



 **Scotiabank CENTRE**

# **2022-23 Annual Report**

Accountability &  
Performance Analysis

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

We were created in 2014 through the Halifax Convention Centre Act as part of a partnership between the Province of Nova Scotia and the Halifax Regional Municipality (HRM), and we work in collaboration with them to manage our businesses in a responsible and transparent manner. Our *Board of Directors* oversees our strategic direction and ensures we carry out our mandate effectively. We manage Scotiabank Centre under a long-term management agreement with HRM, which was renewed and approved by Halifax Regional Council in February 2020.

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

We are focused on attracting and hosting a strong mix of marquee sporting, entertainment, cultural, and tenant event activity that drives economic and community benefits for Nova Scotia. Scotiabank Centre is owned by HRM and is managed and operated on their behalf by Events East. All operating income or losses generated by Scotiabank Centre accrue to HRM and the municipality funds all significant capital improvements.

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## PLANNING & OPERATING CONTEXT

Scotiabank Centre is known as a community icon that serves as a platform for event excitement and vibrancy, driving community and economic impact. With a 45-year history of hosting the best events in sports and entertainment, Scotiabank Centre is the largest multipurpose facility in Atlantic Canada. It serves as the region's premier venue for major entertainment and sporting events and the nucleus of major event activity in Nova Scotia.

With a seating capacity of more than 10,000 and the versatility to accommodate a range of events, Scotiabank Centre creates a variety of event experiences that attract 100-120 events with over 500,000 fans in a typical year. Our anchor tenants include the Halifax Mooseheads, the Halifax Thunderbirds and the Royal Nova Scotia International Tattoo.

2022-23 was a very positive year for Scotiabank Centre, exceeding all key targets including budget and event mix, and setting historical attendance records, which reinforced the demand for live events.

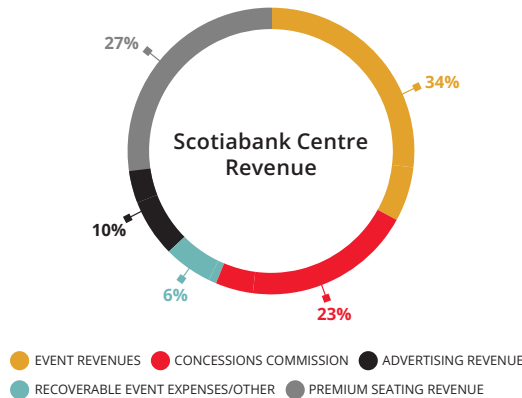
# PERFORMANCE ANALYSIS

Scotiabank Centre's surplus for 2022-23 was \$717K compared to a planned deficit of \$991K, and a prior year deficit of \$2.4M, primarily due to the impact of the 2023 IIHF World Junior Championship, coupled with a strong lineup of events, which had a substantial positive impact on the financial results for the year.

Revenues for 2022-23 were \$10.5M, higher than budget of \$7.3M and prior year of \$3.2M, reflecting a full year of event activity. Of the total revenue, event revenue was \$6.5M compared to budget of \$3.7M and prior year of \$1.3M. Premium product revenues which includes Premium Seating and corporate partnerships were \$3.9M compared to a budget of \$3.5M. The largest driver of the increased event revenues was the 2023 IIHF World Junior Championship, which was unplanned at the time of budgeting.

Operating expenses totaled \$7.6M compared to the budget of \$6.5M and prior year of \$3.8M, which includes event expenses of \$5.1M as compared with the budget of \$3.9M and prior year of \$1.6M, due to significantly increased event activity. Other operating expenses include salaries, administration, marketing, insurance, and rent, which totaled \$2.5M compared to the budget of \$2.6M and prior year of \$2.2M.

Shared facilities and building costs of \$2.1M as compared with budget and prior year of \$1.8M, which reflect expenses related to building operations for Scotiabank Centre and the Shared Services and Facilities Agreement between HRM and Armco Capital. Building costs include utilities, facility repair, maintenance, cleaning and security, which were the result of higher event activity.



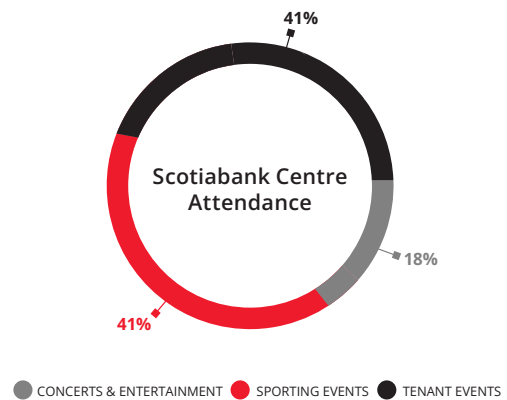
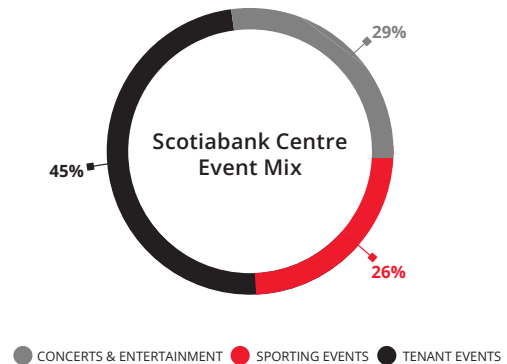
## ECONOMIC IMPACT & EVENT MIX

Scotiabank Centre promotes economic growth and community vibrancy by attracting and hosting events. As such, our business and success is reflected not only in the mix of events and number of attendees, but through the economic impact generated by our business.

Economic impact measures the benefit of new money being spent in the Nova Scotia economy as a result of events hosted at Scotiabank Centre. When visitors from outside of Halifax spend time in Nova Scotia, they spend money on accommodations, transportation, restaurants, shopping, and local attractions, and often extend their stay to visit other regions of the province. We measure economic impact on an annual basis, compiling attendee and event promoter spending.

In 2022-23, we hosted 115 events against a target of 100 and more than 587,000 attendees against a target of 500,000. Total direct expenditures as a result of the events we hosted was \$53.5M against a target of \$46M.

Further, Scotiabank Centre hosted an historically strong calendar of sporting and entertainment events throughout the year including the return of full regular seasons for the Halifax Mooseheads and Halifax Thunderbirds, along with the Royal Nova Scotia International Tattoo, 2023 AUS Basketball Championship and 2023 USPORTS Final 8 Men's Basketball Championships. Additionally, there was a diverse lineup of concerts and comedy shows including Sting, Jann Arden, James Taylor and Jackson Browne, Avril Lavigne, Bryan Adams, Arkells, Michael Bubl , Trevor Noah, Tom Segura, and John Mulaney.



**CORE MEASURES**

<b>Total Events</b>	100+	115
<b>Total Attendance</b>	500,000+	587,387
<b>Total Direct Expenditures</b>	\$46M	\$53.5M

**22-23 Actual**
**ECONOMIC IMPACT**

<b>Total Incremental Expenditures</b>	\$17.8M
<b>Estimated person years of employment</b>	805
<b>Estimated Household Income</b>	\$25.7M
<b>Estimated Provincial Tax Revenue</b>	\$3.3M

**Notes:**

- Direct expenditures measure the estimated impact of the events we host, using a methodology and calculation developed through analysis of historical and average attendee and event organizer spending. 27 per cent of Scotiabank Centre direct expenditures are incremental. Incremental expenditures are those that would not have taken place in the absence of Events East facilities and activities.

The calculation used to estimate direct expenditures was updated in January 2023 to reflect inflationary factors following an analysis conducted by [HLT Advisory](#), which included a review of regional market data and Statistics Canada Consumer Price Index data. As such, this updated calculation has been applied to the direct expenditure target and performance analyses for 2022-23 and beyond.
- Economic impact figures are calculated by the Nova Scotia Department of Finance and Treasury Board using the Input-Output Model.

# BUSINESS GROWTH

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## EVENT ATTRACTION STRATEGY

Scotiabank Centre secured and hosted a diverse calendar aligned with our long-term event attraction strategy, including several major multi-day events and major concert performances.

Early in 2022-23, with the provinces Nova Scotia and New Brunswick and the cities of Moncton and Halifax, Avenir Centre and Scotiabank Centre won the bid to host the 2023 IIHF World Junior Championship with an expedited timeline to deliver and execute the 10-day international tournament. Securing the 2023 Championships was a testament to our existing partnership with Hockey Canada, our collaborative relationships with municipal and provincial governments, and demonstrated the strength of our region's reputation as a leading host destination.

This year we were also successful in our bid to host the 2024 JUNO Awards in partnership with Music Nova Scotia, Halifax Regional Municipality, Discover Halifax, and the Province of Nova Scotia. We continued to actively pursue additional marquee events and concerts, consistent with our long-term event attraction strategy, with efforts focused on 2025 and beyond.

## PARTNERSHIPS & PREMIUM SEATING

Optimizing the experience for our Premium Seating clients remained a key focus throughout the year, including stabilizing the service delivery standards and resourcing model for support. Through proactive sales efforts, and due to the event mix, Premium Seating inventory returned to a fully leased position during the year.

Corporate partnership activity remained strong including new corporate partnerships with Atlantic Lottery Corporation, MacGillivray Law, and Corby Spirit and Wine Limited.

Revenue generated by Premium Seating and partnerships returned to an historical position and exceeded budget targets due to high customer demand and interest.

## DIGITAL ADVERTISING STRATEGY

To enhance our digital advertising offering and align with client expectations, a new outdoor digital video screen was installed.

In March 2023, a tender was issued for the provision of consulting design services, including a digital advertising ring, concourse digital signage, and public address system. The supplier for this major audio-visual and digital enhancement project will be selected in the upcoming year, with a multi-year implementation plan.

# FAN EXPERIENCE

## ENHANCED FAN EXPERIENCE

This year, our team transitioned back to pre-pandemic service delivery standards and worked closely with our tenants and partners to create exceptional event experiences for fans. This included enhanced pre-event and on-site communications tools to support a positive experience upon entry to the venue, as well as wayfinding and customer service improvements.

With a focus on applying key learnings from the 2023 IIHF World Junior Championship, service delivery standards were documented to maintain a seamless fan experience. The design and implementation of formal customer research is planned for the upcoming year to identify future focus areas.

To support the delivery of our guest services standards, we recruited and onboarded key senior operational resources, and implemented training and cross-departmental integration to support operations.

We also partnered with event organizers to successfully deliver their events, including the Halifax Mooseheads season, the Halifax Thunderbirds season, and the 2023 Atlantic University Sport and USPORTS Men's Final 8 Basketball Championships, which saw record attendance.

## DIGITAL TICKETING

Following our commitment to a digital-first ticketing strategy, this year we continued to deliver and enhance our ticketing service model and enhanced our fan communications to support.

Following a full, competitive procurement process and comprehensive financial and business analysis, a new long-term ticketing partnership contract and transition plan was underway at year end.

## CONCESSIONS PROGRAM

In partnership with our concessions provider, we continued optimization of the service model and menu offerings based on fan feedback and operational efficiencies. An onsite concessions efficiency review with Sodexo was conducted to determine areas of future focus.

# COMMUNITY CONNECTION

## COMMUNITY RELATIONS PROGRAM

We implemented year one of our Community Relations Program, which included formal partnerships that allow us to broaden access to the events we host through the following community organizations: Big Brothers Big Sisters of Greater Halifax, Kids Up Front Atlantic, the Immigrant Services Association of Nova Scotia (ISANS), and Halifax Public Libraries. These partnerships align with our commitment to community impact and our organizational Equity, Diversity and Inclusion Framework.

To continue our support of fundraising efforts of registered charities, non-profits, and grassroots organizations in Nova Scotia, we also enhanced promotion and access to our Ticket Donation Program, fulfilling donation requests from 32 charitable organizations throughout Nova Scotia.

## MAXIMIZING IMPACT

Throughout the year, we continued ongoing promotion of event activity to drive ticket sales and awareness through advertising and community activations. This included engaging with our downtown neighbouring businesses, industry partners, and contests with Rogers, Steele Subaru, and the Halifax Marriott Harbourfront Hotel.

A key focus was a promotional strategy to create awareness, excitement and community pride for the 2023 IIHF World Junior Championship and Fan Fest, including event pageantry, briefings and engagement opportunities with downtown businesses, and a comprehensive media strategy. These efforts increased our social media and earned media reach by up to 300% in that period.

# TALENT & CULTURE

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## RESOURCING STRATEGY

With a quick return to historical event volume early in the year, we focused on building and maintaining our core operational teams to support event delivery. This included a comprehensive operational training program and successful retention of employees that were recruited to support the 2023 IIHF World Junior Championship, allowing us to stabilize key operational roles and responsibilities to support our fan experience vision.

Building on the success of the prior year's recruitment strategy, we continued to collaborate with industry partners on job fairs, targeted recruitment campaigns and community partnerships, as well as the integration of employees between Scotiabank Centre and Halifax Convention Centre. We continued our partnership with 20+ community organizations to help expand access to talent and grow our labour pool for the short and long-term. Further, Scotiabank Centre was recognized as a Certified Age-Friendly Employer (CAFE) by the Age-Friendly Institute, acknowledging our policies, practices, and programs that support inclusive employment opportunities to employees of all abilities and ages.

## EQUITY, DIVERSITY, AND INCLUSION FRAMEWORK

This year, we expanded our Equity, Diversity, and Inclusion education program to include fundamental training programs delivered to all salaried staff. Education will remain a key priority for the organization, with a focus on developing a sustainable, organization-wide program as part of our long-term recruitment and resourcing strategy.

# ACCOUNTABILITY & SUSTAINED PERFORMANCE

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## ENHANCED SECURITY PROGRAM

In keeping with our commitment to fostering a safe experience at Scotiabank Centre, we introduced security gates for entry. Given the evolving security environment, gates have become an industry standard in sports and entertainment arenas across the country. Training and process improvements were ongoing throughout the year.

## ACCESSIBILITY

In alignment with the Nova Scotia *Accessibility Act*, an organizational Accessibility Framework was developed with input and collaboration from community volunteers with lived and learned accessibility experience. The framework, as well as an accessibility audit of the venue conducted by Halifax Regional Municipality, will be reflected in our multi-year capital plan in conjunction with a long-term visioning exercise for Scotiabank Centre.

## CAPITAL PROGRAM

In 2022-23, we continued the ongoing development of a five-year recapitalization plan for Scotiabank Centre in collaboration with the Halifax Regional Municipality, with a focus on the development of structural, mechanical and customer experience infrastructure. The five-year plan was refocused to long-term visioning exercise in 2023-24.

# OUTCOMES & PERFORMANCE MEASURES

Key performance and operational outcome areas against our 2022-23 Business Plan:

Strategic Goal	Measure	2022-23 Target	2022-23 Actual
<b>Business Growth</b>	Economic impact	Generate approximately \$46M in direct expenditures through the events we host.	Exceeded target, generating \$53.5M in direct expenditures* through the events we hosted.
<b>Business Growth</b>	Revenue generation	Return to historical revenues of approximately \$7M+	Exceeded target with total revenues of \$10.5M.
<b>Fan Experience</b>	Number of events hosted at Scotiabank Centre	Successfully host 100+ events with 500,000 total attendees.	Successfully hosted 115 events with 587,000+ attendees.
<b>Fan Experience</b>	Fan feedback	Access and implement approach to ongoing fan feedback and research.	Full program development deferred to 2023-24.
<b>Community Connection</b>	Enhanced Community Relations strategy	Develop and launch new Community Relations strategy.	Developed and launched year 1 of Community Relations strategy and formalized community partnerships.
<b>Accountability &amp; Sustained Performance</b>	Multi-year capital plan	Work in collaboration with HRM to identify capital improvement requirements and funding program to support.	Work ongoing with HRM to identify five-year capitalization plan.
<b>Accountability &amp; Sustained Performance</b>	Financial performance	Meet approved budget targets.	Exceeded budget targets with a surplus of \$717K compared to a budgeted deficit of \$991K.

**Notes:**

\*Direct expenditures measure the estimated impact of the events we host, using a methodology and calculation developed through analysis of historical and average attendee and event organizer spending. 27 per cent of Scotiabank Centre direct expenditures are incremental. Incremental expenditures are those that would not have taken place in the absence of Events East facilities and activities.

The calculation used to estimate direct expenditures was updated in January 2023 to reflect inflationary factors following an analysis conducted by [HLT Advisory](#), which included a review of regional market data and Statistics Canada Consumer Price Index data. As such, this updated calculation has been applied to the direct expenditure target and performance analyses for 2022-23.



# COMBINED CORE ACCOUNTABILITY & STRATEGIC MEASURES

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

	Halifax Convention Centre	Scotiabank Centre	Total
<b>CORE MEASURES</b>			
<b>Total Events</b>	155	115	270
<b>Total Attendees</b>	90,385	587,387	677,772
<b>Total Direct Expenditures</b>	\$52.3M*	\$53.5M*	\$105.8M*
<b>ECONOMIC IMPACT</b>			
<b>Total Incremental Expenditures</b>	\$52.3M	\$17.8M	\$70.1M
<b>Estimated Person Years Employment</b>	611	805	1,416
<b>Estimated Household Income</b>	\$23.6M	\$25.7M	\$49.2M
<b>Estimated Provincial Government Tax Revenue</b>	\$3.1M	\$3.3M	\$6.4M

**Notes:**

- Direct expenditures measure the estimated impact of the events we host, using a methodology and calculation developed through analysis of historical and average attendee and event organizer spending.

The calculation used to estimate direct expenditures was updated in January 2023 to reflect inflationary factors following an analysis conducted by [HLT Advisory](#), which included a review of regional market data and Statistics Canada Consumer Price Index data. As such, this updated calculation has been applied to this analysis.
- Economic impact figures are calculated by the Nova Scotia Department of Finance and Treasury Board using the Input-Output Model.

A black and white photograph of the Scotiabank Centre arena. The building's facade features the Scotiabank logo and the name "Scotiabank CENTRE" in large letters. Below the main entrance, a sign reads "GATE B". The foreground is filled with the silhouettes of a crowd of people, many with their hands raised in the air, suggesting a game or event is taking place. The sky is overcast.

**Scotiabank CENTRE**

 **Scotiabank CENTRE**

# **2022-23 Annual Report**

## Financial Statements

March 31, 2023

# MANAGEMENT'S REPORT

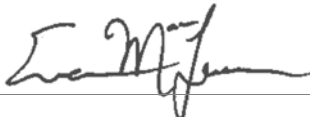
The financial statements of Scotiabank Centre have been prepared by management of Events East Group based on the financial reporting provisions prescribed in the Management Agreement [the "Agreement"], between Halifax Regional Municipality and Events East Group dated February 5, 2020. Management has applied the principles of Canadian public sector accounting standards, and the integrity and objectivity of these financial statements are management's responsibility. Management is 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, Deloitte 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 financial management of Scotiabank Centre and meet when required.

On behalf of Events East Group:



Evan MacLean, CPA, CA  
Director of Finance & Corporate IT



Carrie Cussons, CPA, CA  
President & CEO

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**Events East Group**

## Opinion

We have audited the financial statements of Scotiabank Centre (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Company for the year ended March 31, 2023 are prepared, in all material respects, in accordance with the financial reporting provisions described in note 2 to meet the requirements of the Management Agreement dated February 5, 2020 [the "Agreement"] between Halifax Regional Municipality and Events East Group.

## Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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.

## Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Company in complying with the financial reporting provisions as described in note 2 to meet the requirements of the Agreement. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## Other Matter

The financial statements of the Company for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on June 27, 2022.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions as described in Note 2 to meet the requirements of the Agreement, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 GAAS 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 GAAS, 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.

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.



Chartered Professional Accountants  
Halifax, Canada  
June 28, 2023

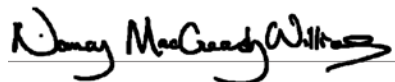
# STATEMENT OF FINANCIAL POSITION


As at March 31

	2023 \$	2022 \$
<b>FINANCIAL ASSETS</b>		
Cash	3,333,124	1,076,175
Due from Halifax Regional Municipality, net <i>[note 4]</i>	—	2,389,260
Accounts receivable	2,146,872	1,478,023
<b>Total financial assets</b>	<b>5,479,996</b>	<b>4,943,458</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	1,768,843	629,994
Due to Events East Group <i>[note 4]</i>	2,180,072	3,597,046
Due to Halifax Regional Municipality, net <i>[note 4]</i>	835,454	—
Unearned revenue	758,707	776,116
<b>Total financial liabilities</b>	<b>5,543,076</b>	<b>5,003,156</b>
<b>Net debt</b>	<b>(63,080)</b>	<b>(59,698)</b>
<b>NON-FINANCIAL ASSET</b>		
Prepaid expenses	63,080	59,698
<b>Accumulated surplus (deficit)</b>	<b>—</b>	<b>—</b>

See accompanying notes

On behalf of the Board:

 Director

 President

# STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS/ (DEFICIT)

Year ended March 31

	2023 \$	2023 \$	2022 \$
	<i>[budget]</i>		
<b>REVENUE [NOTE 4]</b>	<b>7,321,000</b>	<b>10,454,610</b>	3,214,311
<b>EXPENSES</b>			
Events	3,873,000	5,100,391	1,578,837
Salaries <i>[notes 3 and 4]</i>	1,934,000	1,780,634	1,750,356
Administration and technology	202,500	247,698	149,247
Marketing and promotions	181,500	62,127	95,489
Operations	208,000	314,835	122,181
Insurance and rent	95,000	100,481	95,747
	<b>6,494,000</b>	<b>7,606,166</b>	3,791,857
<b>Annual surplus (deficit) before shared facilities and building costs</b>	<b>827,000</b>	<b>2,848,444</b>	(577,546)
Shared facilities and building costs, net <i>[note 1]</i>	1,818,000	2,131,911	1,780,917
<b>Annual surplus (deficit)</b>	<b>(991,000)</b>	<b>716,533</b>	(2,358,463)
Transfer (to)/from Halifax Regional Municipality <i>[note 4]</i>	991,000	(716,533)	2,358,463
<b>Annual surplus (deficit) after transfers from Halifax Regional Municipality</b>	<b>—</b>	<b>—</b>	—
Accumulated surplus (deficit), beginning of year	—	—	—
<b>Accumulated surplus (deficit), end of year</b>	<b>—</b>	<b>—</b>	—

See accompanying notes

# STATEMENT OF CHANGES IN DEBT

Year ended March 31

	2023 \$	2022 \$
<b>Annual surplus (deficit) after transfers from Halifax Regional Municipality</b>	—	—
(Increase)/decrease in prepaid expenses	<b>(3,382)</b>	11,850
<b>(Increase)/decrease in net debt</b>	<b>(3,382)</b>	11,850
Net debt, beginning of year	<b>(59,698)</b>	(71,548)
<b>Net debt, end of year</b>	<b>(63,080)</b>	(59,698)

See accompanying notes

# STATEMENT OF CASH FLOWS

Year ended March 31

	2023 \$	2022 \$
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit) after transfers from Halifax Regional Municipality	—	—
Net change in non-cash working capital balances		
Accounts receivable	(668,849)	(264,951)
Accounts payable and accrued liabilities	1,138,849	19,955
Decrease/(increase) in due to (from) Halifax Regional Municipality	3,224,714	(880,871)
(Decrease)/increase in due to Events East Group	(1,416,974)	630,312
(Decrease)/increase in unearned revenue	(17,409)	307,154
(Increase)/decrease in prepaid expenses	(3,382)	11,850
<b>Cash used in operating activities</b>	<b>2,256,949</b>	<b>(176,551)</b>
<b>Net decrease in cash during the year</b>	<b>2,256,949</b>	<b>(176,551)</b>
Cash, beginning of year	1,076,175	1,252,726
<b>Cash, end of year</b>	<b>3,333,124</b>	<b>1,076,175</b>

See accompanying notes



# NOTES TO FINANCIAL STATEMENTS

## 1. Nature of operations

Scotiabank Centre [the “Centre”] is a sports and entertainment complex owned by the Halifax Regional Municipality [“HRM”]. The Centre is an asset of HRM and is not a separate legal entity. All operating surpluses or deficits generated by the Centre accrue to HRM and the municipality funds all significant capital improvements.

The Centre is operated by Events East Group [“Events East”] on behalf of HRM under a Management Agreement [the “Agreement”] dated February 5, 2020 which outlines Events East’s management of the Centre. The Agreement is for a term of five years and may be renewed upon mutual agreement of Events East and HRM for two additional five-year terms.

Effective April 9, 2018, a Shared Services and Facilities Agreement [“SSFA”] was signed between HRM and an external third party. The agreement directs the shared operation of the former World Trade and Convention Centre [“WTCC”] building, including the Office Tower, and the Scotiabank Centre building, which share common spaces and facilities that are integral to the operation of both the former WTCC building and the Centre. Events East, as manager of the Centre, is assigned by HRM as operator of the SSFA on HRM’s behalf. As such, all shared facilities operations, expenses and recoveries from the third party are recognized in the Centre’s financial statements.

## 2. Summary of significant accounting policies

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

These financial statements were prepared in accordance with the significant accounting policies described below to comply with the financial reporting provisions prescribed in the Agreement dated February 5, 2020 between HRM and Events East.

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

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

### *Cash*

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

### *Tangible capital assets*

The land, building and equipment utilized and operated by the Centre are owned by HRM and are not included in these financial statements. The cost of the debt and depreciation related to these assets are not recorded in these financial statements. HRM includes these assets in its financial statements and will capitalize betterments to the facility based on its own accounting policies. Any betterment made to the facility and paid for by the Centre that is not reimbursed by HRM is expensed in the period they are incurred.

### *Prepaid expenses*

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

### *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. Funds received when these criteria have not been met are recorded as unearned revenue.

### *Expenses*

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

## 3. Employee future benefits

### *Pension plan*

Employees of the Centre participate in the Public Service Superannuation Plan [“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 Plan are required by both the employees and the employer. Total employer contributions for 2023 were \$179,812 [2022 – \$187,801] and were recorded in salaries during the year. Total employee contributions for 2023 amounted to \$179,812 [2022 – \$187,801]. The Centre is not responsible for any underfunded liability, nor does the Centre have access to any surplus that may arise in this Plan and, accordingly, no liability associated with this Plan has been recognized in the financial statements.

#### 4. Related party transactions

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

	2023 \$	2022 \$
Payroll recoveries paid to Events East <sup>[1]</sup>	<b>(3,558,148)</b>	(2,924,208)
Commissions received from Events East <sup>[2]</sup>	<b>121,430</b>	47,471
Net transfers from Halifax Regional Municipality <sup>[3]</sup>	<b>(747,046)</b>	2,324,818
Interest revenue from Halifax Regional Municipality <sup>[4]</sup>	<b>69,690</b>	11,127
Transactions with Events East <sup>[5]</sup>	<b>(194,917)</b>	(178,512)

- [1] Payroll and related costs of the Centre were paid by Events East on behalf of the Centre.  
 [2] Commissions earned on ticket sales purchased through Ticket Atlantic, a division of Events East.  
 [3] Transfers throughout the year include deficit funding net of payment for policing services rendered by HRM.  
 [4] Interest earned on cash deposits held on behalf of the Centre by HRM as part of their pooling arrangement with the bank.  
 [5] Events East and the Centre had a variety of intercompany transactions throughout the year related to allocation of general expenses, paid by Events East on behalf of the Centre.

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

#### 5. Financial instruments and risk management

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

#### Risks and uncertainties

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

##### Liquidity risk

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

##### Capital risk

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

##### Credit risk

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

#### 6. Budgeted figures

Budgeted figures have been provided for comparison purposes as approved by Events East's Board of Directors.