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**2019-20**  
**Events East Group**  
Financial Statements

## MANAGEMENT'S REPORT

The financial statements of Events East Group have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is responsible for all of the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

The Board of Directors [the "Board"] is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements frequently and external audited financial statements annually.

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

On behalf of Events East Group:



**Andrea Wilkie**  
*Vice President, Finance & Corporate Services*



**Carrie Cussons**  
*President & CEO*

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Events East Group

## Opinion

We have audited the financial statements of Events East Group [the "Company"], which comprise the statement of financial position as at March 31, 2020, and the statement of operations and accumulated surplus, statement of changes in net debt and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 of opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibilities of management 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst + Young LLP*


Halifax, Canada  
June 29, 2020  
Chartered Professional Accountants

# STATEMENT OF FINANCIAL POSITION

As at March 31	2020 \$	2019 \$
<b>FINANCIAL ASSETS</b>		
Cash	2,735,987	4,059,272
Restricted cash	4,325,295	3,907,724
Accounts receivable	968,363	704,703
Due from Scotiabank Centre <i>[note 8]</i>	3,242,883	859,662
Due from Halifax Regional Municipality <i>[note 7]</i>	4,469,298	1,732,814
Inventory held for resale	105,400	143,080
	<b>15,847,226</b>	<b>11,407,255</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	1,262,617	1,680,429
Advance ticket sales	4,245,887	3,952,712
Due to Province of Nova Scotia, net <i>[notes 7 and 8]</i>	8,542,195	5,432,832
Event deposits	1,003,719	780,409
Deferred revenue	88,033	54,536
Retirement health benefits obligation <i>[note 6]</i>	1,393,400	100,408
	<b>16,535,851</b>	<b>12,001,326</b>
<b>Net debt</b>	<b>(688,625)</b>	<b>(594,071)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets, net <i>[note 3]</i>	754,284	1,041,864
Prepaid expenses	325,146	86,802
	<b>1,079,430</b>	<b>1,128,666</b>
<b>Accumulated surplus</b>	<b>390,805</b>	<b>534,595</b>

See accompanying notes

On behalf of the Board:

 Director

 President

# STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

	Year ended March 31, 2020 \$	Year ended March 31, 2020 \$	13 months ended March 31, 2019 \$
	<i>[budget]</i>		
<b>REVENUE</b>			
Convention Centre	11,345,000	10,806,943	13,011,823
Ticket Atlantic	—	1,570,549	145,751
Investment and other income	40,000	105,270	74,591
	<b>11,385,000</b>	<b>12,482,762</b>	<b>13,232,165</b>
<b>EXPENSES</b>			
Event expenses	6,391,000	6,974,809	7,388,302
Salaries and benefits <i>[note 6]</i>	3,587,100	3,659,602	3,321,328
Rent and insurance	151,000	215,023	210,782
Administration	651,300	596,597	952,474
Advertising and marketing	604,600	570,317	608,247
	<b>11,385,000</b>	<b>12,016,348</b>	<b>12,481,133</b>
<b>Surplus before building costs and property taxes</b>	<b>—</b>	<b>466,414</b>	<b>751,032</b>
Building costs	3,183,800	3,561,706	3,609,179
Property taxes	1,826,200	2,015,060	1,953,517
<b>Total building costs and property taxes</b>	<b>5,010,000</b>	<b>5,576,766</b>	<b>5,562,696</b>
Approved pre-opening expenditures <i>[note 10]</i>	—	—	1,065,817
<b>Deficit before depreciation</b>	<b>(5,010,000)</b>	<b>(5,110,352)</b>	<b>(5,877,481)</b>
Depreciation of tangible capital assets <i>[note 3]</i>	380,000	362,616	389,161
<b>Annual deficit</b>	<b>(5,390,000)</b>	<b>(5,472,968)</b>	<b>(6,266,642)</b>
<b>Accumulated surplus, beginning of period</b>	<b>534,595</b>	<b>534,595</b>	<b>—</b>
Shareholder funding <i>[note 7]</i>	5,275,000	5,329,178	6,801,237
<b>Accumulated surplus, end of period</b>	<b>419,595</b>	<b>390,805</b>	<b>534,595</b>

See accompanying notes

# STATEMENT OF CHANGES IN NET DEBT

	Year ended March 31, 2020 \$	13 months ended March 31, 2019 \$
<b>Annual deficit</b>	<b>(5,472,968)</b>	(6,266,642)
Acquisition of tangible capital assets <i>[note 3]</i>	<b>(75,036)</b>	(362,353)
Depreciation of tangible capital assets <i>[note 3]</i>	<b>362,616</b>	389,161
Increase in prepaid expenses	<b>(238,344)</b>	(86,802)
Shareholder funding <i>[note 7]</i>	<b>5,329,178</b>	6,801,237
Transfer of tangible capital asset from Trade Centre Limited <i>[note 9]</i>	—	(1,068,672)
<b>Increase in net debt</b>	<b>(94,554)</b>	(594,071)
Net debt, beginning of period	<b>(594,071)</b>	—
<b>Net debt, end of period</b>	<b>(688,625)</b>	(594,071)

See accompanying notes

# STATEMENT OF CASH FLOWS

	Year ended March 31, 2020 \$	13 months ended March 31, 2019 \$
<b>OPERATING ACTIVITIES</b>		
Annual deficit	(5,472,968)	(6,266,642)
Add item not affecting cash		
Depreciation of tangible capital assets	362,616	389,161
Net changes in working capital		
Accounts receivable	(263,660)	(502,776)
Due from Trade Centre Limited	—	(49,735)
Inventory held for resale	37,680	9,111
Due from Scotiabank Centre	(2,383,221)	(859,662)
Due from Halifax Regional Municipality	—	1,400,506
Accounts payable and accrued liabilities	(417,812)	1,474,213
Event deposits	223,310	29,449
Deferred revenue	33,497	(12,526)
Due to Province of Nova Scotia	5,702,057	8,496,460
Advance ticket sales	293,175	(159,418)
Prepaid expenses	(238,344)	192,826
Retirement health benefit obligation	1,292,992	100,408
<b>Cash (used in) provided by operating activities</b>	<b>(830,678)</b>	<b>4,241,375</b>
<b>INVESTING ACTIVITIES</b>		
Cash transferred from Trade Centre Limited	—	4,087,974
<b>Cash provided by investing activities</b>	<b>—</b>	<b>4,087,974</b>
<b>CAPITAL ACTIVITIES</b>		
Cash paid on acquisition of tangible capital assets	(75,036)	(362,353)
<b>Cash used in capital activities</b>	<b>(75,036)</b>	<b>(362,353)</b>
<b>Net (decrease) increase in cash during the period</b>	<b>(905,714)</b>	<b>7,966,996</b>
Cash, beginning of period	7,966,996	—
<b>Cash, end of period</b>	<b>7,061,282</b>	<b>7,966,996</b>
<b>Cash is comprised of:</b>		
Cash	2,735,987	4,059,272
Restricted cash	4,325,295	3,907,724
	<b>7,061,282</b>	<b>7,966,996</b>

See accompanying notes

# Notes to financial statements

2019-20

## 1. Nature of operations

The Halifax Convention Centre Corporation, doing business as Events East Group [the “Company” or “Events East”] is incorporated under the laws of the Province of Nova Scotia [the “Province” or “PNS”]. The Company operates the Halifax Convention Centre pursuant to the Halifax Convention Centre Act [the “Act”] dated May 2014, proclaimed by the Province on April 4, 2016, and amended October 11, 2018. The Act establishes Events East Group, enacts the corporation’s by-laws and defines the objective of the entity. Proclamation resulted in the formal creation of Events East and full Board, and allowed for the Trade Centre Limited [“TCL”] employees to be designated to the new entity. Substantial completion of the Halifax Convention Centre building triggered the financial commencement of the Company and the convention centre operations. As such, effective March 1, 2018, TCL transferred its net assets to the Company and wound-up its activities. The Company is an equal partnership of the Province of Nova Scotia and the Halifax Regional Municipality [“HRM”].

The Company’s mandate, pursuant to the Act, is to operate, maintain and manage the activities of the Halifax Convention Centre in a manner that will promote and develop economic development, tourism and industry in the province of Nova Scotia and in particular the Halifax Regional Municipality. The Company’s principal business operations comprise of a convention centre, and the provision of marketing, event and promotion services. Effective March 1, 2019, the operations and assets and liabilities of Ticket Atlantic, previously recorded in TCL, were transferred to the Company. The Company also manages and operates Scotiabank Centre on behalf of HRM.

As an agency of the Province and HRM, the Company is not subject to income taxes pursuant to the Income Tax Act 149(1)(d). However, since the Company is a corporation, it is still required to file a corporate T2 income tax return annually.

## 2. Summary of significant accounting policies

These financial statements have been prepared by the Company’s management in accordance with the Chartered Professional Accountants of Canada [“CPA Canada”] Public Sector Accounting Standards [“PSAS”] for other government organizations as defined by the Canadian Public Sector Accounting Board, which sets out generally accepted accounting principles for government organizations.

### Basis of presentation

The Company’s financial statements as at and for the year ended March 31, 2020 [as at and for the 13 months ended March 31, 2019] reflect the operations of the Halifax Convention Centre and Ticket Atlantic. The Company also manages the operations of Scotiabank Centre on behalf of HRM; Scotiabank Centre’s financials are separately reported and are not consolidated into the Company’s results.

### Cash

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

### Restricted cash

Restricted cash represents cash received for advance ticket sales.

### Inventory held for resale

Inventory held for resale consists of food and beverage supplies and is recorded at the lower of cost or net realizable value.

### Advance ticket sales

Advance ticket sales are recorded as a liability on the statement of financial position until the event is held and amounts are settled with third parties. Amounts received are segregated as restricted cash and are not available to fund the Company’s operations.

### Tangible capital assets

Tangible capital assets are recorded at cost and depreciated on a straight-line basis over their estimated useful lives using the following terms:

Computers	3 - 5 years
Furniture and equipment	3 - 5 years

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

### Prepaid expenses

Prepaid expenses include costs incurred prior to the period expected to benefit from them, including software maintenance agreements and insurance.

### Event deposits

Event deposits are recorded as a liability until the event occurs and the revenue recognition criteria are met.

### Retirement health benefits

Retirement health benefits are post-employment benefits for purposes of Section PS 3250 of the CPA Canada Public Sector Accounting Handbook. They represent the Company’s participation in the Public Service Retiree Health Benefits Plan [the “Plan”], an obligation made to employees under the Halifax Convention Centre Act, section 36 (10).

### Revenue

Revenue is recognized when the item has an appropriate basis of measurement, a reasonable estimate can be made of the amount involved, and for an item that involves obtaining or giving up future economic benefits, it is expected that such benefits will be obtained or given up.

### Expenses

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

### Shareholder funding

Shareholder funding is recognized in the period the funding is approved and authorized.

### Use of estimates

The preparation of the Company’s financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of significant estimates include the useful life of tangible capital assets.



Estimates are based on the best information available at the time of the preparation of the financial statements and are reviewed periodically to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from those estimates.

### 3. Tangible capital assets

Tangible capital assets consist of the following:

	2020		Total \$
	Computers \$	Furniture and equipment \$	
Cost, beginning of year	824,579	606,446	1,431,025
Additions	—	75,036	75,036
Cost, end of year	824,579	681,482	1,506,061
Accumulated depreciation, beginning of year	251,508	137,653	389,161
Depreciation expense	214,549	148,067	362,616
Accumulated depreciation, end of year	466,057	285,720	751,777
Net book value, end of year	358,522	395,762	754,284

### 4. Contractual obligations

The contractual obligations of the Company include the contract related to the delivery of a ticketing system and corporate head office lease obligations. In addition, common area and lease operating costs relating to the lease of the Halifax Convention Centre are included in the contractual obligations. These costs are the Company's best estimate and are subject to change based on any required true-up as indicated in the lease and are paid by the Company on behalf of the Province and HRM. These contractual obligations will become a liability in the future, when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	\$
2020-2021	1,493,000
2021-2022	1,448,000
2022-2023	1,442,000
2023-2024	1,470,000
2024-2025	1,500,000

### 5. Financial instruments and risk management

#### Measurement of financial instruments

The Company's financial instruments are recorded at cost or amortized cost. Financial assets consist of assets that could be used to settle existing liabilities or fund future activities, and include cash, restricted cash, accounts receivable, due from Scotiabank Centre and due from Halifax Regional Municipality. Financial liabilities consist of the Company's accounts payable and accrued liabilities, due to the Province, retirement health benefits obligation, event deposits, and advance ticket sales. The carrying value of the Company's financial instruments approximates their fair value. Transaction costs are expensed as incurred.

#### Risks and uncertainties

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

#### Liquidity risk

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

#### Credit risk

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

*Capital risk*

The Company receives contributions from its shareholders, the Province and HRM. The day-to-day operations are funded by the revenue generated, amounts due to the Province, and by advances on projected deficit.

**6. Employee future benefits**

*Pension costs*

Employees of the Company participate in the Public Service Superannuation Plan [the “PSSP”], a contributory defined benefit pension plan administered by the Public Service Superannuation Plan Trustee Inc., which provides pension benefits based on length of service and earnings. Contributions to the PSSP are required by both the employees and the employer. Total employer contributions for the year ended March 31, 2020 amounted to \$402,109 [13 months ended March 31, 2019 - \$392,373] and are recorded in salaries and benefits expense during the period. Total employee contributions for the year ended March 31, 2020 amounted to \$402,159 [13 months ended March 31, 2019 - \$392,373]. The Company is not responsible for any underfunded liability, nor does the Company have any access to any surplus that may arise in the PSSP.

*Retirement health benefits obligation*

Upon retirement, employees who are in receipt of pension from the PSSP are eligible to participate in the Retired Employee Health Plan [the “Plan”] provided through the Public Service Commission. The Plan provides coverage to participants for health benefits which include prescription drugs to age 65, vision, hospital and extended health care. The Company is liable for 65% of the premiums for employees retiring on or after April 1, 2018. As at April 1, 2019, a liability of \$1,117,200 was transferred from TCL to the Company relating to all active employees of Events East. This obligation was fully funded by the Province in the year. The most recent full valuation of the Plan, contracted by the Province on behalf of participants, was performed as at December 31, 2017 and extrapolated to March 31, 2020 using a discount rate of 3.24% [2019 - 3.29%]. The following outlines the accrued benefit obligation:

	\$
<b>Accrued benefit obligation, March 31, 2019</b>	95,808
Add: Current service cost	99,292
Add: Interest on accrued benefit obligation	79,400
Add: Experience loss due to change in discount rate	16,600
Add: Transfer of liability from TCL	1,117,200
Less: Premiums paid	(2,600)
<b>Accrued benefit obligation, March 31, 2020</b>	<b>1,405,700</b>
<b>Net unamortized actuarial gains, March 31, 2019</b>	4,600
Current year losses	(16,600)
Amortization	(300)
<b>Net unamortized actuarial losses, March 31, 2020</b>	<b>(12,300)</b>
<b>Retirement health benefits obligation, March 31, 2020</b>	<b>1,393,400</b>

**7. Shareholder funding**

Shareholder funding consists of the following:

	2020 \$	2019 \$
Funding from Halifax Regional Municipality <sup>[1]</sup>	2,736,484	3,133,320
Funding from the Province of Nova Scotia <sup>[2]</sup>	2,592,694	3,119,916
Transfers from Trade Centre Limited <sup>[3]</sup>	-	548,001
	<b>5,329,178</b>	<b>6,801,237</b>

[1] Pursuant to the Memorandum of Understanding between HRM and PNS amended March 28, 2013, HRM funds one-half of the operating deficit of the Company.

[2] Pursuant to the Memorandum of Understanding between HRM and PNS amended March 28, 2013, PNS funds one-half of the operating deficit before depreciation of the Company and one-half of capital purchases.

[3] TCL transferred net assets of \$1,112,500 to the Company on March 1, 2018 relating to the substantial completion of the Halifax Convention Centre. Subsequently, amendments to the shareholder funding arrangement were made and \$564,499 was transferred back to TCL. The net amount of \$548,001 is considered to be funding by the Province relating to the transfer of net assets from TCL to the Company. Refer to note 9 for further information.

## 8. Related party transactions

In addition to the shareholder funding noted in note 7, the Company had the following transactions with the government and other government controlled organizations:

	2020 \$	2019 \$
Payroll processing by the Province of Nova Scotia <sup>[1]</sup>	(11,663,713)	(12,733,655)
PSA payment recoveries from the Province of Nova Scotia <sup>[2]</sup>	-	20,505
Payroll recoveries received from Scotiabank Centre <sup>[3]</sup>	3,984,021	3,912,341
Commissions paid to Scotiabank Centre <sup>[4]</sup>	(95,924)	(10,474)
Transactions with Scotiabank Centre <sup>[5]</sup>	<b>312,083</b>	354,172

[1] PNS processes payroll on behalf of the Company and invoices the Company for these costs. In the prior period, amounts relating to Public Service Awards were included in this amount.

[2] Public Service Award payout made by the Company, and recoverable from PNS who is liable for the program.

[3] Scotiabank Centre's sole shareholder is HRM. Payroll and related costs are paid by Events East on behalf of Scotiabank Centre.

[4] Commissions paid to Scotiabank Centre for ticket sales purchased through Ticket Atlantic, a division of Events East effective March 1, 2019.

[5] The Company has a variety of transactions related to general expenses paid by the Company on half of Scotiabank Centre.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are without payment terms and are non-interest bearing.

## 9. Transfers from Trade Centre Limited

### *Transfer of net assets*

Substantial completion of the Halifax Convention Centre building triggered the financial commencement of the Company and the convention centre operations, and as such, effective March 1, 2018, TCL transferred net assets of \$1,112,500 to the Company. Below is a summary of the accounts and balances that were initially transferred to the Company from TCL on March 1, 2018:

	\$
Cash	16,498
Accounts receivable	1,645
Inventory for held resale	152,191
Intercompany transactions	514,765
Tangible capital assets	1,068,672
Prepaid expenses	248,830
Deferred revenue	(48,580)
Accounts payable and accrued liabilities	(90,561)
Event deposits	(750,960)
<b>Transfer to Events East Group</b>	<b>1,112,500</b>

### *Transfer of Ticket Atlantic*

As discussed in note 1, effective March 1, 2019, TCL transferred Ticket Atlantic net assets to the Company. No consideration was exchanged and amounts paid or payable by TCL on behalf of the Company were settled as intercompany transactions. Below is a summary of the accounts and balances that were transferred to the Company from TCL, in the prior period:

	2019 \$
Cash	7,331
Restricted cash	4,062,500
Accounts receivable	201,927
Prepaid expenses	30,803
Accounts payable and accrued liabilities	(115,655)
Deferred revenue	(18,472)
Intercompany balances	(56,288)
Advance ticket sales	(4,112,146)
	-

## 10. Approved pre-opening expenditures

In the years leading to opening the Halifax Convention Centre, TCL received grants in support of opening activities and expenses. The unspent balance of these grants was transferred to the Company upon opening, to support final opening costs in March 2018 of \$461,298. One grant, known as “Smallwares”, was originally approved in 2016-17 for \$3.0 million. Its purpose was to provide funding for event-related equipment and technology required to operate the new convention centre. Spending under this grant commenced in 2017-18 with the balance of \$621,000 approved to be deferred to 2018-19, in recognition of the need to continue equipping the Halifax Convention Centre based on the evolving understanding of event requirements in the new building.

## 11. Budgeted figures

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

## 12. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year. The fiscal year 2018-2019 statement of operations and accumulated surplus, statement of changes in net debt and statement of cash flows represents a 13-month period.

## 13. Compensation disclosure

The Public Sector Compensation Disclosure Act requires the publication of the names of every person who receives the amount of compensation of \$100,000 or more in the fiscal year and the amount paid to each. The Company has issued a separate statement disclosing these values.

## 14. COVID-19 impact

The global crisis resulting from the spread of the coronavirus disease [“COVID-19”] will have a substantial impact on the Company’s operations, with the timing of recovery uncertain. The spread of COVID-19 has and continues to have on local, national and international impact. Measures taken to contain the spread of the virus, including restrictions on public gatherings, travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to the Company’s operations.

The Company cannot currently estimate the duration or future negative financial impact of the COVID-19 pandemic, however, it is expected that the COVID-19 pandemic will significantly impact operating results for the coming fiscal year due to restrictions on public gatherings and cancellation of events that were scheduled to be hosted at the facility. Discussions are ongoing with event organizers with respect to rebooking events once restrictions have been lifted and health and safety policies and protocols have been established.

The Company has used the best information available as at March 31, 2020, in determining its estimates and the assumptions that affect the carrying amounts of assets and liabilities. Actual results could differ from those estimates. The Company considers the estimates that could be most significantly impacted by COVID-19 to include the estimated credit losses on accounts receivable and the estimated volume of ticket refunds. Any resulting deficits in future periods due to the impact of the COVID-19 pandemic on operations will be fully funded by the Company’s shareholders, the Province and HRM.