



SCOTIABANK CENTRE

18/19
ANNUAL REPORT

 **Scotiabank CENTRE**

Scotiabank Centre is operated by Events East Group.

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PHOTO CREDITS

Page 2, 4, 10, 15, 16, 22 middle left - *Nicole Lapierre*
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Page 11, 22 top left - *David Baillieul*
Page 14 - *Carter Hutton*
Page 22 bottom right - *Mike Dembeck*



MESSAGE FROM THE MAYOR

It has been a pleasure to work alongside the many staff and community members who prove daily that Scotiabank Centre is more than events. It is a place designed to immerse guests in endless experiences — a ticket purchase signals an adventure is about to begin.

The seamless integration of Scotiabank Centre and the surrounding community reflects the diverse partnerships that have formed over the years. Scotiabank Centre supports our community, hotels, bars, shops, restaurants as well as transit in Halifax and beyond, and many Haligonians depend on the spin-off opportunities that result.

Halifax has a strong reputation for its loyal and passionate fans. The announcement by the National Lacrosse League that Halifax was selected as the host city for the 12th franchise in the league positions this city as a major sporting destination. You can already feel the anticipation ahead of the team's first game in December 2019!

A successful bid to host the 2020 International Ice Hockey Federation (IIHF) World Women's Hockey Championship means that Halifax has joined an elite group of cities that have hosted all three major hockey Championships (World Juniors 2003,

World Women's 2004, World Men's 2008). We are also only the second city in the world to host the World Women's Hockey championships twice. The continued investment in critical infrastructure like the new ice slab and the new score clock signal that Scotiabank Centre is growing at a pace unmatched in years gone by.

Scotiabank Centre creates dozens of exciting sporting and cultural events each year that enhance our city's image and reflect our diversity. From rock concerts to the Royal Nova Scotia International Tattoo and everything in between, each experience beckons an encore. 2018 was a year of growth and evolution, and 2019 is shaping up to be one of the busiest years ever. The ability to harness the uniqueness of each event and transform the venue almost daily makes Scotiabank Centre the ultimate gathering space for the community!

Sincerely,
Mayor Mike Savage
City of Halifax





MESSAGE FROM THE PRESIDENT & CEO

It has been quite a year for us at Scotiabank Centre! The calibre of world-class sporting and entertainment events that have taken place within our walls over the last year is a testament to the continued growth of our venue and our community's reputation as a host for major events.

In order to attract high-profile sporting events and enhance our guests' experiences, continued investment in infrastructure is required. This year we recognized it was time to replace the 40-year-old ice slab and in doing so, were able to attract and secure the 2019 Memorial Cup as well as the 2020 IIHF Women's World Hockey Championship. That list will continue to grow.

Welcoming back the IIHF Women's World Hockey Championship after 16 years is an exciting opportunity for our community. Throughout this event we will be empowering women not only on the ice, but off it as well. I'm extremely honoured to be the Chair for the event's first ever female host committee. The members of the committee represent various cultural backgrounds and provide an opportunity to build experience, confidence, and showcase incredible Nova Scotian women hosting an amazing event. This is just one example of the broad impact our events and venue can have on our community.

Each year we strive to deliver outstanding events, exceed expectations, and be the backdrop to create memorable

experiences for our guests. 2018-2019 certainly delivered. We hosted the 2018 East Coast Music Awards, shared a laugh with Trevor Noah, were amazed by the sights and sounds of the Royal Nova Scotia International Tattoo, rocked the house with the legendary Bryan Adams, and cheered loud and proud for our home teams the Halifax Mooseheads and Halifax Hurricanes.

Halifax sports fans are in for a thrilling year ahead as the National Lacrosse League's newest franchise, the Halifax Thunderbirds, will soon be calling Scotiabank Centre their home. We are extremely proud of this partnership and excited to continue enhancing our event calendar to meet our fans' and community's interests.

The memories made by our guests when they come to Scotiabank Centre are incredibly important to us. We strive each year to attract amazing events that build upon our reputation as a world-class venue in an outstanding host city. I'm extremely proud of our Scotiabank Centre team and their many accomplishments this past year; I look forward to many more to come.

Sincerely,
Carrie Cussons
President & CEO



WE ARE #SCOTIABLE!

Our customers' needs and expectations are constantly evolving. That's why we are always listening, so Scotiabank Centre, and the role we play in our city, evolves at the same pace.

It was customer feedback that guided the major infrastructure improvements we made over the past few years. This year, we wanted to find out how we could enhance our brand and the service we want to be known for.

Our research included surveys, one-on-one interviews, and focus groups with event promoters, Premium Seating clients, and fans. Their responses confirmed some things for us, helped us better understand how our community sees us, and what they want from us next.



WE ASKED OUR CUSTOMERS: **WHAT COMES TO MIND
WHEN YOU THINK OF SCOTIABANK CENTRE?**



**WELCOMED AND
APPRECIATED**



**SPECIAL
NIGHT OUT**



**FUN SOCIAL
EVENTS**



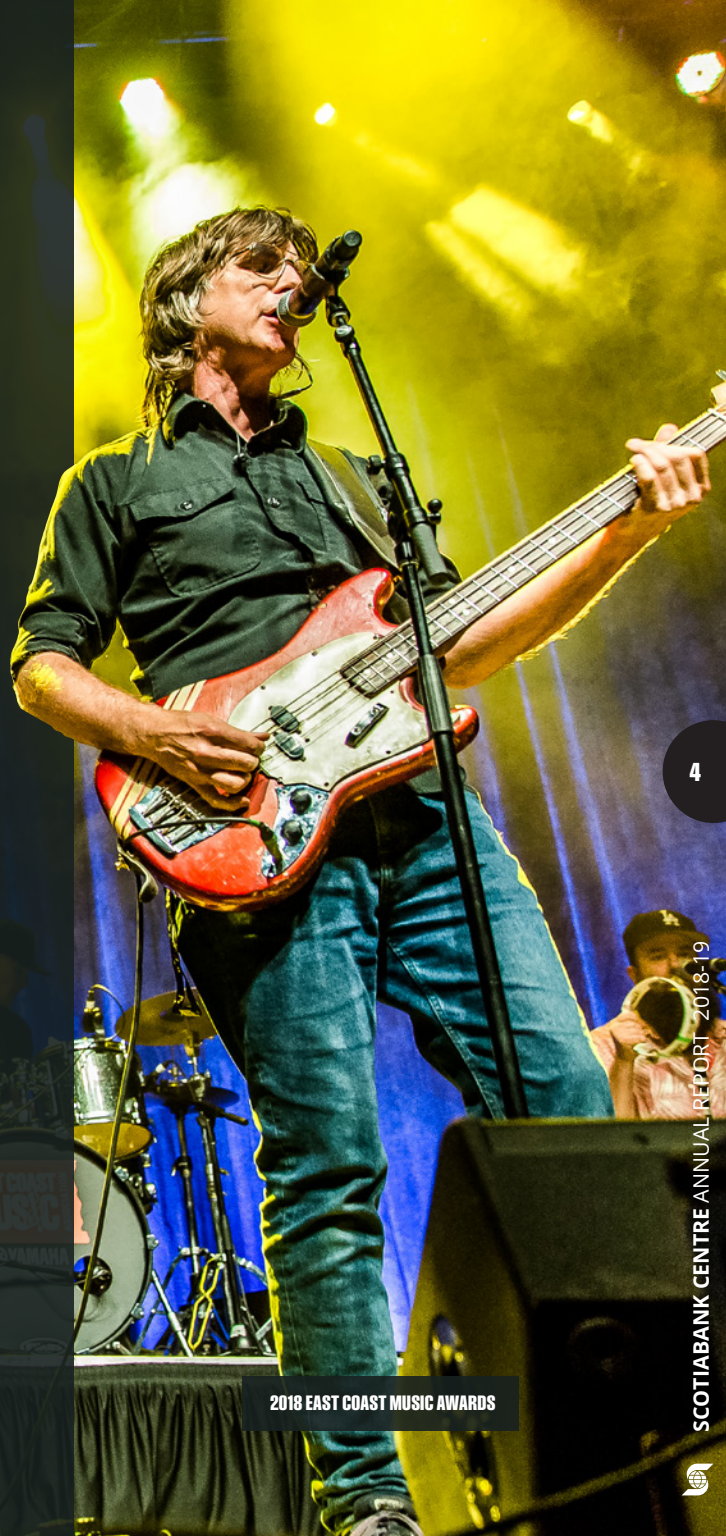
**IMMERSIVE SENSORY
EXPERIENCE**

ALIVE WITH EXCITEMENT

Key insights from the research showed customers want us to be the leading East Coast venue offering a diverse mix of marquee-level events that include concerts, comedy, sports, and more. An important learning was that what happens on the stage or ice is just one part of what customers see as a much larger experience: they want to go out before and after the event, build memories with friends and family, and be part of the buzz downtown when a big event is happening.

Scotiabank Centre is all about creating energy in our city that makes us feel alive with excitement! This is the spirit we are injecting into every customer touchpoint, from our advertising to our new website, to the events we are actively attracting, and to our staff and stakeholders throughout the city.

"The research reinforced that our community is proud of this facility," says Suzanne Fougere, executive vice-president, strategy and business development. "Customers told us Scotiabank Centre plays a critical role in the vibrancy of the downtown and is an important part of the fabric of Halifax. Our goal now is to find bigger and better ways to deliver against that expectation."



2018 EAST COAST MUSIC AWARDS






WE ARE #SCOTIABLE.

Our #Scotiable campaign was a direct result of this research because around here; we're a bit different. We don't raise our glasses and voices to say "Cheers!" to a good time. Instead, we yell "Sociable!" to show off our excitement and to celebrate just being together.

This is our rallying cry to energize the community around the feeling that only an event at Scotiabank Centre can bring.

Because we are more than sociable. We are #Scotiable.



We are more than fans.

We don't just come for hockey,
hoops, or lacrosse.

We come for kilts and cannons.

Encores and ovations.

And moments that make us laugh so
hard we might lose sight of the stage.

We come for thrills.

We come for excitement.

And we come ten thousand at a time.

We believe the term "living room"
is a misnomer.

Because living—really living—
doesn't happen on a couch.

It happens on ice.

On hardwood. On stage.

It happens here.

We don't just love good times.

We live for them.

Because we are more than sociable.

**WE ARE
#SCOTIABLE.**



ENHANCING THE EXPERIENCE

You might not be able to see the major renovation we recently made to Scotiabank Centre, but athletes will certainly feel the difference it makes.

This year, we replaced the four-decade-old ice slab as part of our ongoing efforts to improve the experience for everyone.



17 WEEK
TIMELINE



6,400 HOURS OF
LABOUR



240+ METRES OF
CONCRETE

The new ice slab means athletes—notably our partners the Halifax Mooseheads—can perform their best on the ice. It also played a role in helping us successfully attract other marquee hockey events, such as the 2019 Memorial Cup and 2020 IIHF Women's World Hockey Championship, knowing our venue would deliver the best possible conditions so fans will experience the game at its highest level.

After closing in July 2018 to start the project, we re-opened in October in time for the Halifax Mooseheads' home opener. The \$1.4M renovation was completed on-time and budget, something our president and CEO Carrie Cussons attributes to careful and thorough pre-planning.



**"WE'RE THRILLED WITH
OUR NEW ICE AND THE
INCREDIBLE EVENTS
IT WILL ALLOW US TO
ATTRACT AND HOST.
CONTINUED INVESTMENT
THROUGH PROJECTS LIKE
THIS ENSURE WE CAN
DELIVER THE VARIETY
AND HIGH CALIBRE OF
EVENTS OUR COMMUNITY
HAS COME TO EXPECT AT
SCOTIABANK CENTRE."**

CARRIE CUSSONS
PRESIDENT & CEO

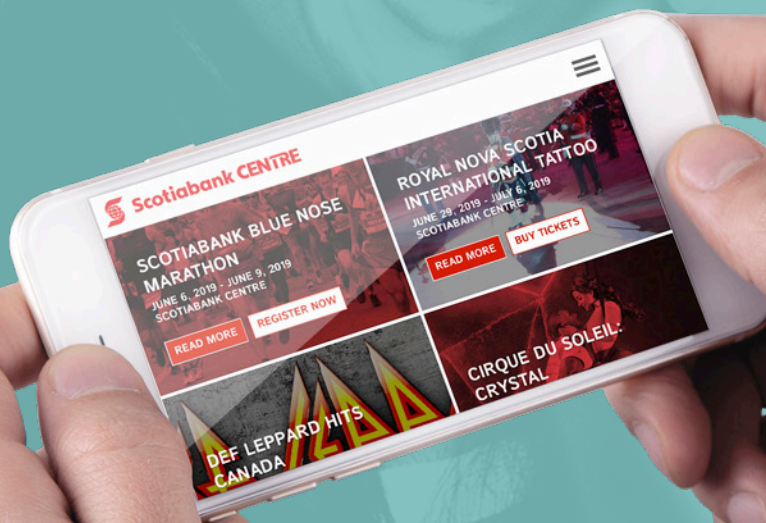


BUILDING EXCITEMENT

The ice isn't the only enhancement we made to the centre this year. Anyone walking around downtown Halifax will have noticed updated exterior artwork. Giant murals of the Halifax Mooseheads and the Royal Nova Scotia International Tattoo were applied to the walls and new creative on the doors give a preview of what happens on the inside of the building to the outside.

Another place we wanted to build excitement for our events was through the websites for Scotiabank Centre and Ticket Atlantic. This year we launched new sites for both that feature an enhanced user experience, helpful information about things like parking and transit, and vibrant photography that showcases the energy and intensity of the events we host. Now the very act of researching an event and buying the ticket is aligned with the venue experience.

More enhancements will be coming in the future—always guided by our commitment to improving our customers' experience with us.





2018 EAST COAST MUSIC AWARDS

"THE INFRASTRUCTURE CHANGES AND THE WAY WE'VE IMPROVED THE IN-VENUE EXPERIENCE REITERATE TO ME WHAT AN HONOUR IT IS TO LEAD A TEAM THAT CREATES SUCH EXCITEMENT IN OUR COMMUNITY. SCOTIABANK CENTRE IS NOT 40-YEARS-OLD; IT'S NOW 40-YEARS NEW!"

CARRIE CUSSONS
PRESIDENT & CEO



SCOTIABANK CENTRE RE-OPENING

RE-OPENING CELEBRATIONS

The community's pride in Scotiabank Centre came through loud and clear when we re-opened in October 2018 after being closed for four months while we replaced the ice slab.

"There was pent-up demand," says Suzanne. "People were curious about what was happening and were eager to get back in the building and cheer on their home teams."

We wanted to thank the community for their patience during the closure by making the re-opening something special. So we invited the public in for cake, a behind-the-scenes peek at the facility, and a free community skate. The 500 people who attended were the first to skate on the new ice—the same new ice the Halifax Mooseheads would be skating on for their home opener the very next day!

**“THERE WAS A
REAL SENSE OF
EXCITEMENT AROUND
THE RE-OPENING,
OUR TEAM WAS
PROUD TO WELCOME
EVERYBODY BACK.
WE GOT TO SEE JUST
HOW IMPORTANT
SCOTIABANK
CENTRE IS TO OUR
COMMUNITY.”**

SUZANNE FOUGERE
EXECUTIVE VICE PRESIDENT,
STRATEGY & BUSINESS DEVELOPMENT



CONNECTING WITH OUR NEIGHBOURS

We know the energy of events at Scotiabank Centre ripples out through the city core, so we wanted to thank our neighbours for being part of our customers' experience—and for waiting for that vibrancy to return during the closure.

During the holidays, we sent out street teams bearing hot chocolate and fresh-baked cookies to drop into our neighbouring businesses. Along with the goodies, we also brought them a schedule of upcoming events. Many have told us how they plan their staffing, marketing, or tailor their specials around our events. Sharing our event lineup was a simple and effective way for everyone to benefit from these amazing opportunities. And sharing that information over a warm drink and a yummy cookie made it even better.

See our event listing:
www.scotiabank-centre.com/events





GREAT EVENTS AND GREAT PARTNERSHIPS

Delivering a mix of events that keep our city alive with excitement is a team effort. We'd like to thank our partners for helping to make it happen.

WELCOME HALIFAX THUNDERBIRDS

Thunder, feel the thunder, lightning and the thunder! Sports and entertainment fans are in for a thrill this year as the National Lacrosse League's (NLL) newest franchise—the Halifax Thunderbirds—takes up residence at Scotiabank Centre.

The NLL is the largest men's professional indoor lacrosse league in North America, bringing a new, unprecedented level of sport and pure entertainment to Halifax.

"We knew it was a great decision to award Halifax with an NLL franchise from the moment we began working with the Scotiabank Centre team," says Nick Sakiewicz commissioner, NLL. "They really made this opportunity into a partnership between themselves, their great city, our league, and the Halifax Thunderbirds team. I'm very excited to see all that the partnership accomplishes when the team starts its season later in 2019."



We know our customers want professional sports and entertainment options, and the NLL is a perfect fit for Scotiabank Centre. Being home to this league and having a team in Halifax is something our market hasn't experienced before and we're excited to be a part of it.

"Our city, partners, and community are ready for the unprecedented mix of sport and entertainment the Halifax Thunderbirds will bring," says Carrie. "This new partnership is one more way Scotiabank Centre will deliver opportunities that help grow the hosting reputation for our centre and our city."



It's the fastest game on two feet. Come to a game and you'll see why!



The game may have originated as early as AD 1100, and was well established in Canada by the 17th century.



"HALIFAX HAS A STRONG REPUTATION FOR ITS LOYAL, PASSIONATE FANS AND THE COMMUNITY HAS ALREADY STARTED TO FEEL LIKE HOME. WE LOOK FORWARD TO GROWING THE SPORT AND DELIVERING GREAT ENTERTAINMENT TO THE FANS IN HALIFAX AND BEYOND."

CURT STYRES
TEAM OWNER, HALIFAX THUNDERBIRDS



IIHF WOMEN'S WORLD HOCKEY CHAMPIONSHIP RETURNS

We'll be putting our new ice slab to good use in 2020 when Hockey Canada brings the IIHF Women's World Hockey Championship back to Nova Scotia.

Hosting duties will be shared between Scotiabank Centre and Rath Eastlink Community Centre in Truro.

"We're excited to welcome Hockey Canada and the IIHF back to our great city for this world-class event," says Mayor Mike Savage. "Our city and our passionate fans will be thrilled to host the athletes, coaches, and volunteers from around the world and help make their experience in Halifax memorable."



TEAM CANADA

HAS WON 10 GOLD MEDALS AND 8 SILVER MEDALS
SINCE THE TOURNAMENT'S INAUGURATION.



HALIFAX

IS ONE OF THE FEW CITIES TO HAVE
HOSTED ALL THREE MAJOR IIHF
EVENTS!

**"WE ARE VERY
CONFIDENT IN HALIFAX
AND TRURO AS HOSTS
FOR THIS EVENT.
THEY HAVE A PROVEN
TRACK RECORD OF
HOSTING EVENTS OF
THIS CALIBRE, AND
GETTING THE CHANCE
TO SHOWCASE THE
BEST FEMALE PLAYERS
IN THE WORLD ON
CANADIAN ICE IS
SOMETHING YOUNG
FANS WILL REMEMBER
FOR A LONG TIME."**

SCOTT SMITH
PRESIDENT & CHIEF OPERATING OFFICER, HOCKEY CANADA



EMPOWERING WOMEN IN SPORT

As chair of the event, Carrie plans to ensure that legacy will be more than great hockey.

"I was inspired throughout the bidding process to hear from our local homegrown hockey heroes like Olympians Jill Saulnier and Blayre Turnbull about the impact an event like this can have. Showcasing the best, elite female players in the world, and doing it right here will be amazing," said Carrie.

This event will be the first-ever hockey host committee that is female-led. The group will bring unique and diverse skills into the mix, and a fresh balance to the conversation on sports and entertainment. The committee will have young women engaged in this journey, as well as women representing new Canadians, our Mi'kmaq people, and African Nova Scotians. This is an opportunity to build the competencies, experience, and confidence in women in Nova Scotia by showing their ability to run and host an amazing event.

AND SPEAKING OF GREAT HOCKEY— **THE MEMORIAL CUP**

Halifax is an event town, and we love our hockey. So it's no surprise our community, fans and of course, valued partner, the Halifax Mooseheads were eager to bid on hosting rights for the 2019 event.

The 2019 Memorial Cup selection committee got a sneak peek at our true Maritime hospitality in action when they visited our city and venue to make their final decision on the host location.

Our community came together in a big way to show just how much we wanted the event to return; chants of “we want the cup!” could be heard throughout the city in the days and weeks leading up to the big decision.

Following the successful bid, our team worked closely with the local host committee with one main goal in mind: make this year's Memorial Cup #OnetoRemember.

From operations to marketing, sponsorship to ice making, every detail was covered in the lead-up to the event helping to make sure the teams, the volunteers, and the fans had an incredible experience.

Months of planning culminated in May 2019, when the Memorial Cup presented by Kia returned to Scotiabank Centre for the first time since 2000. The event coincided with the 25th anniversary season of the Halifax Mooseheads, who won the trophy in 2013.



2019 MEMORIAL CUP





10
DAYS

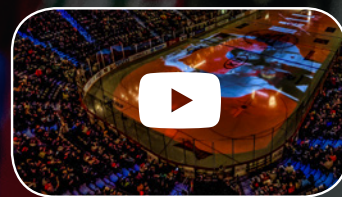


150,000
FANS DOWNTOWN



3000+
EVENTS EAST STAFF SHIFTS

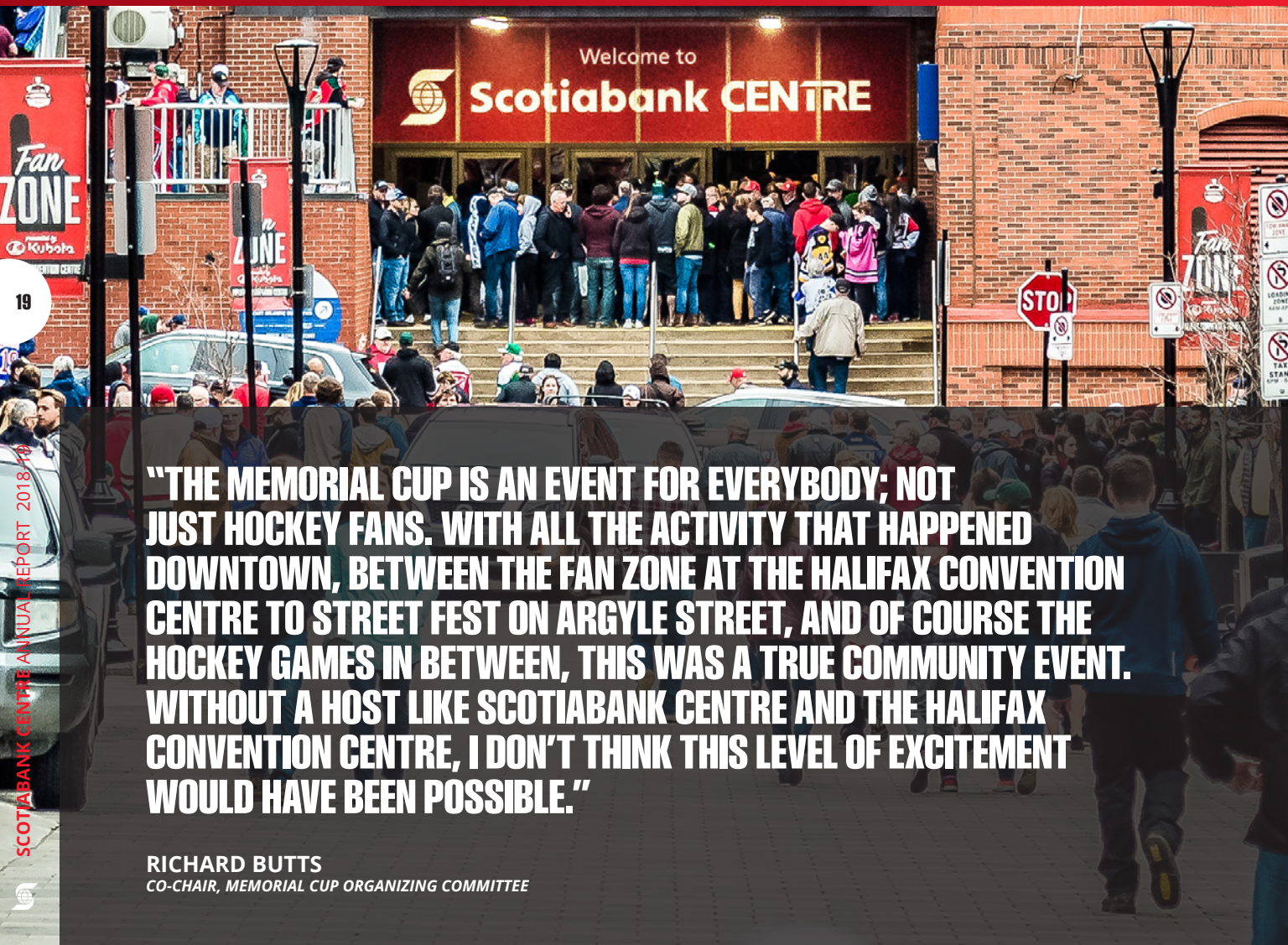
WATCH OUR VIDEO ↓



WWW.BIT.LY/2KGQLVA



..... *The city was*
ALIVE WITH EXCITEMENT
..... *for this one!*



"THE MEMORIAL CUP IS AN EVENT FOR EVERYBODY; NOT JUST HOCKEY FANS. WITH ALL THE ACTIVITY THAT HAPPENED DOWNTOWN, BETWEEN THE FAN ZONE AT THE HALIFAX CONVENTION CENTRE TO STREET FEST ON ARGYLE STREET, AND OF COURSE THE HOCKEY GAMES IN BETWEEN, THIS WAS A TRUE COMMUNITY EVENT. WITHOUT A HOST LIKE SCOTIABANK CENTRE AND THE HALIFAX CONVENTION CENTRE, I DON'T THINK THIS LEVEL OF EXCITEMENT WOULD HAVE BEEN POSSIBLE."

RICHARD BUTTS
CO-CHAIR, MEMORIAL CUP ORGANIZING COMMITTEE



Street FEST

Street Fest had fans dancing in the street to a series of free concerts featuring Matt Mays, Sloan, The Stanfields, The Trews, Joel Plaskett Emergency, and more.

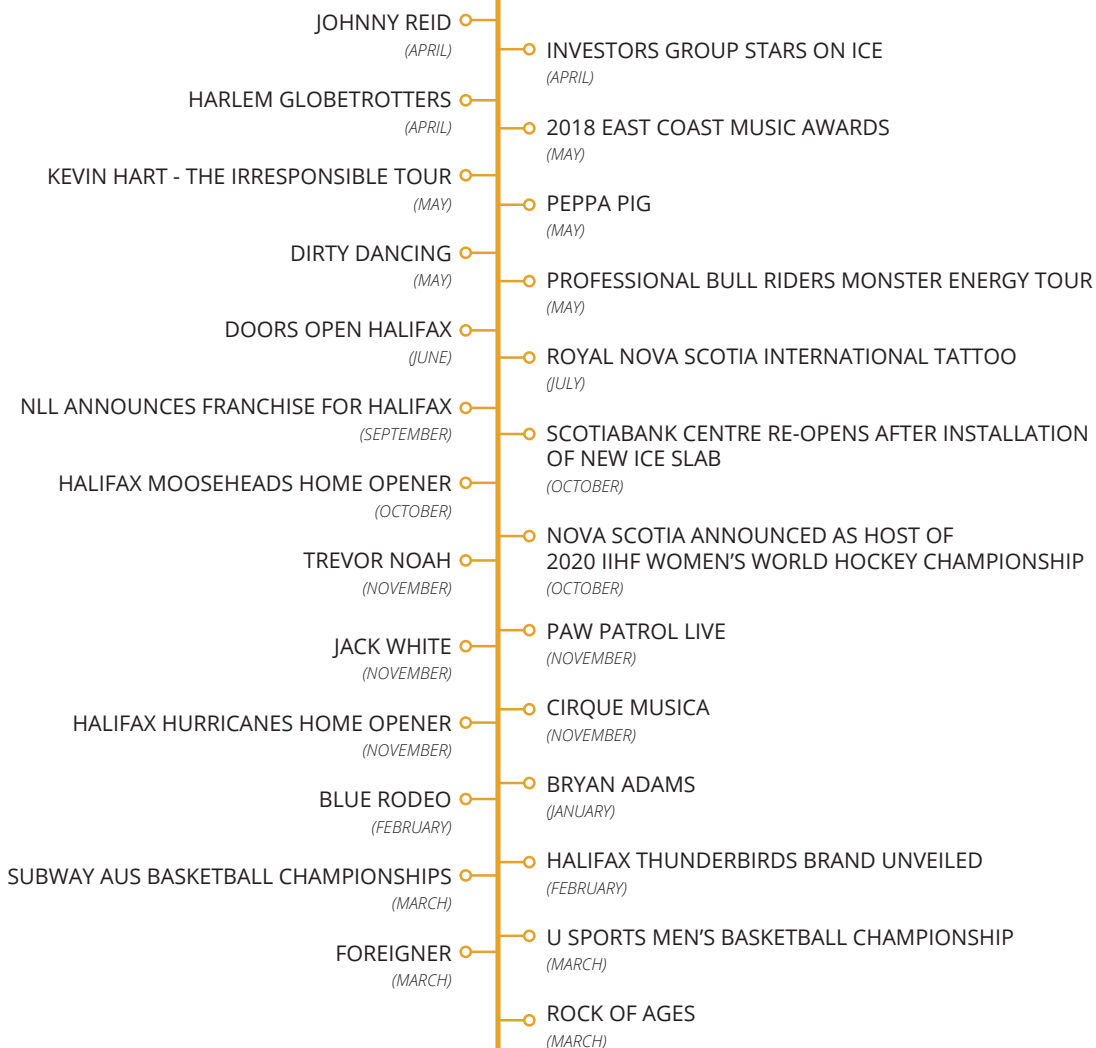


Fan ZONE

A family fun zone ensured fans of all ages got to participate, celebrate, and cheer on their team.

YEAR IN REVIEW

SCOTIABANK CENTRE HOSTED OVER **436,000+** FANS AT **107 EVENTS**, WITH **\$32.1 MILLION** IN DIRECT EXPENDITURES. HERE'S A LOOK BACK AT SOME OF THE HIGHLIGHTS:





DOORS OPEN HALIFAX



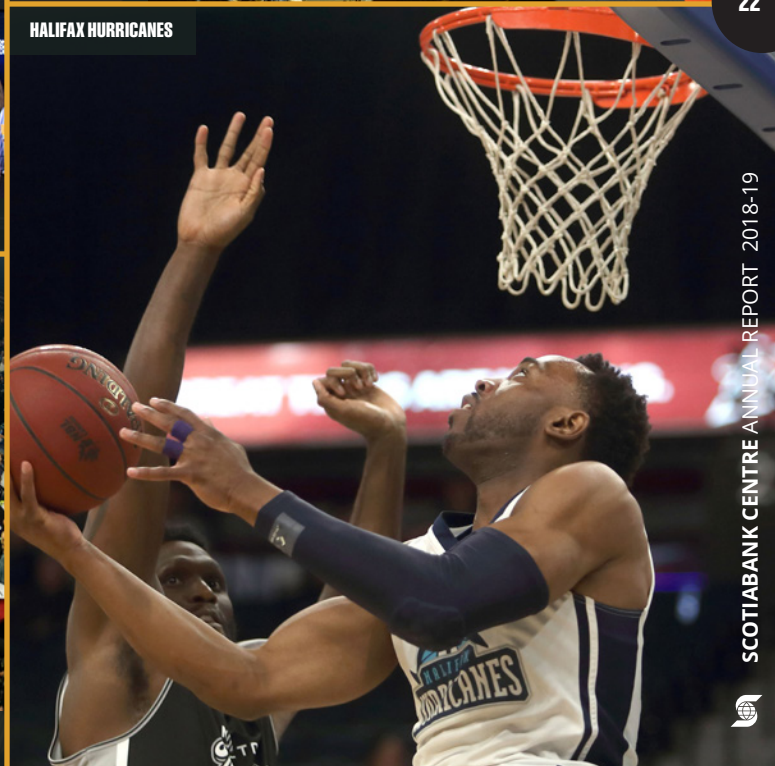
NATIONAL LACROSSE LEAGUE ANNOUNCEMENT



PBR MONSTER ENERGY TOUR



BRYAN ADAMS



HALIFAX HURRICANES

ACCOUNTABILITY & PERFORMANCE ANALYSIS

Events East Group is a special purpose government agency that manages and operates the Halifax Convention Centre, Scotiabank Centre, and Ticket Atlantic. We are known for attracting and hosting the best events in the region through our commitment to event excellence. Our facilities allow us to attract new visitors and opportunities to Nova Scotia, connecting us to the world.

We were created in 2014 through the Halifax Convention Centre Act as part of a partnership between the Province of Nova Scotia and the Halifax Regional Municipality (HRM) and we work in collaboration with them to manage our businesses in a responsible and transparent manner. We manage Scotiabank Centre under an operating agreement with HRM.

This analysis is presented for the management and operations of Scotiabank Centre for the period of April 1, 2018 to March 31, 2019, providing management's perspective on performance in key financial and operational outcome areas as outlined in the annual business plan. It is intended to provide a greater understanding of the organization's business strategy and serves as the annual public accountability statement.

Planning & Operating Context

Scotiabank Centre is known as a community icon that serves as a platform for event excitement and community vibrancy, driving community and economic impact. With a rich 40 year history of hosting the best events in sports and entertainment, Scotiabank Centre is the largest multipurpose facility in Atlantic Canada. It serves as the region's premier venue for major entertainment and sporting events and the nucleus of major event activity in Nova Scotia.

With a seating capacity of more than 10,000 and the versatility to accommodate a range of events, Scotiabank Centre creates a variety of

event experiences that attract over 400,000 fans each year. Our anchor tenants include the Halifax Mooseheads, the Halifax Hurricanes, the Royal Nova Scotia International Tattoo, and beginning in December 2019, a new professional lacrosse team, the Halifax Thunderbirds.

Scotiabank Centre is owned by HRM and is managed and operated by Events East. All operating income or losses generated by Scotiabank Centre accrue to HRM and the municipality funds all capital improvements. In April 2018, Armco Capital purchased the World Trade & Convention Centre Office Tower from the Province of Nova Scotia. The purchase triggered the development of the



Shared Services and Facilities Agreement between HRM and Armco, which governs the operation of the physical plant and use of facilities that are now shared between two owners. Scotiabank Centre is the operator of the plant and facilities on behalf of HRM and all associated costs flow through Scotiabank Centre's financial statements.

PERFORMANCE ANALYSIS

Financial Performance

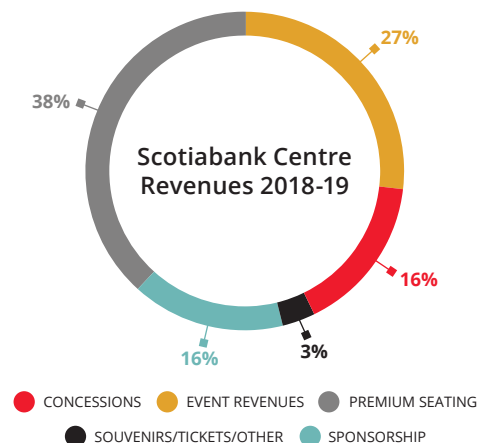
Scotiabank Centre is committed to a continued focus on the guest experience, including capital enhancements to ensure our 40-year-old facility continues to deliver against customer and community expectations.

From July to October 2018, we were closed for the ice slab replacement project. During this period, there were no events hosted, which was reflected in our approved budgeted deficit of \$730,000.

Revenues for 2018-19 were \$7.1M, exceeding a budget of \$6.5M and last year of \$6.9M. These positive results are due primarily to a very strong Halifax Mooseheads season in lead-up to the Memorial Cup. Of the total revenue, event revenue was \$3.3M compared to budget of \$2.9M and consistent with prior year. Sponsorship revenue of \$1.1M was consistent with budget and prior year. Premium Seating (suites and skyboxes) revenue was \$2.7M, exceeding budget and prior year by \$200,000.

Operating expenses totalled \$6.3M as compared to budget and last year of \$5.8M, which includes event expenses of \$3.2M. The event expense ratio was 44.4 per cent, reflecting the diversity of our events and operational requirements. Other operating expenses, which include salaries, administration, marketing, insurance, and rent totalled \$3.1M and were consistent with budget and prior year.

The percentage of revenue by category is depicted below.



Shared facilities and building costs of \$1.9M against a budget of \$1.5M reflect the expenses related to operating the Scotiabank Centre building and the inclusion of the new Shared Services and Facilities Agreement. Building costs include utilities, facility repair and maintenance, salaries, wages, cleaning, and security. As this was the first year under this new shared agreement, there were many unknowns at the time of budgeting. Learnings throughout the year will influence budget assumptions in future years.

In 2018-19, Scotiabank Centre's operating income before shared facilities costs was \$870,100 compared to a budget of \$744,700 and prior year of \$1.0M. Scotiabank Centre's operating deficit, including shared facilities costs, was \$1.0M compared to a planned deficit of \$730,000, primarily due to the new Shared Services and Facilities Agreement and related cost-sharing formulas, which continue to be refined.

Looking forward to 2019-20, Scotiabank Centre's financial performance is expected to return to profitability with a strong calendar of event activity in the upcoming year.

Event Mix & Economic Impact

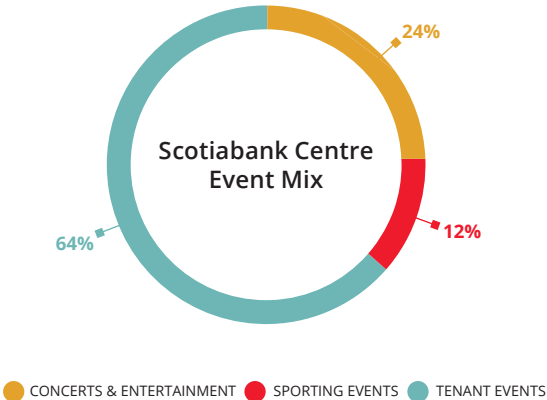
During 2018-19, Scotiabank Centre hosted 107 events and 436,255 attendees. The total number of events was consistent with the target and previous fiscal, despite a condensed event calendar due to the building closure. Attendance was up by eight per cent over the previous year with Halifax Mooseheads attendance driving the increase.

	2018-19 TARGET	2018-19 ACTUAL	2017-18 ACTUAL
TOTAL EVENTS	105	107	111
TOTAL ATTENDANCE	390,000	436,255	403,547
TOTAL DIRECT EXPENDITURES	\$29M	\$32.1M*	\$30.1M

Developed in collaboration with Nova Scotia Department of Finance and Treasury Board.

*27 per cent of Scotiabank Centre attendee direct expenditures are incremental. Incremental expenditures are those that would not have taken place in the absence of Events East facilities and activities.

The event mix was similar to the previous fiscal with tenant events making up 64 per cent of total events hosted.



Our event highlights for 2018-19 included Johnny Reid; Harlem Globetrotters; Investor's Group Stars on Ice; 2018 East Coast Music Awards; Kevin Hart; Peppa Pig; Professional Bull Riders Monster Energy Tour; Trevor Noah; Paw Patrol Live; Jack White; Cirque Musica; Bryan Adams; Blue Rodeo; Subway AUS Basketball Championships 2019; 2019 U Sports Men's Basketball Championship; Foreigner; and Rock of Ages.

Scotiabank Centre promotes economic growth and community vibrancy by attracting and hosting events. As such, our business and success is

reflected not only in the mix of events and number of attendees, but through the economic impact generated.

Economic impact measures the benefit of new money being spent in the Nova Scotia economy as a result of events hosted at Scotiabank Centre. When visitors from outside of Halifax spend time in Nova Scotia, they spend money on accommodations, transportation, restaurants, shopping, and local attractions, and often extend their stay to visit other regions of the province. We measure economic impact on an annual basis, compiling attendee and event promoter spending. Due to many of our attendees originating from within the Halifax region, 27 per cent of their impacts associated with the arena are considered incremental. Incremental impacts are those that would not have taken place in the absence of the facility and its events.

Scotiabank Centre's total direct expenditures in 2018-19 were up almost seven per cent from the previous year at \$32.1M. Of the total direct expenditures, \$10.9M are considered incremental expenditures. Additional economic impacts include 569 person years of employment, \$2.1M in provincial government tax revenue, and \$16.2M in additions to household income. These impacts do not include the direct spending by Scotiabank Centre.



GUEST EXPERIENCE

This year our focus remained on delivering a unique, authentic experience for our guests. We continued to focus on key facility enhancements and programs that augment the in-venue experience.

Concessions

We worked closely with our concessions partner, Centerplate, to develop a multi-year concessions program that would drive growth and increase overall customer satisfaction. This included a third-party assessment of the concessions operations, focusing on traffic flow management on the concourse and a full review of the offerings and prices to develop a revised menu.

Discussions and collaboration with Centerplate also focused on designing a model of service delivery for Memorial Cup to ensure both Premium Seating and general ticket holders had a seamless experience during the 10-day event.

Committed to continuous improvement, this year, Centerplate launched their Ambassador Program, a proactive program involving a dedicated team member conducting quality control assessments on the concourse during events.

These initiatives had a direct impact on the quality and consistency of concessions for our customers.

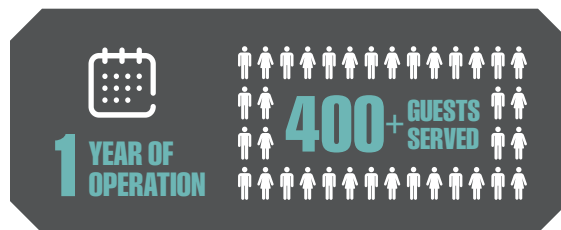
Security

Assessment of our existing security infrastructure and planning for the future continued to be a priority throughout the year. Specifically, facility access control, guest entry procedures, perimeter security, and operational policies were a key focus as we worked to address the evolution of the events industry and the security environment in which we operate. Throughout the year, we upgraded venue security with additional cameras and monitors, and installed a fire safety system control module.

With guidance from our security partners, including Halifax Regional Police, our internal Emergency Preparedness Committee met regularly throughout the year to assess and update plans and identify areas for improvement. Training this year focused on the Incident Command System, Active Threat Protocol, and Fire Safety.

Guest Services

The addition of the Guest Services booth in 2018 had a significant impact on the experience for our fans during events. This service provides guests with a consistent, highly visible location to ask questions or provide feedback in the venue with real-time response.



Over its first year of operation, our team assisted more than 400 guests, successfully transitioning customer service issues from online communication to in-venue on-site resolution.

New Scotiabank Centre and Ticket Atlantic websites were also launched in October 2018; our new digital presence was designed with a focus on enhanced user experience, branding, and integration with the in-venue experience. This redesign allowed us to assess and enhance the end-to-end experience for our users as they navigate through event promotions, ticket purchasing, and preparing for their event experience in our venue.

Complimentary to the new website, an enhanced customer communications strategy was implemented to provide ticket holders with more frequent, customized event information to help them plan their visit to our venue.

Premium Seating

Premium Seating clients are critical to our overall business strategy and success. To align with the work being done on Scotiabank Centre's brand position and strategy, this year, we also undertook a full assessment of our Premium Seating products and experiences.

This work included research and consultation with key clients to understand their perceptions of Scotiabank Centre and identify areas for improvement. From this feedback, we developed a project plan to address key areas of experience and service enhancement; this work will continue in 2019-20.

Technology Improvements

As part of our ongoing approach to assessing and identifying key in-venue technology enhancements, replacement of the venue's centre-hung digital scoreboard was identified as a critical priority. The existing centre-hung, which was installed in 2002, has reached end-of-life and can no longer be serviced to meet current day event standards.

Working in partnership with HRM, a funding submission was approved by Regional Council post year-end (in April 2019) to proceed with the procurement of a new video scoreboard and the production suite to support it.

The upgraded video scoreboard and production suite will drive an enhanced in-game experience and advertising opportunities, while also meeting high-definition broadcast standards.

Procurement, led by HRM, was issued in spring of 2019 and includes the video scoreboard replacement, video and production control room replacement, broadcast cable and electrical infrastructure upgrade, as well as catwalk structural and scoreboard supports. Work on the project is planned to commence in summer 2019 with completion expected by mid-September.

Scheduling, Time & Attendance

Final testing of our new scheduling, time and attendance system continued with ongoing collaboration with the supplier, including successful integration with our payroll system. Full implementation of the system was deferred to June 2019 following final training and to align with resource availability.



COMMUNITY CONNECTION

Community Relations

Following the facility's four-month closure for the ice slab project, we developed a re-opening strategy to align with our business development and community engagement goals to build excitement for another great year and strong event lineup. Leveraging the facility re-opening, we launched a customer and community campaign that included paid media, social media, contesting, and culminated with a community skate to celebrate the new ice, before the first event of the fall season.

For the first time, we participated in Doors Open, welcoming guests to visit our facility to experience our venue behind-the-scenes. Participation in this event was an excellent opportunity to demonstrate various aspects of our industry and facility that patrons and the community do not usually access.

Ongoing discussions during the year helped shape our approach to community relations. In keeping with our commitment to enhancing our community impact through the events we host, we continued our charitable ticketing program in support of local organizations and fundraising initiatives by donating tickets to 55 local non-profit and charitable organizations in 2018-19. Through this program, we support a variety of fundraising initiatives and ensure broad-based access to our facility and events.

Brand Position & Strategy

Early in the fiscal year, we began work to clearly define and articulate a compelling brand position and strategy for Scotiabank Centre that would resonate with our audiences and align with shareholder and community expectations. This work included engaging key partners and stakeholders in primary research to understand perceptions and motivators.

The research highlighted strong community pride in Scotiabank Centre, emphasizing that our customers come to the venue not just for our events but for a welcoming environment and memorable social experience. This feedback reinforced our approach to event attraction and a continued focus on experience enhancements.

Guided by insights from the customer research, our brand position and strategy was completed in summer 2018. The rollout included internal briefings and working sessions to educate and engage employees. The external rollout of the brand began in the fall of 2018, with the launch of the #Scotiabank advertising campaign, an enhanced social media strategy aimed at promoting upcoming events, and the community celebration to mark the kick-off to the fall events season.

BUSINESS GROWTH

Events Strategy

Our multi-year event attraction strategy was finalized and approved by the Board of Directors in early 2018-19. Implementation of the strategy included a focus on marquee events and alignment with key partners. The strategy is rooted in relationship development and research to target event opportunities that align with our facility's size, capacity, and schedule. This approach includes events that have a proven record of success in Halifax and will help ensure we continue to meet community and stakeholder expectations.

Results throughout the year included a successful bid to host the IIHF Women's World Hockey Championship in 2020 and the 2019 Memorial Cup.

Following ongoing planning and discussions, the NLL announced it will bring a new franchise to Halifax in 2019-2020; the Halifax Thunderbirds. The addition of the new NLL team rounds out a strong mix of tenant events, enhancing our calendar of activity, and helping us reach a new, broader audience.

Corporate Partnerships

This year, we undertook a thorough review and assessment to better understand our current corporate sponsorship needs and identify ongoing opportunities for enhanced partnerships and growth.

As a result, we focused on the alignment of marketing and sales activities as well as the primary partnerships needed to grow our business and reputation. Through a robust consultative process, we identified new opportunities to strengthen our partnerships while providing enhanced value for the venue, fans, and our clients.

Corporate partnership activity remained strong throughout the year and included new agreements with Halifax Water, Halifax Marriott Harbourfront, Medavie Blue Cross, RE Group, and Support 4 Sport and Support 4 Culture (Time+Space).

Agreements were also renewed with Casino Nova Scotia, Killam Properties, United Signs, NSGEU, Atlantic Lottery, Van Houtte Coffee Services, The Printing House, Saltwire, Office Interiors, Evanov Radio, Bell Media, and Rogers Media Inc.

TALENT & CULTURE

Internal Engagement

Through a year of significant transition for our organization, we maintained our focus on employees and internal culture through a series of communications and engagement activities. This included continued work with cross-departmental committees to address feedback and enhance communication.

New initiatives were developed to ensure efficient delivery of information to all employees, including our growing team of part-time and event-based staff. We revised the format for our quarterly staff assemblies and installed new digital screens throughout the back-of-house employee areas to improve the sharing of relevant staff communications.

The organization-wide rollout of corporate values was deferred to 2019-20 to align with the release of our five-year strategic plan.

Staff training throughout the year included Occupational Health & Safety with a focus on incident reporting as well as Respect in the Workplace and First Aid.



ACCOUNTABILITY & SUSTAINED PERFORMANCE

Governance

We continue to work in close collaboration and partnership with HRM to effectively manage and operate Scotiabank Centre in a transparent manner.

Customer research and the brand positioning strategy developed throughout the year will inform our long-term vision and serve as the foundation for a multi-year operating agreement for Scotiabank Centre. In partnership with HRM, we will finalize this agreement in 2019-20.

Comprehensive research with attendees, exhibitors, and planners was completed throughout the year to update direct spending profiles associated with the events we host. This will ensure we continue to have an up-to-date, accurate measurement framework in place to evaluate the impact of our business.

Shared Services & Facilities Agreement

We continue to implement and assess the Shared Services and Facilities Agreement, which guides the use of the plant and facilities shared by Scotiabank Centre and Armco. Key learnings about the financial and operational impacts of this agreement continue, and will influence budget and planning for the upcoming year.

Capital Priorities

Our ten-year naming rights partnership with Scotiabank allowed for capital investment in Scotiabank Centre, with \$5.3M to fund key facility upgrades. Work throughout the year focused on facility enhancements that impact operations and guest experience.

Execution of the ice slab replacement project was a critical priority this year. Work began following the Royal Nova Scotia International Tattoo in July 2018, and the project was completed on-time and on-budget in October 2018. Other infrastructure projects, including ice level renovations and significant exterior refreshes, continued as scheduled throughout the year.



CORE OUTCOMES & PERFORMANCE MEASURES

Key performance and operational outcome areas against our 2018-19 business plan include:

STRATEGIC GOAL	MEASURE	2018-19 TARGET	2018-19 ACTUAL	NOTES
BUSINESS GROWTH	Total direct spending and economic benefit	Generate direct spending of approximately \$29M as a result of the events we host	\$32.1M in direct expenditures	Due to higher than targeted attendance numbers, direct expenditure target was exceeded
BUSINESS GROWTH	Number of events and attendees hosted	Host 105 events with total projected attendance of 390,000	Hosted 107 events with 436,255 attendees	Event targets were met and attendance targets were exceeded.
FINANCIAL PERFORMANCE	Financial performance	Generate revenue of \$6.5M Manage event expense ratio to no more than 47%	Generated \$7.1M in revenue Managed event expense ratio to 44.4%	Financial targets were met.
ACCOUNTABILITY & SUSTAINED PERFORMANCE	Shareholder compliance	Compliance with operating agreement	Scotiabank Centre operated in compliance with the current operating agreement	Scotiabank Centre's operating agreement was extended for one year and assigned to Events East Work on a long-term operating agreement with HRM to commence in 2019-20 Continued collaboration with landlord & HRM on Shared Services Facility Agreement



COMBINED CORE ACCOUNTABILITY & STRATEGIC MEASURES

Scotiabank Centre and Halifax Convention Centre are managed and operated by Events East. Our strategic priorities guide our activities and we monitor and measure our performance in the following core areas: economic impact, event attraction, and attendance. Below is the combined impact of our facilities on the Nova Scotia economy.

	HALIFAX CONVENTION CENTRE	SCOTIABANK CENTRE	TOTAL
TOTAL EVENTS	163	107	270
TOTAL ATTENDEES	102,203	436,255	538,458
TOTAL DIRECT EXPENDITURES	\$65.6M*	\$32.1M	\$97.7M
TOTAL INCREMENTAL EXPENDITURES	\$65.6M*	\$10.9M**	\$76.5M
ESTIMATED PERSON YEARS EMPLOYMENT	904	569	1,473
ESTIMATED HOUSEHOLD INCOME	\$30.4M	\$16.2M	\$46.6M
ESTIMATED PROVINCIAL GOVERNMENT TAX REVENUE	\$3.9M	\$2.1M	\$6.0M

Developed in collaboration with Nova Scotia Department of Finance and Treasury Board.

**All direct expenditures associated with the Halifax Convention Centre are considered incremental.*

***27 per cent of Scotiabank Centre attendee direct expenditures are incremental. Incremental expenditures are those that would not have taken place in the absence of Events East facilities and activities.*

FINANCIAL STATEMENTS

MARCH 31, 2019

MANAGEMENT'S REPORT

The financial statements have been prepared by management of Halifax Convention Centre Corporation [operating as Events East Group] based on the financial reporting provisions prescribed in the Interim Agreement [the "Agreement"], between Halifax Regional Municipality and Halifax Convention Centre Corporation dated November 16, 2018. Management has applied the principles of Canadian Public Sector Accounting Standards, and the integrity and objectivity of these financial statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors [the "Board"] are responsible for ensuring management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly.

The external auditors, Ernst & Young LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Scotiabank Centre and meet when required.

On behalf of Events East Group:



Carrie Cussons
President & CEO



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Events East Group

Opinion

We have audited the financial statements of **Scotiabank Centre** [the “Centre”], which comprise the statement of financial position as at March 31, 2019, and the statement of operations and accumulated surplus (deficit), statement of changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Centre for the year ended March 31, 2019, are prepared in all material respects, in accordance with the basis of accounting described in Note 2 to meet the requirements of the Interim Agreement [the “Agreement”], between Halifax Regional Municipality and Halifax Convention Centre Corporation dated November 16, 2018.

Basis of 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 report. We are independent of the Centre 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.

Emphasis of matter – Basis of accounting and restriction on use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Centre in complying with the financial reporting provisions of the Agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Centre and Halifax Regional Municipality and Events East Group and should not be used by parties other than the Centre or the Halifax Regional Municipality and Events East Group. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. Other information consists of the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Responsibilities of management for the financial statements

Management is responsible for the preparation of these financial statements in accordance with the financial reporting provision described in Note 2 to meet the requirements of the Agreement, 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 these 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 Centre'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 Centre'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 Centre to cease to continue as a going concern.

We 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.

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Halifax, Canada
June 20, 2019

STATEMENT OF FINANCIAL POSITION

As at March 31

	2019 \$	2018 \$
FINANCIAL ASSETS		
Cash	916,081	1,008,474
Due from Halifax Regional Municipality, net <i>[note 4]</i>	527,731	—
Accounts receivable	1,118,383	1,093,271
Total financial assets	2,562,195	2,101,745
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	1,069,506	540,960
Due to Halifax Regional Municipality <i>[note 4]</i>	—	254,759
Due to Trade Centre Limited <i>[note 4]</i>	—	133,964
Due to Events East Group <i>[note 4]</i>	859,662	496,956
Unearned revenue	687,931	723,753
Total financial liabilities	2,617,099	2,150,392
Net debt	(54,904)	(48,647)
NON-FINANCIAL ASSET		
Prepaid expenses	54,904	48,647
Accumulated surplus	—	—

See accompanying notes

On behalf of the Board:



Director



President



STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (DEFICIT)

Year ended March 31

	2019 \$	2019 \$	2018 \$
	[budget - unaudited]	[actual]	[actual]
REVENUE	6,506,500	7,124,321	6,877,944
EXPENSES			
Events	2,781,300	3,165,307	2,894,168
Salaries <i>[note 3]</i>	1,990,900	2,170,730	2,362,354
Administration and technology	232,400	247,952	219,371
Marketing and Promotions	261,000	281,423	167,773
Operations	177,000	231,064	162,625
Insurance and Rent	49,200	85,530	31,079
Ice Slab Mitigation	270,000	72,200	—
	5,761,800	6,254,206	5,837,370
Annual surplus before shared facilities costs	744,700	870,115	1,040,574
Shared facilities costs, net <i>[note 1]</i>	1,474,700	1,870,496	1,032,612
Annual (deficit) surplus	(730,000)	(1,000,381)	7,962
Transfer (to)/from Halifax Regional Municipality <i>[note 4]</i>	—	(1,000,381)	7,962
Annual (deficit) surplus after transfers to Halifax Regional Municipality	(730,000)	—	—
Accumulated surplus, beginning of year	—	—	—
Accumulated (deficit) surplus, end of year	(730,000)	—	—
Related party transactions <i>[note 4]</i>			
<i>See accompanying notes</i>			

STATEMENT OF CHANGES IN DEBT

Year ended March 31

	2019 \$	2019 \$	2018 \$
	[budget - unaudited]	[actual]	[actual]
Annual (deficit) surplus after transfers to Halifax Regional Municipality	(730,000)	—	—
Increase in prepaid expenses	—	(6,257)	(21,391)
Increase in net debt	(730,000)	(6,257)	(21,391)
Net debt, beginning of year	(48,647)	(48,647)	(27,256)
Net debt, end of year	(778,647)	(54,904)	(48,647)

See accompanying notes



STATEMENT OF CASH FLOWS

Year ended March 31

	2019 \$	2018 \$
OPERATING ACTIVITIES		
Annual (deficit) surplus after transfers to Halifax Regional Municipality	—	—
Net change in non-cash working capital balances		
Accounts receivable	(25,112)	(116,998)
Accounts payable and accrued liabilities	528,546	(217,726)
Due to/from Halifax Regional Municipality, net	(782,490)	32,218
Due to Trade Centre Limited	(133,964)	(255,898)
Due to Events East Group	362,706	496,956
Unearned revenue	(35,822)	196,390
Prepaid expenses	(6,257)	(21,391)
Cash provided by operating activities	(92,393)	113,551
 Net (decrease) increase in cash during the year	 (92,393)	 113,551
Cash, beginning of year	1,008,474	894,923
Cash, end of year	916,081	1,008,474

See accompanying notes



NOTES TO FINANCIAL STATEMENTS

1. Nature of operations

Scotiabank Centre [the “Centre”] is a sports and entertainment complex owned by the Halifax Regional Municipality [“HRM”]. The Centre is an asset of HRM and is not a separate legal entity. The Centre's operations are financed by HRM and all profits from the Centre accrue to the account of HRM.

The Centre is operated by Events East on behalf of HRM under an Interim Agreement [the “Agreement”] which outlines Events East's management of the Centre. The original one-year agreement was dated December 7, 2016 and has received approval for a second extension which expires November 15, 2019.

Effective April 9, 2018, a Shared Services and Facilities Agreement [“SSFA”] was signed between HRM and Trade Centre Limited [“TCL”]. The agreement directs the shared operation of the World Trade and Convention Centre [“WTCC”] building and the Scotiabank Centre building, who share common spaces and facilities which are integral to the operation of both the WTCC building and the Centre.

The WTCC building was sold on April 9, 2018 to an external third party. At that time, the SSFA was assigned to the external party, resulting in the SSFA being between HRM and the external third party. Scotiabank Centre (as operated by Events East) was assigned by HRM as operator of the SSFA on HRM's behalf. All shared facilities operations, expenses and recoveries from the third party are recognized in the Centre's financial statements.

2. Summary of significant accounting policies

The Centre's management has prepared these financial statements by applying the principles of the Chartered Professional Accountants of Canada [“CPA Canada”] Public Sector Accounting Standards [“PSAS”] for other government organizations as defined by the Canadian Public Sector Accounting Board, which sets out generally accepted accounting principles for government organizations.

These financial statements were prepared in accordance with the significant accounting policies described below to comply with the financial reporting provisions prescribed in the Interim Agreement between HRM and Events East dated November 16, 2018.

Accordingly, these financial statements include only the operating results of the Centre as managed by Events East as an agent for HRM. The basis of accounting used in these financial statements materially differs from Public Sector Accounting Standards for other government organizations as defined by the Canadian Public Sector Accounting Board because the financial statements include only the operating net assets of the Centre.

These financial statements do not include the assets [including the original cost of the property] and liabilities related to the property that are controlled by HRM, the property owner. The assets of the Centre are available for the satisfaction of debts, contingent liabilities and commitments of HRM and not just those liabilities presented in the accompanying statement of financial position.



Cash

Cash is comprised of cash on hand and balances held at financial institutions.

Tangible capital assets

The land, building and equipment utilized and operated by the Centre are owned by HRM and are not included in these financial statements. The cost of the debt and depreciation related to these assets are not recorded in these financial statements. HRM includes these assets in its financial statements and will capitalize betterments to the facility based on its own accounting policies. Any betterment made to the facility and paid for by the Centre that is not reimbursed by HRM is expensed as the Centre does not control any expected benefits as a result of such expenditures. Such items are included in "Maintenance" on the statement of operations and accumulated surplus.

Prepaid expenses

Prepaid expenses include costs incurred prior to major events and conferences and are charged to expense over the periods expected to benefit from it.

Revenue

Revenue is recognized when the item has an appropriate basis of measurement, a reasonable estimate can be made of the amount involved, and for an item that involves obtaining or giving up future economic benefits, it is expected that such benefits will be obtained or given up. Event deposits are recorded as a liability until the event occurs and the revenue recognition criteria are met. Funds received when these criteria have not been met are recorded as unearned revenue.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

3. Employee future benefits

Pension plan

Employees of the Centre participate in the Public Service Superannuation Fund [the "Plan"], a contributory defined benefit pension plan administrated by the Public Service Superannuation Plan Trustee Inc., which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. Total employer contributions for 2019 were \$210,346 [2018 - \$152,992] and were recorded in salaries and administration expense during the year. Total employee contributions for 2019 amounted to \$210,346 [2018 - \$153,030]. The Centre is not responsible for any underfunded liability, nor does the Centre have access to any surplus that may arise in this Plan and, accordingly, no liability associated with this Plan has been recognized in the financial statements.

Retired employee health benefits

Upon retirement, employees who are in receipt of pension from the Public Service Superannuation Plan are eligible to participate in the Retired Employee Health Plan ["the Plan"] provided through the Public Service Commission. Events East is liable for 65% of the premiums for employees retiring on or after April 1, 2018 and the accrued benefit liability also represents employees who provide service to Scotiabank Centre; a part of their future retirement health benefits are allocated to the Centre.

The most recent full valuation of the Plan, contracted by the Province on behalf of participants, was performed as at March 31, 2018. The following outlines details of the accrued benefit obligation:

During the year, the Centre expensed \$31,216 reflecting its allocated share of the Retired Employee Health Benefits program. This expense is included in salaries and administration expense in the statement of operations and accumulated surplus.

4. Related party transactions

The Centre had the following transactions with the government and other government-controlled organizations:

	2019 \$	2018 \$
Energy recoveries from Trade Centre Limited ^[1]	—	433,713
Payroll recoveries paid to Trade Centre Limited ^[2]	—	(2,855,776)
Payroll recoveries paid to Events East ^[3]	(3,912,341)	—
Commissions received from Trade Centre Limited ^[4]	69,480	70,408
Commissions received from Events East ^[5]	10,474	—
Net transfers (to)/from Halifax Regional Municipality ^[6]	556,030	(55,660)
Interest revenue from Halifax Regional Municipality ^[7]	33,421	14,958
Transactions with Events East Group ^[8]	(354,172)	(496,956)

[1] Electricity expenses of the shared facility.

[2] Payroll and related costs of the Centre to February 28, 2018, were paid by Trade Centre Limited on behalf of the Centre.

[3] Payroll and related costs of the Centre were paid by Events East on behalf of the Centre.

[4] Commissions earned on ticket sales purchased through Ticket Atlantic, a division of Trade Centre Limited up to February 28, 2019.

[5] Commissions earned on ticket sales purchased through Ticket Atlantic, a division of Events East effective March 1, 2019. The commissions represent March 2019 only.

[6] Transfers throughout the year include payment for policing services rendered by HRM. HRM provided a non-interest bearing advance of \$350,000 towards funding the total deficit of \$1,000,381, for a net receivable from HRM of \$650,381. The Centre transferred its 2018 surplus to HRM which was presented in due to HRM on the Statements of Financial Position.

[7] Interest earned on cash deposits held on behalf of the Centre by HRM as part of their pooling arrangement with the bank.

[8] Events East and the Company had a variety of intercompany transactions throughout the year related to allocation of general expenses, paid by Events East on behalf of the Company.

Trade Centre Limited was a related party of Scotiabank Centre as it was also operated by Events East Group. These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are without payment terms and are non-interest bearing.



5. Financial instruments

The Centre's financial instruments are recorded at cost or amortized cost. Financial assets consist of assets that could be used to settle existing liabilities or fund future activities, and include cash and accounts receivable. Financial liabilities consist of the Centre's accounts payable and accrued liabilities, and payables due to HRM, Trade Centre Limited and Events East Group. The carrying value of the Centre's financial instruments approximates their fair value. Transaction costs are expensed when incurred.

Risks and uncertainties

The Centre's management recognizes the importance of managing significant risks including policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks currently managed by the Centre include liquidity risk, capital risk, and credit risk.

Liquidity risk

Liquidity risk is the risk that the Centre will be unable to meet its contractual obligations and financial liabilities. The Centre manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its obligations and liabilities.

Capital risk

The main objective of the Centre is to promote, manage, develop, and administer the facility on behalf of HRM. The Centre does not maintain any permanent capital as each year's surplus is transferred to HRM.

Credit risk

The Centre's assets are primarily exposed to credit risk, which is the risk that a debtor may be unable or unwilling to pay amounts owing, thus resulting in a loss. To mitigate this risk, the Centre requires deposits for events where collectability is uncertain.

6. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Events East's Board of Directors.

7. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.



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