



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 2, 2025
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 AND CLOSED GENERAL PURPOSES
AND OPEN FINANCE COMMITTEES

RECONVENE FOLLOWING OPEN AND CLOSED GENERAL
PURPOSES AND OPEN FINANCE COMMITTEES

Special Council Agenda
Monday, June 2, 2025

RICHMOND OLYMPIC OVAL CORPORATION

1. **UNANIMOUS CONSENT RESOLUTIONS OF THE SHAREHOLDER OF RICHMOND OLYMPIC OVAL CORPORATION**
(File Ref. No.:)

CNCL-5

See Page CNCL-5 for full report

BE IT RESOLVED THAT:

- (1) The Shareholder acknowledges and confirms the previous receipt of financial statements of the Company for the period from January 1, 2024 to December 31, 2024, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 22, 2025 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 5, 2025;***
- (2) In accordance with the Company's Articles, the following persons, who have consented to be directors of the Company, are hereby elected as directors of the Company, to hold office for the term ending immediately prior to the annual general meeting of the Company held in 2027:***
 - i. Traci Corr***
 - ii. Bob Jackson***
 - iii. Kush Panatch***
 - iv. Bob Ransford***
 - v. Serj Sangara***
- (3) KPMG LLP be appointed as auditors of the Company until the next annual reference date of the Company or until a successor is appointed, at a remuneration to be fixed by the directors;***
- (4) The 2024 Annual Report of the Company is hereby received;***
- (5) June 2, 2025 be and is hereby selected as the annual reference date for the Company for its current annual reference period; and***
- (6) That the number of Directors of the Company be set at nine.***



LULU ISLAND ENERGY COMPANY

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

(File Ref. No.)

CNCL-64

See Page CNCL-64 for full report

RESOLVED THAT:

- (1) the shareholder acknowledges that the financial statements of the Company for the period ended December 31, 2024, and the report of the auditors thereon, have been provided to the shareholder in accordance with the requirements of the British Columbia Business Corporations Act;***
- (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 7;***
- (4) the following person will be removed as a director of the Company effectively immediately:***

Kirk Taylor;
- (5) 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:***
 - i. Jerry Ming Chong***
 - ii. John David Irving***
 - iii. Roeland Zwaag***
 - iv. Anthony Capuccinello Iraci***
 - v. Wayne Craig***
 - vi. Peter Russell***
 - vii. Venus Ngan***

Special Council Agenda
Monday, June 2, 2025

- (6) *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*
- (7) *June 2, 2025 is hereby selected as the annual reference date for the Company for its current annual reference period.*

☐

ADJOURNMENT

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Claudia Jesson
Corporate Officer

Memorandum

To: Mayor and Councillors ("the Shareholder") **Date:** May 20, 2025

From: Kush Panatch
Chair of the Board of Directors
Richmond Olympic Oval Corporation

Re: **Notice to the Shareholder of the 2025 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 2, 2025 at a Special meeting of Council at the Richmond City Hall.

With respect to Appendix C, and pertaining to the appointment of Directors with expiring terms, all have formally indicated their intention to seek re-election for an additional two-year term and have submitted their names for Council's consideration for reappointment.

Appendix A	Notice of AGM, to be sent at least 10 days prior to the AGM to: <ul style="list-style-type: none">• the City;• each member of the Board; and• the auditors
Appendix B	2024 Audited Financial Statements
Appendix C	Consent Resolutions of the Shareholder, consenting to the resolutions required to be passed at the AGM, including: <ul style="list-style-type: none">• The appointment of Directors• The appointment of Auditors
Appendix D	Notice of Appointment of Auditor
Appendix E	2024 Annual Report



Kush Panatch
Chair of the Board of Directors
Richmond Olympic Oval Corporation

/hl
Atta:

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 2, 2025 at a Special Meeting of Council 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, 2024 and the report of the auditors thereon;
2. to elect directors to the board of directors of the Corporation (the “**Board**”);
3. to appoint auditors of the Corporation for the 2025 fiscal year and to authorize the Board to fix the auditors’ remuneration;
4. to acknowledge and confirm receipt of the Corporation’s 2024 Annual Report; and
5. to transact such other business as may be properly brought before the meeting.

The board of directors of the Corporation has fixed the close of business on June 2, 2025 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, 2024 to December 31, 2024 and the report of the auditors thereon are attached to this Notice of Annual General Meeting.

Dated this 20th day of May, 2025.

On behalf of the Board of Directors



Kush Panatch
Board Chair

Financial Statements of

**RICHMOND OLYMPIC OVAL
CORPORATION**

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone 604 691 3000
Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Richmond Olympic Oval Corporation

Opinion

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

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the 2024 annual report.



Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the 2024 annual report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 30, 2025

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	\$ 2,058,293	\$ 1,122,442
Investments (note 4)	15,533,379	14,850,000
Accounts and other receivable	784,842	1,009,382
Due from City of Richmond (note 5)	96,765	118,603
Inventories held for resale	150,493	185,275
	18,623,772	17,285,702
Liabilities		
Accounts payable and accrued liabilities	1,838,173	1,430,334
Post-employment benefits (note 7)	754,900	1,185,300
Deferred revenue (note 8)	7,806,474	8,132,049
Rental deposits	11,781	11,781
	10,411,328	10,759,464
Net financial assets	8,212,444	6,526,238
Non-Financial Assets		
Tangible capital assets (note 9)	14,041,453	14,582,577
Prepaid expenses and other deposits	371,531	362,771
	14,412,984	14,945,348
Economic dependence (note 14)		
Accumulated surplus (note 10)	\$ 22,625,428	\$ 21,471,586

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 2(h))	2024	2023
Revenue:			
2010 Games Operating Trust Fund (note 6)	\$ 3,200,000	\$ 3,148,868	\$ 4,136,315
Contribution from City of Richmond (note 12(a))	4,001,306	4,001,306	3,903,713
Memberships, admissions and programs	10,515,858	11,665,157	10,150,651
Other revenue (note 16)	2,041,919	2,712,269	2,986,657
	19,759,083	21,527,600	21,177,336
Expenses:			
Salaries and benefits	12,424,920	12,749,513	12,045,966
Utilities	1,052,317	929,775	1,045,226
Amortization	2,600,000	1,805,807	1,728,852
Supplies and equipment	1,008,327	1,110,617	1,001,330
Insurance	800,000	788,100	697,986
General and administration	932,083	1,027,208	951,286
Program services	1,543,530	1,962,738	1,729,915
	20,361,177	20,373,758	19,200,561
Annual surplus (deficit)	(602,094)	1,153,842	1,976,775
Accumulated surplus, beginning of year	21,471,586	21,471,586	19,494,811
Accumulated surplus, end of year	\$ 20,869,492	\$ 22,625,428	\$ 21,471,586

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 2(h))	2024	2023
Annual surplus (deficit), for the year	\$ (602,094)	\$ 1,153,842	\$ 1,976,775
Acquisition of tangible capital assets	(2,147,000)	(1,265,578)	(1,983,622)
Gain on sale of tangible capital assets	-	(4,470)	-
Proceeds on sale of tangible capital assets	-	5,365	-
Amortization of tangible capital assets	2,600,000	1,805,807	1,728,852
	453,000	541,124	(254,770)
Acquisition of prepaid expenses and other deposits	-	(1,264,911)	(1,174,182)
Use of prepaid expenses and other deposits	-	1,256,151	1,008,383
Change in net financial assets	(149,094)	1,686,206	1,556,206
Net financial assets, beginning of year	6,526,238	6,526,238	4,970,032
Net financial assets, end of year	\$ 6,377,144	\$ 8,212,444	\$ 6,526,238

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 1,153,842	\$ 1,976,775
Items not involving cash:		
Amortization of tangible capital assets	1,805,807	1,728,852
Gain on sale of tangible capital assets	(4,470)	-
Changes in non-cash operating items		
Accounts receivable	224,540	(414,199)
Due from the City of Richmond	21,838	(101,635)
Inventories held for resale	34,782	(25,043)
Prepaid expenses and other deposits	(8,760)	(165,799)
Accounts payable and accrued liabilities	407,839	(836,279)
Post-employment benefits	(430,400)	284,842
Deferred revenue	(325,575)	(446,221)
Rental deposits	-	4,408
	2,879,443	2,005,701
Capital activities:		
Acquisition of tangible capital assets	(1,265,578)	(1,983,622)
Proceeds on sale of tangible capital assets	5,365	-
	(1,260,213)	(1,983,622)
Investing activities:		
Net purchase of investments	(683,379)	(643,420)
Increase (decrease) in cash	935,851	(621,341)
Cash, beginning of year	1,122,442	1,743,783
Cash, end of year	\$ 2,058,293	\$ 1,122,442

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

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

(b) Revenue recognition:

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

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

Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by the 2010 Games Operating Trust (note 6) and when the related operating expenses and capital maintenance costs of the Oval are incurred. Any amounts received but not yet spent are recognized as deferred revenue.

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

(c) Financial instruments:

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

2. Significant accounting policies (continued):

(c) Financial instruments (continued):

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

Unrealized changes in fair value are recognized on the Statement of Remeasurement Gains and Losses. They are recorded in the Statement of Operations when they are realized. There are no unrealized changes in fair value as at December 31, 2024 and December 31, 2023. As a result, the Corporation does not have a Statement of Remeasurement Gains and Losses.

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

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

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

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

(d) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

2. Significant accounting policies (continued):

(d) Non-financial assets (continued):

(ii) Impairment of tangible capital assets:

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

(e) Pension plan:

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

(f) Income taxes:

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

(g) Functional and object reporting:

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

(h) Budget data:

The budget data presented in these financial statements is based upon the 2024 budget approved by the Board of Directors on February 7, 2024.

(i) Measurement uncertainty:

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

(j) Government transfers:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

2. Significant accounting policies (continued):

(k) Post-employment benefits:

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

3. Adoption of new accounting standards:

(a) PS 3160 - *Public Private Partnerships*:

On January 1, 2024, the Corporation adopted Canadian Public Sector Accounting Standard PS 3160, *Public Private Partnerships*. The new standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. The Corporation determined that the adoption of this standard did not have any impact on the amounts presented in the financial statements.

(b) PSG-8 - *Purchased Intangibles*:

On January 1, 2024, the Corporation adopted Public Sector Guideline PSG-8, *Purchased Intangibles*, applied on a prospective basis. PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through arm's length exchange transactions between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. The Corporation determined that the adoption of this standard did not have any impact on the amounts presented in the financial statements.

(c) PS 3400 - *Revenue*:

On January 1, 2024, the Corporation adopted Canadian public sector accounting standard PS 3400 *Revenue*. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at December 31, 2024, the Corporation determined that the adoption of this new standard did not have any impact on the amounts presented in the financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

4. Investments:

Investments represent term deposits as follows:

Purchase date	Maturity date	2024	2023
January 22, 2024	January 22, 2025	\$ 2,500,000	\$ -
April 8, 2024	April 8, 2025	1,783,379	-
May 21, 2024	May 21, 2025	5,000,000	-
August 9, 2024	August 11, 2025	4,000,000	-
December 13, 2024	December 15, 2025	2,250,000	-
April 24, 2023	April 24, 2024	-	5,000,000
June 27, 2023	June 27, 2024	-	600,000
July 21, 2023	January 22, 2024	-	2,500,000
July 21, 2023	July 22, 2024	-	5,000,000
December 7, 2023	April 8, 2024	-	1,750,000
		\$ 15,533,379	\$ 14,850,000

The interest rate of the term deposits ranges from 3.70% to 5.73% (2023 - 5.66% to 6.30%).

5. Due from City of Richmond:

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

6. 2010 Games Operating Trust Fund:

On November 14, 2002, under the terms of the Multiparty Agreement for the Games, the Government of Canada and the Province of British Columbia agreed to establish the Legacy Endowment Fund (the "Fund") and to each contribute \$55 million. On March 31, 2004, under the terms of the 2010 Games Operating Trust Agreement ("GOT"), 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 GOT, the City, as owner of the Oval, became a beneficiary of the GOT and became responsible for complying with obligations set by the Society and GOT in order to receive funding.

Effective December 31, 2007:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

6. 2010 Games Operating Trust Fund (continued):

Effective April 21, 2009, the City entered into an agreement with the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games ("VANOC"). The agreement details the terms and conditions to which the City is required to adhere in order to receive funding from GOT. Effective September 1, 2011, VANOC assigned the agreement to the Society.

Funds from GOT are paid to the City first and the City distributes the funds to the Corporation. Revenue from GOT is comprised of:

	2024	2023
2023 annual distributable amount approve and received in 2024	\$ 3,148,868	\$ -
2022 annual distributable amount approve and received in 2023	-	4,136,315
	\$ 3,148,868	\$ 4,136,315

7. Post-employment benefits:

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

	2024	2023
Accrued benefit obligation, beginning of year	\$ 1,185,300	\$ 900,458
Opening adjustment due to actuarial valuation, January 1, 2023	-	206,542
Current service cost	86,400	84,300
Interest cost	49,200	47,700
Benefits paid	(566,000)	(53,700)
Actuarial losses	94,300	-
Accrued benefit obligation, end of year	\$ 849,200	\$ 1,185,300

An actuarial valuation for these benefits was performed to determine the Corporation's accrued benefit obligation as at December 31, 2024. This actuarial gain and losses are being amortized over a period equal to the employees' expected average remaining service lifetime of 12 years (2023 - 12 years).

	2024	2023
Accrued benefit obligation, end of year	\$ 849,200	\$ 1,185,300
Unamortized net actuarial loss	(94,300)	-
Accrued benefit liability, end of year	\$ 754,900	\$ 1,185,300

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

7. Post-employment benefits (continued):

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

	2024	2023
Discount rate	4.30%	4.10%
Expected future inflation rate	2.50%	4.10%
Expected wage and salary range increases	2.50% to 3.00%	2.50 to 3.00%

8. Deferred revenue:

	2024	2023
Balance, beginning of year	\$ 8,132,049	\$ 8,578,270
Add: amounts received	14,051,851	12,691,087
Less: revenue recognized	(14,377,426)	(13,137,308)
Balance, end of year	\$ 7,806,474	\$ 8,132,049

Deferred revenue comprises of:

	2024	2023
Memberships and programs	\$ 1,379,009	\$ 1,322,166
Sponsorship fees	28,226	28,226
Sport Hosting funding (note 12(b))	629,076	664,897
Richmond Olympic Experience (note 12(b))	3,374,104	3,526,038
The Fields (a)	2,396,059	2,590,722
	\$ 7,806,474	\$ 8,132,049

(a) The Fields is a year-round outdoor activity space for sports programs and events. As at December 31, 2024, \$2,396,059 (2023 - \$2,590,722) of the funds restricted for The Fields remain in deferred revenue and the revenue will be recognized based on the terms specified by the related agreements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

9. Tangible capital assets:

Cost	Balance December 31, 2023	Additions, net	Disposals	Balance December 31, 2024
Athletic equipment	\$ 5,458,956	\$ 386,139	\$ (30,424)	\$ 5,814,671
Building improvements	3,321,537	314,903	-	3,636,440
Computer software and equipment	3,870,321	119,459	(1,423)	3,988,357
Facility equipment	1,680,759	358,199	-	2,038,958
Infrastructure	10,818,318	-	-	10,818,318
Signage	218,657	13,826	-	232,483
Simulators and exhibit fabrication	4,678,074	13,385	-	4,691,459
Tenant improvements	65,729	-	-	65,729
Uniforms, ice skates and helmets	417,713	6,335	(12,087)	411,961
Work-in-progress	100,000	53,332	-	153,332
	\$ 30,630,064	\$ 1,265,578	\$ (43,934)	\$ 31,851,708

Accumulated amortization	Balance December 31, 2023	Amortization expense	Disposals	Balance December 31, 2024
Athletic equipment	\$ 3,223,911	\$ 434,991	\$ (29,629)	\$ 3,629,273
Building improvements	2,647,930	279,949	-	2,927,879
Computer software and equipment	3,606,641	178,042	(1,323)	3,783,360
Facility equipment	1,478,618	113,700	-	1,592,318
Infrastructure	1,238,988	270,458	-	1,509,446
Signage	190,500	15,891	-	206,391
Simulators and exhibit fabrication	3,211,159	492,542	-	3,703,701
Tenant improvements	65,729	-	-	65,729
Uniforms, ice skates and helmets	384,011	20,234	(12,087)	392,158
	\$ 16,047,487	\$ 1,805,807	\$ (43,039)	\$ 17,810,255

	2023	2024
	Net book value	Net book value
Athletic equipment	\$ 2,235,045	\$ 2,185,398
Building improvements	673,607	708,561
Computer software and equipment	263,680	204,997
Facility equipment	202,141	446,640
Infrastructure	9,579,330	9,308,872
Signage	28,157	26,092
Simulators and exhibit fabrication	1,466,915	987,758
Uniforms, ice skates and helmets	33,702	19,803
Work-in-progress	100,000	153,332
	\$ 14,582,577	\$ 14,041,453

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

There was no write-down of tangible capital assets during the year (2023 - nil).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

10. Accumulated surplus:

	2024	2023
Accumulated surplus is comprised of:		
Share capital	\$ 1	\$ 1
Capital reserve	13,132,897	11,586,385
Other reserves/provisions	589,882	774,472
Operating surplus	605,797	607,259
Invested in tangible capital assets	8,296,851	8,503,469
	\$ 22,625,428	\$ 21,471,586

11. Financial risk management:

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

(a) Credit risk:

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

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

(b) Market and interest rate risk:

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

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

11. Financial risk management (continued):

(c) Liquidity risk:

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

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

There have been no changes in risk disclosures since 2023.

12. Related party transactions:

(a) City of Richmond:

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

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

During 2024, the Corporation received a contribution from the City of \$4,001,306 (2023 - \$3,903,713) (note 17).

(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 2024, \$400,000 (2023 - \$400,000) was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2024, \$629,076 (2023 - \$664,897) has been included in deferred revenue (note 8) and during 2024, \$435,821 (2023 - \$553,067) was recognized in memberships, admissions, and programs revenue on the statement of operations relating to Sport Hosting.

In previous years, the Corporation received hotel tax funding restricted for the purpose of purchasing tangible capital assets related to the Richmond Olympic Experience project. In order to retain the funding received in prior years, the Corporation must maintain and operate the tangible capital assets purchased with these funds over the life of the tangible capital assets. On an annual basis, the Corporation must provide a report to the City as to the use of the funds and the maintenance and operation of these tangible capital assets. As at year-end, \$3,374,104 (2023 - \$3,526,038) of the funds restricted for the purchase of tangible capital assets for the Richmond Olympic Experience remains in deferred revenue and the revenue will be recognized over the life of the underlying assets.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

13. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 Municipal Pension Plan as of December 31, 2021, indicated a \$3,761,000,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available later in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The Corporation paid \$638,872 (2023 - \$630,578) for employer contributions to the Plan in fiscal 2024.

14. Economic dependence:

The Corporation is economically dependent on receiving funding from GOT (note 6) and the City (note 12).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

15. Contractual rights:

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

2025	\$ 553,867
2026	510,117
2027	380,804

In addition, the Corporation receives funding from the City (note 12(a)) and from the GOT (note 6).

16. Other revenue:

Other revenue consists primarily of interest income of \$956,346 (2023 - \$912,518), parking fees of \$772,695 (2023 - \$620,279), leasing revenue of \$542,683 (2023 - \$459,558), and sponsorship revenue of \$45,000 (2023 - \$35,000).

17. Government transfers:

Government transfers are received for operating and capital activities. During 2024, the Corporation received an operating transfer of \$4,001,306 (2023 - \$3,903,713) (note 12(a)) and capital transfers of nil (2023 - \$396,399). The capital transfers are included in deferred revenue.

18. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year. These reclassifications do not impact the annual surplus reported in the prior period or net financial assets.

**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:

BE IT RESOLVED THAT:

the Shareholder acknowledges and confirms the previous receipt of financial statements of the Company for the period from January 1, 2024 to December 31, 2024, together with the auditor's report on such financial statements, which financial statements were approved by the Company's board of directors on April 22, 2025 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 5, 2025;

In accordance with the Company's Articles, the following persons, who have consented to be directors of the Company, are hereby elected as directors of the Company, to hold office for the term ending immediately prior to the annual general meeting of the Company held in 2027:

<u>Name</u>	<u>Term</u>
Traci Corr	2027
Bob Jackson	2027
Kush Panatch	2027
Bob Ransford	2027
Serj Sangara	2027

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;

the 2024 Annual Report of the Company is hereby received;

June 2, 2025 be and is hereby selected as the annual reference date for the Company for its current annual reference period; and

DATED as of June 2, 2025
CITY OF RICHMOND

Mayor Malcolm Brodie

NOTICE OF APPOINTMENT OF AUDITOR

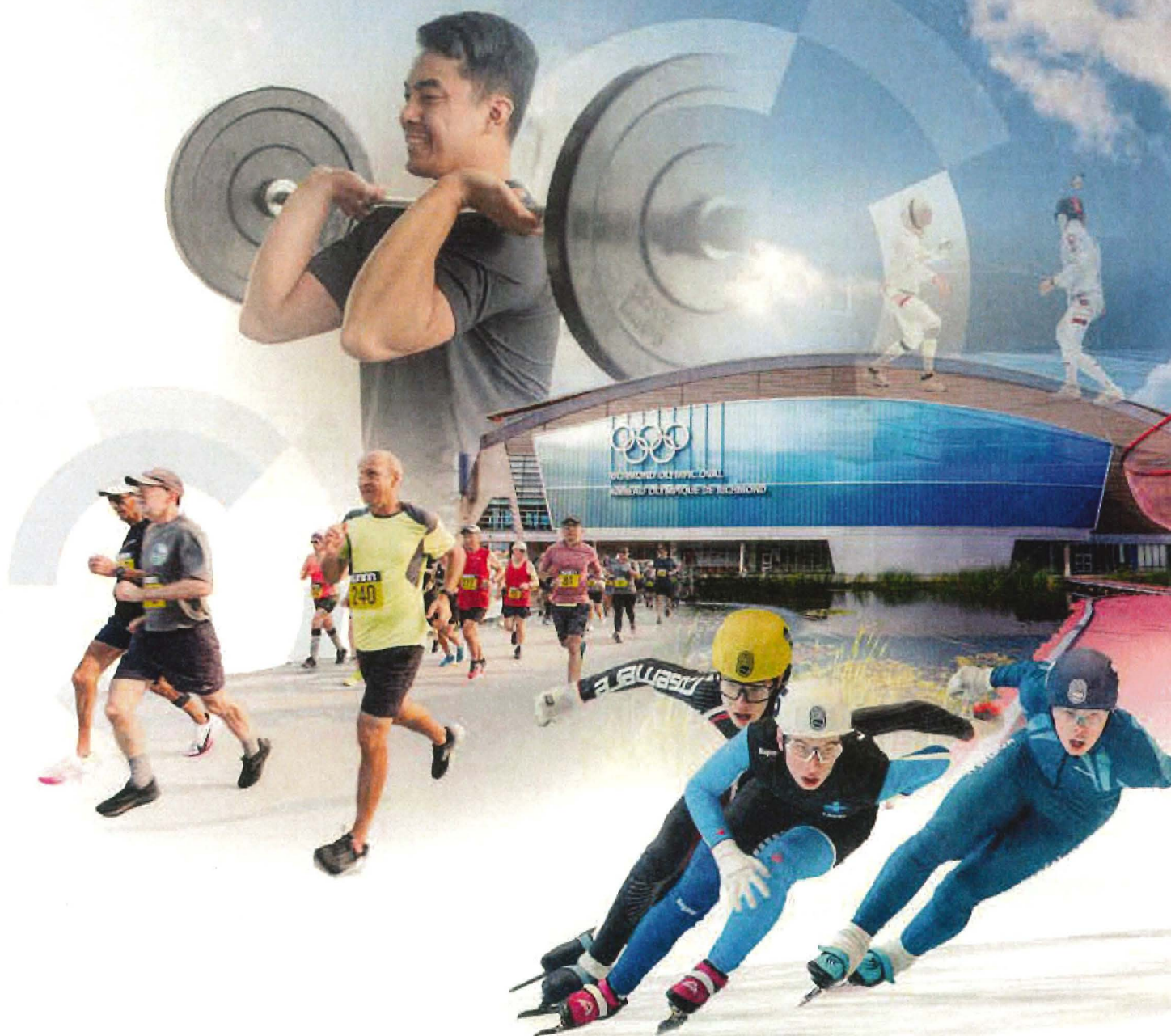
TO: KPMG LLP
Chartered Accountants
PO Box 10426 Pacific Centre
777 Dunsmuir Street, 11th Floor
Vancouver, British Columbia
V7Y 1K3

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

DATED as of June 2, 2025.

RICHMOND OLYMPIC OVAL
CORPORATION

Rick Dusanj
Chief Financial Officer



2024

ANNUAL REPORT

CNCL - 29
(Special)



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MESSAGE FROM THE CHAIR



Kush Panatch
Chair of the Board of Directors

As chair of the Board of Directors, I am pleased to present the 2024 Annual Report. This past year was marked by innovation, community engagement and a broadening of perspectives that will positively impact the Oval's future direction.

Throughout the year, the Oval hosted 84 events and training camps for a wide range of sport organizations, from local sports groups to national teams and everything in between. The Oval facilitated training for athletes spanning adaptive sport and the Special Olympics, participants in Oval-run programs and athletes from dozens of sports organizations. This diversity showcases the community's support for the Oval and demonstrates the varied connections that individuals have with sport and fitness. Whether training for a specific goal, maintaining a healthy lifestyle or learning a new skill, the offerings at the Oval are essential for the Richmond community.

In 2024, we focused on deepening our community connections. We launched a series of initiatives aimed at encouraging community participation and promoting physical activity at the Oval. These initiatives included cost-effective visitation opportunities such as Community Thursdays, which offers free access to the Olympic Experience, the new \$55 Forever Young Membership for individuals aged 55 and older, and increased participation in the City of Richmond Fee

Subsidy program. Additionally, we collaborated with the Richmond Public Library for the Summer Reading Program to incorporate a physical component into reading time. We also organized the inaugural Oval Community Day event, which welcomed more than 7,000 people for free, family-friendly activities on the outdoor fields.

This year, the Oval Board underwent revitalization with ten outgoing members, whose valuable contributions we greatly appreciate, and the addition of new members, including myself, who bring fresh perspectives to the Oval Community. On behalf of the Board, I am excited and grateful for the opportunity to collaborate with the staff to achieve operational efficiencies and to further support the community in its pursuit of health and wellness.

Many thanks are extended to the mayor and council for their ongoing support. I extend gratitude to the 2010 Games Operating Trust for its invaluable contributions in supporting athletes on their journey along the podium pathway.

Most importantly, I would like to extend our deepest thanks to the Oval staff who continued to deliver on the Oval's mandate during this period of transition. We are also grateful for the Oval's collaborators and volunteers who welcome our guests and help facilitate programs and access to the facility. Together, we look forward to continuing to develop programs and services that will benefit the community in 2025 and beyond.

Kush Panatch
Chair of the Board of Directors

MESSAGE FROM THE MANAGING DIRECTOR



Gerry De Cicco
Managing Director

It is a privilege to share the highlights and achievements for the Richmond Olympic Oval's Annual Report. The year 2024 marked continued success at Richmond's favourite venue for sports, fitness and recreation while enhancing community access to the facility.

Over the last year, the Oval experienced record visitation levels, thanks in part to the enduring popularity of our signature programs, such as Learn to Skate lessons and Summer Sport Camps, and popular member activities. With over 4,400 members – an annual increase of 12% – these individuals chose the Oval as their gym, contributing to a record 385,000 member visits. Additionally, introducing a new \$10 non-peak admission option at the beginning of the year resulted in nearly 22,000 admissions, marking a 64% increase over drop-in admissions in 2023.

Another highlight of the year was how our team developed innovative ways to engage the community while offering low- or no-cost visitation opportunities. Initiatives included thousands of community members attending the Oval Community Day event and providing complimentary admission to the Olympic Experience on the first Thursday of each month. By balancing community engagement with exceptional program delivery, the Oval achieved record facility attendance in 2024.

As a part of our commitment to financial sustainability, the Oval streamlined its management structure to oversee operations more efficiently. After 16 successful years of serving the community, the Oval is entering a new chapter aimed at becoming even less reliant on the City's annual contribution. This transition took effect in 2025, with the City reducing its contribution by 11%, resulting in even greater value for Richmond residents.

The achievements detailed in this report truly reflect our entire staff team's incredible dedication and hard work. From our facility service workers to sport camp leaders, fitness instructors and Oval attendants, each team member plays a vital role in making the Oval a special place for the community. I want to thank all the Oval staff for their commitment to delivering exceptional services, innovative programs and unforgettable experiences. I would also like to extend my thanks and appreciation to the Oval Corporation's Board of Directors as we look forward to taking the Oval to new heights.

In conclusion, 2024 marked my first year as the Oval Corporation's most senior employee after 18 years of service to the Corporation and the City of Richmond. Being part of a venue dedicated to sports and recreation – whether it's a child's first skating lesson or training for the international stage – has been a source of endless inspiration. From the Oval's early days, when we welcomed the community to skate on the long track and hosted the world during the Vancouver 2010 Winter Olympic Games, to the success of our community programs and overcoming health and operational challenges during the pandemic, the Oval continues to meet and exceed its goals of being Richmond's preferred venue for sport, fitness and recreation. Looking ahead, 2025 brings great optimism for the Oval's next phase and presents an opportunity to provide the residents of Richmond with inclusive, accessible and exceptional amenities, programs and services.

Gerry De Cicco
Managing Director

LEGACY GOALS AND OPERATING OBJECTIVES

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. Becoming the desired location for community sport, health and fitness.
4. Supporting high performance sport.
5. Operating in a financially sustainable manner.

OPERATING OBJECTIVES

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

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

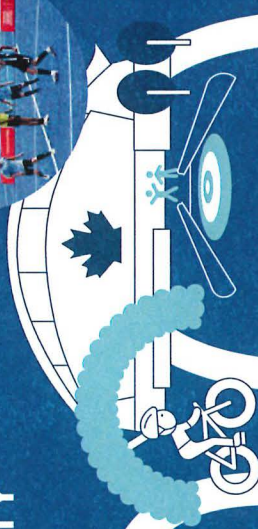
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(Special)



Oval Community Day Attendees
Participating in Curling on August 25




**OVAL
COMMUNITY
DAY**



**COMMUNITY
THURSDAYS**

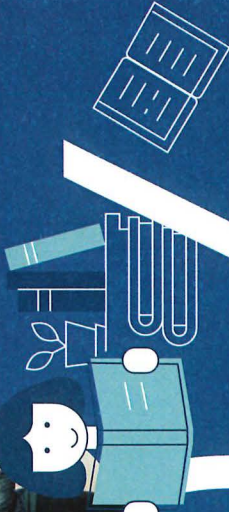


**FOREVER
YOUNG
WEDNESDAYS**

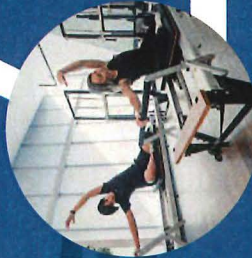


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(Special)

**RICHMOND
PUBLIC LIBRARY
PARTNERSHIP**



**NEW
PILATES
STUDIO**



**1.5 MILLION+
VISITATIONS**



AT A GLANCE

Team Australia Competes Against Team Great Britain in the Wheelchair Rugby Canada Cup from June 6 to June 9



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(Special)

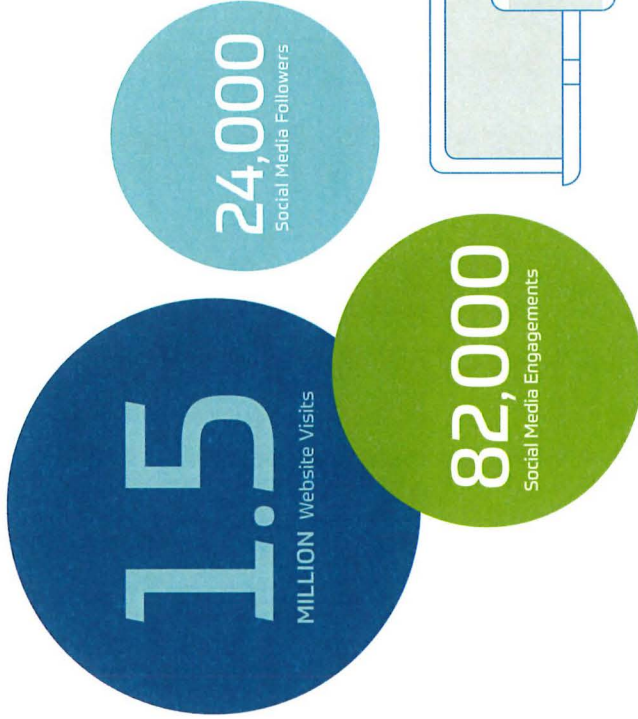


01

ESTABLISHING POSITIVE BRAND AWARENESS



ESTABLISHING POSITIVE BRAND AWARENESS 01



Telling the Oval Story

The Oval's social media presence pivoted to a video focus in 2024, leveraging popular content trends and encouraging engagement and post-sharing. In January, the Oval cross-posted an Instagram reel with the OVAL-HP account that asked Volleyball Canada's National Excellence Program members a simple question: What is the hardest position to play in volleyball? The video generated more than 498,000 views, of which 99% did not follow the Oval, leading to broad brand exposure to new audiences. This strategy proved impactful, with additional posts exceeding typical post reach, including a tongue-in-cheek reel that reminds patrons to scan in at the basketball courts, which had 79,000 views, and a reel documenting the court resurfacing work that reached 29,000 people.

498,000 views

79,000 views



Legacy Member Day

By the end of 2024, the Oval's membership grew to over 4,400 individuals. On November 20, the Oval celebrated more than 1,200 members who had actively maintained their membership for three years or longer, with more than 100 members maintaining their membership since the first day of Oval operations in 2008. During the event, professional headshots were provided for their member profiles, and the 250 members in attendance received a special Legacy Member card in addition to giveaways.

1,200
Legacy Members



Developing a Love of Movement

Throughout the summer, the Richmond Olympic Oval collaborated with the Richmond Public Library's Summer Reading Club to infuse a physical literacy component to the initiative that supports children of all ages in reaching their summer reading goals. In addition to active reading time, the Oval created a series of physical literacy cards that were displayed around the library to encourage movement from a young age.

Paris 2024

In collaboration with Richmond Sport Hosting and Consulate General of France in Vancouver, the Richmond Olympic Experience hosted the inaugural Opening Ceremony Reception on July 26, to celebrate the Paris 2024 Summer Olympic Games. The event gathered stakeholders from the sport and tourism sector to honor Team Canada athletes and highlight the legacy of the Olympic Games. The event leveraged excitement of the Olympic Games and showcased Richmond's tourism, sport hosting and corporate event planning products and services. It welcomed 90 attendees, including Consul General of France Monsieur Nicolas Baudouin and Olympic Gold Medalist Christine Nesbitt, along with representatives from various local organizations.

The Paris 2024 Self-Guided Tour was launched on the same date and ran until September 8. The tour aimed to connect guests with French history in sport, explore cultural exchanges between France and Canada and celebrate the achievements of French-Canadian athletes. Over 1,100 guests participated, exploring exhibits throughout the Richmond Olympic Oval. The tour featured new artifacts, including the official Paris 2024 Olympic and Paralympic posters, an introduction to the Paris 2024 mascots, "Les Phryges," and a preview of the upcoming Winter Olympic and Paralympic Games in Milan, Italy, in 2026. These initiatives increased paid visitation to the museum by 60% during the 2024 Paris Olympic and Paralympic Games.





02

BECOMING VALUED BY THE COMMUNITY AND EMPLOYEES



69,000

Table Tennis Sessions



4,900

Private Learn to Skate Lessons



56,000

Group Fitness Registrations



1,000

Climbing Program Registrations



3,100

Group Fitness Classes



Expanding Access for All Ages

The Oval is part of the Richmond Fee Subsidy Program, which includes summer sport camps, climbing programs and drop-in admissions. In 2024, the program was expanded to include drop-in sessions before 4:00 p.m. on Richmond Pro-D Days, as well as the Forever Young Wednesday membership, to provide further support for eligible individuals.

Community Thursdays

To help inspire future generations to pursue their athletic dreams and educate the community on the history, culture and values of the Olympic and Paralympic movement, admission to the Olympic Experience is free from 200 to 500 p.m. on the first Thursday of every month. Tickets are available in limited quantities every Community Thursday and can be claimed in person at the Richmond Olympic Oval front desk. Admission to the Olympic Experience is also free on Canada Day. On Richmond School District Pro-D Days, children's admission is free with the purchase of an adult ticket (up to three children per adult). The first Community Thursday kicked off on Canada Day, and the Olympic Experience welcomed 150 visitors as a part of the promotion.

Forever Young 8K

The Forever Young 8K for adults aged 55 and over celebrated its 10th annual race on September 8, with nearly 300 runners and walkers taking on the four-kilometre loop along the middle arm of the dyke. The inspiring day celebrates older adults from across Canada who have committed to staying fit for life. The eldest race finisher was 91-year-old Ann Steylen, who completed the race in under two hours. Proceeds from the race totalled over \$3,000 and were donated to Dream On, a foundation that grants wishes for older adults in need.

7,000
Community Members

Oval Community Day

The Oval welcomed 7,000 community members to the inaugural Oval Community Day on August 25, 2024. Presented by ASPAC, the free event featured family-friendly obstacle courses and activities by community groups, including BC Wheelchair Basketball, Richmond Curling Centre, and RampTime Productions, on the Oval's south plaza and Fields. Along with the event, Richmond's up-and-coming athletes from youth soccer teams competed in 6v6 games throughout the day, and the Can3x Summerfest 3-on-3 basketball tournament took over the outdoor courts. The day was rounded out with complimentary admission to the Olympic Experience, offering Olympic-themed selfie stations and various entertainment options, including festival food, music and Oval sport and fitness challenges.



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(Special)

03

SUPPORTING HIGH PERFORMANCE SPORT

1,950
Athletes Supported

6,250
Training Sessions

22
Sport Groups

OVALclimb Successes

After a successful season, three Oval athletes accepted invitations to join the Youth Canadian National Climbing Team to travel to China and represent their country. From August 22 to 29, Bruce Kong, Noah Schwartz and Alex Kovats competed in Guiyang, China, at the ISFC Youth World Championships. Bruce finished 11th in speed climbing, setting a Canadian record. Noah placed 22nd in bouldering, the highest-ranked Canadian in this category, and Alex placed 39th in speed climbing.

Additionally, all 12 athletes representing British Columbia at the Youth National Championships utilized the Oval's climbing facility as a training venue. OVALHP coaches Andrei Mandzuk and Hayden Jones joined the Youth National Team as coaches for the event.



RICHMOND OLYMPIC OVAL 2024 ANNUAL REPORT - 21

A Hub for International Rugby

The Oval worked closely with Rugby Canada to support the hosting of two international competitions, in February, during the Vancouver Sevens tournament, the Oval hosted training camps for several international teams, including the New Zealand All Blacks Sevens, the New Zealand Black Ferns Sevens and Rugby Canada's men's program. These teams utilized various facilities at the Oval, such as the High Performance Training Centre, the Fields, the RIDE studio, meeting rooms and the ice rinks. The Oval also provided essential training and recovery equipment to assist the teams during their preparations.

Additionally, the Oval collaborated with Rugby Canada to support the WXV competition in October. The WXV is an elite international tournament launched in 2023 to foster the global growth of women's rugby. The Oval served as a training hub for the New Zealand Black Ferns, France Rugby, England Red Roses and Ireland Rugby.

KEY PARTNERSHIPS



Coaching Excellence

In September, speed skating head coach Nicole Garrido was selected as a mentee in the High Performance Women in Coaching Program through the Coaching Association of Canada. Coach Nicole also continues to work with Team New Zealand, supporting the development of both their coaches and junior athletes. Coach Nicole has been asked to coach for Team New Zealand at five events in 2025 while continuing to support OVALHP athletes. The Oval's speed skating performance program offered on-ice training, strength and conditioning, dryland, indoor cycling, mental performance, nutrition and video analysis support for Neo-Junior and Junior athletes throughout the season. Three athletes qualified and competed in the Junior Short Track Championships, an important qualifier for the 2025 Junior World Championships, with the highest placing finisher and top BC athlete placing 17th.

Shaping Future Volleyball Stars

The Oval's Volleyball Canada Regional Excellence Program welcomed two new high-profile coaches in 2024. Michael Hawkins, who served as the Men's National Team assistant coach for the Paris 2024 Olympic Games, and Alyssa Fitterer, a former member of the Senior Women's National Team, are instrumental in advancing the program's objective to support Volleyball BC club athletes in improving their skills.

Coach Fitterer spent two years as a middle blocker on the Indoor Women's Senior Team after playing for Michigan State University's Indoor Team and the University of Hawaii Women's Beach Volleyball Team.

Coach Hawkins has also held positions as the head coach of the UBC men's volleyball program and Thompson Rivers University, establishing himself as a rising star on the national coaching scene.

In 2024, the program engaged 59 athletes, providing an integrated training environment for Volleyball BC club athletes aspiring to enhance their performance. The program is designed for boys and girls in grades nine through 12 who are committed to competing at the highest level and reaching their full potential in the sport.

Volleyball Canada's Home

Since 2017, the Oval has been the Women's National Training Centre for Volleyball Canada's indoor program. In 2024, the Oval, Volleyball Canada and Volleyball BC extended the agreement into 2028, with a mid-term review in 2026. In addition to creating an ideal daily training environment for all women's indoor programs, this partnership serves to inspire Richmond youth to participate in sport and creates additional sport hosting opportunities that positively impact Richmond's economy.

The Senior Women's National Team's performance exceeded expectations in 2024, with the team narrowly missing qualification for the 2024 Paris Summer Olympic Games after losing to the Netherlands at the Volleyball Nations League tournament. The team now looks forward to a bright future, setting its sights on the 2028 LA Summer Olympic Games, and the Oval is uniquely positioned to support their training needs to make this goal a reality.

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(Special)



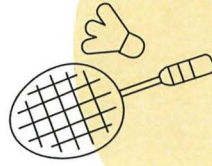
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04

BECOMING THE DESIRED LOCATION
FOR COMMUNITY SPORT, HEALTH
AND FITNESS



BECOMING THE DESIRED LOCATION FOR
COMMUNITY SPORT, HEALTH AND FITNESS



21,800

Drop-In Admissions

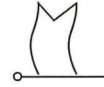
560

Pilates Lessons



84

Events & Training
Camps



2024 EVENTS



JANUARY

- JAN 5 - 7 BC Hockey U18 AAA Female Showcase
- JAN 6 - 8 BC Soccer Trade Show
- JAN 13 Muay Thai Provincials
- JAN 20 - 21 BC Wrestling Western Canadian Championships (I)
- JAN 27 - 28 Western Elite Circuit Speed Skating
- FEB 3 - 4 Jerry Jerome Indoor Track Meet
- FEB 13 ISEA Boys Gr 5
- FEB 14 ISEA Girls Gr 6
- FEB 17 Richmond Rockets Oval Challenge
- FEB 17 - 19 Aaron Johnson Memorial Cup
- FEB 21 ISEA Boys Gr 6
- FEB 22 High Performance Climbing Competition
- FEB 23 New Zealand Black Ferns Sevens Rugby Training Camp
- FEB 24 Pinnacle Cheer - Mardi Parti
- FEB 25 BC Wheelchair Athletics Clinic

MARCH

- MAR 1 Rhythmic Gymnastics Aura Cup
- MAR 2 BC Futsal Provincials
- MAR 2 Push 4 Impact
- MAR 4 - 5 Rehab Expo
- MAR 6 - 7 CISVA Basketball Play Day
- MAR 8 Speed Skating BC Short Track Academy
- MAR 9 RBC Training Ground
- MAR 16 - 17 VGVA
- MAR 22 - 24 Speed Skating Canada Cup Junior Final (2)
- MAR 28 - 29 Wheelchair Rugby Vancouver Invitational
- MAR 29 - APR 1 Sport Climbing Provincial Championships

MAY

- MAY 3 - 5 Delta Gymnastics Gymnaestrada & Cash and Carry Cup
- MAY 9 - 12 Volleyball Canada U14 Nationals (B)
- MAY 15 Hoopfest
- MAY 18 - 19 ISKF National Championships
- MAY 18 - 20 Pan-Asia Pacific Open and 2024 BC International Invitational Tournament
- MAY 24 - 26 Stevenson Meltdown

JULY

- JUL 12 - 14 OEC Youth Training Camp
- JUL 13 - 14 Boccia Provincials
- JUL 20 CACA Multicultural Carnival
- JUL 21 RBC Training Ground Speed Climbing Assessments

SEPTEMBER

- SEP 7 Hooplaw Basketball
- SEP 7 - 8 Skate BCYT Development Provincial Seminar
- SEP 8 Forever Young 8K Run (5)
- SEP 15 City Shred
- SEP 17 - 22 France Rugby Training Camp
- SEP 21 Ireland Rugby Training Camp
- SEP 23 - OCT 10 New Zealand Rugby Training Camp
- SEP 28 - 29 Fraser Valley Throwdown Series

NOVEMBER

- NOV 1 - 3 BC Wheelchair Sports Camp
- NOV 9 - 10 Vancouver Handball Cup
- NOV 9 - 10 Pan Asian Pacific Badminton
- NOV 11 SCBC Local Speed
- NOV 16 - 27 BC Weightlifting Championships
- NOV 21 - 24 Fencing World Cup (6)
- NOV 22 - 24 Speed Skating BC Short Track Cup
- NOV 30 - DEC 1 Karate Canada Cup
- NOV 30 - DEC 1 Drive Basketball Tournament

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FEBRUARY

- FEB 13 ISEA Boys Gr 5
- FEB 14 ISEA Girls Gr 6
- FEB 17 Richmond Rockets Oval Challenge
- FEB 17 - 19 Aaron Johnson Memorial Cup
- FEB 21 ISEA Boys Gr 6
- FEB 22 High Performance Climbing Competition
- FEB 23 New Zealand Black Ferns Sevens Rugby Training Camp
- FEB 24 Pinnacle Cheer - Mardi Parti
- FEB 25 BC Wheelchair Athletics Clinic

OCTOBER

- OCT 4 - 6 BC Rhythmic Gymnastics Training Camp
- OCT 4 - 6 CEC North American Cup Series
- OCT 11 - 13 BC Hockey U17 Showcase
- OCT 12 Korean Consul General Taekwondo Championships
- OCT 18 ParaTough
- OCT 21 - NOV 3 BAPE Clothing Sale
- OCT 26 ADOCC Jiu-Jitsu

DECEMBER

- DEC 7 DEKA MILE
- DEC 14 - 15 Pinnacle Cheer - Pink
- DEC 20 Creamline Cool Smashers Volleyball Canada Tour

Inclusive Camps for Every Child

In the summer, Oval Camps partnered with the Canucks Autism Network to provide sensory-friendly camps for the community. Recognizing the need for more inclusive youth programming and staff training, the initiative successfully engaged 35 children in sensory-friendly multisport camps designed for kids aged seven to 12. These sold-out camps featured lower camper-to-leader ratios, sensory-friendly environments and sport-specific instruction led by Oval camp leaders. Each camp focused on developing fundamental movement skills while also fostering confidence and a lifelong love of sport.

Non-Peak Drop-In

To kick off 2024, a \$10 non-peak drop-in rate was introduced to provide access to activities such as basketball, skating, table tennis and more during traditionally quieter times at the facility. Throughout the year, more than 8,500 non-peak drop-in admissions were sold. When combined with over 13,200 regular drop-in admissions, the Oval's total visitation surpassed 2023 numbers by 64%, primarily due to the introduction of the non-peak rate, providing more accessible opportunities for the community to enjoy sport and recreation at the Oval.



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Leveraging Fitness Trends

Adapting to deliver programs and services in line with emerging trends in sport and fitness is crucial for the Oval's continued success and in meeting the community's needs. In 2024, Pilates proved popular, with a 77% increase in private and semi-private lessons compared to the previous year. The year concluded with 341 private Pilates training sessions and an increasing number of group program registrants. To provide an exceptional experience and programming that rivals boutique fitness studios, the Oval transformed a previously underutilized space within the Fitness Centre into a dedicated private Pilates studio, which is now equipped with two reformer Pilates machines. The year concluded with an additional 225 registrations for group Pilates programs.

Forever Young Wednesdays

In September, the Richmond Olympic Oval introduced the Forever Young Wednesday's membership. This program is designed for individuals aged 55 and older, providing access to the Oval's Fitness Centre, basketball courts and more for only \$55 per calendar year. Members can enjoy these facilities on Wednesdays before 4:00 p.m. In the first four months of availability, a total of 50 memberships were sold.

2025 OUTLOOK

In 2025, the Richmond Olympic Oval will seek to build upon the previous year's successes by continuing to foster opportunities for the community to enjoy sport, recreation and fitness at the facility. As a part of this effort, the Oval will seek to assess and refine its offerings to ensure that it provides the best possible experience for members, guests and visitors. The Oval will also explore new opportunities to enhance the facility's sustainability. Considerations will include impactful, long-term strategies to optimize energy usage.

The facility will be 15 years post-Olympic Games and will have been in operation for 17 years. This means routine maintenance and upgrades are on the horizon for the Oval. Much of the year will focus on reinvesting in key infrastructure that will ensure the Oval continues to be mechanically sound. These upgrades will also consider the current activity levels at the Oval, ensuring they meet the demands of members, community sport groups and events. This will facilitate discussions about potential modifications and improvements to ensure the facility continues to serve the community's needs more effectively.

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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 2024, the Company has 10 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	TERM EXPIRY
Kush Panatch, British Columbia, Canada	President, Panatch Group	January 2024	2 years
Bob Jackson, British Columbia, Canada	Retired	January 2024	2 years
Bob Ransford, British Columbia, Canada	Senior Advisor, Development Century Group	January 2024	2 years
Serj Sangara, British Columbia, Canada	President, Wild River Forest Products; Director, The Dugout Club / Richmond Baseball	January 2024	2 years
Traci Corr, British Columbia, Canada	Research Manager, Vancouver Coastal Health	January 2024	2 years
Axel Hovbrender, British Columbia, Canada	Retired	June 2024	2 years
Gina Fernandez, British Columbia, Canada	Registered Occupational Therapist and Director of Clinical Operations Enable Occupational Therapy	June 2024	2 years
Helmut Pastrick, British Columbia, Canada	Retired	June 2024	2 years
Judith Hutson, British Columbia, Canada	Management Consultant, Hutson & Company	June 2024	2 years
Rick Hansen, British Columbia, Canada	Founder, Rick Hansen Foundation	June 2024	2 years

Executive Officers

As of December 2024, the Company has one executive officer. The name and province of residence of each executive officer, the office held by each officer and each officer's principal occupation are as follows:

NAME & PROVINCE OF RESIDENCE	POSITION	PRINCIPAL OCCUPATION
Rick Dusanj, British Columbia, Canada	Chief Financial Officer	Director, Finance, Innovation & Technology, Richmond Olympic Oval

Council Liaison

The City has assigned a Council liaison to attend the meetings of the Richmond Olympic Oval Board. Councillor Michael Wolfe currently holds the Council Liaison position.

NAME & PROVINCE OF RESIDENCE	POSITION	PRINCIPAL OCCUPATION
Councillor Michael Wolfe, British Columbia, Canada	Council Liaison	Councillor, City of Richmond

APPENDIX B – AWARDS SINCE OPENING

AWARDING BODY		AWARD
Canadian Association of Sport Heritage		CASH Award of Excellence
Rick Hansen Foundation		2017 Circle of Excellence Award for Best Practices Towards Universal Access
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	Honour Award: Interior Design
Concrete Reinforcing Steel Institute	Award Winner, Cultural & Entertainment Facilities
Society of American Registered Architects (SARA), New York Council	Citation
ANOC 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 C – 2024 ATHLETE ACHIEVEMENTS

CLIMBING		Richmond Resident	
JAN 21	Local Bouldering Competition	Aralia Chan	2nd Place Youth C Female
FEB 3	Speed Climbing Provincials	Bruce Kong	1st Place Youth B Boys
		Noah Swartz	2nd Place Youth B Boys
		Nicholas Hsu	3rd Place Youth B Boys
		Julia Kovats	1st Place Youth C Female
		Alexa Lewis	2nd Place Youth C Female
		Lene Astor	3rd Place Youth C Female
		Alex Kovats	1st Place Youth A Male
		Nathan Worden	2nd Place Junior Male
		Natalie Hsu	1st Place Junior Female
		Ashley Kam	2nd Place Youth B Female
FEB 17	Speed Climbing Nationals	Natasha Wong	3rd Place Youth B Female
		Geoffrey Arrowsmith	3rd Place Senior Male
		Bruce Kong	1st Place, National Champion Youth B Male
		Alex Kovats	4th Place Youth A Male
		Nicholas Hsu	5th Place Youth B Male
		Ashley Kam	5th Place Youth B Female
		Nathan Worden	8th Place Junior Male
		Natalie Hsu	9th Place Open Female
		Geoffrey Arrowsmith	15th Place Open Male
		Sofia King	13th Place in Lead, 15th Place in Bouldering
FEB 22-27 FEB 23	CEC HPP Competition Hive Heights Lead Competition	Jayden Milan	6th Place Open Women
		Nathan Worden	7th Place Open Men
		Victor Star	2nd Place Youth B Male
		Karyssa Kinak	2nd Place Bouldering, 2nd Place Difficulty
		Ines Durroux	3rd Place Bouldering, 1st Place Difficulty
		Ethan Ko	4th Place Difficulty
		Aralia Chan	2nd Place Bouldering, 4th Place Difficulty
		Jacob Del Rosario	1st Place Difficulty, 2nd Place Bouldering
		Paul Li	3rd Place Difficulty
		Bruce Kong	2nd Place Bouldering
MAR 29- APR 1	SCBC Youth Provincial Championship	Noah Schwartz	3rd Place Bouldering, 2nd Place Difficulty
		Ashley Kam	4th Place Bouldering, 4th Place Difficulty
		Max Hargrave Pawson	2nd Place Bouldering, 2nd Men's Open Difficulty
		Sofie King	2nd Place Bouldering
		Selena Worden	2023-24 Provincial Champion
		Julia Kovats	10th Place Youth C Female
		Ashley Kam	5th Place Youth B Female
		Natasha Wong	12th Place Youth B Female
		Annie Li	19th Place Youth B Female
		Victor Star	5th Place Youth B Male
APR 20-21	CEC Western Regionals	David Gao	10th Place Youth B Male
		Lynn Shang	13th Place Youth A Female
		Nathan Worden	16th Place Junior Male

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MAY 16-21	CEC Youth Nationals Boulder and Lead	Natasha Wong	38th Place YBF Bouldering, 22nd Place Lead
		Francine King	24th Place YBF Bouldering, 41st Place Lead
		Ashley Kam	12th Place YBF Bouldering, 4th Place Lead
		David Gao	45th Place YBM Bouldering, 35th Place Lead
		Victor Star	47th Place YBM Bouldering, 40th Place Lead
		Bruce Kong	13th Place YBM Bouldering, 8th Place Lead
		Nicholas Hsu	9th Place YBM Bouldering, 13th Place Lead
		Noah Schwartz	4th Place YBM Bouldering, 3rd Place Lead
		Noah Schwartz	19th Place Lead Climbing U16 Male, 22nd Place Bouldering U22 Male
		Bruce Kong	11th Place Speed Climbing U16 Male
AUG 22-30	IFSC 2024 Youth World Championship	Alex Kovats	39th Place Speed Climbing U18 Male
		Guy McNamee	2nd Place Open Men Lead
		Kindar McNamee	3rd Place Open Men Lead
		Rebecca Frangos	3rd Place Open Women Lead
		Alex Kovats	3rd Place Open Men Speed
OCT 4	2024 North American Cup Series Lead and Speed	Sienna Chow	1st Place Open Women Speed

SPEED SKATING

FEB 23-24	BC Winter Games	Tilman Astor	Bronze Medal – 500m Silver Medal – 1500m Silver Medal – 500m Silver Medal – 777m Silver Medal – 1000m Silver Medal – 1500m Silver Medal – 1500m
		Aaron Liu	Silver Medal – 500m Silver Medal – 777m Silver Medal – 1000m Silver Medal – 1500m
		Alivia Lam	Silver Medal – 500m Silver Medal – 777m Silver Medal – 1000m Silver Medal – 1500m
		Arya Jahns	Silver Medal – 500m Silver Medal – 777m Silver Medal – 1000m Silver Medal – 1500m
		Kai Barnett	17th Overall
		Heath Kennett	21st Overall
		Gabriele Ostomo	17th Overall
		Nora Wagner	29th Place
		Arya Jahns	31st Place
		Sophia Cairn- Martinez	45th Overall
MAR 22-24	Canada Cup Junior Final		

VOLLEYBALL

	Sofia Sekhon	Volleyball BC Provincials	15U Girls Senior All Star
		Volleyball BC Provincials	15U Girls Senior All Star
		Grace Marriott	15U Girls Senior All Star
		Abby Chan	Selected to 16U Team BC Red & Blue Team
		Vivian Vandergaag	Signed with Dalhousie University
		Louisa Cassidy	Signed with University of Toronto
		Lucy Borowski	Selected to Volleyball Canada NextGen team
		Volleyball Canada WNT	10th Place Finish
			5th Place Finish
		NORCECA Pan Am Cup	7th Place Finish

FIGURE SKATING	
David Howes	Sport Manitoba – 2024 Athlete of the Year 2024 Cranberry Cup – 18th Place BC Super Series – 1st Place 2024 Skate Canada NextGen Competition – 9th Place 2024 Skate Canada Challenge Silver Medal
Wesley Chiu	2024 Canadian National Championships – 1st Place 2024 Skate America – 9th Place 2024 Nebelhorn Trophy – 14th Place 2024 ISU World Figure Skating Championships – 17th Place 2024 ISU Four Continents Figure Skating Championships – 7th Place
William Chan	Selected to Represent Canada at 2024 Junior Grand Prix Held in Ankara Turkey 2024 BC/YT Junior Men's Champion
Liam Kapekalis	2024 Trophy Metropole Nice Côte d'Azur – 7th Place 2024 Cranberry Cup – 10th Place 2024 U.S. Championships – 13th Place
Travis Treng	2024 Novice Men's Challenge – Bronze
David Li	Represented Canada at Youth Olympic Games Silver Medal at 2024 Canadian National Championships 2024 Skate Canada NextGen Competition – 5th Place
Parsons Li	Selectionals- Pre Novice Men's Champion
Tristan Tan	Selectionals- Pre Novice Men's Silver
Marco Feng	Selectionals- Pre Novice Men's Bronze
Nico Conforti	Selectionals- Junior Men's Bronze
Jaslyn Wong & Nico Conforti	2024 National Pre-Novice Pairs Champions
Amy Shao Ning Yang	Selectionals – Senior Women's Silver NQS Philadelphia Summer Championship 2024 – 1st Overall Cranberry Cup – 10th CAN Challenge – 26th Skate Canada Challenge – 1st Place
Emily Liao	Selectionals – Pre Novice Women's Champion Super Series BC/YT Autumn Leaves- 5th Place NSQ 2024 Philadelphia Summer Championship - 12th Place
Ava Cheung & Stephen Lee	Selectionals - Novice Pairs Champions Challenge Pre-Novice Pairs Silver Medalists Stephen Lee Silver Medal at 2024 BC Winter Games 2024 BC/YT Novice Pair Champion
Grace Lu & Kaden Hung	Selectionals – Pre Novice Champions 2024 BC/YT Pre-Novice Pair Champions
Solomia Martyniuk	Selectionals – Juvenile Women's Champion 2024 BC/YT Juvenile Women's U14 Champion.
TABLE TENNIS	
David Xu	National Junior Table Tennis Champion – 1st Place Junior Pan American Championship
Chong Lam He	National Junior Table Tennis Champion – Team BC Championship Title ITTF- Americas Hopes Week – Top 8 Finish
Travis Treng	2024 Novice Men's Challenge – Bronze
Tehryn Lee	2024 Novice Canadian Championships Silver Medalist
Neo Tran	2024 BC/YT Junior Men's Silver Medalist 2024 BC/YT Junior Men's Bronze Medalist
Sora Murakami	2024 BC Winter Games Gold Medalist
Eva Wang	2024 BC/YT Pre-Novice Womens Champion

BASKETBALL	
MAR 1-3	Basketball BC Provincial Championships
	Sydney Roufosse AAAA Title Winner with Seaqum Secondary High School Named 2nd Team All Star
	Mackenzie Henderson Championship Game Player of the Game
	Hannah Grewal Named 2nd Team All Star (AAAA)
	Jordyn Nohr MVP (AAA)
	Eva Ruse Most Outstanding Defensive Player (AA)
	Bella Graves Named 1st Team All Star (AA)
	Kiana Kacsuz Named 1st Team All Star
HOCKEY	
Nicolas Drapack	GVC U18AAA BCEHL Humanitarian Award (2024/25 Season)
Max Shin	GVC U18AAA BCEHL Humanitarian Award (2023/24 Season)
U15AAA Team	GVC Finished 5th Place in Season
U17AAA Team	GVC Finished 1st Place in Season
U18AAA Team	GVC Finished 7th Place in Season
Marcus Pavan & Joshua Manning	Vancouver Thunderbirds U18 PCAHA Scholarship Winners
U18A1 Team	Vancouver Thunderbirds Coquitlam MHA Gold Classic Tournament – Bronze Medal
U18A2 Team	Vancouver Thunderbirds PCAGA U18 Team Achievement Award
WHEELCHAIR BASKETBALL CANADA	
Tara Lanes	IWF Repurchase Tournament – Undeferred 2024 Paralympic Games - 4th Place
FIELD HOCKEY CANADA	
Allie Campbell	Committed to Wake Forest University (NCAA Div. 1)
U18 National Team	Selected: Sadie Lee, Prabnoor Hundal, Allie Campbell, Sukhman Hundal, Rylie Novak
U17 National Team	Selected: Clair Cheng, Rayna Dhallwal, Amanat Dhillon, Puneet Litt
ROWING	
MAR	Elk Lake Spring Regatta
	U19 Women's Double Scull Gold U19 Women's Quad Scull Gold U17 Women Double Scull Gold U17 Men's Quad Scull Gold U17 Men's Quad Scull Silver U19 Men's Quad Scull Bronze U19 Women's Double Scull Bronze U17 Men's Double Scull Bronze
MAY	Shawnigan Lake Regatta
	U17 Women's Single Scull Gold & Silver U17 Women's Double Scull Gold & Bronze U17 Novice Women's Coxed Quad Silver U19 Women's Coxed Quad Silver U19 Junior Varsity Men's Double Scull Silver U19 Women's Quad Scull Silver & Bronze U17 Men's Double Scull Bronze U19 Men's Single Scull Bronze U17 Men's Quad Scull Bronze U17 Junior Varsity Women's Double Scull Bronze
OCT	Head of Charles Regatta
	Jack Harris Natalie Franke and Charlotte MacGowan Bronze Medal Youth Single Scull Gold U17 Women's Youth Doubles
AUG	Henley St. Catharines Ontario Regatta
	U19 Men's Double Scull Silver U19 Men's Coxed Quad Bronze U17 Women's Quad Scull Bronze
JUL	Rowing BC Provincials
	Jack Harris Jack Harris & David Orban Ryan Han & Nathan Martorella Marese Fletcher & Lucy Finlayson U19 Men's Single Scull Champion U19 Men's Double Scull Champions U17 Men's Double Scull Champions U19 Women's Double Scull Champions

APPENDIX D – 2024 SPORT ORGANIZATIONS AT THE OVAL

NATIONAL SPORT ORGANIZATION	
Climbing Escalade Canada	
Curling Canada (Wheelchair)	
Dodgeball Canada	
Field Hockey Canada – Men's Sr	
Field Hockey Canada – Women's Next Gen	
Field Hockey Canada - Women's Masters	
Paralympic Foundation of Canada	
Rugby Canada	
Speed Skating Canada	
Table Tennis Canada	
Volleyball Canada	
Wheelchair Basketball Canada	
Wheelchair Rugby Canada	
PROVINCIAL SPORT ORGANIZATION	
Badminton BC	
BC Adaptive Snowsports	
BC Athletics	
BC Deaf Sports Federation	
BC Fencing Association	
BC Games Society	
BC Hockey	
BC Lacrosse Association	
BC Rhythmic Gymnastics Federation	
BC Soccer Association	
BC Speed Skating Association	
BC Table Tennis Association	
BC Taekwondo Federation	
BC Weightlifting Association	
BC Wheelchair Basketball Society	
BC Wheelchair Sports Association	
BC Wrestling	
Gymnastics BC	
Independent Schools Association of BC	
International Shotokan Karate Federation of BC	
Karate BC	
Skate BC	
Speed Skating BC	
Sport BC	
Sport Climbing BC	
Sportability	
Swim BC	
Table Tennis North	
Volleyball BC	

APPENDIX E – MANAGEMENT’S DISCUSSION AND ANALYSIS

LOCAL SPORT ORGANIZATION	
Achilles International Track & Field Society	
Air Attack Volleyball	
Asahi Baseball	
AURA Rhythmic Gymnastics	
Brazilian Soccer School	
Catholic Independent Schools Vancouver Athletics	
Citrus Table Tennis Club	
Comnaught Figure Skating	
Delta Gymnastics Society	
Drive Basketball	
Elite Goalies Canada	
Fusion FC	
Greater Vancouver Canadians Hockey Club	
Greyhound Masters Track & Field Club	
Kojaks Track & Field	
Leslie Global Sports	
Non-Contact Hockey League	
Pinnacle Cheer	
Richmond Adult Soccer Association	
Richmond Arenas Community Association	
Richmond Jets Minor Hockey Association	
Richmond Rockets	
Richmond School District	
Sekishihinan (Shoshaikan) Karate	
Shasta Trampoline Club	
Split Second Basketball	
Supra Soccer Academy	
Thunder Rowing / UBC Boathouse	
Thunder Volleyball Club	
TSS Football Club	
Urban Rec	
Vancouver Angels Female Hockey Association	
Vancouver Handball Club	
Vancouver KI Society	
Vancouver Thunderbird Hockey	
West Coast Hawks	
Wings Badminton	

Overview of Performance

REVENUE

2024 revenue from memberships, admissions and programs totalled \$11,665,000 (2023 - \$10,151,000). In 2024, revenue from these sources of \$1,379,000 was deferred to fiscal 2025 (2023 - \$1,322,000 was deferred to 2024).

The City applies for and receives funding from the 2010 Games Operating Trust ("GOT") as explained in note 6 to the financial statements. The City received \$3,149,000 during the year which was recognized as revenue earned in the year (2023 - \$4,136,000).

The Corporation received a contribution of \$4,001,000 from the City in 2024 (2023 - \$3,904,000).

Other revenue of \$2,712,000 was recognized in 2024 (2023 - \$2,987,000) and mainly consisted of parking, leasing, interest and capital funding revenue.

EXPENSES

During 2024, expenses were incurred for the following:

- Salaries and benefits of \$12,750,000 (2023) – \$12,046,000). There were approximately 72 full-time, and 292 part-time employees on the payroll as of December 31, 2024: (2023 – 70 full-time and 273 part-time employees);
- Other operating expenses incurred in 2024 totaled \$7,624,000 (2023 – \$7,155,000) and mainly included the following:
 - Facility operations of the Oval including the heat, light and power, and building maintenance;
 - Amortization costs of tangible capital assets;
 - Property and liability insurance;
 - Administration costs related to accounting, information technology, development of organizational infrastructure such as safety programs, internal controls, office supplies and equipment support, human resource programs, professional fees, etc.;
 - Costs associated with running and servicing Oval programs.

The annual surplus for 2024 was \$1,154,000 (2023 - \$1,977,000). The total accumulated surplus as of December 31, 2024 is \$22,625,000 (2023 - \$21,472,000). Please refer to note 10 to the financial statement notes for the details of the accumulated surplus balance.

About the corporation

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

Summary of Financial Position

The following table presents summary information on the Corporation's financial position at December 31, 2024.

	\$000s	
	2024	2023
Financial Assets	\$18,624	\$17,286
Liabilities	10,412	10,759
Net Financial assets	\$8,212	\$6,527
Non – Financial assets	\$14,413	\$14,945
Accumulated surplus	\$22,625	\$21,472

FINANCIAL ASSETS

The Corporation has a cash balance of \$2,058,000 at year end (2023 - \$1,122,000). The investments balance is \$5,533,000 (2023 - \$14,850,000). The investments represent Corporation's investments held in term deposits. The accounts receivable aggregating \$785,000 (2023 - \$1,009,000) resulted primarily from the sales of memberships, admissions, programs, rentals and from interest receivable. Inventories held for resale of \$150,000 (2023 - \$185,000) primarily consists of merchandise and products to be sold. The amount due from the City of \$97,000 (2023 - \$119,000 due from the City) arises in the normal course of operations.

LIABILITIES

Accounts payable and accrued liabilities of \$1,838,000 (2023 - \$1,430,000) primarily include payroll accruals, and trade payables for heat, light, power, building maintenance expenditures, legal and audit fees. Post-employment benefits of \$755,000 (2023 - \$1,185,000) are benefit obligations accrued based on projected benefits prorated as employees render services necessary to earn the future benefits. Deferred revenue of \$7,806,000 (2023 - \$8,132,000) includes unspent funding pertaining to the Sport Hosting department, the Richmond Olympic Experience project, the Fields project, sponsorship fees, and the pro rata portion of fees received in 2024 for membership and programs to be delivered in 2025. A rental deposit of \$12,000 (2023 - \$12,000) is held as of the end of the year.

NON-FINANCIAL ASSETS

As at December 31, 2024, the Corporation had \$31,852,000 (2023 - \$30,630,000) 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, the Mezzanine infill project, and the Fields project. Amortization for the year was \$1,806,000 (2023 - \$1,729,000). Accumulated amortization of the capital assets amounted to \$17,810,000 (2023 - \$16,047,000) at year end.

Prepaid expenses of \$372,000 (2023 - \$363,000) includes 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 \$13,133,000 (2023 - \$11,586,000), other reserves/provisions is \$590,000 (2023 - \$774,000), accumulated operating surplus is \$606,000 (2023 - \$607,000), and the amount invested in tangible capital assets is \$8,297,000 (2023 - \$8,503,000) for a total accumulated surplus balance of \$22,625,000 (2023 - \$21,472,000).

Liquidity and Capital Resources

OPERATING

Cash provided by operations in the year amounted to \$2,879,000 (2023 - \$2,006,000).

CAPITAL ACTIVITIES

The Corporation purchased \$1,266,000 (2023 - \$1,984,000) of capital assets primarily consisting of sport and fitness equipment, building improvements, information technology, and facility equipment.

RELATED PARTY TRANSACTIONS

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

APPENDIX F – AUDITED FINANCIAL STATEMENTS

Financial Statements of

RICHMOND OLYMPIC OVAL CORPORATION

And Independent Auditor's Report thereon
Year ended December 31, 2024



Richmond Olympic Oval Corporation
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Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the 2024 annual report as at the date of this auditor's report.

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

We have nothing to report in this regard.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 30, 2025

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	\$ 2,058,293	\$ 1,122,442
Investments (note 4)	15,533,379	14,850,000
Accounts and other receivable	784,842	1,009,382
Due from City of Richmond (note 5)	96,765	118,603
Inventories held for resale	150,493	185,275
	18,623,772	17,285,702
Liabilities		
Accounts payable and accrued liabilities	1,538,173	1,430,334
Post-employment benefits (note 7)	754,900	1,185,300
Deferred revenue (note 8)	7,806,474	8,132,049
Rental deposits	11,781	11,781
	10,411,328	10,759,464
Net financial assets	8,212,444	6,526,238
Non-Financial Assets		
Tangible capital assets (note 9)	14,041,453	14,582,577
Prepaid expenses and other deposits	371,531	362,771
	14,412,984	14,945,348
Economic dependence (note 14)		
Accumulated surplus (note 10)	\$ 22,625,428	\$ 21,471,586

See accompanying notes to financial statements.

Approved on behalf of the Board:

Kush Patel Director

Oriel Howanda Director

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 2(n))	2024	2023
Revenue:			
2010 Games Operating Trust Fund (note 6)	\$ 3,200,000	\$ 3,148,868	\$ 4,136,315
Contribution from City of Richmond (note 12(a))	4,001,306	4,001,306	3,903,713
Memberships, admissions and programs	10,515,858	11,665,157	10,150,651
Other revenue (note 16)	2,041,919	2,712,269	2,986,657
	<u>19,759,083</u>	<u>21,527,600</u>	<u>21,177,336</u>
Expenses:			
Salaries and benefits	12,424,920	12,749,513	12,045,966
Utilities	1,052,317	929,775	1,045,226
Amortization	2,600,000	1,805,807	1,728,852
Supplies and equipment	1,008,327	1,110,617	1,001,330
Insurance	800,000	788,100	697,986
General and administration	932,083	1,027,208	951,286
Program services	1,543,530	1,962,738	1,729,915
	<u>20,361,177</u>	<u>20,373,758</u>	<u>19,200,561</u>
Annual surplus (deficit)	(602,094)	1,153,842	1,976,775
Accumulated surplus, beginning of year	21,471,586	21,471,586	19,494,811
Accumulated surplus, end of year	\$ 20,869,492	\$ 22,625,428	\$ 21,471,586

See accompanying notes to financial statements.

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RICHMOND OLYMPIC OVAL CORPORATION

Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 2(n))	2024	2023
Annual surplus (deficit), for the year	\$ (602,094)	\$ 1,153,842	\$ 1,976,775
Acquisition of tangible capital assets	(2,147,000)	(1,265,578)	(1,983,622)
Gain on sale of tangible capital assets	-	(4,470)	-
Proceeds on sale of tangible capital assets	-	5,365	-
Amortization of tangible capital assets	2,600,000	1,805,807	1,728,852
	<u>453,000</u>	<u>541,124</u>	<u>(254,770)</u>
Acquisition of prepaid expenses and other deposits	-	(1,264,911)	(1,174,182)
Use of prepaid expenses and other deposits	-	1,256,151	1,008,383
Change in net financial assets	(149,094)	1,686,206	1,556,206
Net financial assets, beginning of year	6,526,238	6,526,238	4,970,032
Net financial assets, end of year	\$ 6,377,144	\$ 8,212,444	\$ 6,526,238

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Annual surplus		
Items not involving cash:		
Amortization of tangible capital assets	\$ 1,153,842	\$ 1,976,775
Gain on sale of tangible capital assets	1,805,807	1,728,852
Changes in non-cash operating items	(4,470)	-
Accounts receivable		(414,199)
Due from the City of Richmond	224,540	(101,635)
Inventories held for resale	21,838	(25,043)
Prepaid expenses and other deposits	34,782	(165,799)
Accounts payable and accrued liabilities	(6,760)	(836,279)
Post-employment benefits	407,839	284,842
Deferred revenue	(430,400)	(446,221)
Rental deposits	(325,575)	4,408
	<u>2,879,443</u>	<u>2,005,701</u>
Capital activities:		
Acquisition of tangible capital assets	(1,265,578)	(1,983,622)
Proceeds on sale of tangible capital assets	5,365	-
	<u>(1,260,213)</u>	<u>(1,983,622)</u>
Investing activities:		
Net purchase of investments	(683,379)	(643,420)
Increase (decrease) in cash	935,851	(621,341)
Cash, beginning of year	1,122,442	1,743,783
Cash, end of year	<u>\$ 2,058,293</u>	<u>\$ 1,122,442</u>

See accompanying notes to financial statements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

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

(b) Revenue recognition:

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

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

Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by the 2010 Games Operating Trust (note 6) and when the related operating expenses and capital maintenance costs of the Oval are incurred. Any amounts received but not yet spent are recognized as deferred revenue.

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

(c) Financial instruments:

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

2. Significant accounting policies (continued):

(c) Financial instruments (continued):

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

Unrealized changes in fair value are recognized on the Statement of Remeasurement Gains and Losses. They are recorded in the Statement of Operations when they are realized. There are no unrealized changes in fair value as at December 31, 2024 and December 31, 2023. As a result, the Corporation does not have a Statement of Remeasurement Gains and Losses.

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

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

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

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

(d) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

2. Significant accounting policies (continued):

(d) Non-financial assets (continued):

(i) Impairment of tangible capital assets:

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

(e) Pension plan:

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

(f) Income taxes:

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

(g) Functional and object reporting:

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

(h) Budget data:

The budget data presented in these financial statements is based upon the 2024 budget approved by the Board of Directors on February 7, 2024.

(i) Measurement uncertainty:

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

(j) Government transfers:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

2. Significant accounting policies (continued):

(k) Post-employment benefits:

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

3. Adoption of new accounting standards:

(a) PS 3160 - *Public Private Partnerships*:

On January 1, 2024, the Corporation adopted Canadian Public Sector Accounting Standard PS 3160, *Public Private Partnerships*. The new standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. The Corporation determined that the adoption of this standard did not have any impact on the amounts presented in the financial statements.

(b) PSG-8 - *Purchased Intangibles*:

On January 1, 2024, the Corporation adopted Public Sector Guideline PSG-8, *Purchased Intangibles*, applied on a prospective basis. PSG-8 defines purchased intangibles as identifiable non-monetary economic resources without physical substance acquired through arm's length exchange transactions between knowledgeable, willing parties who are under no compulsion to act. Intangibles acquired through a transfer, contribution, or inter-entity transaction, are not purchased intangibles. The Corporation determined that the adoption of this standard did not have any impact on the amounts presented in the financial statements.

(c) PS 3400 - *Revenue*:

On January 1, 2024, the Corporation adopted Canadian public sector accounting standard PS 3400 *Revenue*. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at December 31, 2024, the Corporation determined that the adoption of this new standard did not have any impact on the amounts presented in the financial statements.

4. Investments:

Investments represent term deposits as follows:

Purchase date	Maturity date	2024	2023
January 22, 2024	January 22, 2025	\$ 2,500,000	\$ -
April 8, 2024	April 8, 2025	1,783,379	-
May 21, 2024	May 21, 2025	5,000,000	-
August 9, 2024	August 11, 2025	4,000,000	-
December 13, 2024	December 15, 2025	2,250,000	-
April 24, 2023	April 24, 2024	-	5,000,000
June 27, 2023	June 27, 2024	-	600,000
July 21, 2023	January 22, 2024	-	2,500,000
July 21, 2023	July 22, 2024	-	5,000,000
December 7, 2023	April 8, 2024	-	1,750,000
		\$ 15,533,379	\$ 14,850,000

The interest rate of the term deposits ranges from 3.70% to 5.73% (2023 - 5.66% to 6.30%).

5. Due from City of Richmond:

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

6. 2010 Games Operating Trust Fund:

On November 14, 2002, under the terms of the Multiparty Agreement for the Games, the Government of Canada and the Province of British Columbia agreed to establish the Legacy Endowment Fund (the "Fund") and to each contribute \$55 million. On March 31, 2004, under the terms of the 2010 Games Operating Trust Agreement ("GOT"), 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 GOT, the City, as owner of the Oval, became a beneficiary of the GOT and became responsible for complying with obligations set by the Society and GOT in order to receive funding.

Effective December 31, 2007:

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

6. 2010 Games Operating Trust Fund (continued):

Effective April 21, 2009, the City entered into an agreement with the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games ("VANOC"). The agreement details the terms and conditions to which the City is required to adhere in order to receive funding from GOT. Effective September 1, 2011, VANOC assigned the agreement to the Society.

Funds from GOT are paid to the City first and the City distributes the funds to the Corporation. Revenue from GOT is comprised of:

	2024	2023
2023 annual distributable amount approve and received in 2024	\$ 3,148,868	\$ -
2022 annual distributable amount approve and received in 2023	-	4,136,315
	\$ 3,148,868	\$ 4,136,315

Post-employment benefits:

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

	2024	2023
Accrued benefit obligation, beginning of year	\$ 1,185,300	\$ 900,458
Opening adjustment due to actuarial valuation, January 1, 2023	-	206,542
Current service cost	86,400	84,300
Interest cost	49,200	47,700
Benefits paid	(566,000)	(53,700)
Actuarial losses	94,300	-
Accrued benefit obligation, end of year	\$ 849,200	\$ 1,185,300

An actuarial valuation for these benefits was performed to determine the Corporation's accrued benefit obligation as at December 31, 2024. This actuarial gain and losses are being amortized over a period equal to the employees' expected average remaining service lifetime of 12 years (2023 - 12 years).

	2024	2023
Accrued benefit obligation, end of year	\$ 849,200	\$ 1,185,300
Unamortized net actuarial loss	(94,300)	-
Accrued benefit liability, end of year	\$ 754,900	\$ 1,185,300

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

7. Post-employment benefits (continued):

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

	2024	2023
Discount rate	4.30%	4.10%
Expected future inflation rate	2.50%	4.10%
Expected wage and salary range increases	2.50% to 3.00%	2.50 to 3.00%

8. Deferred revenue:

	2024	2023
Balance, beginning of year	\$ 8,132,049	\$ 8,578,270
Add: amounts received	14,051,851	12,691,087
Less: revenue recognized	(14,377,426)	(13,137,308)
Balance, end of year	\$ 7,806,474	\$ 8,132,049

Deferred revenue comprises of:

	2024	2023
Memberships and programs	\$ 1,379,009	\$ 1,322,166
Sponsorship fees	28,226	28,226
Sport Hosting funding (note 12(b))	629,076	664,897
Richmond Olympic Experience (note 12(b))	3,374,104	3,526,038
The Fields (a)	2,396,059	2,590,722
	\$ 7,806,474	\$ 8,132,049

(a) The Fields is a year-round outdoor activity space for sports programs and events. As at December 31, 2024, \$2,396,059 (2023 - \$2,590,722) of the funds restricted for The Fields remain in deferred revenue and the revenue will be recognized based on the terms specified by the related agreements.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

9. Tangible capital assets:

Cost	Balance December 31, 2023	Balance December 31, 2024	Disposals	December 31, 2024
Athletic equipment	\$ 5,458,956	\$ 386,139	\$ (30,424)	\$ 5,814,671
Building improvements	3,321,537	314,903	-	3,636,440
Computer software and equipment	3,870,321	119,459	(1,423)	3,988,357
Facility equipment	1,680,759	358,199	-	2,038,958
Infrastructure	10,818,318	-	-	10,818,318
Signage	218,657	13,826	-	232,483
Simulators and exhibit fabrication	4,678,074	13,385	-	4,691,459
Tenant improvements	65,729	-	-	65,729
Uniforms, ice skates and helmets	417,713	6,335	(12,087)	411,961
Work-in-progress	100,000	53,332	-	153,332
	\$ 30,630,064	\$ 1,265,578	\$ (43,934)	\$ 31,851,708

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Accumulated amortization	Balance December 31, 2023	Balance December 31, 2024	Disposals	December 31, 2024
Athletic equipment	\$ 3,223,911	\$ 434,991	\$ (29,629)	\$ 3,629,273
Building improvements	2,647,930	279,949	-	2,927,879
Computer software and equipment	3,606,641	178,042	(1,323)	3,783,360
Facility equipment	1,478,618	113,700	-	1,592,318
Infrastructure	1,238,988	270,458	-	1,509,446
Signage	130,500	15,891	-	206,391
Simulators and exhibit fabrication	3,211,159	492,542	-	3,703,701
Tenant improvements	65,729	-	-	65,729
Uniforms, ice skates and helmets	384,011	20,234	(12,087)	392,158
	\$ 16,047,487	\$ 1,805,807	\$ (43,039)	\$ 17,810,255

	2023	2024
Net book value	Net book value	Net book value
Athletic equipment	\$ 2,235,045	\$ 2,185,398
Building improvements	673,607	708,561
Computer software and equipment	263,680	204,997
Facility equipment	202,141	446,640
Infrastructure	9,579,330	9,308,872
Signage	28,157	26,092
Simulators and exhibit fabrication	1,465,915	987,758
Uniforms, ice skates and helmets	33,702	19,803
Work-in-progress	100,000	153,332
	\$ 14,582,577	\$ 14,041,453

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.

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

10. Accumulated surplus:

	2024	2023
Accumulated surplus is comprised of:		
Share capital	\$ 13,132,897	\$ 11,586,385
Capital reserve	589,882	774,472
Other reserves/provisions	605,797	607,259
Operating surplus	8,296,851	8,503,469
Invested in tangible capital assets	\$ 22,625,428	\$ 21,471,586

11. Financial risk management:

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

(a) Credit risk:

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

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

(b) Market and interest rate risk:

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

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

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

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

11. Financial risk management (continued):

(c) Liquidity risk:

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

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

There have been no changes in risk disclosures since 2023.

12. Related party transactions:

(a) City of Richmond:

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

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

During 2024, the Corporation received a contribution from the City of \$4,001,306 (2023 - \$3,903,713) (note 17).

(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 2024, \$400,000 (2023 - \$400,000) was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2024, \$629,076 (2023 - \$664,897) has been included in deferred revenue (note 8) and during 2024, \$435,821 (2023 - \$553,067) was recognized in memberships, admissions, and programs revenue on the statement of operations relating to Sport Hosting.

In previous years, the Corporation received hotel tax funding restricted for the purpose of purchasing tangible capital assets related to the Richmond Olympic Experience project. In order to retain the funding received in prior years, the Corporation must maintain and operate the tangible capital assets purchased with these funds over the life of the tangible capital assets. On an annual basis, the Corporation must provide a report to the City as to the use of the funds and the maintenance and operation of these tangible capital assets. As at year-end, \$3,374,104 (2023 - \$3,526,038) of the funds restricted for the purchase of tangible capital assets for the Richmond Olympic Experience remains in deferred revenue and the revenue will be recognized over the life of the underlying assets.

13. Pension plan:

The Corporation and its employees contribute to the Municipal Pension Plan (a jointly trusted pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 Municipal Pension Plan as of December 31, 2021, indicated a \$3,761,000,000 funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available later in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plan.

The Corporation paid \$638,872 (2023 - \$630,578) for employer contributions to the Plan in fiscal 2024.

14. Economic dependence:

The Corporation is economically dependent on receiving funding from GOT (note 6) and the City (note 12).

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

Year ended December 31, 2024

15. Contractual rights:

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

2025	\$ 553,867
2026	510,117
2027	380,804

In addition, the Corporation receives funding from the City (note 12(a)) and from the GOT (note 6).

16. Other revenue:

Other revenue consists primarily of interest income of \$956,346 (2023 - \$912,518), parking fees of \$772,695 (2023 - \$620,279), leasing revenue of \$542,683 (2023 - \$459,558), and sponsorship revenue of \$45,000 (2023 - \$35,000).

17. Government transfers:

Government transfers are received for operating and capital activities. During 2024, the Corporation received an operating transfer of \$4,001,306 (2023 - \$3,903,713) (note 12(a)) and capital transfers of nil (2023 - \$396,399). The capital transfers are included in deferred revenue.

18. Comparative figures:

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year. These reclassifications do not impact the annual surplus reported in the prior period or net financial assets.



CNCL - 62
(Special)



To: Mayor and Councillors ("the Shareholder") **Date:** May 16, 2025
From: Jerry Chong **File:** 01-0060-20-LIEC1/2025-
General Manager, Finance and Corporate Services Vol 01
Chair and Chief Financial Officer,
Lulu Island Energy Company
Re: **2025 Annual General Meeting Resolutions of the Lulu Island Energy Company**

Attached herein are the agenda items for the AGM of the Lulu Island Energy Company to be held on June 2, 2025 at a Special meeting of Council at the Richmond City Hall.

Attachment 1	Unanimous Resolutions of the Shareholder of LIEC
Attachment 2	Notice of Appointment of Auditor
Attachment 3	Consent Resolution of the Directors of LIEC – Appointment of Officers
Attachment 4	Consent Resolution of the Directors of LIEC – Appointment of the head of the Company for the purposes of the FOIPPA
Attachment 5	Consent Resolution of the Directors of LIEC – Financial Statements
Attachment 6	LIEC 2024 Annual Report



Jerry Chong, CPA, CA
General Manager, Finance and Corporate Services
Chair and Chief Financial Officer,
Lulu Island Energy Company

Att: 6

Report

DATE: May 1, 2025

TO: Board of Directors

FROM: Alen Postolka, P.Eng., Director, District Energy

Re: **2025 Annual General Meeting Resolutions of the Lulu Island Energy Company**

Staff Recommendation

That:

1. the Board recommend to Council (the Shareholder) that they approve and adopt the unanimous consent resolutions (Attachment 1) of the staff report dated May 1, 2025 addressing the business that would otherwise be required to be transacted at an annual general meeting;
2. upon adoption of the unanimous consent resolution of the shareholder in the form in Attachment 1, any officer be authorized to sign the Notice of Appointment of Auditor (Attachment 2), notifying KPMG LLP of its appointment 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;
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):
John David Irving – CEO
Jerry Ming Chong – Chair and CFO
Alen Postolka – COO
4. John David Irving be appointed the head of the Company for the purposes of the Freedom of Information and Protection of Privacy Act (Attachment 4);
5. the financial statements of the Company for the period ending December 31, 2024, and the report of the auditors thereon, are hereby approved, and that any one director of the Company is hereby authorized to sign the financial statements to confirm that approval (Attachment 5);

6. the Lulu Island Energy Company 2024 Annual Report (Attachment 6) be approved and presented to the shareholder at the Special Council Meeting on June 2, 2025.

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 requires that the Board appoint an auditor and officers of LIEC, and that LIEC holds an annual information meeting open to the public, at which LIEC will present the audited financial statements for the previous fiscal year approved by the Board on June 2, 2025.

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

Background

LIEC, a 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, the incorporation of LIEC was completed in August 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.

LIEC currently owns and operates the Alexandra District Energy Utility (ADEU) and City Centre District Energy Utility (CCDEU), which is inclusive of the Oval Village District Energy Utility (OVDEU). Both the Alexandra and the City Centre service areas have been experiencing rapid redevelopment since 2011, and LIEC has been growing to meet this increased energy demand, while maintaining exceptional reliability, transparency in operations, industry-competitive customer rates and excellent customer service.

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 British Columbia *Business*

Corporations Act and LIEC's articles. The details of these requirements are included in Attachments 2, 3, 4, 5, and 6.

In Attachment 5, the LIEC 2024 Annual Report is presented to the Board for their approval. In summary, LIEC financial statements show positive financial results and good financial health of the company. In 2024, LIEC achieved a significant milestone by obtaining City Council approval for the concept design of the Sewer Heat Recovery Permanent Energy Center. Once completed in 2028, this centre will deliver at least 70% of its energy demand by recovering heat from the city's sewers, replacing existing temporary energy infrastructure that currently uses natural gas.

As the development market shows signs of softening, LIEC staff are carefully evaluating each investment in infrastructure to ensure timely connections for active developments while safeguarding customer rate competitiveness. This approach positions LIEC well to navigate emerging economic challenges and align its capital program with actual customer growth.

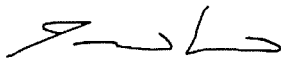
Overall, by the end of 2024, over 7.8 million square feet of residential, commercial, and institutional buildings are being serviced by district energy in Richmond.

Financial Impact

None.

Conclusion

The presented resolutions are legislated requirements under LIEC's articles and the British Columbia *Business Corporation Act* and it is recommended that they be approved.



Denise Lai,
Corporate Assistant
Lulu Island Energy Company
(604-276-4361)

- Att. 1: Unanimous Resolutions of the Shareholder of LIEC
- Att. 2: Notice of Appointment of Auditor
- Att. 3: Consent Resolution of the Directors of LIEC – Appointment of Officers
- Att. 4: Consent Resolution of the Directors of LIEC – Appointment of the head of the Company for the purposes of the FOIPPA
- Att. 5: Consent Resolution of the Directors of LIEC – Financial Statements
- Att. 6: LIEC 2024 Annual Report

UNANIMOUS RESOLUTIONS OF THE SHAREHOLDER OF
LULU ISLAND ENERGY COMPANY LTD.
(the "Company")

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 that the financial statements of the Company for the period ended December 31, 2024, and the report of the auditors thereon, have been provided to the shareholder in accordance with the requirements of the British Columbia *Business Corporations Act*;
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 7;
4. the following person will be removed as a director of the Company effectively immediately:

Kirk Taylor

5. 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:

Jerry Ming Chong
John David Irving
Roeland Zwaag
Anthony Capuccinello Iraci
Wayne Craig
Peter Russell
Venus Ngan

6. 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

7. June 2, 2025 is hereby selected as the annual reference date for the Company for its current annual reference period.

DATED as of _____, 2025.

CITY OF RICHMOND

Per: _____

NOTICE OF APPOINTMENT OF AUDITOR

TO: KPMG LLP
777 Dunsmuir Street
11th Floor
Vancouver, BC V7Y 1K3

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 May 16, 2025.

LULU ISLAND ENERGY COMPANY LTD.

Per: _____

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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
John David Irving	Chief Executive Officer
Jerry Ming Chong	Chief Financial Officer and Chair
Alen Postolka	Chief Operating Officer

EXECUTION BY COUNTERPART


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 May 16, 2025.

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JERRY MING CHONG

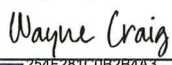
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JOHN DAVID IRVING

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KIRK TAYLOR

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ANTHONY CAPUCCINELLO IRACI

Signed by:

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WAYNE CRAIG

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PETER RUSSELL

Signed by:

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VENUS NGAN

**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:

WHEREAS:


- A. The Company, as a wholly-owned subsidiary of the City of Richmond, is a public body and subject to the *Freedom of Information and Protection of Privacy Act* (the "Act"); and
- B. Pursuant to section 77 of the Act, the Company must designate a person or group of persons as the head of the Company for the purposes of the Act;


RESOLVED THAT:

1. John David Irving be appointed the head of the Company for the purposes of the Act.
2. 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
May 16, 2025.

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JERRY MING CHONG

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JOHN DAVID IRVING

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KIRK TAYLOR

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ANTHONY CAPUCCINELLO IRACI

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WAYNE CRAIG

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PETER RUSSELL

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VENUS NGAN

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:

APPROVAL OF FINANCIAL STATEMENTS

RESOLVED THAT the financial statements of the Company for the period ended December 31, 2024, and the report of the auditors thereon, are hereby approved, and that any one director of the Company is hereby authorized to sign the financial statements to confirm that approval.

EXECUTION BY COUNTERPART

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 May 16, 2025.

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JERRY MING CHONG

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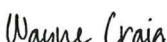
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ANTHONY CAPUCCINELLO IRACI

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WAYNE CRAIG

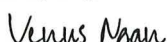
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PETER RUSSELL

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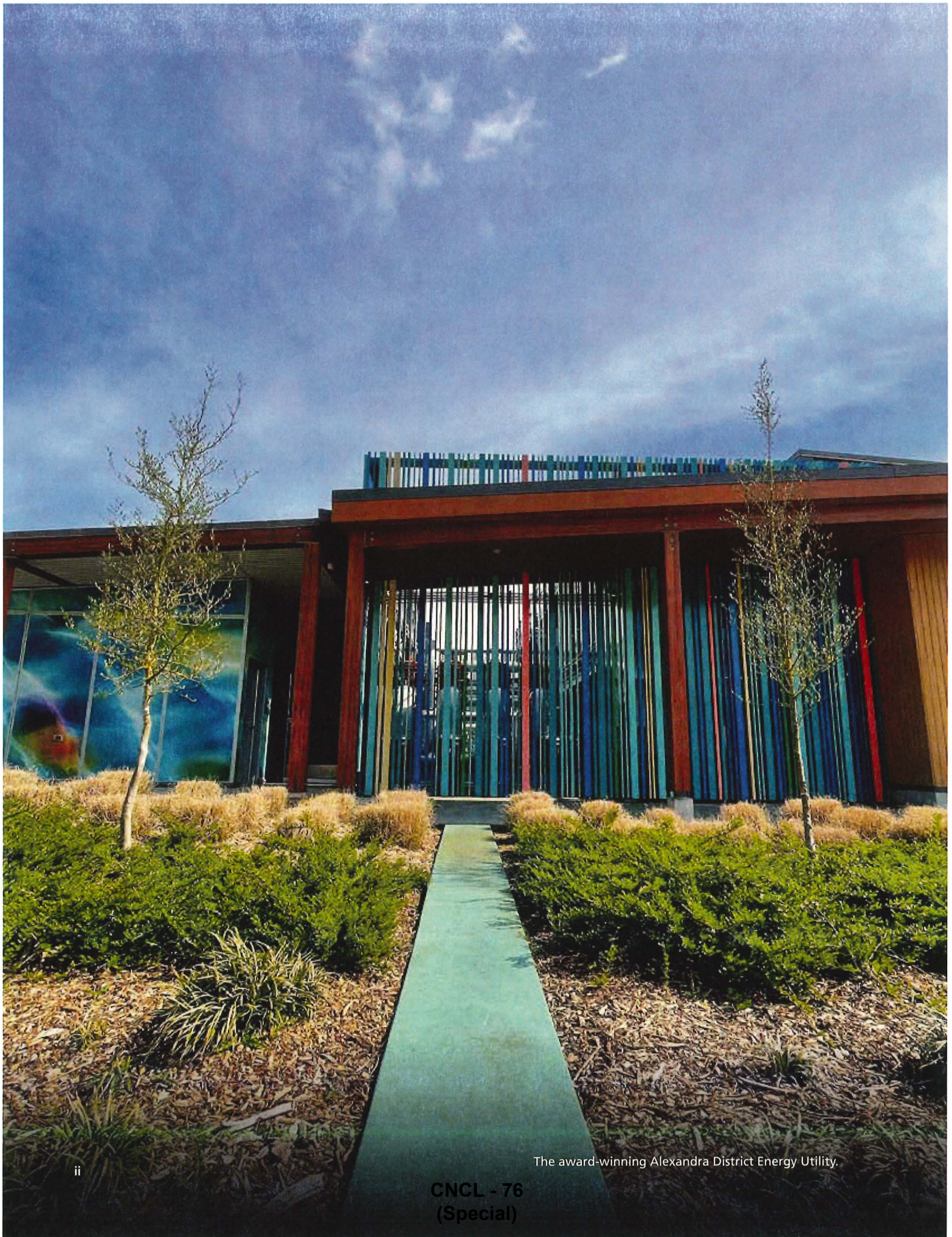
VENUS NGAN

2024 Annual Report



2024 | Annual Report

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(Special)



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The CF Richmond Centre redevelopment. The Park Plaza – An outdoor hub for cultural and entertainment activities.



■ MESSAGE FROM THE BOARD CHAIR

In 2024, Lulu Island Energy Company achieved several significant milestones that underscore our commitment to advancing sustainable energy solutions for the Richmond community.

We completed preliminary design and finalized the concept of the Sewer Heat Recovery Central Energy Plant, marking a major step forward in harnessing renewable energy sources. Additionally, we continued expansion of the City Centre District Energy network, enhancing our capacity to provide efficient and reliable energy. Furthermore, we upgraded several interim energy centres and initiated the design for additional centres to meet growing energy demands, thereby strengthening our infrastructure and supporting our long-term plan for sustainable energy distribution.

Despite economic challenges from inflation and construction cost increases, district energy development progressed as planned in 2024. We look forward to continuing our effort to provide Richmond with clean energy solutions that foster a greener future for our community. I am pleased to share the outstanding progress detailed in the 2024 Annual Report with our shareholder, the City of Richmond.

A handwritten signature in black ink, appearing to read 'Jerry Chong', with a stylized, flowing script.

Jerry Chong
Chair, Lulu Island Energy Company

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

I am delighted to share the remarkable progress Lulu Island Energy Company has made over the past year. In 2024, we achieved significant milestones on one of our most exciting projects: the future permanent energy center in Oval Village. This center will feature innovative sewer heat recovery technology and is set to serve customers by 2028. Additionally, we launched substantial infrastructure upgrades and expanded our service areas, working closely with stakeholders and developers to implement new connections and infrastructure.

The City Centre District Energy Utility (CCDEU) grows rapidly, with various residential, commercial, and mixed-use buildings planned for future connections. In the Alexandra District Energy Utility (ADEU) area, the design of the third cooling tower and upgrades to the system have been completed in order to boost the system's capacity to be ready to connect new customers. As Richmond's development accelerates, Lulu Island Energy Company is ensuring that our district energy utility infrastructure is ready to provide reliable energy services to our customers.

I am pleased to announce that Lulu Island Energy Company continues to be Richmond's trusted provider of "clean, efficient energy for now and the future." This report showcases the company's accomplishments and collaborations with partners and customers throughout 2024. We are very well positioned to manage emerging economic risks, and are constantly looking forward to ensure our capital program matches real customer growth.



John Irving

CEO, Lulu Island Energy Company





ABOUT THE LULU ISLAND ENERGY COMPANY

Lulu Island Energy Company (LIEC) is a wholly-owned municipal corporation incorporated in August 2013. LIEC was established to operate district energy 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.

On December 31, 2024, LIEC had a net book value of capital assets totalling \$58,128,103, with annual revenues of \$9,760,452, and expenses of \$7,003,080.

In 2024, LIEC provided reliable energy services to more than 7.8M ft² of connected floor space with an uptime greater than 99.95%.



District Energy Infrastructure inside One Park.

■ SPOTLIGHT ON 2024: PROGRESS REPORT

City Centre District Energy Utility Services Expansion

The expansion of the City Centre District Energy Utility (CCDEU) continues with the connection of another building: Phase 1B of the CF Richmond Centre development. This development utilizes an onsite low-carbon energy plant with over 6 MW of capacity to provide space heating, cooling, and domestic hot water heating services to customers. This energy plant incorporates three air-source heat pumps to meet the majority of the energy demand, along with two high-efficiency natural gas boilers for peaking and backup purposes. Upon completion of the upcoming Phase 1A of the CF Richmond Centre development, this energy plant will also recover waste heat from the Richmond Centre mall's cooling system to offset energy production for heating services, reducing overall emissions and increasing the use of low-carbon energy sources.

Sewer Heat Recovery Permanent Energy Center Concept Design

A future permanent energy centre in the CCDEU service area is currently under design. Following on the success of the Alexandra district energy plant in Alexandra Neighbourhood Park, the Sewer Heat Recovery Permanent Energy Centre will be the first permanent energy plant servicing City Centre customers. It will deliver at least 70% of its energy primarily by recovering heat from the city's sewers via Metro Vancouver's Gilbert Trunk sewer, utilizing sewer heat extraction and heat pump technology. Preliminary design was completed in 2024, and the concept design has been approved by City Council. Sited near the northeastern edge of the future Lulu Island Park, the facility's concept was designed to integrate with both interim and future conditions of the area. It includes hybrid construction that utilizes concrete panels on the building's river side to allow for its partial burial (in coordination with future dike and park improvements), and a corrugated metal façade fronting River Parkway that reflects the industrial heritage of the location. The facility is planned for completion by 2028 and will interconnect with CCDEU customer buildings.

Oval Village Interim Energy Centre #1 and #3 Upgrades

Located near the intersection of River Parkway and Gilbert Road, interim energy centres (IECs) #1 and #3 were upgraded in 2024 to add over 3 MW of additional boiler capacity to meet increased demand from upcoming developments in the Oval Village area. As part of this project, IEC #3 was extended by 2 meters to accommodate the new equipment. Additionally, a small office container was installed adjacent to IEC #1, including a workstation for operator use as needed. The total cost of this project was \$1.6 million.

Alexandra District Energy Utility Energy Centre Upgrades

Upgrades to the plant's equipment and controls to enhance system serviceability and reliability were successfully completed in 2024. The installation of a manual transfer switch to allow the ADEU plant to run on emergency backup power in case of an extended power outage commenced in 2024. Additionally, the design of new distribution piping along Dubbert Street to service future developments and a third cooling tower to increase the system's cooling capacity were completed in 2024.

LIEC System Operations

In 2024, LIEC delivered 53,719 MWh of space heating, cooling, and domestic hot water heating energy to customers. The low-carbon energy produced by ADEU's local geo-exchange fields and CCDEU's efficient air-source heat pumps resulted in over 5,213 tons of CO₂e avoided, equivalent to removing 1,600 cars from City of Richmond roads for one year. Overall, LIEC's systems achieved an availability over 99.95%, providing reliable, uninterrupted low-carbon energy services to customers.

LIEC Facilities Tours

In 2024, LIEC continued its tradition of providing educational tours of the LIEC facilities to a number of interested parties. These tours aimed to educate stakeholders on district energy initiatives, the operational aspects of LIEC in Richmond, and the numerous benefits district energy brings to the community. Among the groups that participated in these tours were British Columbia Utilities Commission, UBC Environmental Engineering, BCIT Environmental Engineering, UBC Urban Systems Engineering, Cascadia Networking Coalition, and the New York Building Decarbonisation Coalition. This initiative highlights LIEC's dedication to educating local, national, and international stakeholders about district energy and its efforts to reduce community GHG emissions.

Barn Owl Box Update at the ADEU

LIEC is committed to preserving community wildlife and has constructed barn owl nesting boxes in the ADEU energy centre. Since 2021, a pair of barn owls has successfully reared 3–5 young each year. To monitor their activity, motion-activated cameras have been installed on the exterior of both nesting boxes. Footage from the 2025 breeding season will be available on the following website: richmond.ca/wildlife.



At the Alexandra DEU, motion-activated cameras are installed at the Barn Owl nesting boxes to monitor their activities.

Did you know?

Barn Owls are among the best controls for rodent populations. A breeding pair of Barn Owls can catch 4,000 rodents in a year.



Visitors can scan the QR code to learn more about Barn Owls.



Townline Luxe development on No. 3 Road.

LOOKING FORWARD: 2025 WORK PLAN

City Centre District Energy Utility Services Expansion

The next phase of the CF Richmond Centre development, Phase 1A, is anticipated to connect in 2025. It comprises over 620,000 ft² of residential floor space and marks the fifth connected CCDEU development. This development includes an onsite low-carbon energy plant with 8 MW of capacity, powered by three air-source heat pumps and two natural gas boilers that provide space heating, cooling, and domestic hot water heating services to customers. Similar to the Phase 1B energy plant, the Phase 1A energy plant will have the capability to receive waste heat from the Richmond Centre mall to offset energy production for heating services.

This functionality is made possible due to a Heat Rejection System comprising two water-to-water heat pumps with over 1.5 MW of capacity. This system is anticipated to be completed in 2025 in conjunction with the Phase 1A energy plant, and is designed to transfer otherwise wasted heat from the mall's thermal network to the low-carbon energy plants servicing the Phase 1A and Phase 1B developments. This innovative heat transfer system was developed in close collaboration between LIEC and the developer, demonstrating their commitment to energy savings and emissions reductions to the customers.

The Townline Luxe development at 5591 No. 3 Road is a high-density, mixed-use development with over 430,000 ft² of space across four towers, planned to connect to the CCDEU network in 2025. It will be served by an on-site low-carbon energy plant using air-source heat pumps to provide efficient heating, cooling, and domestic hot water heating. The development is also designed for future integration with the off-site centralized energy system. LIEC continues to collaborate closely with developers to deliver high-quality, utility-grade on-site energy plants that prioritize low-carbon energy sources for heating and cooling services to its occupants.

Building and Address	Use Type	Floor Area (ft ²)	Occupancy
CF Richmond Centre (Phase 1A) – 6551 No. 3 Road	Residential	620,000	Q2 2025
Townline Luxe – 5593 No. 3 Road	Mixed	430,000	Q2 2025
Pathways – 5491 No. 2 Road	Residential	60,000	Q4 2025

Alexandra District Energy Utility Services Expansion and Upgrades

Expansion and development in the West Cambie Neighbourhood continues. Camden Square, a new building that will connect to ADEU, is expected to start construction in 2025. This new development will increase the connected floor area by over 189,850 ft², bringing the total serviced area to 2.5M ft² with 14 connected buildings. Efficient planning allowed for the prior installation of distribution piping for this building, so the connection will be completed with no impact on public roadways.

Building and Address	Use Type	Floor Area (ft ²)	Occupancy
Camden Square – 9300/9320 Cambie Road	Residential	189,850	2026

Minor capital upgrades to the ADEU plant will be completed in 2025, including the installation of a manual transfer switch to enable the plant to operate on emergency backup power during extended power outages. The procurement and installation of a third cooling tower to increase the system's cooling capacity will also commence in 2025.

Sewer Heat Recovery Central Energy Plant

LIEC is in the detailed design stage for the first permanent energy plant servicing City Centre customers. This plant will deliver at least 70% of its energy demand through heat recovery from Metro Vancouver's Gilbert Trunk sewer, utilizing sewage heat extraction and heat pump technology. It will replace the existing temporary energy infrastructure that uses natural gas, resulting in an annual reduction of approximately 9,750 tons of community greenhouse gas emissions at full build-out.

The energy plant will be sited near the northeastern edge of the future Lulu Island Park and will be designed as a contemporary, curvilinear building serving as a landmark and a catalyst for the transformation of the surrounding area. Key elements of the design include concrete panels on the building's river side for partial burial, a publicly accessible green roof (accessed via the future park) that brings ecological and environmental benefits and provides a riverfront landmark view, and publicly available washrooms that will eliminate the need for additional structures serving this purpose in the future park. The facility is scheduled to be completed by the end of 2028.

Interim Energy Centre IEC #5 (Capstan)

To serve upcoming developments in the Capstan neighbourhood, LIEC is in the process of designing an interim energy centre (IEC #5) in the north end of the Capstan area. IEC #5 will service upcoming developments including Polygon Talistar Lots B and C (3420 and 3599 Ketcheson Court), Pinnacle Living Phase 4 (3200 No. 3 Road), and YuanHeng Viewstar II & III (3311 No. 3 Road and 3399 Corvette Way). The IEC #5 is designed with an initial capacity of 13 MW, consisting of high-efficiency natural gas boilers and distribution pumps, with the ability to expand to over 19 MW of capacity as needed to meet future demands. The energy centre is scheduled to be operational by 2026.

Capstan Distribution Piping System

To distribute thermal energy across the Capstan neighbourhood, approximately 2.1 km of distribution piping system (DPS) will be installed over the course of two years, starting in 2025. The size of the piping will vary from 250 mm (NPS10) to 406 mm (NPS16) to meet hydraulic conditions and is expected to be completed by 2028, in line with upcoming development timelines. The carbon steel distribution piping comes equipped with pre-installed foam insulation, integral leak detection wiring for continuous monitoring, and an outer casing of high-density polyethylene.

Interim Energy Centre IEC #4 (Oval West)

In 2025, LIEC is scheduled to provide service to the upcoming Pathways affordable housing development near the intersection of No. 2 Road and Westminster Highway. To serve this building and upcoming developments in the west end of the Oval Village, LIEC is constructing interim energy centre IEC #4 adjacent to the south end of the No. 2 Road bridge. This energy centre will have an initial capacity of 2 MW, with the ability to expand to over 3 MW to connect to the ASPAC Lot 1 (6011 River Road) and Lot 7B (5900 River Road) developments by 2028. The IEC #4 will be equipped with high-efficiency condensing boiler technology that utilizes heat recovery from the boiler's exhaust. The initial phase is scheduled to be in service before the end of 2025. This section of the Oval Village neighbourhood will eventually be interconnected with the upcoming permanent sewer heat recovery facility by 2029. The operation of both IEC #4 and #5 will be monitored 24/7 and controlled remotely by LIEC's SCADA (Supervisory Control and Data Acquisition) network. Thermal energy will be delivered to customers and modulated based on demand via three variable-frequency drive (VFD) controlled pumps.



CCDEU continues to expand their service area.

Oval West Expansion Distribution Piping System

To deliver thermal energy from IEC #4 to the Oval West customers, LIEC is constructing approximately 300 m of distribution piping system (DPS) consisting of two 150 mm (NPS 6) supply and return carbon steel pipes. These pipes will include pre-installed foam insulation, integral leak detection wiring, and an outer casing of high-density polyethylene. The construction of the DPS will coincide with the installation of IEC #4 to meet the connection timeline for the Pathways affordable housing development in 2025.

Interim Energy Centre # 2 Upgrade

In order to meet the increased thermal energy demands of upcoming Park Residence developments at 6333–6399 Mah Bing Street and other developments in the Brighthouse area, the existing Interim Energy Centre (IEC #2) located at 6111 Bowling Green Road will be upgraded to include an additional 1 MW of heating capacity through high-efficiency natural gas boilers. This upgrade is scheduled to be completed in 2025.

Carrera & Mah Bing DPS Extension

To service the upcoming Park Residence developments at 6333–6399 Mah Bing Street, the distribution piping system (DPS) will be extended from IEC #2. The extension will consist of approximately 165 m of DPS piping, equipped with pre-installed foam insulation, integral leak detection wiring, and an outer casing of high-density polyethylene. The construction of the DPS will coincide with the upgrade of IEC #2.

■ ALEXANDRA DISTRICT ENERGY UTILITY

ADEU has been operating since 2012 as a low-carbon energy system which provides a centralized energy source for heating, cooling and domestic hot water heating for residential and commercial customers located in the Alexandra/West Cambie neighbourhood. ADEU assists in meeting the community-wide greenhouse gas emission reduction targets adopted as part of Richmond's 2041 Official Community Plan by providing buildings with renewable low-carbon energy through geo-exchange technology.



Alexandra District Energy Utility.

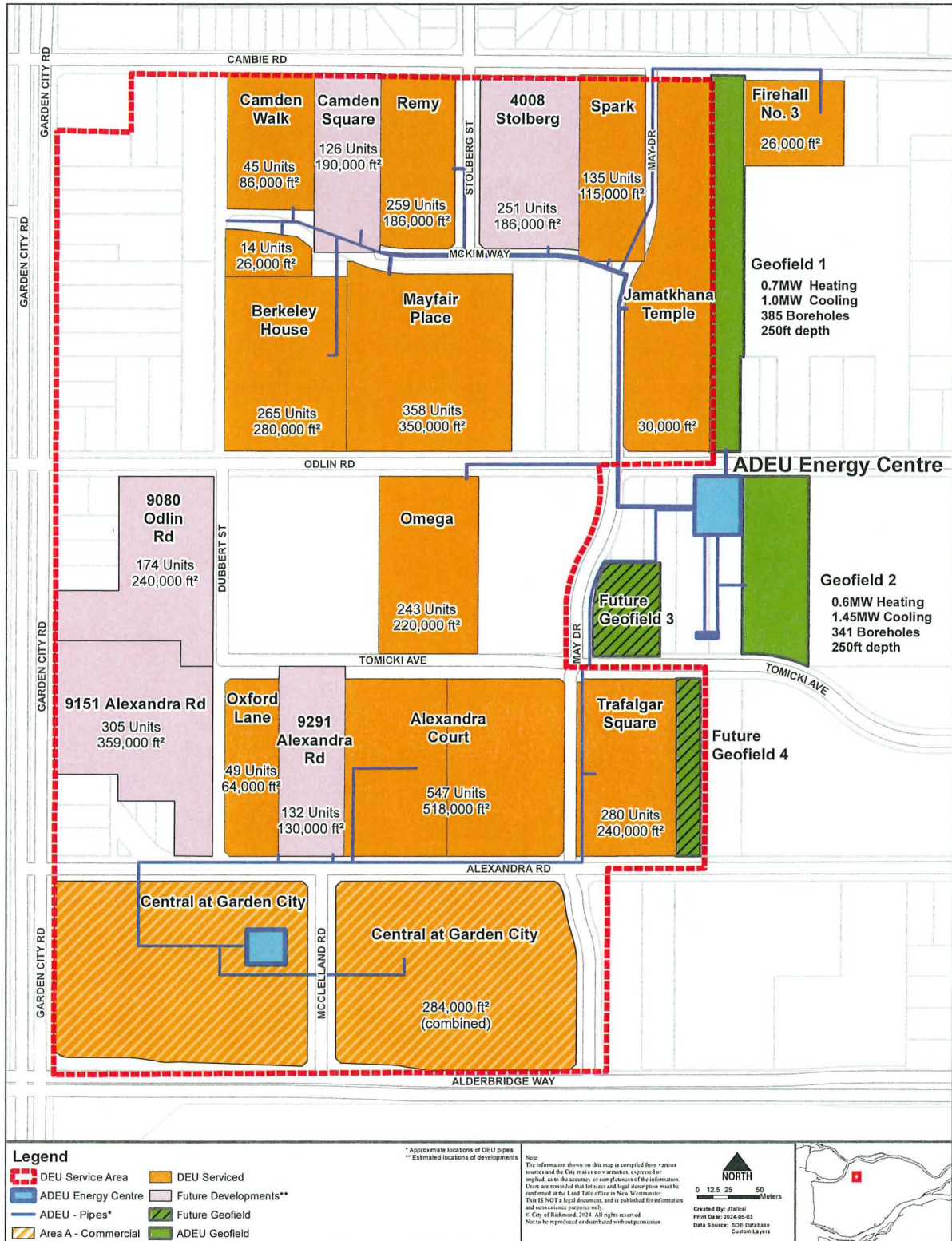


Alexandra District Energy Utility at Alexandra Neighbourhood Park.

Infrastructure Overview

Energy Station	9600 Odlin Road, Richmond, BC V6X 1C9 Satellite Energy Plant (Area A) – 4751 McClelland Road, Upper Parkade, Richmond, BC V6X 0M5
Service	Residential: Space heating, cooling and domestic hot water Commercial: Space heating and cooling
Technology	<p>Heating, cooling, and domestic hot water are provided to connected residential buildings, and only heating and cooling for large commercial and institutional spaces through a hydronic (water) energy delivery system.</p> <p>In heating mode, ground source heat pump technology extracts heat (geothermal energy) from the ground via a network of vertical pipe loops. Built-in natural gas-fired boilers provide 100% back up in case the ground source heat pumps shut down or require maintenance.</p> <p>This system also cools buildings. During the summer months, the energy flow reverses, extracting heat from buildings and pumping it into the ground. This process “recharges” the energy that was extracted from the ground, allowing heat to be available for the next cold season.</p> <p>The satellite energy plant located at the <i>Central at Garden City</i> (Smart Centres) commercial development utilizes efficient air-source heat pump technology to provide space heating and cooling for large commercial customers. This new energy plant is also interconnected with the current ADEU energy plant, allowing energy sharing with the main ADEU distribution system.</p> <p>Individual buildings connected to the ADEU require smaller-sized boilers only to increase the temperature of domestic hot water, reducing the overall building maintenance costs. The system’s performance is continuously monitored, ensuring the highest level of reliability to customers.</p>
Length of Distribution Network	3,660 m (12,000 ft.) of high-density polyethylene piping 726 vertical closed-loop boreholes, each 250 ft. deep

Alexandra District Energy Utility Service Area Map





LIEC staff conducting a tour of the Alexandra energy centre.

Customers and Energy Rates

Energy rates are established in the City of Richmond Service Area Bylaws, which are approved by City Council. This approach ensures transparency and accountability for all LIEC district energy projects in the City. The rate and bylaw provisions are reviewed and approved by Council on an annual basis.

The energy rates are determined based on City Council's objective to provide customers with energy costs that are equal to or less than conventional low-carbon system energy costs, based on the same level of service. In the absence of district energy services, a typical building would have in-building equipment that uses a combination of natural gas and electricity, resulting in operational and maintenance expenses. This is the basis for comparing DE rate costs with conventional systems, 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.

2025 Rate Structure

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

- Capacity Charge: Monthly charge based on the gross floor area of the building (\$0.1017 per ft²)
- Volumetric Charge: Charge based on the energy consumed by the buildings (\$25.727 per MWh)

Customer Service

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

Connected Buildings

Building Name and Address	Use	Area (ft ²)
Remy – 4099 Stolberg Street	Residential	186,000
Mayfair Place – 9399 Odlin Road	Residential	351,000
Omega – 9333 Tomicki Avenue	Residential	222,000
Alexandra Court – 9399 Alexandra Road	Residential	518,000
Jamatkhana Temple – 4000 May Drive	Institutional	30,000
Oxford Lane – 4588 Dubbert Street	Residential	64,000
Trafalgar – 9500 Tomicki Avenue	Residential	262,000
Spark – 4033 May Drive	Residential	115,600

Building Name and Address	Use	Area (ft²)
Berkeley House – 9233 Odlin Road	Residential	282,500
Camden Walk – 9200 & 9211 McKim Way	Residential	112,000
Central at Garden City – Walmart – 9251 Alderbridge Way	Commercial	160,000
Central at Garden City – Building A/B – 4751 McClelland Road	Commercial	124,000
City of Richmond Fire Hall #3 – 9660 Cambie Road	Institutional	26,000

Energy and Greenhouse Gas Emissions (GHGs)

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

The amount of energy delivered by the end of 2024 was 77,439 MWh. Greenhouse gas performance by the end of 2024 was 13,334 tons of CO₂e avoided, equal to removing over 4,080 cars from City of Richmond roads for one year.¹

2024 Financial Summary

The total net book value of ADEU's capital asset at December 31, 2024 is \$21,884,475. Revenue from operations for 2024 remained consistent with prior year, totaling \$2,852,861 (2023 – \$2,876,481).

Corix Utilities remains engaged as the system operator under contract to perform functional verification ensuring continuous operation and fine tuning of the system. Total cost of sales (utilities, contract services, depreciation expenses) are \$1,540,457 (2023 – \$1,592,180). The slight decrease of \$51,723 is in line with the change in revenue and is attributed to milder weather conditions.

In the context of a growing customer base, ADEU financial, operational and environmental results show the DEU is progressing as planned.



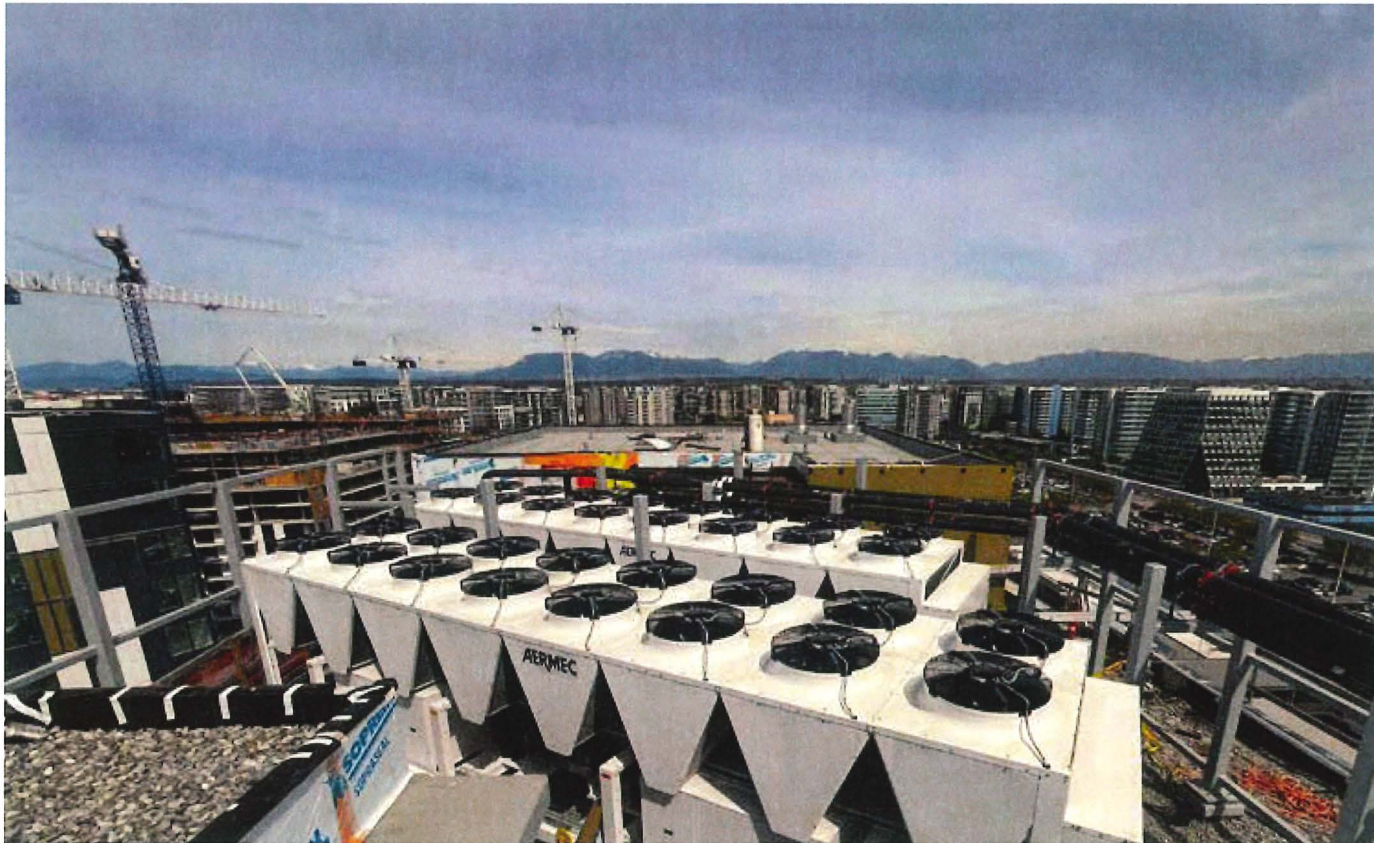
Community garden surrounding the energy centre at Alexandra Park.

1 oee.nrcan.gc.ca/corporate/statistics/neud/dpa/calculator/ghg-calculator.cfm

■ CITY CENTRE DISTRICT ENERGY UTILITY

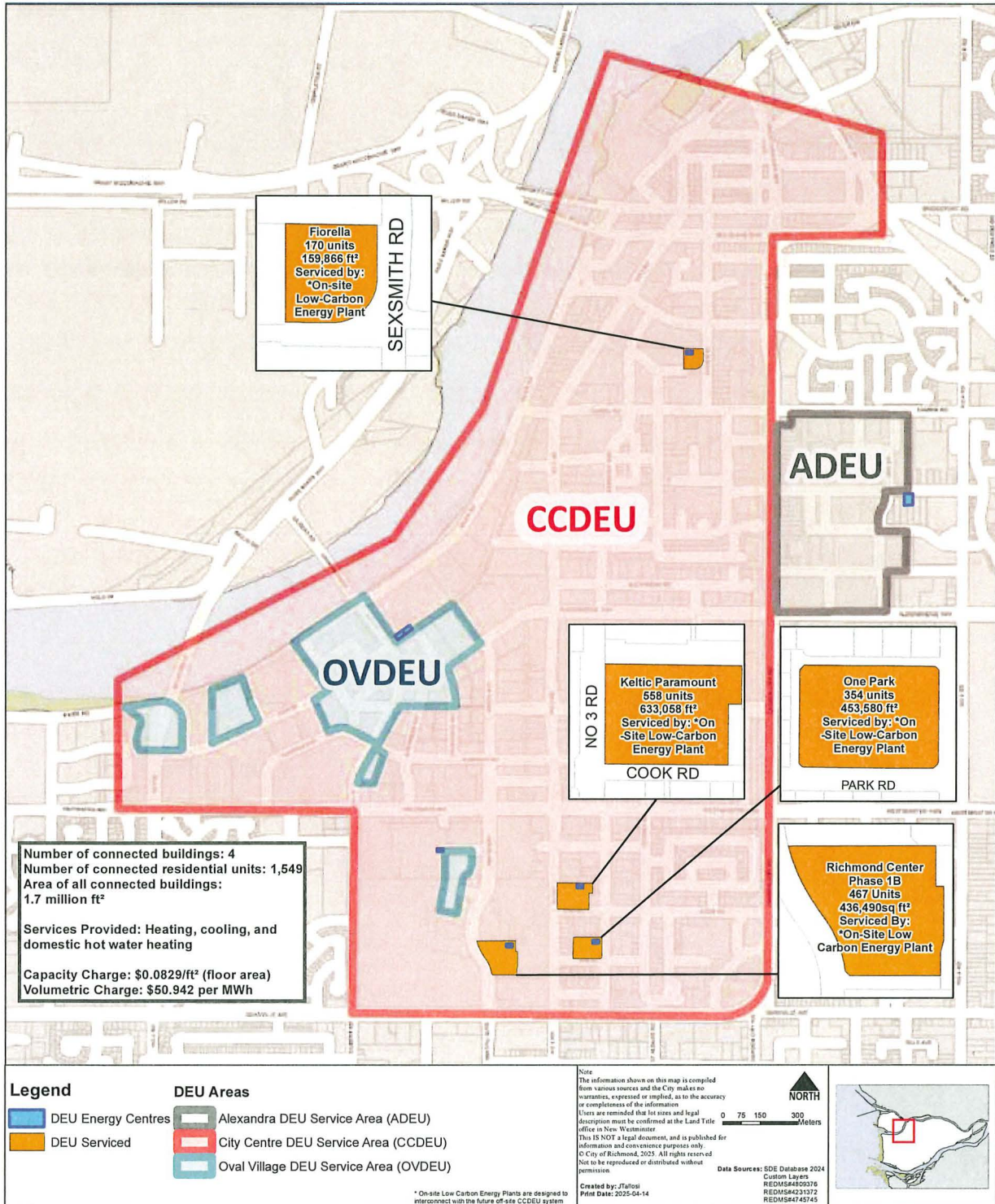
CCDEU Service Area

Delivered in partnership between Lulu Island Energy Company, City Centre Energy Limited Partnership (Corix Utilities), and the Canada Infrastructure Bank, the CCDEU system under development is projected to service over 170 development sites and almost 50 M ft² of floor space at full buildout. Delivery strategy of the system includes the build out of both offsite and on-site infrastructure. Offsite infrastructure includes distribution piping, interim energy centres and permanent energy centres. Onsite infrastructure includes low carbon energy plants that will be eventually connected to the offsite infrastructure network. The first four CCDEU developments under this strategy, The Paramount, Fiorella, One Park, and Richmond Centre Phase 1B are now connected and being serviced by onsite energy plants utilizing low-carbon high-efficiency air source heat pumps. These sites comprise approximately 1.7 million ft² of floor space and 1,500 residential units. LIEC continues to collaborate closely with developers to deliver high-quality, utility-grade onsite energy plants that prioritize low-carbon energy sources for heating and cooling services to its occupants.



The CF Richmond Centre redevelopment is well underway and on track, continuing the revitalization of both the shopping centre and the community.

City Centre District Energy Utility Service Area Map



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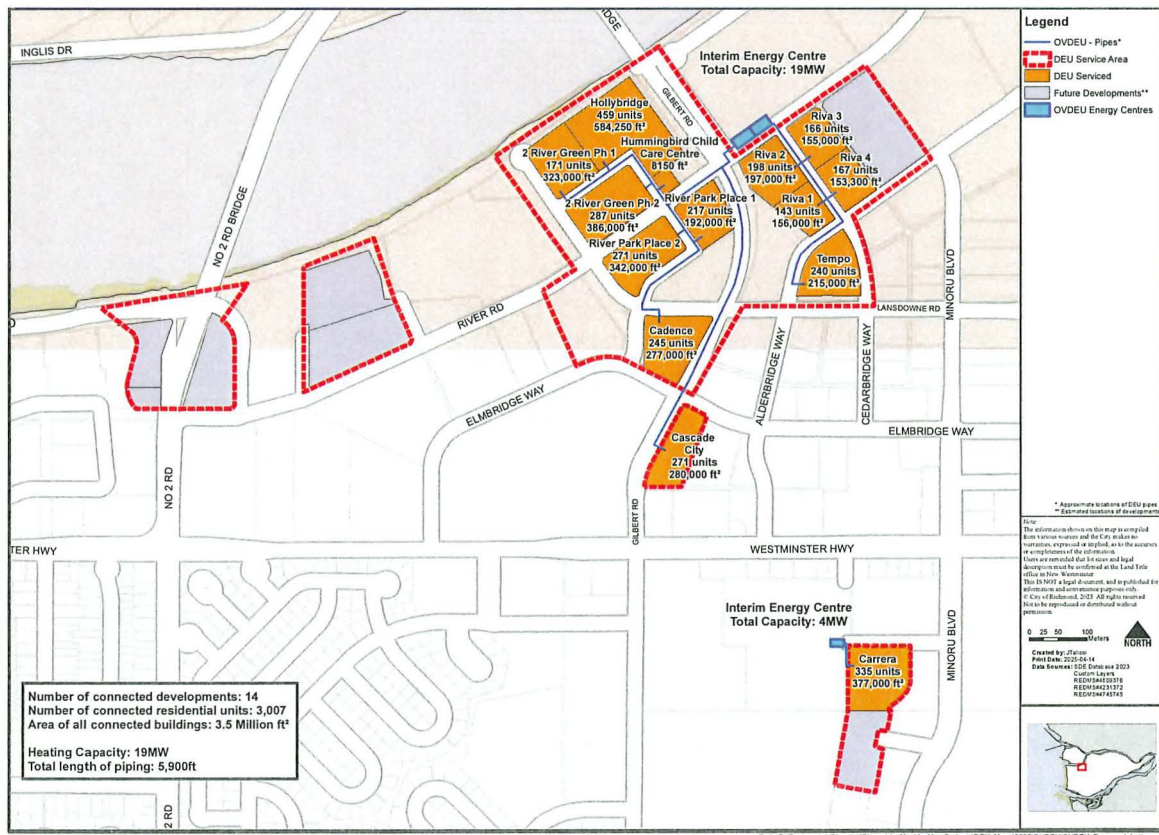
OVDEU Infrastructure.

OVDEU Service Area

The OVDEU has been operating since 2015 under a Concession Agreement with Corix Utilities Inc. who designed, constructed, financed, operated and maintained the system. In 2022, the OVDEU infrastructure has been transferred under the CCDEU Project Agreement in which CIB will provide \$175 million in financing and City Centre Energy Limited Partnership, a wholly owned subsidiary of Corix District Energy Holdings GP, will design, build, finance, operate and maintain the infrastructure.

Today, over 3,000 residential units (14 buildings) are receiving energy from the OVDEU. At full build-out the OVDEU will service up to 5,500 residential units and 6.4 M ft² of floor space. Space heating and domestic hot water heating energy is currently supplied from three interim energy centres (IECs), with a fourth IEC planned for completion in 2025. A permanent, sewer heat recovery energy centre, planned for 2028, is under development to replace the IECs and produce low carbon energy harnessed from the Gilbert Trunk sanitary force main sewer. Together with the ADEU, the OVDEU will assist in meeting the community-wide greenhouse gas emission reduction targets adopted as part of Richmond's 2041 Official Community Plan (OCP) by providing all connected buildings with renewable low carbon energy.

Oval Village District Energy Utility Service Area Map



Infrastructure Overview

CCDEU

Energy Station	The Paramount Onsite Energy Plant – 6340 No. 3 Road Fiorella Onsite Energy Plant – 3699 Sexsmith Road One Park Onsite Energy Plant – 8119 Park Road Richmond Centre Phase 1B Onsite Energy Plant – 6551 No. 3 Road
Service	Space heating, space cooling, and domestic hot water heating
Technology	Energy for space heating, cooling, and domestic hot water is currently provided through onsite energy plants which incorporate air-source heat pump technology, with high-efficiency natural gas boilers providing backup and peaking service at times of high heating demand. These plants are designed to interconnect to the CCDEU system currently under construction.

OVDEU

Energy Station	Interim Energy Centre #1– 6111 Bowling Green Road Interim Energy Centre #2 – 7011 River Parkway Interim Energy Centre #3 – 7015 River Parkway
Service	Space heating and domestic hot water heating
Technology	Energy for space heating and domestic hot water is provided to connected buildings through a hydronic (water) energy delivery system. Energy generated at three interim energy centres provides 19 MW of heating capacity to service these buildings. These interim energy centres use high efficiency natural gas boilers to produce energy. The performance of the system is monitored continuously to ensure a high level of reliability is provided to customers. The interim energy centres will be replaced by the permanent sewer heat recovery energy centre that will extract heat from the Gilbert Trunk sanitary force main sewer; currently under development with expected completion by 2028.
Length of Distribution Network	2,010 m (6,695 ft.) insulated steel piping



CCDEU Infrastructure



Customers and Energy Rates

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

Energy rates are established 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 district energy services, a typical building would have in-building equipment that would use a combination of natural gas and/or electricity and result in operational and maintenance expenses. This is referred to as a "business as usual" (BAU) scenario and is the basis for comparing district energy rate costs with conventional utility, energy and maintenance costs. District energy 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.

2025 Rate Structure

CCDEU Service Area

Strata corporations are billed on a quarterly basis, at a rate that is comprised of two charges:

- Capacity charge: Monthly charge based on the gross square floor area of the building (\$0.0829 per ft²)
- Volumetric Charge: Charge based on the energy consumed by the building (\$50.942 per MWh)

OVDEU Service Area

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

- Capacity charge: Monthly charge based on the gross square floor area of the building (\$0.0711 per ft²)
- Volumetric Charge: Charge based on the energy consumed by the building (\$43.765 per MWh)

Customer Service

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

Connected Buildings

Building Name and Address	Use	Area (ft ²)
CCDEU Service Area		
The Paramount – 6320 No. 3 Road	Residential/ Commercial	633,057
Fiorella – 3699 Sexsmith Road	Residential	159,866
One Park – 8119 Park Road	Residential/ Commercial	455,433
Richmond Centre Building 1B	Residential	436,486
OVDEU Service Area		
Carrera – 7368 Gollner Avenue	Residential	377,404
Riva Building 1 – 5399 Cedarbridge Way	Residential	155,942
Riva Building 2 – 5311 Cedarbridge Way	Residential	196,967
River Park Place 1 – 6888 River Road	Residential/ Commercial	191,662
Cadence – 7468 Lansdowne Road	Residential/ Commercial	276,826
Tempo – 7688 Alderbridge Way	Residential	214,266
Riva Building 3 – 7008 River Parkway	Residential	155,829
River Green – 6611 Pearson Way	Residential	323,111
River Park Place 2 – 6899 Pearson Way	Residential/ Commercial	373,171
River Green 2 – 6622 Pearson Way	Residential	385,854
Cascade City – 5766 & 5788 Gilbert Road	Residential/ Commercial	279,763
Hummingbird – 6899 Pearson Way	Commercial	8,148
Hollybridge – 6811, 6833 & 6855 Pearson Way	Residential/ Commercial	584,254
Riva 4 – 7771 Alderbridge Way	Residential	153,257



Richmond Centre Phase 1.

Energy and Greenhouse Gas Emissions (GHGs)

The amount of Energy delivered by the end of 2024 was 191,356 MWh. Up to date, the system has reduced greenhouse gas emissions by an estimated 9,540 tons of greenhouse gases (CO₂e), equal to removing 2,920 cars from City of Richmond roads for one year.² At full build-out, the CCDEU system is anticipated to reduce approximately 9,000 tons of CO₂ GHG emissions annually as compared to business as usual.

2024 Financial Summary

In September 2022, LIEC entered into a Project Agreement with City Centre Energy Limited Partnership (Corix), a wholly owned subsidiary of Corix District Energy Holdings GP to design, build, finance, operate and maintain CCDEU and OVDEU infrastructure providing heating and cooling energy to new residential and commercial developments within the City Centre area. Canada Infrastructure Bank will provide \$175 million in low cost financing to the project. LIEC would continue to own all CCDEU and OVDEU infrastructure.

The total net book value of CCDEU capital assets as at December 31, 2024 is \$36,243,628. Revenue from CCDEU customers has been increasing in pace with the occupancy of serviced buildings and new connected buildings. Revenue from operations for 2024 is \$5,926,105 (2023 – \$4,712,496). The increase was mainly due to additional energy use by buildings that were not fully occupied in prior years.

The total estimated Project Agreement liability to finance the construction of the CCDEU project at full build out is estimated at \$618,657,000 and will be accrued over time as the infrastructure is constructed and services are rendered.



Onsite energy plant at One Park.

² [see.nrcan.gc.ca/corporate/statistics/neud/dpa/calculator/ghg-calculator.cfm](https://www.nrcan.gc.ca/corporate/statistics/neud/dpa/calculator/ghg-calculator.cfm)

■ APPENDIX A: AWARDS & RECOGNITION

2023 Awards

Canadian Energy Globe National Award by Energy Globe Foundation

The national Energy Globe Award recognizes projects that conserve energy and use renewable or emission-free sources. The national award is presented annually to projects saving the environment through personal action, sustainable projects or campaigns for raising awareness in sustainability.

2021 Awards

Emerging Market Award by EuroHeat and Power

The Emerging Market Award, which has recognized the ADEU, provides global recognition to organizations that excel in demonstrating the overall importance of district energy systems in providing sustainable energy solutions in countries without a fully established district energy market.

Climate & Energy Action Award by Community Energy Association

The Climate and Energy Action Award, in the Community Planning and Development category, acknowledges Richmond's successful District Energy Implementation Program. The City's leadership and implementation of the program shows best practices in technology, impact and economics.



City of Richmond Mayor Malcolm Brodie accepted the 2023 National Energy Globe Award for the expansion of the City Centre utility.

2020 Awards

IDEA Innovation Award by International District Energy Association

IDEA presents this award to the company whose project displays technological, engineering and operational innovations within the district energy industry.

Canadian Energy Globe National Award by Energy Globe Foundation

The National Energy Globe Award recognizes projects that conserve energy and use renewable or emission-free sources. The national award is presented annually to projects saving the environment through personal action, sustainable projects or campaigns for raising awareness in sustainability.

2019 Awards

Canada Region Energy Project of the Year Award by Association of Energy Engineers

The Association of Energy Engineers awards this to a project that takes a first-of-a-kind approach wherever it has been implemented.

CAMA Awards of Excellence – Environment Award by Canadian Association of Municipal Administrators

This award recognizes the commitment of a municipality to environmentally sustainable governance, to protecting the environment and to combating climate change. Awards are granted to programs, projects or services that have made a significant and positive impact on the environment.

2018 Awards

Public Sector District Energy Leadership Award by International District Energy Association

This award recognized the commitment and vision shown by the City of Richmond's Council for its ongoing support for district energy in Richmond.

Canada Region Innovative Energy Project of the Year Award by Association of Energy Engineers

This award recognized the ADEU Phase 4 expansion project for its innovative approach to service the Central at Garden City development using renewables and making a significant impact on climate change.

2017 Awards

Canadian Consulting Engineering Award of Excellence by Association of Consulting Engineering Companies

This award is the most prestigious mark of recognition in Canadian engineering and was given to the Alexandra District Energy Utility expansion project to connect the Central at Garden City development for its high quality of engineering, imagination and innovation.

Canada Region Institutional Energy Management Award by Association of Energy Engineers

The Canada Region Institutional Energy Management Award recognizes organizations and companies for their dedication and performance in the energy efficiency and renewable energy industry. This prestigious award recognizes the City for leading the way with its District Energy implementation program.

UBCM Community Recognition Award by Canadian Wood Council

This award recognized the leadership in the use of wood, both architecturally and structurally, in the City's Alexandra District Energy Utility building constructed during the Phase 3 expansion. The building construction used local, innovative low carbon wood for structural elements as well as interior and exterior cladding.

2016 Awards

System of the Year by International District Energy Association

IDEA System of the Year is the highest honour IDEA can confer on a district energy system. It recognized the Alexandra District Energy Utility as an exemplary district energy system that provides high-level performance and service that further the goals of the district energy industry.

Community Excellence Award by Union of British Columbia Municipalities

The Community Excellence Award recognized the City's district energy program for its exemplary leadership through policies, decision-making and actions that have made a difference for its residents.

2014 Awards

Excellence Award by Canadian Geo-Exchange Coalition

The Canadian Geo-exchange Coalition Excellence Award recognized the Alexandra District Energy Utility geothermal/geo-exchange system for its quality of installation and design.

Sustainability Award by Association of Professional Engineers and Geoscientists of British Columbia (APEGBC)

APEGBC's Sustainability Award was created to recognize the important contribution that engineering and geoscience make to the well-being of human life and ecosystems on which we all depend, and was awarded in recognition of the Alexandra District Energy system.

2013 Awards

Award of Excellence (Natural Resources, Mining, Industry and Energy Category) by Canadian Consulting Engineer Magazine & the Association of Consulting Engineering Companies – Canada

This award is the most prestigious mark of recognition in Canadian engineering and was given to the Alexandra District Energy Utility project for its high quality of engineering, imagination and innovation.

Project of the Year by Public Works Association of British Columbia

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. It was awarded to the City in recognition of the Alexandra District Energy system

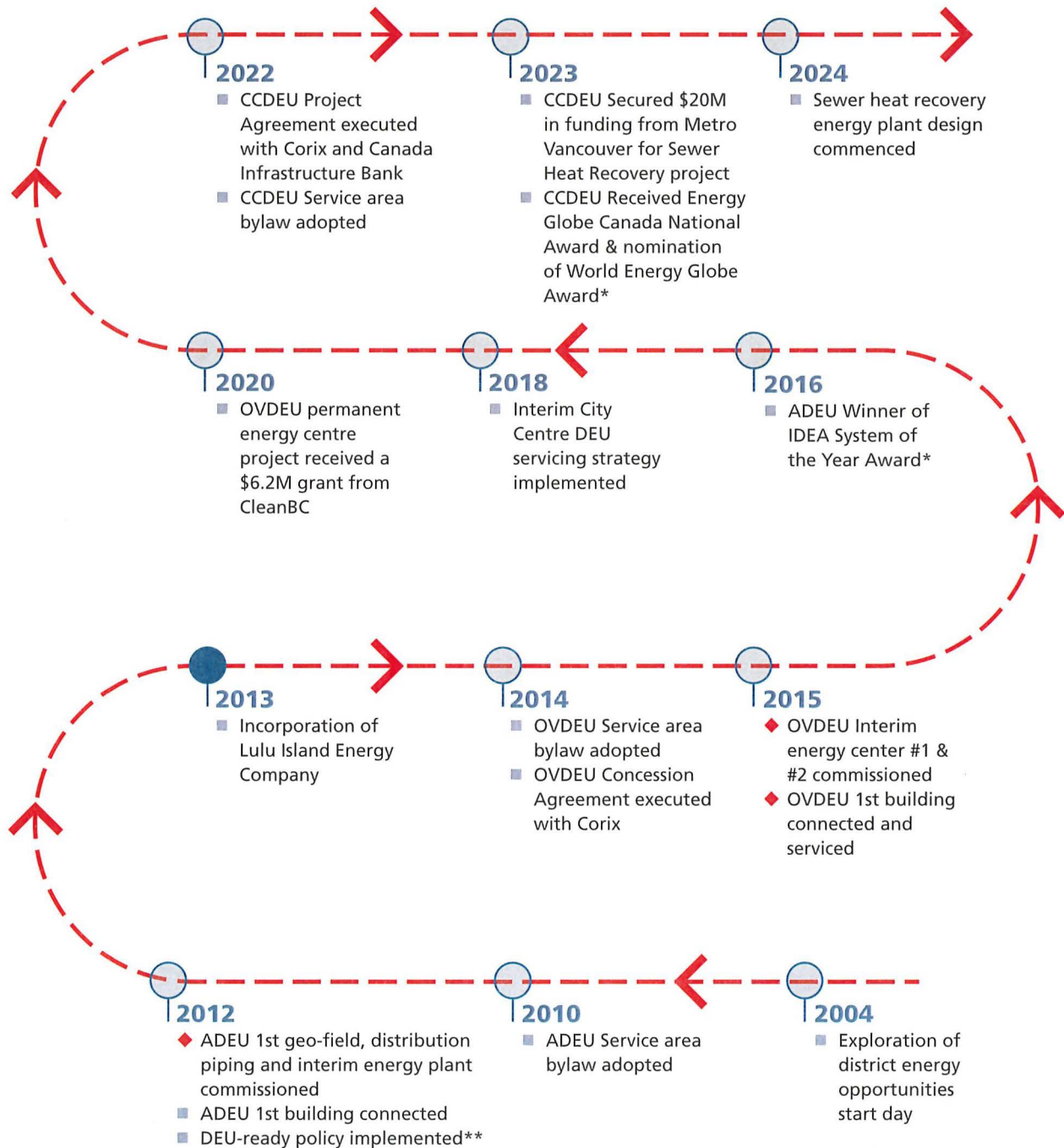
Certificate of Recognition – Innovation Awards by International District Energy Association

This program highlighted the Alexandra District Energy System as an example of engineering, technology and operational innovation within the district energy industry.

Canadian Energy Globe National Award by ENERGY GLOBE Foundation

This program highlighted the Alexandra District Energy System as an example of engineering, technology and operational innovation within the district energy industry.

APPENDIX B: LULU ISLAND ENERGY COMPANY MILESTONE TIMELINE



* See Appendix A: Awards & Recognition

** New developments in the DEU service area must have the mechanical capability to connect to and receive 100% of annual space heating, domestic water heating, and space cooling from the DEU and connect to the network once informed by LIEC

■ APPENDIX C: MANAGEMENT'S DISCUSSION AND ANALYSIS

About the Company

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

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

There are two established DEU service areas within the City; ADEU and CCDEU. Table 1 below provides a summary of the developments connected under the DEU service areas to-date.

Table 1: DEU Service Areas – Current and Projected Connected Space

	Buildings To-Date	Residential Units To-Date	Floor Area To-Date	Floor Area Build-Out
Alexandra DEU	13	2,200	2.4M ft ²	4.4M ft ²
City Centre DEU	18	4,723	5.4M ft ²	48.0M ft ²
Total	31	6,923	7.8M ft²	52.4M ft²

The ADEU provides heating and cooling services to ten residential buildings, the large commercial development at "Central at Garden City", the Richmond Jamatkhana Temple and Fire Hall No. 3, comprising of 2,200 residential units and over 2.4M ft² floor area. While some electricity is consumed for pumping and equipment operations, most of this energy is currently produced locally from the geo-exchange fields in the greenway corridor and West Cambie Park, and highly efficient air source heat pumps.

The CCDEU currently services 18 buildings, comprised of 4,723 residential units and approximately 5.3M ft² of floor area. Energy is currently supplied from the three interim energy centres with natural gas boilers which provide 19 MW of heating capacity. LIEC received a \$6.2 million grant from the CleanBC Communities Fund for the design and construction of the sewer heat recovery technology and a permanent energy centre for the area. This project is in the detailed design stage with off-site construction starting this year and is expected to be completed in 2028.

While offsite infrastructure is being built, CCDEU utilizes interim energy centers and on-site low carbon energy plants as a source of energy production. At full build-out, 176 developments, 28,000 residential units and almost 50M ft² of floor

space will be serviced by five permanent energy centres with over 130 MW of heating and 115 MW of cooling capacity. The built-out system is estimated to reduce over one million tons of GHG emissions compared to conventional service.

Review of Financial Performance

As a Government Business Enterprise (GBE), LIEC is a financially self-sustaining entity that does not rely on the assistance from the City and its financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Statement of Financial Position

Cash and Cash Equivalents and Investments

The year-end cash balance of \$7,575,940 (2023 – \$2,511,976) supports operational activities and committed capital projects. The increase in cash was due to net income and advanced payments from developers for future building connections. LIEC maintained a higher cash balance at year-end in order to bridge the finance of the Sewer Heat Recovery project. LIEC's investments of \$13,727,812 (2023 – \$12,014,953) remain in secured term deposits with a continued strategy to capitalize on higher interest rates.

Accounts Receivable

Accounts receivable totaled \$4,385,448 (2023 – \$4,792,892), primarily reflecting accruals for the last quarter's meter billings. The decrease from the prior year is due to the collection of outstanding developers' contributions, which were recorded as receivables at the end of 2023 and received in 2024.

Plant and Equipment

Plant and equipment are reported at net book value, representing capital cost net of accumulated depreciation. In 2024, the net book value increased to \$58,128,103 (2023 – \$53,740,785) due to additional capital expenditures.

Accounts Payable and Government Grants

Accounts payable totaled \$1,377,195 (2023 – 1,848,902), representing outstanding vendor invoices. The decrease compared to prior year was due to the timing of year-end invoices. The government grant liability increased to \$514,462 (2023 – \$403,026), reflecting the accumulated CleanBC grant received for the Sewer Heat Recovery project. In accordance with IFRS reporting, the grant is recognized as revenue annually over the useful life of the plant once the asset is in service.

Deferred Developer Contributions and Project Agreement Liabilities

Utility company balance sheets are predominantly dominated by capital assets and debt due to the requirements to build out the infrastructure network. The developers' contributions and Project Agreement liabilities are the primary sources of funding for the construction of new assets, which make up the majority of the liabilities. Developer contributions, which recover the construction costs for in-building equipment installation, are recognized as deferred liabilities. In accordance with IFRS reporting, revenue from these contributions is recognized annually over the useful life of the equipment once the asset is in service. At the 2024 year-end, deferred developer contribution totaled \$22,788,278 (2023 – \$19,235,460).

The Project Agreement liability is associated with the 30-year agreements between LIEC, Corix, and the Canada Infrastructure Bank (CIB). Under the Project Agreement, Corix designs, constructs, finances, and maintains the CCDEU infrastructure, while CIB provides low-cost financing for a portion of the infrastructure. The Project Agreement liability represents anticipated future cash outflow for capital and operating costs under the agreement. At the 2024 year-end, the Project Agreement liability was \$19,283,096 (2023 – \$14,475,318)

Shareholder's Equity

Shareholder's equity reflects the net worth of the company, calculated as total assets minus the total liabilities. In 2024, LIEC's shareholder equity was \$39,855,272 (2023 – \$37,097,900), representing a 7% increase from the previous year.

Statement of Profit or Loss and Total Comprehensive Income

Revenues

Metered billings reflect energy sales based on the actual customers' energy usage and consumption. It comprises of energy sales from ADEU and CCDEU service areas. Metered billings revenue was \$5,926,105 (2023 – \$4,712,496) from the CCDEU and \$2,852,861 (2023 – \$2,876,481) from the ADEU. Overall, metered billings increased by \$1,189,989 to \$8,778,966 (2023 – \$7,588,977). The increase was due to additional energy use by buildings that were not fully occupied in prior years, as well as the approved 2024 rate increase.

There was no change to the service fee of \$981,486 (2023 – \$981,486) for LIEC's facilitation of advancing district energy opportunities in the City, which results in numerous benefits to the City and community of Richmond. The service fee covers staff and specialized consultants working on low carbon district energy initiatives. With or without LIEC, the City would need to fund these costs in order to successfully implement district energy initiatives for the City and position itself at the forefront of tackling local and global environmental challenges. The City identified district energy utilities as a leading strategy to achieve the City's GHG reduction goals. To date, it is estimated that LIEC's district energy systems has resulted in the reduction of over 22,870 tons of GHG emissions.

Cost of Sales

The cost of sales consists of total expenses attributable to energy sales, which includes contract services, utilities (electricity and natural gas), and depreciation. Contract expenses increased by \$287,774 to \$2,093,165 (2023 – \$1,805,391) due to additional operations and maintenance work. Contract expenses increased by 16%, consistent with the increase in metered revenue.

Utility expenses increased by \$110,220 to \$1,926,163 (2023 – \$1,815,943) driven by increased energy usage from new buildings connected in 2023 that operated for the first time for a full year in 2024.

Depreciation expense increased due to additional assets being put into service. The gross margin in 2024 was 40%, which was slightly lower than the 41% in 2023. This was mainly due to the additional maintenance and higher utility costs of the newly connected on-site Low Carbon Energy Plants (LCEPs).

General and Administration Expenses

The general and administration expenses are expenditures that LIEC incurs to engage in business development activities and includes salaries and benefits, administration expenses, insurance and professional fees. The general and administration expenses increased by \$134,244 to \$2,109,745 (2023 – \$1,975,501) driven by the following key factors:

- **Administration expenses:** The increase of \$26,861 to \$365,929 (2023 – \$339,068) was mainly due to the increase in the CCDEU Project Agreement related administration expenses, which include: project administration, overhead costs for managing Corix's special purpose entity, and CIB financial administration requirements. This increase was expected as the implementation of the CCDEU project ramped up. Administration expenses also include the overhead allocation of \$69,680 (2023 – \$70,723) paid to the City of Richmond for the day-to-day support that LIEC received from City staff during the year.
- **Insurance:** The premium increased by \$36,578 or 12% due to a general insurance rate increase, and the inclusion of additional capital assets under coverage.
- **Professional fees:** The increase of \$52,877 to \$323,760 (2023 – \$270,883) was due to costs associated with professional studies. Additionally, higher audit fees contributed to this increase, as additional work was required to support the company's operational growth.

Overall, general and administration expenses as a percentage of revenues was 22% in 2024, slightly lower than in 2023 (23%).

Contributions and Financing Expenses

The contributions and financing expense section represents other sources of revenue and expenses for the Company. Developer contributions increased compared to 2023 due to two new connections that occurred in 2023 and operated for a full year for the first time in 2024. Other income was higher than 2023 due to LIEC receiving a recovery payment for its internal administrative and personnel costs related to Corix reorganization consent request. Interest income was higher than 2023 due to higher cash and investment balances. Finance expense was higher than 2023 due to increase in new infrastructure being financed and constructed.

LIEC's earnings before interest, tax, depreciation and amortization (EBITDA), used as a proxy to measure the company's operational efficiency, increased to 44% as a percentage of revenue compared to 40% in 2023. This was due to the increase in revenue outpacing the increase in operating costs.

Overall, LIEC's revenues exceeded expenses, resulting in a net income of \$2,757,372 (2023 – \$2,069,740).

LIEC's financial sustainability and future growth must be taken into consideration when reviewing its EBITDA and net income. LIEC's success is dependent upon developing in-house expertise and securing funds for future capital replacements as existing infrastructure components reach their end of life, as well as to cover expenses of unexpected and rare events. Other important factors include the planning of future projects, which consists of research and development, and exploratory reviews of future technology and opportunities.

■ APPENDIX D: FINANCIAL STATEMENTS OF LULU ISLAND ENERGY COMPANY LTD.

Period of incorporation on January 1, 2024 to December 31, 2024



KPMG LLP
PO Box 10426 777 Dunsmuir Street
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Lulu Island Energy Company:

Opinion

We have audited the financial statements of Lulu Island Energy Company Ltd. (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of profit or loss and total comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

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

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Lulu Island Energy Company Ltd.
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Lulu Island Energy Company Ltd.
Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 11, 2025

LULU ISLAND ENERGY COMPANY LTD.

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,576,940	\$ 2,511,976
Accounts receivable (note 4)	4,385,448	4,792,892
Investments (note 5)	9,120,685	12,014,953
	21,083,073	19,319,821
Non-current assets:		
Investments (note 5)	4,607,127	-
Plant and equipment (note 6)	58,128,103	53,740,785
Total assets	\$ 83,818,303	\$ 73,060,606
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 1,377,195	\$ 1,848,902
Current portion of deferred developer contributions (note 8(a))	668,133	668,131
Current portion of Project Agreement liability (note 9)	7,158,752	6,125,191
	9,204,080	8,642,224
Non-current liabilities:		
Government grants (note 8(b))	514,462	403,026
Deferred developer contributions (note 8(a))	22,120,145	18,567,329
Project Agreement liability (note 9)	12,124,344	8,350,127
	34,758,951	27,320,482
Total liabilities	43,963,031	35,962,706
Shareholder's equity:		
Share capital and contributed surplus (note 10)	27,397,115	27,397,115
Retained earnings	12,458,157	9,700,785
	39,855,272	37,097,900
Commitments and contingencies (note 13)		
Total equity and liabilities	\$ 83,818,303	\$ 73,060,606

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:



Director



Director

LULU ISLAND ENERGY COMPANY LTD.

Statement of Profit or Loss and Total Comprehensive Income

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue (note 14, 15(a))	\$ 9,760,452	\$ 8,570,463
Cost of sales:		
Operating expenses	4,019,328	3,419,169
Depreciation (note 6)	1,798,972	1,455,216
	5,818,300	4,874,385
Gross profit	3,942,152	3,696,078
General and administrative expenses (note 11, 15(b))	2,109,745	2,177,666
Profit before undernoted items	1,832,407	1,518,412
Developer contributions, other income and net finance cost:		
Developer contributions (note 8(a))	668,131	475,410
Other income (note 15(a))	32,868	20,511
Net finance income (note 12)	223,966	55,407
	924,965	551,328
Profit and total comprehensive income for the year	\$ 2,757,372	\$ 2,069,740

The accompanying notes are an integral part of these financial statements.

LULU ISLAND ENERGY COMPANY LTD.

Statement of Changes in Equity

Year ended December 31, 2024, with comparative information for 2023

	Share capital (note 10)	Contributed surplus (note 10)	Retained earnings	Shareholder's equity
Balance, January 1, 2023	\$ 5	\$ 27,397,110	\$ 7,631,045	\$ 35,028,160
Profit and total comprehensive income	-	-	2,069,740	2,069,740
Balance, December 31, 2023	5	27,397,110	9,700,785	37,097,900
Profit and total comprehensive income	-	-	2,757,372	2,757,372
Balance, December 31, 2024	\$ 5	\$ 27,397,110	\$ 12,458,157	\$ 39,855,272

The accompanying notes are an integral part of these financial statements.

LULU ISLAND ENERGY COMPANY LTD.

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Cash flows provided by (used in) operating activities:		
Profit and total comprehensive income	\$ 2,757,372	\$ 2,069,740
Adjustments for:		
Depreciation	1,798,972	1,455,216
Recognition of deferred developer contributions	(668,131)	(475,410)
Finance expense	735,020	729,783
Changes in non-cash operating working capital:		
Accounts receivable	407,444	(406,393)
Accounts payable and accrued liabilities	(471,708)	(2,003,987)
Net cash provided by operating activities	4,558,969	1,368,949
Cash flows provided by (used in) investing activities:		
Additions to plant and equipment	(1,118,889)	(2,050,178)
Deferred developer contributions	4,220,949	438,780
Cash receipts from sale of investments	12,014,953	12,324,233
Cash payments to acquire investments	(13,727,812)	(12,014,953)
Net cash provided by (used in) investing activities	1,389,201	(1,302,118)
Cash flows provided by (used in) financing activities:		
Cash received from government grants	111,438	161,975
Project Agreement liability, net	(994,644)	(908,210)
Net cash used in financing activities	(883,206)	(746,235)
Increase (decrease) in cash and cash equivalents	5,064,964	(679,404)
Cash and cash equivalents, beginning of year	2,511,976	3,191,380
Cash and cash equivalents, end of year	\$ 7,576,940	\$ 2,511,976
Non-cash transactions:		
Additions to plant and equipment	\$ (5,067,401)	\$ (7,400,770)
Project Agreement liability	4,855,397	3,247,234
Developer contributions	-	6,254,275
Finance cost capitalized to plant and equipment	212,005	44,953
Accounts receivable	-	(2,145,692)

The accompanying notes are an integral part of these financial statements.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements

Year ended December 31, 2024

1. Incorporation and nature of business:

The Lulu Island Energy Company Ltd. (the "Company") 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 address of the Company's registered office is 6911 No. 3 Road, Richmond, British Columbia, V6Y 2C1.

The business of the Company is to develop, manage and operate district energy utilities in the City, 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. The Company also provides advisory services for energy and infrastructure.

2. Basis of presentation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved and authorized for issue by the Board of Directors on April 10, 2025.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis and on a going concern basis.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following note:

- Note 8(a) - Deferred developer contributions and Government grants.

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 3(a)(iii) and Note 6 - useful lives of plant and equipment.

3. Material accounting policies:

The material accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise indicated.

(a) Plant and equipment:

(i) Recognition and measurement:

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, after deducting trade discounts and rebates. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognized net within other income in profit and loss.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Material accounting policies (continued):

(a) Plant and equipment (continued):

(ii) Subsequent costs:

The cost of replacing a part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value.

Depreciation of plant and equipment commences when the asset is deemed available for use and is recognized in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment as follows:

Asset	Useful life - years
Energy plant center	75
Distribution piping	50
General equipment	20-40

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(b) Revenue recognition:

The Company recognizes revenue for the provision of energy and supply of other services. Revenue for the provision of energy is based on meter readings and is billed on a cyclical basis. Revenue is accrued for energy delivered but not yet billed. Revenue for other services is recognized upon completion of service. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Material accounting policies (continued):

(c) Concession projects:

Concession projects are delivered by partners selected to design, build, finance, and maintain the assets which are owned by the Company. The cost of the assets under construction are recorded at cost, based on construction progress billings and also includes other costs, if any, incurred directly by the Company.

When deemed available for use, the project assets are amortized over their estimated useful lives. An obligation for the cost of capital and financing received to date, net of repayments, is recorded under Project Agreement liability (note 9).

(d) Government grants:

Government grants related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

(e) Developer contributions:

Developer contributions are amounts received from developers toward the cost of equipment and/or assets received/receivable from developers, required for the supply of district energy to the developer site. Developer contributions are recognized into income over the expected useful life of the related assets from when the assets are available for use. Non-cash developer contributions are initially recorded at fair value.

(f) Income taxes:

Under Section 149(1)(d) of the Income Tax Act, the Company is exempt from income and capital taxes by virtue of the fact that it is a wholly owned subsidiary of the City. Accordingly, no provision for such taxes has been made in these financial statements.

(g) Cash and cash equivalents:

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(h) Finance income and finance cost:

Finance income comprises interest on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on the Project Agreement liability. Finance costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Material accounting policies (continued):

(i) Financial instruments:

Classification and measurement of financial assets and financial liabilities:

Under IFRS 9, *Financial Instruments* ("IFRS 9"), on initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI") - debt instrument, FVOCI - equity instrument, or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL: it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Material accounting policies (continued):

(i) Financial instruments (continued):

Classification and measurement of financial assets and financial liabilities (continued):

The following accounting policies apply to subsequent measurement of financial assets:

- Financial assets at FVTPL: these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost: these assets are subsequently measured at amortized costs using the effective interest method. The amortized cost is reduced by impairment losses (see note 3(j)(i)). Interest income and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

- Debt investments at FVOCI: these assets are subsequently measured at fair value. Interest income calculated using the effective interest method and impairment are recognized in profit or loss. Other net gains are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investments at FVOCI: these assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities are initially recognized at amortized cost. Subsequent to initial recognition financial liabilities are measured at amortized cost using the effective interest method.

The following table shows the measurement categories for each class of the Company's financial assets and financial liabilities:

Financial assets:

Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Investments	Amortized cost

Financial liabilities:

Accounts payable and accrued liabilities	Amortized cost
Project Agreement liability	Amortized cost

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Material accounting policies (continued):

(j) Impairment:

(i) Financial assets:

The 'expected credit loss' ("ECL") impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortized cost consist of cash and cash equivalents, accounts receivable and investments.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12-months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs. The Company has elected to measure loss allowances for trade receivables, including amounts due from the City, at an amount equal to lifetime ECLs.

Measurement of ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Material accounting policies (continued):

(j) Impairment (continued):

(ii) Non-financial assets (continued):

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Pension benefits:

The Company and its employees participate in the Municipal Pension Plan, a multi-employer defined benefit plan. Defined contribution plan accounting is applied to this plan because separate information for the Company is unable to be provided to apply defined benefit accounting. The expenses associated with this plan are equal to the actual contributions required by the Company during the reporting period.

(l) Standards issued but not yet effective:

A number of new standards are effective for annual periods beginning after January 1, 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements:

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact of how information is grouped in the financial statements, including for items currently labelled as 'other'.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Material accounting policies (continued):

(l) Standards issued but not yet effective (continued):

The following amended standards and interpretations are effective for annual periods beginning after January 1, 2024 and are not expected to have a material impact on the financial statements.

- Lack of exchangeability (Amendments to IAS 21);
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

4. Accounts receivable:

	2024	2023
Trade receivables	\$ 1,251,399	\$ 2,371,845
Due from City of Richmond (note 15(a))	166,301	165,059
Unbilled trade receivables	2,833,834	2,157,192
GST receivable	133,914	98,796
	\$ 4,385,448	\$ 4,792,892

5. Investments:

Investments represent term deposits as follows:

Purchase date	Maturity date	Interest rate	2024	2023
June 20, 2024	June 20, 2025	5.20%	\$ 2,980,151	\$ -
June 20, 2024	June 22, 2026	5.01%	1,026,628	-
June 20, 2024	June 22, 2027	5.00%	1,026,575	-
July 23, 2024	July 23, 2025	5.22%	3,069,076	-
July 23, 2024	July 23, 2025	5.40%	3,071,458	-
July 23, 2024	July 23, 2026	4.89%	2,553,924	-
June 15, 2024	June 17, 2024	6.21%	-	3,707,485
June 15, 2024	June 17, 2024	5.65%	-	1,056,153
July 19, 2024	July 19, 2024	6.40%	-	4,357,453
November 8, 2024	November 8, 2024	6.21%	-	2,893,862
			13,727,812	12,014,953
Less: current portion of investments			9,120,685	12,014,953
Non-current investments			\$ 4,607,127	\$ -

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Plant and equipment:

	Energy plant center	General equipment	Distribution piping	Total
Cost:				
Balance as at December 31, 2022	\$ 5,031,915	\$ 33,595,729	\$ 14,561,392	\$ 53,189,036
Transfer	-	667,176	(667,176)	-
Additions	-	6,337,288	3,113,661	9,450,949
Balance as at December 31, 2023	5,031,915	40,600,193	17,007,877	62,639,985
Additions	-	2,802,641	3,383,649	6,186,290
Balance as at December 31, 2024	\$ 5,031,915	\$ 43,402,834	\$ 20,391,526	\$ 68,826,275
Accumulated depreciation:				
Balance as at December 31, 2022	\$ 402,552	\$ 5,890,695	\$ 1,150,737	\$ 7,443,984
Transfer	-	(6,723)	6,723	-
Depreciation	67,092	1,178,511	209,613	1,455,216
Balance as at December 31, 2023	469,644	\$ 7,062,483	\$ 1,367,073	\$ 8,899,200
Depreciation	67,092	1,431,183	300,697	1,798,972
Balance as at December 31, 2024	\$ 536,736	\$ 8,493,666	\$ 1,667,770	\$ 10,698,172
Net book value:				
At December 31, 2022	\$ 4,629,363	\$ 27,705,034	\$ 13,410,655	\$ 45,745,052
At December 31, 2023	4,562,271	33,537,710	15,640,804	53,740,785
At December 31, 2024	4,495,179	34,909,168	18,723,756	58,128,103

Included in plant and equipment is \$10,706,471 (2023 - \$5,173,479) of assets under construction being \$5,212,386 (2023 - \$2,982,685) general equipment and \$5,494,085 (2023 - \$2,190,794) distribution piping. For the year ended December 31, 2024, capitalized borrowing costs related to the construction of the general equipment and distribution system in the year amounted to \$212,005 (2023 - \$44,953), calculated using a capitalization rate of 4.76% (2023 - 4.40%).

7. Accounts payable and accrued liabilities:

In 2020, the Company identified a distribution pipe leakage of heat transfer fluid at one of the Company's service areas. Following repair and remediation of the service area in earlier years, during the year ended December 31, 2024, the Company continued to monitor the service area and incur legal costs associated with the leak, and recognized expenses of nil (2023 - nil) in other expenses. As of December 31, 2024, \$259,293 (2023 - \$440,560) is included in accounts payable and accrued liabilities pertaining to the accrued costs associated with the leak. Management believes the Company has adequately provided for the costs associated with leak and intends to seek compensation for costs incurred and accrued from the third parties involved.

Accounts payable and accrued liabilities also include post-employment benefits of \$86,000 (2023 - \$72,800).

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Deferred developer contributions and Government grants:

(a) Deferred developer contributions:

The following table summarizes deferred developer contribution amounts recognized:

	2024	2023
Deferred developer contributions, beginning of year	\$ 19,235,460	\$ 13,017,815
Developer contributions receivable	-	2,145,692
Developer contributions received (net of refunds)	4,220,949	366,780
Developer contributions received (non-cash)	-	4,180,583
Recognized revenue from developer contributions	(668,131)	(475,410)
	22,788,278	19,235,460
Less: current portion of deferred developer contributions	668,133	668,131
Non-current deferred developer contributions	\$ 22,120,145	\$ 18,567,329

(b) Government grants:

In 2022, the Company was awarded a grant (the "Sewer Heat Recovery grant") from CleanBC Communities Fund. In 2024, the Company recognized on the statement of financial position \$514,464 (2023 - \$403,026) under the Sewer Heat Recovery grant. As the relevant assets were under construction at December 31, 2024, the grants received have been deferred under non-current liabilities.

9. City Centre District Energy Utility Project Agreement:

On September 22, 2022, the Company entered into a new concession project agreement (the "Project Agreement") with City Centre Energy Limited Partnership ("Project Contractor") to design, build, finance, operate and maintain City Centre District Energy Utility infrastructure providing heating and cooling services to new residential and mixed use commercial developments within the City Centre area (the "CCDEU project"). The Project Contractor was a wholly owned subsidiary of Corix Utilities Inc. ("Corix"). During 2024, following a re-organization within Corix, the Project Contractor become a wholly owned subsidiary of Corix District Energy Holdings GP Inc.

The total estimated Project Agreement liability to finance the construction of the CCDEU project at full build out is estimated at \$618,657,000 and will be accrued over time as the infrastructure is constructed and services are rendered.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. City Centre District Energy Utility Project Agreement (continued):

The Project Agreement liability is payable monthly in accordance with the Project Agreement terms. Required Project Agreement liability payment obligations are disclosed in note 13.

The following tables summarize the changes in the Project Agreement liability due to financing cash flows and liability related additions and repayments:

(a) Project Agreement liability:

	2024	2023
Project Agreement liability – capital	\$ 18,343,191	\$ 13,968,958
Project Agreement liability – non-capital	939,905	506,360
	19,283,096	14,475,318
Less: Current portion of Project Agreement liability	(7,158,752)	(6,125,191)
Non-current portion of Project Agreement liability	\$ 12,124,344	\$ 8,350,127

The average finance cost on the project liability is 5.17% for the year ended December 31, 2024 (2023 - 5.35%).

The Project Agreement liability is repayable as follows:

2025	\$ 7,158,752
2026	1,429,696
2027	1,497,607
2028	1,568,743
2029 and thereafter	7,628,298
Total	\$ 19,283,096

The Project Agreement liability and the termination payment obligation under the Project Agreement is secured by the CCDEU project infrastructure assets and energy services agreements with customers.

	2024	2023
Opening balance	\$ 14,475,318	\$ 11,361,558
Additions	4,855,397	3,247,234
Finance expense (note 12)	947,025	774,736
Net repayment	(994,644)	(908,210)
Ending balance	\$ 19,283,096	\$ 14,475,318

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

10. Share capital and contributed surplus:

At December 31, 2024, the authorized share capital comprised 10,000 (2023 - 10,000) common shares without par value.

As at December 31, 2024, the Company has issued 450 common shares (2023 - 450) at \$0.01 per share totaling \$4.50 (2023 - \$4.50) and held a contributed surplus of \$27,397,110 (2023 - \$27,397,110).

11. Personnel expenses:

The following expenses are included in general and administrative expenses:

	2024	2023
Wages and salaries	\$ 1,074,838	\$ 1,056,910

12. Net finance income:

	2024	2023
Finance income:		
Investment interest	\$ 761,880	\$ 706,881
Bank interest	182,576	52,097
Other	14,530	26,212
	958,986	785,190
Finance cost:		
Finance expense on Project Agreement liability (note 9)	(947,025)	(774,736)
Less: Finance cost capitalized to plant and equipment (note 6)	212,005	44,953
	(735,020)	(729,783)
Net finance income	\$ 223,966	\$ 55,407

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

13. Commitments and contingencies:**(a) Project Agreement commitments:**

Under the Project Agreement, the Company needs to make monthly payments to the Project Contractor based on the aggregate of the capital obligations, the operating costs, the asset management fee on contributed assets, Project Contractor income tax and commodity costs amounts calculated as of the end of each contract year. The capital obligations are comprised of capital expenditures and financing costs. The commodity costs include costs of fuel, electricity, water, chemicals, etc. which are consumed or produced in the performance of the infrastructure and the operating services. All these costs will be repaid over time by revenue generated through the provision of energy services. The information presented below shows the expected committed cash outflow for the next year under the Project Agreement for the capital and operating costs. As construction progresses the asset values are recorded as plant and equipment and the corresponding liabilities are recorded as project agreement liabilities as disclosed in note 9.

	Capital Commitment	Operating Commitment	Total Commitment
2025	\$ 996,104	\$ 6,162,648	\$ 7,158,752

As at December 31, 2024, under the Project Agreement, on an early termination for convenience by the Company, or termination on an event of default by the Company, the Company is obligated to pay \$20,442,835 to Project Contractor.

(b) Distribution pipe leakage:

An accrual has been maintained in accounts payable and accrued liabilities for the damages that resulted from a distribution pipe leakage at one of the Company's service areas (note 7). Management believes the Company has adequately provided for the remediation costs and intends to seek compensation for such costs from the third parties involved. It is not practicable at this time to measure the financial effect of any recovery of expenses from the other parties involved or the Company's insurer.

14. Revenue:

	2024	2023
Metered billings	\$ 8,778,966	\$ 7,588,977
Other revenue	981,486	981,486
	\$ 9,760,452	\$ 8,570,463

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

15. Related party transactions:

Included in these financial statements are transactions with various Crown corporations, ministries, agencies, boards and commissions related to the Company by virtue of common control by the City, the Province of British Columbia or the Government of Canada. The Company has applied the modified disclosure requirements under IAS 24, *Related Party Disclosures*, which is only applicable for government-related entities.

(a) Due from City of Richmond:

During 2024, the Company received and recognized in other revenue \$981,486 (2023 - \$981,486) for its services of advancing district energy opportunities in the City. Staff and advanced design activities on low carbon district energy initiatives are covered by this fee. With or without the Company, the City would need to fund these costs in order to successfully implement district energy initiatives for the City and position itself at the forefront of tackling local and global environmental challenges our world faces.

In addition, included in metered billings revenue for 2024 is \$34,274 (2023 - \$44,848) for district energy utility services rendered by the Company to the City.

The Company also received and recognized energy model review fees into other income of \$32,868 (2023 - \$20,511) relating to district energy permit fees collected by the City for in-building district energy related equipment reviews performed by the Company.

Additionally, a fee of \$69,680 (2023 - \$70,723), included in general and administrative expenses, was paid to the City for the day-to-day support that the Company received from City staff during the year. These costs have been charged to the Company on a cost recovery basis.

The total amount due from the City as at December 31, 2024 is \$166,301 (2023 - \$165,059) and is included within accounts receivable.

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 related parties. The amount is non-interest bearing and repayable on demand.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

15. Related party transactions (continued):

(a) Key management personnel:

Key management personnel compensation comprised the following:

	2024	2023
Short-term employee benefits	\$ 215,610	\$ 101,417
Post-employment benefits	2,781	-
	\$ 218,391	\$ 101,417

The Board of Directors do not receive any remuneration. Key management personnel include the Board of Directors, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. In 2024, the Company undertook an operational review in conjunction with its growth plan, which resulted in the creation of a full-time Chief Operating Officer role that was reclassified from an existing position and the elimination of the Corporate Secretary role. The Chief Operating Officer role is the only officer position held by a full-time employee of the Company, hence the variance in key management personnel compensation between 2024 and 2023. The growth plan and staff positions were approved by the Board. Short-term employee benefits include salaries and taxable benefits.

16. Fair values and financial instruments:

The Company uses the following hierarchy to determine and disclose fair value of financial instruments:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 - inputs other than quoted prices that are observable for asset or liability, either directly or indirectly; and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

16. Fair values and financial instruments (continued):

Financial assets and liabilities not measured at fair value:

The carrying amounts for cash and cash equivalents, accounts receivable, investments and accounts payable and accrued liabilities approximate their fair values due to their short-term nature and/or market rates of interest.

Subsequent to initial recognition, the Project Agreement liability is accounted for at amortized cost using the effective interest method. The Project Agreement liability includes a component relating to a financing arrangement the Project Contractor holds with the Canada Infrastructure Bank. To determine the fair value of the Project Agreement liability for disclosures purposes, this component has been discounted using a market-based rate for a similar instrument. The other components of the Project Agreement liability approximate their fair values due to the market rates of interest.

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities according to their fair value hierarchy.

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	\$ 7,576,940	\$ 7,576,940	\$ 2,511,976	\$ 2,511,976
Accounts receivable	4,385,448	4,385,448	4,792,892	4,792,892
Investments	13,727,812	13,727,812	12,014,953	12,014,953
Accounts payable and accrued liabilities	1,377,195	1,377,195	1,848,902	1,848,902
Project Agreement liability	19,283,096	17,558,506	14,475,318	13,699,825

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

17. Financial risk management:

(a) Overview:

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate risk)

(b) Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Company consisting of its cash and cash equivalents, trade accounts receivables and other investments. The Company assesses these financial assets on a continuous basis for any amounts that are not collectible or realizable. It is management's opinion that the Company is not exposed to significant credit risk from its financial instruments.

(i) Trade and unbilled trade receivables:

The Company trades mainly with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade and other receivables based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

The sale of energy utilities is made to end-user customers in the City's geographic region. On the basis of the Company's collective experience, management considers the credit risk associated with trade receivables to be low.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

17. Financial risk management (continued):

(c) Credit risk (continued):

(i) Trade and unbilled trade receivables (continued):

The sale of energy utilities is made to end-user customers in the City's geographic region. On the basis of the Company's collective experience, management considers the credit risk associated with trade receivables to be low.

The following table provides information about the exposure to credit risk for trade receivables by aging:

December 31, 2024				
Aging	Gross book balance	Bad debt provision	Proportion of provision	Credit-impaired
Current (not past due)	\$ 3,000,135	\$ -	\$ -	No
1 to 30 days past due	-	-	-	-
31 to 60 days past due	216,010	-	-	No
61 to 90 days past due	-	-	-	-
91 days to 1 year past due	1,035,389	-	-	No
	\$ 4,251,534	\$ -	\$ -	-

December 31, 2023				
Aging	Gross book balance	Bad debt provision	Proportion of provision	Credit-impaired
Current (not past due)	\$ 2,322,251	\$ -	\$ -	No
1 to 30 days past due	2,145,691	-	-	No
31 to 60 days past due	61,847	-	-	No
61 to 90 days past due	-	-	-	-
91 days to 1 year past due	164,306	-	-	No
	\$ 4,694,095	\$ -	\$ -	-

(ii) Due from the City:

The credit risk on amounts due from the City is considered to be low as the City is a Crown entity incorporated under the Local Government Act of British Columbia.

(iii) Cash and cash equivalents, and investments:

Credit risk arising from other financial assets of the Company comprises cash and cash equivalents, and investments. The Company's exposure to credit risk arises from default of the counterparties. The Company manages credit risk through depositing cash and only investing in cash term deposits with established financial institutions which are considered to be low risk.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

17. Financial risk management (continued):

(d) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is 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 Company's reputation.

The Company's terms of business require amounts to be paid from customers within 30-days of the date of invoice. The accounts payable and accrued liabilities and due from the City are in the normal course of operations and paid within the following fiscal year. The commitments under the Project Agreement liability are disclosed in note 13.

The information presented below shows the undiscounted contractual maturities of the Project Agreement liability, including estimated interest payments.

	Carrying amount	Contractual cash flow	Less than 1 year	1 - 2 years	2 - 5 years
December 31, 2024	\$ 19,283,096	\$ 22,219,519	\$ 7,353,383	\$ 1,549,506	\$13,316,630
December 31, 2023	14,475,318	16,697,726	6,310,433	1,307,153	9,080,140

(e) Market risk:

Market risk is the risk that changes in market prices, such as interest rates and other rate risks, will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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

The Company has mitigated the interest rate fluctuation risk associated with the Project Agreement liability (note 9) by securing some of the debt funding at fixed interest rates until 2032.

LULU ISLAND ENERGY COMPANY LTD.

Notes to Financial Statements (continued)

Year ended December 31, 2024

18. Capital management:

The Company's objective when managing capital is to maintain a strong capital base to sustain future development of the business, so that it can provide return for the shareholder and benefits for other stakeholders.

The Company considers the items included in shareholder's equity and the Project Agreement liability as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not required to meet any debt covenants. The Company is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

19. Pension plan:

Lulu Island Energy Company Ltd. and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2024, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

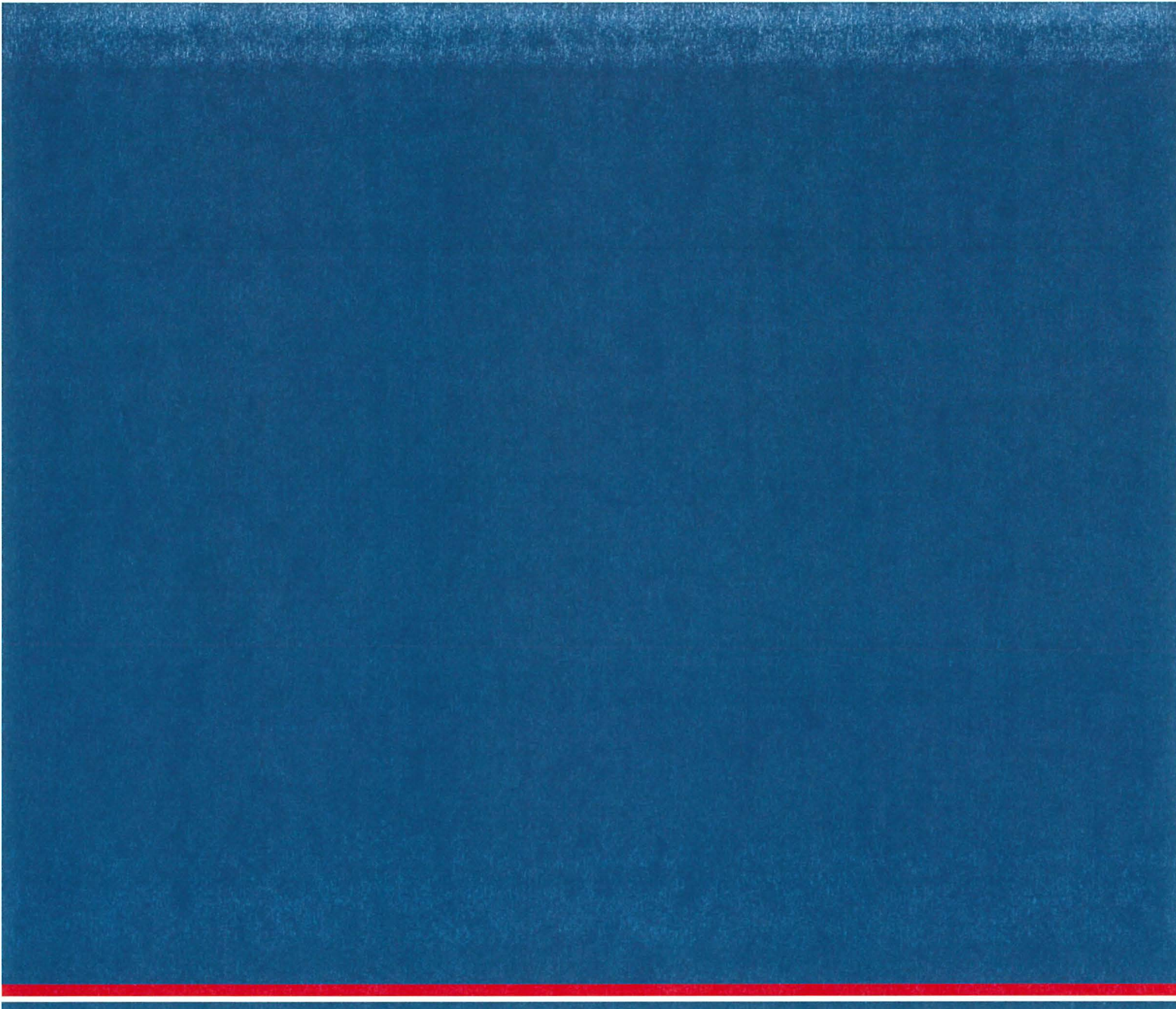
Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Company paid \$114,138 (2023 - \$105,804) for employer contributions while employees contributed \$105,556 (2023 - \$97,849) to the plan in fiscal 2024.

The next valuation will be as at December 31, 2024.

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.



Lulu Island Energy Company

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Cover photo: Sewer Heat Recovery
Central Energy Plan Rendering