

# 2015-16 ANNUAL REPORT

 Scotiabank CENTRE



# CONTENTS

GREETINGS FROM THE MAYOR	2
MESSAGE FROM THE CEO	3
ENHANCING THE CUSTOMER EXPERIENCE	4
CONNECTING WITH OUR COMMUNITY	10
CREATING COMMUNITY VIBRANCY	14
EVENT HIGHLIGHTS	19
LOOKING TO THE FUTURE	20
BUSINESS OVERVIEW	22
MANAGEMENT DISCUSSION & ANALYSIS	23
FINANCIAL STATEMENTS	28

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# GREETINGS FROM THE MAYOR

A new era may have begun at the Scotiabank Centre, but the same incredible event experience remains. Over its rich history, the Scotiabank Centre has created a lifetime of memories for our community. Today, the legacy of the iconic facility continues, but in new and improved ways.

With a fresh re-brand well in motion, including a facelift to some key elements of the Scotiabank Centre, the facility is delivering an enhanced event experience.

When I was treated to a sneak peek of the upgraded seats and sampled the new food offerings just before the Canadian Country Music Association Awards stepped into town, I knew something amazing had happened. Part of these improvements include a partnership between the concessions provider, Centerplate, and leaders in the local food community to showcase our local food offerings and culture. Now, guests from all over the world can sample a taste of our city as they feed off the energy and excitement of the Scotiabank Centre.

With this investment in improvements, we're ensuring Halifax continues to have the premier venue for our region to gather, celebrate, and be entertained. And what a year of sports and entertainment it has been. We hosted the CIS Men's University Cup and witnessed homegrown talent compete

against their national counterparts in outstanding live action. The National Basketball League of Canada welcomed our Halifax Hurricanes to professional basketball. And, of course, we got to pump up the country as Halifax hosted and celebrated the Canadian Country Music Association Awards.

There's no doubt that the Scotiabank Centre will continue to serve as a gathering place for our community – a place where memories are made and relationships are forged – and act as an economic driver for our city for years to come.

I'm proud of all that we've accomplished this past year, and look forward to the evolution of Atlantic Canada's mainstay gathering place for world-class sports and entertainment.



**Mike Savage**  
Mayor, City of Halifax

# MESSAGE FROM THE CEO

This past year was one of change and improvement. We kicked-off another exciting season of events by unveiling a series of improvements to our Scotiabank Centre. This marked a new era for a facility that has been a major source of community pride for over 37 years.

It's been an incredible journey as we build on our rich history of successful events, hosting the world's top performers, homegrown talent, and best-in-class athletes. This year, even while undergoing renovations, we welcomed over 458,000 fans to a number of marquee events including the Canadian Country Music Association Awards, CIS Men's University Cup, and the Canadian Tire National Skating Championships. We also celebrated the return of professional basketball to Halifax as the Halifax Hurricanes stormed into the Scotiabank Centre for their National Basketball League of Canada debut.

As part of the naming rights transition and with input gathered from our guests and partners, we worked on enhancing the customer event experience through a series of upgrades and renovations, such as new seats, expanded washrooms, and new concession options.

It's indeed been a significant transition, but ultimately these dramatic and visible changes help pave the way for an exciting future as we continue to deliver great events that

A portrait of Carrie Cussons, the Acting President & CEO, smiling. She has short brown hair and is wearing a bright blue blazer over a black top with a gold necklace. The background is a soft-focus outdoor setting.

ignite our community. Our fresh look and offerings now meet global standards, as we maintain our position as Atlantic Canada's premier sports and entertainment venue. Our guests and community can expect a continued emphasis on marquee events that deliver unique experiences, while more changes continue as we work to adapt to the evolving expectations of our audiences.

A handwritten signature in cursive script that reads "Carrie Cussons".

*Carrie Cussons*

**Carrie Cussons**  
Acting President & CEO





EXPERIENCE TRUE FANDOM  
1721 Brunswick St. — Open daily 11am-10pm

BRUNSWICK ST. / DUKE ST.

4:02

Heritage Gas  
"Honestly, our house feels more comfortable"




# ENHANCING CUSTOMER EXPERIENCE

Wow.

That's the reaction we've been getting when people see the renovated Scotiabank Centre for the first time. Many are saying it looks and feels like a brand-new building, not a 38-year-old facility.

The transformation is a result of over \$5 million worth of upgrades made possible when Scotiabank became our naming rights partner.

There was no question of where we were going to spend the money. For years, customers had been telling us that the iconic orange seats had become uncomfortable, the once-modern washrooms were now too small, and the concessions area always had a traffic jam, and could use a little more variety.

So when the opportunity came to enhance our customers' experience, we knew just what to do. 



■ NEW SEATS WITH CUPHOLDERS ARE ONE OF THE MANY NEW CUSTOMER EXPERIENCE IMPROVEMENTS AT SCOTIABANK CENTRE.



# RENOVATION HIGHLIGHTS



PROJECT  
DAYS



22,000+  
HOURS OF WORK

10,000+  
NEW SEATS



1,100+  
LITRES OF PAINT



26  
NEW  
WASHROOMS

16  
NEW MENU  
OPTIONS






## HAVE A SEAT

We've been building an international reputation for the calibre of events we host at Scotiabank Centre. The Ford World Men's Curling Championship and the Royal Nova Scotia International Tattoo bring in fans, participants, and media from all over the world. These are people who have experienced what major arenas have to offer. So when it came time to change the seats, we knew we wanted to deliver that same level of quality.


Our new seats are fully padded on the bottom and back and feature a cupholder. They're the exact same seats you'll find at some of North America's most prestigious arenas.

"It's as close to an NHL atmosphere as you can get," says Bobby Smith, majority owner and president of the Halifax Mooseheads. "We look for convenience for our fans. The upgrades have been done very well. Whatever makes our fans happy, makes us happy." 



**SCAN TO WATCH A  
TIMELAPSE OF THE  
NEW SEATS BEING  
INSTALLED**

## TAKE A BREAK

While nobody can guarantee that you'll never have to wait for a washroom again, at least your chances are two times better that you'll get back before the intermission is over. As part of the renovation, we doubled the number of washrooms and completely overhauled them to make them much more attractive and efficient. 



■ DOUBLING OUR WASHROOMS MEAN IMPROVED WAIT TIMES.

## BRING YOUR APPETITE

The third step we took in the evolution of the facility was to hire Centerplate to create a new food and beverage experience. Centerplate is the supplier of choice in over 300 major sports and entertainment arenas across the United States, Canada, and the United Kingdom.

Their vision is to be fresh, local, and diverse says James Demjan, general manager for Centerplate at the Scotiabank Centre. Guests can now enjoy local delicacies like handcrafted sausages from Nova Scotia's Meadowbrook Meat Market, Chris Brothers pepperoni, and even a donair in honour of Halifax's official food.

There's also Taste 902, a kiosk dedicated just to local chefs, restaurants, and food concepts.

The other thing people want is an ice-cold beer to go with their meal. To that end, our beverage sponsor, Labatt Breweries, stepped up with some cool new ideas. "We're elevating the beer experience," says Chad Patterson, regional vice president. That includes new brands like Shock Top and Goose Island, and the new Budweiser King Club Lounge.

The upgrades mark a new era and an exciting future for a facility that is a great source of pride in our community. 🍷



■ THE ASIAN NOODLE BOWL IS JUST ONE OF OUR SIXTEEN NEW MENU OPTIONS.



# — HALIFAX — TASTE 902

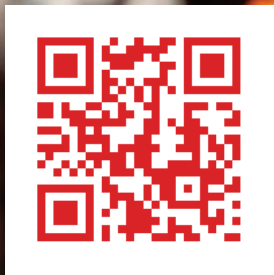
# — HALIFAX — TASTE

MENU

CHOP'S MOPS	SHARES PRICE
DAZANT WATER	\$2.99
COKE PRODUCTS	\$4.99

HALIFAX MOPS BARNEY PACK

2011



SCAN FOR MORE  
INFORMATION  
ON OUR RECENT  
RENOVATIONS.



# CONNECTING WITH OUR COMMUNITY







# COMMUNITY


Some people get a t-shirt or an autographed picture to remember a special event at the Scotiabank Centre—and now a very select few have a pair of the original orange seats.

The people who have them were winners in our Memory Contest—an idea we developed with our radio partners that invited members of our community to share a story with us about an experience they had in those seats. The response was amazing.

One man described going to see his first Halifax Mooseheads game when he was five-years old, and how that turned him into a life-long fan.

A young couple told about having their first date at the Australian Pink Floyd concert—and now they're married.

A dancer shared her memories of rehearsing for the Royal Nova Scotia International Tattoo, and how awe-struck she felt looking out at the arena.

Each radio station's lucky winners got to take home a pair of seats. If you didn't win, you can still see one outside the Nova Scotia Sports Hall of Fame, and another is hanging from the rafters of the newly renovated Scotiabank Centre—a fitting retirement for 38 years of dedicated service. 

## WHEN THE PUCK DROPS, HOCKEY LOVERS WIN

Halifax has a long history in hosting major hockey championships. So it was a real score when St. Francis Xavier (StFX) and Saint Mary's universities, in partnership with Sports & Entertainment Atlantic (S|E|A), won the bid to host the CIS University Cup for two years in a row to be played at the Scotiabank Centre.

It was a unique bid that resulted in a historic first. "This was the first time in the history of the cup that two universities had collaborated to host the event," says Phil Currie, executive director of Atlantic University Sports (AUS), "and it was also the first time since the cup's inception in 1963 that it had ever been played in Halifax. The relationship our local members have with Scotiabank Centre is vital to continuing to host these types of national events."

One of the strategies that made the event so successful, says Derek Martin, president of S|E|A, was the partnering of an urban university with a rural one. That brought in fans from across the province—setting a record of 43,500+ attendees.

"It's a thrill as an alumnus to pull out the sweater, and see the stands filled with others wearing the same sweater," says Martin. "It creates a sense of community around the sport."

The 2015 championships were officially hosted by St. FX and saw the Alberta Golden Bears take the cup. In turn, Saint Mary's officially hosted in 2016, with UNB Varsity Reds coming out on top.






## THE RETURN OF THE FINAL EIGHT

For 24 straight years, plus two other visits, the Final Eight brought basketball fans out in droves in Halifax. How much did they love that championship? “When it went away for the first time, I had fans contact me from across the country who said they wouldn’t come back unless it came back to Halifax,” says Phil Currie.

Well, those fans can definitely do some planning now because the prestigious ArcelorMittal Dofasco CIS men’s basketball championship is returning to the Scotiabank Centre for a two-year run in 2017 and 2018.

“I can tell you the excitement level is already building,” says Derek Martin, who goes on to describe what he thinks makes the event so special. “The championship itself is just one piece. If you don’t have the other pieces, it’s just a game. With Scotiabank Centre, the fans can be comfortable and enjoy themselves with great food and beverage options, all so close to the downtown, hotels, and nightlife. That creates the connection that people will talk about afterwards and look forward to having again. It becomes much more than watching a sport.”

We have a long history of hosting the CIS Championships and can’t wait to showcase our newly renovated facility to basketball fans from across the country. 



**SCAN FOR MORE  
INFORMATION ON  
THE UPCOMING 2017  
CIS CHAMPIONSHIP**

# CREATING COMMUNITY VIBRANCY





In September 2015, Halifax rolled out the red...make that green carpet for Country Music Week and the Canadian Country Music Association (CCMA) Awards. It was the first time in 33 years that this four-day music extravaganza had come to town, bringing fan favourites like Tim Hicks, Brett Kissel, and Johnny Reid with it.

The event turned the whole downtown into a party with almost 14,700 fans, musicians, and delegates attending, many of them coming to Nova Scotia for the first time. "Halifax is a destination," says CCMA president Don Green. "Everyone was excited to go there. I know a lot of them came in early and stayed longer to explore the province."

The small, cozy size of the downtown was one of the reasons the event went over so well. Shows and conferences were held at multiple venues, such as the Scotiabank Centre, the World Trade and Convention Centre, and the Rebecca Cohn. Everyone loved the intimate feel. "It felt like we were back home," says Green, who was especially impressed with the calibre of talent in Atlantic Canada. "The fans down there know their music. I swear everyone is musical. All of our events were well attended and the people really appreciated and understood the music."

Gord Bamford, Dallas Smith, and Jess Moskaluke took home the big awards, but the real winner was Nova Scotia. An economic impact study shows the spending of out-of-town visitors, in combination with the expenditures made by the organizers through hosting

Country Music Week 2015, totalled \$5.2 million, which generated an estimated \$11.8 million in economic activity for the province, of which \$7.9 million occurred in Halifax.

Green says the experience of working with our team was "like working with friends. They made sure we could fit things in, like our green carpet outside the convention centre. They were just amazing folks to work with."

Country Music Week and the CCMA Awards was the first event to be held in our newly renovated Scotiabank Centre. 


## SKATING CHAMPIONSHIP HEATS UP JANUARY

The month after Christmas is typically a slow time for bars, restaurants, shops, and hotels downtown. But not when Scotiabank Centre is hosting the Canadian Tire National Skating Championships!

Fans came from across the country in January 2016 to watch 250 skaters, including ice-stars Patrick Chan, pairs champions Meagan Duhamel and Eric Radford, and Alaine Chartrand, who all turned their silver blades into gold medal performances.

The event generated \$4 million to \$5 million in economic impact, including 3,500+ hotel room nights for skating families alone.

Halifax has an international reputation as a skating town, having hosted the Skate Canada International in 1983, 1997 and 2004, and the ISU World Figure Skating Championships in 1990. This was the fourth time since 1981 that Halifax had hosted the National Skating Championships.

"The city of Halifax is the site of so many memorable moments in skating history. We're excited to bring the 2016 Canadian Tire National Skating Championships back to Halifax and create more unforgettable skating moments," said Dan Thompson, Skate Canada CEO. 



## SAY HELLO TO THE HURRICANES

Hoops are part of downtown again now that the Halifax Hurricanes have been announced as the newest tenant at the Scotiabank Centre.

“Having a professional basketball team is part of the cosmopolitan makeup of any city,” says Mike Brien, CEO of the Halifax Professional Basketball Club. “We have an exciting, competitive team and our season ticket sales this year are triple what they were last year. Support is growing.”

Players like Mike Glover, Kyle Hunt, and Shane Gibson are already becoming fan favourites. And Brien is pleased to say it’s not just for their prowess on the court.

“It was important to us to build a good team, but we also wanted good people on our team,” he says, people who will have a positive impact on the whole community, as well as the scoreboard.

The Hurricanes do regular community outreach at schools and other events that bring them face to face with their fans. To the children, they’re not just athletes,




**SCAN TO WATCH  
2016 HURRICANES  
BATTLE FOR GOLD  
VIDEO**

they’re heroes and role models—many of the players have overcome similar challenges to what some of their fans are currently facing.



You can see how the fans are responding to the team by watching the crowd of autograph seekers that turn out after every game.

Brien sees a bright future for the team. “The face of downtown is changing,” he says. “With construction and the new Halifax Convention Centre, we’ll have thousands of people who will all be walking distance from the venue. It’s exciting times.” 



## SHARING THE GOOD TIMES

One of the many benefits of being physically located right in the downtown is that the whole city feels it when something is going on at the Scotiabank Centre.

“You only have to look at the Midtown Tavern during the rehearsal period to feel the impact our event has on the downtown,” says Ian Fraser, director (retired), of the Royal Nova Scotia International Tattoo, one of our key tenants. “There are nearly 2,000 performers here for two to three weeks, and then there are the visitors. (The event) brings in about \$20 million a year to the economy.”

Our beverage sponsor, Labatt Breweries, is equally proud of their contribution to the health and vibrancy

of our community through their Budweiser Good Sport program. “We’re passionate about it,” says Chad Patterson, regional vice president. “We know people are going to enjoy having a beer at their event, and we want them to get a safe way home.”

“We’re a big part of what happens in downtown Halifax,” adds Bobby Smith, majority owner and president of the Halifax Mooseheads, another key tenant. “One of the things we’re proudest of is our contribution to HRM.”

Smith sees that vibrancy only growing stronger in the future. “When you look at the convention centre, and the people who will be living there...I think it’s just terrific. It’s the place to be and that’s where we want to be.”



# EVENT HIGHLIGHTS

Scotiabank Centre offered a diverse mix of sporting, entertainment and family shows this year, hosting 458,500+ people at 119 events.

- Canadian Country Music Association Awards
- The Tragically Hip
- Counting Crows
- Halifax Mooseheads
- Vinyl Café with Stuart McLean
- Blue Rodeo
- The Next Step
- Johnny Reid
- The Wiggles
- Halifax Hurricanes
- Dean Brody & Paul Brandt Road Trip Tour
- New York Islanders vs. Carolina Hurricanes
- SEA - CIS Men's Hockey 2016
- Super Series - Canada vs Russia
- World Curling Championships
- Stars on Ice 2015
- 2015 Royal Nova Scotia International Tattoo
- Kevin Hart
- We Day Atlantic Canada
- 2016 Canadian Tire National Skating Championships





# LOOKING TO THE FUTURE





The city of Halifax has certainly changed since 1978, when the building that is now Scotiabank Centre first opened its doors. There are new, iconic buildings on the waterfront... new ferries crossing the harbour...new boundaries to the city itself...a breathtaking new library...and so much more. Today, we are the very essence of a modern city.

This year, Scotiabank Centre modernized, too, and every change we made was about enhancing our customers' experience. Best of all, we were able to make the changes at no extra cost to the taxpayer or the ticket buyer, thanks to the investment by Scotiabank.

More renovations and upgrades are being planned, and we're already booking exciting new events that will bring people together to create new, timeless memories.

Halifax continues to change and grow. With the Halifax Convention Centre well underway, as well as other new construction downtown, it could be a very different city again just 10 years from now. That's one crystal ball we can't look into. But we can predict one thing: we will continue to make Scotiabank Centre the go-to place in Atlantic Canada for the best in concerts, sports, and entertainment. 🎪

# BUSINESS OVERVIEW

Year Ended March 31, 2016

SCOTIABANK CENTRE FIVE YEAR HIGHLIGHTS	2015/16	2014/15	2013/14	2012/13	2011/12
Revenues	\$7,375,418	\$8,043,549	\$7,475,237	\$7,565,461	\$7,021,440
Excess of Revenues Over Expenditures	\$19,611	\$258,840	\$(4,969)	\$680,149	\$565,666
Attendance	458,582	514,898	521,352	585,620	429,126
Events <sup>(1)</sup>	119	126	110	117	110
SCOTIABANK CENTRE ECONOMIC IMPACT FIVE YEAR HIGHLIGHTS (\$MILLIONS)	2015/16	2014/15	2013/14	2012/13	2011/12
Direct Visitor Expenditures	\$35.0	\$39.0	\$37.9	\$42.9	\$28.7
Incremental Visitor Expenditures	\$12.7	\$14.0	\$12.6	\$14.5	\$10.6
Employment (person years) <sup>(2)</sup>	857	957	903	1,011	583
Additions to Household Incomes <sup>(2)</sup>	\$28.1	\$31.3	\$23.7	\$27.7	\$20.3
Provincial Government Revenues (taxes) <sup>(2)</sup>	\$2.9	\$3.2	\$2.5	\$2.9	\$2.1

[1] Includes all event bookings for Scotiabank Centre, which is inclusive of all on-sale opportunities and combination events held in conjunction with the World Trade and Convention Centre. Does not include consumer/trade show attendance and non-paid admission events.

[2] Of the total impacts listed, 27% of attendee impacts are considered incremental.



# MANAGEMENT DISCUSSION & ANALYSIS

## Planning & Operating Context

Located in the heart of downtown, the Scotiabank Centre is the largest multipurpose facility in Atlantic Canada, serving as the region's premier venue for major entertainment and sporting events and the hub of major event activity in Nova Scotia. Specifically designed for versatility and to accommodate some of the largest events, Scotiabank Centre offers a diverse lineup of event experiences. It remains a critical piece of major event infrastructure and is essential to event success in Nova Scotia.

Scotiabank Centre is owned by the Halifax Regional Municipality (HRM) and operated by Trade Centre Limited (TCL), a provincial Crown corporation. Its focus is on ensuring the professional and effective delivery of events that drive community and economic impact. All operating income or losses generated by Scotiabank Centre accrue to HRM and all capital improvements are funded by the municipality.

This review of Scotiabank Centre business activity for the period of April 1, 2015, to March 31, 2016, provides management's perspective of 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.

Key performance and operational outcome areas include:

1. Financial Sustainability
2. Business Growth
3. Infrastructure
4. People
5. Partnerships
6. Governance

# Performance Analysis



## Financial Sustainability

### FINANCIAL PERFORMANCE

TCL operates the Scotiabank Centre on behalf of HRM, which owns the facility and accrues all operating income generated. As the operator of Scotiabank Centre, TCL continues to focus on ensuring the professional and effective delivery of events that result in economic and community impact, with an emphasis on optimizing event mix, sustaining premium product and sponsorship revenue, and delivering on customer expectations while ensuring operational efficiency.

In 2015-16, the Scotiabank Centre had income before transfers to HRM of \$19,611 consistent with budget of \$34,000. Revenues for the year were \$7.4 million, \$85,000 under budget and \$600,000 below last year's revenues of \$8.0 million. Event, concession, and merchandise revenues were \$3.7 million, down \$200,000 from budget and under the prior year by \$700,000. The closure of the facility during the summer to allow for capital improvements also contributed to lower revenues. Sponsorship revenues and executive suite rentals delivered \$3.7 million, up \$203,000 from budget and up \$99,000 from last year.

Operating expenditures for the year were \$7.4 million, consistent with the budget and below last year by \$429,000, this was mainly due to lower event activity. The event expense ratio was 42.9 percent which is on

budget and below last year's ratio of 44 percent. As part of ongoing operational improvement, Scotiabank Centre also initiated the implementation of a new event management system that will further enhance operational efficiency and reporting.

### ECONOMIC IMPACT

Economic impact measures the benefit of new money being spent in the economy as a result of events hosted at Scotiabank Centre. Scotiabank Centre measures economic impact on an annual basis, compiling visitor and event promoter spending.

In 2015-16, Scotiabank Centre hosted a total of 119 events as compared to 126 events in 2014-15. Total event attendance was 458,582, a decrease of 56,316 when compared to 514,898 attendees last year. Total direct expenditures resulting from events hosted in 2015-16 were \$35.0 million, as compared to \$39.0 million the prior year.

These direct expenditures resulted in \$12.7 million in incremental expenditures, 857 person years of employment (516 direct, 341 spinoff), \$2.9 million in provincial government tax revenues (\$1.3 million direct, \$1.6 million spinoff) and \$28.1 million in additions to household income (\$13.2 million direct, \$14.9 million spin off). These results do not include the impact of direct spending by Scotiabank Centre. Please note that of the economic impacts listed, 27 percent are considered incremental.



Economic impacts are driven by the mix of events and those who attend the events. The decrease in economic impacts for 2015-16 is attributable to fewer overall events and as a result, fewer attendees. Fewer events were held during the year due to renovations that took place 2015-16.



### **Business Growth**

#### **EVENT ATTRACTION**

Scotiabank Centre had a strong year of events that included a total mix of 119 concert, entertainment, family, and marquee events. The Halifax Mooseheads and the inaugural season of the Halifax Hurricanes completed our sporting event calendar.

The mix of marquee events included: the Canadian Country Music Association Awards (September), NHL Exhibition Game (September), three Kevin Hart shows (October), FIVB World League Men’s Volleyball (June), the Canadian Tire National Skating Championships (January), and the second of a consecutive two-year CIS University Cup Hockey Championship (March). The facility hosted a total of 14 concerts and family events through the year that included the Tragically Hip, Counting Crows, Dean Brody and Paul Brandt, Judas Priest, the Wiggles, and Johnny Reid.

#### **CUSTOMER EXPERIENCE**

As part of the organization-wide transition plans and preparations, the development of a formal customer experience vision was a priority this year. To support this activity, Scotiabank Centre initiated primary research of key customer groups to better understand the drivers of customer experience. This included a broad-based survey via the facility’s online Customer Panel as well as development of a satisfaction survey of Premium Seating clients. Both surveys examined the various aspects of customer experience within the facility.

The information gathered through this research will be used to inform the development of the customer experience vision in 2016-17 as well as future service offerings.



## Infrastructure

### CAPITAL IMPROVEMENTS

In June 2014, TCL and HRM announced Scotiabank as the facility's naming rights partner. The partnership agreement included \$5.3 million to fund facility enhancements and required renovations to ensure continued successful event delivery and a quality customer experience. Based on input from Scotiabank Centre tenants, partners, and customers, and approval by HRM, the following key facility projects were identified: replacement of 37-year-old seats, expansion and renovation of washroom facilities, and the expansion of the concessions area to improve traffic flow. During 2015-16, Scotiabank Centre completed a number of planned facility upgrades as part this program.

Upgrades completed during the year included: replacement and installation of new seats in the arena; washroom renovation and expansion on the Mezzanine and Concourse levels; an expanded concession area and offering with Centerplate as the new food and beverage supplier; and refresh of the arena bowl with new materials and finishing.



## People

### EMPLOYEE ENGAGEMENT

Following a 2013 employee engagement survey, our employee-led engagement program continued through the year, with an emphasis on preparing staff for the upcoming organizational and operational transition. Activity included the establishment of an internal engagement committee whose purpose is to engage employees in the process of understanding and contributing to the organization's change vision and fostering the internal culture required for success.



## Community Partnerships

### PARTNERSHIPS

Corporate partnership activity was strong in 2015-16 and included the renewal of two significant multi-year partnerships with Labatt and the Atlantic Superstore. In addition, multi-year partnerships were also secured with Cineplex, Van Houtte Coffee, and Hampton Inn/Homewood Suites.

### NAMING RIGHTS PROGRAM & EVENT PROMOTION

In support of the implementation of naming rights facility improvements and various customer experience enhancements, a communications and activation program was executed. Coinciding with the launch of the season in September, this included a year-long publicity program through paid and earned media, as well as activation of partnership opportunities with Scotiabank, which included presenting sponsorship of the NHL Exhibition Game that featured the Carolina Hurricanes and New York Islanders.



## Governance

### ACCOUNTABILITY

In collaboration with HRM, TCL continued to operate Scotiabank Centre in compliance with our operating agreement. This includes collaborative development of an annual business plan and budget in addition to routine monthly and quarterly reporting. A framework for the development of a five-year strategic plan was also agreed to.

Post year-end, in April 2016, the Halifax Convention Centre Corporation Act was proclaimed. The act led to the establishment of a new corporate structure and the Corporation's acting Board of Directors, comprised of the Deputy Minister of the Nova Scotia Department of Business and the Chief Administrative Officer of HRM. The appointment of the full Board of Directors was announced in June 2016. As such, the development of a multi-year operating agreement for Scotiabank Centre was deferred to the 2016-17 fiscal year.



# FINANCIAL STATEMENTS

## Management's Report

The financial statements have been prepared by management of Trade Centre Limited based on the financial reporting provisions prescribed in the Interim Agreement dated November 7, 2013 [the "Agreement"] between Halifax Regional Municipality and Trade Centre Limited. 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 also 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

March 31, 2016

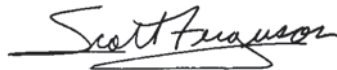
reviews internal financial statements on a monthly basis and external audited financial statements annually.

The external auditors, Ernst & Young LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Scotiabank Centre (previously operated as Halifax Metro Centre) and meet when required.

On behalf of Trade Centre Limited:



**Carrie Cussons**  
*Chief Financial Officer*



**Scott Ferguson**  
*Chief Executive Officer*

June 28, 2016

# Independent Auditors' Report

To the Board of Directors of  
**Trade Centre Limited**

We have audited the financial statements of **Scotiabank Centre**, which comprise the statement of financial position as at March 31, 2016 and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by the management of Trade Centre Limited based on the financial reporting provisions prescribed in the Interim Agreement [the "Agreement"], between Halifax Regional Municipality and Trade Centre Limited dated November 7, 2013.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions 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.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Scotiabank Centre** as at March 31, 2016, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with the financial reporting provisions of the Agreement between Halifax Regional Municipality and Trade Centre Limited.

## OTHER MATTERS

Without modifying our opinion, we draw attention to note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Trade Centre Limited to comply with the financial reporting provisions of the Agreement referred to above. As a result, the financial statements may not be suitable for another purpose.

*Ernst + Young LLP*

Chartered Accountants

Halifax, Canada  
June 28, 2016.




# STATEMENT OF FINANCIAL POSITION


As at March 31

	2016 \$	2015 \$
<b>FINANCIAL ASSETS</b>		
Cash	656,844	1,087,585
Accounts receivable	963,379	867,947
<b>Total financial assets</b>	<b>1,620,223</b>	<b>1,955,532</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	676,542	748,513
Due to Halifax Regional Municipality <i>[note 4]</i>	136,604	321,919
Due to Trade Centre Limited <i>[note 4]</i>	98,624	168,806
Unearned revenue	728,581	747,928
<b>Total financial liabilities</b>	<b>1,640,351</b>	<b>1,987,166</b>
<b>Net debt</b>	<b>(20,128)</b>	<b>(31,634)</b>
<b>NON-FINANCIAL ASSET</b>		
Prepaid expenses	20,128	31,634
<b>Accumulated surplus</b>	<b>—</b>	<b>—</b>

See accompanying notes

On behalf of the Board:

 Director

 Director

# STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended March 31

	2016 \$	2016 \$	2015 \$
	[budget - unaudited]	[actual]	[actual]
<b>Revenue</b>	<b>7,460,700</b>	<b>7,375,418</b>	<b>8,043,549</b>
<b>Expenses</b>			
Events	3,087,100	3,164,062	3,536,056
Salaries and administration <i>[note 3]</i>	2,591,500	2,579,708	2,679,525
Maintenance	699,500	616,298	636,791
Energy	611,800	623,985	611,865
Operations	193,500	197,987	206,478
Advertising and marketing	243,300	173,767	113,994
	<b>7,426,700</b>	<b>7,355,807</b>	<b>7,784,709</b>
	<b>34,000</b>	<b>19,611</b>	<b>258,840</b>
Transfers from Halifax Regional Municipality <i>[note 4]</i>	<b>(34,000)</b>	<b>(19,611)</b>	<b>(258,840)</b>
<b>Annual surplus (deficit)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Accumulated surplus, beginning of year</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Accumulated surplus, end of year</b>	<b>—</b>	<b>—</b>	<b>—</b>

See accompanying notes

# STATEMENT OF CHANGES IN NET DEBT

Year ended March 31

	2016 \$	2016 \$	2015 \$
	[budget - unaudited]	[actual]	[actual]
<b>Annual surplus</b>	—	—	—
Decrease in prepaid expenses	—	<b>11,506</b>	2,554
<b>Increase in net debt</b>	—	<b>11,506</b>	2,554
<b>Net debt, beginning of year</b>	<b>(31,634)</b>	<b>(31,634)</b>	(34,188)
<b>Net debt, end of year</b>	<b>(31,634)</b>	<b>(20,128)</b>	(31,634)

*See accompanying notes*



# STATEMENT OF CASH FLOWS

Year ended March 31

	2016	2015
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net change in non-cash working capital balances:		
Accounts receivable	(95,432)	(349,650)
Accounts payable and accrued liabilities	(71,971)	358,767
Due to Trade Centre Limited	(70,182)	(77,658)
Due to/from Halifax Regional Municipality	(185,315)	394,902
Unearned revenue	(19,347)	(99,357)
Prepaid expenses	11,506	2,554
<b>Cash (used in)/provided by operating activities</b>	<b>(430,741)</b>	<b>229,558</b>
<b>Net (decrease)/income in cash during the year</b>	<b>(430,741)</b>	<b>229,558</b>
Cash, beginning of year	1,087,585	858,027
<b>Cash, end of year</b>	<b>656,844</b>	<b>1,087,585</b>

*See accompanying notes*

# Notes to Financial Statements

## 1. NATURE OF OPERATIONS

Scotiabank Centre [the “Centre”] is a sports and entertainment complex managed and operated by Trade Centre Limited on behalf of, and as agent for the Halifax Regional Municipality [“HRM”]. The Centre is an asset of HRM and is not a separate legal entity. The Centre’s operations are financed by the HRM and all profits from the Centre accrue to the account of the HRM. The Centre was previously operated under the name “Halifax Metro Centre”. Trade Centre Limited and HRM signed an Interim Agreement dated November 7, 2013 [the “Agreement”] which assigns Trade Centre Limited’s management to the Scotiabank Centre.

## 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 (CPA 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 Interim Agreement between HRM and Trade Centre Limited dated November 2013.

Accordingly, these financial statements include only the operating results of the Centre as managed by Trade Centre Limited 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 balance sheet.

### 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 as the Centre does not control any expected benefits as a result of such expenditures. Such items are included

in “Maintenance” on the statement of operations and accumulated surplus.

### **Prepaid expenses**

Prepaid expenses include costs incurred prior to major events and conferences and are charged to expense over the periods expected to benefit from it.

### **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. Event deposits are recorded as a liability until the event occurs and the revenue recognition criteria are met. Funds received when these criteria have not been met are recorded as unearned revenue.

Transfers (revenue from non-exchange transactions) are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

### **Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Grants and transfers are recorded as expenses when the transfer is authorized, eligibility criteria have

been met by the recipient and a reasonable estimate of the amount can be made.

## **3. EMPLOYEE FUTURE BENEFITS**

### **Pension plan**

Employees of the Centre participate in the Public Service Superannuation Fund [the “Plan”], a contributory defined benefit pension plan administrated 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 2016 were \$159,145 [2015 – \$175,654] and were recorded as an expense during the year. Total employee contributions for 2016 amounted to \$159,633 [2015 – \$175,734]. The Centre is not responsible for an underfunded liability, nor does the Centre have any 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.

### **Long-term service awards**

Up until April 1, 2015, upon retirement, employees were eligible for a public service award equal to one week’s salary per year of service to a maximum of 26 week’s salary. The accrued benefit liability is recorded in the financial statements of Trade Centre Limited and a portion of the changes in the benefit is allocated to Scotiabank Centre. During the year the Centre expensed \$27,906 [2015 – \$7,802] relating to long-term service awards, which is included in salaries and administration

expense in the statement of operations and accumulated surplus.

Effective April 1, 2015, the Treasury and Policy Board of the Province of Nova Scotia issued an Administrative Directive permanently curtailing accumulation of service award years for non-bargaining unit employees. A full valuation of the public service award, reflecting the curtailment, was performed as at March 31, 2016 and is reflected in the above benefit payments.

#### 4. RELATED PARTY TRANSACTIONS

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

	2016	2015
	\$	\$
Energy recoveries received from Trade Centre Limited <sup>[1]</sup>	500,207	490,402
Payroll recoveries paid to Trade Centre Limited <sup>[2]</sup>	3,324,225	3,260,503
Commissions received from Trade Centre Limited <sup>[3]</sup>	85,915	93,518
Net transfers to Halifax Regional Municipality <sup>[4]</sup>	(94,109)	(118,571)
Interest revenue from Halifax Regional Municipality <sup>[5]</sup>	10,442	15,297

<sup>[1]</sup> Electricity expenses of the shared facility.

<sup>[2]</sup> Payroll and related costs of the Centre is paid by Trade Centre Limited on behalf of the Centre.

<sup>[3]</sup> Commissions earned on ticket sales purchased through Ticket Atlantic, a division of Trade Centre Limited.

<sup>[4]</sup> The Centre does not maintain each year's surplus, or fund each year's deficit, as it is transferred to HRM; in addition, transfers include

<sup>[5]</sup> payment for services rendered by HRM (Police) and payment for capital items owned by HRM for use by the Centre.

Interest earned on cash deposits held on behalf of the Centre by HRM as part of their banking pool arrangement with the bank.

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.



## 5. FINANCIAL INSTRUMENTS

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 and accounts receivable.

Financial liabilities consist of the Centre's accounts payable and accrued liabilities, due to HRM, and due to Trade Centre Limited. 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 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 for events where collectability is uncertain.

## 6. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Trade Centre Limited's Board of Directors.



Scotiabank Centre





# Scotiabank CENTRE

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