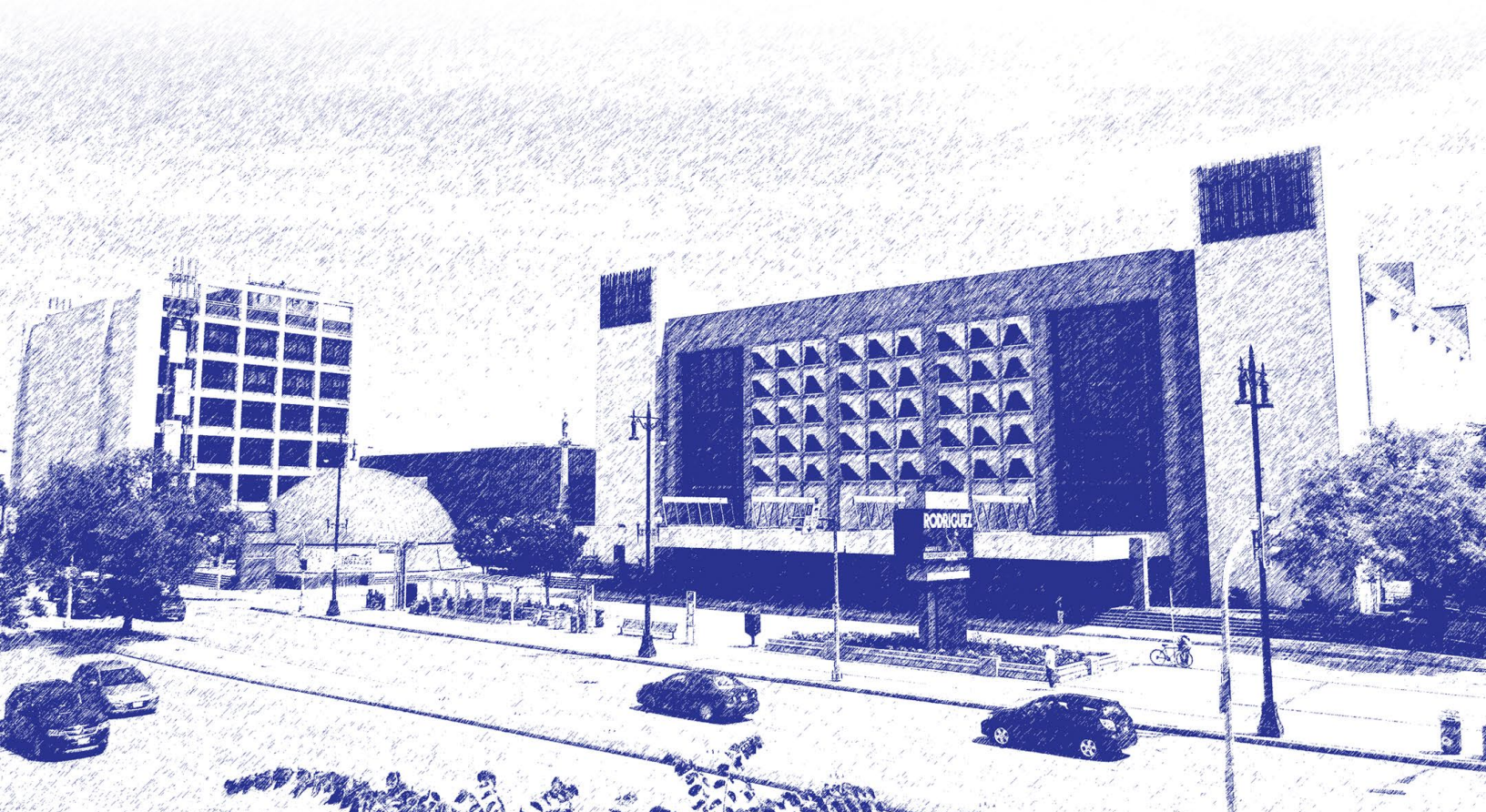


MANITOBA
CENTENNIAL CENTRE
CORPORATION



Annual Report 2019-20
For the period ending March 31, 2020

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Message from the Chair



On behalf of the Board of Directors, I am pleased to present the 2019/2020 Manitoba Centennial Centre Corporation (MCCC) annual report.

This past year the Board and our management team have once again achieved our goal of improving financial stability. As well, we continue to work towards a new organizational governance/ownership model that was researched and proposed in a KPMG report commissioned by the Board and presented to the Honourable Cathy Cox, Minister of Sport, Culture and Heritage.

This plan will continue to cultivate our mandate to support the Arts and provide an opportunity for our resident organizations, the surrounding neighborhood and the arts community as a whole, to have input in our strategies moving forward. The reorganization of the corporation will rely less on provincial assistance and engage the private and public sectors as well as all citizens to be involved in the growth and viability of our campus. The report is in the hands of the province and we continue to work with them to transition at an appropriate time.

In 1968 legislation was passed effectively transforming the Centennial Corporation from a development agency to the Centennial Centre Corporation with administrative responsibility for the Manitoba Centennial Centre for the Arts and direct operational responsibility for the Centennial Concert Hall. At that time the Province and the MCCC Board of Directors negotiated an operating grant in lieu of rental revenue recoverable from The Manitoba Museum and The Royal Manitoba Theatre Centre. The grant also encouraged MCCC to support our three principle resident companies with reduced rental rates for use of the Concert Hall. As a crown corporation, MCCC is expected 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 four years have been particularly challenging. Deferred investment in the Centennial Centre/Concert Hall has left the complex with failing infrastructure that is diminishing its ability to function as a premier Arts complex. In particular a fire inside the auditorium in February damaged the acoustic superiority of the Concert Hall. That combined with the loss of the Acoustic Orchestra Shell in 2017 has marginalized the functional capability of our auditorium.

The Board 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 is committed to working with the Province, MCCC administration and the Resident Organizations of the Centennial Centre for the Arts, (The Manitoba Museum, Royal Manitoba Theatre Centre, Artspace, Winnipeg Symphony Orchestra, Royal Winnipeg Ballet and Manitoba Opera) to ensure the 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 2019/20 to offset expenses and returned a modest surplus of \$80,347.

It is worth noting that the closure of the Centennial Concert Hall on March 12, 2020 due to the emergence of the Covid-19 virus significantly impacted the year-end financial results and operations of the corporation.

A Board approved budget for 2020/21 fiscal year forecasted a marginal loss of \$17,000. Needless to say MCCC will have little chance of generating the \$3.8M in projected revenue for the coming year. The Board has asked management to prepare various scenarios contemplating the eventual re-opening of the Concert Hall. In addition we have asked management to report actual results on a monthly basis compared to the revised assumptions they have made. With a projected minimum burn rate of \$50,000 per month the corporation is leaning on reserve funds to sustain reduced operations for the balance of the fiscal year. Should Concert Hall and associated ancillary revenues remain dormant for the entire 2020/21 fiscal year, the Board will be approaching government for financial assistance to resume operations.

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.

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 Division of the Department of Finance.

I want to personally thank Minister Cox for her support 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 annual report for fiscal year 2019/20.

Overall the corporation recorded its 3rd consecutive surplus budget which is testament to the efforts of our administrative team and the encouragement afforded by our Board of Directors.

The Manitoba Centennial Centre Corporation, a commercial Crown agency, has embraced the challenge presented by this government to pursue opportunities that can demonstrate a return on investment (ROI).

There is no better indicator of MCCC's ability to manage the Centennial Centre for the Arts than to recognize a shift from an equitable reliance on an annual operating grant from the Province, to our current position where 66% of MCCC's total operating expenses are accounted for by earned revenue. The pronounced shift from equitable support to a dependence on the corporation to offset escalating operating costs represents a milestone in the corporation's 52 year existence. Now, more so than in previous years, the sustainability of the Centennial Centre for the Arts is reliant on MCCC's ability to generate earned revenue to offset operating expenses.

MCCC is appreciative of the government's continued financial support for the Centennial Centre. In retrospect the establishment of an annual operating grant was necessitated by the efficiencies found in consolidating two specific grants intended to support the operating costs of The Manitoba Museum and the remaining facility costs of the Centennial Centre including the Centennial Concert Hall. To this day, the consolidated operating grant flows through MCCC with an understanding that the corporation will support the facility costs of The Manitoba Museum and provide the Resident Companies of the Concert Hall with supported rental rates.

Of the \$2.5M grant MCCC receives each year from the Government of Manitoba, 69% is utilized to cover the facility expenses of The Manitoba Museum, 12% is directed toward the unfunded MCCC employee pension liability, 8% is provided as a Concert Hall rental subsidy to the Resident Companies and 3% is directed to the City of Winnipeg for property taxes on the Manitoba Production Centre. The remaining 8% or approximately \$208,000 is allocated to the common areas of the Centennial Centre and Centennial Concert Hall itself.

Fiscal year 2019-2020 can best be summarized by four significant events that have or may impact future operations of the Manitoba Centennial Centre Corporation.

- A Provincial mandate from Crown Services to be financially self-sufficient.
- A Board decision and recommendation to restructure the governance and subsequent operation of the Corporation.
- A shift from the Department of Crown Services to Sport, Culture and Heritage.

- Unprecedented closure of the Centennial Centre for the Arts in March 2020 due to the Covid-19 pandemic.

Collectively the significance of the first three events would be sufficient to reshape the operating model of the corporation however the last event, a Covid-19 pandemic, will have a lasting impact on the future operations of our organization.

This year MCCC explored new opportunities to generate additional revenue. In early April, MCCC Board Chair, Mr. Karl Loepp and I continued discussions with the new ownership group of the Pantages Playhouse Theatre. MCCC is exploring common ground on an operating agreement for the theatre. MCCC also made an investment in a new electronic parking control system to more effectively and efficiently activate the Centennial Centre parking garage. We also established a Naming Rights Committee to continue exploring the possibility of selling the naming rights of the Centennial Centre for the Arts and the Centennial Concert Hall.

The Manitoba Production Centre, a purpose built film and television studio, operated by the corporation continues to support evidence that the film industry is growing in Manitoba. This year MCCC managed to negotiate a three year conditional lease agreement with Disney Studios for use of MPC to produce “Tales from the Loop” an on-line streaming series. MCCC is also actively engaged in discussions with the private sector including IATSE Local 856 about the need and possibility of developing additional production space in Manitoba. The current MPC site can accommodate a second studio which would greatly improve Manitoba’s purpose built capacity and attract more local and international productions.

The Covid-19 pandemic closure in March was not the only natural event to affect operations in 2019/20. In October 2019 a sudden snow storm caused the cancellation of a commercial performance when the passenger bus transporting performers was detained in Virden, Manitoba due to unsafe road conditions. The storm also affected the mature tree canopy on the grounds of the Centennial Centre. Broken branches and fallen debris took several days to remove from the property.

The Centennial Concert Hall was impacted again this year by the failure of another acoustical component of the auditorium. Firstly a section of the acoustic curtains that drape along the perimeter walls of the auditorium suffered a mechanical failure rendering that section inoperable. A second and catastrophic failure occurred when a dry rotted curtain tore away from its hanger bracket and caused a serious fire inside the venue. The incurred damage required emergency financial support from the Accommodation Services Division of the Department of Finance however, due to the pandemic, repairs to this system have been paused. These two failures in addition to the loss of the acoustic orchestra shell in 2017 have genuinely compromised the acoustic superiority of the Concert Hall.

MCCC did however manage to address one long standing deficiency and safety concern by applying the \$440,000 betterment fund available through ASD to the 1st phase redesign and replacement of the auditorium balcony railings.

In the last quarter of 2019/20 MCCC became aware that the corporation had been shifted from the Crown Services portfolio to Sport, Culture and Heritage. The transition to this cultural portfolio was familiar to MCCC having resided in this ministry for four decades prior to the move to Crown Services.

Lastly MCCC responded to the impending Covid-19 outbreak by updating our pandemic plans in February. Immediately MCCC enhanced sanitization protocols to mitigate the eventual arrival and spread of the virus. On March 11, 2020 the Centennial Concert Hall hosted its last performance. Performers for shows scheduled after March 11 gradually declined to attend their scheduled dates ultimately leading to the closure of the Concert Hall and the entire Centennial Centre.

I would like to thank Mr. Karl Loepp, Chair of the Board of Directors and the entire Board for their support and direction in advancing MCCC's new governance model. This new direction will provide MCCC with a clear path to grow and help diversify our business enterprise.

A handwritten signature in dark ink, appearing to read 'R. Olson', followed by a horizontal line.

Robert Olson
Chief Executive Officer

2019 – 2020 Corporate Highlights

Governance:

- The Board of Directors concluded its review of the recommendation made in the KPMG report on a new governance model for MCCC. Two preferred options, a Trust model and a Not for Profit model were deemed suitable. Both models were submitted to government for review. Ultimately a decision to pursue the Not for Profit model was authorized.
- MCCC was transferred from the Department of Crown Services to the Department of Sport, Culture and Heritage.

Human Resources:

- Mr. David Wynne, Human Resource Officer was contracted to provide HR support to MCCC.
- Ms. Karen Lim was promoted to acting House Manager on a casual basis.
- Mr. Andrew Olson, Electrician was hired on a term basis to support our Facilities Department.

Branding/Marketing:

- MCCC promoted or co-promoted 1 show this past year (Anderson Cooper).
- MCCC promoted the availability of the Centennial Concert Hall for Weddings and Receptions.

Facility Improvement:

- Completed:
 - The backstage area of the Centennial Concert Hall was refreshed with wall treatment, paint, upgraded ceilings and energy efficient lighting.
 - Two sets of long column sewage ejector pumps were replaced. These serve the Manitoba Museum Research Tower, Museum Workshops, Planetarium Science Gallery and Classrooms.
 - Crews replaced a broken section of existing pedestrian ramp leading to the southwest corner of the Centennial Concert Hall.
 - A damaged section of the Concert Hall's sloped roof was replaced after a wind storm late August 2019. An insurance adjuster was assigned by Manitoba Finance, Insurance and Risk Management Branch to oversee repairs to this sloped roof.
 - Crews pruned damaged trees and cleaned up yards after a high wind storm in October 2019. Approximately 30% of the Centennial Concert Hall's trees were damaged and up to 10% were a total loss.
 - A new stage lighting pipe grid was permanently suspended inside Rehearsal Room #1 of the Centennial Concert Hall to accommodate scheduled events.
 - The multi-year Fire Alarm System Upgrade project for the Centennial Centre was completed, commissioned and placed into operation.

- Several smaller roofs of the Centennial Concert Hall were replaced while two of five larger roofs were temporarily covered over to permit planning for more permanent replacement.
- Existing washrooms located in the main foyer level of the Manitoba Museum were re-designed and renovated into a large universal washroom facility with private stalls.
- Others:
 - A facility condition assessment was completed at the Manitoba Theatre Centre by Number TEN Architectural Group, Crosier Kilgour & Partners Ltd. and SMS Engineering Ltd.
 - Approximately 2,200 sq.ft. of primary membrane was replaced on the floor at the incoming and outgoing ramps of the Centennial Centre's underground parkade.
 - A roof-mounted air handler serving the north end of the extension services building located at 11 Lily Street was replaced.
 - As part of its environmental stewardship and sustainability practices, MCCC coordinated an e-waste pick up by Electronic Recycling Association in October 2019. All Centennial Centre sites and their resident tenants were invited to participate.
- Multi-year in progress:
 - Manitoba Museum 'Bringing Our Stories Forward' redevelopment and revitalization of the Museum Exhibit Gallery worked on the Winnipeg Exhibit and Orientation Gallery phases of the project.
 - Gault building (Artspace) exterior windows and doors restoration.
 - Complete restoration of the Concert Hall Orchestra Shell and acoustic curtains.
 - Centennial Concert Hall Building Envelope Restoration.
 - Centennial Concert Hall auditorium railings upgrade.

Community and Resident Partner Support:

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



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



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



Cameron Hay, Board Member
Chair, Development Committee
Member, Audit/Finance Committee
Member, Executive Committee



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



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



David Martin, Employee
Representative Board Member

Trevor
Ahluwalia,
Board Member
(picture not
available)

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 operation of the Centennial Concert Hall and supporting business units of the Centennial Centre for the Arts, as well as the administration and maintenance of the Centennial Centre campus.

Properties of the Manitoba Centennial Centre for the Arts include: The Centennial Concert Hall, The Manitoba Museum (TMM) and Planetarium, The Royal Manitoba Theatre Centre (RMTc), Tom Hendry (Warehouse) Theatre, Artspace Inc., a services building at 11 Lily Street, three surface parking lots and one indoor parking garage. In addition MCCC is responsible for the operation and maintenance of Manitoba's only purpose built Film and Television studio, The Manitoba Production Centre.

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 for the Arts:



Centennial Concert Hall

The Centennial Concert Hall accommodated 264 theatre rentals during the 2019-20 Season. In addition, there were increased rentals of the Piano Nobile and lobby areas for receptions/banquets during the season.

Performance highlights included:

Commercial Events

- Kinky Boots (April 2019)
- Great Russian Ballet (April 2019)
- Negev Gala (May 2019)
- Daniel O'Donnell (May 2019)
- Jason Isbell (August 2019)
- Rent (August 2019)
- We Will Rock You (September 2019)
- De Yun She North American Talk Show Tour (September 2019)
- Anderson Cooper (September 2019)
- Morrissey (October 2019)
- Toby Mac (October 2019)
- Walk Off The Earth (October 2019)
- Just for Laughs (November 2019)
- John Cleese (November 2019)
- Johnny Reid (December 2019)
- Paw Patrol (January 2020)
- Banff Mountain Film Festival (February 2020)
- Shen Yun (March 2020)
- Wilco (March 2020)

Community Events

- Etsy Sellers of Manitoba – Makers Market (April 2019)
- Law Society of Manitoba Call to the Bar (June 2019)
- Fringe Festival (July 2019)
- Manitoba Film & Music film screening (September 2019)
- Winnipeg Chinese New Year Show (February 2020)
- Dance Recitals (23)
- College and High School Convocations (13)
- School Concert (1) and School Division In-Service (1)

Type of Performance

Number of Performances

Resident Companies:

Winnipeg Symphony Orchestra	76
Royal Winnipeg Ballet	27
Manitoba Opera	8
Commercial	89
Not-for-Profit	15
Promoted/Co-Promoted	1

Resident Companies

The corporation's three resident companies, Manitoba Opera, Royal Winnipeg Ballet and the Winnipeg Symphony Orchestra scheduled a full season of concerts and performances however the Winnipeg Symphony Orchestra and Manitoba Opera season was impacted by the closure of the Concert Hall on March 12, 2020.

Manitoba Opera captivated audiences with powerful performances of *The Barber of Seville* and *Susannah*.

Royal Winnipeg Ballet delighted audiences with a season of magical performances including *The Wizard of Oz*, *La Bayadère*, *The Nutcracker* and *Moulin Rouge*.

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 2020.

Piano Nobile Gallery

The Manitoba Society of Artists continued to curate the Piano Nobile Gallery in 2019/2020. The Gallery and the display cases in the concourse level of the Centennial Centre feature varied works by celebrated Manitoba artists.

The University of Manitoba held an exhibit in the Gallery to showcase architectural drawings produced by students of Architecture in the 1930s.

The Gallery also featured an exhibit of artwork prepared by the members of the Gwen Selter Creative Living Centre.

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.

The Fund had a balance of \$107,261 as of March 31, 2020.



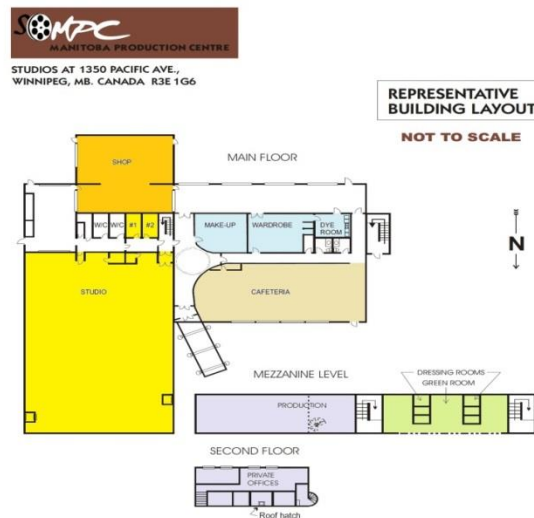
Manitoba Production Centre

The Manitoba Production Centre is Manitoba's only purpose built film and television 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 spaces. 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 2019-2020 including:

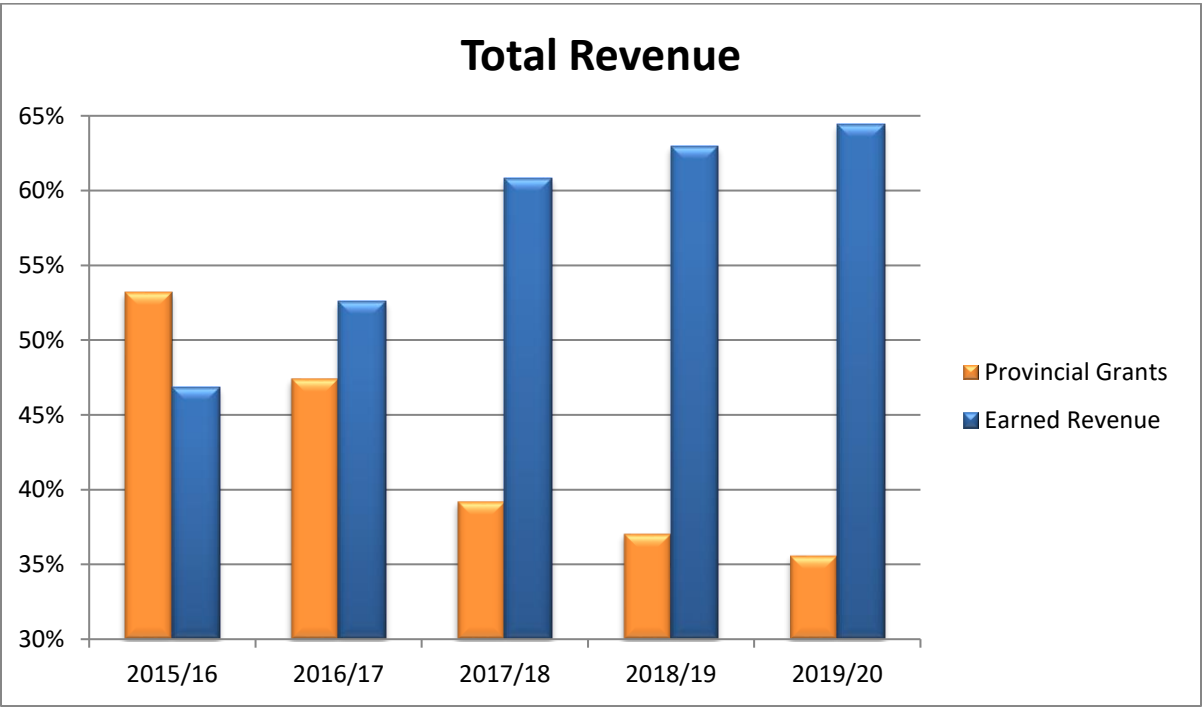
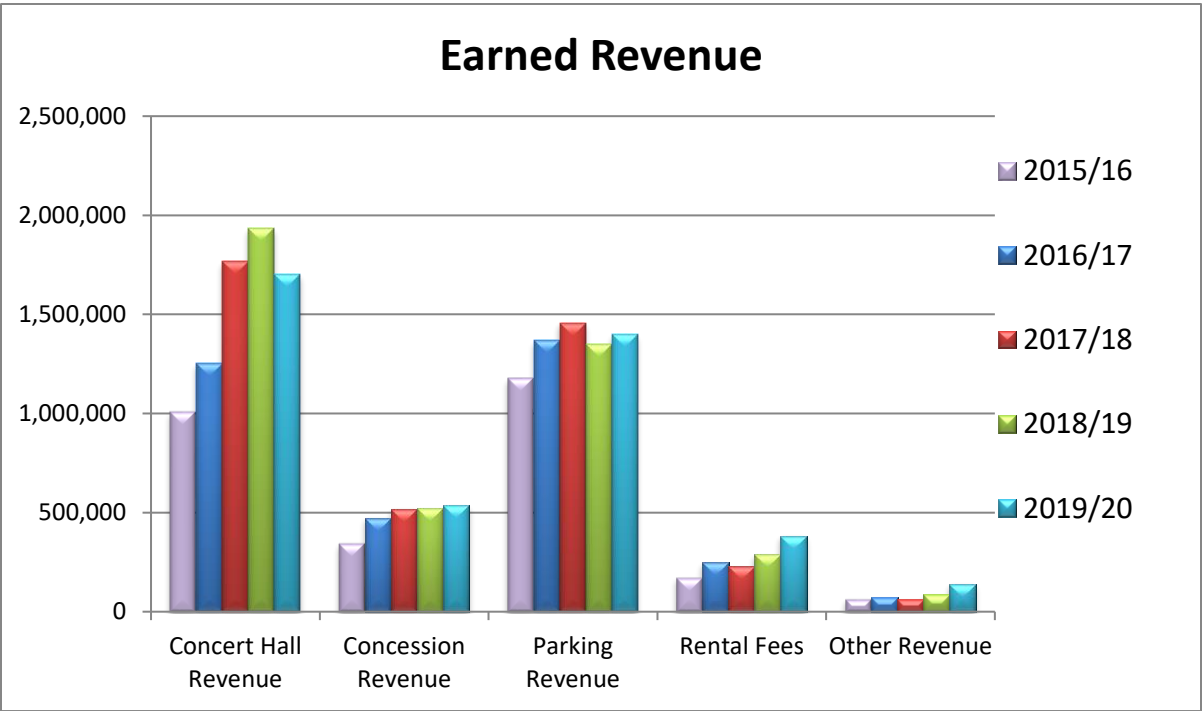
- Random leftover production material and debris was removed from the yard.
- Crews repaired and regraded the parking lot.

An unprecedented three year conditional lease agreement was entered into with Fox 21 TV Studios/Tales from the Loop Productions Limited to rent the entire facility during the 2019-20 fiscal year. North Road Productions rented a portion of the parking lot in February, 2020.

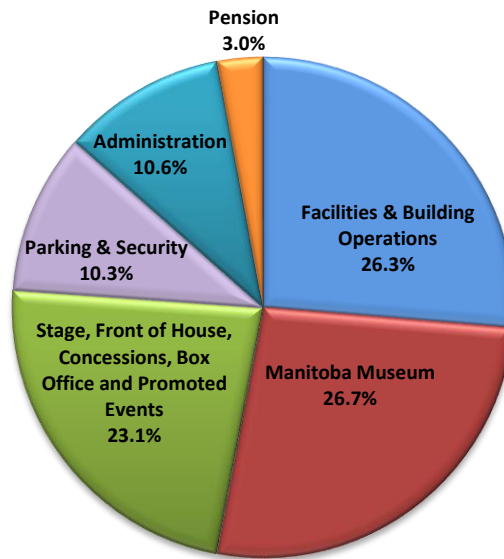


Operated by the Manitoba Centennial Centre Corporation

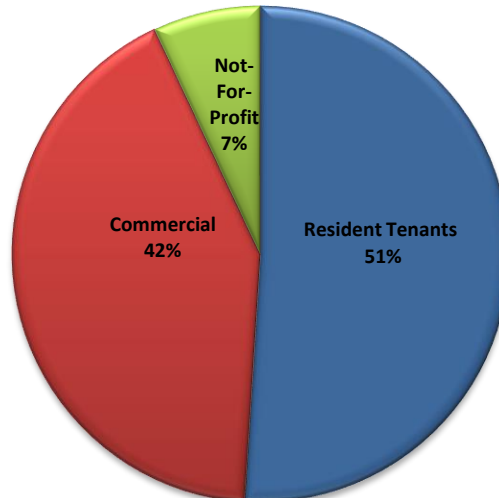
Centennial Centre Corporation



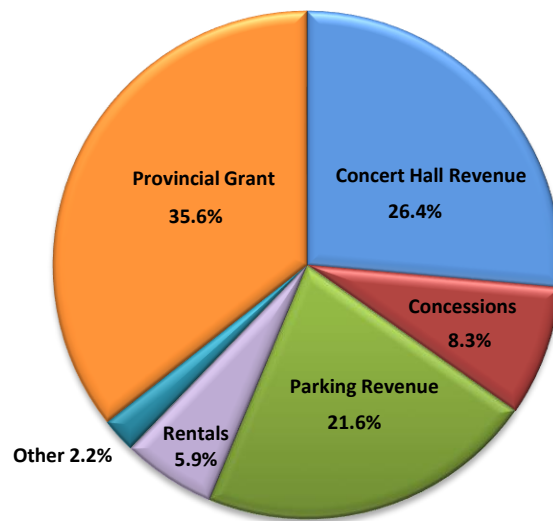
Expenses By Percentage 2019-2020



Concert Hall Use By Client Type 2019-2020



Total Revenue By Percentage 2019-2020



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**

And Independent Auditors' Report thereon

Year ended March 31, 2020



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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, 2020, 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, 2020, 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 2019-20".

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 2019-20" 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.

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

Chartered Professional Accountants

Winnipeg, Canada

June 17, 2020

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 398,955	\$ 626,228
Term deposits - Province of Manitoba	969,775	503,312
Short term investments	—	1,262,535
Accounts receivable	406,234	441,673
Capital grant receivable - Province of Manitoba (note 11)	408,646	199,883
Inventory	43,643	40,674
Prepaid expenses	21,715	33,865
Vacation pay recoverable from the Province of Manitoba (note 5)	199,964	199,964
Other investments (note 10)	107,257	105,414
	2,556,189	3,413,548
Amounts recoverable - Province of Manitoba:		
Severance (note 5)	307,561	307,561
Pension (note 6)	6,166,000	6,310,000
Capital assets (note 7)	565,054	697,800
	\$ 9,594,804	\$ 10,728,909

	2020	2019
Liabilities, Deferred Contributions and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 796,612	\$ 686,278
Accrued vacation liability (note 5)	260,971	240,749
Advance ticket sales	318,628	1,500,324
Rental deposits	82,051	51,906
	<u>1,458,262</u>	<u>2,479,257</u>
Accrued severance pay (note 5)	286,057	244,902
Accrued sick leave (note 5)	36,369	29,821
Pension liability (note 6)	6,166,000	6,310,000
Deferred contributions related to capital assets (note 8)	294,447	391,608
Fund balances:		
Invested in capital assets (note 9)	270,607	306,192
Internally restricted funds (note 10)	162,261	529,736
Unrestricted funds:		
General fund	920,801	437,393
	<u>1,353,669</u>	<u>1,273,321</u>
	<u>\$ 9,594,804</u>	<u>\$ 10,728,909</u>

Continuity of operations and subsequent events (note 3[b])

See accompanying notes to financial statements.

On behalf of the Board:




_____ Director _____ Director

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	General	Capital	Internally restricted	2020 Total	2019 Total
Revenue:					
Concert Hall	\$ 1,703,160	\$ —	\$ —	\$ 1,703,160	\$ 1,933,354
Rental fees	382,623	—	—	382,623	290,624
Concession sales	536,254	—	—	536,254	521,461
Parking fees	1,397,436	—	—	1,397,436	1,347,726
Miscellaneous	139,818	—	—	139,818	85,957
	4,159,291	—	—	4,159,291	4,179,122
Province of Manitoba grants:					
Operating	2,495,800	—	—	2,495,800	2,495,800
Amortization of deferred contributions (note 8)	—	97,161	—	97,161	172,690
Province of Manitoba - pension, net (note 6)	(294,246)	—	—	(294,246)	(210,075)
	2,201,554	97,161	—	2,298,715	2,458,415
Recoveries of expenses	237,267	—	—	237,267	224,822
Investment income (note 10)	—	—	1,847	1,847	1,697
Total revenues, grants and recoveries	6,598,112	97,161	1,847	6,697,120	6,864,056
Expenses:					
Administration and general	681,349	—	—	681,349	741,750
Amortization of capital assets	—	170,063	—	170,063	241,264
Concession operations	335,294	—	—	335,294	315,670
Box office	123,736	—	—	123,736	159,206
Building services and maintenance	1,437,395	—	—	1,437,395	1,337,252
Host services and special projects	538,888	—	—	538,888	484,706
Manitoba Production Centre	258,708	—	—	258,708	243,331
Parking services	168,597	—	—	168,597	107,019
Pension (note 6)	191,441	—	—	191,441	261,475
Promoted events	—	—	—	—	252,720
Security services	498,647	—	—	498,647	530,676
Stage operations	492,568	—	—	492,568	457,733
	4,726,623	170,063	—	4,896,686	5,132,802
Expenses incurred on behalf of The Manitoba Museum (note 12)	1,720,086	—	—	1,720,086	1,672,696
Total expenses (schedule - operating expenses)	6,446,709	170,063	—	6,616,772	6,805,498
Excess (deficiency) of revenue over expenses	\$ 151,403	\$ (72,902)	\$ 1,847	\$ 80,348	\$ 58,558

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Changes in Fund Balances

Year ended March 31, 2020, with comparative information for 2019

	General	Capital	Internally restricted	2020 Total	2019 Total
Fund balances, beginning of year	\$ 437,393	\$ 306,192	\$ 529,736	\$ 1,273,321	\$ 1,214,763
Excess (deficiency) of revenue over expenses	151,403	(72,902)	1,847	80,348	58,558
Transfer of funds related to internally funded capital asset additions	(37,317)	37,317	–	–	–
Transfer to (from) internally restricted funds (note 10)	369,322	–	(369,322)	–	–
Fund balances, end of year	\$ 920,801	\$ 270,607	\$ 162,261	\$ 1,353,669	\$ 1,273,321

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 80,348	\$ 58,558
Adjustments for:		
Amortization of deferred contributions	(97,161)	(172,690)
Amortization of capital assets	170,063	241,264
	153,250	127,132
Change in other investments	(1,843)	3,303
Change in accrued severance pay	41,155	(14,482)
Change in accrued sick leave	6,548	(2,274)
Change in non-cash working capital balances:		
Accounts receivable	35,439	3,793
Inventory	(2,969)	14,786
Prepaid expenses	12,150	(617)
Accounts payable and accrued liabilities	110,334	(202,658)
Accrued vacation liability	20,222	3,433
Advance ticket sales	(1,181,696)	1,187,547
Rental deposits	30,145	4,583
	(777,265)	1,124,546
Financing:		
Capital grant receivable - Province of Manitoba	(208,763)	(25,816)
Investing:		
Purchase of capital assets	(37,317)	(61,165)
Short term investments	1,262,535	(1,061,949)
	1,225,218	(1,123,114)
Increase (decrease) in cash and cash equivalents	239,190	(24,384)
Cash and cash equivalents, beginning of year	1,129,540	1,153,924
Cash and cash equivalents, end of year	\$ 1,368,730	\$ 1,129,540
Cash and cash equivalents consist of:		
Cash	\$ 398,955	\$ 626,228
Term deposits - Province of Manitoba	969,775	503,312
	\$ 1,368,730	\$ 1,129,540

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements

Year ended March 31, 2020

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 (the Province). At March 31, 2020, registered titles to these properties, being the Centennial Centre for the Arts, 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. Basis of presentation:

(a) Financial statement presentation:

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

(b) Continuity of operations and subsequent events:

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Manitoba governments, enacting emergency measures to combat the spread of the virus. In response to these measures, on March 16, 2020, public access to the Centennial Centre for the Arts was restricted and all performances in the Centennial Concert Hall and attendance at the Manitoba Museum were suspended. As of the reporting date, although Public Health Act restrictions have been relaxed, the Centennial Centre for the Arts remains closed, however, the Manitoba Museum has reopened.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

3. Basis of presentation (continued):

In an effort to mitigate the financial impact to the Corporation caused by the Concert Hall's closure, temporary layoffs to certain staff have been issued, voluntary reduced workdays for other staff have been implemented, and expenses have been reduced where possible. The Corporation continues to manage liquidity risk by updating forecasts and assessing cash flow frequently. Approximately one third of the Corporation's revenue comes from provincial funding. The Corporation is economically dependent on funding received from the Province of Manitoba. The Province has communicated that the funding commitment for fiscal 2021 will not be impacted by COVID-19 and is expected to be at a level consistent with the current (fiscal 2020) year.

At the reporting date, the Corporation has determined that the COVID-19 situation had no impact on its significant accounting policies, timing of revenue recognition, or assessment of contingent liabilities, contract and agreements.

The COVID-19 situation is dynamic and there is significant uncertainty over when entertainment facilities will be allowed to re-open. The duration and magnitude of the financial impact on the Corporation's future revenues, operating results and financial performance is not known at this time; however the impact could be material. Management believes that future cash flows from operations and existing cash reserves will be sufficient to enable the Corporation to meet its operating requirements for at least the next twelve months. However, future funding requests of the Province could be necessary to cover cash flow deficits and funding of payroll related liabilities guaranteed by the Province. There is no assurance that such funding will be available as and when needed by the Corporation.

4. Significant accounting policies:

(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[b], 4[e]).

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Significant accounting policies (continued):

(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.

(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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Significant accounting policies (continued):

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%

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 11. 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 PS 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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Significant accounting policies (continued):

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, 2020 (2019 - nil) and therefore a statement of re-measurement gains and losses is not required to be included in these financial statements.

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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

4. Significant accounting policies (continued):

(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.

5. 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, 2020, the Corporation has an accrued vacation liability of \$260,971 (2019 - \$240,749).

(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, 2020, based on an actuarial estimate, the obligation for accrued severance pay is \$286,057 (2019 - \$244,902).

The significant actuarial assumptions include an interest rate of 5.75 percent (2019 - 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.

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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

5. Employee benefits (continued):

(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 (2019 - 6.0 percent) and a rate of salary increase of 1.0 percent (2019 - 1.0 percent). At March 31, 2020, the Corporation has an accrued sick leave obligation of \$36,369 (2019 - \$29,821).

6. 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, 2018, the Corporation has recorded an amount of \$6,166,000 in its financial statements, representing the estimated unfunded liability for the Corporation's employees as at March 31, 2020 (2019 - \$6,310,000).

Total pension expense of \$321,412 (2019 - \$388,280) has been recorded in the statement of operations (see schedule - operating expenses), or \$191,441 (2019 - \$261,475) 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 \$6,166,000 (2019 - \$6,310,000) equal to the estimated value of its actuarially determined liability in its financial statements, and has recorded the associated net deficit of \$294,246 (2019 - \$210,075) 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.

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

	2020	2019
Balance, beginning of year	\$ 6,310,000	\$ 6,375,000
Decrease (increase) in trust account held by the Province of Manitoba	(40,733)	3,365
Benefits accrued	172,516	184,046
Interest accrued (5.75 percent; 2019 - 6.0 percent)	423,597	438,195
Benefits paid	(799,603)	(752,366)
Actuarial losses ¹	100,223	61,760
Balance, end of year	\$ 6,166,000	\$ 6,310,000

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

6. Pension liability (continued):

¹The actuarial valuation as at December 31, 2018 was completed in 2019. Actuarial gains and losses are recognized over the estimated average remaining service life (EARS�) of the plan members of 9 years. Assumed salary rate increases are 3.50 percent (2017 - 3.75 percent).

7. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 178,154	\$ 133,113	\$ 45,041	\$ 50,017
Concert hall refurbishments	309,879	276,925	32,954	45,938
Concrete replacement	10,060	10,060	—	402
Equipment and furnishings	303,317	242,540	60,777	62,007
Office renovations	593,028	581,829	11,199	12,692
Courtyard vestibule	250,017	225,016	25,001	50,003
Parkade equipment	244,957	36,522	208,435	230,606
Stage equipment	909,563	856,781	52,782	108,499
Security equipment	504,031	482,688	21,343	30,114
Assets under construction	107,522	—	107,522	107,522
	\$ 3,410,528	\$ 2,845,474	\$ 565,054	\$ 697,800

8. 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.

	2020	2019
Balance, beginning of year	\$ 391,608	\$ 364,415
Capital grants received and receivable (note 11)	—	199,883
Less amortized to revenue	(97,161)	(172,690)
Balance, end of year	\$ 294,447	\$ 391,608

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

9. Invested in capital assets:

Amounts invested in capital assets are as follows:

	2020	2019
Capital assets (note 7)	\$ 565,054	\$ 697,800
Amounts financed by deferred contributions (note 8)	(294,447)	(391,608)
	<u>\$ 270,607</u>	<u>\$ 306,192</u>

10. Internally restricted funds and other investments:

a) Internally restricted funds:

	2020	2019
Foundation of the Future Fund:		
Balance, beginning of year	\$ 105,414	\$ 108,717
Excess (deficiency) of revenue over expenses	1,847	(3,303)
Balance, end of year	<u>\$ 107,261</u>	<u>\$ 105,414</u>
Manitoba Production Centre Fund:		
Balance, beginning of year	\$ 55,000	\$ 30,000
Transfer from the General Fund	—	25,000
Balance, end of year	<u>\$ 55,000</u>	<u>\$ 55,000</u>
Equipment Purchases Fund:		
Balance, beginning of year	\$ 169,322	\$ 169,322
Transfer to the General Fund	(169,322)	—
Balance, end of year	<u>\$ —</u>	<u>\$ 169,322</u>
Special Projects Fund:		
Balance, beginning of year	\$ 200,000	\$ 200,000
Transfer to the General Fund	(200,000)	—
Balance, end of year	<u>\$ —</u>	<u>\$ 200,000</u>
Total internally restricted funds, end of year	<u>\$ 162,261</u>	<u>\$ 529,736</u>

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

10. Internally restricted funds and other investments (continued):

In March 2020, the Board of Directors approved a transfer of \$200,000 from the Special Projects Fund to the General Fund and \$169,322 from the Equipment Purchase Fund to the General Fund to be utilized to sustain operations during COVID-19 (note 3[b]).

Foundation of the Future funds are held in term deposits in the amount of \$107,257 (2019 - \$105,414) with the Province of Manitoba maturing within twelve months of the fiscal year end.

11. Capital advances:

Changes in capital funds on projects awarded by the Province of Manitoba during fiscal 2020 and the remaining advances not yet undertaken at March 31, 2020 were as follows:

	2020	2019
Capital advances - Province of Manitoba:		
Funded during the year/awarded and received	\$ 107,139	\$ 222,251
Funding receivable	408,646	199,883
	515,785	422,134
Capital expenditures recorded as capital assets in the accounts of the Province of Manitoba (note 4[e]):		
Stage hydraulics	—	123,882
HVAC	—	98,369
Handrail upgrades	431,146	—
Sewage pump	80,874	—
Fire alarm	3,765	—
	515,785	222,251
Capital expenditures reflected in the Corporation's financial statements (note 4[e])	—	199,883
Advances carried forward to future years	\$ —	\$ —

12. Grant of service:

The Corporation incurs expenses such as cleaning, utilities and maintenance on behalf of The Manitoba Museum. These expenses amounted to \$1,720,086 for the year ended March 31, 2020 (2019 - \$1,672,696). Included in these expenses is \$220,514 (2019 - \$232,529) 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, 2020

13. 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, 2020 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 nil at March 31, 2020 (2019 - \$1,488).

There have been no significant changes to the credit risk exposure from 2019, other than potential impacts from the COVID-19 situation (note 3[b]).

(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 2019, other than the potential impacts from the COVID-19 situation (note 3[b]).

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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2020

14. Capital management (continued):

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, other than the potential impacts from the COVID-19 situation (notes 3[b] and note 10).

MANITOBA CENTENNIAL CENTRE CORPORATION

Schedule - Operating Expenses

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Administration and general:		
Salaries and employee benefits	\$ 621,730	\$ 593,395
Audit and legal	21,856	24,815
Insurance	64,288	71,781
Telephone and fax	28,596	27,186
Other	155,473	223,367
Marketing	9,917	28,735
	901,860	969,279
Box office expenses	123,736	159,206
Building services and maintenance:		
Salaries and employee benefits	1,411,928	1,337,093
Repairs, maintenance and supplies	435,457	386,936
Utilities	890,084	858,317
	2,737,469	2,582,346
Concession operations:		
Salaries and employee benefits	136,228	113,738
Cost of goods sold	182,383	186,693
Other	16,684	15,239
	335,295	315,670
Host services and special projects:		
Salaries and employee benefits	504,686	457,554
Other	34,202	27,152
	538,888	484,706
Manitoba Production Centre:		
Salaries and employee benefits	12,511	3,627
Administration costs	66,105	73,078
Repairs, maintenance and supplies	48,420	28,957
Property taxes	73,954	73,165
Utilities	57,719	64,504
	258,709	243,331
Parking services:		
Salaries and employee benefits	30,027	31,277
Agency fees and expenses	92,265	53,323
Other	46,305	22,419
	168,597	107,019
Pension	321,412	388,280
Security services:		
Salaries and employee benefits	541,667	581,541
Other	26,508	17,403
	568,175	598,944
Promoted event expenses:		
Advertising	—	53,465
Artist fees	—	98,160
Other	—	101,095
	—	252,720
Stage operations:		
Salaries and employee benefits	413,687	415,962
Repairs, supplies and equipment	78,881	41,771
	492,568	457,733
Total expenses of general fund	\$ 6,446,709	\$ 6,559,234