SASKATOON'S
ARTS & CONVENTION
CENTRE

April 5, 2019

Joanne Sproule
City Clerk
City of Saskatoon
222 – 3rd Avenue North
Saskatoon, SK S7K 0J5

Re: Centennial Auditorium & Convention Centre Corporation 2018 Audited Financial Statements

Enclosed please find a copy of the 2018 Audited Financial Statements for the Centennial Auditorium & Convention Centre Corporation. These were approved by the TCU Place Board of Directors during its regular business meeting on March 28, 2019.

Please feel free to contact me if there are any questions.

Sincerely,

Matt Petrow, CPA, CA
Director of Finance
TCU Place

Cc: Bob Korol, Chief Executive Officer – TCU Place

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION

FINANCIAL STATEMENTS

December 31, 2018

KPMG

KPMG LLP
500-475 2nd Avenue South
Saskatoon Saskatchewan S7K 1P4
Canada
Tel (306) 934-6200
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INDEPENDENT AUDITORS' REPORT

To the Member of The Centennial Auditorium & Convention Centre Corporation

Opinion

We have audited the financial statements of The Centennial Auditorium & Convention Centre Corporation (the Corporation), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Corporation 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.

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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Saskatoon, Canada
March 28, 2019

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2018, with comparative information for 2017

	2018	2017
FINANCIAL ASSETS		
Cash	$ **5,772,425**	$ 5,149,102
Investments (note 3)	**10,020,000**	9,000,000
Accounts receivable (note 4 and note 11)	**1,293,020**	1,294,370
	$ **17,085,445**	$ 15,443,472
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 11)	$ **2,640,889**	$ 2,119,279
Rental deposits	**530,005**	521,577
Advance ticket sales (note 5)	**1,447,602**	1,289,327
Deferred revenue (note 6)	**1,669,439**	1,851,080
	$ **6,287,935**	$ 5,781,263
NET FINANCIAL ASSETS	$ **10,797,510**	$ 9,662,209
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 3)	$ **2,931,368**	2,991,020
Inventory	**85,351**	94,828
Prepaid expenses and deferred charges	**62,014**	58,088
	3,078,733	3,143,936
ACCUMULATED SURPLUS (Schedule 2)	$ **13,876,243**	$ 12,806,145

Contractual rights (note 7)
Commitments to the City of Saskatoon (note 8)

The accompanying notes and supplementary schedules are an integral part of these financial statements.

Approved by the Board:

Director

Director

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION
STATEMENT OF OPERATIONS
Year ended December 31, 2018, with comparative information for 2017

	Budget	**2018**	2017
	(note 13)		
OPERATING REVENUE			
Sales	$ 10,707,269	**$ 9,942,061**	**$** 10,327,706
Sponsorships	352,879	**375,830**	383,704
Interest income	229,933	**298,785**	227,394
	$ 11,290,081	$ **10,616,676**	$ 10,938,804
OPERATING EXPENDITURES			
Direct (Schedule 1)	$ 6,114,156	**$ 5,702,771**	$ 5,862,700
Plant maintenance (Schedule 1)	2,132,916	**2,012,731**	2,090,559
Administration (Schedule 1)	1,383,675	**1,209,612**	1,347,312
Amortization (Schedule 3)	391,486	**395,815**	374,496
	$ 10,022,233	$ **9,320,929**	$ 9,675,067
OPERATING MARGIN	$ 1,267,848	**$ 1,295,747**	$ 1,263,737
OTHER REVENUE AND EXPENDITURES			
Funding by City of Saskatoon	500,000	**500,000**	500,000
Reimbursement to City of Saskatoon (note 8 and note 11)	(725,650)	**(725,649)**	(725,506)
SURPLUS OF REVENUE OVER EXPENDITURES	$ 1,042,198	**$ 1,070,098**	$ 1,038,231
ACCUMULATED SURPLUS, BEGINNING OF YEAR	12,806,145	**12,806,145**	11,767,914
ACCUMULATED SURPLUS, END OF YEAR (Schedule 2)	$ 13,848,343	**$ 13,876,243**	$ 12,806,145

The accompanying notes and supplementary schedules are an integral part of these financial statements.

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
Year ended December 31, 2018, with comparative information for 2017

	Budget (note 13)	**2018**	2017
Surplus of revenue over expenditures	$ 1,042,198	$ **1,070,098**	$ 1,038,231
Acquisition of tangible capital assets (schedule 3)	(112,905)	**(338,427)**	(355,044)
Amortization of tangible capital assets (schedule 3)	391,486	**395,815**	374,496
Loss on disposal of tangible capital assets (schedule 3)	–	**2,264**	-
	1,320,779	**1,129,750**	1,057,683
Use of inventory	–	**9,477**	3,773
Acquisition of prepaid expenses and deferred charges	–	**(3,926)**	(9,814)
CHANGE IN NET FINANCIAL ASSETS	1,320,779	**1,135,301**	1,051,642
NET FINANCIAL ASSETS, BEGINNING OF YEAR	9,662,209	**9,662,209**	8,610,567
NET FINANCIAL ASSETS, END OF YEAR	$ 10,982,988	$ **10,797,510**	$ 9,662,209

The accompanying notes and supplementary schedules are an integral part of these financial statements.

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION
STATEMENT OF CASH FLOWS
Year ended December 31, 2018, with comparative information for 2017

		2018		2017
OPERATING ACTIVITIES				
Surplus of revenue over expenditures	**$**	**1,070,098**	$	1,038,231
Non-cash items included in surplus for the year				
Amortization (schedule 3)		**395,815**		374,496
Loss on disposal of tangible capital assets (schedule 3)		**2,264**		–
Changes in non-cash working capital relating to operations				
Accounts receivable		**1,350**		(71,455)
Inventory		**9,477**		3,773
Prepaid expenses and deferred charges		**(3,926)**		(9,814)
Accounts payable and accrued liabilities		**521,610**		380,325
Rental deposits		**8,428**		71,847
Advance ticket sales		**158,275**		777,327
Deferred revenue		**(181,641)**		(221,040)
		1,981,750		2,343,690
CAPITAL ACTIVITIES				
Acquisition of tangible capital assets (schedule 3)	**$**	**(338,427)**	$	(355,044)
		(338,427)		(355,044)
INVESTING ACTIVITIES				
Purchases of investments	**$**	**(3,020,000)**	$	(3,000,000)
Investment maturities		**2,000,000**		2,000,000
		(1,020,000)		(1,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**623,323**		988,646
CASH POSITION, BEGINNING OF YEAR		**5,149,102**		4,160,456
CASH POSITION, END OF YEAR	**$**	**5,772,425**	$	5,149,102
CASH INTEREST INCLUDED IN SURPLUS OF REVENUE OVER EXPENDITURES				
Interest received		**248,988**		213,067
Interest paid to City of Saskatoon		**(127,749)**		(153,763)

The accompanying notes and supplementary schedules are an integral part of these financial statements.

1. AUTHORITY AND PURPOSE

The Centennial Auditorium & Convention Centre Corporation (the "Corporation") operates TCU Place, Saskatoon's Arts and Convention Centre, on behalf of its sole member, the City of Saskatoon.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the Corporation are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") for local governments.

Significant aspects of the accounting policies adopted by the Corporation are as follows:

Measurement Uncertainty
The preparation of the financial statements in conformity with PSAS requires management to make estimates and assumptions that affect 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 expenditures during the year.

Items requiring the use of significant estimates include determination of uncollectible accounts receivable, useful lives of tangible capital assets and related amortization.

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

Cash and cash equivalents
Cash and cash equivalents consists of cash on hand, and highly liquid short-term investments that upon acquisition have an initial term to maturity of three months or less.

Investments
Investments consist of term deposits and guaranteed investment certificates made to obtain a return on a temporary basis with maturity terms between one month and five years.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible Capital Assets
Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, design, construction, development, improvement or betterment of the asset.

The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Caretaking and Maintenance	5 to 20 years
Computer	5 to 15 years
Kitchen	8 to 40 years
Theatre	10 to 100 years
Sound	10 to 20 years
Lighting	10 to 40 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of the future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expense in the statement of operations.

The TCU Place Saskatoon's Arts and Convention Centre building is owned and maintained by the City of Saskatoon.

Inventory
Inventory consists of merchandise held for resale and are stated at the lower of cost and net realizable value. Cost is determined on a first in first out basis.

Financial instruments
Financial instruments of the Corporation include cash, investments, accounts receivable and accounts payable and accrued liabilities. All financial instruments are measured at cost or amortized cost.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are assessed annually for impairment. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable are initially reported on the statement of financial position at cost. A valuation allowance is used to reflect receivables at the lower of cost and net recoverable value.

Revenue Recognition
All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized, any eligibility criteria are met and reasonable estimates of the amounts can be made except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specified purpose.

Unrestricted contributions and pledges are recognized as revenue when received. Gifts in kind are recorded at the fair market value on the date of their donations if they meet the Corporation’s criteria for capitalization. Other in-kind donations of material and services are not recognized in these financial statements.

Revenue from events is recognized in the period that the event takes place, except for box office service charges that are recognized when tickets are sold. Sponsorship revenue is recognized on a straight line basis over the term of the contract. All other revenues are recognized in the period in which the underlying goods and services are delivered.

Employee Pension Plans
Employees of the Corporation participate in the City of Saskatoon’s Superannuation Defined Benefit Pension Plan. The Corporation follows defined contribution accounting standards specific to a multi-employer plan for its participation in the plan whereby the Corporation’s contributions are expensed when due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserves
The capital expansion reserve is used to accumulate funds for eligible capital expenditures which will enhance the Corporation's existing range and quality of services.

The equipment replacement reserve is used to accumulate funds for the purpose of equivalent replacement of programming equipment not covered under other reserves.

The stabilization reserve is used to accumulate funds for the purpose of offsetting any operating deficits of the Corporation to a maximum of 5% of sales with any excess being transferred to the capital expansion reserve.

Statement of Remeasurement Gains and Losses
The Corporation has not presented a statement of remeasurement gains and losses because it does not have financial instruments that give rise to remeasurement gains or losses.

New Accounting Standards
The Corporation adopted a number of new accounting standards during the year ended December 31, 2018, as issued by the Public Sector Accounting Board.

PS 2200, Related Party Transactions defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from what would have been recorded if the parties were not related, and the transactions could have a material impact on the financial statements. The new standard did not result in any additional disclosures. See note 11 for related party transactions.

PS 3420, Inter-Entity Transactions specifies how to measure related party transactions between public sector entities within the same government reporting entity. The new standard did not have any impact on the financial statements.

PS 3210, Assets provides additional guidance on the definition of assets, and establishes disclosure requirements for assets not recognized within the entity's financial statements. The new standard did not result in any additional disclosures.

PS 3320, Contingent Assets defines and establishes disclosure requirements for contingent assets. The existence of a contingent asset must be disclosed when the occurrence of the underlying confirming event is likely. The new standard did not result in any additional disclosures.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PS 3380, Contractual Rights defines contractual rights to future assets and revenue, and establishes disclosure requirements for these transactions. The Corporation identified several arrangements requiring disclosure under this standard. See note 7 for contractual rights.

One additional new accounting standard is not yet effective for the year ended December 31, 2018, and has not been applied in preparing these financial statements.

PS 3430, Restructuring Transactions establishes how to recognize and report restructuring transactions for both transferors and recipients. The standard is effective for fiscal periods beginning on or after April 1, 2018, and the Corporation does not intend to early adopt this standard. Management is currently evaluating the effect of this change on the Corporation's financial statements.

3. INVESTMENTS

	2018	2017
Guaranteed Investment Certificate 3.09%, maturing May 1, 2023	**$ 1,000,000**	$ -
Guaranteed Investment Certificate 2.65%, maturing January 30, 2023	**2,000,000**	-
Term Deposit 2.00%, maturing February 28, 2022	**1,020,000**	1,000,000
Term Deposit 1.75%, maturing April 28, 2021	**1,000,000**	1,000,000
Term Deposit 1.75%, maturing January 28, 2021	**1,000,000**	1,000,000
Term deposit, 1.80%, maturing April 28, 2020	**1,000,000**	1,000,000
Term deposit, 1.80%, maturing January 28, 2020	**1,000,000**	1,000,000
Term deposit, 2.15%, maturing April 5, 2019	**1,000,000**	1,000,000
Term deposit 1.65%, maturing January 28, 2019	**1,000,000**	1,000,000
Term deposit, 2.50%, maturing April 28, 2018	-	1,000,000
Term deposit 1.55%, maturing January 28, 2018	-	1,000,000
	$ 10,020,000	$ 9,000,000

4. ACCOUNTS RECEIVABLE

	2018	2017
Trade receivables	$ 774,973	$ 832,402
Funding receivable from the City of Saskatoon	300,000	300,000
Interest receivable	175,010	136,399
Other receivables	50,787	33,793
Allowance for doubtful accounts	(7,750)	(8,324)
	$ 1,293,020	$ 1,294,370

5. ADVANCE TICKET SALES

Advance ticket sales represent monies received in advance for events that have not yet taken place. Funds are held in trust by the Corporation and forwarded to the promoter upon settlement of the events. Contracts with promoters do not require the segregation of these monies from the on-going operating funds of the Corporation.

6. DEFERRED REVENUE

Deferred revenue represents funds received in advance for sponsorship contracts which will be recognized over terms of contracts ranging from 1 to 5 years. Funds received for naming rights will be recognized over 10 years.

	2018	2017
Sponsorship contracts	$ 94,439	$ 79,205
Naming rights	1,575,000	1,771,875
	$ 1,669,439	$ 1,851,080

7. CONTRACTUAL RIGHTS

The Corporation has a number of outstanding agreements that contain rights to receive future fixed payments. The nature of these contractual rights, and the payments due in each of the next five years and thereafter are as follows:

7. CONTRACTUAL RIGHTS (CONTINUED)

	Corporate Box Lease Payments	Sponsorship Payments	Digital Signage Lease Payments	**Total**
2019	$ 54,500	$ 112,000	$ 12,000	**$ 178,500**
2020	18,000	57,000	12,000	**87,000**
2021	18,000	-	12,000	**30,000**
2022	-	-	12,000	**12,000**
2023	-	-	12,000	**12,000**
Thereafter	-	-	52,000	**52,000**
Total	**$ 90,500**	**$ 169,000**	**$ 112,000**	**$ 371,500**

8. COMMITMENTS TO THE CITY OF SASKATOON

In connection with the productivity improvements and expansion done to the facility managed and operated by the Corporation, the Corporation agreed to reimburse the City of Saskatoon for a portion of the incurred costs. The reimbursement for these improvements to the facility, which is owned by the City of Saskatoon, are due in each of the next four years are as follows:

2019	$ 726,038
2020	725,732
2021	725,270
2022	87,423
	$ 2,264,463

9. PENSION

Employees of the Corporation participate in the City of Saskatoon’s Superannuation Defined Benefit Pension Plan. The City of Saskatoon is responsible for the plan, and therefore the Corporation’s obligation to the plan is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $220,048 (2017 - $226,244) and is included in salaries and benefits.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk, and market risk.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk

The Corporation is exposed to the risk resulting from the possibility that parties may default on their financial obligations. Credit risk related to investments is minimized by dealing with institutions that have strong credit ratings. Credit risk associated with potential non-payment of accounts receivable from customers is minimized by proactive credit and collections management. The Corporation does not have significant exposure to any one customer and bad debts have historically been minimal. Other receivables primarily represent annual funding amounts due from the City of Saskatoon and the risk associated with this is not considered to be significant.

As at December 31, 2018 the Corporation had $36,843 of overdue receivables that are not impaired in the financial statements (2017 - $55,543).

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages liquidity risk by maintaining adequate cash balances and implementing budgeting and monitoring processes.

All financial liabilities recognized in the financial statements are due within one year of the reporting date. As at December 31, 2018, the Corporation had sufficient working capital to meet current obligations as they are due.

Market risk

Market risk consists primarily of interest rate risk and is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's interest rate risk exposure relates to cash and investments. The impact of changes in interest rates is mitigated by investing in term deposits and guaranteed investments certificates for shorter terms at fixed interest rates. The contribution of investment income to the Corporation's overall revenue is not significant.

11. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with the City of Saskatoon (the sole member of the Corporation) as well as with SaskTel Centre, which is related to the Corporation by virtue of common control by the City of Saskatoon (collectively referred to as "related parties"). Routine operating transactions with related parties are settled at exchange amounts.

11. RELATED PARTY TRANSACTIONS (CONTINUED)

The transactions incurred during the year and amounts outstanding at December 31 are as follows:

		2018		2017
Accounts receivable from City of Saskatoon	**$**	**315,605**	$	311,450
Accounts payable and accrued liabilities to City of Saskatoon		**1,670,448**		1,200,650
Accounts payable to SaskTel Centre		-		6,112
Revenue from events held by City of Saskatoon		**130,774**		82,753
Utilities expenses charged by City of Saskatoon		**591,452**		658,886
Insurance expense charged by City of Saskatoon		**71,700**		102,100
Operating grant from City of Saskatoon		**500,000**		500,000
Reimbursement to the City of Saskatoon		**725,649**		725,506

12. RESERVES

Reserve balances at December 31 are as follows:

		2018		2017
Capital expansion	**$**	**5,833,876**	$	4,910,551
Equipment replacement		**4,613,897**		4,388,189
Stabilization		**497,102**		516,385
	$	**10,944,875**	$	9,815,125

13. BUDGETED FIGURES

Budgeted figures included in the financial statements were approved by the Board of Directors on October 26, 2017 and by the City of Saskatoon Council on November 27, 2017.

Schedule 1

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION
SCHEDULE OF OPERATING EXPENDITURES
Year ended December 31, 2018, with comparative information for 2017

	Budget (note 13)	**2018**	2017
DIRECT			
Cost of food and beverages	$ 2,980,629	**$ 2,493,680**	$ 2,518,567
Salaries and benefits	1,868,163	**1,864,483**	1,926,132
Supplies	683,910	**604,287**	656,056
Theatre production costs	279,570	**507,306**	548,509
Credit card charges	129,293	**102,336**	92,466
Advertising and promotion	116,571	**111,170**	77,904
Telephone	21,960	**20,612**	21,656
Other expense (recovery)	22,040	**(6,030)**	11,400
Equipment maintenance	7,520	**5,947**	7,745
Bad debts (recovery)	4,500	**(1,020)**	2,265
	$ 6,114,156	**$ 5,702,771**	$ 5,862,700
PLANT MAINTENANCE			
Salaries and benefits	$ 926,474	**$ 956,922**	$ 886,612
Utilities	803,165	**684,459**	759,290
Maintenance	290,227	**260,916**	302,660
Insurance	71,800	**71,700**	102,100
Service contracts	41,250	**38,734**	39,897
	$ 2,132,916	**$ 2,012,731**	$ 2,090,559
ADMINISTRATION			
Salaries and benefits	$ 1,126,300	**$ 1,036,095**	$ 1,152,391
Travel	26,753	**15,148**	38,309
Office supplies and equipment	41,020	**22,723**	19,486
Training and staff morale	37,950	**21,609**	34,037
IT consultant and support	36,374	**33,673**	18,488
Professional fees	25,440	**25,672**	32,449
Bank charges and interest expense	20,100	**23,404**	20,925
Memberships, subscriptions and licenses	10,573	**9,961**	11,251
Printing and postage	13,200	**4,705**	5,217
Board of directors	5,965	**6,508**	14,759
Other	40,000	**10,114**	-
	$ 1,383,675	**$ 1,209,612**	$ 1,347,312

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION
SCHEDULE OF RESERVES
Year ended December 31, 2018, with comparative information for 2017

	2018	2017
CAPITAL EXPANSION RESERVE		
Balance, beginning of year	**$ 4,910,551**	$ 4,150,796
Allocation from operations	**230,877**	230,877
Transfer from stabilization reserve	**597,514**	550,382
Interest earned	**105,558**	81,335
Expenditures	**(10,624)**	(102,839)
Balance, end of year	**$ 5,833,876**	$ 4,910,551
EQUIPMENT REPLACEMENT RESERVE		
Balance, beginning of year	**$ 4,388,189**	$ 4,096,719
Allocation from operations	**460,648**	460,648
Interest earned	**92,863**	83,027
Expenditures	**(327,803)**	(252,205)
Balance, end of year	**$ 4,613,897**	$ 4,388,189
STABILIZATION RESERVE		
Balance, beginning of year	**$ 516,385**	$ 509,927
Allocation from operations	**578,231**	556,840
Transfer to capital expansion reserve	**(597,514)**	(550,382)
Balance, end of year	**$ 497,102**	$ 516,385
TOTAL RESERVES	**$ 10,944,875**	$ 9,815,125
INVESTMENT IN TANGIBLE CAPITAL ASSETS (schedule 3)	**2,931,368**	2,991,020
ACCUMULATED SURPLUS	**$ 13,876,243**	$ 12,806,145

THE CENTENNIAL AUDITORIUM & CONVENTION CENTRE CORPORATION
SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended December 31, 2018, with comparative information for 2017

	Caretaking & Maintenance	Computer	Kitchen	Theatre	Sound	Lighting	Other	**Total**
COST								
Beginning of year	$ 193,872	$ 625,013	$ 978,689	$ 1,570,046	$ 1,292,453	$ 779,406	$ 1,339,931	**$ 6,779,410**
Additions	39,950	111,544	65,367	8,804	-	100,458	12,304	**338,427**
Disposals	(26,893)	(300,608)	(17,151)	-	-	(79,392)	-	**(424,044)**
Write-downs	-	-	-	-	-	-	-	-
End of year	**206,929**	**435,949**	**1,026,905**	**1,578,850**	**1,292,453**	**800,472**	**1,352,235**	6,693,793
ACCUMULATED AMORTIZATION								
Beginning of year	(109,714)	(535,081)	(469,808)	(802,351)	(709,575)	(529,779)	(632,082)	**(3,788,390)**
Amortization	(20,578)	(39,157)	(41,413)	(51,354)	(91,164)	(43,669)	(108,480)	**(395,815)**
Disposals	26,893	298,344	17,151	-	-	79,392	-	**421,780**
End of year	**(103,399)**	**(275,894)**	**(494,070)**	**(853,705)**	**(800,739)**	**(494,056)**	**(740,562)**	(3,762,425)
NET BOOK VALUE - 2018	**$ 103,530**	**$ 160,055**	**$ 532,835**	**$ 725,145**	**$ 491,714**	**$ 306,416**	**$ 611,673**	**$ 2,931,368**
NET BOOK VALUE - 2017	$ 84,158	$ 89,932	$ 508,881	$ 767,695	$ 582,878	$ 249,627	$ 707,849	$ 2,991,020