



# **PACIFIC NATIONAL EXHIBITION** ANNUAL REPORT

April 1, 2018 – March 31, 2019





*Candy floss at the PNE Fair*

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*Shelley Frost, PNE President and CEO*



## Letter from the Chair of the PNE Board and the PNE President and Chief Executive Officer

What a difference a year makes! The 2018 fiscal year was a year of significant change for the PNE, as well as great success. This year's annual report will share the highlights of both.

On July 6, 2018, the PNE's CEO of 15 years, Michael McDaniel, stepped down to take on a new role and his successor, Shelley Frost, was appointed after serving 15 years as the PNE's Vice President of Marketing, and most recently, Vice President of Marketing and Sales.

Vancouver's civic election in October of 2018 brought additional changes and evolution. The Chair of the PNE Board of Directors for over a decade, former City Councillor Raymond Louie decided to step back from civic politics and a diverse new council was elected. The PNE was proud to have Councillor Lisa Dominato, resident of the Hastings Sunrise area, appointed as the new Chair of the Hastings Park-PNE Board of Directors effective November 5, 2018.

During any period of change, it is important to reflect on what we do, how we do it and why we do it. Stepping into the leadership role of such an iconic organization provides a unique opportunity to carefully shape this amazing 100-year-old organization for the future. This is exciting because the future of this organization is very bright and the PNE's unique DNA doesn't fit into a traditional box. We are as much social enterprise as corporate business and we provide social and community benefit through our business model. We believe in the power of bringing people together... to connect, celebrate and experience life with friends and family... and to build memories. We are not simply venue managers. We create, produce, partner and utilize space creatively to ensure a diverse range of experiences for all ages and interests. The PNE's mandate, programming and new Master Plan venues align to Culture|Shift Strategy

being developed to support local arts and culture programming. And we firmly believe, as do so many of our guests and neighbours, that we are intrinsically intertwined into the heart of Hastings Park. And proudly so.

On the financial front, we started the year April 1, 2018 in a very solid financial position coming off the most financially successful year in two decades. The 2018 fiscal year was another very strong year generating \$55.5 million in total revenues and providing a net contribution of \$1.91 million, the second most successful financial result in that period. Both the PNE Fair and Playland achieved their highest total revenues of 20 years, Fright Nights had record breaking attendance and revenues and the year-round event portfolio was excitingly diverse with the addition of Cirque de Soleil's *Corteo*, a new two-day summer music festival and a growing number of concerts and cultural events on site. Overall it was a sensational year and through our ongoing participation in city-wide planning forums such as the upcoming Transportation 2050 initiative to support stronger public transit to Hastings Park, and site-wide infrastructure and sustainability planning, we continue to work toward development of a world class public space with programming to support this city's diversity and growth.

Both Lisa and I would like to thank Michael McDaniel and Raymond Louie for their years of dedication and service, the PNE Board of Directors for their commitment to making the PNE strong and resilient and to all the PNE staff, advisory group volunteers, and community partners such as East Village Business Improvement Association, Kiwassa House and Hastings Sunrise Community Policing Centre for their hard work and commitment. We look forward to helping to shape a successful, meaningful and bright future for the PNE as well as implementing crucial elements of the Hastings Park-PNE Master Plan in the years to come.



Shelley Frost  
President and Chief Executive Officer



Lisa Dominato  
Chair, Hastings Park Board of Directors

# 2018

## HIGHLIGHTS

**ANOTHER STRONG  
FINANCIAL YEAR  
FOR THE PNE**



**PNE FAIR  
SHOWS RECORD  
PROFITABILITY**



**FRIGHT NIGHTS  
BREAKS ATTENDANCE  
AND REVENUE RECORDS**



**NEW PNE COMMUNITY GRANT FUND HELPS  
LOCAL ORGANIZATIONS BUILD COMMUNITY**







**RECORD GROUP SALES  
THROUGH INCREASED  
CORPORATE EVENTS  
AT PLAYLAND**



**CIRQUE DU SOLEIL  
RETURNS TO PACIFIC  
COLISEUM WITH *CORTEO***



**PNE SUSTAINABILITY  
EFFORTS REMAIN  
AT THE FOREFRONT**



**SIGNIFICANT  
PROGRESS MADE  
TO MASTER PLAN**



Monster Jam, Pacific Coliseum



Vancouver Gem & Mineral Show, PNE Forum



## Introduction

Founded in 1910, the Pacific National Exhibition (PNE) is a unique and multi-faceted non-profit organization that has developed Hastings Park into a year-round destination showcasing the diversity of Vancouver to local, regional, national and international guests. As a social enterprise with a mission to inspire joy and deliver memorable experiences, the PNE plays a unique role in ensuring year-round access to public spaces as well as bringing people together at a wide range of inclusive, accessible events representing a dynamic range of interests. Over the years, the PNE has brought together millions of guests to enjoy family shows, sporting events, an amusement park, concerts, cultural activities, exhibits, consumer shows and the iconic annual summer PNE Fair.

Even after 108 years of changing landscapes and evolving guest preferences, the PNE proudly continues to flourish and diversify. The PNE's core values of Excellence, Enthusiasm and Evolution ("The 3Es") are essential to its adaptability and ability to diversify. Each year, success means balancing a broad mix of indoor and outdoor events, both community and commercial use of facilities and spaces, as well as providing a variety of events for all ages, ethnicities and interests. Combine this with a passionate team of industry experts, robust financial management and annual capital investment and you get the PNE, a strong and financially sustainable non-profit organization that serves an important, iconic and social role in Vancouver and British Columbia.

The 2018 fiscal year was another very strong year and the PNE generated the second highest level of total revenues in two decades. This included achieving the highest Fair revenues in 20 years, highest Fright Nights revenues in that event's 17 year history, highest total Playland revenues in 20 years and Group Sales broke all records for the number of special event revenues through Playland. While the PNE regularly delivers a positive net income, 2018's net contribution was the second highest in over a decade at \$1.91M. This contributed to an accumulated operating surplus of \$6.28 million, all of which was invested directly back into the organization, park spaces, events, programs and facilities.

With the financial performance of the PNE improving and becoming more stable each year, it allows the PNE to continue investing in the future of the team, technology, equipment, facilities and attractions as well as the implementation of the Hastings Park Master Plan. Diversification of the year-round event portfolio and execution of new business development ideas provide a solid foundation for ongoing success. Delivering memorable experiences within a lens of sustainability, safety and guest experience is at the heart of what the PNE does and the PNE is committed to supporting the City of Vancouver in attaining its goals and bringing the vision of the Hastings Park Master Plan to life.



## Background on the PNE and Hastings Park

Hastings Park is a 165-acre parcel of land and one of Vancouver's most significant urban parks. The PNE brings this space to life making it a social gathering place, bringing together people for casual celebrations and activities as well as hundreds of organized events. People often ask what we are all about. What we are, is about people and community... bringing people together and building community. This great space was granted to the City of Vancouver by the Province of British Columbia in 1889 for the use, recreation and enjoyment of the public. Hastings Park draws visitors from across the City and Province and has been the home of the PNE since being founded in 1910.

For over 100 years, the PNE has hosted an annual summer PNE Fair onsite and as the PNE evolved over the decades, it added Playland Amusement Park in 1929 which is open from April to October each year. In the 1940's the mandate of the PNE expanded to include year-round activities in our many on-site venues. Collectively, PNE events and activities contribute to the PNE's \$145 million economic benefit to the region (in

2002 numbers) and also significantly adds to the province's creative economy and social fabric by providing a year-round outlet for family shows, concerts, exhibitions, community events and cultural activities.

Hastings Park is a multi-purpose destination for economic development, culture and entertainment as well as a gathering space for the community and residents across the city and the region. It is a diverse space that spans from Renfrew Street on the west side to Bridgeway on the east and from McGill on the north side to Pender on the south. For over 108 years the PNE has proudly been the steward of the largest portion of Hastings Park (105 acres), caring for its facilities and open spaces. Hastings Racecourse is operated by the Great Canadian Gaming Corporation through a lease with the City of Vancouver (50 acres), Empire Fields (10 acres) and the Hastings Community Centre space are operated by the Vancouver Park Board on behalf of the City, and the E-Comm 9-1-1 call and dispatch centre is operated by Emergency Communications for British Columbia.



*PNE Fair, undated photo*



*PNE Fair, 1952*

## The Structure of the PNE Organization

Wholly owned by the City of Vancouver, the PNE is an independent, non-profit, organization. It is a social enterprise with the mission to build social connections and community and does so by ensuring a mix of fun, face-to-face activities that span all ages, interests, ethnicities and income levels. The PNE is operationally financially self-sufficient using the revenue generated across three of its five activity streams (PNE Fair, Playland Amusement Park and Year-Round events) to cover costs across all five activity streams (Facility Maintenance and Park Care, Corporate and Community).

The annual summer PNE Fair is the most well-known of the five activity streams. We welcome an average of 800,000 guests each year from across British Columbia to be entertained and to experience a range of interesting foods, live shows, rides and exhibits. Approximately 50%

of the PNE's annual revenues derive from this event. Playland Amusement Park, open from April through October each year, is the PNE's second activity stream. Playland entertains more than 375,000 guests outside of Fair time with games, food and over 35 rides and attractions, Playland accounts for almost 25% of the PNE's annual revenues. The third activity stream is the Year-Round events portfolio which includes the use of all on-site facilities to host concerts, sporting events, festivals, cultural and community events. While some facilities on-site are dedicated primarily to community programs that are subsidized by the PNE, year-round events in the remaining venues bring more than 1.5 million guests to Hastings Park each year and account for the remaining 25% of the PNE's annual revenues. Facility Maintenance and Park Care is the PNE's fourth activity stream. The PNE is responsible for facilities on site including the

Pacific Coliseum, Forum, Agrodome, Rollerland, Livestock Building and Garden Auditorium. We also ensure that outdoor spaces are cared for and thrive for guests and the local community to enjoy. Spaces including the Sanctuary, Italian Gardens, Momiji Garden and centre grounds are all lovingly cared for. Specially trained horticultural teams are on staff so that public park spaces remain in their naturally intended states. The PNE closely collaborates with the City of Vancouver Park Board staff throughout the year and their valuable input is reflected throughout the grounds. Management of the facilities and park space does not generate revenue; however, management of these areas is a budgeted PNE expense and in 2018, more than \$6.25 million was invested from the PNE annual operating budget to ensure these public spaces remain well taken care of for all to enjoy.

## DID YOU KNOW... ?

The PNE is a non-profit social enterprise with a mandate to build social and community connections and, as a financially viable non-profit entity, all profits are invested back into the site, green spaces, facilities and programs.

Twice a year, the PNE has public Board meetings, where community members can come and speak on relevant issues that affect them.

The organization is owned by the City of Vancouver and is governed by a Board of Directors that includes business and community leaders, as well as a senior staff and elected officials from the City of Vancouver. The General Manager of the Vancouver Park Board is the Vice Chair of the Board, which provides an important linkage into the Park Board.

We invest \$1.5 million in community programs annually.

The PNE spends over \$6 million every year to care for and enhance the park space and maintain the site facilities.

The PNE is consistently in the top 25 most loved brands in BC according to Ipsos Reid/BC Business and we are the 7th most loved brand among 18-34year olds.

The PNE has an award-winning zero waste program... and through this program we have helped partners like the Binners' Project grow by 78%.



## The Governance of the PNE and Hastings Park

For 100 years, Hastings Park was governed by the PNE and a Board of Directors. It is a unique multipurpose site with public spaces to welcome the public for passive use as well as venues and events that welcome people from across the province for fun and entertainment.

In 2010, an independent Governance Review of Hastings Park was requested as part of the City Council-approved 2010 Hastings Park Master Plan. A three year study was undertaken by third party consultants KPMG with City of Vancouver staff which included public consultation and community stakeholder input and a new Governance structure was approved in 2013 by City Council for Hastings Park-PNE. This structure did two things: It reaffirmed

that the broader site and activities should be stewarded by the PNE as it had been for over a century and restructured the Board of Directors to oversee both the PNE and Hastings Park to ensure more public access to the Board and ongoing consultation with stakeholders.

In this revised Board structure, the PNE and Hastings Park are governed by a City Council-appointed Hastings Park-PNE Board of Directors that includes business and community leaders as well as elected officials and senior staff from the City of Vancouver and the Vancouver Park Board. To ensure a Park Board voice, the Vice Chair of the Hastings Park-PNE Board is the General Manager of the Park Board. A Community Advisory Committee was also implemented

as part of the new Governance approach and this group meets six times a year with a team of PNE Executive and Community Relations staff.

The PNE proudly continues to manage Hastings Park with 108 years of experience that allows the PNE to maintain a delicate balance of community and commercial use of space. This is essential to providing the PNE with the financial flexibility to invest millions annually to support community use of the site and to enhance park spaces. Hastings Park is a vibrant and active space and while some people think we are a commercial company, the PNE is a not-for-profit organization that invests 100% of proceeds back into the site, facilities, programs and upkeep of green spaces.

We bring over 2.5 million people to Hastings Park keeping it vibrant and creating over \$140 million in local economic impact for surrounding communities.

The variety of events on-site provides opportunities for families and people from all walks of life to engage in social activities and to become immersed in the collective fabric of Vancouver's diverse communities.

As the largest employer of youth in British Columbia, the PNE proudly provides a wide range of much-needed first jobs, training and support that builds essential skills for the next generation of workers and leaders. We target and nurture young people through unique and award-winning recruitment techniques and training programs.

The PNE also has a wide range of low barrier to entry roles for those entering or re-entering the workforce providing essential experience for employees to build up their work experience. The PNE also has a range of highly skilled roles including trades.

The PNE is fully unionized with four unions operating on-site (CUPE, IATSE, IUOE and IBEW).

## The PNE's Role in the Hastings-Sunrise Community

Rooted in the heart of Hastings Park for over a century, the PNE remains dedicated to positively impacting the Hastings-Sunrise community by working with local resources to mitigate any impacts from events held on-site, helping to build community and supporting local community-building initiatives. We remain committed to consulting with the community and enhancing our positive influences with our neighbours now and into the future via the PNE Neighbourhood Focus Group, the PNE Community Advisory Group and the PNE Youth Council.

Last year we proudly launched a new initiative called the PNE Community Grant Fund to help support local community events that bring people together with the purpose of growing community pride. Every year, the PNE hosts Community Day at Playland and on that day, \$10 from each regular admission ticket sold is donated to support the grant fund. This fund is meant to help Hastings-Sunrise non-profit organizations host their own event within the community. The hope is to increase opportuni-

ties for the Hastings-Sunrise residents to come together, learn, engage and have fun. This year, Community Day at Playland was held May 26, 2018, and over \$10,000 was raised to support the Community Grant Fund. Six beneficiary groups were chosen in 2018 which included the Franklin Community School Association, the Hastings Community Centre Association, Hastings Park Conservancy, Kiwassa Neighbourhood Services Association, Universal Limited Performance Society and Hastings Community Little League (HCLL).

The PNE is one of the largest supporters of the HCLL and has raised over \$100,000 since 2010 to support this community youth sporting group which provides the opportunity to have fun while being active and learning valuable teamwork skills. The PNE provides a complimentary Playland pass to 425 league players each year, fundraised to rebuild the HCLL Diamonds in 2016 and participates in a number of annual HCLL events.

Every year, the PNE also supports a variety of local community activities through the direct

financial subsidy of several on-site programs. For over 15 years, the PNE has provided the CircusWest training school with a subsidized home in the Garden Auditorium for their exclusive use 11 months of the year. The PNE also provides 2,000 hours of community ice programs in the Agrodome (at rates equivalent to those offered by Park Board community rinks) for 17 hockey and skating groups throughout the year. The largest users of this space continue to be the Vancouver Minor Hockey Association and figure skaters of the Vancouver Skating Club.

The PNE partners with a number of local schools, sport groups and non-profit organizations to support initiatives from fundraising to student leadership. As part of those partnerships, the PNE provided complimentary space and management support to a variety of events coordinated by neighbourhood groups in 2018 including the Community Policing Centre Volunteer Appreciation Dinner, nature walks hosted by the Hastings Park Conservancy and *The Japanese Problem* play put on by the Japanese Canadian Association to commemorate the



Chinese New Year dinner at Kiwassa Neighbourhood House



"The Japanese Problem"





*PNE Youth Council*

internment of Japanese Canadians at Hastings Park during World War II.

For the 13th year the PNE proudly hosted the on-site Terry Fox National School Run Day. Eight schools from the Hastings Sunrise area participated in raising awareness and funds for the Terry Fox Foundation. The PNE provided complimentary logistical support as well as snacks and water to approximately 1390 children who ran the park course all to promote physical activity, help increase cancer awareness and to honour the legacy of the great Terry Fox.

Now in its ninth year, the PNE Youth Council brings together community-minded youth aged 16 to 18 from across the Lower Mainland to serve a one-year term to learn about the PNE and to advise the PNE on a range of topics. The Youth Council provides its members with valuable leadership opportunities, networking, public speaking and an opportunity to learn more about business topics at the PNE from our senior management team. This year, the Council size increased from 12 to 16 participants and was described as being the most engaged group to date with representation from Burnaby, Surrey, Vancouver, West Vancouver, Coquitlam, Delta and North Vancouver.



*Annual Terry Fox National School Run Day*

Historically farmers markets have had many purposes including helping farmers and artisans maintain social community ties that link rural and urban populations, in addition to providing retail outlets for local products. This was the fifth year that the PNE proudly partnered with the Vancouver Farmers Markets Society to host the winter and spring markets at Hastings Park from November 4 through April 29. Each Sunday a unique and evolving group of almost 50 local artisans and farmers came out to sell local produce, baked goods, meats, fish, jams, spirits and crafts. The PNE subsidizes this program by covering operational costs such as the set-up of garbage/recycling/compost bins, waste pickup, power and heat, pre- and post- event site cleaning, and promotion of the farmers market to name just a few. Thousands of people from the area and the lower Mainland converged on Hastings Park with pride and thoroughly appreciated the distinction and uniqueness of the market while also appreciating the sense of community.

The Learn to Fish program provides the opportunity for local adults and youth to learn about fishing and the program is designed for anglers to fish from the dock on the north end of the Sanctuary. In 2018 the PNE again partnered with



*Neighbourhood Party at Playland*

the Vancouver Park Board and the Freshwater Fisheries Society of BC (FFSBC) to host this popular fishing program in the Sanctuary. Similar to what is done in over 80 freshwater ponds in Greater Vancouver, this program calls for the Sanctuary to be stocked by the FFS with rainbow trout during the spring and fall. Last year over 2,000 hours of fishing were logged in the Sanctuary by hundreds of users and during the 2018 Fair, the Learn to Fish program saw over 3,000 participants. The habitat continues to be closely monitored to ensure the program does not negatively impact the more than 125 species currently sharing the Sanctuary space.

The annual PNE Neighbourhood Party continues to grow and this year was no different. Each year our neighbours are invited to enjoy free entry to a private appreciation event at Playland where they can enjoy the sights and sounds of Playland with their neighbours. Attendance proves how much they truly appreciate it, just as we appreciate them. On June 21 we were happy to host 4,600 local residents at Playland for a fun-filled night filled with adrenaline pumping rides, an assortment of midway games and our very famous mini donuts as a small thanks to our neighbours.

# GIVING BACK

**Although the PNE is itself a non-profit organization, we take great pride in generously giving back to other local organizations and community groups.**

In 2018, more than 17,000 tickets were provided to local residents so they could come and enjoy PNE events.

Over 2,100 tickets were donated to 15 schools and nine local organizations through our community ticket donation program. Recipients included local elementary and high schools, as well as local community groups like the Franklin Community Association, Hastings North BIA, Hastings Sunrise Community Policing Centre, Kiwassa Neighbourhood House and Hastings Community Centre.

Over 500 non-profit organizations and kids' programs received approximately 4,700 tickets through various ticket donation programs in 2018. Although the groups who receive ticket donations change from year to year, some of the recipient groups for 2018 included the BC Children's Hospital Foundation, Juvenile Diabetes, the YWCA and the Prostate Cancer Foundation.

The PNE recognizes that large celebrations and events bring positive impacts – and sometimes negative ones – to the surrounding community. To help identify issues and opportunities, the Community Advisory Group (CAG) met six times during 2018. The group is comprised of eight local and city-wide representatives selected through a City of Vancouver application process. The group provides constructive input to PNE staff regarding items such as on-site programming, implementation of aspects of the Hastings Park–PNE Master Plan, and operational issues that affect the local community and region. The CAG complements the Neighbourhood Focus Group, which consists of approximately 20 local neighbours who meet twice per year with the PNE senior management team to provide open feedback, discuss issues and provide input on ways to mitigate negative impacts, as well as to

discuss how best to build on the positive aspects of the PNE's role in the community. We are proud of the programs we have developed to support the local community and to maintain open communication.

As a result of the PNE's engagement with these groups, a number of programs have been developed to minimize negative impacts on the neighbourhood during large events and to help keep the residential areas clean and safe. Ongoing annual programs include the PNE's Neighbourhood Clean-Up Crew and Neighbourhood Bike Patrol. The Clean-Up Crew goes out during the Fair, Playland season and Fright Nights. The Bike Patrol is out in the community during the Fair, Fright Nights and many Pacific Coliseum events. As well, the rental of parking lots from local schools during the Fair

helps reduce neighbourhood parking impacts while providing the schools with funding to support the programs of their choice. The PNE engages local businesses and residents with complimentary tickets to attend PNE events; we also provide complimentary window decoration to businesses in the Hastings North Business Improvement Association (BIA), offering those businesses an opportunity to get involved with the Fair. To further help local avid park users, the PNE ensures that residents in the Hastings-Sunrise area have access to special passes that allow them to continue to enjoy paths for jogging and other regular park activities during the 15 days of the Fair. Communication with our neighbours is imperative and last year both electronic and hard copy newsletters were sent out 11 times to keep the community abreast of events and upcoming initiatives.



# The PNE's Role Beyond Hastings Park

## IMPACT ON THE ECONOMY

The impact of the PNE is extensive. We play a significant role in providing economic benefit, employment and tourism for Vancouver. In 2018, the PNE generated \$55.5 million in revenue (\$44.1 million–\$55.6 million, with a ten-year average of \$49.21 million) across more than 1000 event days. In doing so, over 2.5 million guests came to Hastings Park which also provides support to local businesses. The PNE provides over 4,000 jobs annually, 89% of which are within Vancouver's Census Metropolitan Area (CMA). As well, the PNE has 2,000 employees who live in the City of Vancouver and 1,200 of those employees living in Vancouver are under the age of 21.

*Contributions specific to each activity stream are as follows:*

Playland welcomes an average of 378,000 guests annually (8 year average of 300,000 visits to Playland during the regular season, plus an additional 78,000 visits each year to Fright Nights), generates several hundred local jobs and an average of \$13.4 million in gross revenues annually (\$10.5 million–\$16.2 million, with an eight-year average of \$13.4 million). Attendance and revenues in Playland grew in 2018, further supporting the case for investing into the redevelopment of the park.

In 2018, the 15-day PNE Fair generated the strongest total revenues in 20 years, reaching \$26.6 million. The Fair averages 760,000 guests each year (678,193 – 937,485 with a ten-year average of 765,591 guests). The Fair also generates an average of \$24.4 million in revenues each year

(\$22 million–\$26.6 million, with a ten-year average of \$24.4 million). Total economic impact of the Fair on British Columbia specifically related to gross domestic product (GDP) is over \$58 million, with \$30 million in salaries and wages, and \$25 million in total taxes. (Source: *Demand-Side Economic Impact Reporting for Industry Canada conducted by EventCorp in 2010.*)

Year-round events at the PNE such as concerts, sporting events, cultural events and consumer shows generated \$12.4 million in revenues in 2018. This revenue stream remains strong and total revenues average \$11.3 million annually (\$8.8 million–\$13.7 million, with a ten-year average of \$11.3 million). The PNE also invests an average of \$6 million each year in facility maintenance and park development.

A third-party economic impact study conducted by Pannell Kerr Forster in 2002 estimated that PNE activity streams contributed an estimated \$139.1 million share of the value-added GDP for BC (in 2002 dollars), with \$115.2 million of this



Knit City, PNE Forum

generated in the Vancouver census metropolitan area (CMA). PNE activities provide \$94.7 million each year in staff wages in BC, \$80.8 million of which was retained in the Vancouver CMA.

## SUPPORTING STRONG TOURISM

A proud contributor to municipal, provincial and national tourism efforts, the PNE also supports a strong local tourism market in a number of ways. For example, the Fair draws 85% of our guests from the Lower Mainland, 11% from elsewhere in BC and 4% from beyond the province. Approximately 85,000 guests travel more than 80 kilometres to visit the Fair. An independent research study commissioned by the federal government in 2010 showed that 86% of those guests who travelled more than 80 kilometres said that the Fair either influenced their trip or was the main purpose of their trip. A large proportion (65%) of those guests stays over each year in the Vancouver area, for an average of 3.5 nights each. Approximately 40% of overnights use commercial accommodations, resulting in more than \$1.7 million annually in spending on lodgings. And more than 20% of Fair guests extend their travel to other regions of Canada, resulting in additional spending of over \$5.5 million each year. (Source: *Demand-Side Economic Impact Reporting for Industry Canada conducted by EventCorp in 2010.*) Through the Hastings Park Master Plan and Playland Redevelopment Plan, we look forward to expanding Vancouver's tourism content by providing an accessible, world-class attraction with enhanced public amenities for regional residents and tourists to enjoy.

## COMMITMENT TO PARTNERSHIPS

Over the past decade, the PNE has developed true breadth in our partnerships program through a strategy of carefully customized programs built to meet both partner and PNE objectives. The PNE proudly partners with some of BC and Canada's most beloved brands like Vancity, BCAA, Safeway and Tim Hortons. These partnerships are built on shared values and some relationships go back more than 25 years.

In 2018 the PNE revitalized the basketball court in partnership with the NBA. We are the proud home to the Nash Family Court recognizing Steve Nash's ties to Hastings Park. The court is steps away from the Agrodome where Nash led his team to a AAA provincial championship in 1992.

These partners help the PNE build new programs, shape experiences for guests and provide us room to make bigger community investments. Each year, the number of organizations choosing to make an investment into the PNE is growing, as are the amounts they invest. Our partners tell us that they see the PNE flourishing and that we are shaping something they want to be a part of. It is a firm acknowledgement that the foundation we are setting is resonating and that our future is exciting not just to us, but to those around us.

## COMMITMENT TO SUSTAINABILITY

The PNE remains committed to making sustainability investments a top priority and to improving our environmental footprint. From Playland and the Fair to Year-Round events, we are striving to improve our performance in all areas of our business and have placed sustain-

ability at the heart of our operations, events and community programs.

In 2018, we continued to evolve our sustainability program by aligning our efforts under three strategic pillars including Zero Waste, Green Buildings and Green Lifestyle, with our annual action plans focused on our infrastructure, processes, education, engagement and communication of the strategy. This strategy aligns with the City of Vancouver's Greenest City Action Plan and we are proud to work with our sustainability partners Vancity, Waste Control Services, Encorp Pacific, the Binners' Project, BC Hydro, Brian Jessel BMW, and Safeway to bring our efforts to life.

The Zero Waste strategy has seen great success and has evolved from a one-day waste diversion event a decade ago to seeing the organization improve site wide diversion year round to 72%. In one year, 2017-2018, the PNE increased diversion by a substantial 5% by focusing on the key areas of improvement, modelling what worked and leveraging the expertise of the team and our partners. The 2018 launch of using only 100% compostable serving containers, cutlery and straws at the Fair was instrumental to our success this year and more importantly begins a broader transition away from single use items. Styrofoam products were banned in 2012.

The learnings from the 2018 Fair were significant and best practices were put into place resulting in a pivotal year for the PNE Zero Waste Strategy. We also found a solution to one of our greatest challenges within the waste diversion program. The tops to the diversion stations were not supporting the various size and shapes of the diverse food containers on site so new tops were created in

2018 to decrease the congestion and contamination in the bins. This yielded significantly better diversion rates throughout the year, specifically in Playland. In addition to the new tops, new signage was created and better efficiencies were put into place in back-of-house during peak times with our partners at the Binners' Project.

The Binners' Project partnership has been very rewarding for the PNE from an expertise and resource perspective, but it is also a way to support the local community. In 2016 we began our collaboration with 26 event days of income opportunities and in two short years it has grown to 368 opportunities (Playland and Fair combined) for the Binners' Project team. The growth and hard work of the Binners' Project has been outstanding, and the PNE is very fortunate to be a part of this east Vancouver charity.

Our Green Buildings pillar focuses on the reduction of energy use, water consumption and greenhouse gas emissions across the site. With improved maintenance strategies and upgrades to infrastructure, the most notable changes in 2018 included the following: upgraded the Westcoast Wheel's lighting package to fully LED; completed phase I of the Garden Auditorium lead abatement project; installed a new Pacific Coliseum ice plant to reduce the usage of ammonium; replaced air conditioning and heat units for the administration building and TicketLeader offices to more energy-efficient units; set new building standards for the PNE Prize Home to Net Zero; and continued our education campaign with BC Hydro on making smart energy choices by communicating the initiatives the PNE has undertaken to demonstrate that small steps lead to big impact.





Summer Night Concerts Entry Gate, PNE Amphitheatre



Waste Diversion, PNE Fair



BCAA Partnership with the PNE Fair



Westcoast Wheel, Playland



Nash Family Court



Tory Lanez, PNE Amphitheatre



Vancouver Giants, Pacific Coliseum





*Hastings Park and the PNE, looking north*

# The Future of Hastings Park

## MASTER PLAN PROGRESS

In 2004 and 2005, following ownership transition of the PNE from the Province to the City of Vancouver, the PNE was recognized as a valuable community asset and Council ended discussions about the PNE's possible relocation, instead launching a re-visioning exercise that would formulate a Master Plan that encompassed both Hastings Park's and PNE's future.

This re-visioning was led by a diverse project team that included many City departments, the Park Board, PNE, a broad range of external consultants and community stakeholders to help inform what would become the approved Hastings Park-PNE Master Plan. This vision was developed over two years of consultation followed by an additional two years of outreach, community feedback and refinement before being adopted by City Council in 2010.

The vision for Hastings Park captures its essence quite beautifully – celebration, connection and transformation for all. This body of work does a great job of meeting the objectives of a greener, more sustainable and accessible space while balancing the long term financial sustainability and economic vitality of the site, renewing Vancouver's historic annual PNE Fair and Playland Amusement Park and providing the space and amenities for year-round park use, culture, sport and recreation, pleasure, and fun for all ages, interests and backgrounds.

This is not an easy task – but it was carefully achieved. The PNE is proud to be a part of this 25-year initiative that will breathe new life into this incredible space.

The Hastings Park-PNE Master Plan envisions the transformation of Hastings Park into a greener year-round destination with space for festivals, cultural activities, sport, recreation and leisure.

The Plan provides for renewed facilities on-site, with the amount of park space almost tripling, from 27 acres to 76 acres. This revitalized Hastings Park will provide expanded green spaces that link to the city's green corridors, beautiful blooming gardens, and pathways to and from every corner of the site. Facilities and infrastructure will be redeveloped to allow for a wider range of cost-effective celebrations, festivals, sports, music and family entertainment to blossom on-site, as well as to facilitate the growth and evolution of that beloved end-of-summer tradition, the PNE Fair, the largest ticketed event in BC. Playland will remain at the heart of Hastings Park, with softer landscapes and re-themed spaces to allow Playland to expand and thrive as it continues to thrill families and kids of every age.

City Council requested a Governance Review of Hastings Park-PNE when the Master Plan was adopted which took three years of study and public consultation. In August 2013, Council approved the new Hastings Park-PNE Board

and outlined the Board's mandate to provide policy direction for the multi-faceted activities at Hastings Park as well as oversight for the implementation of the new Hastings Park-PNE Master Plan. This decision allows the PNE and the PNE Board of Directors to plan holistically for the future while keeping in mind the long-term interests of the PNE, open spaces and increased community involvement. An eight-member Community Advisory Group (CAG) was instituted, along with semi-annual open public Board meetings, to ensure more open communication between the PNE and members of local and city-wide communities.

The Master Plan is also an opportunity to significantly improve the sustainability and ecological performance of Hastings Park and the PNE, consistent with Vancouver City Council's Greenest City Action Plan priorities, the Healthy City Strategy and the Urban Forest Strategy. Plans include improved energy efficiency and waste management, locally sourced healthy food options at events, increased pervious ground cover and increased canopy cover throughout the park. The PNE will continue to work with all parties to help make Hastings Park part of the Greenest City in the world. The Master Plan achieves the challenging balance of providing a significantly greener and more publicly accessible Hastings Park, while renewing Vancouver's historic annual Fair and amusement park and ensuring the PNE's economic vitality and long-term sustainability.



## MASTER PLAN PROJECTS COMPLETED TO DATE

It was important that a number of greening and park access projects were completed early in the implementation of the Master Plan to ensure improved community access to Hastings Park.

### Since 2010, completed projects have included:

- The redevelopment of Creekway Park as a connection from Hastings Park to New Brighton Park.
- The addition of temporary greenways throughout Hastings Park to facilitate pedestrian and bike traffic and to ensure east/west connectivity throughout the park.
- The implementation of a new signage and identity plan to improve park identity and wayfinding for guests within the park.
- Several facility improvements were also made to ensure structural integrity and seismic readiness, and to remove asbestos from within key historic buildings.
- The redesign of Empire Fields to include new sports fields, new track and courts, with kids' spaces as well as Plateau Park for community use.

While the above projects have improved the park landscape and guest access, studies have also been done to assess the risks of site development. In 2018, the Hastings Park Traffic, Parking and Access Study was completed to determine site-wide pedestrian and vehicle flow for the future of Hastings Park. In addition, site-wide technical studies were also completed which included an archaeological assessment, geotechnical assessments, an arborist report and infrastructure update.

Significant progress has been made on two key projects that were initiated in 2017 including the Amphitheatre renewal project and the Playland redevelopment plan. An Amphitheatre market analysis report was finalized and revealed a strong and growing local event industry that needs new venues like the Amphitheatre to meet the market demand for events and performance spaces. The market analysis also showed that a venue that can scale from 2,000 – 10,000 guests will fill the current venue supply gap in the market and enable broad use for community,

non-profit and commercial events. Venue design considerations, technical requirements, benchmark venue comparisons and a redevelopment scenario evaluation were also completed in 2018.

Playland is another key economic vitality project within the Master Plan and progress on this project was also made in 2018. An updated market analysis was completed and it showed concrete growth in the local market, tourist market and the overall theme park industry. Following the positive market analysis report, delivery planning was initiated for the Playland redevelopment plan. This included an assessment of site-wide development requirements, an evaluation of phasing options to reduce risks and optimize investment and an exploration of financing options. The PNE is responsible for the funding for the redevelopment of Playland but the funding strategy will outline what role the City will play in helping us access the required capital. Playland is a valued asset to the City and supports the City's Healthy City Strategy as well as its mission "to create a great city of communities that cares about its people, its environment, and the opportunities to live, work, and prosper". As originally outlined in the Master Plan, Playland is envisioned to expand from 15 acres to 22 acres to significantly increase greening and sustainability, and to transform from an amusement park to a theme park. This expansion is designed to increase revenues as an essential part of the ongoing financial sustainability of the site.

Ongoing information on the Hastings Park-PNE Master Plan can be found at [www.vancouver.ca/pnepark](http://www.vancouver.ca/pnepark).



*Creekway Park redevelopment*





Wayfinding at Hastings Park



## ANNUAL BUSINESS RESULTS – 2018



*Firefighter Band, PNE Fair*



*Vancouver Craft Beer Festival*



*Vans Park Series, Hastings Skate Park*



*Concert crowd, Pacific Coliseum*



*PNE Amphitheatre*



The PNE continues to thrive and 2018 was one of the best years in recent decades. The PNE achieved \$55.5 million in total revenues, \$1.91 million in overall net income contributing to an accumulated surplus \$6.28M. This increase in revenue allows for ongoing investment in equipment, programs, park spaces and facilities on-site and that was the case in 2018. Significant capital investments to three of our most popular rides at Playland (Wooden Roller Coaster, Hell's Gate and Crazy Beach Party) kept key rides out of operation for several months resulting in slightly lower attendance and revenue from 2017; however, once back in operation, Fright Nights had a spectacular year breaking records for both number of guests and revenue. And Fright Nights wasn't the only revenue stream to break records. The Fair also recorded the highest revenue in decades and both of these contributed to the success and long term sustainability of the PNE.



Monster Jam, Pacific Coliseum



Artist ARCY, PNE Fair



Lordco Tradeshow, Pacific Coliseum



# PLAYLAND

Playland offers Vancouver's most thrilling rides, the sweet smell of mini donuts, and fun for all ages. With 39 rides and attractions as well as 20 games and 16 food and beverage outlets to choose from, Playland offers affordable, family entertainment in a unique setting.

Playland has two distinct elements to its operating season. The first is the regular summer operating season which runs from May through September, including Playland Nights, a 19+ experience open to adults only on Friday Nights in July. The second part of the season is Fright Nights, Vancouver's signature Halloween event that runs for over 20 nights in October.

PLAYLAND REGULAR SEASON

In 2018, Playland was open for 89 regular season operating days from May 5 through September 16 (does not include PNE Fair August 18 – September 3) and welcomed 303,909 guests during regular season which was down slightly from the previous year. Three of the most popular rides among adrenaline seekers were out of operation for a significant portion of the season as they were receiving significant capital improvements. These rides were all signature, high volume rides: the Wooden Roller Coaster, Hell's Gate and Crazy Beach Party. Temporary rides were rented for the interim to give our guests an equal number of ride options (Alien Abduction, Octopus and Tilt-a-Whirl); however, the operating loss of three key rides did impact attendance (*see Figure 1 for a seven-year attendance history*). Despite the slightly lower attendance for 2018, Playland experienced a strong season and generated total revenues of \$16.23 million in 2018, the highest level of Playland revenue on record, and provided a net contribution of \$8.47 million (*see Figures 2 and 3 for a ten-year history*).

Over one quarter of all guests to Playland are high school students (28%). The rest of the audience is made up of families with young children. Half of the guests come in groups or

four or more and 87% rank their experience at Playland as a 7 or higher (out of 10). (*Source: onsite research by EventCorp Services, June and July 2018, based on 965 responses.*)

Playland values affordability and accessibility in addition to providing a great guest experience and we have several programs in place to support this. In 2018 our group sales team played a significant role in growing Playland attendance with the highest number of guests coming through Playland as part of a discounted group initiative, accounting for 30% of Playland's annual attendance. The annual Science of Fun and Amusement Park Physics and Science programs supports bringing students through the Park at a discounted rate to have fun and study science and in 2018, the program was experienced by 24,458 students. An additional 19,700 students enjoyed year-end school parties in the park, 4,698 guests celebrated at the park as part of Playland's official birthday party program, and 32,000 guests visited Playland through 99 different corporate VIP events held on-site throughout the season. The PNE is proud to have built successful programs for so many people to enjoy.

Playland had one of the best seasons in history, and we look forward to many more as we progress further with the Playland Redevelopment Plan. This plan will help the PNE meet the objectives of an affordable, accessible park and the plan will see Playland morph into a 22-acre theme park with a stronger family feel, additional features to enjoy, and significantly more greening and park space. Revitalizing and greening Playland will also support the Greenest City Action Plan through energy efficiency and

Playland's most iconic ride is the Wooden Roller Coaster, which turned 60 in 2018. The Coaster opened in 1958 and was designed by Carl Phare, with Walker LeRoy, the head of construction. The Coaster is powered by a 75 horsepower electric motor which lifts the 16-passenger specially designed train up the first hill. Once each train passes over the first hill it is driven through a series of climbs, dips, banks, horseshoe turns and a classic reverse curve only by the law of gravity. It is listed as a "Roller Coaster Landmark" by the American Coaster Enthusiasts (ACE). ElloCoaster ranked it #12 in the world in their 2018 Wooden Coaster Poll.

Wooden Roller Coaster Facts

Opened in 1958
Maximum speed of trains - 45 mph
Maximum track height - 75 feet at highest point (1st hill)
Track length is 5/8 of a mile
Ride time is 90 seconds
Coaster rides an average of 1/2 million guests annually
Original cost of construction: \$200,000
Built from Douglas fir



Figure 1 | **PLAYLAND ATTENDANCE**



better waste management and the Healthy City Strategy through locally sourced healthy food options and a focus on being active outdoors. It will also assist the Urban Forest Strategy through increased canopy cover and increased pervious ground cover, to name just a few benefits.

For more information on the Hastings Park–PNE Master Plan and Playland Redevelopment Plan, please visit [www.vancouver.ca/pnepark](http://www.vancouver.ca/pnepark).

## PLAYLAND NIGHTS

Figure 2 | **PLAYLAND TOTAL REVENUES (in Millions)**



*Note: Playland Nights revenue is separated out here for reference, but is included in the Playland total noted in Figure 2.*

After a successful first year with sellout nights, Playland Nights returned with an expanded footprint and additional dates. Playland Nights were held on six Friday nights from June 22 to July 27 from 7pm to midnight. The entire amusement park had a special event liquor licence, and the event was open to adults aged 19 and over. There were ten bars with specialty cocktails like Candy Floss Martinis, several DJs, axe throwing, burlesque shows, a new VR racing experience, and 25 rides.

A VIP ticket option was introduced to provide exclusive benefits for guests looking for an elevated experience. VIP ticket holders could skip the line at ten different rides including the Wave Swinger, the Pirate Ship, and The Beast. They also received expedited gate entry when entering the park and had exclusive access to a VIP bar.

Figure 3 | **PLAYLAND NET CONTRIBUTION (in Millions)**



The weather was more challenging in 2018, with four of the six days being grey and/or raining. Attendance was lower than the inaugural year, but the event is still evolving. It did, however, generate over \$870,000 in total revenue and over 15,000 guests had a fun unique adults-only experience. 43% of guests were aged between 19 and 24 and 43% were between 25 and 34. 87% said they would “likely” or “very likely” visit Playland Nights next year.

Admission was \$31 if purchased in advance online and \$34 on site. The VIP ticket option was \$81 in advance and \$84 on site.



Games, Playland



Westcoast Wheel



Wave Swinger



Playland Nights



Riders on Breakdance



Playland aerial



Playland Nights



Riders on Atmosfear





*Singe The Clown, Fright Nights*

## FRIGHT NIGHTS – WESTERN CANADA'S SCARIEST HAUNT

*Note: Fright Nights revenue is separated out here for reference, but is included in the Playland total noted in Figure 2.*

Fright Nights has become Western Canada's most highly anticipated Halloween events. Now in its 17th year, Fright Nights is where you'll find the highest concentration of haunted houses, with live actors and all the fun of amusement park rides... at night. But it's not for scaredy cats – or for kids under 13.

Some of the haunted houses include: the dilapidated Bloodshed cabin, home to a family of ruthless mutant murders, the Haunted Mansion offers a paranormal experience with promised thrills and chills not for the faint-of-heart, while the 3D experience of Car-n-Evil left guests with all the requisite symptoms of panic, terror and dread.

Pumpkin Spice candy floss made its debut at Fright Nights this year. This scrumptious,

tasty and vivid orange-coloured treat featured elements of Cinnamon, Nutmeg, Ginger and Allspice- all the favourite autumn flavours together in one!

Fright Nights successfully terrorized 93,454 guests in 2018, which was the highest attendance ever achieved at the event since its inception (see Figure 4 for a seven-year history). Over 22 operating days, between October 5 and 31,

thousands of brave souls enjoyed eight haunted houses, the Monsters of Schlock show, over 20 rides and the murderous ghouls, scary clowns and other mysterious creatures who roamed the park.

Guinness World Record holders and returning favourites, the Monsters of Schlock performed some of the most incredible and outrageous physical stunts ever seen from October 11 and 31.

A variable pricing model continued with the most popular weekend days at a premium (\$47) and provided cost-conscious guests with lower prices (\$27) on less heavily attended days helped to spread out attendance across the 22 days. To protect the quality of the guest experience, a 9,000 person capacity was implemented each night, which lead to sell-out messaging and an even stronger sense of urgency to buy tickets early or you'll miss out. Offering front-of-the-line Rapid Passes allows less cost-conscious guests the opportunity to make the most of their



*Actors at Fright Nights*



Figure 4 | **FRIGHT NIGHTS ATTENDANCE**



Figure 5 | **FRIGHT NIGHTS TOTAL REVENUES** (in Millions)



Figure 6 | **FRIGHT NIGHTS NET CONTRIBUTION** (in Millions)



experience by minimizing the time spent in lines. Rapid Passes sold out on two weekend nights and 6,100 guests took advantage of this option.

In addition to breaking attendance records, Fright Nights achieved record revenues of \$4.31 million in 2018 (see Figure 5 for a seven-year history) and contributed \$2.99 million in net income towards the Playland activity stream (see Figure 6 for a seven-year history). This was the PNE’s most successful year for Fright Nights, generating the highest revenues since the inception of the event, and securing its place as BC’s largest, scariest and most popular venue for celebrating the Fright of Halloween.



Actors scaring guests at Fright Nights



Actors scaring guests at Fright Nights

A large crowd of people is gathered at the PNE Fair. In the background, there are various stalls and signs, including "SLUSH ZONE", "BAR", and "ICE COLD DRINKS". The scene is vibrant and festive, with many people walking around and enjoying the fair.

# PNE FAIR

What is the PNE Fair? It's more than a 15-day long celebration with thrilling midway rides, live shows and unique food. The PNE Fair is an annual gathering place and end-of-summer tradition for generations of British Columbians. It hosts, educates, and entertains visitors from all over. It is an opportunity to build community and social connections as well as generations of memories. The Fair proudly supports Vancouver's Healthy City Strategy by bringing family and friends together to connect with neighbours and be engaged in our communities and help shape people's social well-being through positive fun experiences.



From watching the baby pigs to learning about sustainable agriculture, to cheering on the amazing SuperDogs, to experiencing a new interactive exhibit or watching free concerts at venues across the park, the Fair has something for everyone, creating wonderful memories for all. Rich with a 108-year history, the PNE Fair's signature annual event and has become not only BC's largest ticketed event, but also a summertime ritual.

The Fair is the single-largest event initiative at the PNE. It's what we are most well-known for and is responsible for approximately 50% of PNE annual revenues. It is also the event that is the most susceptible to weather fluctuations because it takes place mainly outdoors and is short in duration. Unlike Playland which has a 90-day season to recover from a few bad weather days, the Fair does not have this luxury and unpredictable weather can affect revenues dramatically. In 2018, the Fair had significant weather challenges to contend with the first week. Forest fires in BC's interior led to significant smoke and air quality issues with advisories alerting people to stay indoors. This, along with some rain the first weekend of the Fair, caused attendance to be lighter than usual but then the sun came out and so did huge crowds.

The Fair provides BC's most unique combination of entertainment for kids and families, with a wide range of options for all attendees to enjoy. Guests are creatures of habit and love their traditional Fair favourites, but they don't hesitate to tell us that they also want to experience new things. While that provides a unique challenge, we are up to the task and strive to

provide the very best in unique, affordable family entertainment. We are happy to provide new experiences each year, while also having long-standing traditional favourites for all to enjoy, inspiring 700,000–800,000 guests to celebrate with us every summer.

#### DAYS AND WAYS TO SAVE

We are always looking at ways to make the Fair accessible to all and providing cost-efficient options and promotions for guests, and this year we added some unique and fun ways to save at the Fair. To celebrate an amazing 50 years of music and sport at the Pacific Coliseum, a special Toonie Days promotion was created for August 18th and 19th from 11am – 1pm. Anyone wearing their favourite sports team gear or concert t-shirt got into the Fair for just \$2. Another new promotion we implemented, and are very proud of, is OUT at the Fair Day. Specially made Pride socks were made available for sale at the Hastings & Renfrew Gate and all guests wearing the socks on August 30th received free admittance. All proceeds from the sock sales went to the Vancouver Pride Society to support youth LGBTQ2 programs.

Other promotional days included Heroes Weekend on the first two days of the Fair, which granted free admission to all first responders and a guest. Wild Ride Wednesday promotions were held August 22 and 29, which allowed guests to purchase two-for-one all-day ride passes on-site before 1pm on each day. Thursday, August 23 was Seniors Day, and in partnership with Retirement Concepts, guests 65 years of age and older received free gate admission all day and reserved seating at the

SuperDogs show. The PNE also worked with Retirement Concepts to bring to life the first annual Extraordinary Senior Award which was presented at the PNE Fair on August 23 to an amazing, active senior who gives back to their community in a meaningful way.

Back this year, through our partnership with Public Library InterLINK, library card holders received \$6 admission on Library Member Day, Wednesday, August 22. Vancity members received \$6 admission on any day of the Fair before 1pm. BCAA members also received special savings with their membership when buying tickets online. Free Admission Days, ensuring community accessibility to the event, were held Tuesdays, August 21 and 28, where everyone received free gate admission before 1pm. As always, kids 13 and under received free admission every day. The Twilight Ride pass and After Dark promotions also provided value for guests who were coming to the Fair late or purchasing an all-day ride pass later in the day.

With a continued focus on providing value-driven options to experience the Fair, 2018 was the sixth year of the PNE coupon book, which contained hundreds of dollars in savings at a wide variety of concessionaires and exhibitors on-site. We also continued our annual advance sale ticket program, allowing guests to buy discounted passes in advance at Safeway, Save-On-Foods, PriceSmart Foods and 7-Eleven. In addition, the group sales program provided discounted gate admission and ride passes to larger groups, and guests were also able to get the best price on advance tickets by purchasing online at [pne.ca](http://pne.ca).

## THE ENTERTAINMENT MIX

Festival Park is a themed zone focused on all-day entertainment and musical fun for all. Each day, Festival Park came alive with an array of local community and cultural performers, street performers and local artisans. The Canada Showcase included a cultural mosaic of more than 150 dancers, musicians and special guests. The PNE is proud to provide a platform of performance opportunities to highlight local amateur and professional arts and cultural performers in support of the Creative City Strategy. Twice a day, the Silver Starlets street performers dazzled with their all-female acrobatic extravaganza full of glitter and glam and interactive fun. Daily from 11am – 6pm, local artisans and vendors sold their wares and fresh baked goods at the “Fall for Local” Market. This vibrant open-air market featured a one-of-a-kind shopping experience. Nightly musical acts like Dr. Strangelove, Side One, R&B Allstars and Groove & Tonic took to the stage bringing lively free concerts to Festival Park. The nightly finale NOVA – the Emergence of Light – intrigued guests with futuristic laser visual effects, music and live performers.

Exciting exhibits and shows are specifically designed for the entire family in mind. The *Lost World of Dragons* exhibit took over the Garden Auditorium and celebrated the wonder of dragons giving visitors of all ages the thrill of seeing them brought to animatronic life. The famous DeLorean from the smash hit movie *Back to the Future* was displayed at the Popnology exhibit which showcased the connection between technology and pop culture. This exhibit took more than 100,000 guests from

fantasy to reality by showcasing driverless cars, robots, drones, 3D printers and explained how technology has been influenced by movies, books, television, art and futurists. And it left everyone wondering which science fiction gadget today will become the new reality tomorrow. Lastly, the Street of Dreams classic and custom car show took guests down Vintage Lane, Camshaft Court and Three Second Stretch to see timeless classics, hot rods and real muscle. In total over 40 vintage cars were proudly on display at the Street of Dreams.

New to the Fair this year was Knights of Valour, an unscripted medieval jousting show. Live jousting took place three times daily at the Agrodome and this un-choreographed jousting was thrilling for attendees showcasing true horsemanship, bravery and chivalry. These knights in shining armour donned over 260 pounds of armour and were very well received by onlookers.

The Summer Night Concert series continues to be a huge draw to the Fair. I Love the 90's was the most popular concert of the series and the first one to sell out. Featuring artists like Salt-N-Pepa, and Color Me Badd, attendees danced to their favourite 90's dance tunes. In total over 84 artists headlined the Summer Night Concert Series over 15 nights including fan favourites Boyz II Men, Air Supply, Kool and the Gang, Chicago, Village People, the Goo Goo Dolls, Cyndi Lauper and Burton Cummings & Band, all to entertain a range of guests and music preferences.

ToonCity, once again sponsored by our partner BCAA, invited children to play and dance in this

family-friendly interactive play area. It featured two live shows – *Mermaid Tales: A Musical* and *Action Austin's Safari Adventure* – with three performances daily of each. Children met the characters after the shows, joined the BCAA reading corner, and helped burn off excess energy by playing in several playhouses.

To commemorate the Pacific Coliseum's 50th anniversary, renowned animator and artist Ryan “ARCY” Christenson was commissioned to create 15 live mural art masterpieces. ARCY's unique paint-splashed style street art captured the 15 most iconic moments of the Pacific Coliseum's history and many were later permanently mounted on the Pacific Coliseum walls.

Other favourite attractions like the SuperDogs (with *Happy Barkday*, a special 40th birthday honouring four decades of their spectacular show), Dueling Pianos and the Marketplace all returned as part of the “must see and do” traditions that have become a part of many Fairgoers' experience each summer.



*Mermaid Tales, BCAA ToonCity Stage*



## AGRICULTURE AT THE FAIR

The PNE's history is rich in culture, values and agricultural roots. While agriculture is at the heart of what we do, we are evolving to reflect the need for healthy food education and food security options. Agriculture education programs for the general public are more imperative now than ever as people are separated from food production and consumer knowledge of farming is at an all-time low causing fear and anxiety about the food that they're purchasing and consuming. The PNE Fair offers a fantastic opportunity to showcase agriculture to our urban guests allowing them to be educated about food production while making it engaging and fun.

The Livestock building was booming with events showcasing an abundance of authentic agriculture programs including the 4-H Festival which ran August 18, 19 and 21. This year's festival welcomed hundreds of hard working kids from 32 clubs and 12 districts across the province as part of the annual BC Celebration. These 4-H members committed hours of manual labour feeding and caring for their animals from the crack of daylight until 11pm every night, offering guests an immersive agricultural experience. Over 970 entries were judged at this year's festival and \$14,000 in prizes and money was awarded. The livestock auction at the end of the 4-H Festival raised an incredible \$313,400 for participants.

Farm Country also took place in the Livestock building during the Fair, had the largest variety of barn animals found in Vancouver and featured exciting demonstrations like honey extraction and milking demonstrations. And of course, no barn would be complete without pony rides and baby animals. Another interactive and educational exhibit for children was Kidz Discovery Farm at the Livestock Building. Over 22,000 children went through the exhibit and became farmers for an hour and tested the skills and abilities they learned at many fun farm tasks. The Agrodome was once again home to the Pacific Spirit Horse Show, which showcased horse jumping competitions, Carlaw Clydesdale demonstrations, miniature chuckwagon races and draft horse shows. The Pacific Spirit Horse Show awarded close to \$15,000 in prize money, with 150 entries being judged.

Some other very popular agriculture exhibits this year included the BC Dairy, BC Chicken and BC Egg associations which presented engaging



Popnology exhibit



Lost World of Dragons exhibit



BC Egg at the Barns



Farm Country



Chicago, Summer Night Concerts

industry-represented activations around egg and dairy production. Consumers enjoyed first hand conversations with the farmers and had all of their questions answered, such as “what is the difference between yellow egg yolks and orange egg yolks?” These connections were exactly what we were aiming for as we continue to develop a truly authentic agriculture experience and the PNE was proud to partner with these, and other, agriculture associations.

The agricultural program wrapped up on a high note with the annual charity auction. Each year the PNE hosts a fundraiser in support of the BC Youth in Agriculture Foundation and this year \$33,000 was raised. All donations help to support bursaries and scholarships for youth pursuing sustainable farming practices.

PNE FAIR BY THE NUMBERS

Once the forest fire smoke cleared and the rain let up, strong programming and amazing weather brought out Fairgoers from across the province to enjoy the strong entertainment mix of the 2018 Fair. Attendance was strong at 705,381 especially considering the weather advisories the first week (see Figure 7 for a seven-year Fair attendance history).

Total Fair revenues for 2018 were \$26.62 million, which are the highest total revenues in the Fair’s history. The net contribution was \$7.29 million, which was up slightly and higher on a per guest basis than the year prior (see Figures 8 and 9 for a seven-year Fair financial summary).

Figure 7 | FAIR ATTENDANCE



Figure 8 | FAIR TOTAL REVENUES (in Millions)



Figure 9 | FAIR NET CONTRIBUTION (in Millions)



2018 PNE FAIR MILESTONES

40

Years SuperDogs have been at the Fair

280

Number of years the SuperDogs are celebrating in dog years

50

Pacific Coliseum birthday

50

Anniversary of Those Little Donuts, creator of the mini donut

60

Anniversary of the Playland Wooden Coaster

2

Number of international designations for the Playland Wooden Coaster (Landmark and Classic)





*Celebration Plaza*



*Street of Dreams exhibit*



*The Checkerboard Guy*



*Barns wayfinding*



*Burton Cummings, Summer Night Concerts*



*Nisga'a dancers, Festival Park*



*Riders at the PNE Fair*



*SuperDogs*

## THE PNE PRIZE HOME

Cash prizes, build your own vacations, luxury cars and an exquisite 3000 square foot lakeview home in Naramata, BC were just a few of the spectacular prizes at the 2018 PNE Prize Home Lottery. Now in its 84th year, this lottery is one of the biggest attractions during the Fair and as prizing gets bigger and better, so do lottery revenues.

The star attraction of the 2018 lottery was of course the stunning west coast modern, net zero ready home with a breathtaking view of the Okanagan. This one-of-a-kind beauty, with innovative smart home technology, the newest in-home theatre and electronics and a luxury home elevator, was built and designed by Freeport Industries. Lane Home Furnishings provided stylish yet comfortable indoor furniture and the outdoor living space was made complete with an extravagant spa package from Coast Spas Lifestyles. A robotic lawn mower and premium winery experience from Okanagan Crush Pad made the grand prize complete.

Additional lottery prizing included five BMW vehicles, five build-your-own vacations from Air Canada Vacations, one Harley-Davidson Motorcycle, one cash prize of \$25,000 and four cash prizes of \$10,000, to name a few. The lottery ran from May 1 to September 3, 2018, ticket packages were available for \$25, \$50 and \$100, ensuring that the lottery remained affordable for all. The outcome was fantastic with over 620,000 prize home tickets sold and entered into the draw and \$5.71 million in total revenue generated. (see Figure 10 for a seven-year history).

The 2018 lottery had strong results with the highest sales on record for one single vendor and the busiest final day on record. The team took over 1,764 calls and generated over \$350,000 in sales on the final day which is an extraordinary way to wrap up the PNE Prize Home Lottery program. In addition, the 50/50 jackpot totalled \$859,750 and the winner was awarded a cash prize of \$429,875. The revenues from the lottery continue to support a variety of PNE community initiatives, as well as the Fair's agricultural activities and many other non-revenue-producing multicultural and family programs that take place during the PNE Fair and on-site throughout the year.



PNE Prize Home winners with Shelley Frost

Figure 10 | PRIZE HOME LOTTERY TOTAL REVENUES (in Millions)

2012		\$4.51
2013		\$5.45
2014		\$5.15
2015		\$5.45
2016		\$4.10
2017		\$5.88
2018		\$5.71





*PNE Prize Home*



*PNE Prize Home interior with Kristi Gordon*



*PNE Prize Home interior*

# YEAR-ROUND EVENTS

The PNE is much more than Playland and the Fair, and throughout the year we host a wide variety of concerts, sporting events, cultural and family shows, film shoots, trade and consumer shows, festivals and community events at indoor venues and outdoor spaces across the site. This diverse array of events is responsible for approximately 25% of the PNE's annual revenues and in 2018, these events contributed \$12.37 million in revenues to the PNE with a net contribution of \$3.63 million *(see Figures 11 and 12 for a seven-year history).*



The PNE is grateful to have a variety of venues and spaces available to support the talent development ladder and to allow for creative showcase of local, national and international events and performers. We are also proud to support Vancouver's Creative City Strategy and bring people together to enjoy performances, build social connections and a sense of shared community. The wide range of on-site celebrations are as diverse as the communities that surround us.

THE MUSIC INDUSTRY AND CONCERTS

We have all been touched by the power of music. It is used to soothe, to excite, to educate and to entertain. Music is one of the most effective ways to illicit emotion, memory and influence mood. And it is one of the most powerful shared experiences in the world. Throughout the decades, Vancouver's largest and most diverse musical acts have been experienced right here at PNE venues. From Stevie Wonder performing as a teen in the Garden Auditorium to Frank Sinatra bellowing out classics in the Pacific Coliseum to Elvis and the Beatles singing to beloved fans at Empire Stadium, these magical memories make up our amazing history. Music and concerts still

remain at the heart of the PNE event mix, but we have evolved and adapted to changes in the music industry while still playing a pivotal role in the local performance scene.

Music promoters appreciate the PNE's unique mix of venue options to showcase artists at varying points in their career. From a small festival performance to a 4,000-person show in the Forum, to a 7,000-person show at the outdoor Amphitheatre and a 15,000-person show in the Pacific Coliseum, the PNE provides flexible venues for artist growth. These venues are also perfect for showcasing and celebrating diverse genres and growing talent. As a result, our team maintains close links to the music industry working collaboratively to meet the needs of current partners, but also remains focused on building new relationships with promoters to acquire newer genres and artists.

In 2018 the PNE hosted 21 concerts (outside of the Fair) spanning all genres of music for more than 110,000 guests attending these shows during the year. We celebrated a great range of artists such as The Arctic Monkeys, Slayer, Swedish singer/song writer Robyn and Canadian rock band darlings the Arkells, all who entertained crowds in the Pacific Coliseum.



Robyn, Pacific Coliseum

Figure 11 | FACILITY SALES TOTAL REVENUES (in Millions)



Figure 12 | FACILITY SALES NET CONTRIBUTION (in Millions)





*FitFest, PNE Forum*



*Gordon Food Services tradeshow, Pacific Coliseum*



*Harlem Globetrotters, Pacific Coliseum*



Other memorable moments for the Pacific Coliseum in 2018 included confidential rehearsals for the multi-talented Lady Gaga and the iconic rock band KISS, both preparing for their North American tours. Lady Gaga was preparing for her “Joanne World Tour” and KISS was rehearsing for their final “The End of the Road World Tour”. PNE venues have been used in the past for rehearsals by other bands such as U2. Our site is a desired location as we have the space and technical requirements and can meet the discrete needs of confidential rehearsals.

In addition to the indoor concerts, the PNE Amphitheatre hosted the inaugural Breakout Festival. The two-day festival brought together well known North American rappers as well as Vancouver’s up-and-coming hip hop and R&B artists. Together a network of over 12,000 fans and followers from all over the province took in the festival which was a resounding success. The PNE produces 15 of the largest Amphitheatre shows each summer as part of the Fair and this year, American soul singer Leon Bridges, Icelandic rock band Kaleo and American rapper Logic rounded out an amazing Amphitheatre season with crowds ranging from 3,800 – 7,000 at each of the 20 summer Amphitheatre shows.

## FAMILY EVENTS

Many of the largest and most successful family productions in BC have chosen PNE venues over the years to host their extraordinary performances, many of which take place at the Pacific Coliseum. And 2018 was no different. Cirque du Soleil dazzled over 28,000 guests in October with their enchanting performances of *Corteo*. Enthralling everyone with their

artistry and beauty, the show had the perfect balance of music, comedy, elegance, danger and surrealism that we have all come to expect from the famous circus troupe.

In November, Disney on Ice returned to the Pacific Coliseum with its performance of *Dare to Dream* and we welcomed over 45,000 guests over eight performances. Magical Disney characters from popular movies including *Beauty and the Beast*, *Cinderella*, *Tangled*, *Moana* and *Frozen* were brought to life through the artistry of ice skating creating an unforgettable family experience.

Also, back by popular demand, Monster Jam rumbled and entertained 23,000 guests from March 8 to 10. This adrenaline-charged family event had attendees on the edge of their seats while watching the most famous trucks in the world pushed to their limits.

What do you get when you cross comedians, actors and basketball players? Well you get the Harlem Globetrotters of course and they mesmerized fans at their annual show. More than a basketball game and more than a show, the Harlem Globetrotters strutted off their athleticism, theatre and comedy resulting in some very funny and memorable moments.

## SPORT ACTIVITY

Sporting events are alive and well at the PNE. We were thrilled to have the Vancouver Giants Junior Hockey Team return to the Pacific Coliseum for two nights in December. On December 1 they played the Tri-City Americans in a celebration of the 60th Anniversary of the Pacific Coliseum. And they returned

December 8 to play the Victoria Royals for their most popular game of the year, the annual Teddy Bear Toss. The team wore limited-edition, one-game only, Buddy the Elf themed jerseys for the energetic crowd at this highly anticipated game. Thousands of stuffed animals of all shapes and sizes came in with guests and were thrown onto the ice as a holiday fundraiser in spectacular form when the first goal of the game was scored.

The Vans Pro Skate Park Series rocked the park on July 13 and 14 at the iconic Hastings Skate Park. Known as one of the most demanding skateboarding courses in the world, this event has become the biggest skateboard event in Vancouver featuring world-class park terrain skateboarding action. Pros love this event for its remarkable potential to produce fast, aggressive and colossal runs and the more than 1500 fans were not disappointed.

The Forum welcomed the BC Cheerleading Association for its Pacific All-Star Championships January 11 and 12 and again March 1 and 2. Collectively almost 4,000 spectators watched athleticism at its finest as the best of the best of cheerleading competed at these fiercely competitive championships.

At the community sport level, the PNE hosted 16 different community groups who used over 1,800 hours of community ice in the Agrodome. These groups included Vancouver Minor Hockey, figure skating clubs, and a number of adult hockey and skating groups. The community ice season runs September through March. In the Garden Auditorium, for 10 months of each year, Circus West circus training school runs daily training classes of

juggling, unicycling, acrobatics, silks and a range of other circus performing arts for youth.

### CULTURAL EVENTS

The PNE is also home to a wide variety of cultural celebrations and events. Hobiye, the Nisga'a New Year, is hosted at the PNE Forum each year by the Nisga'a of Ts'amiks. Dance groups from other nations are invited to attend and celebrate and now in its 8th year over 7,000 guests enjoyed this colorful and cultural event that took place over two days in February. The Kapimilya Filipino Festival came to the Forum December 1 and 2 and several thousand fans welcomed their favourite Filipino singers. On Canada Day the PNE welcomed the Da Bangg Reloaded Tour. Famous Bollywood actors took the stage and wowed over 7,000 guests. Additional South Asian cultural concerts included shows by Babbar Mann at the Pacific Coliseum on May 5 and Arijit Singh also at the Pacific Coliseum on September 29, both with over 5000 guests each.

In addition to concerts and festivals, the Japanese Problem production was held in the Livestock Barns from September 14 to 30. This award-winning play commemorates the incarceration of Japanese Canadians during the Second World War at Hastings Park.

### TRADE AND CONSUMER SHOWS

Trade and consumer shows at the PNE keep the site lively and active throughout the year and also expose new visitors to Hastings Park. In 2018 we had a diverse range of shows which included six trade-only hosted by the PNE and 17 consumer-based shows.

The consumer shows were very diverse and ranged from Vancouver Craft Beer Week showcasing over 60 local craft breweries to the Knit Show. From the Hopscotch Festival, a celebration of scotch and spirits to the Great Canadian Fitfest, from the Train Expo to the Vancouver Gem and Mineral Show, which expanded to two shows annually because of its popularity.

### FILM ACTIVITY

The creative economy in BC is thriving and the current industry trend is an increase in filming for streaming channels like Netflix and Amazon Prime. Combined with an active feature film, commercial and production scene, 2018 was another busy year on site. The PNE sales team maintains strong relationships in the film and production industry and the PNE is seen as a flexible site to choose when projects are being shot in the Lower Mainland. The PNE works to ensure minimal impact to public spaces from filming and utilizes otherwise hard to use spaces for this type of activity.

In total, 42 productions were filmed on site over 454 days generating just over \$1 million in revenue for the PNE. Some of the most recognizable productions that were filmed in 2018 included the television series *Legends of Tomorrow*, *Van Helsing*, *the Flash* and *A Million Little Things* where the Pacific Coliseum was replicated to look like Boston's TD Garden. Other filming included the Netflix Feature Film *Coffee & Kareem* as well as TV commercial shoots for Samsung and Fedex to name just a few. With Vancouver being such an attractive film location, demand for film space continues to increase but currently accounts for 1.8% of total PNE revenues.

### TICKETLEADER

TicketLeader is the PNE's exclusive ticketing system used to ticket events on-site and in all of our venues, including the Pacific Coliseum, the Forum and the Amphitheatre. TicketLeader can seamlessly ticket reserved seating and general admission shows and a local call centre team is in place should guests require any assistance. TicketLeader is also the ticketing system of choice for several high-profile off-site events, including the Honda Celebration of Light fireworks competition, the Stanley Park Halloween Ghost Train and the Bright Nights Christmas Train. By internalizing ticketing, the PNE can work with event promoters to right-size ticketing fees while increasing the PNE's event-based direct marketing impact. This also has a positive impact on overall revenues for the PNE.

Within the ticketing group, the PNE group sales team brings large groups into many PNE events including the PNE Fair, Playland, Fright Nights, Disney on Ice, and Cirque de Soleil.

Across all business streams in 2018, over 300,000 guests attended events onsite as part of a group and these programs contributed over \$5.2 million to general revenues, which is an impressive \$770,000 increase over 2017.

It is anticipated that TicketLeader will continue to be a revenue growth opportunity for the PNE in the years to come, especially as year-round events on-site continue to grow and the successes off-site generate new leads.





*Da Bangg, Pacific Coliseum*



*Cirque du Soleil Corteo, Pacific Coliseum*



*Babbu Maan, Pacific Coliseum*



*Make It!, PNE Forum*



# PARK AND FACILITY MAINTENANCE

Each year, over \$6 million of the PNE's annual operating budget is invested in facility and park care. The PNE's team of trained gardeners and other staff are proud to be the stewards of the Hastings Park site.



The PNE's fourth activity stream is Park and Facility maintenance. Since 1910, the PNE has been the steward of more than 100 acres of Hastings Park and is responsible for the care and upkeep of the landscaped grounds, trees, benches, playground equipment and specialized gardens (Momiji Garden, Italian Gardens and the Sanctuary), as well as all of the buildings.

Although this activity stream does not generate revenue, \$6.2 million was spent on the care and maintenance of facilities and park space in 2018. Annual expenditures are regularly budgeted operational expenses that are covered by the revenue generated by the PNE's three other activity streams (Fair, Playland and Year-Round Events).

A team of full-time gardeners is employed year-round to care for and maintain all outdoor and park spaces. Careful pruning in the Sanctuary is done throughout the year to keep it in its naturally intended state, supporting the 125 species that exist in that eco space. The Italian and Momiji gardens are cared for by specially trained horticultural teams in consultation with the City of Vancouver, the Vancouver Park Board and the Vancouver Japanese Gardeners Association.

Significant enhancements were made to several facilities and grounds in 2018, particularly in the Pacific Coliseum. We introduced the newly renovated Evolution Lounge, renovated the press box and turned it into a super suite, and investments were made in food and beverage

locations as well. Investments were also made into new equipment for park care and facility maintenance and included the purchase of a new-ride-on floor scrubber, two steam powered Kyvac cleaners and a ride-on lawnmower. A section of the Forum roof was also replaced.

The grounds also received improvements for both pedestrian and vehicle safety. A speed bump and permanent stop sign were placed outside the north east corner of the Forum, and two stop signs were placed outside the Hastings Racecourse main entrance. A new sidewalk was installed at the north end of the Forum to increase safety and mark out borders for pedestrian areas. Several lamp standards were replaced on the grounds with new efficient LED standards.



*Evolution Lounge, Pacific Coliseum*



# THE PNE TEAM

The PNE gives our employees something many employers don't, something to be passionate about and experiences that keep people engaged.

This can be seen in the dedication and longevity of our team. Currently, 151 employees have more than 25 years of service and 22 employees have more than 40 years of service.

This is quite an accomplishment and it speaks volumes about the passion, commitment, and camaraderie of these hard-working team members.



In 2018, activities and events on-site contributed 512 full-time equivalent jobs to the local economy. The PNE employs 3,697 people each year in a variety of roles. The PNE team is made up of 1,449 Fair-time employees, 2,073 part-time employees and seasonal staff (including Playland), 175 full-time employees, and a team of approximately 70 management employees.

The largest employer of youth in BC, the PNE is proud to provide first jobs to our next generation of the labour force and set them up with the skills and training they need to be successful. We have award-winning recruitment and training programs and we take special care to set young people up for success. From low barrier jobs, to highly skilled technical positions, to our executive management team, the PNE's labour force is as diverse as the communities we serve. We take pride in helping our team grow and develop with unique training opportunities and believe that mentorship and succession planning is key in attracting and retaining loyal staff. When advancement opportunities present themselves with new PNE employment postings, we look at internal candidates first. This was the case in May 2018 when our then Vice President of Marketing and Sales, Shelley Frost, was announced as our new President and CEO of the PNE. With her 15 years of experience at the PNE, knowledge of the business and industry, she was the perfect person to take on the new position and carry the PNE forward with the Hastings Park Master Plan.

## STAFF PROGRAMS

Retaining talent is more than just the work-life of employees, but rather making an effort to help them through growth and education, creating a culture of camaraderie and implementing recognition programs. We know that our people make all the difference and that's why recognition programs were part of the PNE's key 2018 imperatives. The successful Spotlight program was designed to acknowledge employees who contribute to the company's overall success and who promote productivity and creativity. This program allows managers to provide personal, informal and year-round on-the-spot recognition to deserving individuals or teams – both in union bargaining units and on the management teams.

The PNE has also remained committed to providing health and wellness opportunities for all staff. Initiatives include a staff-run social club as well as a company-funded health and wellness committee. Programs vary from year to year depending on staff feedback, but include year-round access to an on-site fitness centre and group classes, golf, organized hikes, runs, lunch and learns, and snowshoeing trips. Many programs are made available at no cost or at a reduced rate for employees.

# THE PNE'S FUTURE IS BRIGHT

The future of the PNE is very exciting as we work towards seeing the Master Plan projects come to fruition. Work continues on the Playland Redevelopment Plan, on infrastructure research and planning, and on the Amphitheatre Renewal Project. The PNE remains whole-heartedly committed to the redevelopment of Hastings Park as defined in the 2010 Master Plan, to working with the community and region, and to continue providing meaningful opportunities to gather, be entertained and celebrate throughout the year. We are proud to remain at the heart of Hastings Park, honouring its history and helping to build its future.

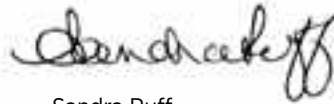
## Report of Management's Responsibility for Financial Statements

The *Pacific National Exhibition Incorporation Act* of 1973, later amended by the 2003 *PNE Enabling and Validating Act*, requires the PNE to table an annual report containing information about the organization's performance. PNE management prepares the following financial statements and related information and is responsible for their integrity. As in all cases, the statements include amounts based on management's estimates and judgments. We believe that these statements fairly represent the PNE's current financial position. Management is also responsible for the accuracy and completeness of the information presented in the PNE's annual report. To fulfill this responsibility, management maintains financial and management control systems and practices that provide reasonable assurance the information is accurate and complete.

PNE officials who have provided the information contained in the 2018 annual report have verified its completeness and accuracy. Our independent auditors, KPMG LLP, have audited the financial statements in accordance with Canadian Public Sector Accounting Standards and formed an independent opinion on the financial statements prepared by management.



Shelley Frost  
President and Chief Executive Officer



Sandra Ruff  
Vice President, Finance and Corporate Services

## Corporate Governance

### 2018 BOARD OF DIRECTORS

The Hastings Park-PNE Board of Directors as appointed by Vancouver City Council were as follows for 2018:

Chair:	Mr. Raymond Louie, Councillor, City of Vancouver (Until Nov 2018)
	Ms. Lisa Dominato, Councillor, City of Vancouver (Nov 2018 – present)
Vice Chair:	Mr. Malcolm Bromley, General Manager, Vancouver Park Board
Treasurer:	Ms. Patrice Impey, General Manager, Financial Services, City of Vancouver
Directors:	Mr. Jerry Dobrovolny, Chief Engineer and General Manager of Engineering Services, City of Vancouver
	Ms. Kaye Krishna, General Manager of Development, Buildings, and Licensing, City of Vancouver (Until Jan 2019)
	Ms. Jackie Hogue, J Hogue Consulting Inc.
	Mr. Richard Saunders, Workers' Advocate, Labourers' Membership Services, Construction and Specialized Workers' Union Local 1611
	Mr. Ty Speer, President and CEO, Tourism Vancouver
	Ms. Anita Zaenker, Director of Organizing, BC Federation of Labour (Until Nov 2018)

### EXECUTIVE MANAGEMENT COMMITTEE

President and Chief Executive Officer:	Mr. Michael McDaniel (Ms. Shelley Frost as of Jul 6, 2018)
Vice President, Operations:	Mr. Jeff Strickland
Vice President, Sales & Marketing:	Ms. Shelley Frost (Ms. Karen Massicotte as of Jan 1, 2019)
Vice President, Finance and Corporate Services	Ms. Sandra Ruff
Vice President, Human Resources:	Ms. Stacy Shields
Executive Assistant and Corporate Secretary:	Ms. Salome Valente

### CORPORATE GOVERNANCE PRACTICES

The Pacific National Exhibition is a non-profit organization owned by the City of Vancouver. The company's business affairs are the responsibility of the Board of Directors, a City Council-appointed body. The PNE's Board of Directors is committed to ensuring that corporate governance practices are open and effective, and that the Board is fully accountable and assumes responsibility for the stewardship of the organization. The Board discharges responsibility of day-to-day operations to the President and Chief Executive Officer, who in turn selects and oversees the rest of the management team. The Board encourages management, under the direction of the President and Chief Executive Officer, to make clear and appropriate executive decisions.

### 2018 AUDITOR

KPMG LLP  
777 Dunsmuir Street  
P.O. Box 10426  
Vancouver, BC V7Y 1K3  
T: 604-691-3000  
F: 604-691-3031  
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*Salt-N-Pepa, Summer Night Concerts*

# Financial Reports

PACIFIC NATIONAL EXHIBITION

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Pacific National Exhibition

## ***Opinion***

We have audited the financial statements of Pacific National Exhibition ("PNE"), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations for the year then ended
- the statement of changes in net debt 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 PNE as at March 31, 2019 and its results of operations, its changes in net debt 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 PNE 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 PNE'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 PNE or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing PNE'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 PNE'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 PNE'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 PNE 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.

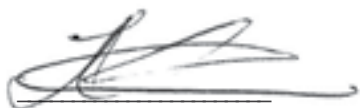


Chartered Professional Accountants  
Vancouver, Canada  
July 17, 2019

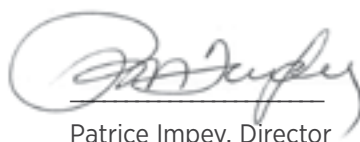
	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash	\$ 571,762	\$ -
Accounts receivable (note 2)	596,121	808,452
	<u>\$ 1,167,883</u>	<u>\$ 808,452</u>
<b>LIABILITIES</b>		
Bank indebtedness	\$ -	\$ 753,389
Bank loan (note 3)	8,720,680	10,781,283
Accounts payable and accrued liabilities (note 2 and 4)	7,806,310	5,978,779
Deferred revenue	952,566	984,488
	<u>17,479,556</u>	<u>18,497,939</u>
Net debt	(16,311,673)	(17,689,487)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 6)	19,951,714	19,478,465
Inventories held for use	863,558	814,974
Prepaid expenses	1,778,025	1,765,135
	<u>22,593,297</u>	<u>22,058,574</u>
Commitments and contingent liabilities (note 8)		
Accumulated surplus	<u>\$ 6,281,624</u>	<u>\$ 4,369,087</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Lisa Dominato, Director



Patrice Impey, Director

	Budget (Note 1(j))	2019	2018
<b>REVENUE:</b>			
Events	\$ 53,922,885	\$ 55,499,380	\$ 55,546,193
<b>EXPENSES (NOTE 9):</b>			
Advertising	2,485,136	2,164,255	2,420,501
Agriculture	719,003	749,223	687,079
Entertainment	4,266,630	4,170,934	4,213,325
Exhibit space	1,249,899	1,261,471	1,410,888
Finance and corporate services	5,151,834	5,391,678	5,034,910
Food and beverage	6,589,502	6,682,299	6,927,229
Games	2,277,152	2,071,163	2,165,136
Guest services	327,155	313,573	432,059
Human resources	1,700,410	1,850,077	1,775,716
Information services	1,322,742	1,306,737	1,207,639
Lotteries	4,019,562	3,888,852	3,531,782
Marketing and sponsorship	1,285,825	1,151,260	1,263,706
Office of the President	2,308,204	1,170,400	1,144,613
Operations	963,439	993,497	956,057
Playland tech services	7,554,365	8,241,303	7,318,140
Public safety and parking	2,869,556	3,038,432	3,194,118
Sales and group sales	799,789	1,290,369	1,234,582
Tech services	5,536,441	5,613,703	5,877,683
Ticketleader	1,533,946	2,237,617	2,327,564
	52,960,590	53,586,843	53,122,727
Annual surplus	962,295	1,912,537	2,423,466
Accumulated surplus, beginning of year	4,369,087	4,369,087	1,945,621
Accumulated surplus, end of year	\$ 5,331,382	\$ 6,281,624	\$ 4,369,087

See accompanying notes to financial statements.



	Budget (Note 1(j))	2019	2018
Annual surplus	\$ 962,295	\$ 1,912,537	\$ 2,423,466
Acquisition of tangible capital assets	(1,388,468)	(2,563,978)	(2,411,502)
Amortization of tangible capital assets	1,946,000	1,877,257	1,822,161
Proceeds on disposal of tangible capital assets	-	39,009	-
Loss on disposal of tangible capital assets	-	174,463	250,234
	1,519,827	1,439,288	2,084,359
Acquisition of inventories held for use	-	(4,452,610)	(3,394,160)
Increase in prepaid expense	-	(4,040,644)	(4,263,627)
Consumption of inventories held for use	-	4,404,026	3,611,203
Use of prepaid expense	-	4,027,754	4,725,097
	-	(61,474)	678,513
Decrease in net debt	1,519,827	1,377,814	2,762,872
Net debt, beginning of year	(17,689,487)	(17,689,487)	(20,452,359)
Net debt, end of year	\$ (16,169,660)	\$ (16,311,673)	\$ (17,689,487)

See accompanying notes to financial statements.

	2019	2018
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 1,912,537	\$ 2,423,466
Items not involving cash:		
Amortization of tangible capital assets	1,877,257	1,822,161
Loss on disposal of tangible capital assets	174,463	250,234
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	212,331	(149,335)
Decrease (increase) in prepaid expenses	(12,890)	461,470
Decrease (increase) in inventories held for use	(48,584)	217,043
Increase in accounts payable and accrued liabilities	1,827,531	1,921,984
Decrease in deferred revenue	(31,922)	(257,212)
Net change in cash from operating activities	5,910,723	6,689,811
Capital activities:		
Cash used to acquire tangible capital assets	(2,563,978)	(2,411,502)
Proceeds on disposal of tangible capital assets	39,009	-
Net change in cash from capital activities	(2,524,969)	(2,411,502)
Financing activities:		
Decrease in bank indebtedness	(753,389)	(94,923)
Decrease in bank loan	(2,060,603)	(4,183,386)
Net change in cash from financing activities	(2,813,992)	(4,278,309)
Net change in cash	571,762	-
Cash, beginning of year	-	-
Cash, end of year	\$ 571,762	\$ -

See accompanying notes to financial statements.

**Authority, Purpose, and Nature of Operations:**

Pacific National Exhibition (“PNE”) is a premier entertainment destination in the Province of British Columbia. It has four main activity streams: an annual 15 day fair, Playland amusement park, year round facilities which are utilized to celebrate a variety of community, social, cultural, ethnic and commercial events, and the care and development of the park.

PNE was established in 1910 and incorporated in 1973 under the Pacific National Exhibition Incorporation Act of the Province of British Columbia.

The mission of PNE is to enrich the quality of life at Hastings Park, Vancouver, by providing family entertainment that invites its guests to celebrate Vancouver’s heritage, culture and diverse communities in a vibrant urban park.

Effective January 1, 2004, PNE became a wholly-owned subsidiary of the City of Vancouver and is an independently operated entity. As a result of its ownership, PNE is not subject to income taxes.

These financial statements have been prepared on the basis that the PNE is a going concern, which assumes that the PNE will continue to realize its assets and discharge its liabilities in the normal course of operations. The PNE’s ability to continue as a going concern is dependent upon, among other things, achieving profitable operations and the continued support of its lenders and its parent, the City of Vancouver.

**1. Summary of significant accounting policies:**

(a) Basis of presentation:

The financial statements of PNE have been prepared by management in accordance with Canadian public sector accounting standards of the Chartered Professional Accountants Canada.

(b) Revenue recognition:

Revenues from the annual fair (the “Fair”) are recorded as received (admissions) and as earned (exhibitors and advertisers). The Fair runs from late August to early September. Any exhibitor or advertising fees received for next year’s Fair are deferred and will not be recognized until earned during the next year’s Fair.

Revenues from Playland amusement park are recognized as received (admissions) and as earned (advertisers).

Revenues from short-term event rental of facilities are recorded upon completion of the event. Sales of goods and services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured.



1. Summary of significant accounting policies (continued):

(b) Revenue recognition (continued):

Contributions from the City of Vancouver, from senior government, or from other donors are recorded as receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions with a designated purpose are deferred until used for the intended purpose. Government transfers are recognized as revenue in the period that the transfer is authorized by the transferring government, and eligibility criteria, if any, have been met by PNE, except when and to the extent that the transfer gives rise to a liability and is recognized as revenue when and in proportion to how the liability is settled.

(c) Deferred revenue:

Amounts received in the fiscal year in advance of providing the related services are deferred and are recorded as revenue as the services are provided.

Advertising revenue for long-term contracts is recognized on a straight-line basis over the term of the related contract. Deferred revenue also comprises of ticket sales, fees, deposits and other revenues for events that are not recognized as revenue until the related event is held.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Interest is not capitalized whenever external debt is issued to finance the construction of tangible capital assets. The cost, less residual value, of the tangible capital assets, are amortized as shown below.

Asset	Basis	Rate
Machinery, furniture and equipment	Declining balance	10% - 30%
Playland rides and equipment	Straight-line	15 years - 40 years
Leasehold improvement	Declining balance	10% - 15%

Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to PNE's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

**1. Summary of significant accounting policies (continued):****(d) Non-financial assets (continued):****(ii) Leased tangible capital assets:**

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

**(iii) Inventories held for use:**

Inventories held for use are recorded at the lower of cost and replacement cost.

Inventories consist of stores, plush toys, merchandise, and food and beverages. Cost is determined using the weighted average method. Cost of inventories includes acquisition and all costs incurred to deliver inventory to PNE's head office, including freight, non-refundable taxes, duties, and other landing costs.

Replacement cost is the estimated current price to replace the items.

**(e) Financial instruments:**

Financial instruments are recorded at fair value on initial recognition. Derivative instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

PNE uses the following method and assumptions to estimate the fair value of each class of financial instruments:

- (i) Accounts receivable, bank indebtedness, accounts payable and accrued liabilities - the carrying amounts approximate fair value due to the short-term nature of these instruments.
- (ii) Foreign currency hedge instrument - measured at current market price.

Unrealized changes in fair value would be recognized on the statement of remeasurement gains/losses. They are recorded in the statement of operations when they are realized. There are no unrealized changes in fair value as at March 31, 2019. As a result, PNE does not have a statement of remeasurement gains/losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

**1. Summary of significant accounting policies (continued):****(f) Employee future benefits:**

The PNE and its employees make contributions to Municipal Pension Plan (the “Plan”) which is a multi-employer jointly trustee plan. The Plan is a defined benefit plan, providing a pension on retirement based on the member’s age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plan are not segregated by entity, the Plan is accounted for as a defined contribution plan and any contributions by PNE to the Plan are expensed as incurred.

**(g) Liability for contaminated sites:**

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- PNE is directly responsible or accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is recognized as management’s estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

**(h) Use of estimates:**

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures. Key areas where management has made estimates and assumptions include those related to useful life of tangible capital assets, valuation of accounts receivable, valuation of inventory and provision for contingencies. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

**(i) Foreign currency:**

Foreign currency transactions are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are recorded at fair value using the exchange rate at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. There are no unrealized gains and losses as at March 31, 2019. As a result, PNE does not have a statement of remeasurement gains and losses.



**1. Summary of significant accounting policies (continued):****(j) Budget information:**

Budget information has been provided for comparative purposes and has been derived from the Corporate Plan for 2018/2019 approved by the Board of Directors of the PNE on April 19, 2018. This budget is reflected in the statement of operations and statement of changes in net debt. Some expenditures, such as for tangible capital assets, may be adjusted and approved subsequent to the original approved budget. These adjusted budget amounts are not presented in these financial statements. Certain expenditures may occur during the year or subsequent to the year it is budgeted for.

**2. Due from (to) government and other government organizations:**

Included in accounts receivable and accounts payable and accrued liabilities are the following amounts due from (to) government:

	2019	2018
Accounts receivable:		
City of Vancouver	\$ 124,565	\$ 243,363
Accounts payable and accrued liabilities:		
City of Vancouver	(35,751)	(55,941)
Payroll tax remittances	(132,455)	(136,230)
Indirect and other taxes	(20,028)	(43,726)
	(188,234)	(235,897)
	\$ (63,669)	\$ 7,466

**3. Bank loan:**

	2019	2018
Demand operating loan	\$ 3,800,000	\$ 5,000,000
Instalment loan for capital	4,920,680	5,781,283
	\$ 8,720,680	\$ 10,781,283

**3. Bank loan (continued):**

PNE has a revolving facility with a Canadian chartered bank providing for maximum borrowing of \$15,000,000 (2018 - \$15,000,000) in operating credit and \$9,900,000 (2018 - \$9,900,000) for instalment loan for capital purchases. The facilities bear interest at the bank prime rate minus 0.25%. The operating loan is due on demand and has no specific terms of repayment. The instalment loan for capital is repayable on demand, and prior to repayment being demanded, over ten years. Early repayment of the instalment loan for capital is permitted. Outstanding repayments for the instalment loan for capital are as follows:

2020	\$ 1,311,384
2021	1,245,743
2022	1,112,524
2023	767,355
2024	341,121
2025	126,760
2026	15,793
	<b>\$ 4,920,680</b>

PNE's U.S. dollar bank account balance and a limited guarantee from the City of Vancouver of \$24,900,000 has been provided as security for the operating loan and instalment loan for capital. In addition, the guarantee by the City of Vancouver includes letters of guarantee outstanding totaling \$80,000 (2018 - \$160,000).

**4. Accounts payable and accrued liabilities:**

	2019	2018
Accounts payables and accrued liabilities	\$ 6,795,054	\$ 4,759,550
Salaries and benefits payable	632,988	843,922
Accrued vacation pay	378,268	375,307
	<b>\$ 7,806,310</b>	<b>\$ 5,978,779</b>

**5. Pension benefits:**

PNE and its employees contribute to the Municipal Pension Plan (the “Plan”), a jointly trustee pension plan. The Plan’s Board of Trustees, representing plan members and employers, is responsible for the management of the Plan, including investment of the assets and administration of benefits. The Plan is a defined benefit multi-employer contributory pension plan. The Plan has approximately 197,000 active members, of whom 168 are employees of PNE, and 95,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2015, indicated a funding surplus of approximately \$2,224 million for basic pension benefits on a going concern basis. The next required valuation will be as at December 31, 2018, with results available in fall 2019. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

PNE’s employer contributions to the Plan amounted to \$953,081 in 2019 (2018 - \$948,982).

**6. Tangible capital assets:**

Cost	Balance March 31, 2018	Additions	Disposals	Transfers	Balance March 31, 2019
Machinery, furniture and equipment	\$ 18,765,035	\$ -	\$ (128,396)	\$ 745,473	\$ 19,382,112
Playland rides and equipment	26,376,991	-	(229,216)	1,858,899	28,006,674
Assets under construction	848,193	2,563,978	-	(2,604,372)	807,799
<b>Totals</b>	<b>\$ 45,990,219</b>	<b>\$ 2,563,978</b>	<b>\$ (357,612)</b>	<b>\$ -</b>	<b>\$ 48,196,585</b>

Accumulated amortization	Balance March 31, 2018	Disposals	Amortization Expenses	Balance March 31, 2019
Machinery, furniture and equipment	\$ 12,894,341	\$ (98,932)	\$ 927,027	\$ 13,722,436
Playland rides and equipment	13,617,413	(45,208)	950,230	14,522,435
<b>Totals</b>	<b>\$ 26,511,754</b>	<b>\$ (144,140)</b>	<b>\$ 1,877,257</b>	<b>\$ 28,244,871</b>



**6. Tangible capital assets (continued):**

	Net book value March 31, 2018	Net book value March 31, 2019
Machinery, furniture and equipment	\$ 5,870,694	\$ 5,659,676
Playland rides and equipment	12,759,578	13,484,239
Assets under construction	848,193	807,799
<b>Totals</b>	<b>\$ 19,478,465</b>	<b>\$ 19,951,714</b>

**(a) Assets under construction:**

Assets under construction having a value of \$807,799 (2018 - \$848,193) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**(b) Write-down of tangible capital assets:**

There are no write-downs of tangible capital assets in the current year (2018 - nil).

**7. Financial Risk Management:**

PNE has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and foreign exchange risk.

The Board of Directors ensures that PNE has identified its major risks and ensures that management monitors and controls them.

**(a) Credit risk:**

Credit risk is the risk of financial loss to PNE if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by PNE consisting of amounts receivable.

It is management's opinion that PNE is not exposed to significant credit risk arising from its amounts receivable.

**(b) Market risk:**

Market risk is the risk that changes in market prices, such as interest rates, will affect PNE's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. PNE has interest rate risk on its bank indebtedness and bank loans.

It is management's opinion that PNE is not exposed to significant market or interest rate risk arising from its financial instruments.

**7. Financial Risk Management:****(c) Liquidity risk:**

Liquidity risk is the risk that PNE will not be able to meet its financial obligations as they become due.

PNE manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to PNE's reputation.

**(d) Foreign exchange risk:**

Foreign exchange risk is the risk to PNE's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. PNE may use foreign currency swaps to mitigate this risk. There are no derivative instruments outstanding at year-end.

**8. Commitments And Contingent Liabilities:**

(a) PNE may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of business, in the event that any such claims or litigation are resolved against PNE, such outcomes or resolutions could have a material effect on the business, financial condition, or results of operations of PNE. At March 31, 2019, there are no significant outstanding claims.

(b) PNE has a capital commitment on a new ride that totals \$758,926 as at March 31, 2019.

**9. Expenses by Object:**

The following is a summary of expenses by object:

	2019	2018
Cost of goods sold	\$ 3,120,761	\$ 3,380,984
General and administrative	24,986,894	24,857,754
Payroll	23,163,048	22,575,134
Amortization	1,877,257	1,822,161
Loss on disposal of tangible capital assets	174,463	250,234
Interest – bank loans	117,176	109,237
Interest – term finance	147,244	127,223
	<b>\$ 53,586,843</b>	<b>\$ 53,122,727</b>

**10. CONTRACTUAL RIGHTS:**

PNE's contractual rights arise from rights to receive payments under rental, ticketing and sponsorship agreements. PNE has contractual rights to receive the following amounts in the next five fiscal years and thereafter:

2020	\$ 1,613,989
2021	524,974
2022	389,427
2023	254,590
2024	124,107
Thereafter	91,477
	<hr/>
	\$ 2,998,564

PNE is entitled to receive revenue from other franchise, ticketing and rental contracts. The revenue from these agreements cannot be quantified and have not been included in the amounts noted above.

**11. COMPARATIVE INFORMATION:**

Certain comparative information has been reclassified to conform to the financial statement presentation adopted for the current year.





**Pacific National Exhibition**

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