



Annual Report 2018-19

For the period ending March 31, 2019

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Message from the Chair



On behalf of the Board of Directors, I am pleased to present the 2018/2019 Manitoba Centennial Centre Corporation (MCCC) annual report.

This past year the Board and I commissioned a report to analyze alternative governance options that would ultimately transform the functionality of the corporation and reduce its reliance on an annual operating grant from the province. I am pleased to report that a recommendation based on the analysis of the report to restructure the corporation was presented to government in January 2019 and is currently under review. I would like to thank the Board, MCCC administration, our resident organizations and the art and culture community in Manitoba for its input into the report and its continued commitment to the Centennial Centre.

In 1968 legislation was passed effectively transforming the Centennial Corporation from a development agency to the Centennial Centre Corporation with facility management responsibility for the Centennial Centre and direct operational responsibility for the Centennial Concert Hall. At that time an operating grant was negotiated with the Province in lieu of rental revenue recoverable from The Manitoba Museum and Royal Manitoba Theatre Centre. As a crown corporation, MCCC is required to generate earned revenue to supplement the operating grant in order to operate the centre.

The corporation has had a recent history of generating sufficient earned revenue to offset costs however the last three years have been particularly challenging. Competition from the private sector, expansion of Manitoba Casinos to include a 1,400 seat venue, a commitment to subsidize concert hall operating cost for our resident companies and a stagnant operating grant have required the corporation to focus on earned revenue and finding efficiencies to balance their operating statements. As the Board we made a commitment to the corporation going forward that our efforts would be centered on earned revenue, finding operational efficiencies and movement toward self-sustainability. That directive was reinforced by the Government of Manitoba when we received our revised mandate in 2019.

However, as challenging as our revised mandate will be I want to acknowledge that our Board will work not only with the administration of the corporation but with our Resident partners at The Manitoba Museum, Royal Manitoba Theatre Centre, Artspace, Winnipeg Symphony Orchestra, Royal Winnipeg Ballet and Manitoba Opera to ensure the Centennial Centre meets the expectations and needs of their organizations. The Board acknowledges that the efforts of these valued organizations must be integrated with the vision and objectives the corporation is pursuing.

As a result of our commitment to find efficiencies and generate new revenue I am pleased to report the corporation generated sufficient earned revenue in 2018/19 to offset expenses and returned a modest surplus of \$58, 558.

I want to thank the members of our Board. In addition to our regular monthly meetings, all of our Board committees were actively engaged in special projects throughout the year working to enhance the sustainability of MCCC. Our Audit/Finance Committee chaired by Kirsten Albo worked diligently throughout the year to assist MCCC's new Director of Finance and Administration to develop new and more informative financial reports. Our Foundation of the Future Committee chaired by Jennifer Moncrieff reviewed an application for financial support and approved a \$5,000 grant to *Graffiti Art Programming Inc.* in Winnipeg. We struck a new committee chaired by Cindy Carswell to explore the potential of selling the naming rights to the Centennial Centre and Centennial Concert Hall and lastly our Executive Committee worked diligently with MCCC administration and an external consultant to recommend a new governance model for the Manitoba Centennial Centre Corporation.

The Board would like to thank Mr. Gary Swampy for his contributions to the board during a term that ended in April 2018. We would like to welcome Mr. Alfred Lea to the Board and look forward to his contributions going forward.

I want to recognize our CEO Robert Olson and his staff for the significant efforts made in finding efficiencies and taking on the financial challenges of generating new revenue and managing the expectations of the Board.

I would also like to recognize the support we get each year from the Accommodation Services Department of the Department of Finance. This year the department made a \$5M commitment to replace the fire safety systems of the Centennial Centre which will be completed in 2019.

I want to personally thank Minister Colleen Mayer of Crown Services for her support to our corporation and the Department of Sport, Culture and Heritage for providing us with the annual operating grant. I look forward to working with the Minister to achieve the goals we identified in our Governance review.



Karl Loepp
Chair, Board of Directors

Message from the Chief Executive Officer



I am pleased to present the 2018-2019 Annual Report for the *Manitoba Centennial Centre Corporation (MCCC)*.

This past year was notable for the internal governance review MCCC and the Board of Directors completed. Tasked with exploring alternative governance/operating models, the Board hired KPMG to research and analyze options that would position the corporation to achieve financial independence and enhance its ability to support the Arts in Manitoba. With a recommendation in hand, the Board of Directors looks forward to working with Government to strategically maneuver MCCC towards a model of self-sufficiency.

MCCC also retained the services of Ketchum Consulting (KCI) out of Toronto, Ontario to assess the valuation of the Centennial Concert Hall and Centennial Centre for the purpose of selling the Naming Rights. The report suggested the centre and the concert hall could both return a significant investment if the right partner is found. Funds secured from a naming rights arrangement would be restricted to capital improvements within the Centennial Centre.

MCCC also pursued an opportunity to expand the campus of the Centennial Centre in 2018/19 by submitting a proposal to the City of Winnipeg to acquire the Pantages Playhouse Theatre. Although our primary proposal was rejected, MCCC is discussing an option to manage and operate the theater with the potential new owners of the theatre.

This past year MCCC received an application for support from the *Foundation of the Future Fund*. This fund was established in the 1970's as a way to commemorate the centennial anniversary of the Province of Manitoba. MCCC manages the fund and a committee comprised of MCCC representatives, members of MCCC's Board of Directors and private citizens who were born in 1970 are responsible for approving applications for support. In 2018/19 the committee approved a \$5,000 contribution to *Graffiti Art Programing Inc.* in Winnipeg.

MCCC is pleased to report fiscal year 2018-2019 generated a small operating surplus of \$58,558. Originally projecting a \$120,000 loss, MCCC management actively monitored expenses, pursued opportunities to generate new revenue and capitalized on the demand for film and television production space in Manitoba. Compounding the challenge of overcoming a projected deficit was an unbudgeted expense for consulting services to review our governance model and analyze the potential return for selling the Naming Rights to the Manitoba Centennial Centre (MCC) and Centennial Concert Hall (CCH).

In all, Centennial Centre revenues increased by 3.6% in 2018/19, in part due to the corporation's decision last year to promote or co-promote events. A total of 8 promoted events were scheduled in 2018/19, an increase of 5 shows over the previous year. We also saw a significant increase in rental income derived from the *Manitoba Production Centre (MPC)*, Manitoba's only purpose built film and television production facility. The high demand for production space in the province is

being fueled by the government's decision to increase and permanently establish the Manitoba Film and Video Production Tax Credit. That and a lower Canadian dollar compared to the U.S. dollar is attracting major U.S. studios to Manitoba which is now viewed as a viable alternative to the Toronto and Vancouver markets. Revenues for MPC are up 33% compared to the previous year.

Event and monthly parking also contribute significantly to the earned revenue capabilities of the corporation. In 2017/18 parking revenues increased substantially due in part to the Canada Summer Games at the Sport for Life Centre and multiple Broadway performances throughout the year. Without the Canada Games and less Broadway events in 2018/19 parking revenues decreased by 7.5%. It is worth noting the lack of parking particularly for events, continues to be the most often reported complaint/concern expressed by the patrons who attend events at the Centennial Centre.

MCCC is committed to searching for new opportunities that will align with our mandate and generate a positive return on investment. Promoted shows, planning for the growth in our Film and Television industry, Naming Rights, a Parking Garage, development of the 11 Lily Street Extension Services building, a second theatre and modernizing our auditorium are key initiatives that will help MCCC be less reliant on an operating grant from the province yet still maintain our support for the Arts in Manitoba.

MCCC is still however dependent on an annual operating grant from the Province of Manitoba in part to offset the financial cost of supporting our Resident Companies and maintaining the physical assets of the Centennial Centre. The Winnipeg Symphony Orchestra, Royal Winnipeg Ballet and Manitoba Opera pay on average 38% less for the use of the CCH compared to the rental revenues received from commercial operators. The grant is also required to offset *The Manitoba Museum* (TMM) facility costs that MCCC is obligated to pay as part of the 33 year lease agreement with the museum. In 2016/17, 61% of the then \$3.0M operating grant was applied to TMM costs. Today 67% or \$1.7M of the current \$2.5M operating grant is allocated to the Museum's facility costs.

While it is encouraging that our administration is increasing earned revenue and closely managing expenses, our ability to absorb TMM costs considering the 17% reduction in our operating grant means MCCC must divert more of its earned revenue to cover museum expenses. In 2012/13 the operating grant represented 53% of total MCCC revenue. In 2018/19 the provincial operating account was 37% of total revenue.

In April 2018 MCCC welcomed Mr. Mark Krueger to the position of Director of Finance and Administration. Mr. Krueger is a CPA, CA with experience in the sports and entertainment industry. He was previously employed by the former Winnipeg Enterprise Corporation and True North Sports and Entertainment. Mr. Krueger's experience will be particularly valuable as the corporation expands box offices/ticketing services at the Centennial Concert Hall and pursues additional opportunities to promote or co-promote events in the Centennial Centre. MCCC also welcomed Ms. Wanda Samec to the position of Payroll and Benefits Administrator in 2018/19 and re-organized several positions to ensure the corporation was effectively utilizing its labour resources.

I would like to acknowledge the support of the *Accommodation Services Department (ASD)* of the Department of Finance for their effort to secure capital funding to repair or replace critical Centennial Centre infrastructure. This past year a \$5M investment was made to replace the fire detection/safety systems of the centre. This investment ensures the complex complies with the safety standards required for a public facility.

I would also like to thank Mr. Karl Loepp Chair of the MCCC Board of Directors and the entire Board for their continued support and direction as MCCC explores new governance opportunities. A new governance structure will be transformative and better position MCCC to realize two of its primary objectives; increase support for the Arts Industry in Manitoba and pursue financial self-sustainability. I would also like to thank the Resident Organizations of the Centennial Centre. As partners they have a vested interest in the development of the Centennial Centre and I look forward to continuing our work together.

A handwritten signature in black ink, appearing to read 'R. Olson', with a horizontal line extending to the right.

Robert Olson
Chief Executive Officer

2018 – 2019 Corporate Highlights

Governance:

- The Board of Directors retained the services of KPMG to review the existing governance structure of the MCCC and provide the Board with options for a new structure that would position MCCC to be self-sustaining.
- MCCC and the Board of Directors retained the services of Ketchum Consulting (KCI) to analyze the market valuation of the Centennial Centre and Centennial Concert Hall for selling the naming rights to the complex and auditorium.

Human Resources:

- Mr. Mark Krueger, Director of Finance and Administration was hired March/April 2018.
- Ms. Wanda Samec, Payroll and Benefits Administrator was hired in June 2018.
- Ms. Sharon Barkley was promoted to the position Supervisor Housekeeping Services.
- Mr. Jason Down transferred from Facility Services to accept the Events Coordinator position with the Centennial Concert Hall.
- Mr. Alfred Lea joined our Board of Directors in July 2018.

Branding/Marketing:

- MCCC promoted or co-promoted 8 shows this past year.
- MCCC engaged with local promoters, Showtime Productions, to bring the touring Broadway production of Kinky Boots to Winnipeg.

Facility Improvement:

- Completed:
 - Replaced steam heating coils and chilled water cooling coils inside air handlers serving Manitoba Museum Research Tower and Planetarium Science Gallery areas.
 - Rebuilt hydraulic components for the Centennial Concert Hall stage lifts.
 - Installed a Parking Control System for the underground parking garage at the Manitoba Centennial Centre.
 - Replaced two feed-water pumps that provide condensate to boilers and two large valves at the Centennial Centre Heating Plant steam supply header.
 - Renovated restaurant dining room space in the lower level of Centennial Concert Hall.
 - Performed a Condition Assessment of the Extension Services Building at 11 Lily Street.

- Multi-year in progress:
 - Manitoba Museum 'Bringing Our Stories Forward' redevelopment and revitalization of the Museum Exhibit Gallery.
 - Refresh Centennial Concert Hall backstage areas with wall treatment painting, upgraded ceilings and energy efficient lighting.
 - Gault building (Artspace) exterior windows and doors restoration.
 - Complete restoration of the Concert Hall Orchestra Shell.
 - Centennial Center Fire Alarm System Upgrade.
 - CCH Building Envelope Restoration.

Community and Resident Partner Support:

- MCCC annually supports the fundraising efforts of multiple not for profit agencies primarily through the donation of tickets.

Performances:

- | | |
|--------------------------------|--|
| • Broadway Musicals: | • Eckhart Tolle |
| ○ 2 performances of Chicago | • Chris Tomlin |
| ○ 2 performances of Cinderella | • Rocky Mountain High: An Evening of John Denver |
| • Moist | • Charlie Brown Christmas |
| • Carol Burnett | • Alec Baldwin |
| • Sharon, Bram and Friends | • Natalie MacMaster & Donnell Leahy |
| • Touch of Chopin | • Christmas in Nashville |
| • The Barra MacNeils | • Aaron Pritchett |
| • The Tenors | • Home Free |
| • 6 performances of Paw Patrol | • Kaleo |
| • Neil Young & Crazy Horse | |
| • Il Divo | |

Mission

Manitoba Centennial Centre Corporation is an effective and responsible steward of physical, human, financial and technological resources to advance arts, culture and heritage for the benefit of all Manitobans.

Vision

The MCCC is a principal resource and partner supporting a vibrant and sustainable arts, cultural, and heritage community in Manitoba. As an active and collaborative organization, we operate and provide state of the art facilities, supports, and services that enhance industry and audience experience.

Values

- ◆ Respect - honouring the cultural diversity of our population
- ◆ Collaboration - we work together for the benefit of all
- ◆ Integrity - being true to our commitments
- ◆ Accountability - accepting responsibility
- ◆ Transparency - doing business in an honest, visible and open manner
- ◆ Inclusiveness - communicating effectively to include all relevant parties
- ◆ Sustainability - minimizing environmental impact and being socially responsible
- ◆ Innovation - researching and analyzing new and creative ways of supporting our community

Board of Directors



Standing from left to right: Alfred Lea, Dave Martin, Cindy Carswell, Cameron Hay
Seated from left to right: Mercedes Caron, Karl Loepp (Chair), Kirsten Albo (Vice-Chair), missing Jennifer Moncrieff



Karl Loepp, Board Chair
Chair, Executive Committee
Member, Audit/Finance Committee
Member, Naming Rights Committee



Kirsten Albo, Board Vice-Chair
Chair, Audit/Finance Committee
Vice-Chair, Executive Committee



Mercedes Caron, Board Member
Member, Audit/Finance Committee



Cindy Carswell, Board Member
Vice-Chair, Audit/Finance Committee
Member, Development Committee
Chair, Naming Rights Committee



Cameron Hay, Board Member
Chair, Development Committee
Member, Executive Committee



Jennifer Moncrieff, Board Member
Vice-Chair, Development Committee
Chair, Foundation of the Future
Committee
Member, Naming Rights Committee



David Martin, Employee
Representative Board Member



Alfred Lea, Board Member
Member, Naming Rights Committee
Member, Foundation of the Future
Committee

Executive Management Team



Robert Olson
Chief Executive Officer



Mark Krueger
Director, Finance and Administration



Norbert Schuster
Director, Capital Development
and Physical Plant



Martin Kull
General Manager, Centennial
Concert Hall and Manitoba
Production Centre

Management Team

Cindy Friesen
Manager, Security and Parking

David Martin
Manager, Stage Services

Gerry McDougal
Manager, Marketing and IT

Organization/Operations

The Manitoba Centennial Centre Corporation's (MCCC) mandate under its enabling legislation "The Manitoba Centennial Centre Corporation Act" includes the administration of the Centennial Concert Hall and its related services, as well as the maintenance and development of the buildings and properties of the Centennial Centre.

Properties of the Manitoba Centennial Centre include: The Manitoba Museum (TMM), Planetarium, Royal Manitoba Theatre Centre (RMTTC), Tom Hendry (Warehouse) Theatre, Artspace, Extension Services Building (11 Lily Street) and three surface parking lots and one indoor parking garage. The MCCC directly manages the operations of the Centennial Concert Hall and Manitoba Production Centre which offer a variety of programs and presentations in the visual and performing arts.

The facilities' operating program continues to strive for a high standard of building services and maintenance. Preventative plant maintenance programs are ongoing and new programs for better services and cost effectiveness, particularly in areas involving energy costs, are emphasized wherever possible. In compliance with a Government of Manitoba directive, the MCCC has adopted a Sustainable Development Policy for its operations. Liaison with various departments and agencies of the provincial government continues to assist in the operation of the Corporation.

MCCC Direct Operations:



Resident Tenants of the Centennial Centre:



INSIDER ACCESS TO THE WORLD'S BEST ART

Centennial Concert Hall

The Centennial Concert Hall accommodated 302 theatre rentals during the 2018-19 Season.

Performance highlights included:

Commercial Events

- Ringette Association Awards (April 2018)
- Mika Singh Live in Concert (May 2018)
- Negev Gala (May 2018)
- Eckhart Tolle (May 2018)
- Kaleo (June 2018)
- Jazzy B., Harjit Harman and Live Band (June 2018)
- Moist (August 2018)
- Chris Tomlin (September 2018)
- Carol Burnett (September 2018)
- Rocky Mountain High: An Evening with John Denver (October 2018)
- The Howl 18 A Musical Masquerade with Norman Foote (October 2018)
- Father & Son Piolo Pascual & Inigo Pascual (October 2018)
- Chicago (November 2018)
- Sharon, Bram and Friends (November 2018)
- Charlie Brown Christmas (November 2018)
- Touch of Chopin (November 2018)
- Christmas in Nashville (November 2018)
- Alec Baldwin (November 2018)
- Wizards of Winter (December 2018)
- The Barra MacNeils (December 2018)
- Natalie MacMaster & Donnell Leahy (December 2018)
- The Tenors (December 2018)

Community Events

- Etsy Sellers of Manitoba - Makers Market (April and September 2018)
- Apprenticeship Manitoba Awards (April 2018)
- Winnipeg Youth Orchestra (May 2018)
- Law Society Call to the Bar (June 2018)
- Fringe Festival (July 2018)
- Royal Canadian Air Force Band (December 2018)
- College and High School Convocations (10)
- School Concerts (3)
- Dance Recitals (25)

Commercial Events (continued)

- Paw Patrol (January 2019)
- Cinderella (January 2019)
- Aaron Pritchett (January 2019)
- Banff Mountain Film Festival (February 2019)
- Neil Young & Crazy Horse (February 2019)
- Home Free (February 2019)
- Sharon Cuneta (March 2019)
- Il Divo (March 2019)
- Anne Kulit (March 2019)

Type of Performance	Number of Performances
Resident Companies:	
Winnipeg Symphony Orchestra	85
Royal Winnipeg Ballet	30
Manitoba Opera	8
Commercial	90
Not-for-Profit	21
Promoted/Co-Promoted	8

Resident Companies

The Corporation's three resident companies, Manitoba Opera, Royal Winnipeg Ballet and the Winnipeg Symphony Orchestra, presented a full season of concerts and performances.

Manitoba Opera captivated audiences with powerful performances of *La Traviata* and *Don Giovanni*.

Royal Winnipeg Ballet delighted audiences with a season of magical performances including *Carmina Burana*, *The Handmaid's Tale*, *The Nutcracker* and *Romeo & Juliet*.

Winnipeg Symphony Orchestra continued its fine tradition of inspiring and entertaining patrons with their varied series, including: Masterworks, Pops, Concerts for Kids, Movies, Musical Discovery and numerous special concerts. They also offered seven concerts during their "New Music Festival" in January/February 2019.

Piano Nobile Gallery

For a portion of 2018/2019, the Piano Nobile Gallery showcased memorabilia to celebrate MCCC's 50th Anniversary.

In August, 2018 Manitoba Society of Artists resumed providing curator services to the Gallery which featured varied works by celebrated Manitoba artists including Judy Sutton, Angela Lillico, Genevieve Henderson and Pat McCullough.

Works by various Manitoba artists were also displayed in cases in the concourse level of the Centennial Centre. Artists included Jeff Nepinak, Jayne Nixon, Andrew Mendoza, Julia Penny and Jane Gateson.

The Foundation of the Future Fund

The Manitoba Centennial Foundation of the Future Fund was founded in 1969 as a way to honour arts and culture in Manitoba. The funding of projects began in 2003. In recent years the fund has provided bursaries to Manitoba schools to promote education in the Performing Arts.

The Maitland Steinkopf Youth Fund was established in 1972 to provide scholarships for talented young Manitobans who required help furthering their experience and training in specific arts projects. This fund provided funding to reduce the Centennial Concert Hall rental rates of deserving eligible organizations. Throughout the history of the fund, several youth based arts organizations have directly benefited.

As both Funds had similar objectives, during the year ended March 31, 2009, the Manitoba Centennial Foundation of the Future Fund and the Maitland Steinkopf Youth Fund were combined into one fund which was entitled The Foundation of the Future Fund. The Foundation of the Future Fund will maintain the youth based cultural and art related goals of the previous funds. A Committee has been established which is comprised of MCCC Board members, a member of the "Centennial Babies" and Management.

In 2018/2019 the Fund granted \$5,000.00 to *Graffiti Art Programming Inc.* for its Urban Talks Speakers Series which provides a platform for inner city youth and young artists to express issues that directly affect their families and neighborhoods.

The Fund had a balance of \$105,414 as of March 31, 2019.



Manitoba Production Centre

The Manitoba Production Centre is Manitoba's only purpose built movie production facility with a 15,000 square foot clear-span sound stage. The facility was designed to meet overall production requirements and offers a great deal of flexibility and provides several multi-use space capabilities. Amenities include two floors of office space with internet and phone system, green room, eight dressing rooms, make-up room, wardrobe room, dye room, large cafeteria, 5,000 square foot carpentry shop and loading docks. All areas are fully furnished.

Various upgrades and repairs were undertaken at the facility in 2018-2019 including:

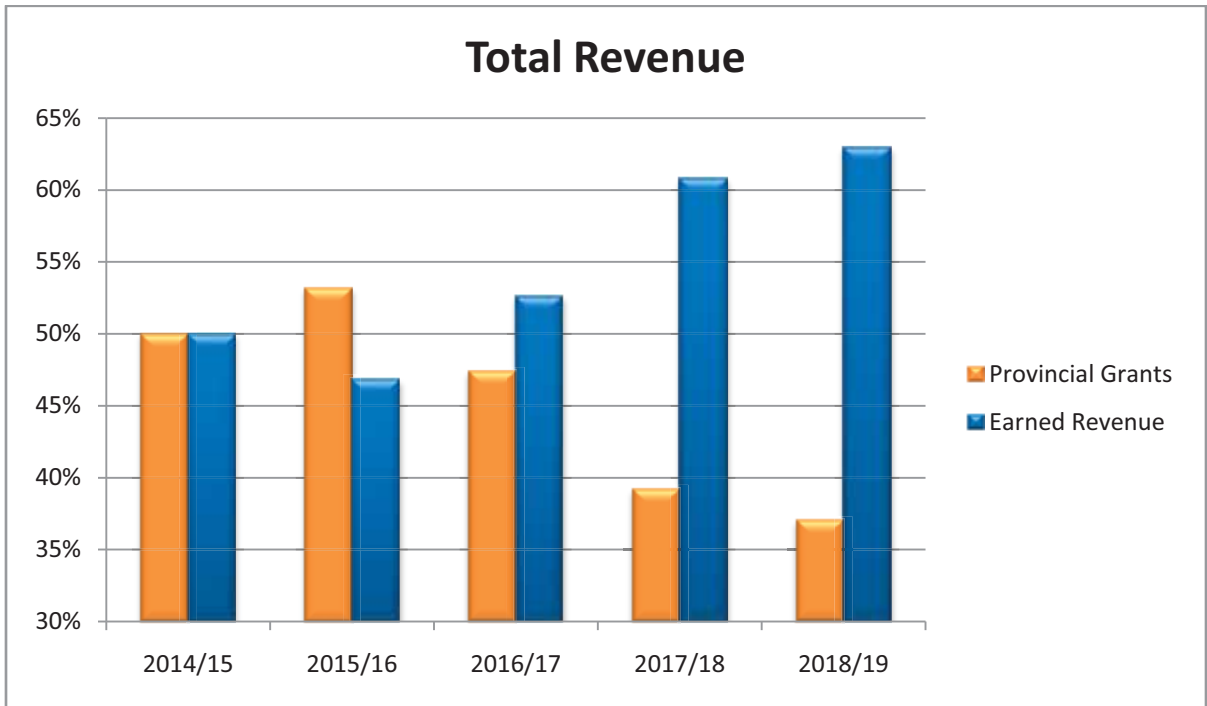
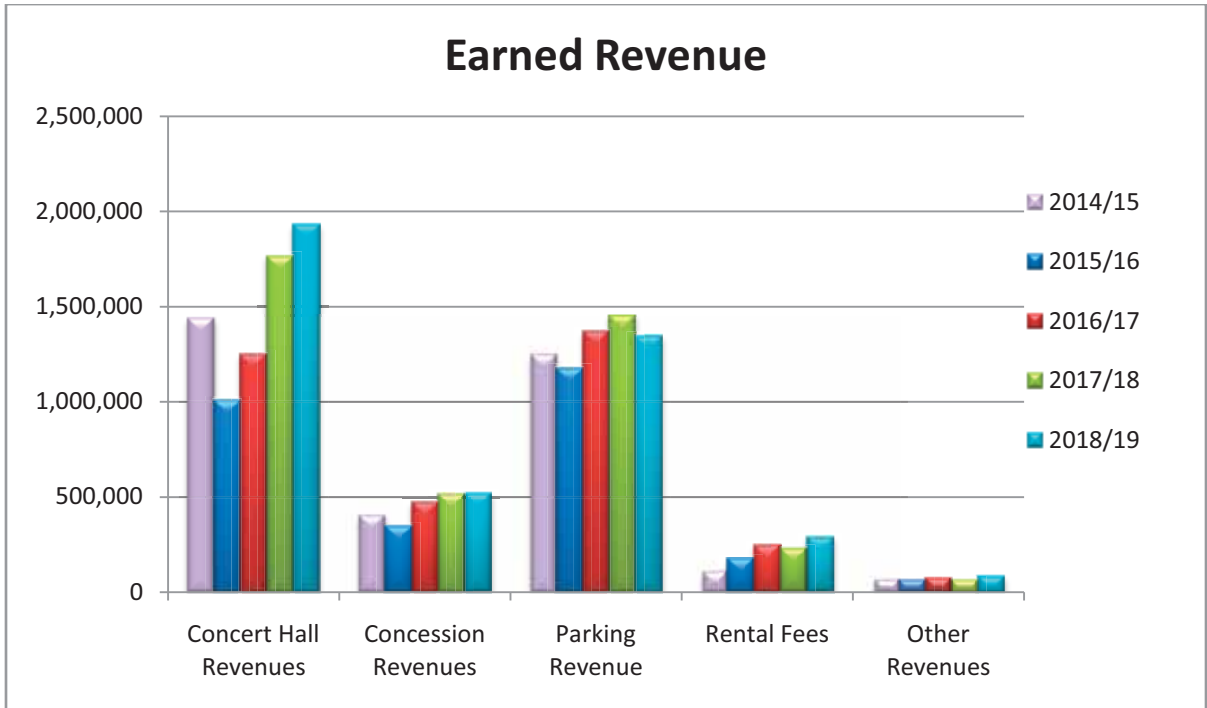
- Repaired various door frames and hardware throughout the facility;
- Repaired ground-source water cooling pipes serving the studio space; and
- Repaired and regraded the surface lot.

The facility was used significantly during the 2018-19 fiscal year and clients included:

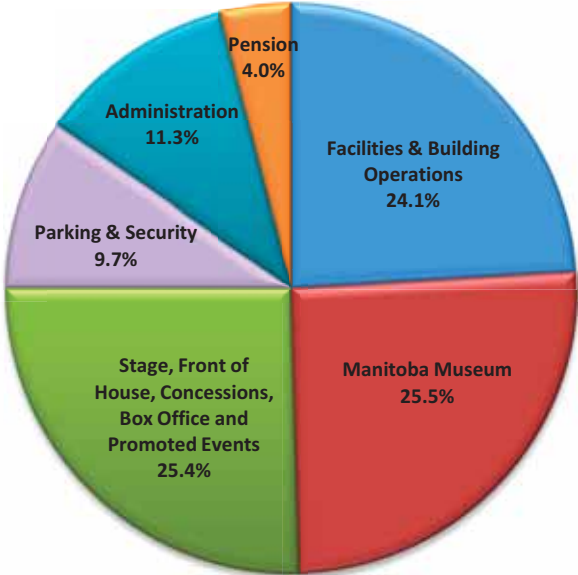
- GEP CZ Inc. c/o Universal Studios Canada: March - July, 2018;
- Molly & Max Productions Inc.: July - October, 2018;
- Fracture Pictures Inc.: November, 2018 - February, 2019; and
- Fox21 TV Studios/Tales from the Loop Productions Limited: February - March, 2019.



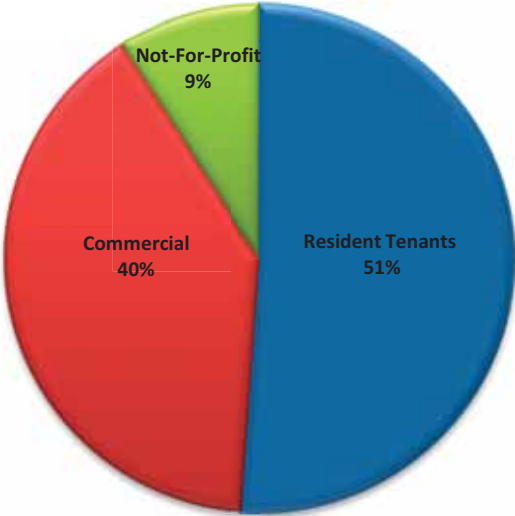
Centennial Centre Corporation



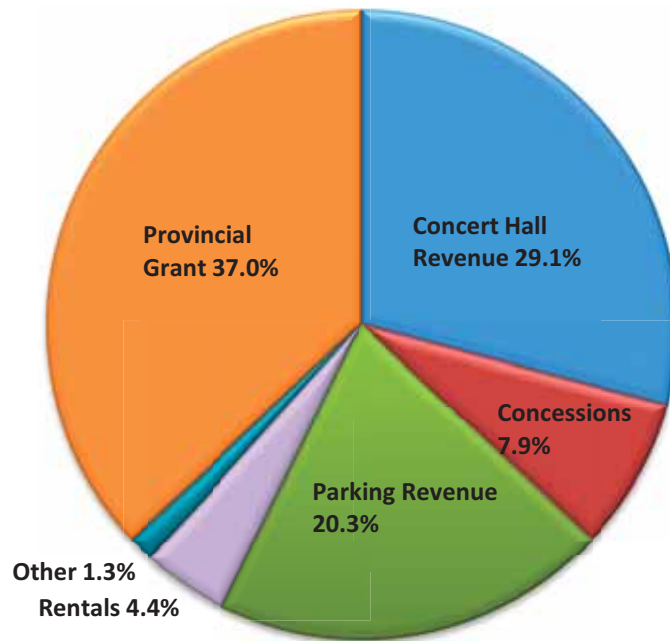
Expenses By Percentage 2018-2019



Concert Hall Use By Client Type 2018-2019



Total Revenue By Percentage 2018-2019



Management Report

The accompanying financial statements of the Manitoba Centennial Centre Corporation (the "Corporation") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards. We understand that fair presentation of these financial statements includes: providing sufficient information about certain transactions, or events having an effect on the Corporation's financial position; results of operations and cash flows for the periods presented that are of such size, nature and incidence that their disclosure is necessary to understand that effect on the Corporation's financial statements; and providing information in a manner that is clear and understandable.

Management are responsible for the design, implementation and operation of internal controls to safeguard the assets of the corporation and to prevent, deter and detect fraud and error, including internal controls over the financial reporting process.

The responsibility of KPMG is to express an independent, professional opinion on whether the financial statements of the Corporation are fairly presented in accordance with Canadian public sector accounting standards. The Auditors' Report outlines the scope of the audit examination and provides their opinion.

On behalf of Management,



Robert Olson
Chief Executive Officer



Mark Krueger
Director, Finance and Administration

Financial Statements of

**MANITOBA CENTENNIAL
CENTRE CORPORATION**

Year ended March 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Manitoba Centennial Centre Corporation

Opinion

We have audited the financial statements of Manitoba Centennial Centre Corporation (the Entity), which comprise the statement of financial position as at March 31, 2019, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "Annual Report 2018-19".

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

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

The information, other than the financial statements and the auditors' report thereon, included in a document likely to be entitled "Annual Report 2018-19" is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.



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

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

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

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

Auditors' 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 auditors' report that includes our opinion.

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

June 19, 2019

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$ 626,228	\$ 749,870
Term deposits - Province of Manitoba	503,312	404,054
Short term investments	1,262,535	200,586
Accounts receivable	441,673	445,466
Capital grant receivable - Province of Manitoba (note 10)	199,883	174,067
Inventory	40,674	55,460
Prepaid expenses	33,865	33,248
Vacation pay recoverable from the Province of Manitoba (note 4)	199,964	199,964
Other investments (note 9)	105,414	108,717
	<u>3,413,548</u>	<u>2,371,432</u>
Amounts recoverable - Province of Manitoba:		
Severance (note 4)	307,561	307,561
Pension (note 5)	6,310,000	6,375,000
Capital assets (note 6)	697,800	678,016
	<u>\$ 10,728,909</u>	<u>\$ 9,732,009</u>

2019

2018

Liabilities, Deferred Contributions and Fund Balances

Current liabilities:

Accounts payable and accrued liabilities	\$ 686,278	\$ 888,936
Accrued vacation liability (note 4)	240,749	237,316
Advance ticket sales	1,500,324	312,777
Rental deposits	51,906	47,323

2,479,257 1,486,352

Accrued severance pay (note 4)	244,902	259,384
Accrued sick leave (note 4)	29,821	32,095
Pension liability (note 5)	6,310,000	6,375,000
Deferred contributions related to capital assets (note 7)	391,608	364,415

Fund balances:

Invested in capital assets (note 8)	306,192	313,601
Internally restricted funds (note 9)	529,736	508,039
Unrestricted funds:		
General fund	437,393	393,123

1,273,321 1,214,763

\$ 10,728,909 \$ 9,732,009

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Operations

Year ended March 31, 2019, with comparative information for 2018

	General	Capital	Internally restricted	2019 Total	2018 Total
Revenue:					
Concert Hall	\$ 1,933,354	\$ —	\$ —	\$ 1,933,354	\$ 1,766,110
Rental fees	290,624	—	—	290,624	228,946
Concession sales	521,461	—	—	521,461	518,653
Parking fees	1,347,726	—	—	1,347,726	1,456,632
Miscellaneous	85,957	—	—	85,957	62,268
	4,179,122	—	—	4,179,122	4,032,609
Province of Manitoba grants:					
Operating	2,495,800	—	—	2,495,800	2,495,800
Amortization of deferred contributions (note 7)	—	172,690	—	172,690	267,951
Province of Manitoba - pension, net (note 5)	(210,075)	—	—	(210,075)	(163,279)
	2,285,725	172,690	—	2,458,415	2,600,472
Recoveries of expenses	224,822	—	—	224,822	250,986
Investment income (note 9)	—	—	1,697	1,697	816
Total revenues, grants and recoveries	6,689,669	172,690	1,697	6,864,056	6,884,883
Expenses:					
Administration and general	736,750	—	5,000	741,750	667,860
Amortization of capital assets	—	241,264	—	241,264	302,499
Concession operations	315,670	—	—	315,670	323,548
Box office	159,206	—	—	159,206	38,612
Building services and maintenance	1,337,252	—	—	1,337,252	1,370,214
Host services and special projects	484,706	—	—	484,706	449,519
Manitoba Production Centre	243,331	—	—	243,331	285,302
Parking services	107,019	—	—	107,019	172,234
Pension (note 5)	261,475	—	—	261,475	335,811
Promoted events	252,720	—	—	252,720	—
Security services	530,676	—	—	530,676	537,011
Stage operations	457,733	—	—	457,733	522,029
	4,886,538	241,264	5,000	5,132,802	5,004,639
Expenses incurred on behalf of The Manitoba Museum (note 11)	1,672,696	—	—	1,672,696	1,707,160
Total expenses (schedule - operating expenses)	6,559,234	241,264	5,000	6,805,498	6,711,799
Excess (deficiency) of revenue over expenses	\$ 130,435	\$ (68,574)	\$ (3,303)	\$ 58,558	\$ 173,084

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Changes in Fund Balances

Year ended March 31, 2019, with comparative information for 2018

	General	Capital	Internally restricted	2019 Total	2018 Total
Fund balances, beginning of year	\$ 393,123	\$ 313,601	\$ 508,039	\$ 1,214,763	\$ 1,041,679
Excess (deficiency) of revenue over expenses	130,435	(68,574)	(3,303)	58,558	173,084
Transfer of funds related to internally funded capital asset additions	(61,165)	61,165	–	–	–
Transfer to internally restricted funds (note 9)	(25,000)	–	25,000	–	–
Fund balances, end of year	\$ 437,393	\$ 306,192	\$ 529,736	\$ 1,273,321	\$ 1,214,763

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 58,558	\$ 173,084
Adjustments for:		
Amortization of deferred contributions	(172,690)	(267,951)
Amortization of capital assets	241,264	302,499
	127,132	207,632
Change in other investments	3,303	(820)
Change in accrued severance pay	(14,482)	(63,451)
Change in accrued sick leave	(2,274)	(10,540)
Change in non-cash working capital balances:		
Accounts receivable	3,793	(50,643)
Inventory	14,786	(2,952)
Prepaid expenses	(617)	18,776
Accounts payable and accrued liabilities	(202,658)	608,704
Accrued vacation liability	3,433	(19,181)
Advance ticket sales	1,187,547	278,811
Rental deposits	4,583	(6,365)
	1,124,546	959,971
Financing:		
Capital assets grants receivable - Province of Manitoba	(25,816)	(141,148)
Investing:		
Purchase of capital assets	(61,165)	(210,973)
Short term investments	(1,061,949)	(200,586)
	(1,123,114)	(411,559)
Increase (decrease) in cash and cash equivalents	(24,384)	407,264
Cash and cash equivalents, beginning of year	1,153,924	746,660
Cash and cash equivalents, end of year	\$ 1,129,540	\$ 1,153,924
Cash and cash equivalents consist of:		
Cash	\$ 626,228	\$ 749,870
Term deposits - Province of Manitoba	503,312	404,054
	\$ 1,129,540	\$ 1,153,924

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements

Year ended March 31, 2019

1. Nature of the Corporation's operations:

Manitoba Centennial Centre Corporation (the Corporation) was established in 1968 for the development and management of a permanent arts centre in the City of Winnipeg as the principal memorial in the Province to the centennial anniversaries of the Confederation of Canada and the inclusion of Manitoba as a Province. Its aim and objectives are to maintain and enhance the properties and facilities available to organizations and individuals involved in various elements of the visual and performing arts. The Corporation is exempt from income taxes under Sub-section 149(1) of the *Income Tax Act*.

2. Properties of the Corporation:

The Corporation oversees properties on behalf of the Province of Manitoba. At March 31, 2019, registered titles to these properties, being the Manitoba Centennial Centre, Manitoba Production Centre (MPC), parkade, parking lots and other buildings, are held by the Province of Manitoba. These properties are made available at no direct charge to the Corporation.

The Corporation has included the financial results of the Manitoba Production Centre within its financial statements as per Letters of Understanding/Agreement between Manitoba Culture, Heritage and Tourism and Manitoba Centennial Centre Corporation dated December 14, 2005 in which the Corporation agreed to manage this property for the Province.

3. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including PS 4200 standards for government not-for-profit organizations.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

3. Significant accounting policies (continued):

(a) Fund accounting:

The Corporation's financial statements have been prepared on a fund basis.

The General fund is used to account for the operations of the Corporation.

Internally restricted funds consist of the Foundation of the Future Fund which is to be used towards funding of youth based arts and culture, Manitoba Production Centre Fund which is to be reinvested in that facility, an Equipment Purchases Fund which is used to acquire capital equipment and a Special Projects Fund to support significant one-time expenditures as approved by the Board from time to time. Internally restricted funds cannot be expended without the approval of the Board of Directors.

The invested in capital assets fund reports the assets, liabilities, revenues and expenses related to capital assets other than assets that are funded by the Province of Manitoba (notes 2, 3[e] and 8).

(b) Revenue recognition:

The Corporation follows the deferral method of accounting for contributions which include donations and government grants.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are deferred and amortized to revenue on a straight-line basis corresponding with the amortization rate for the related capital assets.

Revenue from ticket sales, fees contracts and sales of goods is recognized when the services are provided or the goods are sold.

Advance ticket sales comprises proceeds from advance ticket sales collected by the Corporation for certain Centennial Concert Hall events. These proceeds will either be paid to the event promoters or, when the Corporation is self-promoting the event, recognized in revenue when the event occurs.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

3. Significant accounting policies (continued):

(c) Inventory:

Inventory is valued at the lower of cost, using the first-in, first-out basis, and net replacement cost.

(d) Cash:

Cash includes cash on hand and cash balances held with financial institutions.

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Computer equipment	20%
Concert hall and museum refurbishments	10%
Concrete replacement	8%
Equipment and furnishings	20%
Office and building renovations	5% - 10%
Courtyard vestibule	2.5%
Parkade equipment	10%
Physical plant and building controls	10%
Stage equipment	20%
Security equipment	20%
System and motor controls	10%

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

3. Significant accounting policies (continued):

Assets under construction are included in the appropriate asset category. Assets under construction are not amortized until asset construction is complete.

The financial statements of the Corporation exclude capital assets that are recorded as capital assets in the accounts of the Province of Manitoba. Expenditures on these excluded assets, and the related advances from the Province of Manitoba, are presented in note 10. Effective April 1, 2006, the Corporation began reflecting all other capital asset expenditures in its financial statements. Such assets are accounted for in accordance with the requirements of Canadian public sector accounting standards section 4230.

(f) Financial instruments:

Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Investments consist of term deposits, and are recorded at cost plus accrued interest, which approximates fair value.

Unrealized changes in fair value, if any, are recognized in the statement of re-measurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of re-measurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of re-measurement gains and losses are reversed and recognized in the statement of operations.

The Corporation did not incur any re-measurement gains and losses during the year ended March 31, 2019 (2018 - nil) and therefore a statement of re-measurement gains and losses is not required to be included in these financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

3. Significant accounting policies (continued):

All financial instruments recognized at fair value are classified using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

(g) Employee benefits:

The cost of the Corporation's vacation benefits is accrued when the benefits are earned by the employees. A provision for employee severance pay is recognized based on the number of eligible employees and years of service.

Pension payments are recognized as operating expenses as payments are made under provisions of *The Manitoba Civil Service Superannuation Act*. The provisions of this Act require the Corporation to contribute 50 percent of the pension payments being made to retired employees. In addition, a provision has been recorded in the accounts of the Corporation for the employer's share of current and past service pension obligations.

The accumulated non-vested sick leave benefits is calculated annually utilizing an internally developed valuation method which takes into account the average usage of sick days used in excess of the annual sick days earned, average employee service time to date and average employee compensation per day.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

3. Significant accounting policies (continued):

(i) Accounting changes:

On April 1, 2018, the Corporation adopted Canadian public sector accounting standards PS 3430 Restructuring Transactions. The adoption of this standard did not result in any adjustments to the financial statements as at April 1, 2018.

4. Employee benefits:

(a) Accrued vacation pay:

The Province of Manitoba funds a portion of the vacation pay benefits of the Corporation, which is limited to the amount estimated at March 31, 1995. Accordingly, the Corporation has recorded a recoverable in the amount of \$199,964 from the Province of Manitoba which reflects the estimated liability for accumulated vacation pay benefits at March 31, 1995. Each year the Corporation is expected to fund the change in the liability from annual funding provided by the Province of Manitoba. At March 31, 2019, the Corporation has an accrued vacation liability of \$240,749 (2018 - \$237,316).

(b) Accrued severance pay:

Effective April 1, 1998, the Corporation commenced recording the estimated liability for accumulated severance pay benefits for its employees. At March 31, 2019, based on an actuarial estimate, the obligation for accrued severance pay is \$244,902 (2018 - \$259,384). The significant actuarial assumptions include an interest rate of 6.0 percent (2018 - 6.0 percent).

Severance pay, at the employee's date of retirement, will be determined by multiplying the eligible employee's years of service (to a maximum of 23 years per collective agreement) by the employee's weekly salary at the date of retirement. Eligibility will require that the employee has achieved a minimum of nine years of service and that the employee is retiring from the Corporation.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

4. Employee benefits (continued):

The amount of funding which will be provided by the Province of Manitoba for severance pay benefits of \$307,561, represents the amount accumulated to March 31, 1998 by the employees of the Corporation, and is recorded as amounts recoverable - Province of Manitoba on the statement of financial position. This receivable from the Province of Manitoba has no specified terms of repayment. The Corporation is responsible for funding liabilities for severance pay benefits accumulated after March 31, 1998 through its operating grants from the Province of Manitoba. As a result, the change in the accrued severance pay liability, including the interest accretion, is reflected in the funding for severance expense.

(c) Sick leave:

The Corporation provides accumulating sick leave benefits to employees. These benefits accumulate with employee service and benefit amounts are determined with reference to employees' final earnings at the time they are paid out. The significant assumptions adopted in measuring the Corporation's accumulated non-vested sick leave benefits include a discount rate of 6.0 percent (2018 - 6.0 percent) and a rate of salary increase of 1.0 percent (2018 - 1.0 percent). At March 31, 2019, the Corporation has an accrued sick leave of \$29,821 (2018 - \$32,095).

5. Pension liability:

The Corporation records the pension liability and the related pension expense, including an interest component, in its financial statements. Based on extrapolation from the most recent actuarial report as at December 31, 2017, the Corporation has recorded an amount of \$6,310,000 in its financial statements, representing the estimated unfunded liability for the Corporation's employees as at March 31, 2019 (2018 - \$6,375,000). Total pension expense of \$388,280 (2018 - \$507,906) has been recorded in the statement of operations (see schedule - operating expenses), or \$261,475 (2018 - \$335,811) net of expenses incurred on behalf of Manitoba Museum.

The Province of Manitoba has accepted responsibility for the pension liability and the related expense. The Corporation has therefore recorded an amount recoverable from the Province of Manitoba of \$6,310,000 (2018 - \$6,375,000) equal to the estimated value of its actuarially determined liability in its financial statements, and has recorded the associated net deficit of \$210,075 (2018 - \$163,279) in the statement of operations. The Province makes payments on the receivable when it is determined that the funding is required to discharge the related pension obligation.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

5. Pension liability (continued):

Provision for employer's share of employees' pension plan:

	2019	2018
Balance, beginning of year	\$ 6,375,000	\$ 6,403,000
Decrease (increase) in trust account held by the Province of Manitoba	3,365	(28,697)
Benefits accrued	184,046	187,641
Interest accrued (6.0 percent; 2018 - 6.0 percent)	438,195	418,310
Benefits paid	(752,366)	(672,373)
Actuarial losses ¹	61,760	67,119
Balance, end of year	\$ 6,310,000	\$ 6,375,000

¹The actuarial valuation as at December 31, 2017 was completed in 2018. Actuarial gains and losses are recognized over the estimated average remaining service life (EARSL) of the plan members of 9 years. Assumed salary rate increases are 3.75 percent (2016 - 3.75 percent).

6. Capital assets:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 168,479	\$ 118,462	\$ 50,017	\$ 45,287
Concert hall refurbishments	309,879	263,941	45,938	58,923
Concrete replacement	10,060	9,658	402	1,207
Equipment and furnishings	277,891	215,884	62,007	91,619
Office renovations	593,028	580,336	12,692	32,221
Courtyard vestibule	250,017	200,014	50,003	75,005
Parkade equipment	242,743	12,137	230,606	-
Physical plant and building controls	227,941	227,941	-	13,973
Stage equipment	909,563	801,064	108,499	184,747
Security equipment	504,031	473,917	30,114	67,962
System and motor controls	71,158	71,158	-	-
Assets under construction	107,522	-	107,522	107,072
	\$ 3,672,312	\$ 2,974,512	\$ 697,800	\$ 678,016

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

7. Deferred contributions:

Deferred contributions represent the unamortized amount of externally restricted contributions that have been received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2019	2018
Balance, beginning of year	\$ 364,415	\$ 601,920
Capital grants received and receivable (note 10)	199,883	30,446
Less amortized to revenue	(172,690)	(267,951)
Balance, end of year	\$ 391,608	\$ 364,415

8. Invested in capital assets:

Amounts invested in capital assets are as follows:

	2019	2018
Capital assets (note 6)	\$ 697,800	\$ 678,016
Amounts financed by deferred contributions (note 7)	(391,608)	(364,415)
	\$ 306,192	\$ 313,601

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

9. Internally restricted funds and other investments:

a) Internally restricted funds:

	2019	2018
Foundation of the Future Fund:		
Balance, beginning of year	\$ 108,717	\$ 107,901
Excess (deficiency) of revenue over expense	(3,303)	816
Balance, end of year	\$ 105,414	\$ 108,717
Manitoba Production Centre Fund:		
Balance, beginning of year	\$ 30,000	\$ 30,000
Transfer from the General Fund	25,000	–
Balance, end of year	\$ 55,000	\$ 30,000
Equipment Purchases Fund:		
Balance, beginning and end of year	\$ 169,322	\$ 169,322
Special Projects Fund:		
Balance, beginning of year	\$ 200,000	\$ 120,000
Transfer from the General Fund	–	80,000
Balance, end of year	\$ 200,000	\$ 200,000
Total internally restricted funds, end of year	\$ 529,736	\$ 508,039

(b) Other investments:

Foundation of the Future funds are held in term deposits with the Province of Manitoba maturing within twelve months of the fiscal year end.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

10. Capital advances:

Changes in capital funds on projects awarded by the Province of Manitoba during fiscal 2019 and the remaining advances not yet undertaken at March 31, 2019 were as follows:

	2019	2018
Capital advances - Province of Manitoba:		
Funded during the year/awarded and received	\$ 222,251	\$ 363,932
Funding receivable	199,883	174,067
	<u>422,134</u>	<u>537,999</u>
Capital expenditures recorded as capital assets in the accounts of the Province of Manitoba (note 3[e]):		
Stage Hydraulics	123,882	–
HVAC	98,369	–
Marquee sign	–	159,580
Building elevators	–	194,220
MPC building	–	153,753
	<u>222,251</u>	<u>507,553</u>
Capital expenditures reflected in the Corporation's financial statements (note 3[e])	199,883	30,446
Advances carried forward to future years	<u>\$ –</u>	<u>\$ –</u>

11. Grant of service:

Manitoba Centennial Centre Corporation incurs expenses such as cleaning, utilities and maintenance on behalf of The Manitoba Museum. These expenses amounted to \$1,672,696 for the year ended March 31, 2019 (2018 - \$1,707,160). Included in these expenses is \$232,529 (2018 - \$218,763) of administration and general expenses of the Corporation that are allocated to The Manitoba Museum proportionately on a predetermined basis.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

12. Financial risk and concentration of credit risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Corporation is exposed to credit risk with respect to the accounts receivable, capital grant receivable - Province of Manitoba, amounts recoverable - Province of Manitoba for severance and pension, cash, term deposits - Province of Manitoba and short term investments.

The Corporation assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Corporation at March 31, 2019 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the statement of operations. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations. The Corporation has recorded an allowance for doubtful accounts in the amount of \$1,488 at March 31, 2019 (2018 - nil).

There have been no significant changes to the credit risk exposure from 2018.

(b) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2018.

13. Economic dependence:

The Corporation is economically dependent on funding received from the Province of Manitoba.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

14. Capital management:

The Corporation's objective when managing its capital is to maintain sufficient capital to cover its costs of operations, while fulfilling its mandate under the *Manitoba Centennial Centre Corporations Act*. The Corporation's capital consists of unrestricted funds, internally restricted funds and funds invested in capital assets. The Corporation's ability to meet its capital objectives is dependent on its cash flows, including operating and capital grants received from the Province of Manitoba.

The Corporation is not subject to externally imposed capital requirements.

The Corporation manages financial risk by maintaining a minimum balance of approximately one month of salary and benefits in its unrestricted funds.

There were no other changes in the Corporation's approach to capital management during the period.

MANITOBA CENTENNIAL CENTRE CORPORATION

Schedule - Operating Expenses

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Administration and general:		
Salaries and employee benefits	\$ 593,395	\$ 563,588
Audit and legal	24,815	24,016
Insurance	71,781	82,235
Telephone and fax	27,186	37,528
Other	223,367	168,136
Marketing	28,735	11,121
	<u>969,279</u>	<u>886,624</u>
Box office expenses	159,206	38,612
Building services and maintenance:		
Salaries and employee benefits	1,337,093	1,417,137
Repairs, maintenance and supplies	386,936	407,236
Utilities	858,317	793,386
	<u>2,582,346</u>	<u>2,617,759</u>
Concession operations:		
Salaries and employee benefits	113,738	117,148
Cost of goods sold	186,693	183,410
Other	15,239	22,990
	<u>315,670</u>	<u>323,548</u>
Host services and special projects:		
Salaries and employee benefits	457,554	421,251
Other	27,152	28,268
	<u>484,706</u>	<u>449,519</u>
Manitoba Production Centre:		
Salaries and employee benefits	3,627	5,283
Administration costs	73,078	58,150
Repairs, maintenance and supplies	28,957	52,522
Property taxes	73,165	103,609
Utilities	64,504	65,738
	<u>243,331</u>	<u>285,302</u>
Parking services:		
Salaries and employee benefits	31,277	62,761
Agency fees and expenses	53,323	92,251
Other	22,419	17,223
	<u>107,019</u>	<u>172,235</u>
Pension	388,280	507,906
Security services:		
Salaries and employee benefits	581,541	583,994
Other	17,403	21,772
	<u>598,944</u>	<u>605,766</u>
Promoted event expenses:		
Advertising	53,465	-
Artist fees	98,160	-
Other	101,095	-
	<u>252,720</u>	<u>-</u>
Stage operations:		
Salaries and employee benefits	415,962	416,377
Repairs, supplies and equipment	41,771	105,652
	<u>457,733</u>	<u>522,029</u>
Total expenses of general fund	\$ 6,559,234	\$ 6,409,300