Shaw) Centre
Canada's Meeting Place

2020 / 2021 ANNUAL REPORT

Shaw Centre
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Executive Leadership Team

Nina Kressler
President & CEO

Dan Young
Vice-President & COO

Loretta Briard
General Manager

OCC Board of Directors

Jo-Anne Poirier – **Chair**
March 2018 – March 2022 - Provincial Appointment

Jim Armour
June 6, 2019 to June 6, 2022 - Provincial Appointment

Debra Armstrong
February 27, 2019 to November 14, 2022 - City of Ottawa Appointment

Michael Crockatt
February 27, 2019 to November 14, 2022 – City of Ottawa Appointment

Councillor George Darouze
December 12, 2018 to December 2022 - City of Ottawa Appointment

Jean Lalande
September 8, 2014 to September 7, 2020 – Provincial Appointment

Jagdeep Perhar
May 7, 2020 to May 7, 2023 – Provincial Appointment

Fred Sherman
July 9, 2020 to July 9, 2023– Provincial Appointment

Kay Stanley
March 11, 2021 to March 11, 2024 – Provincial Appointment

Sean Webster
December 12, 2018 to December 12, 2021 - Provincial Appointment

Jinseng Xue
July 23, 2020 to July 23, 2023 - Provincial Appointment

Vacant – **Provincial Appointment**

MESSAGE FROM THE CHAIR AND PRESIDENT & CEO

2020/2021 has truly been an exceptional year on all fronts. Prior to the pandemic, the Centre was hosting approximately 500 events per year including anywhere from 45 to 50 conventions. In this current fiscal year, the Centre hosted a total of 8 events. It has proven to be a year of immense challenges, including the difficult decision to lay off a significant number of our staff. Our focus during the pandemic was to rebuild our business for the future and maintain a small team to ensure the facility remained operational and ready to open when our business returns.

Our continued path to future success and rebuilding our business has and will continue to be achieved through our relationships with our customer base. While many events were cancelled, we worked closely with our clientele to convert cancellations into postponements as often as possible, moving many conferences and events into future years. Exercising flexibility and working with our customers to understand what the future will look like together has resulted in a strong pipeline of events for 2022/2023. The building required enhancements to address concerns over health and safety as we slowly look to resume operations. Some of these enhancements include electrostatic sprayers, upgraded air circulation and filtration, plus revised food and beverage safety protocols and procedures, to name but a few.

While the future is looking brighter, we cannot overlook the hardship this pandemic has caused our workforce. We are looking forward to welcoming our teams back into our building to do what they do best, coming together as: "*Inspired People Creating Extraordinary Events".* Processes may have changed, but our vision and values remain steadfast.

While the OCC did not generate any convention business revenue in the 2020/2021 fiscal year, the team saw great success in postponing, rather than cancelling events, which has had a positive impact on PACE goal and is serving to create some compression in the marketplace for future years. The 8 local events hosted by the Centre in 2020/2021, while insignificant from a revenue perspective, served the Centre well in managing client relationships and providing a platform to showcase new health and safety measures in an effort to bolster consumer confidence.

Key performance indicators are critical in the measurement of success. Our customer service survey scores were 5/5 for overall total satisfaction, exceeding our goal of 4.5.

Our occupancy during the 2020/2021 fiscal year is reflected in the table below.

	Q1	Q2	Q3	Q4	Total
Ballroom	0.0%	0.0%	1.1%	0.0%	0.3%
Tradeshow Hall	0.0%	0.0%	0.0%	0.0%	0.0%
Meeting Room	0.0%	0.8%	0.0%	1.6%	0.6%
Total	0.0%	0.8%	0.0%	1.6%	0.5%

Giving back to our community is an important pillar of our corporate philosophy and throughout the pandemic has become more important than ever. As business within the Centre was limited over the course of the year, we took advantage of the closure to utilize our inventory of food and beverage items to donate to local organizations such as the Ottawa Mission and Food For Thought. These donations ensured that those food items were used to prepare numerous meals to feed those in need across the city. Other charitable endeavors included creating partnerships with local organizations who have previously hosted fundraising events in our building and providing them access to pre-film their event, as their events – which were previously hosted in-person – went virtual. Such events included The Ottawa Hospital Foundation President's Breakfast and the Christmas Cheer Breakfast.

While we take great pride in maintaining our beautiful world class facility, we welcomed several capital upgrades in both front and back of house. Most of the upgrades this year centred on the installation of additional equipment to address the new reality of providing a safer and cleaner environment to both our clients and our colleagues. These initiatives included installing an upgrade to our air filtration system, UV disinfecting scanners for our escalators, electronic sprayers that complement our cleaning and sanitizing process by providing a broad spectrum approach to disinfecting high touch surfaces throughout the facility, GPS ionization devices for our elevators and automatic flush toilets. We also increased our stanchion inventory to better manage the flow of people while respecting social distancing protocols and installed plexiglass barriers in our facility for the health and safety of our colleagues and guests alike.

Other improvements included the replacement of some end-of-life equipment such as the variable frequency drives on our HVAC system and blast chillers in our kitchen.

We have not traveled this difficult trail alone and wish to recognize our closest partners, Aramark Entertainment Services Canada Inc. and our audio-visual/electrical service supplier, Encore, both of whom have been with us all the way as we look towards placing the pandemic in our rear-view mirror. Our current workforce has been significantly reduced; however, the efforts the team has undertaken to build our future do not reflect this. We will come back strong and ready to welcome back clients and staff when it is safe to do so.

We wish to thank the Honorable Lisa MacLeod, Minister of Heritage, Sport, Tourism and Culture Industries for her ongoing support and advocacy for the Centre. We look forward to delivering the strong economic impact we have in the past and will begin doing so once again when vaccinations are in place and consumer and business event organizer confidence returns to pre-pandemic times. We would also like to thank the Ministry staff for their support both financially and in capital upgrades; with their assistance we can continue to position the OCC as one of Canada's preeminent convention centres. Our Board of Directors have provided direction, encouragement and guidance during this difficult period which has been greatly appreciated. Collectively, we all welcome the future.

Jo-Anne Poirier
Chair, Board of Directors

Nina Kressler
President & CEO

CORPORATE GOALS

OCC's corporate goals are established annually by the Board of Directors and Executive Leadership Team. In 2020/2021, OCC's corporate goals focused on the following strategic priorities: financial sustainability, client satisfaction, colleague satisfaction, partner performance and corporate social responsibility.

Financial Sustainability

OCC's long-range financial imperative is to generate revenues to support a surplus to allow for the annual $1M debt repayment, and to maintain cash flows sufficient to provide for lifecycle requirements.

Financial Results

Goal	2020/21 Objective	2020/21 Result
Gross Revenue	$2.8M	$1.46M
Operating Surplus (Deficit)	($3.6M)	$(3.66)M
Booking Pace	$19.7M	$16.9M

Improving Client Satisfaction

OCC recognizes the paramount importance of client satisfaction and reflects this through systems and procedures that ensure superior customer service from initial contact through to final invoicing. In 2020/2021, our client satisfaction survey scores reached an average of 5 out of 5, well above our goal of 4.5. We continue to look forward to maintaining this score in 2021/2022.

We remain confident in the knowledge that we have earned a strong reputation in both the convention and meetings marketplaces for hosting outstanding events and providing exceptional customer service to our clients.

Colleagues & Partners

OCC recognizes the fundamental role of colleague and partner excellence in delivering a superior event experience and maintains a formal program to recruit, retain, recognize and train colleagues in all key areas of the organization, as well as maintaining positive and mutually supportive partner relations.

Our colleagues have identified rewards and recognition as important to them. At OCC, we are focused on a culture of appreciation for our colleagues and clients; ours is a culture where great work and results are noticed and acknowledged. To that end, we look forward to the day all our staff have returned and we are once again celebrating their great work through programs like *Encore! Encore!* which gives us the vehicle to recognize colleagues who live our company values every day on the job. When our colleagues meet a milestone career anniversary, we honour their dedication with special recognition and rewards. When our colleagues return to the Centre, our goal is to ensure they know that each of them is a valued member of the OCC team and as such is responsible for our exceptional customer service scores. Recognition Road is just one of the ways we honour our colleagues' contributions.

Recognition Road is our monthly acknowledgement program that recognizes a colleague from each department who has gone above and beyond expectations.

OCC's primary service partners, Aramark Entertainment Services (Canada) Inc. and Encore are key ingredients in our operational product offerings and third-party initiatives. OCC works very closely with our service partners to ensure customer service remains high and product quality exceeds industry standards and client demands.

Corporate Social Responsibility

OCC recognizes the role we play in the life and economy of our host community and the role that same community plays in supporting and enhancing the event experience of our clients. To sustain and nurture this symbiotic relationship, we undertake to demonstrate ongoing corporate responsibility and maintain a positive community interface.

Environmental initiatives are another key element of our corporate social responsibility plan. On that front, at OCC we continuously strive to find strategies that will maximize the efficiency of our waste management system with a diversion goal of at least 55%. In 2020/2021, OCC successfully diverted 63% of waste from landfills. We expect this number to improve post-pandemic and in the coming years as our focus on waste management increases. OCC participates in a rigorous food waste program utilizing Organic Refuse Conversion Alternatives (ORCA machines) that turn organic waste and compost waste into environmentally safe grey water. OCC continues to be part of Carbon 613, a network of Ottawa businesses committed to working collectively towards a reduction of greenhouse gases. In tandem with these initiatives, the OCC has a robust focus on energy savings.

While many companies now practice some form of corporate social responsibility programs, at the Ottawa Convention Centre, we have decided to make it a core tenet of our operations. Undertaking social responsibility initiatives not only allows us to appeal to socially conscious consumers (and colleagues), but it also makes a tangible difference in the world. In addition to our own in-house programs, we also encourage our clients to give back to our community. We offer three flexible CSR programs that enable them to have a positive impact with minimal effort, all of which are facilitated by our team. These include our Leave a Legacy Program, FoodRescue.ca and Mealshare. This past year the Ottawa Mission and Food for Thought benefited from these programs.

Over the course of 2020/2021 the Ottawa Convention Centre utilized its building lights to participate in various awareness days and events by illuminating the building in colours reflecting the specific initiatives. Some of those events included the Ottawa Heart Institute Foundation – Heart Month, Global Meetings Industry Day, and Canadian Society for Medical Laboratory Science – National Medical Laboratory Week.

OCC colleagues also recognize the importance of giving back to the community at an individual level, and as such have set a goal to actively participate in activities throughout the year. In 2020/2021, OCC staff participated in a virtual food drive for the Ottawa Food Bank. Executive Chef Turcot supported food production for Food for Thought and supported the culinary training program at the Ottawa Mission.

Meeting and convention materials are repurposed or recycled wherever possible, and we will continue to look for partnership opportunities in the hopes of ensuring all salvageable materials that are left behind are delivered to charities most in need.

OPERATING STATISTICS 2020-21

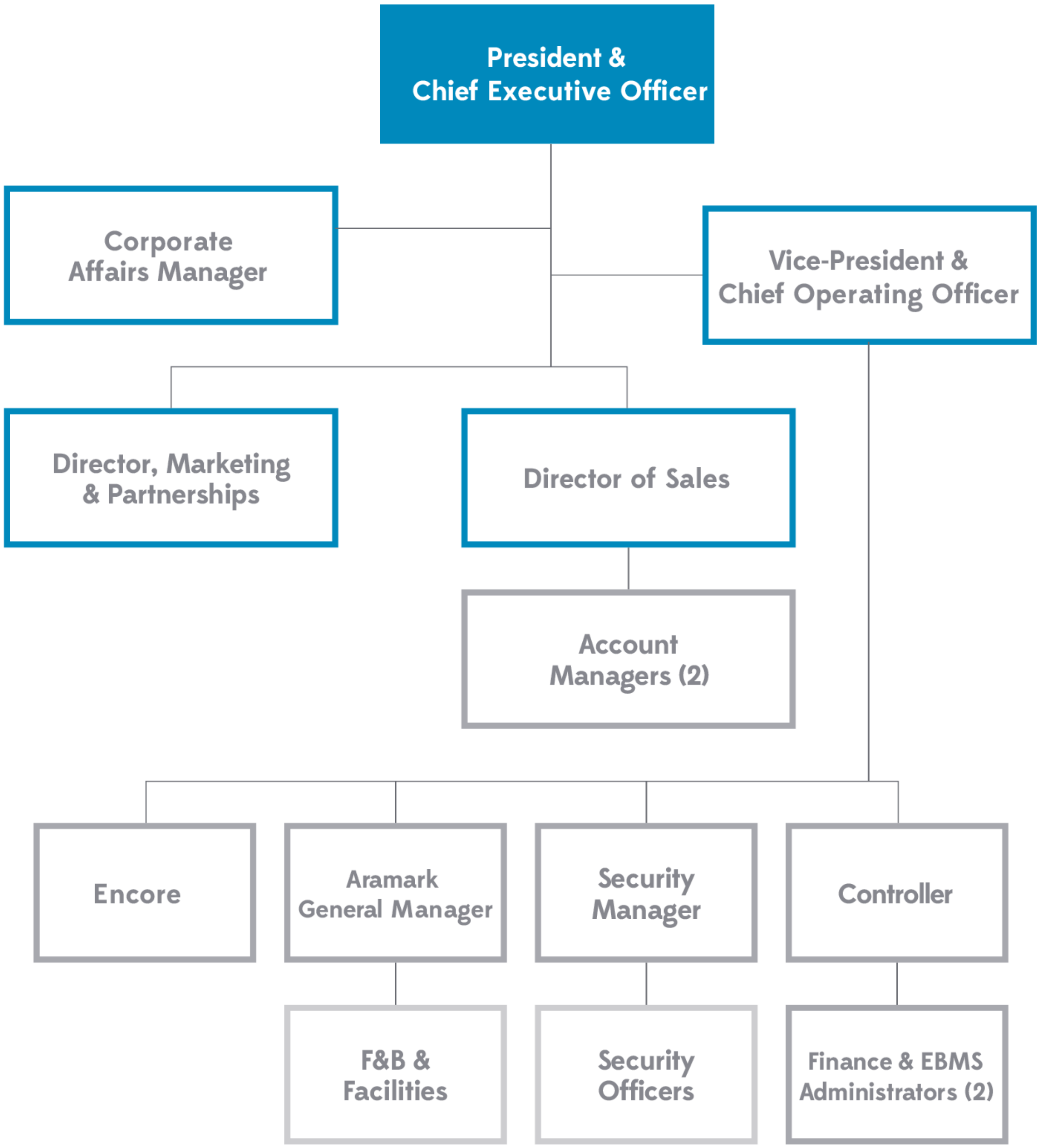
Number of events: **8**
Number of conventions: **0**
Number of trade & consumer shows: **0**
Number of meetings: **0**
Other Events: **8**
Gross Revenue: **$1.46M**
Operating Surplus (Deficit): **$(3.66)M**

DISCLOSURE OF REMUNERATION

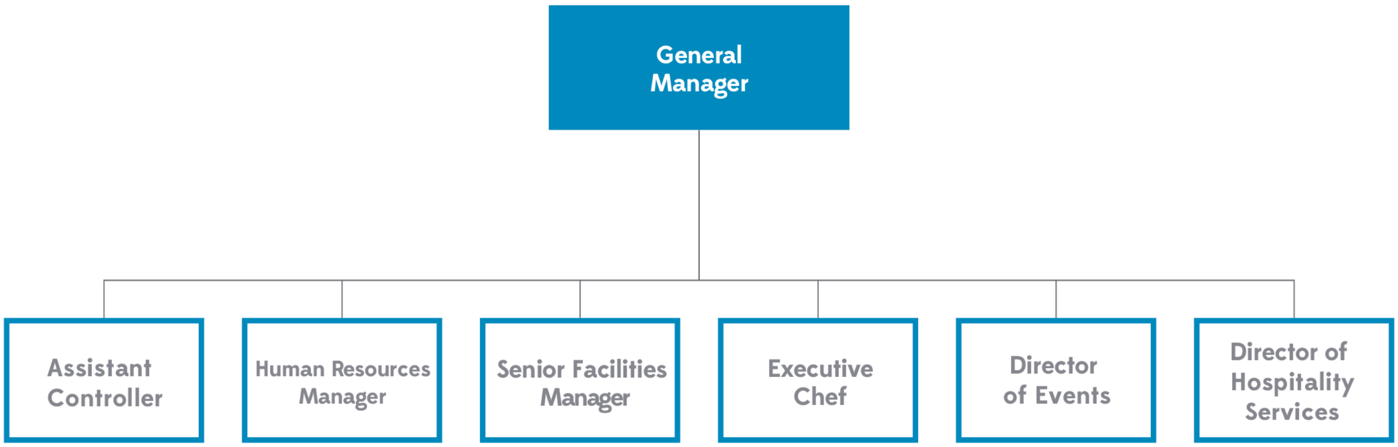
Except for the City of Ottawa representative and one Provincial Government representative who has chosen to re-invest his remuneration back to the Ottawa Convention Centre; each member of Ottawa Convention Centre's Board of Directors is paid for his or her attendance at board, committee and other meetings as required. Outlined below is the total remuneration paid to each director for fiscal 2020/2021.

Name	Title	Amount
Jo-Anne Poirier	Chair	$3,000
Jim Armour	Director	$1,125
Debra Armstrong	Director	$1,250
Michael Crockatt	Director	$1,125
George Darouze	Director	$0
Annie Dugas	Director	$500
Jean Lalande	Director	$1,375
Jagdeep Perhar	Director	$1,125
Fred Sherman	Director	$750
Sean Webster	Director	$0
Jin Xue	Director	$500

OTTAWA CONVENTION CENTRE ORGANIZATIONAL STRUCTURE



OTTAWA CONVENTION CENTRE FOOD SERVICE PROVIDER



Ottawa Convention Centre / Société du Centre des Congrès d’Ottawa

Financial Statements
March 31, 2021

Independent Auditor's Report

To the Members of Ottawa Convention Centre Corporation / Société du Centre des Congrès d'Ottawa:

Opinion

We have audited the financial statements of Ottawa Convention Centre Corporation / Société du Centre des Congrès d'Ottawa (the "Centre"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre 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 - Impacts of COVID-19 (coronavirus)

We draw attention to Note 2 to the financial statements, which describes the impacts of COVID-19 on the Centre's operations. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the audited financial information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre’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 Centre’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 Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

MNP LLP

Ottawa, Ontario — Chartered Professional Accountants

June 24, 2021 — Licensed Public Accountants

MNP

Ottawa Convention Centre / Société du Centre des Congrès d'Ottawa

Statement of Financial Position

As at March 31, 2021

	2021 $	2020 $
Assets		
Current assets		
Cash	3,578,209	5,441,803
Accounts receivable (note 4)	1,396,539	1,304,241
Prepaid expenses	99,365	93,821
	5,074,113	6,839,865
Property, plant and equipment (note 5)	132,539,749	137,515,138
	137,613,862	144,355,003
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities (note 14)	1,258,174	2,503,373
Current portion of deferred revenue and deposits	1,285,763	2,676,737
Current portion of long-term debt (note 7)	186,121	177,647
	2,730,058	5,357,757
Non-current liabilities		
Deferred revenue and deposits	1,166,141	611,085
Long-term debt (note 6)	28,420,903	28,607,020
Deferred contributions related to property, plant and equipment (note 7)	93,343,445	95,492,872
	125,660,547	130,068,734
Net assets	11,953,315	14,286,269
	137,613,862	144,355,003

Commitments (note 12)
Contingency and measurement uncertainty (note 14)

Approved by the Board of Directors

_______________ Director _______________ Director

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

Ottawa Convention Centre / Société du Centre des Congrès d'Ottawa

Statement of Operations

For the year ended March 31, 2021

	2021 $	2020 $
Revenue		
Food and beverage	13,252	10,880,270
Space rental	762,149	4,830,877
Commissions	200,524	1,570,241
Advertising	464,080	628,143
Interest earned	20,917	119,297
Other	-	50,000
	1,460,922	18,078,828
Expenses (note 9)		
Direct	9,939	7,894,859
Facilities	3,092,202	5,656,989
Selling, general and administrative	2,014,538	3,191,721
	5,116,679	16,743,569
Excess of revenue over expenses (expenses over revenue) before undernoted items	(3,655,757)	1,335,259
Interest on long-term debt	(1,052,357)	(1,060,452)
Amortization of deferred contributions related to property, plant and equipment	3,380,532	3,284,667
Amortization of property, plant and equipment	(5,550,134)	(5,396,600)
Excess of expenses over revenue before non-recurring items	(6,877,716)	(1,837,126)
Government assistance (note 2), (note 4), (note 15)	4,544,762	-
Excess of expenses over revenue for the year	(2,332,954)	(1,837,126)

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

Ottawa Convention Centre / Société du Centre des Congrès d'Ottawa

Statement of Changes in Net Assets

For the year ended March 31, 2021

	2021 $	2020 $
Net assets – Beginning of year	14,286,269	16,123,395
Excess of expenses over revenues for the year	(2,332,954)	(1,837,126)
Net assets – End of year	11,953,315	14,286,269

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

Ottawa Convention Centre / Société du Centre des Congrès d'Ottawa

Statement of Cash Flows

For the year ended March 31, 2021

	2021 $	2020 $
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenues for the year	(2,332,954)	(1,837,126)
Items not affecting cash		
Amortization of property, plant and equipment	5,550,134	5,396,600
Amortization of deferred contributions related to property, plant and equipment	(3,380,532)	(3,284,667)
	(163,352)	274,807
Net change in non-cash working capital balances related to operations (note 10)	(1,666,929)	(1,305,313)
	(1,830,281)	(1,030,506)
Capital activities		
Purchase of property, plant and equipment	(574,745)	(1,581,441)
Additional capital contributions received	719,075	709,815
Financing activities		
Repayment of long-term debt	(177,643)	(169,548)
Decrease in cash during the year	(1,863,594)	(2,071,680)
Cash – Beginning of year	5,441,803	7,513,483
Cash – End of year	3,578,209	5,441,803
Supplementary information		
Interest paid	1,052,357	1,060,452
Supplementary non-cash capital activities		
Additional capital contributions receivable	512,030	626,185
Purchase of property, plant and equipment payable	-	914,480

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

1 Nature of organization

The Ottawa Convention Centre / Société du Centre des Congrès d'Ottawa ("the Centre") was incorporated by a special act of the Ontario Provincial Legislature. The mandate of the Centre is to operate, maintain and manage an international class convention centre facility in the City of Ottawa in a manner that will promote and develop tourism and industry in Ontario. The Centre is exempt from income taxes.

2 Impact on operations of COVID-19 (coronavirus)

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

Since March 2020, COVID-19 has had a profound impact on the Centre's operations due to significant limitations on public gatherings for extended periods of time, cancellation of events and domestic and international travel . These factors have been adversely affecting demand for and the ability of the Centre to provide its services, forcing the Centre to temporarily halt substantially all of its operations during the year ended March 31, 2021 and into the first half of the fiscal year ending March 31, 2022.

The impact of COVID-19 has been partially offset by Government assistance of $4,544,762 obtained from the Ministry of Heritage, Sport, Tourism and Culture Industries (the "Ministry") pursuant to an Ontario Transfer Payment Agreement (note 15).

At this time, it is not possible for the Centre to predict the duration of the outbreak, travel restrictions and limitations on public gatherings, and ultimately the date the Centre will be able to resume operations, nor can it predict the effects of social distancing procedures including event attendance limits, sanitation requirements, and capacity reductions that maybe required upon reopening.

As a result of the impacts of COVID-19, the Centre became economically dependent on the Ministry during the year ended March 31, 2021, and is expected to remain so for the foreseeable future until such time as the Centre is permitted and able to return to full operations. The ability of the Centre to continue to meet its obligations in the foreseeable future will depend on the continued economic support of the Ministry until such time as the Centre is able to resume normal operations. As a result of this ongoing situation, the Centre is currently negotiating for additional government assistance from the Ministry, however it is not currently possible to determine the likely amount and timing of any additional funding the Ministry may provide.

3 Summary of significant accounting policies

Basis of presentation

The financial statements of the Centre are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), including accounting standards that apply to government not-for-profit organizations.

3 Summary of significant accounting policies (continued)

Revenue recognition

Revenue from food, beverage, space rental and other is recognized when the related goods or services are provided to the customer. Advertising revenue is recognized in the year in which the advertising is provided to the client. Commission revenue is recognized in the year in which the related event is held.

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

From time to time, the Centre may receive contributed materials and services. Since these materials and services are either not normally purchased by the Centre or the fair value of the materials or services cannot be reasonably estimated, contributed materials and services are not recognized in these financial statements.

Use of estimates

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates made in the preparation of these financial statements include the useful lives of property, plant and equipment and certain accrued liabilities. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization is provided for using the straight-line method over the estimated useful lives of the various classes of assets, except in the year of acquisition when a pro-rated share of the year's amortization is recorded based on the fiscal quarter in which the asset is acquired. Amortization is calculated at the following rates:

Building	40 years straight-line
Software	5 years straight-line
Furniture, equipment and fixtures	10 years straight-line
Technology network	15 years straight-line

The Centre reviews long-lived assets for impairment whenever events or changes in circumstances indicate the asset no longer has any long-term service potential to the Centre. The impairment loss, if any, is the excess of the carrying value over any residual value. Impairment losses are not reversed in future periods.

(2)

3 Summary of significant accounting policies (continued)

Deferred revenue and deposits

Deferred revenue and deposits represent amounts received in advance from customers in relation to services to be rendered in future periods.

Deferred contributions related to property, plant and equipment

Deferred contributions represent amounts received from various levels of government to be used towards the construction and purchase of property, plant and equipment. An additional contribution was also received from one of the Centre's significant partners.

Deferred contributions received from the government are recognized as revenue on the same basis as the amortization of property, plant and equipment.

The deferred contributions received from the Centre's significant partner are recognized over the term of the agreement.

Employee future benefits

All full-time employees of the Centre are eligible to be members of the Centre's defined contribution pension plan which offers employees a pension benefit, upon retirement or termination, based on the accumulated contributions made by the individual employee and by the Centre, on their behalf, plus any investment earnings on these contributions. Contributions required to be made by the Centre are recorded in the period in which employee services are rendered.

During the year, the Centre recorded an expense of $85,653 (2020 – $110,294) for contributions made to the defined contribution pension plan, which is included in selling, general and administrative expenses.

Financial instruments

The Centre's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt.

The Centre has classified its financial instruments as follows:

Asset/liability	Measurement
Cash	fair value
Accounts receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost
Long-term debt	amortized cost

(3)

3 Summary of significant accounting policies (continued)

Government assistance

The Centre will recognize government grants when there is reasonable assurance that it will comply with the conditions required to qualify for the grant, and that the grant will be received. The Centre recognizes Ontario Transfer Payment grants as non-recurring revenue.

4 Related party transactions

The Centre is related through common ownership to all Province of Ontario ministries, agencies, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount. During the year ended March 31, 2021 the Centre received $4,544,762 (2020 - $nil) from the Ministry to assist with the payment of operating costs and replenishment of client deposit accounts (note 15) and $1,231,105 (2020 - $1,336,000) of contributions from the Ministry to be used towards the purchase of property, plant and equipment (note 8). Of these amounts, an aggregate of $1,220,792 is included in accounts receivable at March 31, 2021 (2020 - $626,185).

5 Property, plant and equipment

			2021
	Cost $	Accumulated amortization $	Net carrying amount $
Building	170,840,512	42,637,130	128,203,382
Software	210,834	210,834	-
Furniture, equipment and fixtures	10,960,008	8,202,541	2,757,467
Technology network	2,476,912	1,651,275	825,637
Land	753,263	-	753,263
	185,241,529	52,701,780	132,539,749

			2020
	Cost $	Accumulated amortization $	Net carrying amount $
Building	170,840,512	38,366,118	132,474,394
Software	274,577	274,577	-
Furniture, equipment and fixtures	10,939,748	7,643,032	3,296,716
Technology network	2,476,912	1,486,147	990,765
Land	753,263	-	753,263
	185,285,012	47,769,874	137,515,138

(4)

6 Credit facility

At March 31, 2021, the Company has an available credit facility of $3,000,000 (2020 - $3,000,000) which bears interest at prime rate and is repayable on demand. It is secured by a general security agreement on all personal property. At March 31, 2021, no amounts (2020 - $Nil) were drawn with respect to this credit facility. As directed by the Ministry, the Centre must obtain an approved Order in Council from the Ministry prior to drawing on the facility. On March 2, 2021, management of the Centre obtained an approved Order in Council.

7 Long-term debt

On May 4, 2018, the Centre was granted a release of its obligation to repay the $40,000,000 loan plus interest to the Ontario Financing Authority (the "OFA"). The release is for the full amount of any outstanding principal and interest totalling $51,628,557 as of the effective date of March 31, 2018. As a result, a new agreement has been signed requiring the Centre to make annual payments of $1,000,000 to the OFA in perpetuity subject to the Centre's ability to make such payments and the guarantee it obtained from the the Ministry. The future cash flows related to this obligation have been valued at the Net Present Value of a perpetuity using a 3.63% discount rate (which is based on the Province of Ontario's 25-year borrowing rate plus a 0.5% premium reflecting the Centre's credit risk) and disclosed below totalling $27,583,238.

As part of the new agreement with the OFA, the Centre obtained a guarantee from the Ministry, a related party through common control, to pay any shortfall in the required annual payment each year to the OFA on behalf of the Centre. The Centre is not obligated to repay any amounts paid by the Ministry under this guarantee.

The new agreement with the OFA also requires the Centre to make additional annual payments to the OFA to the extent excess cash flow from operations permits. The agreement with the OFA stipulates that the amount of any such additional payment will be negotiated annually by the Centre and the OFA based on actual operating results for the particular year as well as taking into consideration the Centre's three-year plan, including its capital plan.

	March 31, 2021 $	March 31, 2020 $
Present value of non-interest bearing obligation to pay $1,000,000 per year to the OFA in perpetuity, discounted at a rate of 3.63% per annum	27,583,238	27,583,238
Debt related to acquisition of technology services network, bearing interest at 4.7% per annum and requiring blended monthly payments of $19,167 (2020 - $19,167) from April 2011 through March 2026	1,023,786	1,201,429
	28,607,024	28,784,667
Less: Current portion	186,121	177,647
	28,420,903	28,607,020

(5)

7 Long-term debt (continued)

Principal payments required on long-term debt obligations over the next five years are as follows:

Year Ending March 31	$
2022	186,121
2023	195,002
2024	204,313
2025	214,066
2026	224,284

8 Deferred contributions

	2021 $	2020 $
Balance – Beginning of year	95,492,872	97,441,539
Contributions from the Ministry of Heritage, Sport, Tourism and Culture	1,231,105	1,336,000
Amortization	(3,380,532)	(3,284,667)
Balance – End of year	93,343,445	95,492,872

9 Expenses

Expenses presented by function are represented as follows:

	2021 $	2020 $
Direct	9,939	7,894,859
Facilities	8,642,336	11,053,589
Selling, general and administrative	2,014,538	3,191,721
Financial	1,052,357	1,060,452
	11,719,170	23,200,621

The above presentation of expenses by function excludes the amortization of deferred contributions related to property, plant and equipment, as these are considered revenue in accordance with the Centre's accounting policies described in note 2.

(6)

10 Net change in non-cash working capital balances

The net change in non-cash working capital balances consists of the following changes in current assets and liabilities:

	2021 $	2020 $
Accounts receivable	419,732	113,901
Prepaid expenses	(5,544)	5,870
Accounts payable and accrued liabilities	(1,245,199)	(1,084,705)
Deferred revenue and deposits – Current	(1,390,974)	18,386
Deferred revenue and deposits – Long-term	555,056	(358,765)
	(1,666,929)	(1,305,313)

11 Financial instruments and risk management

The following classification system is used to describe the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Market based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Cash, being the only financial instrument measured at fair value, was measured as a Level 1 financial instrument.

Credit risk

Credit risk refers to the risk resulting from the possibility that parties may default on their financial obligations to the Centre. The Centre's booking policies are designed to minimize the amounts due from customers upon the conclusion of their event and thereby reduce the Centre's exposure to credit risk. Further, the Centre's management performs regular reviews of the creditworthiness of its customers and has collection policies that management feels are adequate to minimize losses in this area. The Centre does not consider its accounts receivable as presenting any significant credit risk.

As at March 31, 2021, the Centre did not have any accounts receivable that were past due but not impaired.

11 Financial instruments and risk management (continued)

Furthermore, in May 2018, the Centre obtained a guarantee from the Ministry in relation to its perpetual obligation to the OFA detailed in note 7. The ability of the Centre to draw on this guarantee is subject to the ongoing creditworthiness of the Ministry; however, the Centre does not currently perceive any significant credit risk related to the Ministry.

Liquidity risk

Liquidity risk refers to the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities. The Centre is exposed to this risk mainly in respect of its accounts payable, accrued liabilities, long-term debt and the obligation to pay $1,000,000 annually to the OFA (note 7). As part of the new agreement with the OFA, the Centre obtained a guarantee from the Ministry of Heritage, Sport, Tourism and Culture that it will pay on behalf of the Centre all or a portion of the annual payments due to the OFA to the extent the Centre is unable to make such payments. Given the $1,000,000 annual payment is required in perpetuity, the annual payment is deemed to be interest expense each year and the present value of the future required annual payments is presented as a long-term liability on the balance sheet and included in the "more than 5 years" category in the table below.

The table below is a maturity analysis of the Centre's financial liabilities (excluding interest) as at March 31, 2021:

	Up to 6 months $	More than 6 months up to 1 year $	More than 1 year up to 5 years $	More than 5 years $	Total $
Accounts payable and accrued liabilities	1,092,133	31,565	67,238	67,238	1,258,174
Long-term debt	91,978	94,143	837,665	27,583,238	28,607,024
	1,184,111	125,708	904,903	27,650,476	29,865,198

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Centre has $1,023,786 (2020 - $1,201,429) in debt bearing interest annually in relation to the acquisition of technology services network (note 7). Management does not consider the Centre to be exposed to significant interest rate risk.

As at March 31, 2021, the Centre's total exposure to interest rate risk is $1,023,786. The Centre's estimate of the effect on net assets, as at March 31, 2021, of a one percent increase or decrease in the interest rate on the loan payable, with all other variables held constant, would amount to an approximate increase or decrease of $31,495 (2020 - $45,981). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

11 Financial instruments and risk management (continued)

The sensitivity analysis included in this note should be used with caution as the changes are hypothetical and are not predictive of future performance. The above sensitivity is calculated with reference to year-end balances and will change due to fluctuations in the balances in the future. In addition, for the purpose of the sensitivity analysis, the effect of a variation in a particular assumption on the fair value of the financial instruments was calculated independently of any change in another assumption. Actual changes in one factor may contribute to changes in another factor, which may magnify or counteract the effect on the fair value of the financial instrument.

12 Commitments

The Centre has entered into facility services and technology services agreements related to the operation of the Centre, both expiring in 2026. Under the facility services agreement, among other terms, the Centre will pay a facility management fee of $290,000 (2020 – $280,000) with annual escalations of $10,000 thereafter. Under the technology services agreement, the Centre will make annual payments adjusted for inflation of $324,001 (2020 – $316,099) attributable to the ongoing service agreement.

The Centre has also entered into a telecommunications equipment lease agreement with RCAP with an initial and first renewal term March 1, 2015 to April 1, 2021. The agreement was renewed in June 2020 and expires April 1, 2025. Under the agreement, the Centre will pay an annual fee of $23,589 (2020– $25,980). All figures exclude applicable taxes.

13 Capital management

The Centre's objective when managing capital is to maintain its ability to continue as a going concern in order to execute its mandate to operate a world-class convention facility. The Centre's capital structure is comprised of its net assets, long-term debt and deferred contributions related to property, plant and equipment. The Centre's objective in management of its capital structure is to ensure access to sufficient cash flow to carry out its ongoing operations and service its obligations.

14 Contingency and measurement uncertainty

As at March 31, 2021, the Centre has accrued an amount of $306,922 representing management's best estimate of future payments which may become due as a result of the impacts of the pandemic on the Centre's operations. The actual amount of any ultimate liability is currently uncertain and may be higher or lower than management's estimate. Any difference between the amount accrued and the actual amount that will ultimately become payable, if any, will be recognized as a charge or credit to the statement of operations in the period in which the amounts are ultimately paid or become payable.

15 Government assistance

In response to the negative economic impact of COVID-19, the Ministry has provided the Centre with government grants. In December 2020, the Centre entered into an Ontario Transfer Payment Agreement which consists of grant payments to the Centre to assist with payment of operating costs and replenishment of client deposit accounts.

The Centre has recognized $4,544,762 of Ontario Transfer Payments for the year ended March 31, 2021 of which $708,862 was receivable (note 4).