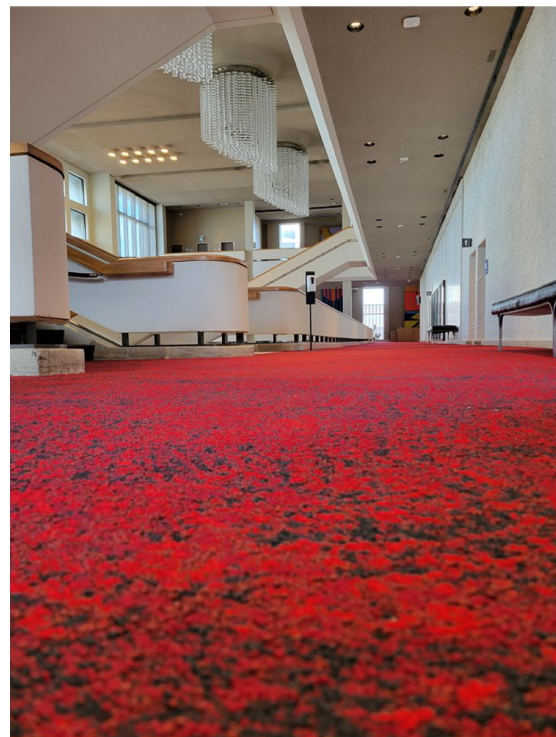
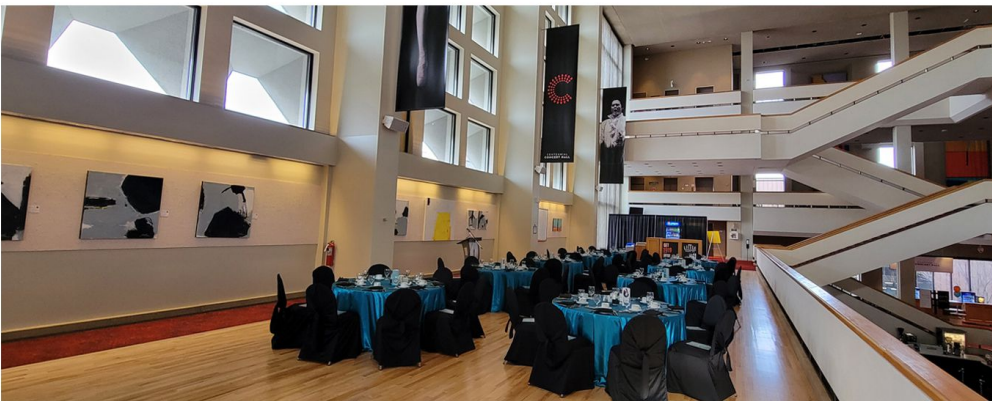
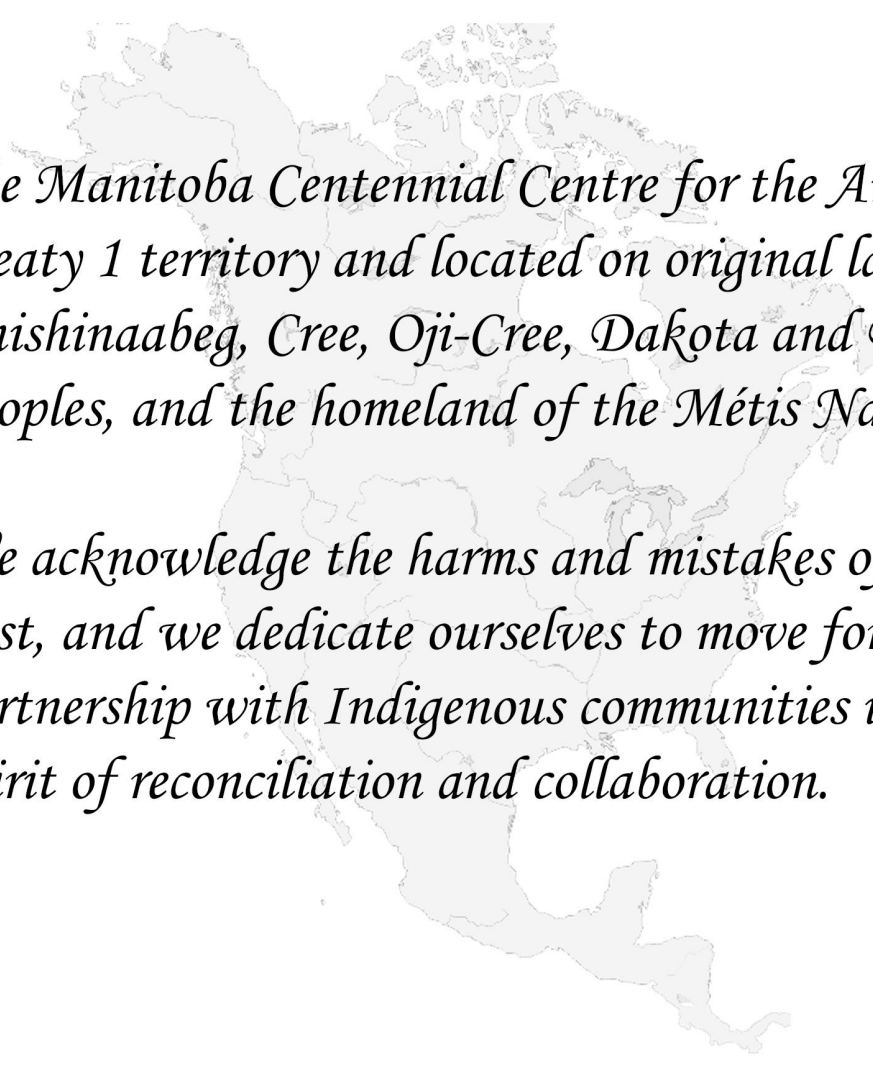


MANITOBA
CENTENNIAL CENTRE
CORPORATION



Annual Report 2021-22
For the period ending March 31, 2022



The Manitoba Centennial Centre for the Arts is in Treaty 1 territory and located on original lands of Anishinaabeg, Cree, Oji-Cree, Dakota and Dene Peoples, and the homeland of the Métis Nation.

We acknowledge the harms and mistakes of the past, and we dedicate ourselves to move forward in partnership with Indigenous communities in a spirit of reconciliation and collaboration.

Cover Images

Top left - Piano Nobile - Photo by Gerry McDougal

Bottom left - Manitoba Production Centre - Photo by Gerry McDougal

Right - New Carpet - Photo by Gerry McDougal

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Message from the Chair



On behalf of the Board of Directors, I am pleased to present the 2021/22 annual report for the Manitoba Centennial Centre Corporation (MCCC).

For the second consecutive year the Board and I monitored the impact of the Coronavirus pandemic on the operations of the Centennial Centre. The uncertainty with pandemic health orders disrupted the Corporation's ability to plan for and sustain operations. The Board initially accepted a budget that projected minimal opportunities to generate earned revenue in the first six months of operation. In the third quarter it was apparent

near normal operations would resume as health restrictions eased. The Concert Hall welcomed the Winnipeg Symphony Orchestra to its stage in September 2021 and hosted its first sold out performance in November.

In late December the Board was informed that new health orders would limit Concert Hall capacity to 250 patrons. As a result, all live performances scheduled for the fourth quarter were cancelled. The impact to operations was immediate and significantly truncated earnings resulting in a deficit for the year.

MCCC again leaned into its reserves, which had gratefully been restored in 2021 by Sport, Culture and Heritage. Utilizing its reserves MCCC was projecting a \$800K loss.

In March 2022, the Minister of Sport, Culture and Heritage informed me that the Corporation would receive an additional \$400K from the Province to mitigate the losses anticipated. The Board would like to thank Minister Andrew Smith and his predecessor Minister Cathy Cox for their efforts to secure the additional funds.

I would also like to acknowledge the Government of Canada through the Department of Canadian Heritage's "Recovery Fund for the Arts, Culture, Heritage and Sports Sector" for their \$125K contribution to support the operating costs of the Centennial Centre. With support from both levels of Government and cost containment strategies implemented by the Corporation, a year end deficit of \$292K was realized.

As we move to normalize operations in the coming years, we are encouraged by advanced bookings that indicate performers are prepared to return to the stage, as are audiences who have demonstrated a willingness to return to live in person experiences. Provided there are no further setbacks that require the Concert Hall to close its doors again, we are projecting a return to balanced budgets in the years to come.

The Board and I would like to recognize the effort of the MCCC administration, in particular our CEO Mr. Robert Olson, Director of Finance and Administration, Mr. Mark Krueger and the entire senior administration for demonstrating the needed flexibility to navigate on again, off again health restrictions that curtailed our ability to secure performances on the Concert Hall stage.

I want to thank the members of our Board who again stepped forward to help the administration work through the implications of many decisions required to mitigate the operational outcomes of the Corporation. I also want to acknowledge their support for changes, both anticipated and implemented, to fulfill our mandate to support the Arts and strengthen our financial sustainability. During this past year the Board actively pursued opportunities to diversify and strengthen the Corporation. The development of a Ticketing Service, expansion plans for a second movie studio on our existing site, upgrades to the infrastructure of the Concert Hall that might fall outside the scope of Part B Capital are examples of projects encouraged and supported by the Board. We are also thankful to the Department of Central Services for their investment in the Centennial Centre, most notably supporting the cost of refinishing the exterior tyndall stone cladding of the Concert Hall, safety system upgrades to the Centre and replacement of the well worn, iconic red carpet of the Concert Hall.

To the Resident Organizations of the Centennial Centre for the Arts, our Board is committed to ensuring the Centennial Centre returns to full operations with little disruption to future operations. We are pleased to see the Winnipeg Symphony Orchestra, Royal Winnipeg Ballet, Manitoba Opera, and the Royal Manitoba Theatre are planning a full season of performances in 2022/23 and that The Manitoba Museum has returned to pre-pandemic public access to the facility.



Karl Loepp
Chair, Board of Directors

Message from the Chief Executive Officer



On behalf of the administration, I am pleased to present the 2021/22 Annual Report for the ***Manitoba Centennial Centre Corporation (MCCC)***.

In year two of the global coronavirus pandemic, MCCC was again challenged to fulfill its mandate to support the Arts. Our original projections contemplated minimal earned revenue in the Quarters 1 and 2 anticipating tight health restrictions affecting occupancy within the Centre. In Quarter 3, MCCC anticipated the easing of covid restrictions, and the Concert Hall would be allowed to resume activities at 50% capacity. By January 2022 or the 4th Quarter of our fiscal year, MCCC anticipated health restrictions would be further relaxed, and the Concert Hall would be permitted to return with 100% occupancy. As we now know, Provincial health restrictions were tightened in December 2021 effectively cancelling the contracted performances scheduled for January, February, and March 2022.

The restrictions imposed in December impacted our ability to generate revenue and manage costs as planned. Labour costs for example rose as we restored our pre-pandemic staffing levels to meet the requirements associated with the return of live performances. As such the sudden loss of projected revenue and the subsequent increase in costs resulted in a year end deficit of \$292K.

The year end deficit would have been significantly higher had it not been for the \$400K emergency assistance received from the Department of Sport, Culture and Heritage and for the first time in recent memory, acceptance of an application MCCC presented to the Government of Canada, under their Canada Arts Presentation Fund Program targeted to support Art Centres across the country. Under the Arts Presentation Fund, MCCC received \$125K of support from the federal government.

I would like to thank SCH Minister, Andrew Smith, Deputy Minister, Jeff Hnatiuk and the administration at Sport, Culture and Heritage for their continued financial support over the last two years. In total, \$1.4M of emergency funding was advanced to MCCC during the pandemic. I would also like to thank the Government of Canada who recognized that as an agency of the Crown we should and did qualify for federal support.

In 1963 the ***Manitoba Centennial Corporation***, was formed and tasked with developing a premier Arts Centre for the Province of Manitoba. In addition to the *Centennial Centre for the Arts*, our Corporation designed and developed the *Winnipeg Art Gallery* and the *Western Centennial Auditorium* in Brandon, Manitoba. In 1968, with the construction of Phase 1 completed, the Centennial Corporation Act was amended, and our agency became known as the ***Manitoba Centennial Centre Corporation*** and was given a revised mandate to support the arts through the business activities of the Concert Hall and facility management of the properties within the campus of the Centennial Centre. Under the pretext of facility management, MCCC was given responsibility

for providing direct facility support to the North end of the complex which was leased to The Manitoba Museum. The 33 year lease agreement originally authorized by the Department of Government Services, MCCC and The Manitoba Museum is set to expire March 31, 2023.

Although traditional pre-pandemic operations have been significantly impacted for the last two years, MCCC used this period to re-imagine our operating model and focus on a post pandemic reality that envisions a corporation much more reliant on earned revenue. With that objective top of mind, MCCC pursued opportunities that would generate a return on investment.

In May 2021, MCCC negotiated a licensing agreement with *AudienceView Inc.* to provide a robust ticketing platform that the Concert Hall is using to sell events scheduled in our venue. MCCC then created a new business unit called *TobaTickets*, marketing a ticketing service MCCC can offer to any event organizer in the Province. MCCC also engaged with the Manitoba Collaborative Procurement Initiative in 2021 with the goal of lowering our operating costs through the collaborative buying power of the initiative.

Utilizing covid pauses in our operations, MCCC, our Board of Directors and our partners in Central Services completed several capital initiatives to improve and enhance the capabilities of the Centennial Centre/Concert Hall. Projects such as Concert Hall carpet replacement, restoring the hardwood floors on Piano Nobile, upgrading washrooms, and completing Phase 3 of the handrail upgrade inside the Concert Hall auditorium were addressed.

MCCC is also pleased to report that creative and opportunistic efforts were made to support other organizations during periods of disruption to our operations. In 2021 we worked with *Le Centre Culturel Franco-Manitobain*, sharing our internal policies helping CCFM update their respective policies. We also offered a short-term opportunity for small businesses in the Exchange District of Winnipeg, to promote their businesses on our video marquee while activities in the Centennial Centre were dark.

I'd like to thank Mr. Karl Loepp and all members of our Board of Directors for their input and guidance during the past two pandemic years. The challenges our Corporation have overcome are unique when compared to the experiences of other crown agencies where revenue was less impacted by pandemic disruptions. 65% of all MCCC revenue, pre-pandemic, is earned. With the inability to access that revenue stream MCCC has relied on dramatic reductions in our operating costs and the support received from the Department of Sport, Culture and Heritage and this year the Canada Arts Presentation Fund.

Looking forward, MCCC operations will gradually return to pre-pandemic levels as the entertainment industry returns to touring artists and our Resident Companies program a full season in the Concert Hall beginning September 2022. We are also anticipating continued high demand for our movie and television production studio and are looking at options to expand the capacity at our 1350 Pacific Ave location. *TobaTickets*, our ticketing service, adds to the diversity of our business operations and has the potential to increase revenues significantly.

We are also encouraged by Government's decision to commission a comprehensive building condition assessment of all properties within the campus of the Centennial Centre for the Arts. This assessment will help establish the extent of funding needed to repair, restore or rebuild the Centennial Centre to the standards of a modern centre for the Performing and Visual Arts.

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

Robert Olson
Chief Executive Officer

2021 – 2022 Corporate Highlights

Governance:

- MCCC has been advised that the Department of Sport, Culture and Heritage has intentions of reexamining the governance report commissioned by MCCC with an objective to actively engage the Resident Organizations of the Centennial Centre in a new report.
- SCH, Central Services and MCCC are also closely examining the asset liability of the Centennial Centre and how best to address the deficiencies of the 55 year old Centre.
- MCCC has signed an agreement to participate in the Manitoba Collaborative Procurement Initiate.
- MCCC has informed Government of the impending expiration of the 33 year lease agreement between MCCC and The Manitoba Museum.
- MCCC has entered discussion with the City of Winnipeg to renew a lease agreement first established in 1975, allowing the City to maintain a Bus Shelter on property within the boundary of the Centennial Centre.

Human Resources:

- Continued adjustments to personnel levels were necessary as the Corporation responded to eased, then re-introduced pandemic restrictions.
- In November 2021 all remaining employees subject to layoff provisions the previous year were returned to active status.
- In compliance with pandemic restrictions all employees were asked to wear medical grade face masks while at work and employees who chose not to be vaccinated were asked to comply with rapid antigen testing prior to returning to the workplace.
- After a 26 year career, Plant Supervisor, Dan Shreiber retired.
- MCCC hired two full-time positions to replace vacancies in the Manager, Front of House and Concert Hall Lighting Technician positions and hired a new Manager of Ticketing Services to oversee Concert Hall ticketing and TobaTickets.
- MCCC invited and met with the newly appointed President of the Manitoba Government and General Employees' Union, Mr. Kyle Ross, to introduce him to the Corporation.

Branding/Marketing:

- MCCC entered an agreement with AudienceView, based in Toronto, Ontario to acquire the licensing rights to sell Concert Hall tickets through their software.
- MCCC developed a new business unit, **TobaTickets**. A division of MCCC, TobaTickets is a ticketing service that can be utilized by any organization who needs a ticket sold to their planned event. To date, three external organizations have used our platform for their ticketing needs.
- MCCC developed a promotional video to market the Concert Hall and other areas of the Centennial Centre as additional production space for the Film and Television Industry.
- MCCC participated in the Wonderful Wedding Show this year to promote the availability of the Concert Hall and other areas of the Centennial Centre for weddings and other gatherings.
- MCCC has negotiated an exclusive beverage contract with PepsiCo. to provide soft beverages to the Concert Hall.

Facility Improvement:

- Completed:
 - The Concert Hall carpeting was completely replaced.
 - The originally installed hardwood flooring on Piano Nobile inside the Concert Hall, was restored and refinished.
 - With the support of Central Services, the emergency light fixtures and exit signs were upgraded to code requirements for the Centennial Centre proper.
 - MCCC updated room numbering in The Manitoba Museum utilizing the VISTA room numbering and signage protocol ensuring consistent presentation throughout the Centennial Centre.
 - MCCC assisted Artspace Inc. to resolve an encroachment issue that triggered a property tax invoice from the City of Winnipeg.
 - Washroom plumbing fixtures at the Centennial Concert Hall were upgraded to hands free operation along with paper product and soap dispensers replaced at the Manitoba Centennial Centre.
 - A comprehensive Building Condition Assessment was performed for the Centennial Concert Hall building.
- Multi-year or in progress:
 - Centennial Concert Hall Auditorium Railings Upgrade.
 - Centennial Concert Hall Building Envelope Restoration.
 - Gault building (Artspace) Exterior Windows and Doors Restoration.
 - Complete restoration of the Concert Hall Orchestra Shell and Acoustic Curtains.
 - Re-design and construction of a new accessible entrance to The Manitoba Museum entrance off Rupert Avenue.
 - Fire Sprinkler Pump replacement.
 - Building Condition Assessment for all properties of the Centennial Centre.

Community and Resident Partner Support:

- MCCC acquired KN-95 respirators and made a supply of these masks available to tenants of the centre.
- MCCC assisted the Centre Culturel Franco-Manitobain to update their policies and procedures by sharing MCCC policies and procedures.
- MCCC offered local Exchange District businesses an opportunity to promote their business on the video marquee outside the Concert Hall. The service was provided at no cost to the business.
- MCCC worked closely with The Manitoba Museum to ensure their limited capacity openings were supported by our Facilities and Administrative Departments.
- The Foundation of the Future Fund provided support to the Riverton & District Friendship Centre to support their arts and dance program and purchase new instruments for their music program.
- MCCC continued to support the Exchange District Biz with their initiative to provide a security detail within the Exchange District.

Covid Milestones April 1, 2021 – March 31, 2002:

- Centennial Concert Hall closed to live performances: April to August 2021.
- Centennial Concert Hall returns to live performances September 2021. 100% capacity, patrons must be vaccinated to enter the facility.
- November 14, 2021. First sold-out performance since the beginning of the pandemic.
- Concert Hall cancels a second sold out show in November due to Covid infection of the artist.
- December 28, 2021. Provincial health orders restrict occupancy to no more than 250 patrons. Except for Resident Company events, all performances anticipating audiences in excess of 250 patrons are cancelled in January, February and March 2022.



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



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



David Martin, Employee
Representative Board Member

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

Richard Faircloth
Manager, Ticketing Services

Karen Lim,
Manager, House Services

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 (RMT), Tom Hendry (Warehouse) Theatre, Artspace Inc., a service 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:



Resident Companies of the Centennial Concert Hall:



Centennial Concert Hall

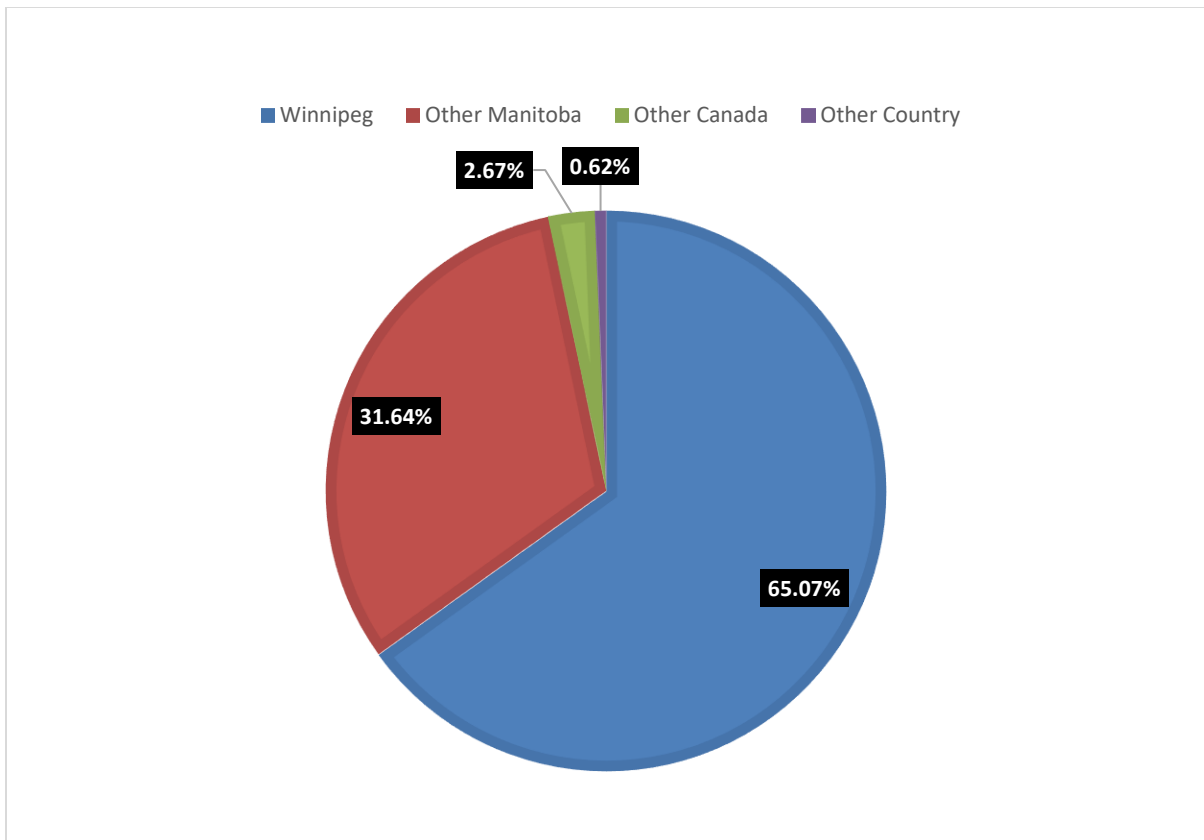
Year 2 of the ongoing disruption to the live entertainment industry and our performance partners brought many challenges – and some opportunities to the MCCC and Centennial Concert Hall. We opened our year using our stage for various productions to film their events and broadcast via streaming or on demand, including Manitoba Opera’s Solo Sessions Video Series, multiple livestreams featuring the Winnipeg Symphony Orchestra, and several local dance schools for their Annual Recitals.

In August, 2021, we brought our ticketing system in house, operating it as a distinct MCCC department. This has allowed us to continue to drive revenue opportunities, collect increased data that can be used for enhanced decision making and customer service, and to offer support and services for other Manitoba organizations who need ticketing solutions. With that, we launched *TobaTickets.ca*, our distinct ticket sales website for events occurring beyond the Manitoba Centennial Centre and have helped various other organizations including the Stardust Drive-In and the Fight for Charity Fundraiser sell tickets to their events with an affordable and local Manitoba solution. We look to continue offering additional services to arts, festival, and other organizations within Manitoba in the coming year.

In the Fall of 2021, we began to see a return to live performances with in-person audiences, with our resident tenants and commercial promoters producing shows at Centennial Concert Hall. These performances were held with enhanced safety protocols, including vaccine card scanning, contactless options for some services, and significant cleaning and disinfecting procedures. Some highlights include the Satinder Sartaaj Rejuvenation Tour 2021; The Tenors; various Winnipeg Symphony Orchestra Classics, Pops, & Specials; Manitoba Opera’s *The Telephone* and *La Voix Humaine*; The RWB performances of *Perpetual Motion*; and providing a space for the Lucky Girl Market.

With the rise of the Omicron variant at the end of December, the RWB *Nutcracker* was forced to cut their run short and several early 2022 events were postponed or cancelled. Optimism is still very high towards the upcoming year within the entertainment industry as many new events have been booked and early ticket sales have shown signs of early demand, including the upcoming return by Broadway Across Canada with their production of *Come from Away* in October 2022.

While we were limited in the number of performances during this past year, we were able to welcome live audiences to some events again, and these patrons came from across Manitoba, Canada, and the World. Over 1/3 of our Manitoba guests came from outside of Winnipeg, travelling to Centennial Concert Hall to take in a live event. We were also proud to welcome guests from every province and territory across Canada, and many who travelled internationally to see our live performances. We look forward to 2022-2023 where we can continue to serve as a premiere destination for live events for people from all over Manitoba, Canada, and the world.



- 65.07% of our customers who purchased tickets during the 2021-2022 Fiscal Year came from Winnipeg.
- 31.64% came from outside Winnipeg, but from within Manitoba.
- 2.67% came from another province.
- 0.62% came from an international location.
- 256 Unique locations within Manitoba were represented in our demographic data, showing that the Centennial Concert Hall is a venue for all Manitobans.
- Our top 3 locations outside of the greater Winnipeg area were Morden, Winkler, and Brandon, Manitoba.

Piano Nobile Gallery

With the reopening of the Centennial Concert Hall, the Piano Nobile Gallery also reopened with the Manitoba Society of Artists once again curating the space. The Gallery featured varied works by celebrated Manitoba artists including Manny Martins-Karman, Paul Toews, Lily Lim and Shirley Elias.

The Foundation of the Future Fund

The Manitoba Centennial Foundation of the Future Fund was founded in 1969 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 2021/2022 the Fund granted \$5,000.00 to the Riverton & District Friendship Centre to purchase musical instruments for its dance and arts program.

The Fund had a balance of \$107,620 as of March 31, 2022.



Manitoba Production Centre

The Manitoba Production Centre (MPC) 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.

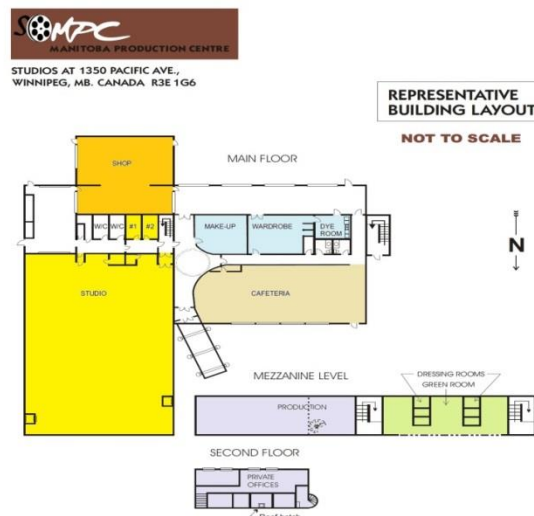
MPC has been an asset to the MCCC portfolio and 2021-22 proved to be no exception as MPC was rented for the entire year. The future for the film industry in Manitoba and MPC is encouraging as the Manitoba Government continues to invest resources into this sector.

The facility was rented significantly during the 2021-22 fiscal year and clients included:

- Prairie Porter Inc.;
- 10107038 Manitoba Inc.; and
- All Fun 2022 Inc.

Various upgrades and repairs were undertaken at the facility in 2021-22 including:

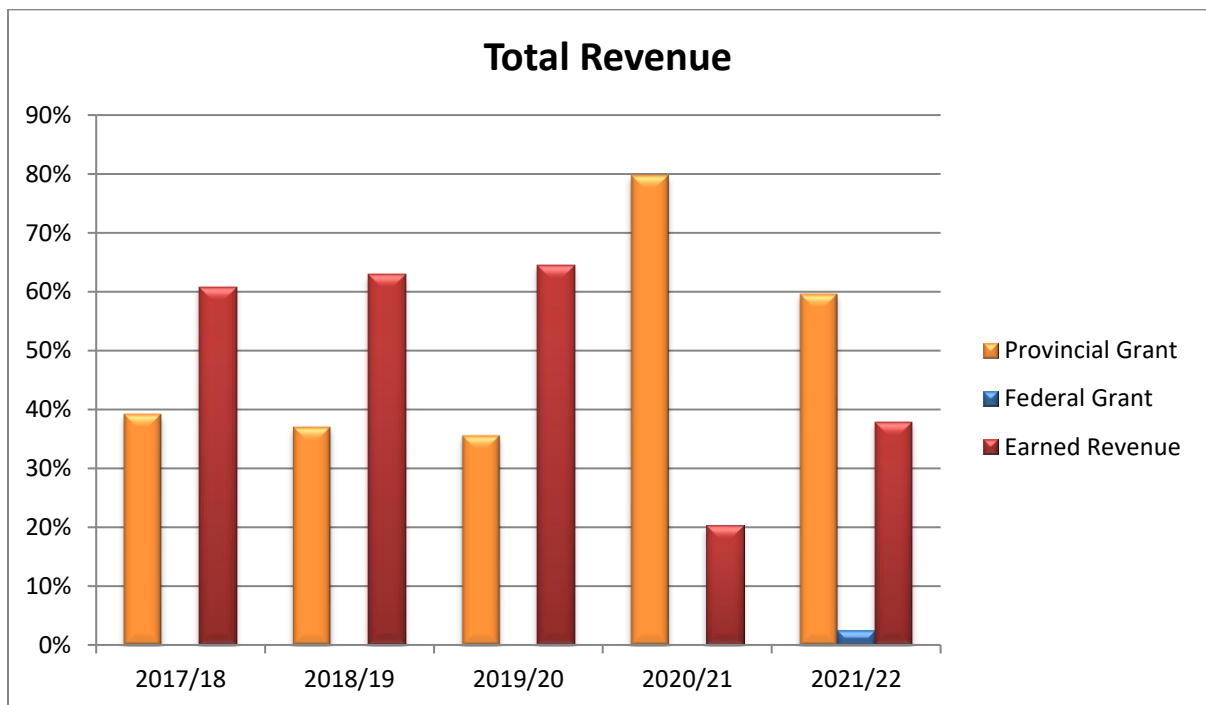
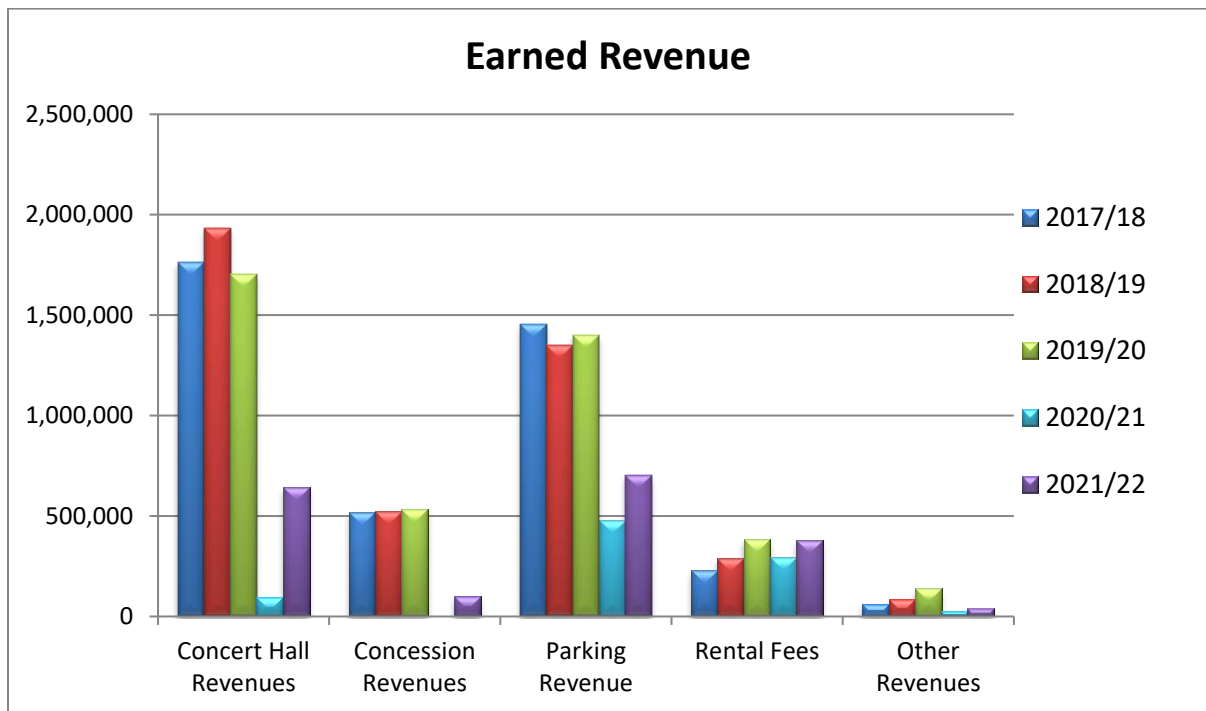
- Upgraded controls of Studio air handler.
- Paper product and soap dispensers replaced.



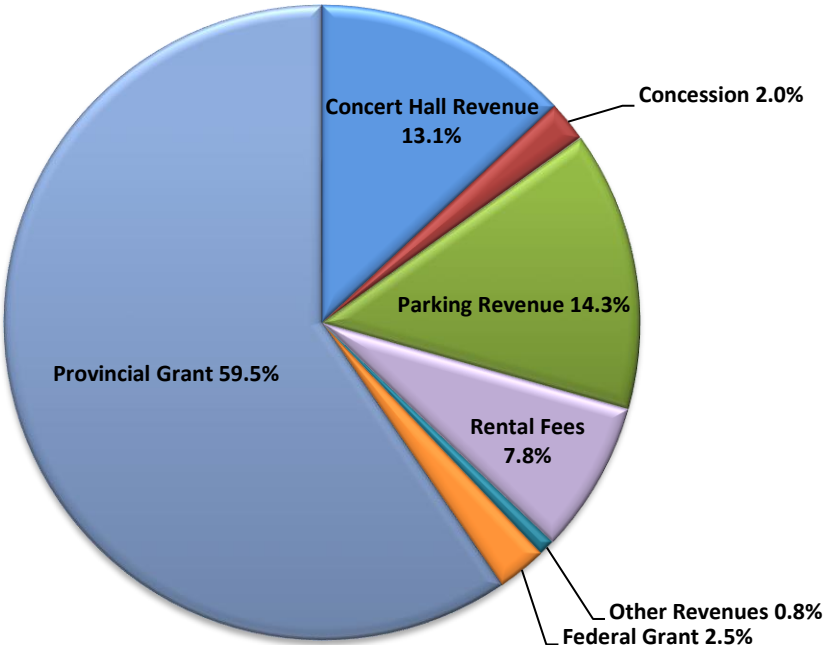
Operated by the Manitoba Centennial Centre Corporation

Manitoba Centennial Centre Corporation

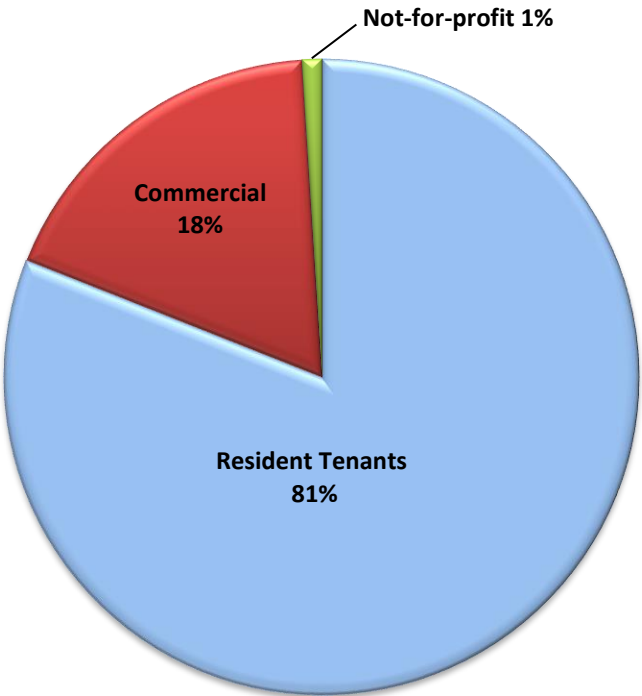
Revenue and Expense Charts



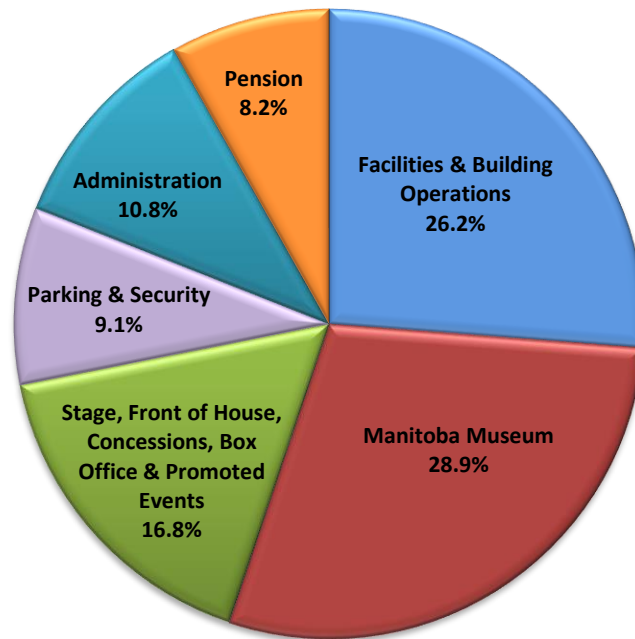
Total Revenue By Percentage 2021-2022



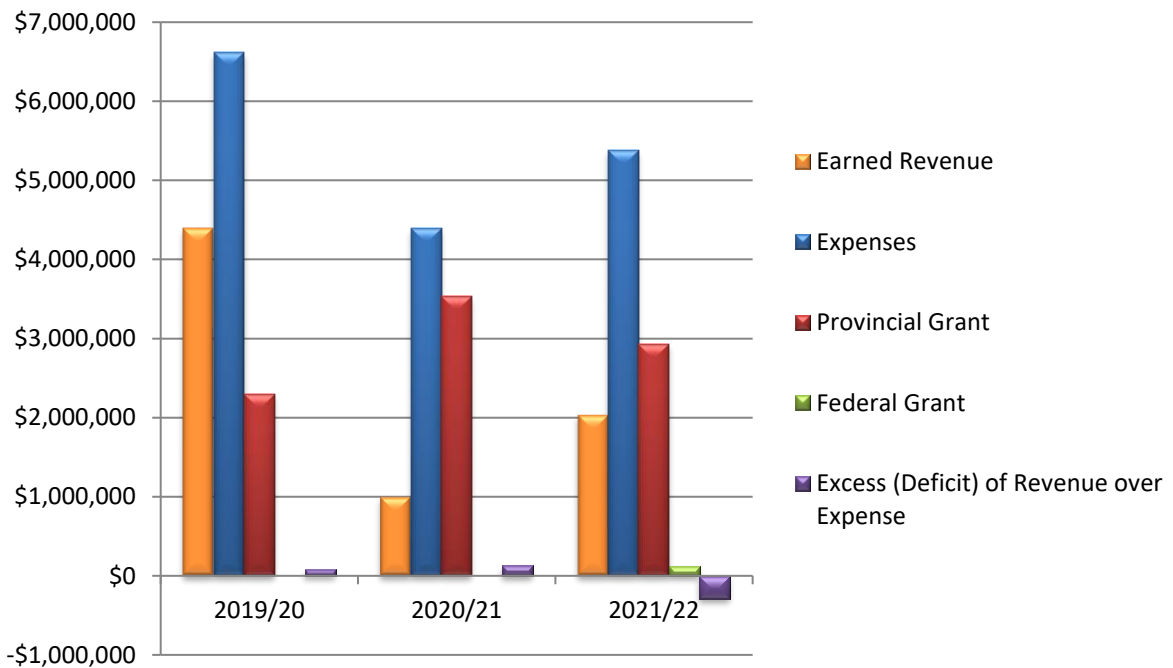
Concert Hall Use By Client Type 2021-2022



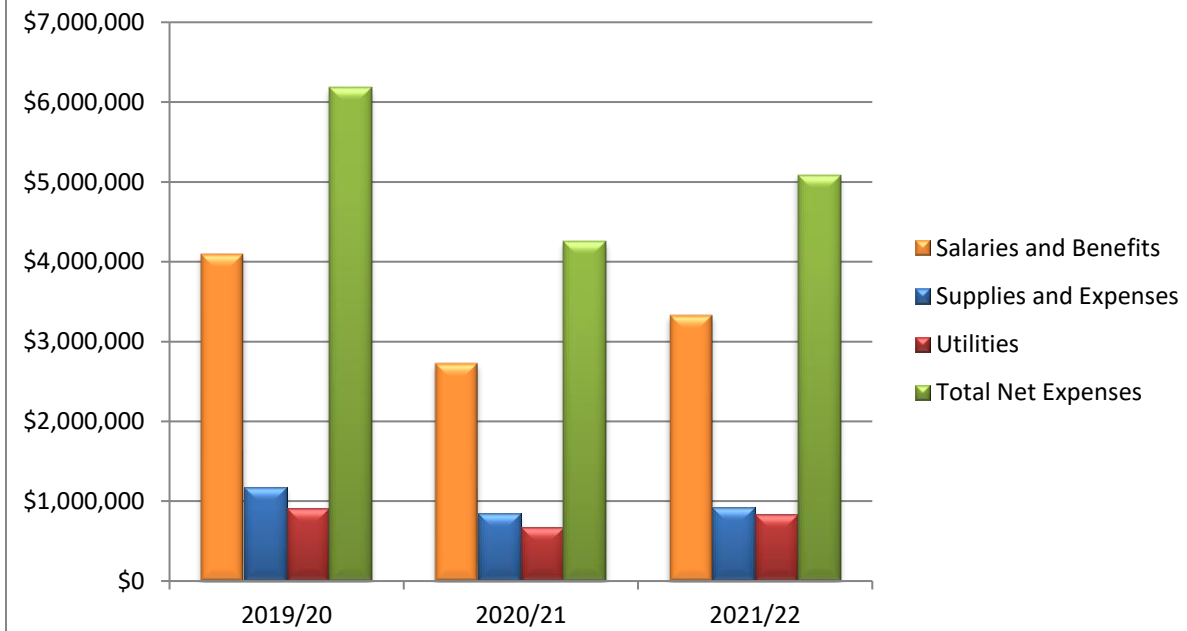
Expenses By Percentage 2021-2022



Covid-19 Impact in 2020/21 and 2021/22



Covid-19 Net Expense Adjustments in 2020/21 and 2021/22



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 is 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, 2022



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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, 2022, 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, 2022, 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 2021-22".

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 2021-22" 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'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Winnipeg, Canada

June 15, 2022

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 1,615,063	\$ 350,277
Term deposits - Province of Manitoba	700,354	1,421,409
Accounts receivable	140,095	91,996
Grant receivable - Province of Manitoba (note 3[b])	400,000	—
Capital grant receivable - Province of Manitoba (note 11)	439,917	302,610
Inventory	50,542	29,805
Prepaid expenses	10,263	22,988
Vacation pay recoverable from the Province of Manitoba (note 5)	199,964	199,964
Other investments (note 10)	107,616	107,522
	3,663,814	2,526,571
Amounts recoverable - Province of Manitoba:		
Severance (note 5)	307,561	307,561
Pension (note 6)	6,360,000	6,240,000
Capital assets (note 7)	230,430	321,981
	\$ 10,561,805	\$ 9,396,113

	2022	2021
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Liabilities, Deferred Contributions and Fund Balances

Current liabilities:

Accounts payable and accrued liabilities	\$ 760,288	\$ 619,936
Accrued vacation liability (note 5)	227,257	233,238
Advance ticket sales	1,332,004	135,471
Rental deposits	62,036	81,999
	<u>2,381,585</u>	<u>1,070,644</u>

Accrued severance pay (note 5)	410,537	337,147
Accrued sick leave (note 5)	40,373	36,676
Pension liability (note 6)	6,360,000	6,240,000
Deferred contributions related to capital assets (note 8)	177,873	227,860

Fund balances:



Invested in capital assets (note 9)	52,557	94,121
Internally restricted funds (note 10)	142,620	162,526
Unrestricted funds:		
General fund	996,260	1,227,139
	<u>1,191,437</u>	<u>1,483,786</u>

	<u>\$ 10,561,805</u>	<u>\$ 9,396,113</u>
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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, 2022, with comparative information for 2021

	General	Capital	Internally restricted	2022	2021
Revenue:					
Concert Hall	\$ 643,692	\$ —	\$ —	\$ 643,692	\$ 96,825
Rental fees	379,536	—	—	379,536	294,619
Concession sales	100,190	—	—	100,190	789
Parking fees	702,125	—	—	702,125	480,907
Miscellaneous	40,351	—	—	40,351	27,104
	1,865,894	—	—	1,865,894	900,244
Province of Manitoba grants:					
Operating (note 3[b])	2,898,508	—	—	2,898,508	3,495,800
Amortization of deferred contributions (note 8)	—	49,987	—	49,987	66,587
Province of Manitoba - pension, net (note 6)	(16,830)	—	—	(16,830)	(28,261)
	2,881,678	49,987	—	2,931,665	3,534,126
Recoveries of expenses	165,161	—	—	165,161	92,346
Government of Canada grant (note 3[b])	125,000	—	—	125,000	—
Investment income (note 10)	—	—	94	94	265
Total revenues, grants and recoveries	5,037,733	49,987	94	5,087,814	4,526,981
Expenses:					
Administration and general	572,058	—	—	572,058	516,547
Amortization of capital assets (note 7)	—	96,208	—	96,208	251,470
Box office	132,448	—	—	132,448	5,305
Building services and maintenance	1,170,116	—	—	1,170,116	905,706
Concession operations	60,031	—	—	60,031	10,613
Host services and special projects	388,067	—	—	388,067	248,845
Manitoba Production Centre	214,743	—	—	214,743	181,375
Parking services	85,756	—	—	85,756	55,920
Pension (note 6)	433,508	—	—	433,508	401,345
Promoted events	8,042	—	—	8,042	—
Security services	393,777	—	—	393,777	399,254
Stage operations	296,255	—	—	296,255	175,328
	3,754,801	96,208	—	3,851,009	3,151,708
Expenses incurred on behalf of The Manitoba Museum (note 12)	1,529,154	—	—	1,529,154	1,245,156
Total expenses (schedule - operating expenses)	5,283,955	96,208	—	5,380,163	4,396,864
Excess (deficiency) of revenue over expenses	\$ (246,222)	\$ (46,221)	\$ 94	\$ (292,349)	\$ 130,117

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

	General	Capital	Internally restricted	2022	2021
Fund balances, beginning of year	\$ 1,227,139	\$ 94,121	\$ 162,526	\$ 1,483,786	\$ 1,353,669
Excess (deficiency) of revenue over expenses	(246,222)	(46,221)	94	(292,349)	130,117
Transfer of funds related to internally funded capital asset additions	(4,657)	4,657	—	—	—
Transfer to (from) internally restricted funds (note 10)	20,000	—	(20,000)	—	—
Fund balances, end of year	\$ 996,260	\$ 52,557	\$ 142,620	\$ 1,191,437	\$ 1,483,786

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ (292,349)	\$ 130,117
Adjustments for:		
Amortization of deferred contributions	(49,987)	(66,587)
Amortization of capital assets	96,208	251,470
	(246,128)	315,000
Change in other investments	(94)	(265)
Change in accrued severance pay	73,390	51,090
Change in accrued sick leave	3,697	307
Change in non-cash working capital balances:		
Accounts receivable	(48,099)	314,238
Grant receivable	(400,000)	—
Inventory	(20,737)	13,838
Prepaid expenses	12,725	(1,273)
Accounts payable and accrued liabilities	140,352	(176,676)
Accrued vacation liability	(5,981)	(27,733)
Advance ticket sales	1,196,533	(183,157)
Rental deposits	(19,963)	(52)
	685,695	305,317
Financing:		
Capital grant receivable - Province of Manitoba	(137,307)	106,036
Investing:		
Purchase of capital assets	(4,657)	(8,397)
Increase in cash and cash equivalents	543,731	402,956
Cash and cash equivalents, beginning of year	1,771,686	1,368,730
Cash and cash equivalents, end of year	\$ 2,315,417	\$ 1,771,686
Cash and cash equivalents consist of:		
Cash	\$ 1,615,063	\$ 350,277
Term deposits - Province of Manitoba	700,354	1,421,409
	\$ 2,315,417	\$ 1,771,686

See accompanying notes to financial statements.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements

Year ended March 31, 2022

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, 2022, registered titles to these properties, being the Manitoba 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. Since the pandemic began, there have been periods of time when public access to the Manitoba Centennial Centre for the Arts was restricted and performances in the Centennial Concert Hall and attendance at the Manitoba Museum were suspended.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

3. Basis of presentation (continued):

During fiscal 2022, the Corporation was granted additional funding of \$400,000 (2021 - \$1,000,000) from the Province of Manitoba to help mitigate the Corporation's loss of revenue due to the pandemic. The additional funding is receivable as at March 31, 2022 and is included in grant receivable - Province of Manitoba in the statement of financial position and in Province of Manitoba grants - operating in the statement of operations. In addition, during 2022 the Corporation was granted and received funding of \$125,000 from the Government of Canada under the Canada Arts Presentation Fund Program, a program established to assist the arts, culture, heritage and sports sectors during the pandemic.

In an effort to mitigate the financial impact to the Corporation caused by the Centennial Concert Hall's closure during fiscal 2022, temporary layoffs to certain staff were issued, voluntary reduced workdays for other staff were implemented, and expenses were reduced where possible. The Corporation continues to manage liquidity risk by updating forecasts and assessing cash flow frequently. At the reporting date, public access to both the Centennial Concert Hall and the Manitoba Museum are no longer restricted and all performances in the Centennial Concert Hall and attendance at the Manitoba Museum are allowed.

The Corporation is economically dependent on funding received from the Province of Manitoba, with approximately one third of the Corporation's annual revenue coming from provincial funding during pre-pandemic years. During fiscal 2022, provincial funding accounted for just over half of the Corporation's annual revenue. A significant portion of the provincial funding received annually goes to reimburse the Corporation for services provided to The Manitoba Museum (note 12).

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. 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 employee related liabilities that are recoverable from 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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

4. Significant accounting policies (continued):

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, and the Manitoba Production Centre Fund which is to be reinvested in that facility. 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, 4[e]).

(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 and other venue 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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

4. Significant accounting policies (continued):

(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 refurbishments	10%
Equipment and furnishings	20%
Office and building renovations	5% - 10%
Parkade equipment	10%
Stage equipment	20%
Security equipment	20%

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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

4. Significant accounting policies (continued):

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, 2022 (2021 - 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.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

4. Significant accounting policies (continued):

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.

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, 2022, the Corporation has an accrued vacation liability of \$227,257 (2021 - \$233,238).

(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, 2022, based on the extrapolation of an actuarial estimate, the obligation for accrued severance pay is \$410,537 (2021 - \$337,147).

The significant actuarial assumptions include an interest rate of 5.75 percent (2021 - 5.75 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, 2022

5. 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 (2021 - 6.0 percent) and a rate of salary increase of 1.0 percent (2021 - 1.0 percent). At March 31, 2022, the Corporation has an accrued sick leave obligation of \$40,373 (2021 - \$36,676).

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, 2020, the Corporation has recorded an amount of \$6,360,000 in its financial statements, representing the estimated unfunded liability for the Corporation's employees as at March 31, 2022 (2021 - \$6,240,000).

Total pension expense of \$555,956 (2021 - \$529,031) has been recorded in the statement of operations (see schedule - operating expenses), or \$433,508 (2021 - \$401,345) 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 \$6,360,000 (2021 - \$6,240,000) equal to the estimated value of its actuarially determined liability in its financial statements, and has recorded the associated net deficit of \$16,830 (2021 - \$28,261) 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, 2022

6. Pension liability (continued):

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

	2022	2021
Balance, beginning of year	\$ 6,240,000	\$ 6,166,000
Decrease (increase) in trust account held by the Province of Manitoba	(39,807)	(29,078)
Benefits accrued	164,563	127,555
Interest accrued (5.75 percent; 2021 - 5.75 percent)	412,788	414,305
Benefits paid	(573,779)	(574,866)
Actuarial losses ¹	156,235	136,084
Balance, end of year	\$ 6,360,000	\$ 6,240,000

¹The actuarial valuation as at December 31, 2020 was completed during fiscal 2022. Actuarial gains and losses are recognized over the estimated average remaining service life (EARS�) of the plan members of 9 years (2021 - 9 years). Assumed salary rate increases are 3.50 percent (2021 - 3.50 percent).

7. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 182,812	\$ 164,205	\$ 18,607	\$ 29,421
Concert hall refurbishments	309,879	292,895	16,984	24,969
Equipment and furnishings	311,714	288,822	22,892	43,779
Office renovations	593,028	584,815	8,213	9,706
Parkade equipment	244,957	85,514	159,443	183,939
Stage equipment	909,563	909,563	—	17,594
Security equipment	504,031	499,740	4,291	12,573
	\$ 3,055,984	\$ 2,825,554	\$ 230,430	\$ 321,981

During fiscal 2021, the organization recorded a write-down of \$107,522 on assets under construction, which has been included in amortization of capital assets on the statement of operations. No write-down was recorded by the organization during fiscal 2022.

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

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.

	2022	2021
Balance, beginning of year	\$ 227,860	\$ 294,447
Less amortized to revenue	(49,987)	(66,587)
Balance, end of year	\$ 177,873	\$ 227,860

9. Invested in capital assets:

Amounts invested in capital assets are as follows:

	2022	2021
Capital assets (note 7)	\$ 230,430	\$ 321,981
Amounts financed by deferred contributions (note 8)	(177,873)	(227,860)
	\$ 52,557	\$ 94,121

10. Internally restricted funds and other investments:

a) Internally restricted funds:

	2022	2021
Foundation of the Future Fund:		
Balance, beginning of year	\$ 107,526	\$ 107,261
Excess of revenue over expenses	94	265
Balance, end of year	\$ 107,620	\$ 107,526
Manitoba Production Centre Fund:		
Balance, beginning of year	\$ 55,000	\$ 55,000
Transfer to the General Fund	(20,000)	—
Balance, end of year	\$ 35,000	\$ 55,000
Total internally restricted funds, end of year	\$ 142,620	\$ 162,526

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

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

In February 2022, the Board of Directors approved a transfer of \$20,000 from the Manitoba Production Centre Fund to the General Fund to be utilized to pay for a significant repair at the Manitoba Production Centre.

Foundation of the Future funds are held in term deposits in the amount of \$107,616 (2021 - \$107,522) 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 2022 and the remaining advances not yet undertaken at March 31, 2022 were as follows:

	2022	2021
Capital advances - Province of Manitoba:		
Funded during the year/awarded and received	\$ —	\$ 137,317
Funding receivable	439,917	302,610
	439,917	439,927
Capital expenditures recorded as capital assets in the accounts of the Province of Manitoba (note 4[e]):		
Washroom upgrades	—	280,189
Handrail upgrades	439,917	159,738
	439,917	439,927
Advances carried forward to future years	\$ —	\$ —

12. Grant of service:

The Corporation is obligated by a 33-year lease agreement with The Manitoba Museum to provide services to support the operations of the Museum. The current lease expires on March 31, 2023, however there are renewal provisions for 2 successive 33-year terms. The Corporation incurs expenses such as cleaning, utilities and maintenance on behalf of The Manitoba Museum. These expenses amounted to \$1,529,154 for the year ended March 31, 2022 (2021 - \$1,245,156). Included in these expenses is \$198,007 (2021 - \$175,215) 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, 2022

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, 2022 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 no allowance for doubtful accounts as at March 31, 2022 and March 31, 2021.

There have been no significant changes to the credit risk exposure from 2021, other than potential impacts from the on-going 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 2021, other than the potential impacts from the ongoing COVID-19 situation (note 3[b]).

MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2022

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, under normal operating circumstances.

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 (note 3[b]).

MANITOBA CENTENNIAL CENTRE CORPORATION

Schedule - Operating Expenses

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Administration and general:		
Salaries and employee benefits	\$ 519,433	\$ 477,936
Audit and legal	21,273	32,483
Insurance	93,933	75,624
Telephone and fax	9,960	12,121
Marketing	18,191	3,730
Other	107,275	89,868
	770,065	691,762
Box office expenses		
Salaries and employee benefits	60,595	—
Credit card fees and bank charges	38,872	5,305
Software license fees and supplies	32,982	—
	132,449	5,305
Building services and maintenance:		
Salaries and employee benefits	1,170,197	883,510
Repairs, maintenance and supplies	325,167	223,659
Utilities	815,404	672,834
	2,310,768	1,780,003
Concession operations:		
Salaries and employee benefits	28,662	348
Cost of goods sold	30,498	9,766
Other	871	498
	60,031	10,612
Host services and special projects:		
Salaries and employee benefits	362,224	246,616
Other	25,843	2,229
	388,067	248,845
Manitoba Production Centre:		
Salaries and employee benefits	9,968	16,093
Administration costs	7,790	12,903
Repairs, maintenance and supplies	30,330	22,192
Property taxes	88,548	88,520
Utilities	78,108	41,668
	214,744	181,376
Parking services:		
Salaries and employee benefits	3,061	1,265
Agency fees and expenses	70,025	52,820
Other	12,670	1,835
	85,756	55,920
Pension	555,956	529,031
Promoted Events	8,042	—
Security services:		
Salaries and employee benefits	449,852	455,705
Other	11,970	11,507
	461,822	467,212
Stage operations:		
Salaries and employee benefits	260,058	145,828
Repairs, supplies and equipment	36,197	29,500
	296,255	175,328
Total expenses of general fund	\$ 5,283,955	\$ 4,145,394