



2011 ANNUAL REPORT





RICHMOND OLYMPIC OVAL
LEAU OLYMPIQUE DE RICHIMON

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Message from the Chair



On behalf of our shareholder, the Corporation of the City of Richmond, my fellow Directors and staff, I am pleased to introduce the 2011 Annual Report for the Richmond Olympic Oval Corporation (the Oval).

The facility now offers members and guests two Olympic sized ice sheets, six hardwood courts, a track zone that includes a 656 foot (200 metre) running track encircling a vast multi-purpose sports zone, and a new climbing wall on the activity level, a 23,000 square foot fitness centre on the mezzanine level, and on the ground level the Oval offers an indoor rowing and paddling centre, a dedicated training centre for athlete development, a variety of meeting rooms and through our partner, LifeMark, the Oval is able to offer a speciality sports medicine centre. The entire facility, including the rowing and paddling centre and the climbing wall were designed with accessibility needs in mind in order that the Oval can be used by all members of our community.

The programs and services at the Oval have been designed with residents in mind and the community has had an overwhelmingly positive response with 81% of Oval members being Richmond residents. Richmond organizations and residents also represent a majority of the usage of ice, track and courts by 73%, 58% and 81%, respectively. In early 2011, the City of Richmond and the Oval initiated a community engagement program designed to build relationships with our community sport partners and users. This outreach allowed the Oval to better understand and respond to the needs of our users as well as creating an understanding by our community of how the Oval works to accommodate all aspects of our community.

In addition to the core services we provide to our community and athletes, the Oval hosted a number of competitions, tournaments and events in 2011, some of the highlights include the Yonex Canadian International Badminton Open, the National Fencing Championships, the World Masters Badminton Championships, the Can Am International Wushu Festival, the Vancouver International Judo Tournament and the Harry Jerome Indoor Track Classic.

We are very proud of the Oval's success in developing athletes from all levels and abilities and in providing fun and recreation for Richmond families.

We wish to acknowledge the contributions of those Board members who served the Oval in 2011 and officially welcome our new Board members. We would also like to take this time to acknowledge the significant support and dedication of our shareholder, the Council of the City of Richmond and our stakeholder, the 2010 Games Operating Trust. Our gratitude is also extended to our many valued sport partners as well as our Legacy Program Partners - Telus, Scotiabank and Aspac, and our tenant and partner, LifeMark.

Finally, I would like to acknowledge the dedication and contributions the Executive, Management and staff of the Oval for working diligently toward realizing the vision for the Corporation and for making the first full year of operations a celebrated success.

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

Message from the CEO



Throughout 2011 the Richmond Olympic Oval (the Oval) completed the transformation from a single purpose Olympic Games speed skating venue into a dynamic sport, health and wellness facility. Today, a full suite of programs and services are offered in the 512,000 square foot facility ranging from traditional sports, fitness and family recreation activities to speciality programs such as rock climbing and rowing. Membership and participation have outperformed our initial estimates. It is apparent that the Oval is contributing to the overall health, wellness and recreation aspirations of our community members and to the podium dreams of elite athletes as well.

Due to the Oval having been utilized for the 2010 Olympic and Paralympic Winter Games during the first quarter of 2010, the period of January 1st through December 31st, 2011 marked the first complete fiscal year of operations during the legacy phase. The accompanying audited financial statements reflect that the corporation outperformed budget and contributed \$1.7 million into the capital reserve in accordance with the Operating Agreement with the City of Richmond. This is no small achievement as this unique start-up business anticipated \$10 million of expenses for the year contrasted against a commitment of \$3 million in funding from the City. The remaining \$7 million had to be generated through the strong performance of the Oval's programs and services and by satisfying the high standards of the Games Operating Trust (GOT). In order to qualify for the financial contributions from both the City and GOT, the Oval must continually demonstrate that its programs and services are financially sustainable and that the City and GOT mandates for community and high performance sport, respectively, have been met. In this regard, the Oval was the worthy recipient of the maximum funding award allowable from GOT in 2011. Revenue targets for programs and services for the year 2011 also exceeded expectations. This was achieved in part by containing expenses and implementing cost control measures during the year and included added scrutiny and accountability in areas such as discretionary spending and hiring. Additionally, detailed performance measurement of individual programs began in 2011. This information has greatly assisted in program selection, resource allocation and spending decisions as this start-up business evolves towards steady state operations.

The corporation had a number of other challenges to manage throughout 2011 including union certification of some staff and the addition of the City's Sport Hosting function. The Sport Hosting function is responsible for attracting events City-wide and is a key facet of the City's overall tourism strategy. A listing of Oval-hosted events, including those secured by the Sport Hosting department, is listed in Appendix B.

The careful planning for post-Games legacy operations has caught the attention of the International Olympic Committee (IOC) who has highlighted the Richmond Olympic Oval as an international best practices model for Olympic Legacy Planning. In 2011 the IOC conducted research into the Oval's legacy planning and subsequent operational success, resulting in the Oval being featured in an upcoming film produced by the IOC on Legacy planning. The Oval continues to receive significant interest from future Olympic cities.

Overall, 2011 proved to be a very successful year for the Richmond Olympic Oval and provided valuable benchmark data on which future operational decisions will be based. The Corporation continues to strive to achieve its ultimate goals of offering programs and services to our many community members and sport partners while supporting the podium dreams and serving as an inspiration to our more focused high performance and elite athletes.

George Duncan
President & Chief Executive Officer



**"The Oval has become
Richmond's newest icon."**

—Korea Times

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

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

Operating Agreement Objectives

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

- the Oval will provide facilities, 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 provide facilities for non-sporting, community and entertainment events;
- the Oval will be developed, used and promoted as a training and competition facility for high performance sport; and
- the Oval will provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above.

Legacy Conversion of the Venue

Before the first shovel of dirt was moved on the site, plans for the Richmond Olympic Oval's community legacy were already in place. The pre-planning done by the City of Richmond has been key to the Oval's successes in membership, sport participation and high performance training, making it a strong example of what all Olympic venues can strive for in their legacy phase.

The two largest conversion components added in 2011 include the Climbing Wall and Performance Training Centre. The Climbing Wall at the Oval features 595m² (6,400 square feet) of climbing space

over 31 different routes suited to all skill levels. The climbing surface features a mix of vertical, bulge, overhanging and simulated crack features. Set up for top rope, lead climbing and some bouldering, the wall also features a bridge connected to the Fitness Centre that allows physically challenged persons to experience rappelling from the wall.

The Performance Training Centre at the Oval provides the space, specialized coaching and equipment necessary for athletic training programs that target the entire athlete pathway: from aspiring local youth athletes to those seeking the Olympic podium.

Additional components added in 2011 include: a new parking management system, Scotiabank automated bank machine, two additional team rooms, and a personal training area in the Fitness Centre.

While legacy conversion of the venue is nearing completion, the Oval may never be "finished." The Corporation and City will continue to seek ways to enhance its product and service offering to achieve its legacy goals.

They Said It...

The Richmond Oval was a world-class Olympic venue that is now a cutting-edge, multi-use facility for sports and recreation. The iconic venue made a great impression on all those who visited it and the millions more watching the Vancouver 2010 Olympic Winter Games around the world. Built with legacy in mind, the Richmond Oval has been greatly received by the local community and we have no doubt it will continue to spread the Olympic spirit for many years to come.

—Gilbert Felli, the IOC Executive Director for the Olympic Games

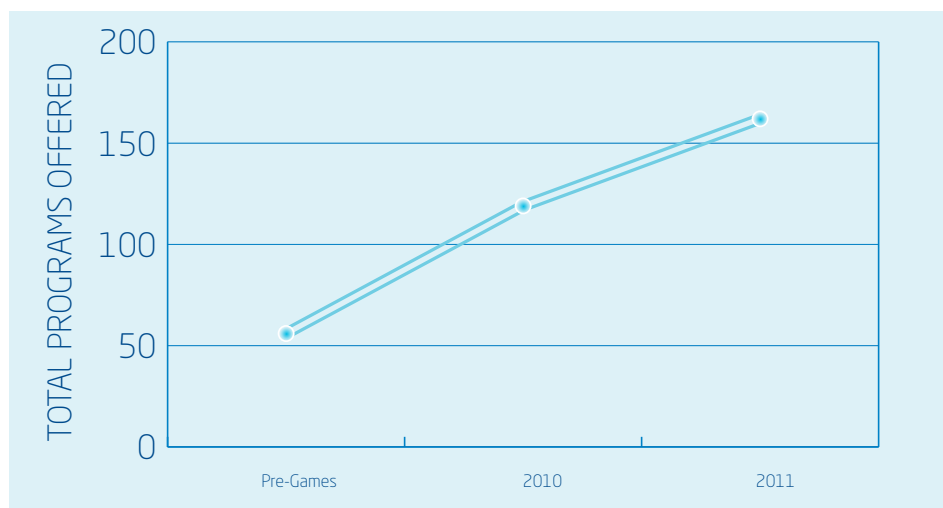
If you haven't been to the Richmond Olympic Oval lately, then you are missing out. While the world's fastest humans on ice are gone, it's what the Oval has added since the 2010 Games that will blow the socks off your Birkenstocks. Many people simply don't know what they are missing in a venue that is already being heralded as the best Olympic legacy ever.

—Vancouver Province, June 28, 2011

Table 1. Legacy Conversion: Growth in Available Features over Time

	PRE-GAMES	END OF 2010	END OF 2011
Fitness Level	<ul style="list-style-type: none"> ■ 8,000 sq ft Fitness Centre ■ Over 40 pieces of strength and cardio equipment 	<ul style="list-style-type: none"> ■ 23,000 sq ft fitness centre ■ Over 100 pieces of strength and cardio equipment 	<ul style="list-style-type: none"> ■ 23,000 sq ft fitness centre ■ Over 100 pieces of strength and cardio equipment ■ - Personal training area ■ Kinesis™ wall ■ Accessible rappel deck to climbing wall
Activity Level	<ul style="list-style-type: none"> ■ 400m ice oval ■ 4 hardwood courts ■ 4 fitness studios 	<ul style="list-style-type: none"> ■ 2 international ice rinks ■ 18 badminton courts ■ 13 FIVB regulation volleyball courts ■ 10 FIBA regulation basketball courts ■ 3 FIFA regulation indoor soccer fields ■ 16 international table tennis tables ■ 200 m 5-lane running track ■ 110 m 5-lane sprint lane ■ 4 fitness studios ■ Food & beverage kiosk 	<ul style="list-style-type: none"> ■ 2 international ice rinks ■ 18 badminton courts ■ 13 FIVB regulation volleyball courts ■ 10 FIBA regulation basketball courts ■ 3 FIFA regulation indoor soccer fields ■ 16 international table tennis tables ■ 200 m 5-lane running track ■ 110 m 5-lane sprint lane ■ 4 fitness studios ■ Food & Beverage Kiosk ■ Climbing Wall ■ Scotiabank Automated Bank Machine
Ground Level	<ul style="list-style-type: none"> ■ Riverport Community Paddling Centre ■ Childminding room ■ 3 meeting rooms ■ 2 locker rooms ■ 8 team rooms ■ North Plaza 	<ul style="list-style-type: none"> ■ Riverport Community Paddling Centre ■ Childminding room ■ 3 meeting rooms ■ 2 locker rooms ■ 8 team rooms ■ North Plaza 	<ul style="list-style-type: none"> ■ Riverport Community Paddling Centre ■ Childminding room ■ 4 meeting rooms ■ 2 locker rooms ■ 10 team rooms ■ North Plaza ■ LifeMark Sport Medical ■ Performance training centre ■ New parking management system

Figure 1. Growth of Public Programs Offered: Pre-Games to 2011



The Oval Corporation's Legacy Goals

The Corporation adopted a set of five objectives that addresses its obligations to the City under the Operating Agreement and the funding requirements of the 2010 Games Operating Trust ("GOT"). As the Oval transitions from Games phase to Legacy phase, the Corporation will focus on:

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

Establishing Positive Brand Awareness

■ In 2011 the International Olympic Committee (IOC) conducted research into the Oval's legacy planning by the City of Richmond and its' Council that has lead to the building's unparalleled success as the most successful Olympic Legacy venue in history. As a result, the Oval will be featured in a future film produced by the IOC with respect to Legacy planning and the Oval continues to receive ongoing interest from future Olympic cities.

■ Research conducted across Metro Vancouver in 2011 revealed that the Oval has the highest public awareness levels out of all branded fitness and sport facilities in the region.

■ Over 200 media stories were published about the Oval in 2011, with 98% positive to neutral in tone.

■ The Richmond Olympic Oval surpassed 2 million visitors since opening day on December 12, 2008.

■ Over the past year, events held at the Oval have drawn hundreds of thousands of people into the facility and contributed greatly to building the community's volunteer base and event hosting capacity.

ity. Please refer to Appendix B for a complete list of events held at the Oval—plus event descriptions. A selection of the most memorable events hosted over the past year are as follows:

- National Fencing Championships | January 27-30, 2011 | 700 Participants
- Richmond Winterfest + Olympic Heroes Skate | February 11, 2011 | 16,000 Participants
- Harry Jerome Indoor Classic | March 11-12, 2011 | 1,000 Participants
- 32nd Can-Am Championships & CDA International Wushu Festival | May 27-29, 2011 | 800 Participants
- Yonex Canada Open Badminton Invitational | July 15-24, 2011 | 1,500 Participants
- World Masters Badminton Tournament | August 20-27, 2011 | 500 Participants

Becoming Valued by the Community and Its Employees

■ A crucial component of achieving loyalty in any major project is to gather feedback from its major stakeholders and to provide a forum for their input. The Corporation has continued to make this a priority by conducting member focus groups, meeting regularly with its stakeholders and engaging members and visitors during their time at the Oval.

■ The Corporation launched a Community Engagement Program in February 2011 in order to develop greater interest and community involvement in the use of the Oval facilities.

■ Oval open houses and tours were attended by 28 groups representing local sports, arts and culture, community associations, social services agencies, Richmond School District and Vancouver Coastal Health. The Oval team hosted targeted consultations with

They Said It...

We are always pleased to see initiatives such as these that bring high-level basketball development to youth across the country. [DRIVE Basketball] compliments existing player development programs that we have in place and it will surely be motivating for the young players to have the opportunity to train in such a world-class sporting facility as the Richmond Olympic Oval.

— Wayne Parrish, President & CEO of Canada Basketball.



Community Connections Through Public Art

Volleyball Player, a 400-pound metal sculpture by artist Cory Fuhr, was commissioned by the family of Narinder Mander, who was the innocent victim of gang violence in October of 2001.

Mander's brother, Dave, said the statue will help the family to heal. "We are extremely proud Richmondites and it's wonderful to be able to give something to the city that has given us so much. My brother Ned was a skilled volleyball player so we hope to inspire future generations of young athletes and people who visit the Richmond Olympic Oval," he said.

Dave Mander credited Richmond Mayor Malcolm Brodie and the rest of Council, city public art planner Eric Fiss, and artist Fuhr—who "created a stunning work of art,"—for helping to make the project a reality.

"This was a profoundly great project for the Games. It was without a doubt the signature venue. It gave the country pure magic, and it took an enormous effort to pull that off. The Oval made a statement around the world."

—John Furlong, VANOC CEO, in the *Richmond Review*

representatives from the Richmond Arenas Community Association Board and their associate member ice user groups, presidents from the Richmond Community Associations, Tourism Richmond's Executive Director and senior staff, Richmond School District Athletic Director, and the Richmond Sports Council President.

■ Member focus groups conducted in October of 2011 revealed 97% customer satisfaction, a strong desire for the inclusion of an aquatic facility, and high membership demand for the use of the Oval's Fitness Centre.

■ The Corporation recognizes the value of creating a corporate culture built on employee commitment, trust and teamwork. In order to position itself as the employer of choice in the sport and fitness industry, the Corporation has focused its efforts on talent acquisition, program development, training, and employee engagement. The Corporation also strives for continuous improvement, and endeavours to be a conduit for its employees to realize their true potential and achieve excellence through collaboration and a shared passion for improving lives.

Supporting High Performance

■ 2011 saw the Oval host an Athletes' Performance Phase 1 Mentorship workshop attracting 15 registrants, including two Oval Staff. The Richmond Olympic Oval is the only facility in Canada to offer Athletes' Performance training.

■ The Volleyball Centre of Excellence has shown solid growth from 2010, with the daytime program increasing participation by 40% over last year and one-third of athletes in Volleyball Centre of Excellence program were selected to provincial team programs.

■ The Volleyball Centre also introduced a new boys program in 2011 to complement its already strong girls program. Twelve boys enrolled in the weekday daytime and sixteen enrolled in the weekend high performance program.

■ The Table Tennis Centre of Excellence continues to show consistent growth in number of lessons offered.



■ The Oval signed a Memorandum of Understanding with the Canadian Sport Centre Pacific, a B.C.-based delivery partner, which is jointly aimed at strengthening the Canadian sport system. This strategic alliance outlined areas for 'Collaborative Work' (including the Oval's stewardship of the Ignite Program and the hosting of national team training and events) and the 'Transfer of Best Practices and Knowledge.'

■ The Corporation continued its support of the Gymworks™ Program, a partnership program created between fitness facilities, health clubs and community centres across the province and CSC Pacific and PacificSport that allows all athletes registered with CSC Pacific and/or PacificSport access to local training centres. Registered athletes with CSC Pacific/PacificSport cards can choose between one or more facilities depending on which location was most convenient for them. Participation by GymWorks™ users at the Oval grew by 88% in 2011, training across 27 different sports.

membership numbers already passing goals set for 2013. Membership usage is also very high with over 20,000 member visits per month. Richmond residents account for 81% of Oval Memberships.

■ The Oval's Activity Level was also highly used by Richmond organizations and residents, accounting for 73% of ice usage, 58% of track usage, and 81% of court usage in 2011.

■ The Oval is currently host to 4 sport leagues, including the Adult Safe Hockey League, Urban Rec, the Vancouver Futsal Association and Metro Basketball. Participants of these three leagues accounted for 100,000 visits in 2010.

■ While 2010 was only a partial year of operation, due to the VANOC Exclusive Use Period that lasted until March 31, 2010, program registration still grew beyond expectations and was 76% higher in 2011 compared to 2010.

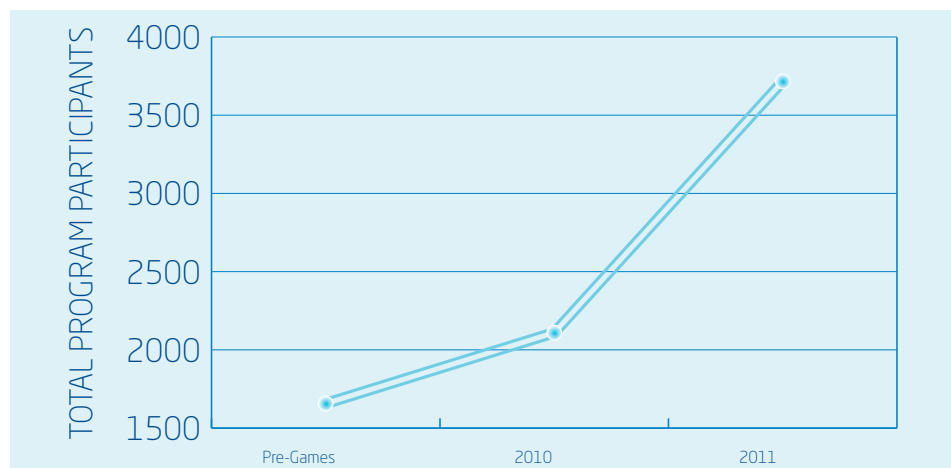
■ Summer Camp registrants increased by 20% over the same time last year with 923 registrants in 2011, including the successful addition of volleyball-specific summer camps. This is an increase from 512 and 770 registrants in our 2009 and 2010 Summer Camps respectively.

Become the Desired Location for Community Sport, Health and Fitness

■ Total number of visits from all sources combined in 2011 was estimated at over 500,000 visits.

■ Public interest in membership has exceeded expectations, with

Figure 2. Growth of Public Program Participation: Pre-Games to 2011





■ LifeMark Sport Medicine opened at the Richmond Olympic Oval in May of 2011. This state-of-the-art clinic offers the highest standard of quality injury rehabilitation services backed by advanced research and proven techniques. LifeMark Sport Medicine at the Richmond Olympic Oval is the largest, most comprehensive, personal rehabilitation care and sports medicine clinic in British Columbia.

■ In December of 2011, the Oval opened its Performance Training Centre to meet the increasing demand for high performance training and for those who want to train like high performance athletes. Built to maximize space for movement, the new Performance Training Centre is equipped to support the training needs of all athletes and is strategically located next to LifeMark Sport medical to facilitate strong integration of strength and conditioning with sport medical.

■ The Corporation announced a partnership with DRIVE Basketball in 2011, bringing performance youth basketball development to the Richmond Olympic Oval. This partnership delivers a comprehensive youth player development model supplementing high school coaching and competition, surrounding the passionate and talented basketball athlete with the best coaching, facility and ancillary services required by today's best young athletes, including: nutritional consulting, sports psychology, performance testing, sports rehabilitation, strength and conditioning equipment, and athlete education.

■ The Oval hosted 33 Sport User Groups in 2011, over 80% of which were from Richmond:

Adult Safe Hockey League	Richmond Minor Hockey Association
Air Attack Volleyball	Richmond Ravens
BC Floorball	Richmond Ringette
BC Handball	Richmond Rockets
BC Hockey	Richmond Seafair
BC School Sports	Richmond Youth Soccer Association
BC Wheelchair Sports	SportAbility
ClearOne Badminton	UBC Field Hockey
Connaught Skating Club	Urban Rec
Delta Ice Hawks	Vancouver Futsal Association
Field Hockey Canada	Vancouver Hawks
Greater Vancouver Canadians-Major Midget	Vancouver MHA
Metro Basketball	Vancouver Thunderbirds MHA
North Delta Blue Jays	Volleyball BC
Panther Cheer Athletics	
Richmond City Baseball	
Richmond Field Hockey Club	
Richmond Kajaks Track and Field Club	
Richmond Lacrosse	

"This is the first example of its kind where the designer of the building...had in mind to not only deliver a breath-taking Olympic venue, but afterwards, it should offer a home to the sports-minded community of Richmond. Unlike many other Olympic venues that were left unused after the Games had finished, mainly due to the extremely high operating cost, in Richmond, the Olympic legacy will live on for the entire community for many more years."

—Stadiaworld



Meet Local Athletes...

View each of these amazing local athlete stories online at www.richmondoval.ca/athletestories.

Laura Lai

Laura Lai is a Table Tennis Center of Excellence athlete who practices six days a week under the guidance of YJ Liu. Recently, nine year old Laura participated in BC Primary School games and placed first in the U11 singles division and second in the U 13 mixed double division. Laura hopes to be the best table tennis player in the world and represent Canada at the 2020 Summer Olympic Games.

Lance Fuentes

Lance Fuentes is a 10-year old Drive Basketball player who has some smooth moves with the basketball that are sure to impress. His dedication to the game has him practicing though injury on this online episode, but his skills will still blow your mind for such a young player.

Lauren + Nicole

Lauren and Nicole are young Irish Dancers who've found the Oval the perfect multi-sport venue with the space they need to practice their passion, proof that not all the athletes here are wearing skates or chasing a ball.

Financially Sustainable

- The Corporation realized an annual surplus of \$2,214,470 for the year ended December 31, 2011. Of this amount, the Corporation transferred \$1,700,000 to the Capital Reserve in 2011 in accordance with the Richmond Oval Agreement.
- The Corporation's main sources of revenues in 2011 were - from largest to smallest - 'memberships, admissions and programs', City of Richmond contributions, 2010 Games Operating Trust funding, 'facility rentals of ice, court and other facilities', plus other revenue (mainly consisting of parking, leasing and Community Legacy Partner sponsorship revenue).
- The Corporation was proud to continue its close relationship with our Community Legacy Program Partners: Scotiabank, TELUS, and ASPAC Developments. Our partners have been critical in helping the Oval to bring positive sport, health and wellness changes to as many people as possible and their continued support is much appreciated.
- The Corporation has no debt other than operational accounts payable and equipment lease obligations.
- Direct comparisons of 2011 financial figures to those of 2010 are not particularly meaningful at this stage as 2011 was the Oval's first full year of operations. Prior years were characterized by periods of facility closures for VANOC test events and the Games Hosting Period, legacy conversion construction and partial openings.
- Accordingly, it will not be until the 2012 fiscal year is compared to fiscal year 2011 that valid comparisons will be useful.



I Saw the Oval on TV!

The Oval was proud to be featured in the NHL Vancouver Canucks public service announcement entitled "This is Our Home", confirming that the Oval has quickly established itself as part of the community and sporting fabric of Metro Vancouver.

The video can be viewed at www.richmondoval.ca/Canucks.

“In addition to their impressive athletic backgrounds, their energy, enthusiasm, initiative and ability to connect with the kids was fantastic!”

—Lisa Ward

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 8, 2011, the Company has 8 Directors. The name and Province of residence of each Director, each Director’s principal occupation, and the month each Director was appointed to the Board are indicated in the chart below. The term of office for full-term directors is one to two years.

Name + Province of Residence	Principal Occupation	Director Since	Re-elected	Term
E. Michael O'Brien British Columbia, Canada	Corporate Secretary and Vice President, Strategic Planning and Legal Services, Vancouver International Airport Authority	June 2008	June 2011	2 years
Dennis Skulsky British Columbia, Canada	President & Chief Executive Officer, BC Lions Football Club	February 2011	June 2011	2 years
Moray Keith British Columbia, Canada	President, Dueck Auto Group	June 2008	June 2011	2 years
George Duncan British Columbia, Canada	Chief Administrative Officer, City of Richmond	June 2008	June 2011	2 years
Linda Sanderson British Columbia, Canada	Management Consultant	June 2008	June 2011	1 year
Victor Farmer British Columbia, Canada	Senior Vice President, Progressive Construction Ltd.	June 2008	June 2011	1 year
Umendra Mital British Columbia, Canada	Vice President and General Manager, Ebco Industries Ltd. and Advanced Cyclotron Systems Inc.	June 2008	June 2011	1 year
Wayne Duzita British Columbia, Canada	VP Leasing & Marketing IAT Management LP	August 2011		1 year

"Dear Oval Staff - Thank you for being such an awesome team to work with. I really appreciate everyone being so kind and patient. I've had such a blast over the past 1.5 weeks and I'd like to thank you all for making my time at the Oval so enjoyable. You guys rock!"

—Amanda Ring, Oval Volunteer Camp Staff

Executive Officers

As of December 8, 2011, the Company has two executive officers. The name and province of residence of each executive officer, the offices held by each officer and each officer's principal occupation are as follows:

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

Council Liaison

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

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

Committees

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

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



Appendix B: Events

2011 Oval Events

Futsal Fiesta 2011

January 7-9, 2011 | 1,000 Participants

1,800 girls and boys aged 4-18 participated in the 3rd annual Richmond Futsal Fiesta tournament held at the Richmond Olympic Oval. With nine Futsal courts in action simultaneously, the festival featured 250 fast-paced games between teams from all around the province. In addition to the tournament, BC Soccer Futsal certified coaches ran a number of clinics to teach skills and tactics throughout the weekend.

National Fencing Championships

January 27-30, 2011 | 700 Participants

Swordsmen and women from across Canada tested their mettle at the Oval for a chance at the 2011 National fencing title. Featuring Canada's top talents in the sabre, epee and foil, residents of the lower mainland were treated to some of the best fencing in Canada. Richmond's own, Igor Gantsevich impressed his hometown finishing 3rd in the senior men's epee.

Floorball North America Qualifiers

February 4-6, 2011 | 400 Participants

Team Canada squared off against Team USA at the Richmond Olympic Oval. Playing back to back games, the Americans edged out their competition 8-2 and 8-0 earning the right to represent North America in the upcoming World Floorball Championships held in Switzerland.

Richmond Winterfest + Olympic Heroes Skate

February 11, 2011 | 16,000 Participants

Marking the anniversary of the 2010 Olympic Winter Games, the 2011 version of Winterfest was a celebration of sport and culture. Welcoming back Olympians Denny Morrison, Kristina Groves and Richmond's own Alexa Loo, residents reveled in the opportunity to skate with and get autographs signed by these Olympic heroes. Approximately 16,000 people passed through the Oval's doors to enjoy the wide variety of games, food and entertainment of Winterfest Weekend.

Harry Jerome Indoor Classic

March 11-12, 2011 | 1,000 Participants

Providing the stage for indoor track and field's triumphant return to metro Vancouver, the Richmond Olympic Oval hosted the 2011 Harry Jerome Indoor Track meet. The first indoor meet in B.C. in over 20 years, participants ranged from elementary school hopefuls to University superstars. Among the athletes was Olympian Ruky Abdulai of Simon Fraser University who won a pair of events in convincing fashion to earn the outstanding athlete of the meet honour. She was first in the women's 50-metre hurdles in 7.72 seconds and topped the high jump at 1.75 metres.

Atomic Volleyball Jamboree

March 11, 2011 | 200 Participants

Emphasizing participation and lifelong enjoyment of sport, the first annual Atomic Jamboree held at the Richmond Olympic Oval on Friday, March 11th was a memorable one for the 150+ 12 year olds in attendance. Twenty-four teams participated in a four pool, six-team format playing on 8 badminton sized courts.

Volleyball B.C. U18 Provincial Championships

March 11, 2011 | 500 Participants

Teams from all over the province flocked to the Richmond Olympic Oval to compete for the title of the best volleyball team in the province. With 12 courts in action for most of the weekend, girls and boys aged 18 and under passed, set and spiked their way through more than 195 games. With many of these players destined for college volleyball, Richmondites were treated to precision skills and tactics. The Oval was lauded as the perfect environment to host this type of tournament due to the number games that can be played simultaneously, the open environment and the ample room available for parents, spectators and fans to watch.



Yonex Canadian Junior + U23 National Championship May 2-7, 2011 | 1,500 Participants

Athletes showcased their talents as the 2010/2011 domestic competitive season was celebrated and the Junior and U23 National Champions were crowned. The six day event didn't just serve as the pinnacle of the season for some players as many competed for a spot on the Junior National Team that would later represent Canada at the Junior Pan American Games and the World Junior Badminton Championship. Over 1,000 spectators were present to watch the up and coming badminton stars.

Handball Nationals May 19-22, 2011 | 450 Participants

For the first time in over 20 years, B.C. hosted the Senior Canadian Championships. Three days of handball excitement with 13 teams from 6 provinces participated for a chance to be called 'champion' at the Richmond Olympic Oval.

32nd Can-Am Championships & CDA International Wushu Festival | May 27-29, 2011 | 800 Participants

The tournament featured a wide array of styles for local competitors and was host to the Carlson Gracie Cup for Brazilian Jiu-Jitsu. Additional styles included: Wushu, Sanshou, and Tae Kwon Do teams from China, expanded Hapkido divisions, Pankration, and Modified Muay Thai.

Corporate Champions Vancouver June 4-5, 2011 | 1,000 Participants

Organizations across Metro Vancouver gathered at the Oval to encourage team building, health and wellness in the workplace. 1,000 participants from 40 different companies got out of the office and competed in a weekend of multi-sport action.

Pacific International Club Volleyball Tournament June 10-12, 2011 | 1,000 Participants

The Richmond Olympic Oval was host to the 1st annual Pacific International Youth Volleyball Tournament. The event saw 15U and 16U divisions with teams from BC, Alberta and Washington State. The Oval quickly became a favourite place to compete for athletes, coaches and fans alike as the 8+ wood and pulastic court surfaces as well as the limitless ceiling were perfect for this event.

Yonex Canada Open Badminton Invitational July 15-24, 2011 | 1,500 Participants

For six days in July, the Richmond Olympic Oval was the center of the badminton world as athletes from 35 countries competed in the 2011 Yonex Canada Open. The tournament and 1,500 spectators saw brilliant displays of talent and skills from 250 of the best badminton players in the world. The final day of the tournament fans were treated to a rematch of the US open between single's heavyweights Taufik Hidayat and Mark Zwiebler. Hidayat was looking to avenge his loss earlier in the season but came up short losing to Zwiebler in straight sets (21-13, 25-23).

US College Basketball Exhibition: TWU vs Ball State | August 12, 2011 | 300 Participants

Richmond got a taste of what March madness in August as the Trinity Western Spartans invited Indiana's Ball State University to a friendly exhibition match at the Richmond Olympic Oval. The Spartan's men's basketball team opened its preseason schedule against the NCAA Division 1 Cardinals to gear up for the upcoming basketball season. The TWU Spartans got off to a quick start against their cross boarder opponents taking a 10-6 lead early in the first quarter. Unfortunately, the visiting team shook off the plane legs in the second quarter and dominated the rest of the game eventually winning 114-71.

US College Basketball Exhibition: TWU vs Texas Arlington August 17, 2011 | 300 Participants

The Spartans faced another cross boarder foe Tuesday night as they battled against the University of Texas Arlington Mavericks at the Richmond Olympic Oval. Hoping to avenge their loss to the Ball State Cardinals earlier in the week, the Spartans competed hard all game but came up short, falling 115-71. The back to back exhibition games against NCAA Division 1 caliber teams were used to fine tune tactics and to get ready for the start of the regular season. Regardless of the outcome, Richmond residents were able to enjoy high quality basketball right in their backyards.

World Masters Badminton Tournament August 20-27, 2011 | 500 Participants

Badminton players from around the world arrived in Richmond to compete in the Badminton Federation World Senior Championships. Close to 1,000 players, their spouses and family members came to the Lower Mainland early to take in the city and enjoy the spoils of a trip



to the other side of the globe. On the court it was all business though as the athletes laid it all on the line competing in various age groups from over-35 to over-65.

West Coast Basketball Classic September 10-11, 2011 | 500 Participants

On September 10-11, over thirty basketball teams took to the Richmond Olympic Oval courts to display their hoop skills and claim the title of West Coast Classic Champions. The tournament featured both competitive and recreational divisions for men, women, police, fire and youth basketball. An extremely popular tournament, teams flocked from all over the lower mainland and surrounding areas. Besides the four courts of basketball action, fans were treated to a high flying slam dunk competition and sharp shooting 3 point shoot outs. The 3rd installment of this tournament was a huge success for players, coordinators and fans alike and will be returning to the Richmond Oval in 2012.

Glen Sutor Football Camp November 23, 2011 | 500 Participants

Glen Sutor, Matt Dunigan, Milt Stegall and some of the top professional and university players across the country joined forces to provide 400 football players in grades 8-10 a day of high quality drills and instruction. The camp was profiled nationally by The Sports Network (TSN).

The 11th Annual Panther Cheer + Dance Championships December 10, 2011 | 1,500 Participants

Usually it's the cheer and dance teams shouting encouragement for their fellow athletes. But on Saturday they were the ones receiving the praise. Several of B.C.'s best gathered at the Richmond Olympic Oval to gauge the success of their routines in a competitive season opener. This single day event saw athletes aged 3 to 18 compete in front of a crowd of over 1,000 people.

2012+ Secured Oval Events

2012+	SECURED EVENTS	DATE
2012	National Karate Championship	Mar 16-18 New
2012	Canadian Short Track Championship	Mar 23-25 New
2012	Pacific Volleyball Society International Club Tournament	Apr 6-8 <i>Annual</i>
2012	Canadian Sport Tourism Alliance Sport Events Congress	Apr 18-20 New
2012	ISKF National Karate Championship	May 11-12 New
2012	Jack Donohue International Classic Basketball	May 17 <i>Annual</i>
2012	National Wheelchair Basketball Championship	May 18-21 New
2012	Canadian Wheelchair Basketball National Training Camp	May 21-25 New
2012	NACBA Invitational Tournament	May 26-28 New
2012	FCABC Conference and Fire Service Expo	Jun 1-4 New
2012	Healthcare Services Tradeshow	Jun 6 New
2012	BC Provincial Fencing Championships	Jun 7-11 New
2012	Corporate Champions of Vancouver	Jun 9-10 <i>Annual</i>
2012	The Vancouver Shoe Show	Jun 15-17 New
2012	International Wheelchair Rugby Canada Cup	Jun 15-25 New
2012	LANcouver PC Gaming Event	Jun 29-Jul 1 New
2012	SOS Children's Village Run	Jun 30 <i>Annual</i>
2012	Yonex Badminton Invitational	Jul 8-15 <i>Annual</i>
2012	Table Tennis National Championship	Jul 18-26 New
2012	Dodgeball International Tournament	Jul 27-29 New
2012	Euro Classic Car Show	Aug 5 New
2012	World Cup Field Painting Competition	Aug 16 + 18 New
2012	Can-Am Wushu Championship	Aug 17-19 <i>Annual</i>
2012	Rehab Equipment Expo	Sep 10-11 New
2012	CanAm Investment Expo	Sep 21-23 New
2012	Children's Organ Transplant Society Run	Sep 30 New
2012	Western Marine Trade Show	Oct 12-14 New
2013	BC Sports Rep Trade Show	Jan 18-21 New
2013	Judo National Championship	Jul 2-11 New
2014	ScotDance Canada Championship	Jul 1-7 New



Appendix C: Awards

2011 Oval Awards

The Richmond Olympic Oval was the recipient of two prestigious architectural awards in 2011 presented by the International Association for Sports and Leisure Facilities (IAKS) in partnership with the International Olympic Committee (IOC) and the International Paralympic Committee (IPC).

In an awards ceremony held recently in Cologne, Germany, the City of Richmond and Cannon Design Architecture, owners and architects respectively for the Oval, received the IOC/IAKS Gold Medal for exemplary design and function. The City and Cannon also received the IPC/IAKS Distinction Award for sports facilities suitable for persons with a disability.

The Oval was the only one of the 135 entries into this worldwide competition to have won both the IOC/IAKS Gold Medal and the IPC/IAKS Award of Distinction. Judged by a jury of international experts and peers, this award is considered to be the most prestigious international award for sport and leisure facilities.

IOC/IAKS Gold Medal

The IOC/IAKS Award is the only international architecture prize for sports and leisure facilities already in operation. Every two years since 1987, the IOC/IAKS Award has been commending sports facilities of exemplary design and function. The winning projects can be new buildings or existing facilities that have been extended or modernized. The Gold Medal is the highest level presented.

IPC/IAKS Distinction Award

The IPC/IAKS Award of Distinction aims to promote accessibility to sports facilities and all other buildings in order to give people with a disability the opportunity to practice or view sport without limitation or barriers.

Awarding Body	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

Awarding Body	Award
VRCA Awards of Excellence	Chairman's Trade Award Gold Chairman's Trade Award Silver President's Trade Award Silver Manufacturer & Supplier Silver Electrical Contractors Over \$ Million - Gold General Contractor of the Year Award Trade Contractor of the Year Award
CISC/ICCA Steel Awards (British Columbia Chapter)	Outstanding Steel Structure: Engineering Division Award of Excellence
Canadian Wood Council	North American Wood Design Award
Inform Awards	Honor Award, interior design
Concrete Reinforcing Steel Institute	Award winner, Cultural & Entertainment Facilities
Society of American Registered Architects (SARA), New York Council	Citation
VANOC Sustainability Star Award	The 2009 Sustainability Star
2010 BUILDINGS Project Innovations Awards	Grand Prize Winner (New Construction Category)
2010 SARA Professional Design Awards Program	2010 Design Awards Competition (Philadelphia)
2010 International Property Award (Bloomberg, Inc.)	Public Services Development
2010 Athletic Business	Facility of Merit
2010 European Centre for Architecture Art Design and Urban Studies and The Chicago Athenaeum: Museum of Architecture	Green GOOD Design Awards
2010 ARIDO Award	Awards of Merit, Public and Institutional Spaces
2010 REBGV Commercial Building Awards	Legacy Merit Award
ArchDaily Building of the Year 2010	Sports Category Winner
International Property Awards	Best Public Services Development Canada
IOC/IAKS 2011	Gold Medal Award
IPC/IAKS	Distinction Award
2010 CISC "National" Steel Design Award	Best of the Best - Across Canada



Appendix D: Management's Discussion and Analysis

Management's discussion and analysis provides an overview of the Corporation's business operations for the year ended December 31, 2011 relative to the year ended December 31, 2010.

This management's discussion and analysis should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2011 and the accompanying notes. The Corporation's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. All figures presented in the following are expressed in Canadian dollars and are rounded to the nearest \$1,000.

This management's discussion and analysis has been prepared based on information available as at April 23, 2012, except where otherwise indicated.

About the corporation

The Richmond Olympic Oval Corporation (the "Corporation") was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the "City"). On August 10, 2010 the Corporation changed its name from 0827805 BC Ltd to Richmond Olympic Oval Corporation. The Corporation's objectives with respect to the long-term use and operation of the Richmond Olympic Oval facility (the "Oval") include but are not limited to the following: a) the Oval will be developed, used and promoted for a training and competition facility for high performance sport; b) the Oval will provide facilities, programs and services for quality sport, fitness, recreational uses and wellness services for the Richmond community, neighbouring communities and the general public; the Oval will provide facilities for non-sporting, community and entertainment events; and the Oval will provide ancillary commercial, retail, health and wellness services to enhance its use in respect of the activities set out above.

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

Overview of Performance

During the period commencing December 1, 2009 through March 31, 2010 VANOC had an "Exclusive Use Period" ("EUP") when it effectively took control of and operated the Oval for the 2010 Olympic and Paralympic Winter Games. During this period (essentially quarter one of fiscal 2010), revenue earning operations ceased. Immediately following the EUP, the Oval was softly opened to the public. While going through the Legacy conversion construction phase no operating revenue was earned during the second quarter of 2010. The last two quarters of the year 2010 featured another "start-up" of operations with full operations beginning in early September. As a result of the start-up period and the EUP, the comparison of 2011 financial figures to those of 2010 is not particularly meaningful. Accordingly, it will not be until the 2012 fiscal year is compared to fiscal year 2011 that valid comparisons will be useful.

Revenue

2011 revenue from memberships, admissions and programs totalled \$4,067,000 (2010 - \$1,437,000). In 2011 revenue from these sources of \$537,000 was deferred to fiscal 2012 (2010 - \$268,000 was deferred to 2011).

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 \$2,739,000 during the year which was recognized as revenue earned in the year (2010 - \$2,305,000).

The Oval received a contribution of \$3,023,000 from the City in 2011 (2010 - \$1,500,000).

Other revenue of \$1,031,000 was recognized in 2011 (2010 - \$180,000) and mainly consisted of parking, leasing and sponsorship revenue. In addition included in other revenue is \$158,000 pertaining to Sport Hosting revenue. Effective July 1, 2011, the Sport Hosting department from the City of Richmond was transferred over to the Corporation along with separate funding that is attached to that function. The funding is recognized as deferred revenue until it is spent at which time the revenue and expense are both recognized.

Expenses

During 2011, expenses were incurred for the following:

- Salaries and benefits of \$5,346,000 (2010 - \$3,647,000). There were 43 full-time and 157 part-time employees on the payroll as of December 31, 2011; (2010 - 39 full-time and 123 part-time employees);
- Other operating expenses incurred in 2011 totalled \$3,300,000 (2010 - 2,967,000) and mainly included the following:
 - Facility operations of the Oval including the heat, light and power, the ice-making equipment and building maintenance;
 - Amortization costs of tangible capital assets;
 - Property and liability insurance; and
 - Costs associated with running the Oval fitness programs;
 - Administration costs related to accounting, information technology, development of organizational infrastructure such as safety programs, internal controls, office supplies and equipment support, human resource policies, etc;
 - Costs related to marketing the Oval sport fitness programs and rentals of facilities;
 - Sport Hosting department related expenditures; and
 - Professional fees mainly related to leases for prospective tenants, other legal agreements and audit fees;

The annual surplus for the year was \$2,214,000 compared to a net loss of \$1,192,000 for 2010. The total accumulated surplus as of December 31, 2011 is \$2,278,000, however, of this amount the Corporation has transferred \$1,700,000 in 2011 to the Capital Reserve in accordance with the Richmond Oval Agreement.

Summary of Financial Position

The following table presents summary information on the Corporation's financial position at December 31, 2011.

	\$000s	
	2011	2010
Financial assets	\$4,128	\$708
Financial Liabilities	3,081	1,935
Net Financial Assets (debt)	\$1,047	(\$1,227)
Non-financial Assets	\$1,231	\$1,291
Accumulated Surplus	\$2,278	\$64

Financial Assets

The Corporation has a cash balance of \$1,431,000 at year end (2010 - \$391,000). The accounts receivable aggregating \$447,000 (2010 - \$317,000) resulted primarily from sponsorship fees, leases, sales of memberships, admissions, programs, rentals, special events and HST receivable. The investment balance of \$2,250,000 (2010 - \$0) represents the Oval's investments invested in term deposits.

Financial Liabilities

Accounts payable and accrued liabilities of \$851,000 (2010 - \$721,000) include payroll accruals and trade payables for heat, light, power, legal and audit fees and HST payable. The Oval has capital lease obligations for equipment with remaining terms to April 2013. The balance as at December 31, 2011 was \$206,000 (2010 - \$438,000) with payments as shown in note 7 to the financial statements. Deferred revenue of \$1,879,000 (2010 - \$536,000) includes unspent funding pertaining to the Sport Hosting department, sponsorship fees, and the pro rata portion of fees received in 2011 for membership and programs to be delivered in 2012. The amount due to the City of \$140,000 (2010 of \$215,000) arose in the normal course of business. A rental deposit of \$6,000 (2010 - \$27,000) is held as of the end of the year.

Non-Financial Assets

As at December 31, 2011, the Oval had \$2,076,000 (2010 - \$1,712,000) of equipment of which \$906,000 (2010 - \$906,000) resulted from the capitalization of leases for information technology equipment, leases for printers, drivers, computers, audio visual and other equipment required for the administration and running of programs, events and the operation of the Oval. In addition, it includes \$1,170,000 (2010 - \$806,000) of athletic equipment, staff uniforms, ice skates, helmets, computer software and equipment, facility equipment and other equipment. Amortization for the year was \$527,000 (2010 - \$485,000). Accumulated amortization of the capital assets amounted to \$1,415,000 (2010 - \$888,000) at year end.

Deferred lease costs of \$124,000 (2010 - \$133,000) are direct costs incurred in connection with leases and are deferred and amortized over the terms of the lease.

Prepaid expenses of \$444,000 (2010 - \$331,000) consist of un-amortized portions of the premiums on the Oval's insurance policies together with prepaid information technology licences, equipment maintenance, and sponsorship commissions.

Accumulated Surplus

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

The accumulated operating surplus per note 12 as at December 31, 2011 is \$122,000 (2010 - deficit of \$323,000). \$1,700,000 has been transferred to the Capital Reserve in 2011 in accordance with the Richmond Oval Agreement between the City and the Oval.

Liquidity and Capital Resources

Operating

Cash provided by operations in the period amounted to \$3,908,000 (2010 cash used by operations - \$251,000).

Capital Activities

The Corporation purchased capital assets consisting primarily of the sport and fitness, information technology and facility equipment for the Oval totalling \$365,000 (2010 - \$171,000).

Investing

The Corporation has invested \$2,250,000 (2010 - \$0) in term deposits.

Financing

Principal payments on the capital lease obligations amounted to \$232,000 (2010 - \$235,000).

Related Party Transactions

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

Appendix E: Audited Financial Statements



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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Richmond Olympic Oval Corporation

We have audited the accompanying financial statements of Richmond Olympic Oval Corporation, which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, the statements of operations, changes in net financial assets (debt) and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Richmond Olympic Oval Corporation as at December 31, 2011, December 31, 2010 and January 1, 2010 and its results of operations, its changes in net financial assets (debt) and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian public sector accounting standards.

Chartered Accountants

April 27, 2012

Burnaby, Canada

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Financial Position

December 31, 2011, December 31, 2010 and January 1, 2010

	December 31, 2011	December 31, 2010	January 1, 2010
Financial Assets			
Cash	\$ 1,430,735	\$ 390,901	\$ 1,021,195
Investments (note 4)	2,250,000	-	-
Accounts receivable	447,401	317,468	88,918
	4,128,136	708,369	1,110,113
Financial Liabilities			
Accounts payable & accrued liabilities	851,087	720,965	571,982
Obligations under capital leases (note 7)	205,663	437,553	711,232
Deferred revenue (note 8)	1,879,250	535,525	78,023
Due to City of Richmond (note 9)	139,798	214,775	103,205
Rental deposits	5,513	26,761	-
	3,081,311	1,935,579	1,464,442
Net financial assets (debt)	1,046,825	(1,227,210)	(354,329)
Non Financial Assets			
Tangible capital assets (note 10)	661,555	823,975	1,176,978
Deferred lease costs (note 11)	123,809	133,319	-
Inventories of supplies	1,865	2,614	2,046
Prepaid expenses and other deposits	444,327	331,213	431,265
	1,231,556	1,291,121	1,610,289
Accumulated surplus (note 12)	\$ 2,278,381	\$ 63,911	\$ 1,255,960

Economic dependence (note 15)

See accompanying notes to financial statements.

Approved on behalf of the Board:



E. Michael O'Brien



Victor Farmer

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Operations

For the years ended December 31, 2011 and 2010

	2011 Budget (unaudited—note 3(g))	2011	2010
Revenue:			
2010 Games Operating Trust Fund (note 6)	\$ 2,500,000	\$ 2,739,398	\$ 2,304,796
Contribution from City of Richmond (note 13)	3,022,500	3,022,500	1,500,000
Memberships, admissions and programs	4,132,921	4,067,266	1,437,025
Other	856,889	1,031,052	180,136
	10,512,310	10,860,216	5,421,957
Expenses:			
Salaries and benefits	5,701,084	5,346,416	3,646,871
Utilities	1,107,750	818,959	821,064
Amortization	498,195	526,964	485,324
Supplies and equipment	673,311	442,954	398,497
Insurance	334,750	326,631	324,342
General and administration	899,342	489,134	406,240
Marketing and sponsorship	406,438	290,330	293,260
Program services	189,657	276,471	101,588
Professional fees	100,820	127,887	136,820
	9,911,347	8,645,746	6,614,006
Annual surplus (deficit)	600,963	2,214,470	(1,192,049)
Accumulated surplus, beginning of year	63,911	63,911	1,255,960
Accumulated surplus, end of year	\$ 664,874	\$ 2,278,381	\$ 63,911

See accompanying notes to financial statements,

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Changes in Net Financial Assets (Debt)

For the years ended December 31, 2011 and 2010

	2011 Budget (unaudited—note 3(g))	2011	2010
Annual surplus (deficit) for the year	\$ 600,963	\$ 2,214,470	\$ (1,192,049)
Acquisition of tangible capital assets	(344,500)	(364,544)	(132,322)
Amortization of tangible capital assets	498,195	526,964	485,324
	153,695	162,420	353,002
Amortization of deferred lease costs	-	17,002	2,195
Acquisition of inventory of supplies	-	(1,487)	(2,227)
Acquisition of prepaid expense	-	(679,609)	(485,662)
Consumption of inventories of supplies	-	2,236	1,659
Use of prepaid expenses and other deposits	-	566,495	585,715
Additions of deferred leasing costs	-	(7,492)	(135,514)
Change in net financial assets (debt)	754,658	2,274,035	(872,881)
Net debt, beginning of year	(1,227,210)	(1,227,210)	(354,329)
Net financial assets (debt), end of year	\$ (472,552)	\$ 1,046,825	\$ (1,227,210)

See accompanying notes to financial statements,

RICHMOND OLYMPIC OVAL CORPORATION

Statements of Cash Flows

For the year ended December 31, 2011 and 2010

	2011	2010
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ 2,214,470	\$(1,192,049)
Items not involving cash:		
Amortization of tangible capital assets	526,964	485,324
Amortization of deferred lease costs	17,002	2,195
Changes in non cash operating working capital:		
Accounts receivable	(129,933)	(228,550)
Deferred lease costs	(7,492)	(135,514)
Inventories of supplies	749	(568)
Prepaid expenses and other deposits	(113,114)	100,052
Accounts payable and accrued liabilities	130,122	148,983
Deferred revenue	1,343,725	457,502
Due to the City of Richmond	(74,977)	111,570
	3,907,516	(251,055)
Capital activities:		
Cash used to acquire tangible capital assets	(364,544)	(170,839)
Investing activities:		
Purchase of investments	(2,250,000)	-
Financing activities:		
Repayment of obligations under capital leases	(231,890)	(235,161)
Decrease (increase) in rental deposits	(21,248)	26,761
	(253,138)	(208,400)
Increase (decrease) in cash	1,039,834	(630,294)
Cash, beginning of year	390,901	1,021,195
Cash, end of year	\$ 1,430,735	\$ 390,901
Supplementary information:		
Non-cash transaction:		
Provincial sales tax adjustment to assets under capital leases	-	38,518

See accompanying notes to financial statements,

RICHMOND OLYMPIC OVAL CORPORATION

Notes to Financial Statements

For the years ended December 31, 2011 and 2010

1. Incorporation and nature of business:

The Richmond Olympic Oval Corporation (the "Corporation") was incorporated on June 16, 2008 under the Business Corporations Act of British Columbia as a municipal corporation wholly-owned by the City of Richmond (the "City"). On August 10, 2010, the Corporation changed its name from 0827805 B.C. Ltd. to Richmond Olympic Oval Corporation. The business of the Corporation is to use the Richmond Olympic Oval facility (the "Oval") to provide a venue for a wide range of sports, business and community activities, including, but not limited to, being the long-track speed skating venue for the 2010 Olympic and Paralympic Winter Games (the "Games").

During the four-month period from December 1, 2009 to March 31, 2010, the Vancouver Organizing Committee for the Games ("VANOC") acquired exclusive use of the Oval for the speed skating events of the Games. The VANOC exclusive use period was immediately followed by the legacy conversion of the Oval into a multi-sport and recreation facility. The conversion was substantially completed by August 31, 2010 and the costs were paid by the City. During these two periods, substantially all Oval revenue-earning operations from membership, admission and programs ceased but certain operating expenses continued to be incurred.

2. Adoption of Public Sector Accounting Standards:

On January 1, 2011, the Company adopted Canadian Public Sector Accounting standards ("PSAS"). These financial statements are the first financial statements prepared in accordance with PSAS.

There were no adjustments to accumulated surplus as at January 1, 2010 or annual surplus for the year ended December 31, 2010 as a result of the retrospective application of PSAS.

3. Significant accounting policies:

(a) Basis of presentation:

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

(b) Revenue recognition:

Memberships, admissions and programs fees are recorded as revenue in the period that the services are rendered, with any unearned portion recorded as deferred revenue. Annual distributable amounts and trust income amounts are recognized as revenue when the amounts are approved by 2010 Games Operating Trust (note 6) and when the related

operating expenses and capital maintenance costs of the Oval are incurred.

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

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

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

Tenant improvements are amortized over the term of the lease.

(ii) Impairment of tangible capital assets:

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

(iii) Assets held under capital lease:

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

3. Significant accounting policies (continued):

(c) Non-financial assets (continued) :

(iv) Deferred lease costs:

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

(d) 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.

(e) Income taxes:

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

(f) Functional and object reporting:

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

(g) Budget data:

The unaudited budget data presented in these financial statements is based upon the 2011 budget approved by the Board of Directors on February 8, 2011.

(h) Use of estimates:

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

4. Investments:

Investments represent term deposits purchased on March 21, 2011 with a maturity date of March 20, 2012.

5. Richmond Oval Agreement:

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

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, an irrevocable trust was created known as GOT and the 2010 Games Operating Trust Society (the "Society") became the trustee of the Fund. The purpose of the Fund is to fund operating expenses and capital maintenance costs of certain facilities created for the Games, specifically the Oval and the Whistler Sliding Centre and Nordic Centre, and to assist with the continued development of amateur sport in Canada. Subsequent to the formation of the Trust, the City, as owner of the Oval, became a beneficiary of the Trust and became responsible for complying with obligations set by the Trust and GOT in order to receive funding.

Effective December 31, 2007:

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

Effective April 21, 2009, the City entered into an agreement with VANOC. The agreement details the terms and conditions to which the City is required to adhere in order to receive funding from GOT. When VANOC ceases to exist after the Games, the agreement will be assigned to GOT or, with the consent of the City, to another party. As of the reporting date, VANOC has not dissolved and the agreement has not yet been assigned to GOT.

Funds from GOT are paid to the City, the funds are then paid to the Corporation.

6. 2010 Games Operating Trust Fund (continued):

Revenue from GOT is comprised of:

	2011	2010
2009 annual distributable amount approved and received in 2010	\$ -	\$ 2,304,796
2010 annual distributable amount approved and received in 2011	2,739,398	-
	<u>\$2,739,398</u>	<u>\$ 2,304,796</u>

7. Obligations under capital leases:

The capital leases have an estimated cost of borrowing ranging from 0.21% to 0.35% per month. The principal and interest payments as at December 31, 2011, December 31, 2010 and January 1, 2010 are as follows:

	December 31, 2011	December 31, 2010	January 1, 2010
Total minimum lease payments	\$ 208,445	\$ 449,720	\$ 739,365
Imputed interest	(2,782)	(12,167)	(28,133)
Obligations under capital leases	<u>\$ 205,663</u>	<u>\$ 437,553</u>	<u>\$ 711,232</u>

As at December 31, 2011, the Corporation was committed to payments under capital leases as follows:

2012	199,928
2013	8,517
	<u>\$ 208,445</u>

8. Deferred revenue:

	2011	2010
Balance, beginning of year	\$ 535,525	\$ 78,023
Add: additions	6,442,043	2,074,663
Less: revenue recognized	(5,098,318)	(1,617,161)
Balance, end of year	<u>\$ 1,879,250</u>	<u>\$ 535,525</u>

Deferred revenue comprises of:

	December 31, 2011	December 31, 2010	January 1, 2010
Memberships & programs to be serviced in next fiscal year	\$ 537,041	\$ 267,752	\$ 78,023
Sponsorship fees	408,333	246,525	-
Rental deposit	-	21,248	-
Sport Hosting funding (note 13)	933,876	-	-
	<u>\$1,879,250</u>	<u>\$ 535,525</u>	<u>\$ 78,023</u>

9. Due to the City of Richmond:

The amount due to the City of Richmond arises in the normal course of business and is non-interest bearing with no stated repayment terms.

10. Tangible capital assets:

Cost	Balance at January 1, 2011	Additions	Balance at December 31, 2011
Assets under capital lease	\$ 905,888	\$ -	\$ 905,888
Athletic equipment	480,332	212,603	692,935
Computer software and equipment	152,672	23,711	176,383
Uniforms, ice skates and helmets	96,211	30,627	126,838
Building improvements	-	26,727	26,727
Facility equipment	-	63,343	63,343
Signage	36,351	7,533	43,884
Automobile	23,158	-	23,158
Tenant improvements	16,979	-	16,979
	\$ 1,711,591	\$ 364,544	\$ 2,076,135

Accumulated amortization	Balance at January 1, 2011	Amortization Expense	Balance at December 31, 2011
Assets under capital lease	\$ 584,524	\$ 289,317	\$ 873,841
Athletic equipment	155,813	117,172	272,985
Computer software and equipment	54,882	55,041	109,923
Uniforms, ice skates and helmets	60,239	36,521	96,760
Building improvements	-	4,847	4,847
Facility equipment	-	6,599	6,599
Signage	14,273	12,535	26,808
Automobile	1,930	4,632	6,562
Tenant improvements	15,955	300	16,255
	\$ 887,616	\$ 526,964	\$ 1,414,580

Cost	Balance at January 1, 2010	Net Additions	Balance at December 31, 2010
Assets under capital lease	\$ 944,406	\$ (38,518)	\$ 905,888
Athletic equipment	406,564	73,768	480,332
Computer software and equipment	87,575	65,097	152,672
Uniforms, ice skates and helmets	89,922	6,289	96,211
Signage	33,824	2,527	36,351
Automobile	-	23,158	23,158
Tenant improvements	16,979	-	16,979
	\$ 1,579,270	\$ 132,321	\$ 1,711,591

Accumulated Amortization	Balance at January 1, 2010	Amortization Expense	Balance at December 31, 2010
Assets under capital lease	\$ 280,342	\$ 304,182	\$ 584,524
Athletic equipment	65,471	90,342	155,813
Computer software and equipment	17,421	37,461	54,882
Uniforms, ice skates and helmets	28,167	32,072	60,239
Signage	2,819	11,454	14,273
Automobile	-	1,930	1,930
Tenant improvements	8,072	7,883	15,955
	\$ 402,292	\$ 485,324	\$ 887,616

	Net Book Value January 1, 2010	Net Book Value December 31, 2010	Net Book Value December 31, 2011
Assets under capital lease	\$ 664,064	\$ 321,364	\$ 32,047
Athletic equipment	341,093	324,519	419,950
Computer software and equipment	70,154	97,790	66,460
Uniforms, ice skates and helmets	61,755	35,972	30,078
Building improvements	-	-	21,880
Facility equipment	-	-	56,744
Signage	31,005	22,078	17,076
Automobile	-	21,228	16,596
Tenant improvements	8,907	1,024	724
	\$ 1,176,978	\$ 823,975	\$ 661,555

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.

Assets under capital lease include audio and visual equipment, printers, drivers, computer hardware and other information technology equipment. The lease agreements are between the City and the Municipal Finance Authority of the Province of British Columbia. The equipment is used solely by the Corporation and, accordingly, the leased assets are capitalized and the related obligation recorded in the accounts of the Corporation. The lease payments made by the City are charged at cost to the Corporation.

There was no write down of tangible capital assets during the year (2010 - nil).

11. Deferred Lease Costs:

	2011	2010
Balance, beginning of year	\$ 133,319	-
Add: additions	7,492	135,514
Less: amortization	(17,002)	(2,195)
Balance, end of year	\$ 123,809	\$ 133,319

12. Accumulated Surplus:

	December 31, 2011	December 31, 2010	January 1, 2010
Share capital (a)	\$ 1	\$ 1	\$ 1
Capital reserve (b)	1,700,000	-	-
Operating surplus (deficit)	122,488	(322,512)	790,213
Invested in tangible capital assets	455,892	386,422	465,746
	\$ 2,278,381	\$ 63,911	\$ 1,255,960

a. Share capital:

Authorized:

Unlimited number of common shares without par value

Issued:

One common share for cash of \$1

b. In accordance with the Agreement, the City has allocated \$1.7 million as a capital reserve. Subsequent to 2011, the amount of the allocation to the capital reserve will be determined by the Capital Works Committee.

13. Related party transactions:

The Corporation leases the Oval from the City for \$1 annually (note 5).

Included in general and administration expenses is a management fee of \$60,000 to the City for the provision of city staff time in fiscal year 2011 (2010 - \$30,000).

In 2011, \$84,288 of salaries and benefits expenses were charged to the City relating to the costs of the Corporation's staff time for services performed. In 2010, included in salaries and benefits expense was a charge of \$42,515 relating to the costs of City staff time charged to the Corporation for services performed.

Included as a reduction to other revenue is \$39,919 pertaining to management fees paid to the City for services performed pertaining to the parking revenue in 2011.

In accordance with the Agreement, the City will provide, for the first fifteen years of the term, financial support as agreed between the City and the Corporation from time to time; for the years 2010, 2011 and 2012 the annual financial support shall not be less than \$1.5 million per year indexed at the City of Vancouver's Consumer Price Index. After fifteen years, any financial assistance from the City will be determined by the City in its sole discretion. During 2011, the Corporation received a contribution from the City of \$3,022,500 (2010 - \$1,500,000).

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 2011, \$1,091,565 was transferred from the City to the Corporation as funding for the operations of that department. As at December 31, 2011, \$933,876 was included in deferred revenue (note 8) and \$157,689 was recognized in other revenue on the statement of operations.

14. Pension plan:

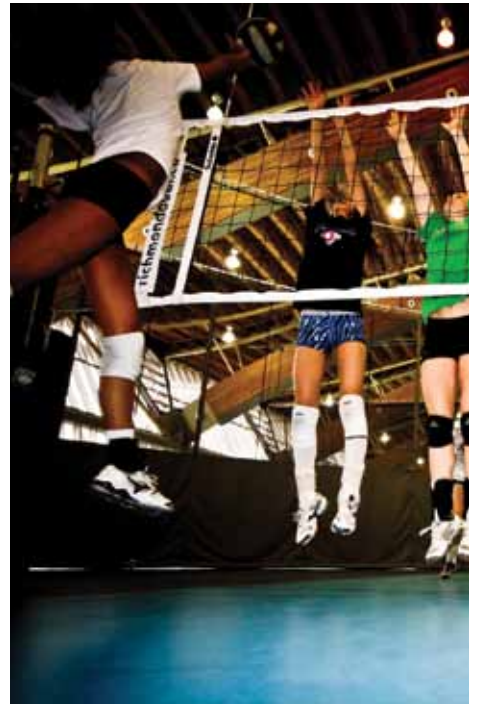
The Corporation and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next actuarial valuation will be performed as at December 31, 2012 with results available in 2013.

During the current fiscal year, the Corporation paid \$192,337 (2010 - \$140,257) as employer contributions to the Pension Plan.

15. Economic dependence:

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



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