$ 1	\$ 1
Capital reserve	4,260,950	3,191,222
Other reserves/provisions	1,098,682	890,195
Operating surplus	551,923	501,868
Invested in tangible capital assets	8,987,168	9,447,475
	\$ 14,898,724	\$ 14,030,761

12. Financial risk management:

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

(a) Credit risk:

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

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

(b) Market and interest rate risk:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

12. Financial risk management (continued):

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

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

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

(c) Liquidity risk:

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

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

13. Related party transactions:

(a) Contribution from/to City of Richmond:

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

Included in general and administration expenses are fees of \$189,470 (2015 - \$192,880) from the City for the provision of City staff time.

In 2016, \$94,526 (2015 - nil) of salaries and benefits expenses were charged to the City relating to the costs of the Corporation's staff time for services performed.

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

During 2016, the Corporation received a contribution from the City of \$3,310,927 (2015 - \$3,814,700). In 2015, \$575,000 of this contribution related to the Richmond Olympic Experience project that was funded from the City's Legacy Fund, no further amounts were contributed for this project in 2016.

During 2016, the Corporation spent nil (2015 - \$437,017) from its capital reserve funding towards the construction of the "ROX Shop" retail store, which is a City asset. Construction of the ROX Shop was completed in 2015, no further amounts were contributed in 2016.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

13. Related party transactions (continued):

(b) Sport Hosting Function:

Effective July 1, 2011, the Sport Hosting function of the City was transferred to the Corporation. This function is fully funded by the hotel tax. In 2016, \$400,000 (2015 - \$400,000) was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2016, \$616,386 (2015 - \$569,320) was included in deferred revenue (note 8) and \$352,934 (2015 - \$385,386) was recognized in memberships, admissions, and programs on the statement of operations.

The Corporation also received \$500,000 from the hotel tax funding in 2016 (2015 - \$500,000) to be used to purchase capital assets related to the Richmond Olympic Experience project. In order to retain this funding, the Oval must maintain and operate the capital assets purchased with these funds over the life of the capital assets. On an annual basis, the Oval must provide a report to the City as to the use of the funds and the maintenance and operation of these capital assets. The Corporation received nil (2015 - \$450,000) of grant funding from a third party that is also to go towards the purchase of capital assets related to the Richmond Olympic Experience project. As at year-end, \$2,692,013 (2015 - \$2,308,513) of the funds restricted for the purchase of capital assets for the Richmond Olympic Experience remains in deferred revenue and the revenue will be recognized over the life of the underlying assets.

14. Government partnership:

The Corporation has a 50% partnership interest in VROX, which is accounted for using the proportionate consolidation method.

The financial results of VROX are as follows:

	2016	2015
Financial position:		
Total assets	\$ 130,836	\$ 323,339
Total liabilities	(112,120)	(359,454)
Equity (deficit)	\$ 18,716	\$ (36,115)
Results of operations:		
Total revenues	\$ 470,264	\$ 868,880
Total expenses	(415,433)	(798,001)
Net income	\$ 54,831	\$ 70,879

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

14. Government partnership (continued):

VROX's revenues during the year included transactions with the Corporation which have been eliminated on consolidation. These included the sale of sport simulators for \$263,000 (2015 - \$866,020), the cost of the maintenance services provided of \$10,000 (2015 - nil) and an operating contribution received from the Corporation of \$195,560 (2015 - nil). These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the Corporation and VROX. These amounts are within the appropriate approvals provided by the Corporation's Board of Directors.

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

	2016	2015
Financial position:		
Total assets	\$ 65,418	\$ 161,670
Total liabilities	(37,836)	(80,361)
Equity	\$ 27,582	\$ 81,309
Results of operations:		
Total revenues	\$ 852	\$ 1,430
Total expenses	(154,676)	(125,275)
Net expense for the year	\$ (153,824)	\$ (123,845)

15. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit. The most recent valuation for the Plan as of December 31, 2015, indicated a \$2,224,000,000 funding surplus for basic pension benefits on a going concern basis. The Corporation paid \$443,446 (2015 - \$398,948) for employer contributions to the Plan in fiscal 2016.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2016

15. Pension plan (continued):

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

16. Commitments:

The Board of Directors of the Corporation has committed to providing financial support to enable VROX to continue operations and to meet its obligations through January 1, 2018.

17. Economic dependence:

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



RICHMOND OLYMPIC OVAL

6111 River Road Richmond, BC V7C 0A2

778.296.1400 | richmondoval.ca

**CNCL - 86
(Special)**



City of Richmond

Report to Council

To: Mayor and Councillors ("the Shareholder")
From: Robert Gonzalez, P.Eng.
Deputy CAO and General Manager, Engineering
and Public Works

Date: May 9, 2017
File: 01-0060-20-LIEC1/2017-
Vol 01

Chief Executive Officer, Lulu Island Energy
Company

Re: 2017 Annual General Meeting Resolution of the Lulu Island Energy Company

Staff Recommendation

That the unanimous consent resolutions of the shareholder in Attachment 1 of the Lulu Island Energy Company report dated May 9, 2017, be endorsed.

Robert Gonzalez, P.Eng.
Deputy CAO and General Manager, Engineering and Public Works
(604-276-4150)

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:
APPROVED BY CAO 	





6911 NO. 3 ROAD
RICHMOND, BC V6Y 2C1

Report

To: Board of Directors
From: Alen Postolka, P.Eng.
District Energy Manager

Date: May 9, 2017

Re: 2017 Annual General Meeting Resolution of the Lulu Island Energy Company

Recommendation

That:

1. the Board recommend to Council (the Shareholder) that they approve and adopt the unanimous consent resolutions in Attachment 1 of the staff report dated May 9, 2017 addressing the business that would otherwise be required to be transacted at an annual general meeting;
2. KPMG LLP be appointed as auditors of the Lulu Island Energy Company (LIEC) until LIEC's next annual reference date or until a successor is appointed, at a remuneration to be fixed by the directors (Attachment 2);
3. the following persons be appointed to the offices set opposite their respective names to hold office at the pleasure of the directors (Attachment 3):
George Duncan – Special Advisor
Robert Gonzalez – Chair
John David Irving – CEO
Jerry Ming Chong – Vice Chair and CFO
Cecilia Maria Achiam – Corporate Secretary
4. the Lulu Island Energy Company 2016 Annual Report (Attachment 4) be approved and presented to the shareholder at the Special Council Meeting on June 19, 2017;
5. the firm of Norton Rose Fulbright Canada LLP (the "LIEC's Solicitors") be appointed solicitors for the LIEC, and that any partner of, or associate employed by, LIEC's Solicitors who has relevant knowledge of LIEC be authorized to sign and file (electronically or otherwise) any annual report, notice of directors or change of directors, notice of change of address, and any other document or Notice required to be filed with

the Registrar of Companies and similar regulatory authorities in other jurisdictions to record any matter already authorized by resolution of directors or shareholders of LIEC (Attachment 5).

Origin

Lulu Island Energy Company Ltd. (LIEC) is required, at least once in every calendar year, within six months of its fiscal year end and no more than 15 months from its last annual reference date to have its sole shareholder, the City of Richmond, endorse consent resolutions addressing the business that would otherwise be required to be transacted at an annual general meeting.

Furthermore, LIEC articles of incorporation require that the Board appoint an auditor and officers of the LIEC, and that the LIEC holds an annual information meeting open to the public, at which the LIEC will present the audited financial statements for the previous fiscal year approved by the Board on April 20, 2017.

This report presents resolutions for LIEC Board's approval to address the above legislated requirements.

Background

LIEC, a municipal corporation wholly owned by the City of Richmond, was established to provide district energy services for the City. Under direction from Council and following receipt of the necessary approval from the Inspector of Municipalities, LIEC was established in 2013.

In June 2014, the City and LIEC executed a District Energy Utilities Agreement, assigning LIEC the function of establishing and operating district energy systems as well as providing thermal energy services on behalf of the City.

In October 2014, LIEC and Corix Utilities executed a Concession Agreement whereby LIEC would own the Oval Village District Energy Utility (OVDEU) and its infrastructure, and Corix would design, construct, finance, operate and maintain the OVDEU, subject to the City, as shareholder of LIEC, setting rates for customers.

In order to consolidate the City's district energy operations, Council authorized staff to transfer the City's district energy assets to LIEC on October 11, 2016. The assets transfer was completed on March 31, 2017.

Analysis

As per Section 10.2 of the LIEC articles of incorporation, in order for the annual general meeting of the LIEC shareholder to be deemed as held, the City of Richmond, as the only shareholder of LIEC, is required to consent by a written resolution under the Business Corporations Act to all of the business that is required to be transacted at a shareholder meeting. The practice of the City is that this is carried out at a Special Council meeting. The details of the annual business that is required to be transacted at this meeting are included in the resolution in Attachment 1.

At the same time, there are also some annual legislated requirements which need to be reviewed and approved by directors of the corporation in accordance with the LIEC articles of incorporation. The details of these requirements are included in Attachments 2 and 3.

2016 LIEC Annual Report (Attachment 4) is presented to the Board for their approval. In summary, LIEC's business grew exponentially in 2016:

- four new buildings were connected to the Oval Village District Energy Utility;
- Alexandra District Energy Utility Phase 4 expansion was completed connecting SmartREIT commercial development to the system;
- LIEC acquired the Alexandra District Energy Utility;
- Alexandra District Energy Utility received the prestigious System of the Year award from the International District Energy Association.

Overall, by the end of 2016, over 2.6 million square feet of residential, commercial, and institutional buildings were serviced by district energy in Richmond.


Finally, LIEC's corporate solicitor, Bull Housser Tupper (BHT), merged in 2016 with the Norton Rose Fulbright (NRF) law firm. To recognize this change, and to allow NRF to better assist LIEC in maintaining its corporate records, NRF proposed a directors' resolution (Attachment 5) providing that those lawyers of the NRF firm who are familiar with the Company's affairs be authorized to sign on behalf of the Company notices and documents required to be filed with the Registrar of Companies and similar regulatory authorities in other jurisdictions to record any matter that has already been authorized by the Company's directors or shareholders.

Financial Impact

None.

Conclusion

The presented resolutions are legislated requirements under the LIEC articles of corporation and Business Corporation Act and it is recommended that they be approved.



Alen Postolka, P.Eng, CEM
Lulu Island Energy Company
Manager, District Energy
(604-276-4283)

Att. 1: Unanimous Consent Resolutions of the Shareholder of LIEC (REDMS#5389426)

Att. 2: Notice of Appointment of Auditor (REDMS#5389435)

Att. 3: Consent Resolution of the Directors of LIEC – Appointment of Officers
(REDMS#5389439)

Att. 4: LIEC 2017 Annual Report

Att. 5: Consent Resolution of the Directors of LIEC – Appointment of Solicitors and Authority
to Sign Notices (REDMS#5389442)

**UNANIMOUS RESOLUTIONS OF THE SHAREHOLDER OF
LULU ISLAND ENERGY COMPANY LTD.
(the "Company")
(in lieu of the annual general meeting)**

The undersigned, being the sole voting shareholder of the Company, hereby consents to and adopts in writing the following unanimous resolutions:

Annual General Meeting

RESOLVED THAT:

1. the Shareholder acknowledges and confirms the previous receipt of financial statements of the Company for the period from January 1, 2016 to December 31, 2016, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 20, 2017 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 1, 2017;
2. all lawful acts, contracts, proceedings, appointments and payments of money by the directors of the Company since the last annual reference date of the Company, and which have previously been disclosed to the shareholder, are hereby adopted, ratified and confirmed;
3. the number of directors of the Company is hereby fixed at 5;
4. the following persons, each of whom has consented in writing to act as a director, are hereby elected as directors of the Company, to hold office until the next annual general meeting of the Company or unanimous resolutions consented to in lieu of holding an annual general meeting, or until their successors are appointed:

Cecilia Maria Achiam
Jerry Ming Chong
Joseph Erceg
Robert Gonzalez
John David Irving

5. KPMG LLP be appointed as auditors of the Company until the next annual reference date of the Company or until a successor is appointed, at a remuneration to be fixed by the directors; and
6. June 19, 2017 is hereby selected as the annual reference date for the Company for its current annual reference period.

DATED as of June 19, 2017.

CITY OF RICHMOND

Mayor Malcolm Brodie

NOTICE OF APPOINTMENT OF AUDITOR

TO: KPMG LLP

Metrotower II, 2400 - 4710 Kingsway, Burnaby, BC V5H 4N2

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

DATED as of _____.

LULU ISLAND ENERGY COMPANY LTD.

Robert Gonzalez
Chief Executive Officer

CONSENT RESOLUTION OF THE DIRECTORS OF
LULU ISLAND ENERGY COMPANY LTD.
(the "Company")

The undersigned, being all of the directors of the Company entitled to vote on the resolution, hereby consent to and adopt in writing the following resolution:

Appointment of Officers

RESOLVED THAT the following persons be appointed to the offices set opposite their respective names to hold office at the pleasure of the directors:

Name	Office
George Duncan	Chair
Jerry Ming Chong	Vice Chair and CFO
Robert Gonzalez	CEO
John David Irving	COO
Cecilia Maria Achiam	Corporate Secretary

Execution by Counterparts

This resolution may be consented to by the directors signing separate counterparts of the resolution, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at April 30, 2017.

CECILIA MARIA ACHIAM

JERRY MING CHONG


GEORGE DUNCAN

ROBERT GONZALEZ

JOHN DAVID IRVING



2016 | Annual Report



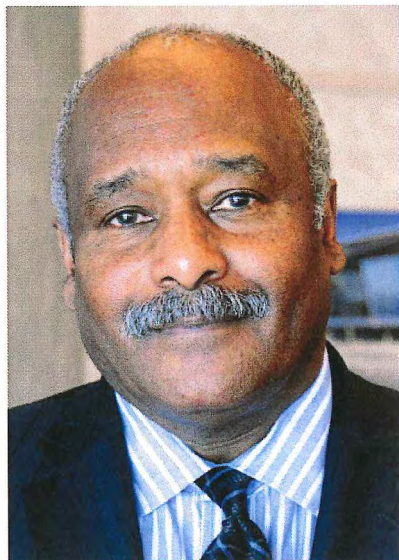
Clean, efficient
energy, for now
and the future.

CNCL - 95
(Special)

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■ MESSAGE FROM THE BOARD CHAIR

The Lulu Island Energy Company (LIEC) is forging ahead with delivering on the City of Richmond's vision to develop sustainable district energy systems. Of note in 2016, Alexandra District Energy Utility (ADEU) was transferred to the company allowing it to deliver all district energy services for the City as originally envisioned when it was incorporated in 2013. Under the LIEC umbrella, ADEU customers can be comforted by our commitment to deliver energy services to their homes and/or businesses at competitive prices. LIEC's district energy business is an important contributor in achieving the City of Richmond's vision to transition into a sustainable, low carbon community. LIEC, through its sustainable district energy systems, builds community resiliency and reduces the overall environmental impact of the City.

My fellow Board Directors have been essential in LIEC's continued success; I thank them for their passion and commitment. In this context, I present the 2016 Annual Report to our shareholder, the City of Richmond, as a record of the company's financial performance and customer service excellence.

A handwritten signature in black ink, appearing to read 'George Duncan', with a long horizontal flourish extending to the right.

George Duncan
Chair, Lulu Island Energy Company

■ MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In collaboration with the Lulu Island Energy Company's (LIEC) partner, Corix Utilities, four new buildings were connected to the Oval Village District Energy Utility (OVDEU) in 2016. In addition, district energy services grew further in 2016 with the Phase 4 expansion of the International District Energy Associations 2016 System of the Year award winner—the Alexandra District Energy Utility. Overall, LIEC provides energy to over 2.6 million sq. ft. of residential, commercial, and institutional buildings. This has eliminated 1,250 tonnes of greenhouse gas emissions in the community to date. It is estimated that at full build out, current energy systems will reduce up to 6,000 tonnes of greenhouse gas emissions annually, which is equivalent to removing approximately 2,000 cars from the road each year.

LIEC remains committed to excellence in sustainable utility management and operations as Richmond's solution to providing "clean, efficient energy for now and the future". I am pleased with LIEC's work to develop sustainable infrastructure that serve customers' space heating, cooling and hot water needs while reducing the overall environmental impact of buildings in our community.



Robert Gonzalez
CEO, Lulu Island Energy Company





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(Special)

■ ABOUT THE COMPANY AND DISTRICT ENERGY IN RICHMOND

LIEC is a wholly-owned municipal corporation, established to operate district energy (DE) utility systems in the City of Richmond on the City's behalf.

The goals of LIEC are to:

- establish a highly efficient district energy network providing heating and, in some cases cooling services to buildings at competitive rates;
- provide reliable, resilient local energy for the benefit of its customers;
- operate and maintain low carbon energy systems;
- position the City of Richmond to be a national and international leader in district energy utilities;
- develop and manage effective partnerships; and
- sustain long term financial viability.

LIEC was incorporated in August 2013. In 2016, LIEC had tangible capital assets of \$31,036,506 relating to the development of the ADEU and OVDEU, revenues of \$2,424,138 related to user fees paid by customers, service connection fees and permit fees paid by developers, and expenses of \$942,573.





■ SPOTLIGHT ON 2016: PROGRESS REPORT

New Buildings Connected to the Oval Village District Energy Utility

OVDEU was the first district energy project in development under LIEC's oversight following Richmond City Council's adoption of the OVDEU Service Area Bylaw in April 2014. Soon after, in October 2014, LIEC entered into a Concession Agreement with Corix Utilities to design, construct, finance, operate and maintain the system. In 2016, OVDEU expanded its customer base to service three new buildings in the Oval Village area—Riva 2 (February 2016), River Park Place—Phase 1 (July 2016) and Cressey Cadence (November 2016). Energy generated at the two interim energy centres provide 11MW of heating capacity to these buildings. These facilities will be in operation until there are enough buildings connected to the system to justify the costs of constructing a major energy plant that will extract heat from the Gilbert Trunk sanitary force main sewer. Similar technology is in operation today in the City's Gateway Theatre, Vancouver's Neighbourhood Energy Utility, and throughout Europe.

Alexandra District Energy Utility Energy Plant and Infrastructure Expansion—Phase 4

The City completed the Phase 4 expansion in 2016 to service its first commercial customers continued development in the West Cambie Neighbourhood, including major retail customers—the Central at Garden City (SmartREIT). Phase 4 added distribution piping and a new satellite energy plant located on the roof of the Central at Garden City north parkade connecting almost 284,000 sq. ft. of floor space to the system. The satellite energy plant provides heating and cooling needs for retail tenants using energy efficient air-source heat pumps. This new energy plant is interconnected with the current ADEU energy plant allowing for potential energy sharing with the main ADEU distribution system.

Alexandra District Energy Utility Assets Transfer to Lulu Island Energy Company

On December 31, 2016, the assets and operations of the Alexandra District Energy Utility were transferred to Lulu Island Energy Company. The transfer to LIEC was the final step towards Richmond City Council's goal of assigning LIEC the function of providing current and future district energy services on behalf of the City. The transfer is important in order to support the ongoing successful establishment of LIEC, and to maintain the highest level of service for an ever growing customer base. The transfer will ensure that connected customers will continue to receive the many benefits of district energy, such as ease of operation, less management and costs, improved efficiency and reliability, environmental benefits and comfort and convenience in the long term.

Ongoing Communications to Customers and Richmond Residents

LIEC continues to distribute communication materials to residents and new customers in Richmond to create awareness about its energy utility services. Buyers of new condominium apartments serviced by LIEC in the Oval Village and Alexandra service areas received information packages about rate structures and services. Furthermore, 2016 brought new information and changes to LIEC's website, including the development and launch of the new Kids Corner. The changes to the website were initiated as part of an awareness campaign to inform ADEU customers about the change in ownership and billing as a result of the ADEU asset transfer to LIEC. The creation of a "Kids Corner" webpage has served as a mechanism to engage and communicate with customers and Richmond residents through their children. Largely led by the Barn Owl Mascot Design Contest for children ages 4-17, the new LIEC mascot; Ali the Barn Owl has created a new avenue to engage the community around district energy and LIEC. In addition to the Kids Corner, new web content and videos supports LIEC's public engagement goals.



District Energy Node in the City Centre North Area

Over 8,500,000 sq. ft. of residential and commercial floor space is currently in different stages of planning and development in the City Centre North area (Bridgeport and Capstan Villages as defined in the City Centre Area Plan). This is 1.5 times the size of the ADEU and OVDEU capacity together at full build out. Through the development approvals processes, the City continues to secure commitments from new developments in this area to be "District Energy Ready." Following Richmond City Council's endorsement to solicit the services of a private sector partner to design, construct, finance, operate and maintain a new system, staff launched an open procurement process in 2016 and is in the process of selecting a partner for the project.





LOOKING FORWARD IN 2017: WORK PLAN

Ongoing Development in the Oval Village Area

Development activity continues in the Oval Village within and adjacent to the DEU service area. For this reason, LIEC intends to bring forward to Richmond City Council recommendations for a broader expansion of the service area in 2017 to provide certainty to developers about the City's expectations for connecting to OVDEU. LIEC has been completing an economic extension test to assess the most efficient manner to expand services in the area.

With respect to the current service area, LIEC looks forward to benefiting from Corix's construction and operations experience with upcoming projects in 2017, listed in Table 1.

Table 1: Development Timing in OVDEU Service Area

	Anticipated Occupancy
Amacon (Tempo)	2017
Aspac (2 River Green)	2017
Onni (Riva 3)	2017

Alexandra District Energy Utility Expansion

After rapid growth in 2015 and 2016, expansion and development in the West Cambie Neighbourhood continues. This includes the connection of the City of Richmond's new Fire Hall #3, scheduled for completion in April 2017. Additionally, design work and pre-construction activities are under way to ensure the ADEU infrastructure is able to meet the needs of the multiple new developments which are scheduled for completion in 2018 and beyond.

Developing a Plan for a New District Energy Node in City Centre North

After gaining support from LIEC's Board of Directors to release a Request for Proposals in 2016 for selecting a partner for servicing the north City Centre area, planning activities in 2017 will include negotiations with the lead proponent, planning and due diligence work to determine how best to service area, including assessing both heating and cooling energy services. The lead proponent will have to further analyse the proposed development area, so that to select the district energy concept that could provide energy services at a competitive price for building owners, while reducing energy consumption and greenhouse gas emissions.

■ APPENDIX A—ALEXANDRA DISTRICT ENERGY UTILITY

The ADEU was established in 2012 to provide renewable energy for space heating and cooling as well as heat for domestic hot water in the West Cambie neighbourhood. While the system was owned and operated by the City up to the end of 2016, the first phase of the project was developed in partnership with Oris Geo Energy Ltd. Oris had prior experience and expertise in the design, construction and operation of similar energy systems in Richmond and other communities. Going forward, future expansion of ADEU will be carried out by LIEC in phases that are closely tied with the timing of new buildings in the service area. By the end of 2016, the City had completed the Phase 4 expansion to connect to its first commercial customers to district energy systems.

Infrastructure Overview

Alexandra District Energy Utility	
Energy Station	9600 Odlin Road, Richmond, BC V6X 1C9 Satellite Energy Plant (Area A)—4751 McClelland Rd, Upper Parkade Richmond BC, V6X 0M5
Service	Residential: Space heating, cooling and domestic hot water Commercial: Space heating and cooling
Technology	ADEU Phases 1 and 2 were commissioned in July 2012. The ADEU will potentially service up to 3100 residential units and 1.1 sq. ft. of commercial uses at build out in approximately 10 to 15 years. Heating, cooling and domestic hot water are provided to connected residential buildings, and only heating and cooling for commercial and institutional spaces through a hydronic (water) energy delivery system. In heating mode, ground source heat pump technology extracts heat (geothermal energy) from the ground via a network of vertical pipe loops. Built-in backup natural gas-fired boilers provide 100% back up in the event that the ground source heat pumps shut down or fail. This system cools buildings as well. During the summer months, the energy flow is reversed and heat is extracted from buildings and pumped into the ground. In this way, energy that was extracted from the ground for heating buildings is “recharged” allowing heat to be available for the next cold season. Phase 3, completed in 2015 added heating and cooling capacity through the addition of a second geo-exchange field, two cooling towers and three boilers. Further, Phase 4 completed in 2016, brought the addition of a new satellite energy plant at the Central at Garden City (SmartREIT) commercial development. Located on the roof top parkade, this plant utilizes efficient air-source heat pump technology to provide space heating and cooling for the retail spaces within the development. This new energy plant is also interconnected with the current ADEU energy plant allowing for energy sharing with the main ADEU distribution system.



Individual buildings connected to the ADEU require smaller sized boilers for increasing the temperature of domestic hot water, reducing the overall cost of maintenance to buildings. The performance of the system is monitored continuously, providing a high level of reliability to customers.

**Length of
Distribution
Network**

3400 m (11,100 ft.) of high-density polyethylene piping
726 vertical closed-loop boreholes, each 250 feet deep





Customers and Energy Rates

Customer energy rates are set in the City of Richmond Service Area Bylaws, which are enacted by City Council. This approach ensures transparency and accountability is maintained for all DE projects in the City. The rate and bylaw provisions are reviewed and approved by Council on an annual basis.

Energy rates are set based on City Council's objective to provide customers with energy costs that are equal to or less than conventional system energy costs, based on the same level of service. In the absence of DE services, a typical building would be built with electrical baseboard heaters for heating, gas fired make-up air units for common space heating and gas fired boilers for hot water heating. This is referred to as a "business as usual" (BAU) scenario and is the basis for comparing DE rate costs with conventional utility, energy and maintenance costs. DE customer rates in Richmond have met this requirement. As with other energy utilities, this rate includes utility costs related to infrastructure development, operation and maintenance, commodities (e.g. electricity and natural gas) and other administrative costs such as staffing.

2016 Rate Structure

Each building includes one master meter. Strata corporations are billed on a quarterly basis, at a rate that is comprised of three charges:

- Capacity charge: Charge based on the gross square floor area of the building (\$0.087 per sq. ft.);
- Peak Charge: Charge based on the annual peak heating load supplied by the ADEU to the building (\$1.170 per kW/month); and
- Volumetric Charge: Charge based on the energy consumed by the building (\$3.743 per MWh).

Buildings

Address	Use	Area (sq. ft.)
Remy [4099 Stolberg Street]	Residential	186,000
Mayfair Place [9399 Odlin Road]	Residential	351,000
Omega [9388 Odlin Road]	Residential	222,000
Alexandra Court [9399 Alexandra Road]	Residential	260,000
Jamatkhana Temple [4000 May Drive]	Institutional	30,000
Oxford Lane [4588 Dubbert Street]	Residential	64,000
Central at Garden City (SmartREIT) [4731-4751 McClelland Road, 9251 Alderbridge Way]	Commercial	284,000
Total:		1,397,000

Customer Service

ADEU provides support 24 hours a day, 7 days a week. Customers can contact customer service via a telephone hotline 1-844-852-5651.



Energy and Greenhouse Gas Emissions (GHGs)

The driving forces behind the establishment of district energy systems in Richmond were to reduce GHGs that cause climate change, develop renewable energy and support local green jobs.

Amount of Energy delivered by the end of 2016 9,512 MWh. Greenhouse Gas Performance by the end of 2016 1653 tonnes of CO₂e avoided, equal to removing 512 cars from City of Richmond roads.

2016 Financial Summary

ADEU did not operate under LIEC in 2016, but this summary is provided as it relates to district energy activities in Richmond. The figures below were extracted from the City of Richmond's Financial Statements.

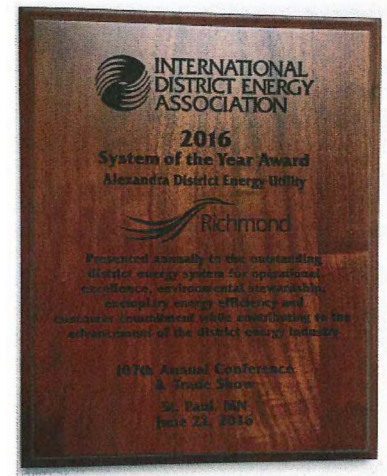
Corix Utilities remains engaged as the system operator under contract, to perform functional verification ensuring continuous operation and fine tuning of the system. Incoming revenue from ADEU customers has been gradually increasing in pace with the occupancy of serviced buildings. Revenue from operations for 2016 was \$1,255,505. Total expenses from operations (before \$444,900 of infrastructure amortization) were \$377,057. The total capital invested to date for Phase 1 to 4 is \$24.1M.

2016 revenue from operations and expenses, when compared with the ADEU financial model, are lower than expected due to the Alexandra Court Phases 3 and 4, SmartREIT, Oxford Lane and Fire Hall #3 developments connecting to the utility later than projected.

Projected expenses were lower as well, which resulted in a surplus of \$878,448. As per the financial model approved by Council, surpluses are strategically designed in order to build a reserve fund for future capital replacement and to ensure the long-term rate stability for the customers of the ADEU. For its fourth year of operations and in the context of a growing customer base, ADEU financial, operational and environmental results show the DEU is progressing as planned.

■ APPENDIX B—AWARDS & RECOGNITION

Awarding Body	Award	Date	Comments
Canadian Consulting Engineer Magazine & the Association of Consulting Engineering Companies—Canada	Award of Excellence (Natural Resources, Mining, Industry and Energy Category)	2013	This award is the most prestigious mark of recognition in Canadian engineering and is given to projects that exhibit a high quality of engineering, imagination and innovation.
Public Works Association of British Columbia	Project of the Year	2013	This award is given to a municipality that constructs a major and complex public works or utilities project that meets specific criteria including innovative design with project benefits for the community and environment.
International District Energy Association	Certificate of Recognition—Innovation Awards	2013	This program highlights examples of engineering, technology and operational innovation within the district energy industry.
ENERGY GLOBE Foundation	Canadian Energy Globe National Award	2013	The national ENERGY GLOBE Awards distinguish best project submissions from a country. It is awarded annually to projects focusing on energy efficiency, renewable energies and the conservation of resources.
Canadian GeoExchange Coalition	Excellence Award	2014	The Canadian Geo exchange Coalition Excellence Award recognizes regional geothermal heat pump projects that showcase both complexity and quality of installation and design.
Association of Professional Engineers and Geoscientists of British Columbia (APEGBC)	Sustainability Award	2014	APEGBC's Sustainability Award was created to recognize the important contribution that engineering and geoscience make to the well being of human life and the ecosystems on which we all depend.



Awarding Body	Award	Date	Comments
International District Energy Association	System of the Year	2016	IDEA System of the Year is the highest honour IDEA can confer on a district energy system. It recognizes an exemplary district energy system providing high-level performance and service that further the goals of the district energy industry.
Union of British Columbia Municipalities	Community Excellence Award	2016	The Community Excellence Award—Best Practices, Excellence in Action recognizes communities that have demonstrated exemplary leadership through policies, decision-making or actions that have made a difference for their residents. It showcases municipalities and regional districts who “lead the pack,” take risks to innovate, establish new partnerships, question established ways of doing business and pioneer new customer service practices.

■ APPENDIX C—MANAGEMENT'S DISCUSSION AND ANALYSIS

About the Company

LIEC is a wholly-owned municipal corporation, established to operate district energy utility operations in the City of Richmond on the City's behalf. LIEC was incorporated in August 2013.

On October 30, 2014, LIEC and Corix entered into a 30 year Concession Agreement (the "Agreement"), to complete a public-private partnership project, whereby Corix will design, construct, finance, operate, and maintain infrastructure in the Oval Village District Energy Utility service area. The total estimated capital construction cost of the Oval Village District Energy Utility is \$31,931,000 and will accrue interest which will be repaid over the term of the agreement. The payment schedule is dependent on the timing and amount of the capital construction. On December 31, 2016, LIEC acquired the Alexandra District Energy Utility from the City of Richmond, taking full ownership of its operations and services.

The Corporation will make payments to Corix based on Corix's Annual Revenue Requirement. The Annual Revenue Requirement is based on the utility cost of service rate-setting principles in British Columbia utilizing forward test years. The Annual Revenue requirement combines a fixed charge amount to recover Corix's fixed costs (the "Capacity Charge") and a volumetric charge expressed as an amount per megawatt hour of energy provided to the Corporation in order to recover Corix's variable costs (the "Commodity Charge"). The Capacity Charge includes maintenance, labour, depreciation, interest, Return of Equity and other selling, general and administration costs. The Commodity Charge includes natural gas and electricity costs. These costs will be repaid over time by revenue generated through future customer rates.

Financial Summary

Financial statements (Appendix D) provide information about the financial position, performance and changes in the financial position of the company. The financial statements demonstrate accountability by providing information about the company's resources, obligations and financial affairs.

LIEC's overall financial position improved by \$24,638,791 in 2016 with accumulated surplus totaling \$25,189,538 (2015 – \$550,747). Accumulated surplus is comprised of tangible capital assets \$25,659,621 (2015 – \$808,330) and deficit of \$470,083 (2015 – \$257,583).

LIEC's net financial position, calculated as financial assets less liabilities, results in a net debt position. A net debt position is an indicator of future revenues required to pay for past transactions or events. This is consistent with the concession agreement structure for the Oval Village District Energy Utility (OVDEU) where capital and operating costs are greater than revenues in the initial stages of the agreement due to the long-term nature of the capital assets that will generate revenue over their service life. Net debt increased by \$2,012,096 to \$5,846,968 (2015 – \$3,834,872).

The non-financial assets increased by \$26,650,887, bringing the total to \$31,036,506. The increase is the net result of capital additions of tangible capital assets in the year offset by disposals and amortization expense. Included in the additions is the transfer of the Alexandra District Energy Utility (ADEU) assets of \$23,157,226.

The 2016 annual surplus (the change in the accumulated surplus) is the net result of \$2,424,138 in revenues before \$23,157,226 relating to the asset transfer and reduced by \$942,573 of expenses. The 2016 revenues before the asset transfer increased by \$1,405,188 to \$2,424,138 (2015 – \$1,018,950) due to \$1,769,439 (2015 – \$820,179) in developer contributions for service connection fees relating to energy transfer stations that form part of the tangible capital assets and \$604,919 (2015 – \$177,584) from user fees.

LIEC's annual surplus before non-operating activity of \$1,481,565 exceeded budget by \$826,427 primarily due to the capital funding source revenue relating to developer contributed energy transfer stations. Annual surplus including the asset transfer exceeded budget by \$23,983,654.

The user fee revenues reflect energy sales for a full year for the first customers who connected in 2015 (Riva 1 by Onni and Carrera by Polygon) along with new customers that connected in 2016 (Riva 2 by Onni and River Park Place 1 by Intracorp). The user fee revenues are higher than budget due to the timing of connections.

The increase in expenses of \$451,302 to \$942,573 (2015 – \$491,271) is due to the commencement of operations for the supply of energy to the Riva 2 and River Park Place 1 developments as well as a full year of expenses relating to Riva 1 and Carrera developments. Expenses exceeded budget by \$3,368 due to the timing of connections which is offset by additional revenues.

These expenses are mainly amounts payable to Corix and form part of the concession liability on the Statement of Financial Position.

Tangible capital assets increased to \$31,036,506 (2015 – \$4,385,619) mainly due to the transfer of ADEU assets of \$23,157,226 from the City of Richmond. Effective January 1, 2017, the ADEU operations were transferred to LIEC from the City. This function is funded by user fees. The 2016 statement of operations does not include any amounts relating to the ADEU operations, these amounts will only be reflected beginning in 2017.

It is expected that the initial years of the OVDEU will result in higher operating costs than revenues mainly due to the timing of start-up costs, amortization etc. The 30-year financial model that forms part of the agreement with Corix projected the operating costs for 2016 to be \$685,928 (comprised of utilities, interest and contract services (operating and maintenance, general and administration costs, excluding amortization)). The comparable actual expenses recorded are \$701,757 (comprised of utilities \$217,289, contract services \$371,487, and interest \$112,981) and are in line with the expected figures. The variance of \$15,829 is due to the timing of completion of the Riva 2 and River Park Place 1 developments and is offset by user fee revenue.

APPENDIX D—FINANCIAL STATEMENTS OF LULU ISLAND ENERGY COMPANY LTD.

Period of incorporation on
January 1, 2016 to December 31, 2016



KPMG LLP
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Burnaby BC V5H 4M2
Canada
Telephone (604) 527-3600
Fax (604) 527-3636

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Lulu Island Energy Company Ltd.

We have audited the accompanying financial statements of Lulu Island Energy Company Ltd., which comprise the statement of financial position as at December 31, 2016 and the statements of operations, changes in net debt, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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



Lulu Island Energy Company Ltd.
Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lulu Island Energy Company Ltd. as at December 31, 2016, and its results of operations, and its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

April 20, 2017
Burnaby, Canada

LULU ISLAND ENERGY COMPANY LTD.

Statement of Financial Position

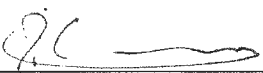
December 31, 2016, with comparative information for 2015

	2016	2015
Financial Assets		
Cash and cash equivalents	\$ 170,358	\$ -
Accounts receivable	573,991	-
Due from the City to Richmond (note 4)	-	93,677
	<u>744,349</u>	<u>93,677</u>
Liabilities		
Accounts payable	84,966	2,208
Due to the City of Richmond (note 4)	52,632	-
Deferred revenue (note 12)	378,604	-
Oval Village District Energy Utility ("OVDEU") concession agreement liability (note 5(a))	6,075,115	3,926,341
	<u>6,591,317</u>	<u>3,928,549</u>
Net debt	(5,846,968)	(3,834,872)
Non-Financial Assets		
Tangible capital assets (note 7)	31,036,506	4,385,619
Accumulated surplus	<u>\$ 25,189,538</u>	<u>\$ 550,747</u>

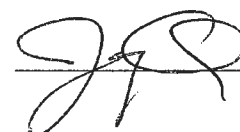
Commitments and contingencies (note 10)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

LULU ISLAND ENERGY COMPANY LTD.

Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	Budget 2016	2016	2015
	(note 2(a) and 9)		
Revenue:			
User fees	\$ 547,342	\$ 604,919	\$ 177,584
Permit fee contribution from the City of Richmond (note 11(b))	27,000	49,780	21,187
Capital funding sources	1,020,000	1,769,439	820,179
	1,594,342	2,424,138	1,018,950
Expenses:			
Amortization	104,432	183,908	68,192
Contract services (note 5(b))	367,094	371,487	345,436
General and administration	82,150	27,320	-
Insurance	30,000	-	-
Interest	108,388	112,981	29,798
Professional services	36,695	29,588	5,464
Utilities (note 5(b))	210,446	217,289	42,381
	939,205	942,573	491,271
Non-operating activity:			
Asset transfer from the City of Richmond (note 11(a))	-	23,157,226	-
Annual surplus	655,137	24,638,791	527,679
Accumulated surplus, beginning of year	550,747	550,747	23,068
Accumulated surplus, end of year	\$ 1,205,884	\$ 25,189,538	\$ 550,747

See accompanying notes to financial statements.

LULU ISLAND ENERGY COMPANY LTD.

Statement of Changes in Net Debt

Year ended December 31, 2016, with comparative information for 2015

	Budget 2016	2016	2015
	(note 2(a) and 9)		
Annual surplus for the year	\$ 655,137	\$ 24,638,791	\$ 527,679
Acquisition of tangible capital assets	(1,020,000)	(2,003,130)	(3,358,322)
Developer contributed tangible capital assets	-	(1,674,439)	(820,179)
Transfer of Alexandra District Energy ("ADEU") assets from City of Richmond	-	(23,157,226)	-
Amortization of tangible capital assets	104,432	183,908	68,192
Increase in net debt	(260,431)	(2,012,096)	(3,582,630)
Net debt, beginning of year	(3,834,872)	(3,834,872)	(252,242)
Net debt, end of year	\$ (4,095,303)	\$ (5,846,968)	\$ (3,834,872)

See accompanying notes to financial statements.

LULU ISLAND ENERGY COMPANY LTD.

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 24,638,791	\$ 527,679
Items not involving cash:		
Amortization	183,908	68,192
Transfer of ADEU assets from City of Richmond	(23,157,226)	-
Developer contributed tangible capital assets	(1,674,439)	(820,179)
Change in non-cash working capital:		
Due (to) from the City of Richmond	146,309	(62,350)
Accounts receivable	(573,991)	-
Accounts payable and accrued liabilities	82,758	2,208
Deferred revenue	378,604	-
OVDEU concession agreement/liability	2,148,774	3,642,772
Net change in cash from operating activities	2,173,488	3,358,322
Capital activities:		
Acquisition of tangible capital assets	(2,003,130)	(3,358,322)
Net change in cash and cash equivalents	170,358	-
Cash, beginning of year	-	-
Cash, end of year	\$ 170,358	\$ -

See accompanying notes to financial statements.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements
Year ended December 31, 2016

1. Incorporation and nature of business:

The Lulu Island Energy Company Ltd. (the "Corporation") was incorporated on August 19, 2013 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the "City"). The business of the Corporation is to manage and operate district energy utilities, including but not limited to energy production, generation or exchange, transmission, distribution, maintenance, marketing and sale to customers, customer service, profit generation, and financial management.

2. Significant accounting policies:

The financial statements of the Corporation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Budget data:

The budget data presented in these financial statements is based upon the 2016 budget submission approved by the Board on January 18, 2016. Note 9 reconciles the approved budget to the budget figures reported in these financial statements.

(b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the value of tangible capital assets, determination of provisions for the concession liability and accrued liabilities, allowance for doubtful accounts, and provisions for contingencies. Actual results could differ from these estimates. The estimates are reviewed periodically and as adjustments become necessary, they are recorded in earnings in the year in which they become known.

(c) Income taxes:

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

(d) Non-financial assets:

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

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements
Year ended December 31, 2016

2. Significant accounting policies (continued):

(d) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives.

Amortization is charged over the asset's useful life commencing when the asset is acquired or when it is available for use.

Asset	Useful life - years
Distribution piping	50 – 75
Civil	50
Electrical	25
Mechanical	25 – 33

(ii) Interest capitalization:

The Corporation does not capitalize interest costs associated with the construction of a tangible capital asset.

(iii) Impairment of tangible capital assets:

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

(e) Revenue recognition:

Revenue is recorded in the period that the services are rendered, with any unearned portion recorded as deferred revenue.

(f) Public-private partnership project:

Public-private partnership ("P3") projects are delivered by private sector partners selected to design, build, finance, and maintain the assets. The cost of the assets under construction are estimated at fair value, based on construction progress billings and also includes other costs, if any, incurred directly by the Corporation.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements
Year ended December 31, 2016

2. Significant accounting policies (continued):**(f) Public-private partnership project (continued):**

The asset cost includes development costs estimated at fair value. Interest during construction is not included in the asset cost. When available for operations, the project assets are amortized over their estimated useful lives. Correspondingly, an obligation for the cost of capital and financing received to date, net of the contributions received is recorded as a liability and included as debt on the statement of financial position. The interest rate used is the market's current variable interest rate and may change based on market conditions.

3. Share capital:

Authorized: 10,000 common shares without par value. Issued: 100 common shares for \$1. Additional shares issued as described in note 8(b).

4. Due (to) from City of Richmond:

Due (to) from City of Richmond is comprised of amounts that arise in the normal course of business and share capital. The balance is non-interest bearing and due on demand.

	2016	2015
Share capital (note 3)	\$ 1	\$ 1
Due (to) from City of Richmond	(52,633)	93,676
	\$ (52,632)	\$ 93,677

5. Oval Village District Energy Utility Concession Agreement:

On October 30, 2014, the Corporation and Corix Utilities Inc. ("Corix") entered into a 30 year Concession Agreement, which is a public-private partnership project, where Corix will design, construct, finance, operate, and maintain the infrastructure for the district energy utility at the Oval Village community. The total estimated concession liability to finance the construction of the OVDEU at full build out is \$31,931,000 and will be accrued over time.

(a) OVDEU concession agreement liability:

	2016	2015
OVDEU, 30 year contract to October 31, 2044 with Corix, payable in monthly payments in accordance with the concession agreement terms. Required principal repayments on P3 debt for the years ending December 31 are disclosed with public-private partnership commitments in note 10.	\$ 5,997,522	\$ 3,888,284
Interest	77,593	38,057
	\$ 6,075,115	\$ 3,926,341

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements
Year ended December 31, 2016

5. Oval Village District Energy Utility Concession Agreement (continued):

(b) Contract services and utilities expenses:

Contract services expense is comprised of maintenance, operating labour, selling, and general and administrative expense. Utilities expense is comprised of electricity and natural gas.

6. Corix and City of Richmond Limited Guarantee Agreement:

On October 30, 2014, Corix and the City of Richmond entered into a Limited Guarantee Agreement. The City of Richmond is the Guarantor and guarantees the performance of some of the Corporation's obligations under the Concession Agreement to a maximum of \$18.2 million.

7. Tangible capital assets:

Cost	Balance, December 31, 2015	Additions	Disposals	Transfer from the City	Balance, December 31, 2016
ADEU					
Distribution piping	\$ -	\$ -	\$ -	\$ 3,750,437	\$ 3,750,437
Civil	-	-	-	5,183,039	5,183,039
Electrical	-	-	-	2,794,438	2,794,438
Mechanical	-	-	-	12,461,144	12,461,144
OVDEU					
Work-in-progress	-	959,653	-	-	959,653
Mechanical	2,913,291	1,264,317	-	-	4,177,608
Distribution piping	1,540,520	1,453,599	-	-	2,994,119
	\$ 4,453,811	\$ 3,677,569	\$ -	\$ 24,189,058	\$ 32,320,438
Accumulated amortization	Balance, December 31, 2015	Amortization	Disposals	Transfer from the City	Balance, December 31, 2016
ADEU					
Distribution piping	\$ -	\$ -	\$ -	\$ 110,016	\$110,016
Civil	-	-	-	130,958	130,958
Electrical	-	-	-	140,459	140,459
Mechanical	-	-	-	650,399	650,399
OVDEU					
Work-in-progress	-	-	-	-	-
Mechanical	50,233	120,191	-	-	170,424
Distribution piping	17,959	63,717	-	-	81,676
	\$ 68,192	\$ 183,908	\$ -	\$ 1,031,832	\$ 1,283,932

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements
Year ended December 31, 2016

7. Tangible capital assets (continued):

Net book value	Balance, December 31, 2015	Balance, December 31, 2016
ADEU		
Distribution piping	\$ -	\$ 3,640,421
Civil	-	5,052,081
Electrical	-	2,653,979
Mechanical	-	11,810,745
OVDEU		
Work-in-progress	-	959,653
Mechanical	2,863,058	4,007,184
Distribution piping	1,522,561	2,912,443
	\$ 4,385,619	\$ 31,036,506

8. Accumulated surplus:

	2016	2015
Deficit	\$ (470,083)	\$ (257,583)
Invested in tangible capital assets:		
Tangible capital assets purchased or contributed	2,502,395	808,330
Tangible capital assets purchased through share issuance (a)	23,157,226	-
	25,659,621	808,330
	\$25,189,538	\$ 550,747

(a) The City transferred ADEU assets with a net book value of \$23,157,226 as of December 31, 2016 in exchange for share capital of the Corporation. Subsequent to year end, the remaining district energy assets of \$3,839,888 were transferred on March 31, 2017. At that time, the Corporation issued 350 common shares to the City valued at \$26,997,114 for the December 2016 and March 2017 asset transfers.

9. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on January 18, 2016. The following chart reconciles the approved budget to the budget figures reported in these financial statements.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements
Year ended December 31, 2016

9. Budget data (continued):

	Budget Amount
Revenue:	
Operating budget	\$ 1,594,342
Expenses:	
Operating	569,737
Acquisition of tangible capital assets	1,020,000
	1,589,737
Annual surplus per approved budget	4,605
Reconciling adjustments:	
Add: Acquisition of tangible capital assets	1,020,000
Less: Utilities expense	210,446
Less: Interest expense	108,388
Less: Amortization expense	104,432
Add: Contract expense	53,798
Annual surplus per statement of operations	\$ 655,137

10. Commitments and contingencies:

Public-private partnership commitments:

Payments to Corix under the agreement are based on Corix's Annual Revenue Requirement, which is based on the utility cost of service rate-setting principles in British Columbia utilizing forward test years. The Annual Revenue Requirement is a combination of Capital and Operating charges. The Capital charge is comprised of capital expenditures and depreciation, and Operating charge is comprised of services costs, financing costs, income and other taxes, and return on equity.

The information presented below shows the anticipated cash outflow for future obligations under the Agreement for the capital and operating costs of the assets. As construction progresses, the asset values are recorded as tangible capital assets and the corresponding liabilities are recorded as concession agreement liabilities as disclosed in note 5.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements
Year ended December 31, 2016

10. Commitments and contingencies (continued):

	Capital Charge	Operating Charge	Total Charge
2017	\$ 122,204	\$ 808,796	\$ 931,000
2018	144,977	1,042,023	1,187,000
2019	185,311	1,289,689	1,475,000
2020	198,334	1,588,666	1,787,000
2021	204,950	1,655,050	1,860,000
2022 and thereafter	30,987,659	109,429,774	140,417,433

11. Related Party Transactions:

(a) Asset transfer from the City of Richmond:

Effective January 1, 2017, the ADEU operations were transferred to the Corporation from the City. This function is funded by user fees. In 2016, the ADEU tangible capital of the City was transferred to the Corporation as part of an Asset Purchase Agreement dated December 16, 2016. The transfer occurred at a net book value amount of \$23,157,226.

(b) Permit fee contribution from the City of Richmond

During 2016, the Corporation received \$49,780 (2015 – \$21,187) relating to district energy permit fees collected by the City for in-building district energy related equipment review, performed by the Corporation.

12. Deferred Revenue:

Included in deferred revenue is \$371,787 (2015 \$nil) for a service connection fee relating to a future energy transfer station. This will be recognized as revenue once the tangible capital asset relating to the energy transfer station is contributed.

13. Comparative Figures:

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



Lulu Island Energy Company

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Telephone: 604-276-4000

www.luluislandenergy.ca

CNCL - 128
(Special)

CONSENT RESOLUTIONS OF THE DIRECTORS OF**LULU ISLAND ENERGY COMPANY LTD.**

(the "Company")

The undersigned, being all of the directors of the Company entitled to vote on the resolutions, hereby consent to and adopt in writing the following resolutions:

Appointment of Solicitors and Authority to Sign Notices

RESOLVED that the firm of Norton Rose Fulbright Canada LLP (the "Company's Solicitors") be appointed solicitors for the Company, and that any partner of, or associate employed by, the Company's Solicitors who has the relevant knowledge of the Company be authorized to sign and file (electronically or otherwise) any annual report, notice of directors or change of directors, notice of change of address, and any other document or Notice required to be filed with the Registrar of Companies and similar regulatory authorities in other jurisdictions to record any matter already authorized by resolution of the directors or shareholders of the Company.

Execution by Counterparts

These resolutions may be consented to by the directors signing separate counterparts of the resolutions, which may be delivered by electronic means, and notwithstanding the respective dates of execution of the separate counterparts shall be deemed to be effective as at April 30, 2017.

CECILIA MARIA ACHIAM

JERRY MING CHONG

GEORGE DUNCAN

ROBERT GONZALEZ

JOHN DAVID IRVING