

Delivering Memorable Experiences



Pacific National Exhibition

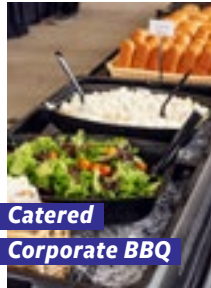
ANNUAL REPORT 2019-20



**Community Skate Days
at PNE Agrodome**



**Vancouver
Golf Expo**



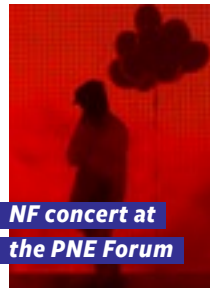
**Catered
Corporate BBQ**



**Harvest Haus Servers
at PNE Forum**



**Out at the Fair
Pride Socks**



**NF concert at
the PNE Forum**



**Vancouver
Craft Beer Week**



**Gracias Christmas Cantata
at the Pacific Coliseum**



**The Revel District
at the PNE Fair**



**Dinosaur Stomp
at the PNE Fair**



**Lanterns
at Aurora**



**Carousel at
Harvestland**

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LETTER FROM THE CEO AND CHAIR OF THE BOARD

Fiscal 2019 has so many great stories to tell, and Chair Dominato and I look forward to sharing them with you throughout this annual report. The PNE had a very strong year financially, developed a five-year strategic plan to guide future growth and experienced an amazing range of event highlights.

Building on the 2018 work of redefining the PNE's mission, vision and core values, the team spent the early months of 2019 building a new five-year strategic plan that focuses on five key pillars we believe will shape and define a successful future. These pillars focus on elevating our people, technologies, business results and community impact, and on moving the Hastings Park-PNE Master Plan forward. While efforts to constantly improve are not new to the PNE, we are excited to have a road map that shapes our vision and focuses all efforts in the same direction.

We also achieved new highs in 2019 for the most revenue ever generated during a PNE Fair, the highest net contribution of a Fair on record and the most profitable Fright Nights in the event's history. We launched a new ride in Playland and, for the first time in 17 years, we were so busy all year with events that we did not have any seasonal layoffs in our union team. We worked hard to round out our efforts to be active 365 days of the year with new events like such as Harvestland and the Aurora Winter Festival, we grew our summer festival portfolio, and we hosted fantastic shows like the sold-out Billie Eilish concert in the Amphitheatre.

We expanded community programs with new initiatives like the Pumpkin Promenade and worked with our community advisory committee to help shape events that maximized wins for all stakeholders. Hastings Park also continues to be a widely used amenity for local residents. Progress was made on the master plan related to both the Amphitheatre redevelopment and Playland redevelopment, and we are several steps closer to realizing significant physical evolution on-site.

All these achievements are signals that we are headed in a very positive direction and that we still have a very unique and important role to play in building community and bringing people together to build social connections. With over 2.5 million guests visiting Hastings Park this year to experience our family entertainment, music, cultural and community activities, we remain an important social institution and a heartbeat of this vibrant community.

In total, the PNE generated over \$60 million in revenue in 2019 and contributed a net contribution of \$1.33 million back into programs, facilities and the site. All of these are important wins to be celebrated, and I and Chair Dominato want to thank our management team, our union teams and our Board of Directors for their ongoing commitment, dedication and leadership of the PNE.



Shelley Frost
President and Chief Executive Officer



Lisa Dominato
Chair, Hastings Park Board of Directors



***Electric Fire
at the PNE Fair***

THE YEAR AT A GLANCE

April 2019-March 2020

2019 IAAPA BRASS RING AWARD

for
Best Innovation in a Training Program,
with Annual Attendance
Less Than 1 Million



Increase in
waste diversion by
4% to 76%,
exceeding original 5-year
diversion goal of 75%
by 2020



Celebrated
**90
YEARS**
of Jimmy's Lunch
at the PNE Fair



**BILLIE
EILISH**
– the 18-year-old phenom –
**SELLS OUT THE
PNE AMPHITHEATRE**



10th **9th**
**Social
Values**
**Most Loved
Brands in BC**
*BCBusiness,
January 2020*



CN RAIL

– celebrating the CN100 anniversary –
selected the PNE Fair
as its **only BC stop** in its
14-city, two-year tour
across North America





***Snap Happy Exhibit
at the PNE Fair***



**Coca-Cola stage showcasing
local amateur arts and culture
performers at the PNE Fair**

INTRODUCTION

ABOUT THE PNE

The Pacific National Exhibition (PNE) was established in 1910 primarily as an annual exhibition of industry and agriculture; in its 109 years, it has developed into a unique and multi-faceted non-profit organization. Throughout these decades, as the proud steward of Hastings Park, the PNE has focused on the evolution of the space into a year-round destination that continues to showcase the diversity of Vancouver and the surrounding Lower Mainland communities to local, regional, national and international guests. Our purpose is to inspire joy and create social connections by delivering memorable experiences 365 days a year. The PNE delivers on this mission by ensuring year-round access to public spaces and by bringing people together at a wide range of inclusive and accessible events for a dynamic range of community interests. Each year, we bring together over 2.5 million guests to enjoy our green spaces, amusement park, family shows, sporting events, concerts, cultural activities, exhibits, consumer shows and the iconic annual summer PNE Fair.



In 2018, the PNE developed a new mission, vision and set of core values. The values of Excellence, Enthusiasm and Evolution (the 3 Es of the PNE) are essential to our adaptability and our ability to diversify in the ever-changing world of events. In 2019, we furthered this work with the development of a new five-year strategic plan. Our five pillars of growth success are rooted in achievable objectives throughout the organization. Each year, our success relies on creating a balance of diverse community and commercial uses of indoor and outdoor facilities and spaces, with a variety of events for all ages, ethnicities and interests. To achieve this, the PNE is proud to employ a passionate team of industry experts, combined with robust financial management and annual capital investment. The PNE is a strong and financially sustainable non-profit organization that serves an important, iconic and social role in Vancouver and British Columbia.

The fiscal year 2019 was an outstanding year with record-breaking achievements. The PNE continues to grow total revenues, building on the previous two years of growth, with a year-over-year increase of more than 10% in 2019. The PNE Fair saw attendance growth that contributed to our highest recorded Fair revenues, the highest Fright Nights revenues in that event's 18-year history, continued success in Playland revenues and record-breaking ticket sales for the ever-popular PNE Prize Home Lottery. In addition, new fall and winter events were added to the calendar. The PNE's 2019 net contribution was a strong \$1.33 million, which contributed to an accumulated operating surplus of \$7.61 million, all of which will be invested directly back into the organization, park spaces, events, programs and facilities. (see Figure 13 on page 35 for a seven-year history.)

The financial performance of the PNE remains strong and provides our team the ability to invest in the organization's future. We look to the enhancement of our team, technology, equipment, public spaces, facilities and attractions, with our sights continually on the implementation of the Hastings Park Master Plan (see page 17 for details). The PNE continues to evolve the diversity of our year-round event programming, and the execution of new ideas provides a solid foundation for business growth. We continue to view our evolution through the lens of sustainability, safety and guest experience, and the PNE remains committed to supporting the City of Vancouver in attaining its goals.

PNE ACTIVITY STREAMS

The PNE is an independent, non-profit organization wholly owned by the City of Vancouver and governed by our Board of Directors (see Governance on page 51). We are a community-oriented organization, with the mission to build social connections and community by delivering memorable face-to-face experiences for all ages, interests, ethnicities and income levels. The PNE remains financially self-sufficient, using the revenue generated throughout our fiscal year to operate. In addition, both the PNE and the City of Vancouver make annual capital investments into site facilities and infrastructure. PNE operations include five activity streams broken into two categories: revenue-generating, which includes the PNE Fair, Playland Amusement Park and year-round events, and non-revenue, which encompasses facility maintenance and park care, corporate and community.

Regarding the effect of COVID-19 on PNE operations in the 2019–2020 fiscal year: On March 11, 2020, the World Health Organization (WHO) declared a global pandemic resulting from the spread of COVID-19. On March 16, 2020, British Columbia's Provincial Health Officer banned large gatherings and all events with more than 50 people. This pandemic affected the final three weeks of the reported fiscal year with the cancellation and postponement of seven bookings (totalling 36 event days) between March 16 and March 31, 2020. While many events have been rescheduled for 2020 or 2021, others were forced to cancel entirely. The full effect of COVID-19 on PNE operations will be reported on in the 2020 annual report.

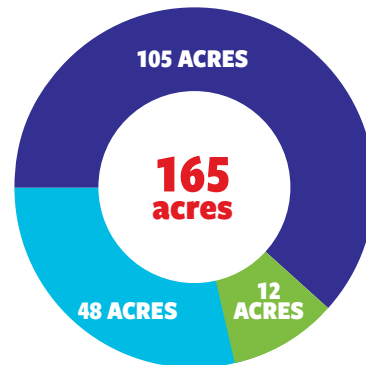
PNE BACKGROUNDER

Number of visitors
YEAR-ROUND

2.5
MILLION

HASTINGS PARK

Pacific National Exhibition



Hastings Racecourse
operated by
Great Canadian Gaming
Corporation

**Empire Fields, Hastings
Community Centre, and
E-Comm 9-1-1 call and
dispatch** operated by
City of Vancouver

**EVENT
DAYS in 2019**



is BC's largest
ticketed event

ECONOMIC IMPACT
OF THE PNE

\$200
million



FAMILY SHOWS

16



TRADE & CONSUMER SHOWS

36



CONCERTS

36



PNE FAIR

15



PLAYLAND

102



RENTALS

121



PNE Brand Description:

*from Dyatana panel completed by
Rushbrooke Communications, Fall 2019*

Our 109-year-old PNE Fair, which is the most well-known of our five activity streams, is BC's largest ticketed event. We welcome an average of 720,000* guests each year from across the province to experience world-class concerts, interesting food, live shows, and rides and exhibits. Approximately 50% of the PNE's annual revenues are derived from this event.

The PNE's second activity stream is Playland Amusement Park. Playland opened its gates for its 90th year in May and completed its season at the end of October with the most financially successful Fright Nights season on record. Playland entertains more than 380,000* guests annually outside of Fair-time with games, food and over 35 rides and attractions; this accounts for almost 25% of the PNE's annual revenues.

Our third revenue-generating activity stream is the year-round events portfolio, which includes the use of all on-site facilities to host concerts, family shows, trade and consumer shows, sporting events, festivals, and cultural and community events. The PNE, which is committed to supporting local programs, also subsidizes community programming within several venues. For example, the Agrodome is used for community ice from September to April each year, and the Garden Auditorium is used by CircusWest, a youth programming non-profit, for 10 months of the year. Within the remaining venues and outdoor spaces, the PNE welcomes over 1.5 million guests to Hastings Park each year for concerts, sporting events, tradeshow, family shows, filming, group sales and private rentals. These events round out the remaining 25% of the yearly PNE revenues.

Our fourth and fifth activity streams represent the PNE's stewardship of Hastings Park and its community focuses. The PNE is responsible for the facility maintenance and care of the Pacific Coliseum, Forum, Agrodome, Rollerland, Livestock Building and Garden Auditorium. The PNE employs specially trained horticultural teams to ensure public park spaces remain in their naturally intended states. We lovingly and meticulously care for the outdoor spaces so our guests and the local community can enjoy the Sanctuary, Italian Gardens, Momiji Garden and Centre Grounds. We collaborate with the City of Vancouver Park Board staff throughout the year, and their valuable input is reflected throughout the grounds. Management of these areas is a budgeted PNE expense and in 2019, \$6.5 million was invested from our annual operating budget to ensure these public spaces and facilities remain available for all to enjoy. The PNE is committed to open dialogue with our community partners – including the Hastings

BIA, Community Advisory Group, PNE Youth Council, Hastings Community Policing Association, Kiwassa House and other neighbourhood groups – in the ongoing use of Hastings Park through connections with our full-time Community Engagement Manager.

GOVERNANCE

Hastings Park has been a multi-purpose site used for the enjoyment and recreation of the public since it was donated in trust by the Province to the City of Vancouver in 1887. Its purpose is to bring communities together, whether they are enjoying the public spaces, attending an event in a venue or participating in one of the many festivals throughout the year. The PNE has welcomed millions of visitors from across the province annually to experience their favourite musician, hobby or team, to connect with their families or to take a peaceful walk through the Sanctuary. Hastings Park has been home to many “first” memories.

For 110 years, the PNE has served as the primary steward of the Hastings Park site. In 2004, after being a provincial crown corporation for decades, ownership of the PNE organization was transferred to the City of Vancouver. A public process was undertaken to re-envision the space with both the PNE and community needs in mind. During the following four years, community consultation shaped a new Hastings Park-PNE Master Plan. During that process, it was identified that an independent Governance Review of Hastings Park should be undertaken to ensure community needs were best being addressed. An external consultant was appointed in 2010 to undertake a three-year study with the City of Vancouver staff, community stakeholders and a number of public consultations. The results were input into the new governance structure that was subsequently approved in 2013 by City Council for Hastings Park-PNE. The revitalized structure accomplished two primary goals: it reaffirmed that the broader site and activities should be stewarded by the PNE, as it has been for over a century, and it ensured more public access to the Board and ongoing consultation with stakeholders by restructuring the Board of Directors to oversee both the PNE and Hastings Park.

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



**CN Rail Exhibit
at the PNE Fair**



**Italian Gardens
at Hastings Park**



**Nash Family Court
PNE Grounds**

**Seven-year average attendance*



Lil Skies
at PNE Amphitheatre



Armin Van Buuren
at Pacific Coliseum



Family Skate
at Agrodome



Breakout Festival Crowd
at PNE Amphitheatre



Santa Claus
at Aurora Festival



Agriculture Exhibit
at Harvestland

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

The PNE prides itself in a collaborative approach to balancing the community and commercial use of the space. We annually reinvest millions of dollars to continually enhance the park spaces for day-to-day use and to maintain the vibrancy of Hastings Park for the community groups who use the site. As a not-for-profit organization, the PNE is dedicated to giving back 100% of proceeds into the site, facilities, programs, subsidies, grants and upkeep of green spaces.

DEVELOPMENT OF OUR MISSION, VISION AND CORE VALUES

In the fourth quarter of 2018, the PNE began the task of defining what the next generation of the organization would look like. This began with the finalization of our renewed mission, vision and core values. Completed in the first quarter of 2019, this work defined our mission of Delivering Memorable Experiences.



Together, our mission, vision and core values statements provide the direction for everything the PNE aspires to and informs our decision-making. They keep the team focused on how the organization moves forward and on the goals we want to achieve. This lays the groundwork for the organization to build a strategic plan with achievable goals for the future as the PNE continues to evolve into the next decade.

STRATEGIC PLAN DEVELOPMENT – THE ROAD MAP TO THE PNE'S FUTURE

Identifying our new mission, vision and core values was the first step in ensuring the way in which the PNE would engage in a growth plan for the coming years. With our renewed purpose in place, the PNE Executive Team set in motion the development of our five-year strategic plan. This important management tool will allow our organization to focus our energy, our resources and the time of each team member towards the objectives outlined in the plan, moving us collectively from plan to actions. The plan is built around five key pillars, each with achievable, measurable outcomes. These pillars and the objectives help to serve as the road map for the future of the PNE.



DELIVERING MEMORABLE EXPERIENCES

PILLAR 1: INSPIRE & EMPOWER OUR PEOPLE

Our first pillar focuses on our most important asset: our people. Within this pillar's set of objectives, the PNE strives to inspire a higher level of performance of all team members by investing in the workplace culture and training of all staff.

SAFETY, COLLABORATION, INNOVATION AND INSPIRED LEADERSHIP

.....

In the spring of 2019, a working group came together to develop a new social contract for all employees. Known as CART, this social contract envelops four key components: communication, accountability, respect and trust. Through the implementation of this internal program, each employee has developed a greater understanding of how – and, more importantly, why – these four elements come together to create a stronger, safer, innovative collaboration of resources to deliver better experiences with enhanced levels of guest satisfaction. This program also sets the foundation for peer-to-peer training, succession planning and career development pathways, allowing for the development of a Human Capital Plan.

WORKFORCE

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In addition to the full complement of industry professionals who make up our executive, management and union year-round staff of approximately 170, the PNE continues to be the largest employer of youth in British Columbia, employing over 4,200 seasonal and part-time staff, with over 50% under the age of 21. 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.

Additionally, our People & Culture experts have developed processes to provide access to a wide range of low-barrier-to-entry roles for those entering or re-entering the workforce. This opportunity allows employees to increase their essential work experience.

The PNE is fully unionized, with four unions – CUPE, IATSE, IUOE and IBEW – operating on-site, with a range of highly skilled roles in the trades.

TRAINING

The PNE is largest employer of youth in BC; for the annual Fair, the PNE hires approximately 1,500 staff. For many, this is their first job, so these new hires have little to no work experience; with this, we understand the importance of introducing them to safety in the workplace. In 2019 we revamped our seasonal orientation into an engaging interactive learning experience and developed new training orientation for all seasonal new hires, including an in-person Occupational Health & Safety (OH&S) orientation. This covers all of the PNE's safety policies and procedures, and focuses on the unique safety risks that new and young workers encounter. These new employees also receive regular Tool Box Talks from their direct supervisors. OH&S has also developed a program for all staff to anonymously report safety concerns or near misses.

Although large-scale recruitment of youth can be a daunting task, the People & Culture department actively engages the community through in-school visits and by hosting on-the-spot interviews. The goal is to set youth up for future success when entering the workforce, and to encourage and support those beginning their work experience. In addition to these in-person visits, People & Culture provides schools with guides and resources.

In Playland this year, PNE designed and implemented a new ride safety initiative – Safe Ride, Every Ride. Aligned to our mission, vision and core values (MVV), the training includes activities

focused on providing memorable experiences for our guests in a way that reinforces our MVV. Successes included higher guest satisfaction with ride operator performance and enhanced focus on every aspect of ride safety.

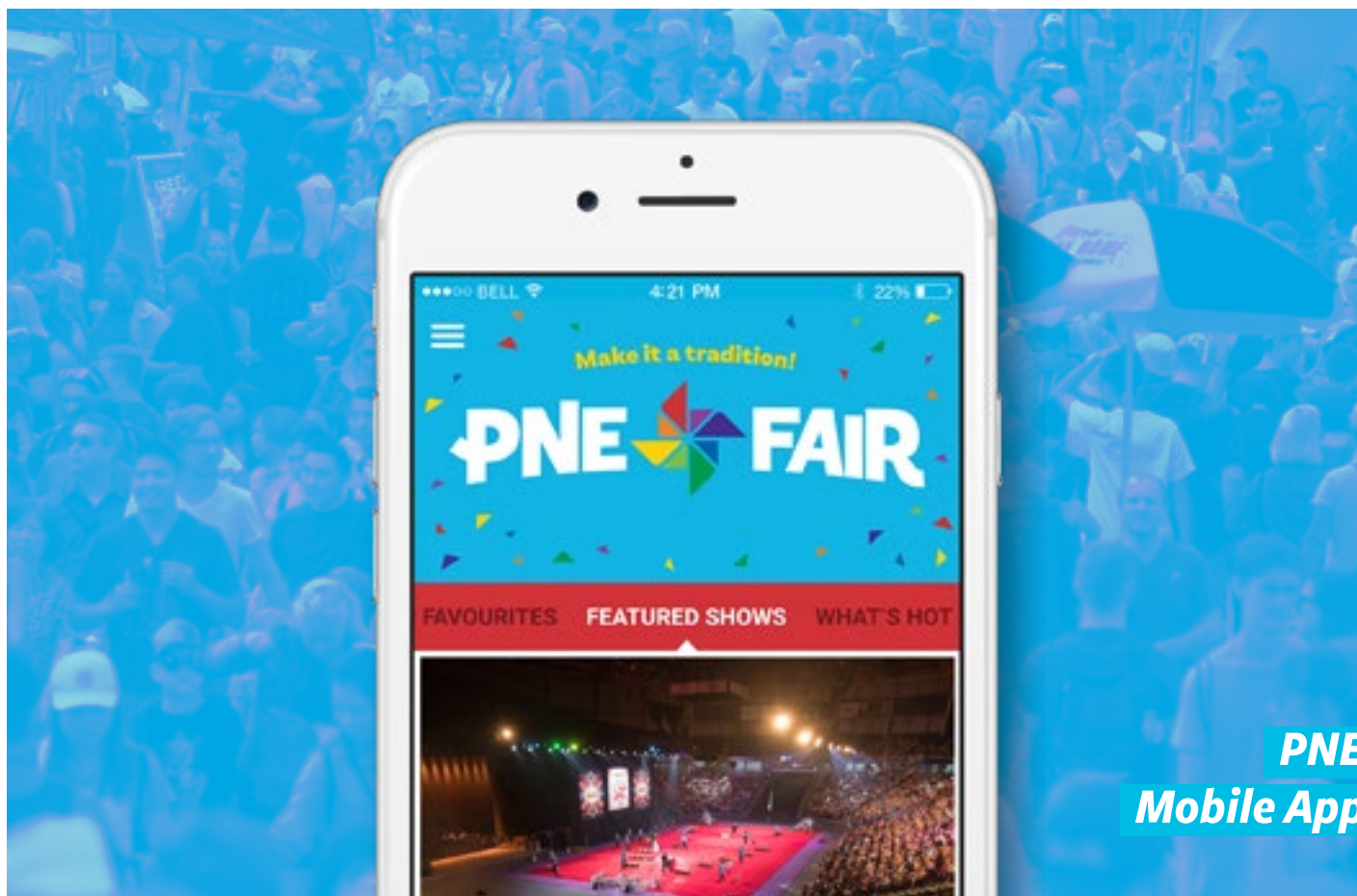
STAFF RECOGNITION AND SERVICE LONGEVITY

As we continue to focus on safety excellence, we encourage proactive safety behaviours among staff. People & Culture have introduced the Safety Spotlight program, now in its second year, which provides incentives for employees to actively contribute to our safety excellence culture. In 2019, our Safety Spotlight prizes featured gift cards from various well-loved brands. Those who were awarded a Safety Spotlight card were also entered into draws that happened throughout our summer season for a chance to win a \$50 Visa gift card and a ballot for a grand prize draw of \$250. This year, the PNE distributed over 100 Safety Spotlight prizes during the two weeks of our annual Fair, achieving an increased focus on and awareness of safety initiatives.

The retention of happy, motivated employees is key to our organization's ongoing success. Every year, we take the time to recognize the loyalty, commitment and hard work of our long-standing employees. In 2019, the PNE recognized 60 full-time, part-time and seasonal employees who were celebrating from 10 years to more than 50 years of service.



**Games
at the PNE Fair**



PNE
Mobile App

PILLAR 2: OPTIMIZE TECHNOLOGY & PROCESS

In our second pillar, the PNE is focused on the realignment of its systems to support our business growth and to provide our team with the tools needed to make strategic, data-driven decisions.

TECHNOLOGY IMPROVEMENTS

Technology improvements continue to create efficiencies and cost savings throughout Hastings Park. A new ice plant with state-of-the-art technology was installed in the Pacific Coliseum. A new transformer was also installed, meeting all the needs of the ice plant as well as providing additional power to the building, reducing our reliance on generators to support large shows.

The 2019 PNE Fair introduced a new mobile app. In previous years, the PNE Fair utilized a mobile-friendly website that required a Wi-Fi or data connection. This year, we moved to a native app platform that, once installed, provides our guests with enhanced information, detailed schedules and the ability to receive notifications while engaging in a fun, interactive game. This new app, which created a more sustainable and environmentally friendly option, allowed the PNE to reduce the amount of printed materials on-site.

Investments in technology and streamlined processes have also allowed the PNE to grow the TicketLeader business, a

revenue growth opportunity for the PNE. The team completed a series of platform upgrades for enhanced customer experience online, including:

- Launch of a new TicketLeader website interface that greatly improved navigation and user experience
- New ticket transfer feature
- Improved credit card fraud monitoring
- Online acceptance of Visa Debit and American Express
- Implementation of new management reporting app for real-time sales data and trends
- Implementation of ticket insurance online via FanShield
- Improved client reporting features

In 2019, TicketLeader integrated all attraction gate and event ticketing under a single system, which has resulted in a significant increase in net revenues, lower royalty fees and better integration across events. The change in systems also allows for improved customer data capture and financial reporting and statistics. This migration provided positive increases to the TicketLeader customer database, growing it by 57% in 2019.



Hastings Park
Future Development



PILLAR 3: EXECUTE MASTER PLAN

Pillar three reminds us that we are at the centre of stewardship in the execution of the Master Plan that will lead the transition of Hastings Park into a world-class site.

After ownership was transferred on January 1, 2004 from the Province to the City of Vancouver, the PNE launched a revisioning exercise that formulated a Master Plan encompassing both Hastings Park and the PNE's future development. This revisioning, led by a diverse project team that included many city departments, the Park Board, the PNE, and a broad range of external consultants and community stakeholders, helped to inform what would become the approved Hastings Park-PNE Master Plan. After two years of consultation, followed by an additional two years of outreach, community feedback and refinement, this new vision for Hastings Park-PNE was adopted by Vancouver City Council in 2010.

Through the Master Plan visioning exercise, the project team defined eight development principles on which all planning would rest:

1. Create clear pedestrian and vehicle organization
2. Relocate and expand Playland to create a destination attraction
3. Connect Hastings Park to Burrard Inlet
4. Create a Celebration "Heart of the Park" that revitalizes the Livestock Barns, Celebration Plaza and PNE Amphitheatre

5. Connect the community
6. Expand the park space and enhance the habitats
7. Build in flexibility of the space use
8. Create a strong brand identity for Hastings Park

Once the plan was adopted, Vancouver City Council requested a Governance Review of Hastings Park-PNE, which included three years of study and public consultation. Council approved the new Hastings Park-PNE Board in August 2013, with a mandate to provide policy direction for the proposed multi-faceted activities as well as oversight for the implementation of the new Master Plan. This mandate allows the PNE and the PNE Board of Directors to plan holistically for the future with an eye on the long-term interests of the PNE, the use of Hastings Park and increased community involvement. An eight-member Community Advisory Group was instituted, along with semi-annual public Board meetings, to ensure more open communication between the PNE and members of local and city-wide communities.

Hastings Park will continue to develop into a space for celebration and connection for our community. The vision of a greener, more sustainable and accessible space is balanced by our long-term financial sustainability and economic vitality. This is all anchored by the iconic annual PNE Fair and Playland

Amusement Park to provide access to our space and amenities for year-round park use, culture, sport, recreation, pleasure and fun for all ages, interests and backgrounds. The PNE is proud to be a part of this 25-year initiative that will breathe new life into this incredible space.

With this revitalization, Hastings Park will see the tripling of park space from 27 acres to 76 acres, with additional green spaces linking pathways throughout the site to Vancouver's existing and planned green corridors and gardens. Facilities and infrastructure are being redeveloped to allow for a wider range of cost-effective celebrations, festivals, sports, music and family entertainment to blossom on-site, aligning with the City of Vancouver's Culture|Shift strategy and the Vancouver Music Strategy. (More information on these strategies can be found at <https://vancouver.ca/parks-recreation-culture/culture-shift.aspx>.)

This revitalization will also allow for the growth and evolution of the PNE Fair, the largest ticketed event in BC. As Playland continues to welcome visitors of every age, it will also transform from a hardscaped amusement park into a greener and more sustainable theme park with softer landscapes and spaces.

Since 2010, the following Master Plan projects have been completed:

- 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 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, and kids' spaces, as well as Plateau Park for community use

- Hastings Park Traffic, Parking and Access Study to determine site-wide pedestrian and vehicle flow for the future of Hastings Park
- An archaeological assessment, geotechnical assessments, an arborist report and site-wide infrastructure study updates
- Funding and phasing strategy for the Amphitheatre and Playland redevelopment projects

Throughout 2019, under the guidance of the Hastings Park-PNE Board, the PNE and City of Vancouver staff continued progress on efforts to advance the long-term Master Plan initiative. Work completed over the past year was primarily focused on Amphitheatre and Playland redevelopment, including market analysis, technical and feasibility studies, business case planning and the development of a phasing and funding strategy. In addition, the PNE supported City work to advance the daylighted stream project.

As the work progressed, the PNE hosted a series of well-attended Neighbourhood and Public Information Sessions in January 2020, during which the PNE reported all development updates.

Following these public sessions, the PNE in collaboration with Talk Vancouver conducted a Hastings Park-PNE Master Plan survey. Almost 8,000 respondents provided key insights in support of the Master Plan. Talk Vancouver reports that this is one of the strongest sets of responses received.

AMPHITHEATRE

- In 2019, the Hastings Park-PNE Master Plan Project Team completed the market analysis, feasibility studies and business case for the redevelopment of the PNE Amphitheatre. This revealed a very strong business case for an upgraded Amphitheatre in Vancouver to host festivals and events and to support the local arts, culture and music industries. There are many opportunities supporting the strategy driving the redevelopment of the PNE Amphitheatre. Analysis of the survey conducted through Talk Vancouver reported that 78% of respondents found it extremely or very important



**Punk in Drublic Festival
at PNE Amphitheatre**

that the Amphitheatre increase space for year-round festivals and events. Additionally, 75% of respondents believe it is extremely or very important that the Amphitheatre assists in evolving the Vancouver Music Strategy, and in giving a diversified range of artists a range of performance venues.

- The goal of this phase of the Master Plan is to revitalize the current event space into a world-class venue to showcase music, cultural and community events throughout the year, and to create a space where the local community can gather to experience entertainment and community events. The visioning for the space includes both indoor and outdoor spaces, permanent back-of-house infrastructure and scalability to welcome larger capacity music shows as well as smaller-scale community-based events.
- The Project Team has identified design priorities in creating this world-class venue. The Amphitheatre will have improved sound/acoustic design, which will minimize any impact on the neighbourhood. The design will include covered seating to improve the guest experience and extend the venue's operating season. It will also include permanent back-of-house facilities that will reduce set-up costs and reduce fees for low-barrier-to-entry use by community and cultural groups. Improved guest amenities will include more accessibility, utility and technical infrastructure, washroom facilities, and concessions for food, beverage and merchandise. The floor plans will be flexible and scalable to offer more options to external event producers.
- In November 2019, with the planning work complete, the PNE initiated a Request for Expressions of Interest through the City of Vancouver to assess how and where partners in the private sector would add value to the plan. The Hastings Park-PNE Master Plan team is currently analyzing all submissions and will report their decisions in the 2020 fiscal year.
- It has always been anticipated that this venue would be paid for in full by the PNE through increased revenues generated by events, including paying back a loan for the initial capital investment.

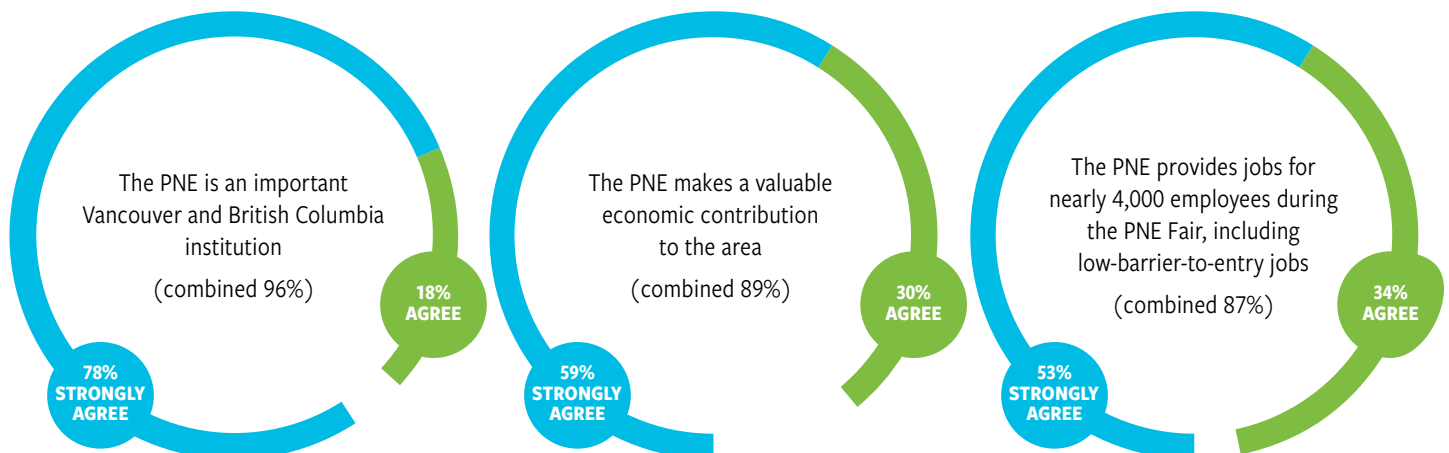
PLAYLAND

Playland, which remains a significant revenue driver and provides the region with a world-class outdoor amusement venue, has been identified through the envisioning exercise as a strong economic engine for the future growth of the PNE. The plan envisions an expansion of the current footprint of 15 acres to an increased footprint of 22 acres – growing north towards McGill Street. With this expansion comes a redesign of the atmosphere of Playland, moving it from a hardscaped amusement park to a themed destination attraction featuring new rides, food options, green spaces and family entertainment.

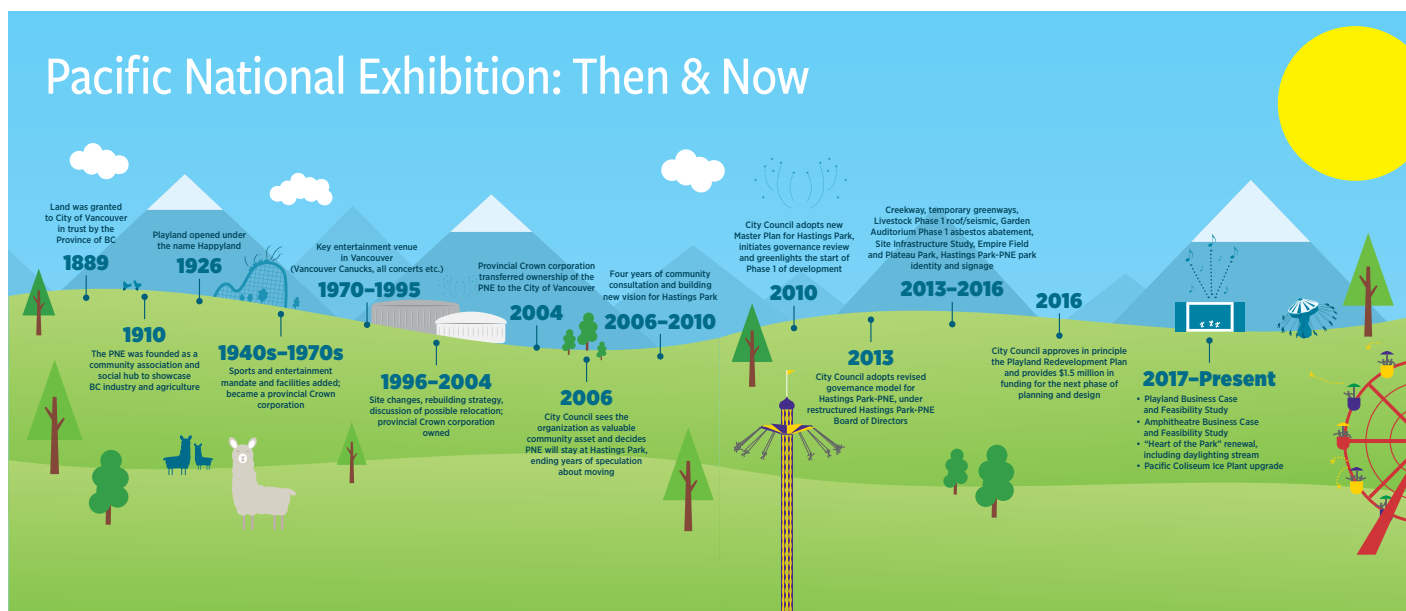
At this time, the market analysis indicates that the BC/Pacific Northwest regional market supports an expanded Playland that is self-supporting, with increased employment opportunities and a positive economic impact for the surrounding communities. In February 2020, the PNE's Talk Vancouver survey asked respondents to indicate the importance of the alignment of the Playland redevelopment plan to the City of Vancouver's Healthy City Strategy and Tourism Strategy, providing a revitalized, greener and more sustainable regional theme park, both for residents and wider-ranging guests to enjoy. Through this analysis, 73% agreed it is extremely or very important that the PNE bring a world-class attraction to Vancouver. Respondents agreed that the project should be self-sustaining, with the capital investment loan to be paid back by the PNE through increased revenue generation at Playland and the PNE over the next 25 years. The project team also garnered important information regarding the growth of employment opportunities, with an eye on accessible price considerations.

In anticipation of starting the first phase of redevelopment, additional horticultural elements have been added to the park, and new rides have been placed and themed with an eye to future development. Waste diversion and sustainability improvements, including site-wide compostable container mandates, have been implemented. Spaces are being reimagined for the present as well as for the future, with a specific focus on improved utility infrastructure, increased overall sustainability, increased group event spaces and more permeable landscapes.

HASTINGS PARK-PNE MASTER PLAN SURVEY RESULTS FEBRUARY 2020

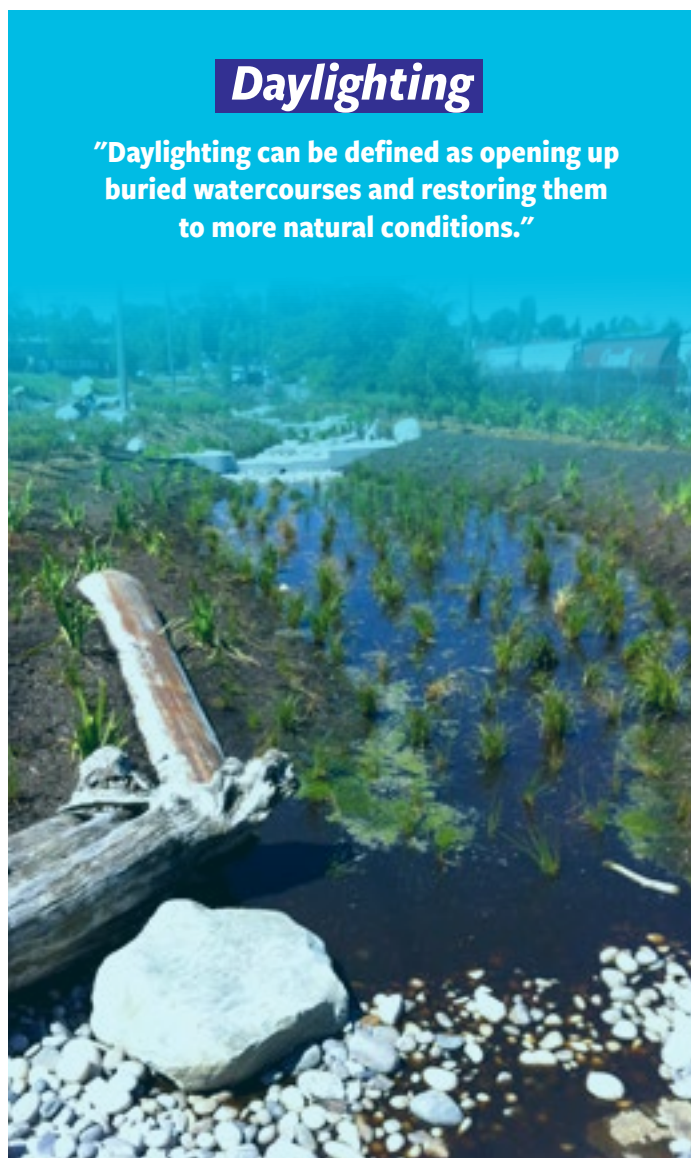


Pacific National Exhibition: Then & Now



Daylighting

"Daylighting can be defined as opening up buried watercourses and restoring them to more natural conditions."



Wild, T. C.; Bernet, J. F.; Westling, E. L.; Lerner, D. N. (September 2011).

"Deculverting: reviewing the evidence on the 'daylighting' and restoration of culverted rivers." *Water and Environment Journal*. 25 (3): 412-421.

Playland redevelopment is contemplated to happen over two phases. Phase 1 would see a renewal of the existing footprint taking place over the next five years, with a small cluster of attractions being replaced each year, in zones to minimize disruption to annual operations. In addition, Phase 1 will see new entertainment options added, infrastructure upgrades and attractions themed with added shade and green space where possible.

Phase 2 will occur over the following five to seven years as the park expands its footprint north. New attractions and themed zones will be added, infrastructure upgrades will continue, and the park will be transformed into a world-class family park with improved sustainability, a relocated main entrance, expanded food and beverage options, and fresh entertainment.

In alignment with survey responses, this redevelopment will increase employment and access to critical first jobs and training for community youth. It will also provide a world-class family entertainment option that is accessible to community members of all means.

DAYLIGHTING OF THE HASTINGS STREAM

Historically, a network of natural streams and creeks existed throughout the City of Vancouver. With urbanization and city development, some were lost, others were diverted and some were buried underground. One important stream exists within the heart of the Park in Hastings Park: the Hastings Creek Stream. The stream, which is currently culverted between the Sanctuary at the southwest side of the park, runs underground to New Brighton Park and Burrard Inlet.

City Council identified the Hastings Watershed and the related Hastings Creek Stream Restoration as a priority in its initiatives for the current capital plan. In 2019, the Council approved \$.6 million in funding through its Integrated Blue-Green Systems Planning to begin work on research required to daylight the stream. This collaboration between the City of Vancouver and the Hastings Park-PNE Master Plan project team presents



Hastings Park Garden Space

opportunities to advance the plan within the broader lens of Vancouver's Rain City Strategy (<https://vancouver.ca/files/cov/rain-city-strategy.pdf>). This is an important initiative for the surrounding community; Talk Vancouver survey responses confirmed stakeholders' desire for increased naturalization and greening efforts on-site.

Daylighting Hastings Creek will bring the lost water connection to Burrard Inlet back to the surface, contributing to the naturalization of Hastings Park. This will allow for an ecologically rich and diverse space outside of the Sanctuary, creating additional open green space that will bring joy and connect the community to nature. It will also allow families to appreciate the environmental diversity of the space and, as it develops above ground, this will increase natural spaces to teach and engage in nature. Initial planning for daylighting the stream is scheduled to begin by the City of Vancouver Engineering team in 2020.

HASTINGS PARK SITE-WIDE STUDIES

As these projects move forward through the various phases of development, the Hastings Park-PNE Master Plan Project continues to take a holistic approach to the development, as no piece can be done without site-wide effects. The team is working on finalizing an integrated funding strategy to cover redevelopment costs of the Amphitheatre, Playland and utility infrastructure needs that connect throughout the site.

The Project team completed updates to the long-term Hastings Park utility infrastructure strategy, bringing it up to date for 2019. The team also identified additional short- and long-term assets that require upgrades to maintain service levels and to enable the future growth expected from redevelopment on-site. Funding of \$2.2 million has been secured to design and replace short-term infrastructure needs that will be instrumental as growth throughout the site continues.

NEXT PHASES

In 2020, the following significant milestones will be paramount to the evolution of the Master Plan:

- Amphitheatre Renewal – Present business case to Council and request funding for next stage (detailed design) in early 2021
- Playland Redevelopment – Present business case to Council and request funding for Phase 1 (detailed design) in mid 2021
- Infrastructure Implementation – Initiate design/construction on short-term infrastructure needs for future growth at Hastings Park in 2021; this will include analysis of increased access through transit and parking options

The Master Plan provides 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 reduced greenhouse gas emissions, improved energy efficiency and waste management, locally sourced healthy food options at events, increased permeable 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.



Sea-to-Sky Swinger



**Everyone's
favourite:
mini donuts!**



Wooden Roller Coaster

2019 Ridership (combined Playland & Fair): 212,963

Ello Coaster Ranked #7 in 2019, up from the 12th spot in 2018

ellocoaster.com/coasteratplayland

PILLAR 4: ELEVATE BUSINESS RESULTS

The fourth pillar of the PNE’s strategic plan is to elevate our business results, which encompasses several areas. In each of our revenue-generating activity streams (the Fair, Playland and year-round events), the team is dedicated to making guest experience a driving factor in decision-making and to developing new events and products that improve guest experience as well as profitability. In addition, we will build out the PNE brand and story so people better understand and support our organization and its impact.

PLAYLAND REGULAR SEASON

Playland Amusement Park, which opened in 1929 and celebrated 90 years of operation in 2019, is home to Vancouver’s most thrilling rides, including our iconic Wooden Roller Coaster. Playland offers 38 rides and attractions; 20 games; 16 food and beverage outlets, including mini-donuts, Triple O’s and BeaverTails; and affordable family entertainment in a fun, safe and unique setting.

This year, Playland made two key attraction changes. First, the Corkscrew coaster was retired and removed to make way for redevelopment of that space as part of Phase 1 of the Master Plan. Second, the team invested in replacing the Wave Swinger Ride with a new state-of-the-art Sea-to-Sky Swinger, which is designed to showcase the best of Vancouver’s landscape for 64 adventure-seeking guests. From the west-coast scenery of orcas and dolphins to the mountains and sky on the top, the ride uses natural tones to complement the city’s breathtaking scenery. The ride is one of the most beloved fan favourite attractions in the park, and it’s accessible for riders of all ages. There’s no

better way to cool down on a hot summer day while taking in the beautiful cityscape and the North Shore mountain range.

In November, Playland’s new #OnTrack Training program received the IAAPA Brass Ring Award for Best Innovation in a Training Program at attractions with annual attendance of less than 1 million. This training program is part of a larger ride operator safety training initiative called Safe Ride, Every Ride. (see page 14 for more information on Safe Ride, Every Ride.) The International Association of Amusement Parks and Attractions (IAAPA) is the premier global trade association representing the diverse and ever-changing attractions industry. The prestigious IAAPA Brass Ring Awards mark achievements of excellence throughout the global attractions industry. Playland was awarded the Brass Ring from a pool of three finalists, including a Warner Brothers Amusement Park in Abu Dhabi, and Ripley’s Believe it or Not! in St. Augustine, Florida.

In 2019, Playland was open for 92 regular season operating days from May 4 through September 15 (not including the PNE Fair August 17–September 2). During the regular season,



Balloon Explorers

we welcomed 296,874 guests, which was down just under 1% from the previous year; inclement weather in June and July had a negative impact on attendance (see Figure 1 for a seven-year attendance history). Playland generated total revenues of \$16.10 million in 2019, and while total revenues were down 1% in line with attendance, Playland provided a net contribution of \$8.66 million, increasing overall profitability by 2.2% despite a 1% decrease in revenue over the previous year. (see Figures 2 and 3 for a seven-year history.)

Playland proudly welcomes a wide range of guests. Our research breaks down attendance by age group and shows that 52% of our annual attendees are under the age of 19 and, of that number, 38% are high school students. Over one-quarter of the guests are families with children under 18, and 55% of guests come in groups of four or more. The top three reasons for attending Playland are: it's a "fun thing to do", people love the rides, and it's a great place to celebrate group events like birthday parties and corporate events. (Source: On-site research by EventCorp Services 2019.)

Playland values affordability and accessibility in addition to providing a great guest experience, and we have several programs in place to support this. In 2019, 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 group initiative, which accounts for 30% of Playland's annual attendance. Throughout the season, 32,743 guests visited Playland through 102 different corporate VIP events held on-site.

Figure 1 | PLAYLAND ATTENDANCE



Figure 2 | PLAYLAND TOTAL REVENUES (in Millions)



Figure 3 | PLAYLAND NET CONTRIBUTION (in Millions)





2019 was a record-breaking year for Corporate Events at Playland, and a new event space expanded the available group space. The PNE is proud to have built successful programs for so many people to enjoy.

Playland is also proud to partner with Easter Seals Canada to offer options for guests with accessibility limitations. In 2019 we welcomed over 1,600 guests through the Access 2 Card program. This award-winning program, which is a collaborative partnership between Easter Seals and over 500 movie theatres, cultural attractions, entertainment venues and recreation facilities across Canada, is designed for people of all ages who have a permanent disability and who require the assistance of a support person. The program improves social inclusion and provides access to entertainment, cultural and recreation opportunities and experiences without any added financial burden.

Playland looks forward to growth in our year-over-year attendance as we progress further with the Playland Redevelopment Plan. This plan, which will help the PNE meet the objectives of an affordable, accessible park, 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.

For more information on the Playland's redevelopment plan as part of the Hastings Park-PNE Master Plan, please visit <https://vancouver.ca/files/cov/HastingsParkPNE-doco-MasterPlan.pdf>.

Playland Nights

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

For a third year, Playland Nights returned for four Friday nights in July from 7 pm to midnight. The entire amusement park was transformed into a 19+ licensed adult playground where guests could enjoy Playland-inspired drinks while walking around the park and taking in the activities. There were specialty cocktails like Candy Floss and Candy Apple Martinis, several DJs, a burlesque show, live musical and comedy performances, Brazilian Samba dancers, unique partner activations and 25 rides.

Our VIP ticket option featuring exclusive benefits and creative theme nights was elevated this year. VIP ticket holders received expedited gate, access to exclusive tents including a secret bar, and could skip the line at 10 different rides including the Sea-to-Sky Swinger, the Pirate Ship and The Beast.

The weather was challenging in 2019, with inclement weather on three of the four evenings, resulting in attendance that was lower than in 2018. It did, however, generate over \$660,000 in revenue, and more than 10,000 guests had a fun, unique adults-only experience. Of all guests who attended Playland Nights, approximately 39% of the guests were between 19 and 24, and 43% were between 25 and 34.



Fright Nights

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

2019 was a record-setting year for Fright Nights, Western Canada’s scariest haunt and Vancouver’s most highly anticipated Halloween event. Fright Nights continues to provide the highest concentration of haunted houses, with live actors and all the fun of amusement park rides... at night. But it’s not for the faint of heart – or recommended for kids under 13. Demand is so high for this experience that Rapid Pass admission upgrades, which provided expedited entry into all haunted houses and to eight of our top rides, sold out on most nights. The Playland Food & Beverage department continues to develop unique options only found at Fright Nights, like pumpkin spice candy floss and uniquely themed Halloween candy apples.

Frights Nights successfully terrorized 82,242 guests in 2019, which is down slightly from 2018, when the event experienced near-perfect weather and its best attendance on record, but is on par with our seven-year average (*see Figure 4 for a seven-year history*). The ever-popular Monsters of Schlock performed 48 shows, and they were as creepy and as entertaining as ever. These two comedians perform some of the most amazing physical stunts ever seen! It’s a slapstick show hearkening back to the early days of vaudeville.

In order to manage demand and capacity on premium nights, Fright Nights continued to provide a variable pricing model. Our most popular weekend days saw a premium ticket price (\$47); we provided cost-conscious guests with lower prices (\$27) on less heavily attended days. This seasonal event remains heavily attended, and the PNE is focused on maintaining positive guest experience with an eye on accessibility to the event. Fright Nights achieved strong revenues of \$4.4 million in 2019 (*see Figure 5 for a seven-year history*) and a record-breaking \$3.18 million in net income towards the Playland activity stream, increasing its net contribution by 6% (*see Figure 6 for a seven-year history*). This was Fright Nights’ most profitable year to date.

Figure 4 | FRIGHT NIGHTS ATTENDANCE

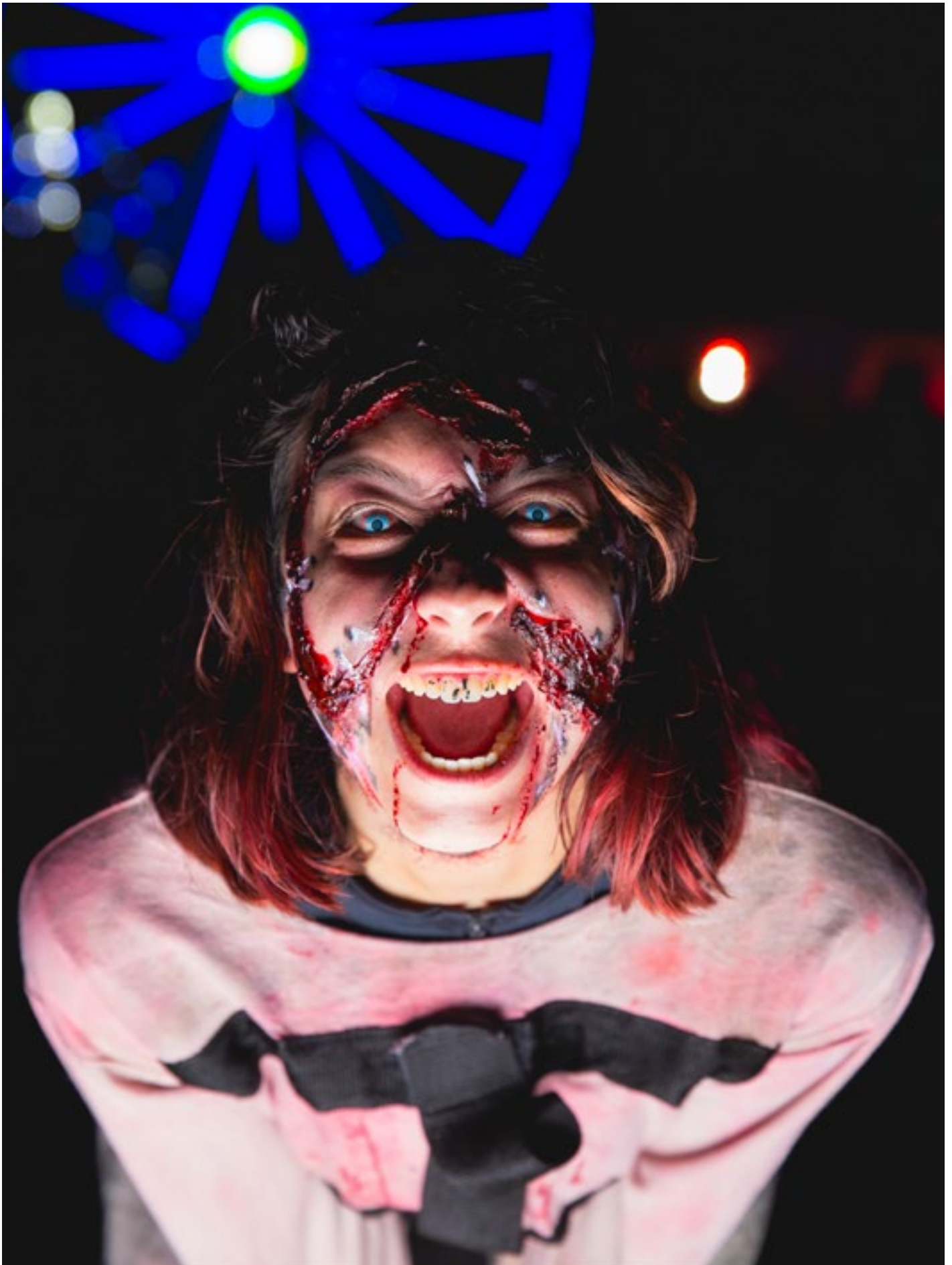


Figure 5 | FRIGHT NIGHTS TOTAL REVENUES (in Millions)



Figure 6 | FRIGHT NIGHTS NET CONTRIBUTION (in Millions)







Revel District at the PNE Fair

PNE FAIR

On August 17, 2019, the PNE Fair opened for its 109th year, with great weather and a highly anticipated entertainment and attractions lineup. Mostly beautiful days and nights were a welcome change from the difficult forest fire and smoke in 2018, which dramatically impacted attendance that year. 2019 was the PNE Fair's best attendance in five years, with 731,708 happy guests – up by more than 26,000 guests from 2018 (*see Figure 7 for a seven-year history*). The 2019 PNE Fair provided 15 days of fun, excitement and educational experiences through new exhibits, unique shopping opportunities, enhanced engagement through new technology initiatives, and the ability to connect with family and friends to enjoy favourite Fair foods, rides and concerts. The 2019 Fair also provided the highest total revenue on record at \$28.82 million, which was an 8.2% increase over 2018 (*see Figure 8 for a seven-year history*) and the highest net contribution on record at \$8.04 million, which was a \$10.3% increase in profitability over 2018 (*see Figure 9 for a seven-year history*).

This success can be attributed to a number of factors: strong programming; exciting exhibits; a revitalized marketing plan, complete with new branding; a new PNE app downloaded by over 45,000 users in its first year; new transportation-themed partnerships with the inclusion of TransLink's Transport 2050 corridor, CN Rail's CN100 celebration, antique cars and first responder equipment; an enhanced concert series; and, of course, Fair food, which remains everyone's favourite reason to visit. The PNE is most well-known and receives the most brand love for our PNE Fair; this event remains responsible for approximately 50% of annual revenues.

Fair Programming Highlights

TransLink created the Transport 2050 corridor down Miller Drive as part of an engagement strategy for transportation planning in Metro Vancouver for the next 30 years. The attraction displayed historical, current and future-forward public transit



In 2019 the PNE updated its traditional Fair brand with an array of colours depicting the event's diverse audience and entertainment range and simplified the name to PNE FAIR to better represent the future of the PNE's signature summer event.



vehicles; multiple alternative intermodal transportation partners, including a preview of e-bikes and e-scooters; a virtual reality experience showing the future of transportation; a speakers' corner where guests could provide input and opinions regarding the future of Metro Vancouver's transportation structure; and an award-winning technology-forward presentation with 3D modelling.

CN Rail – celebrating its 100th anniversary – selected the PNE Fair as its only BC stop in its 14-city, two-year tour across North America. Designed using shipping containers that were moved across the country on flatbed railcars, the CN100 attraction featured family-friendly displays, hands-on crafts, a reading corner, a scavenger hunt for kids under 12, live entertainment and virtual reality.

Snap Happy, a PNE Fair themed “selfie experience”, opened to rave reviews and saw over 86,000 guests visit throughout the Fair. Modelled after successful “selfie” exhibits gaining popularity globally, Snap Happy is a series of social media photo opportunities where guests get to pose and become part of notable PNE branded displays that included an upside-down roller coaster, a pinwheel garden, a life-size Whac-A-Mole game, a Playland bumper car, giant mini-donuts and the chance to become part of a giant hamburger.

Continuing the PNE commitment to arts and culture, supporting local performers and the City of Vancouver's Creative City Strategy, atmospheric attractions were added throughout the footprint. Roaming giant Canada geese, flowerpot head dancers and the return of the always popular PNE Fair Pep Band entertained guests in pop-up locations throughout the grounds. Expert glass-blowers from Tacoma's Museum of Glass worked live in a mobile hot shop in Festival Park to create one-of-a-kind pieces. More than 100 local amateur cultural entertainers performed on the Coca-Cola Stage in Festival Park. And, at the end of every day, Festival Park came to life with a captivating finale, Electric Fire.

Shopping remains a large part of everyone's visit and is one of the top five reasons people attend the Fair. In addition to our traditional Marketplace – featuring vendors selling everything from steam mops to jewelry – we introduced the Vancity Marketplace during the first week of the Fair. This 1,000-square-foot zone near Festival Park introduced guests to local entrepreneur members of Vancity selling First Nations art, and local artisan products and foods.

Celebration Plaza is often referred to as part of the “Heart of the Park” in the Master Plan. This year, the area was reimagined into the Revel District for the Fair – a space full of entertainment and food where people could “indulge their wild”. It was anchored by the Plaza Beer Garden with live duelling pianos every night, Western and Mexican food zones, and dual mechanical bull riding. The Tim Hortons Stage's daily entertainment featured the For the Love of Drag show and family-friendly entertainment with Mike Wood: Big Time Comedy, and Mama Lou: Strong Woman. Another highlight of the PNE Fair was NeFairious, a custom beer collaboration brewed by PNE and Parallel 49 Brewing. NeFairious, which was served on-site and sold at BC Liquor stores, was sold out by the end of the Fair.

Summer Night Concerts have become a highly anticipated anchor of Fair programming. In 2019, our lineup included huge names such as Billy Idol, Cheap Trick (replacing the originally booked ZZ Top when band member Frank Beard fell ill), Blue Rodeo, STYX, UB40, Collective Soul and the Gin Blossoms, and the 25th anniversary tour of TLC. This concert series, with 15 nights of great music for all tastes, has become the largest in Western Canada. And with many 2019 shows sold out before the Fair even started, this series provides the PNE with increased revenues (concert revenues were up 26% over the prior year), and helps to drive gate attendance and revenue as well as increased on-site guest spending. In terms of accessibility, the PNE continues to ensure that at least 2,000 seats for every show are made available for free to guests as part of their admission to the Fair. The beloved SuperDogs returned for three shows daily in the Pacific Coliseum and, new this year, a show by the renowned

hypnotist Reveen was added to the venue's programming to end each night. This family-friendly programming in the Pacific Coliseum provided our guests with indoor entertainment options each evening as an alternative to the concert series.

The ever popular BCAA ToonCity invites children to play and dance in this family-friendly interactive play area. It featured two live shows – Super Action Academy, and the all-new Blue's Dance Party, featuring BCAA Mascot Blue and his friends – each with three performances daily. Kids were invited to meet and greet the characters after the shows while families enjoyed the natural amphitheatre and quiet space just off the busier beaten paths. This venue, which provides a space to get away from the crowds in a relaxing garden atmosphere and take in an outdoor show, has play spaces available for young kids to enjoy.

The Fair also proudly supports Vancouver's Healthy City Strategy by bringing family and friends together to connect with neighbours, to be engaged in our communities and to help shape people's social well-being through positive fun experiences. Throughout the first week of the Fair, a series of promotional days presented by our community partners allows for stronger accessibility to the Fair. We call this Days and Ways to Save.

Opening weekend began with the PNE Heroes Weekend, which provided free admission to our first responders and their families. This year, we also offered a \$2 opening weekend promotion if guests showed up at the gate having downloaded the new PNE app. The first and second Tuesdays are YVR Free Days, with free admission for all guests between 11 am and 1 pm. These two free days are meant to provide an accessible way for all in the community to be able to come and enjoy the Fair. The PNE offers Wild Ride Wednesdays with two-for-one ride passes from 11 am to 1 pm. Also, the first Wednesday is Library Day with \$6 admission when you show any BC library card through our partnership with Public Library InterLINK. The first Thursday of the Fair is Seniors' Day, presented by Retirement Concepts, with complimentary admission and West Coast Wheel Rides for guests aged 65+.

BCAA continues to offer its members 30% off gate and ride passes through its website, and Vancity promotes an \$8 adult admission on weekends only. Throughout the summer, the Vancouver Pride Society sells "Out at the Fair" rainbow-inspired socks, and purchasers wearing these keepsakes on the second Thursday of the Fair received complimentary gate admission. New this year, we introduced Take Transit to Fair Fridays, with half-price admission for anyone showing a Compass Pass. 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.

As the Fair continues to thrive and grow, the PNE team looks for ways to use unique spaces for programming, and to find better ways to utilize spaces previously unused or those used on a very limited basis. In 2019, Dinosaur Stomp, which had been installed previously along Miller Drive, was reimaged in the Italian Gardens, welcoming over 80,000 people through this previously underused space. The CN100 exhibit was installed

in a parking lot formerly outside the traditional Fair footprint, expanding the space available for guests to explore. As our growth continues, we will look at other unique spaces to increase available programming and entertainment opportunities.

"The 2019 PNE Fair was a tremendous success, thanks to our partners, vendors, performers, PNE staff and the hundreds of thousands of guests who make this Canadian tradition so special," said PNE President and CEO Shelley Frost. "We are very proud of the success of this Fair. Attendance was strong, and the weather cooperated, resulting in a strong momentum of energy and excitement that could be felt by all our guests. We received very positive feedback for both our new and returning features."

The PNE Fair was founded on agricultural roots and it remains at the heart of who we are. Educating the urban public still remains a priority, and our agriculture programming was expanded with the addition of new exhibits and industry partners. Education programs for the public are imperative now, more than ever, as people are becoming more aware of the need to grow sustainably and the importance of buying local. The PNE believes in the need for education around healthy food and food security, and the PNE Fair offers a fantastic opportunity to showcase agriculture to our urban guests, educating them about food production while making it engaging and fun.

This year, we welcomed a new exhibit called the Journey of BC Food. Developed together with the BC Ministry of Agriculture, this 2,500-square-foot exhibit showcased the province's top 10 food industries, from beef to mushrooms to bees. The underlying message throughout the exhibit, and indeed throughout the Livestock Building exhibits, is to "Buy BC".

This added to our successful and popular agriculture exhibits, including BC Dairy's milking demonstrations, Ask a Farmer at the BC Egg Marketing Board area, Talk to a Rancher at the BC Cattlemen's display and Poultry in Motion, all of which presented engaging industry-represented activations. Guests and industry experts interacted in first-hand conversations where no question is a bad question. We are proud of these connections as we continue to develop a truly authentic agriculture experience.

The Barns were booming with events showcasing authentic agriculture programming. The 4-H Festival kicks off on the opening weekend, giving the public their best opportunity to interact with live animals from August 17 to 20. As always, the 4-H festival welcomed hundreds of hard-working kids from 34 clubs and 13 districts across the province. The 4-H members commit many hours to feed and care for their animals from the crack of daylight until 10 pm every day. Over 1,370 entries were judged at this year's festival and \$14,000 in prizes and money was awarded.



**Blue's Dance Party
at the BCAA ToonCity Stage**



**For the Love of Drag
at the Tim Hortons Stage**



**Dinosaur Stomp
Exhibit**



**Journey of BC Food
Exhibit**



One of the PNE Fair's most well-known concessionaires was the dynamic Bill Konyk, known by all as Hunky Bill, who passed away peacefully on August 13, 2019, surrounded by his family. Bill was a beloved member of the PNE family for 52 years selling his homemade Ukrainian-style perogies. The story goes that Bill showed up unannounced at the PNE administration office in 1968 and spent an hour and a half convincing the then-head of the PNE booth sales department to give him a chance and betting \$10 that his stand would be a real winner for the PNE. Konyk got his booth, won his \$10 and began a 52-year journey, during which time Hunky Bill has become one of the most iconic pitchmen and restaurateurs in Canadian history. Fortunately, Bill's tradition of serving the best Ukrainian food in the city will continue on through his loving wife Kay and three sons Bill Jr., Clayton and Mark.

The livestock auction at the end of the 4-H Festival raised an amazing \$307,830 for 4-H participants.

Farm Country, which presents the largest variety of barn animals found in Vancouver, remains extremely popular for our guests. It features unique demonstrations like honey extraction and milking demonstrations, kids' tractor-pull competitions, pony rides and, of course, our baby animals. Farm Country is also home to our interactive and educational exhibit for children called Kidz Discovery Farm. Each year we welcome over 25,000 children through this exhibit. The agricultural program wrapped up on a high note with the annual PNE Evening for Agriculture charity auction. Each year, the PNE hosts a fundraiser in support of the BC Youth in Agriculture Foundation and this year \$24,000 was raised. All donations help to support bursaries and scholarships for youth pursuing sustainable farming practices.

The Agrodome was once again home to Knights of Valour, returning for a successful second year, and to the Pacific Spirit Horse Show, which showcased horse jumping competitions, Carlaw Clydesdale demonstrations and draft horse shows. The Pacific Spirit Horse Show awarded close to \$10,600 in prize money, with 109 entries being judged.

Notable Food Memories in 2019

The Safeway Cooking Stage showcased cooking skills and recipes with local ingredients to hundreds of guests over three shows per day. Along with top BC chefs and special guests showcasing their talents, 20 local families chosen through a Facebook contest presented their Family Favourite Recipes to guests.

Our Food experiences on-site are extraordinary and, for many, steeped in tradition. The Parsons Family, for example, has been offering Fair favourites on-site during the Fair for 90 years. In 1999, Jimmy's Lunch, owned by the Parsons family, famous for the smell from onions grilled and piled high on their famous burgers, was named one of the top 10 most iconic memories of the 20th century in a poll marking the turn of the century that was completed by British Columbians. This year, we celebrated the 90th anniversary of Jimmy's Lunch at the PNE Fair, and honoured the milestone with a permanent picnic table and plaque commemorating the anniversary.

PNE Prize Home

Win a house! Win a car! These words ring familiar to all British Columbians as the PNE Prize Home celebrated its 85th anniversary in 2019. The grand prize this year was a stunning 3,159-square-foot modern farmhouse on Kirschner Mountain in Kelowna. The home, which is built as a walk-through attraction for the Fair on the grounds of Hastings Park and then moved to Kelowna in the fall, is one of the most popular Fair attractions for guests.

The stunning three-bedroom, three-bath luxury farmhouse, designed with the aesthetics of its natural backdrop in Kelowna in

Figure 7 | FAIR ATTENDANCE



Figure 8 | FAIR TOTAL REVENUES (in Millions)



Figure 9 | FAIR NET CONTRIBUTION (in Millions)



mind, is once again a net zero ready home – setting the trend for energy efficiency. This year’s home featured a new innovation: the mini-split system, which heats or cools each room individually and adds to the home’s energy efficiency.

The 2019 home was designed and built by Freeport Industries. One of the largest houses built for our Lottery, it showcased two custom kitchens – an entertaining kitchen and a prep kitchen – that featured KitchenAid and Whirlpool appliances provided by Coast Appliances. The house also featured a dog wash station as well as an upstairs laundry for family convenience. Lane Home Furnishings provided stylish and comfortable indoor furniture, and the outdoor living spaces were completed with an extravagant spa package from Coast Spas Lifestyles. A Husqvarna robotic lawn mower and battery-operated lawn maintenance equipment completed the grand prize. In addition to the home, lottery prizes included five BMW luxury 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. The lottery ran from May 1 to September 7, 2019. Ticket packages were available for \$25, \$50 and \$100, ensuring that the lottery remained affordable for

all. The outcome was fantastic, with over 660,000 prize home tickets sold and entered into the draw (an increase of over 40,000 tickets in 2018) and \$6.19 million in total revenue generated. (see Figure 10 for a seven-year history.)

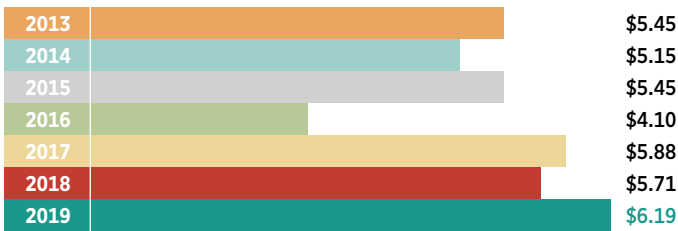
Overall, the PNE Prize Home Lottery gave away over \$2.7 million in cash and prizes, and we are proud to report record-breaking ticket sales. With a strong push, the team took 1,889 calls and generated over \$515,000 in sales on the final day – our largest grossing sales day to date. In addition, the 50/50 jackpot totalled \$1,011,140 and the winner was awarded a cash prize of \$505,570.

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.

YEAR-ROUND EVENTS

The PNE year-round event portfolio encompasses all uses of the site and venues, outside of our Playland and PNE Fair business activity. Concerts, sporting events, cultural and family shows, film shoots, trade and consumer shows, festivals and community events utilize our indoor venues and outdoor spaces throughout the year – this accounts for approximately 25% of the PNE’s annual revenues. This continues to be an area of growth for the PNE and 2019 was an important year for year-round events, with notable new events added. In 2019, our year-round events contributed \$15.41 million in revenues to the PNE. This was an astonishing 24.6% increase over 2018 and the highest level of year-round event revenue in 20+ years. It is important to note

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





**Metric at the
Pacific Coliseum**



**City and Colour
at the
Pacific Coliseum**



**Billie Eilish
at the
PNE Amphitheatre**

that some of the new events did not contribute as effectively to net revenue; however, this portfolio still saw a net contribution of \$1.01 million, although this was significantly less than the \$3.63 million contributed in 2018. (see Figures 11 and 12 for a seven-year revenue history.)

The PNE is the steward of diverse venues and spaces throughout Hastings Park. We are also proud to support Vancouver’s Creative City Strategy, which provides a creative showcase of local, national and international events and performers. Through this, we bring people together to enjoy performances and to build social connections and a sense of shared community.

From a music industry perspective, the end of 2019 wrapped up a decade of monumental change in North America, both economically and culturally. The global touring industry was interrupted in 2009–2010 by an industry-wide downturn, and music streaming services affected artists’ ability to generate revenues through traditional record sales. This resulted in a massive reboot of live performances taking place, with an emphasis on fan engagement. Culturally speaking, the live music business benefited from making fans happy, with an overall trend emerging, especially among younger fans, that focused more on the experience. 2019 was the fifth straight year of growth for the global music industry; the PNE has benefited from this growth in performances.

The priority of the PNE Sales, Operations and Ticketing teams is to consistently work with promoters and event organizers to

elevate the guest experience on every level, to keep guests safe, and to always evolve and anticipate needs and changes in the market.

2019 was a strong year for PNE, with our venues hosting some of the hottest artists. Some of our most popular acts included Billie Eilish; Metric; Nathaniel Rateliff & The Night Sweats; Armin Van Buuren; Tyler, the Creator; Bon Iver; Anderson Paak; Juice WRLD; Alexisonfire; and City and Colour. We are also home to many single- and multi-day music festivals, including Punk in Drublic, Winter and Summer Breakout, and Dooms Night. In total, the PNE venues hosted 52 music events throughout the year in addition to our 15-day Summer Night Concert Series during the PNE Fair.

Our venues historically provide very important space for emerging artists, allowing them to grow through various-sized venues as they gain popularity. A perfect example of this is superstar Billie Eilish. The 18-year-old singer, songwriter and musician sold out her Amphitheatre concert in July 2019 and went on to win Best New Artist, Record of the Year, Song of the Year and Album of the Year at the 2019 Grammys. The PNE has multiple venues on-site that provide flexibility for promoters with upcoming and emerging artists as well as for artists on comeback tours. With many venues on one site, the PNE is uniquely positioned to assist with unexpected popularity and growth. Artists like Billie Eilish produced immediately successful ticket sales, prompting moves to a larger venue on-site than originally booked.

Figure 11 | FACILITY SALES TOTAL REVENUES (in Millions)



Figure 12 | FACILITY SALES NET CONTRIBUTION (in Millions)

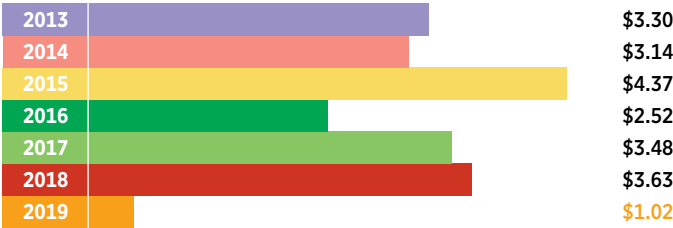


Figure 13 | PNE ANNUAL NET CONTRIBUTION (in Millions)



Film

As a premier destination for the creation of film and television content, BC is North America’s third-largest film production hub. Due to BC’s versatile location, expert talent, competitive dollar and provincial tax incentives, the industry contributes \$3.2 billion to BC’s annual economic impact. Approximately 40% of productions made in Canada are made in BC.

BC, which offers close proximity to Los Angeles, and the same time zone, can support the largest movie productions, from set construction and casting through to post-production and visual effects. On average, Vancouver is home to approximately 65+ feature movies and 55+ TV series annually, as well as hundreds of other filming days for commercials, TV pilots and other features.

The grounds and buildings on-site at Hastings Park are extremely valuable locations for the local film industry, providing them with a variety of set options for commercials, TV series and features over the years. 2019 proved to be a strong year financially for the PNE, with 345 film days booked. As our site offers the ability to film a variety of locations without having to move crew, sets and trucks, there are often various locations used during a production.

The Livestock Building was home to a villain’s lair in the season premiere of *Batwoman*. The Gotham city drama is part of the Arrowverse, alongside other DC Comics series superhero dramas



**Supergirl
filming at the
Agrodome**

filmed in Vancouver and at the PNE, such as *Arrow* and *Legends of Tomorrow*. Another female superhero, *Supergirl*, returned to the Agrodome.

Playland Amusement Park provided a unique background for the TV series *Omens*, with the last episode of the season written specifically for the Playland location. Other productions filmed against the Playland backdrop were an episode of *The Good Doctor* and a Cadillac commercial.

There were nine commercials shot at the PNE in 2019. The Pacific Coliseum was home to the majority of them – studio space in the venue was very popular, due to the flexible space options. Some of the highlights include: Domino's Pizza, Visa, Procter & Gamble, Fisher-Price and Emgality.

In 2019, streaming companies such as Netflix, Amazon and Apple continued to be a presence on-site with these productions: *The Main Event*, *Coffee & Kareem*, *There's Someone Inside Your House* and *Home Before Dark*.

The industry continues a big push toward environmental responsibilities, and the PNE works closely with all productions on-site to address food waste, green technology and clean power and to constantly find ways to be more responsible and mindful.



**7-Eleven Canada
Xperience Tradeshow**

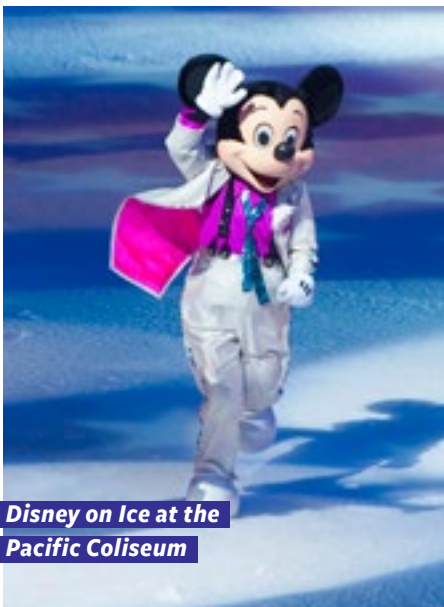
Trade and Consumer Shows

Serving as a critical business and community marketplace for local, national and international organizations, trade and consumer shows are more important than ever. We are pleased to continue being the venue of choice for a growing number of local and regional shows showcasing multiple and seasonal annual events such as Make It!: The Handmade Revolution, with a winter and spring show, the annual Golf and Travel Show, Knit City, the Train Expo, and Ski and Snowboard Swap. In 2019 the PNE hosted 21 trade and consumer shows, including the Vancouver Gift Expo fall and spring tradeshows, Vancouver Gem and Mineral Show, Vancouver Comic and Toy Expo and large-scale annual tradeshows such as Lordco and Gordon Food Services.

Family Shows

Each year, the PNE is host to some of BC's largest and most successful family productions at the Pacific Coliseum. In November, Disney on Ice returned with its performance of Mickey's Search Party and welcomed more than 40,000 guests over seven performances. Characters from *Peter Pan*, *Coco*, *Moana*, *Frozen*, *The Little Mermaid*, *Aladdin* and *Toy Story* joined Mickey, Minnie, Donald and Goofy for an adventure-filled show with world-class skating, high-flying acrobatics and unexpected stunts!

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



**Disney on Ice at the
Pacific Coliseum**



Pacific All-Star Cheerleading Championships at the PNE Forum

Sporting Events

The Pacific National Exhibition partners with Sports Hosting Vancouver to bring world-class sporting events to the City of Vancouver. Highlights of 2019 included the NORCECA Men's Tokyo Qualification Tournament. Held in the Pacific Coliseum in January 2020, the event coincided with the 10th anniversary of the 2010 Vancouver Olympic Winter Games. The Canadian Men's Volleyball team clinched a spot at the Tokyo Olympics.¹

In October, the Agrodome played host to WWE NXT LIVE! Considered one of the hottest brands in sports entertainment, the matches returned to Vancouver for the first time since 2017. The night included two local wrestlers – NXT's Tag Team Champions Kyle O'Reilly from Delta and Tyler Breeze from Penticton – as well as NXT Champion Adam Cole, NXT Women's Champion Shayna Baszler and NXT North American Champion Velveteen Dream.

Many smaller events are held in various venues on the site. The PNE has indoor and outdoor spaces and works with our community to fit each event into the best space. The Pacific All-Star Cheerleading Championships were held in January and March in the PNE Forum, welcoming over 25,600 guests to support youth cheerleading competitions.

The Red Bull Reign 3 on 3 streetball tournament, a free community event, utilized the Steve Nash Family Sport Court in June. And the

Battle of the Badges Charity Hockey Game, pitting Vancouver Fire Rescue Services against Vancouver Police Department, was held in the PNE Agrodome in September. The day was full of activity with fire trucks, police cars, barbecues, a DJ and fun games.

Cultural Events

The PNE continues to be a popular venue for a diverse group of cultural concerts and events. This year in the Pacific Coliseum we welcomed Jonathan Lee, an influential music producer and an established singer-songwriter in Chinese pop music. He is regarded as one of the most influential and respected figures in the world of Mandopop music.

The Pacific Coliseum was also home to a number of other influential cultural events. Fans were treated to the K-pop phenomenon Red Velvet for their first solo full-length solo concert tour in May. In June, Diljit Dosanjh, recognized as one of the leading artists in the Punjabi music industry, brought his ROAR Tour. The Gracias Christmas Cantata amazed audiences with a show-stopping musical experience in September.

The Nisga'a of Ts'amiks (Vancouver) hosts Nisga'a Hoobiye Celebration at the PNE Forum in February of each year. Dance groups from a range of First Nations in British Columbia are invited to join the celebration for the Nisga'a New Year,

¹The 2020 Tokyo Olympics have been postponed to summer 2021 in response to the COVID-19 pandemic.

showcasing the strength, beauty and diversity of Indigenous cultures. This celebration is open to the general public to share the rich Nisga'a culture.

One of our longest-running cultural events is the Ismaili Festival, held each July. The festival started as a small event in 1974 in the Garden Auditorium, and has grown to a much larger festival that uses three venues simultaneously – Rollerland, the Agrodome and the Pacific Coliseum. The Ismaili Festival, which includes entertainment, picnics, sports days and visits from special guests, draws attendees from across Western Canada.

Festivals

Festivals, which are another way people can come together to enjoy common interests and build social connections, continue to build a solid foundation at the PNE. In 2019 we hosted music and consumer festivals throughout Hastings Park, showcasing our spectacular outdoor green spaces in unique and innovative ways.

In July, the inaugural one-day Punchbowl Festival took place in Centre Grounds. Punchbowl is a summer cocktail festival celebrating devilishly creative drinks, live music and barbecue, with over 50 vendors providing samples of their finest summer spirits, beer and cider. Located under the summer skies, the

festival provides an innovative approach to a tradeshow, educating attendees on cocktail culture in a relaxed, attractive and fun atmosphere.

Also in its first year, Red Bull's A Day in Vancouver created a two-stage music experience, celebrating the sounds and culture of the West Coast. Held in the green space between Playland and the Sanctuary, the event featured Anklegod, DJ D.DEE, Jay Worthy, Khotin, Prado, Sabota, Teen Daze and Yu Su.

Vancouver Craft Beer Week (VCBW) celebrated its 10th anniversary in 2019. VCBW began in 2010 at a small venue hosting about 100 beer aficionados and 15 breweries. Over the past 10 years, it has evolved from Canada's first-ever craft beer week into a cultural engine that showcases music, food, art and craft beer at events across the city. Its premier event is held at the PNE Centre Grounds over three days in June.

This year, the PNE also produced and launched two important new festivals – the fall Harvest Festival and the Aurora Winter Festival. Our strategy was to invest in new event revenue sources, increase year-round site activity outside of the summer months, reduce the seasonality of work for our teams, invest in the winter holiday season, invest in assets that reduce costs for other event set-ups and, where possible, leverage existing festival brands to reduce risk.



Vancouver Craft Beer Week
at the
PNE Centre Grounds



Aurora Festival
at the **PNE**



Harvest Haus
at the
PNE Forum



Red Velvet
at the
PNE Forum

Harvest Festival offered two unique events within one festival: Harvestland and Harvest Haus. Harvestland was a family-friendly, all-ages, outdoor harvest festival. This immersive event featured grounds filled with games, a pumpkin catapult, biertgartens and entertainment. Guests could experience tractor rides, frolic in the hay, explore the secrets of a woodland labyrinth, join the revelry within a Bavarian village, choose a pumpkin from the pumpkin patch and amuse themselves on fun rides for all ages. For the 19+ crowd, Harvest Haus was an Oktoberfest-themed 19+ hall for joyous evening celebrations. Together, they created one large harvest wonderland steeped in European fall festival traditions.

The Aurora Winter Festival inspired the festive spirit through a magical winter experience. Guests could escape into a hidden village by the North Pole that was filled with captivating light displays and magical characters, and could enjoy the market huts, food gardens, amusement rides (including an ice pond and a tube ride), live entertainment and plenty of other activities. From visiting Santa's Storytime to lacing up their ice skates at the Frozen Pond, there was something for every age. The Aurora Winter Festival had debuted in 2018 at another site in Vancouver; the PNE purchased the event's assets to bring it to Hastings Park.

Group Sales

The PNE Group Sales department is the leading Group Sales operation for events throughout this region. The strength of this program was initially built around three primary markets: Playland Amusement Park, the annual PNE Fair and Fright Nights at Playland.

Over the years, the program has expanded to include third-party events to support promoter ticket sales at the PNE, such as Disney on Ice, Harlem Globetrotters, Monster Jam, Aurora Winter Festival and NORCECA in 2019. Group Sales also manages booking VIP suites for concerts and family shows in the Pacific Coliseum, including the Evolution Lounge and box seats, which offers hospitality for larger groups in the PNE Amphitheatre. Top shows for suites sales included Billie Eilish, Breakout Festival, Diljit Dosanjh, Disney on Ice, Hillsong United, Metric, Monster Jam, and Tyler, The Creator. 2019 was also a record-breaking year for the number of suites sold for the PNE Fair Summer Night Concert series in the Amphitheatre. PNE Group Sales Services are a huge asset that continues to support the growth of the PNE Year-Round Business Stream.





**Family Enjoying
the PNE Fair**



**Bug Whirled
at Playland**



Pumpkin Promenade

PILLAR 5: CULTIVATE COMMUNITY & SOCIAL GOOD

Our fifth pillar reminds us all of the importance of a vibrant, safe and accessible space that continues to support an enriched community.

ECONOMIC IMPACT

The PNE contributes significant economic impact in several ways including tourism, employment and support for local business.

TOURISM

A proud contributor to municipal, provincial and national tourism efforts, the PNE supports a strong local tourism market in a number of ways. For example, out of region guests to the PNE Fair and Playland account for 185,000 tourism visits annually.

The PNE Fair draws 85% of our guests from the Lower Mainland, 11% from elsewhere in BC and 4% from beyond the province. 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. Large proportions (65%) of those guests stay over each year in the Vancouver area, for an average of 3.5 nights each. Approximately 40% of overnighters 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. 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.

EMPLOYMENT

The PNE is responsible for 4,300 direct jobs annually (250 full-time, 1,600 part-time, 2,500 seasonal), and 9,500 jobs that include indirect roles for vendors, concessionaires, suppliers and entertainers.

PNE jobs are responsible for over \$21 million in wages every year, and the PNE Fair contributes \$76.7 million in wages (direct and indirect) across BC.

LOCAL BUSINESS

The Hastings Sunrise community is a vibrant local business community and many small businesses depend on the activity of events on-site at Hastings Park to bring traffic to their local restaurants, shops and services.

PNE PARTNERSHIPS

Through a five-year strategic plan for partnerships, the PNE has focused increasing awareness around PNE activities, values and initiatives, developing stronger relationships with marketing agencies and brands that allow the PNE to build meaningful partnerships that create impact and purpose and meet the needs of both partners. This sets us apart from the competition as we carefully craft unique programs that add value to our guest experience. The partnership team has focused on why partners look to our events to showcase their social or business objectives. This has enabled the PNE to build strong community-facing programs including our child safety initiative with BCAA, our accessible water taps with the Port of Vancouver and sustainability initiatives with Vancity. Ticket accessibility is provided through our Ways to Save campaigns with Vancouver International Airport (YVR), BCAA member Rewards, Vancity Member Rates, Retirement Concept Seniors Day, Vancouver Interlinks Library Day, TransLink two-for-one days, and Vancouver Pride “Out at the Fair” sock sales.

2019 was a record-breaking year for partnerships through a combination of ongoing multi-year agreements and new exciting opportunities in each of our activity streams. The year-round portfolio welcomed a series of new food and beverage partners, including Red Bull and Labatt. The Fair welcomed new partners including the BC Ministry of Agriculture, TransLink and CN Rail to round out our portfolio. Playland saw an increase in participation with our food & beverage partners like Coca-Cola and Nestlé. Site-wide, we welcomed Lyft to the partnership family, corresponding with the introduction of ride share services in BC. The PNE proudly partners with some of BC’s and Canada’s most beloved brands like Vancity, BCAA, Safeway and Tim Hortons, who all align with the PNE’s shared values.

Our ability to build one-of-a-kind opportunities for our partners gives us the edge in securing investments to build brand awareness of our combined brands, develop new programs that improve guest experience, and provide recognition for our expertise in creating special moments across the site, no matter the event. It is exciting to know that the industry realizes that the PNE is just a little bit different than other spaces competing for the investment dollars. Our experience working together to achieve the partners’ objectives and key performance indicators shows solid success year over year. This success is the leverage our partners look for.

GIVING BACK

As a non-profit organization, the PNE utilizes any profits to maintain Hastings Park and to generously give back to local organizations and community groups. This is done primarily through the use of our spaces, ticket programs and community grants.

The PNE has been proudly anchored in Hastings Park for 109 years and remains dedicated to creating a positive impact in the Hastings Sunrise community. We work closely with the local community to mitigate impacts from events, to help build community and to support local community initiatives. Through



ongoing consultation with the community and by enhancing communication with our neighbours via the PNE Neighbourhood Focus Group, the PNE Community Advisory Group and the PNE Youth Council, we endeavour to continue strengthening these bonds and positive outcomes.

Our new PNE Community Grant Fund, which is in its second year, was established to directly support local community events that bring people together with the purpose of growing community pride. Our annual Community Day at Playland commits \$10 from each regular admission ticket sold to support the grant fund. Access to this fund assists Hastings Sunrise non-profit organizations in hosting their own events to build community. In 2019, Community Day at Playland was held on May 25 and over \$10,000 was raised to support the Community Grant Fund. Seven beneficiary groups were chosen, including the Hastings Park Conservancy, Hastings Community Little League (HCLL), Kiwassa Neighbourhood Services Association, Eastside Ecostewards, Hastings North BIA, Frog Hollow Neighbourhood House and Vines Art Festival.

Every year, the PNE also supports a variety of local community activities through the direct financial subsidy of several on-site programs. For over 16 years, the PNE has provided the CircusWest training school with a subsidized home in the Garden Auditorium for their exclusive use 10 months of the year. The PNE also provides over 2,000 hours of community ice programs in the Agrodome (at rates equivalent to those offered by Park Board community rinks) for 16 hockey and skating groups throughout the year. The largest users of this space continue to be the Vancouver Minor Hockey Association and figure skaters in the Vancouver Skating Club.

On September 26th, 2019 the PNE was proud to host its 14th annual Terry Fox run for approximately 1,425 students at Hastings Park. We provided a safe venue/route for six Hastings Sunrise schools to run for Terry Fox and enjoy a snack at the end. We were also fortunate to have Erin Danielle from the Terry Fox Foundation join us to speak to Terry Fox’s message of hope. The rain held off and we all enjoyed a fun-filled day in support of Terry!

In November, we hosted the inaugural Pumpkin Promenade for the Hastings Sunrise Community. Neighbours gathered on this night to give their jack-o-lanterns one last chance to shine, to enjoy our talented pumpkin carvings and to chat with

Hastings Sunrise Community Policing Centre, all the while indulging in delicious Timbits and hot chocolate provided by the Tim Hortons Kaslo location. We collectively sent off 81 pumpkins on November 1st to local farms with the help of wonderful volunteers from Pumpkins for Pigs: Food Waste Diversion Project! Some of the farms included: Early Bird Family Farm, Happy Herd Farm Sanctuary, Little Oink Bank Pig Sanctuary and Critter Care Wildlife Society.

2019 marked our 6th year partnering with the Vancouver Farmers Market Society to bring fresh local products to the community throughout the winter months. This year's winter and spring markets ran each Sunday from November 3 through April 26, 2020. The market welcomes a unique and evolving group of almost 50 local artisans and farmers selling local produce, baked goods, meats, fish, jams, spirits and crafts. The PNE subsidizes this program through its operational costs including garbage/recycling/compost bins, waste pickup, power and heat, pre- and post-event site cleaning, and promotion of the farmers market. The Hastings Farmers Market welcomes thousands of people from both the local area and throughout the lower Mainland to Hastings Park who appreciate the distinction and uniqueness of the market while also appreciating the sense of community.

The Sanctuary at the southwest side of Hastings Park is the ideal spot for our Learn to Fish program, providing opportunities for local adults and youth to learn about fishing. The program is designed for anglers to fish from the dock on the north end of the Sanctuary. In 2019, the PNE again partnered with the Vancouver Park Board and the Freshwater Fisheries Society of BC (FFSBC) to host this popular fishing program. Each year the Sanctuary is stocked by the FFSBC with rainbow trout during the spring and fall. Last year over 2,000 hours of fishing were logged by hundreds of users. During the 2019 Fair, the Learn to Fish program had over 3,000 participants. This habitat continues to be closely monitored to ensure the program does not negatively impact the more than 125 species currently sharing the Sanctuary space.

This year's PNE Neighbourhood Party was a rousing success. The PNE invites our neighbours to enjoy complimentary entry to a private appreciation event at Playland where they can enjoy the sights and sounds of Playland, and meet and spend time with their neighbours. On June 21, we were happy to host over 5,400 local residents – an increase of over 8% from the previous year – at Playland for a fun-filled night filled with



**Annual
Terry Fox Run**

2019 COMMUNITY HIGHLIGHTS

In 2019, more than **16,000 tickets** were provided to local residents and businesses to enjoy PNE events.

Over **2,100 tickets** were donated to 15 schools and eight 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.

512 non-profit organizations and kids' programs received approximately **3,100 tickets** in 2019 through various ticket donation programs, including KC Kids Tickets. The recipient groups for 2019 included the Heart & Stroke Foundation, A Loving Spoonful, the Alzheimer Society of BC, and the Leukemia and Lymphoma Society.

The 14th year of the Terry Fox Run saw seven schools and **1,425 students** run to raise funds for the Terry Fox Foundation with support from the PNE as well as from our partners at Safeway and Nestlé.

Community Day at Playland raises **\$10,000 each year**, which is granted to multiple community groups including Hastings Park Conservancy, Hastings Community Little League, Kiwassa Neighbourhood Services Association, Eastside Ecostewards, Hastings North BIA, Frog Hollow Neighbourhood House and Vines Art Festival.

adrenalin-pumping rides, an assortment of midway games and our famous mini-donuts as a small thanks to our neighbours.

In February, the PNE was the sponsor host for the Youth Voices of East Van Conference (YVEVC). YVEVC is a Youth Leadership and Governance initiative of ALIVE (Aboriginal Life in Vancouver Enhancement) Society in partnership with the Britannia Community Services Centre, under the umbrella of Our Place. It is currently funded through Employment and Skills Development Canada (ESDC). The conference brought together a diverse group of approximately 150 youth in East Vancouver to promote and support youth engagement, leadership and reconciliation; to celebrate and honour the contributions and achievements of local youth in policy development and volunteer service; and to develop a sustainable way forward with our partners to ensure meaningful youth involvement in decisions that affect them and their community.

While all PNE events bring a positive impact both financially and intrinsically to the PNE, we recognize that it can occasionally negatively impact the community we live and work in. To help identify issues and opportunities, the Community Advisory Group met six times during 2019. The group representatives are selected through a City of Vancouver application process. The group meets and provides constructive input to the PNE staff in regards to on-site programming, implementation of aspects of the Hastings Park-PNE Master Plan, and operational issues that affect the local community and region. In addition, The PNE Neighbourhood Focus Group, consisting of approximately 20 local neighbours, meets twice a year with the PNE senior management team to provide open and transparent feedback, to discuss issues, to provide input on ways to mitigate negative impacts and to assist in navigating the PNE's role in the community. These programs allow the PNE to proactively mitigate negative impacts throughout the year and to maintain our open lines of communication.

An ongoing concern of the neighbourhood continues to be parking in the Hastings Sunrise community and the competition for the parking spaces happening between neighbours and visitors, along with the increase of car-sharing use for PNE events throughout the year. Our Community Relations team worked closely with the City of Vancouver to redefine additional spaces in 2019 to help alleviate some of the congestion by creating additional car share parking where there was previously no parking allowed within the eight-block corridor of Hastings Park.

As part of the Hastings Park-PNE Master Plan, a series of Neighbourhood & Public Information Sessions were held throughout the first two weeks of January. The PNE Executive Team, along with the Master Plan project manager, presented information on the current progress and future plans for Hastings Park. The information sessions were well-attended by over 100 community members and media interested in the current and future status of the project.

Through the PNE's engagement with these groups, many programs have been developed that minimize any negative impacts on the community 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 electronic and printed newsletters were sent out 11 times to keep the community abreast of events and upcoming initiatives.

YOUTH AND EDUCATION PROGRAMS

2019 marked the 33rd anniversary of Amusement Park Science at Playland with the curriculum packages developed in cooperation with the Vancouver School Board. These included Science of Fun for Grades 4-7 (English & French), Marketing, Amusement Park Physics for Grades 8, 10, 11 & 12, Amusement Park Chemistry and Amusement Park Biology for Grades 11 and 12. The annual Science of Fun and Amusement Park Physics and Science programs bring students through the Park at a discounted rate to have fun and to study science; in 2019, the program was experienced by 24,165 guests. An additional 20,716 guests enjoyed year-end school parties in the park, and 4,992 guests celebrated at the park as part of Playland's official birthday party program.

Celebrating its 10th 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, networking and public speaking opportunities as well as an opportunity to learn more about business topics at the PNE from our senior management team. Interest in the program is growing, with over 60 students applying for 16 spots in 2019. This diverse group of youth leaders participated in networking, mentorship exercises, team building and skills development throughout the year, connecting with each other, their schools, the PNE team and community leaders. Our Youth Council is diverse in gender, culture, education and interests, and members reside throughout the Lower Mainland in Burnaby, Surrey, Vancouver, West Vancouver, Coquitlam, Delta and North Vancouver.

ACCESSIBILITY

Playland offers the Ride Accessibility Program through our participation in the Easter Seals Canada Access2 program. Guests who may find access difficult or who cannot stand for long periods of time in ride lines because of a physical disability or a learning/



**Ball for All
Basketball**



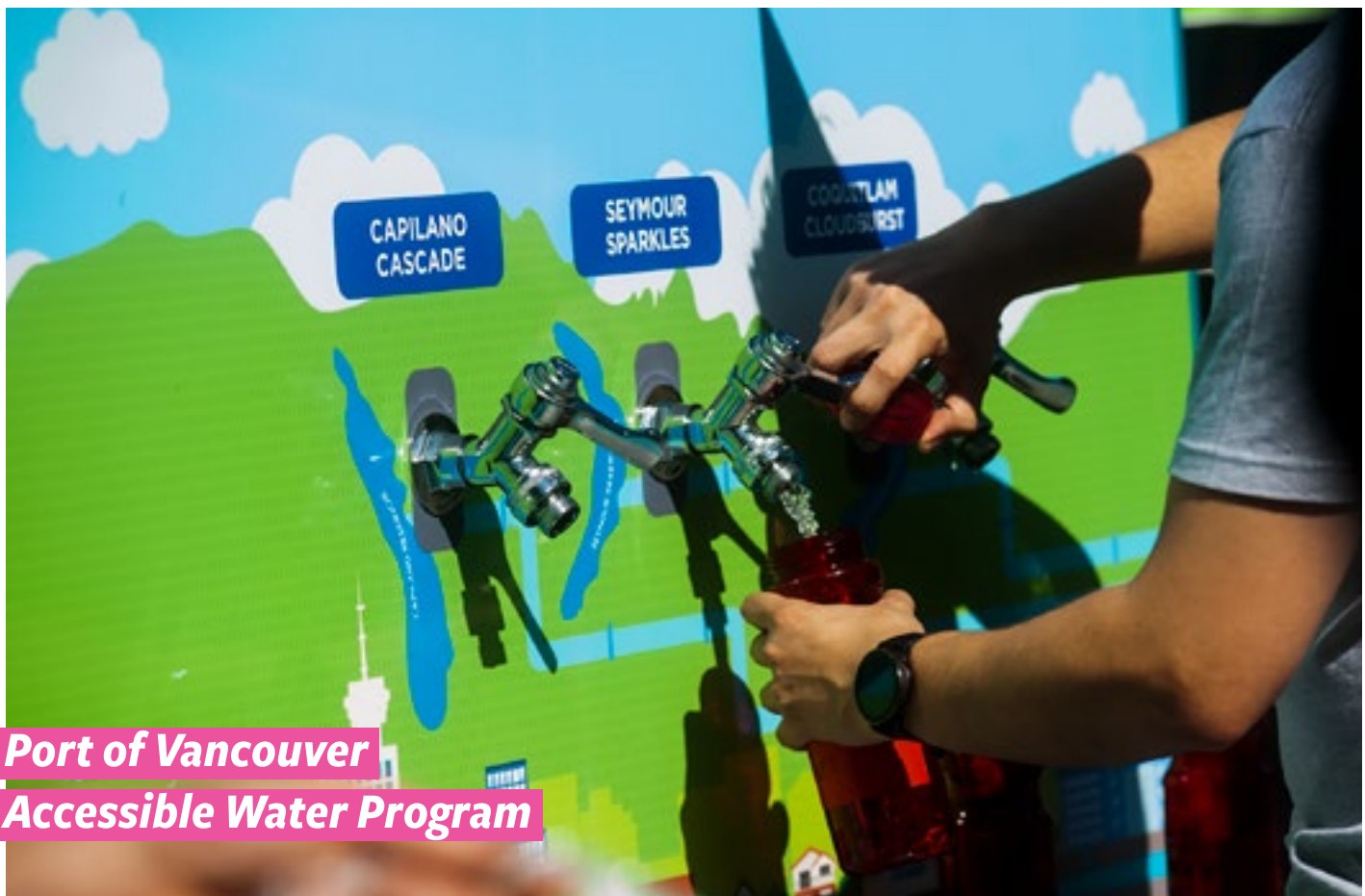
**2019-2020
PNE Youth Council**



**The Sanctuary
in Autumn**



**Learn to Fish Program
at the Sanctuary**



**Port of Vancouver
Accessible Water Program**

emotional impairment can utilize this program throughout the season by presenting an Access2 card at Guest Services. Additionally, in Playland and during the PNE Fair, the site offers access to baby and adult change areas, first aid, access for guide and service dogs, a child find program, accessible parking, and accessible and gender-neutral washroom facilities to enhance the guest experience on-site.

In cooperation with Autism BC, the PNE has adopted a Sensory Mornings program. For two mornings during the Fair, a total of 500 guests were invited to a quiet time opportunity in the livestock barns. Families were invited to experience the sights, smells and sounds of the barnyard animals without large crowds and loud music. Agriculture staff were on hand throughout the morning to answer questions and assist with the experience.

The PNE continues to participate in the Vancouver Police Department (VPD) Safe Place program. The program is led by the VPD and is designed to assist members of the LGBTQ2 community in situations when targeted by bullying or harassment and, in some cases, when they are victims of crime. The PNE offers a safe place for LGBTQ2 members to call the police and safely wait.

CARE OF THE PARK

In 2019, the PNE continued to place sustainability in the forefront of our corporate priorities. Each department built into their business planning their sustainability initiatives focused on our three pillars of zero waste, green buildings and green lifestyle.

CAPITAL EXPENDITURES AND MAINTENANCE IMPROVEMENTS

A number of capital projects were completed in 2019 as the PNE and City of Vancouver continue to reinvest in upgrades and maintenance of the facilities in Hastings Park

In the Forum, domestic water piping and boiler upgrades were completed. The new addressable fire alarm systems in both

venues will provide greater programming flexibility and fewer false alarms.

During roof replacement work on the Garden Auditorium (constructed 1939), it was discovered that lead dust existed in the ceiling space between the roof and the building’s suspended ceiling. Standard lead dust abatement was completed in the second quarter of 2019. The new roof on the Garden Auditorium has seismic bracing to provide increased safety, insulation to decrease heating costs and lower natural gas use to reduce our carbon footprint. Overall, this will create a more comfortable environment for tenants and guests in all seasons. The Hastings Room (the banquet room in the Administration building) also had a complete roof replacement to address leaking.

An ice plant upgrade with state-of-the-art technology was installed in the Pacific Coliseum. This new technology provides the same production capability but with a reduced ammonia load and a sealed refrigeration room – both enhanced safety measures in case of catastrophic accident.

Additional projects were also completed under the capital expenditures plan in 2019. For example, 25,000 square feet of asphalt were repaired throughout the site. Six poplar trees were removed from the west side of the Amphitheatre, as they were assessed by botanists as decaying at the base and presenting a safety hazard; to offset their removal, 20 new trees were planted in the Sanctuary area. New water and sewer infrastructure was added to the Celebration Plaza/Revel District area to improve the event infrastructure and reduce set-up costs for events in the Heart of the Park. The Pacific Coliseum interior was painted with new grey and dark blue paint scheme, modernizing the look of building and increasing the visual appeal of the interior.

In addition to capital expenditures, the PNE annually budgets \$6.25 million in its operating budget for annual maintenance of facilities and green spaces.

In 2019 we continued with our replacement strategy to replace all end-of-life utility fixtures such as boilers, heaters,



air conditioners, toilets, etc. with the most sustainable options. In addition to these replacements, we continue to replace our fluorescent lights with LED lights, focusing on the engine rooms in the Coliseum, the Agrodome and the outdoor metal halide lights. All third-party partner refrigeration was replaced with energy-efficient options, and new protocol guidelines were put in place for all vendor and partner refrigeration. All office fan and heater fixtures were updated to energy-efficient fixtures.

Air quality was increased in the Rollerland and East Livestock buildings, where we cleaned trusses and ceiling fixtures. As part of our redevelopment plan in 2019, we began to define our greenhouse gas strategy for current operations and expansion plans. The strategy will be finalized in 2020. Our REALice ice-making system in the Agrodome continues to be leading edge; in 2019, BC Hydro brought together municipalities throughout Metro Vancouver to showcase the system in the hope that other facilities would adopt this leading-edge cold-water ice-making system.

Our Chef's Garden continues to be a successful program, producing over 500 pounds of food annually for catering menus. The team has aligned the crops to the growing patterns and needs of the food and beverage programs. Our culinary team also developed a sustainable purchasing program for the kitchen, and we continue to be an OceanWise certified facility, with sustainable ocean food products featured in Playland.

The PNE Prize Home was built to net zero ready specifications, including the on-demand hot water, heat pump and superior

insulation. This year, the home also included a mini-split heating/cooling system for higher efficiency.

Our People & Culture team introduced Wellness Wednesdays with a series of fitness programs for the PNE team to participate in. And we expanded our alternative transportation program in 2019 to include partnerships with TransLink and Lyft Ride Share. During the 2019 Fair, we offered discounted entrance to the Fair for anyone who took public transportation to the site.

One of the PNE's priorities in our Green Lifestyles pillar is to provide accessible drinking water at all of our events. In 2019, we purchased a new portable water tap system for Playland that highlights the quality of Vancouver city water from the three local watersheds and, in conjunction with the City of Vancouver and the Port of Vancouver, provided increased access to accessible water fountains for the Fair.

Our full site was transitioned to environmentally friendly cleaning products. The purchase of new cleaning equipment lets us use less water when cleaning.

Following 2018's year of amazing growth in guest waste diversion, the PNE focused our 2019 strategy on the back-of-house diversion process and infrastructure. The food and beverage team implemented new kitchen diversion stations, operating procedures and manuals, and conducted kitchen training on diversion. In addition, the PNE transitioned in 2019 to 100% compostable single-use items.



PNE Chef's Garden



Vancity Zero Waste Stations

Our maintenance team aligned all the back-of-house diversion stations to be customized to each area's needs, such as increased cardboard and industrial plastics in some areas versus construction materials in other areas. The Maintenance team performed a series of toolbox talks on diversion and best practices in diversion on the site. Our paint and signage shop instituted new best practices in record keeping, inventory, reuse protocols and set-up infrastructure.

In Playland, all Games inventory systems were moved from paper tracking to online. We increased the signage in and out of Playland to reduce garbage in the neighbourhoods and we continued with our neighbourhoods clean-up protocols. After a successful 2018 back-end sort trial in Playland, in 2019 we instituted a full season back-of-house sort program, working with the Binners' Project.

During Fair, we maintained our waste diversion initiatives, with extensive guest education and an increased number of diversion stations. In the agriculture areas, Amphitheatre and low-traffic zones, we used single general garbage containers with supporting

signage advising that all waste in these receptacles would be sorted and properly diverted after it was collected.

In our fourth year working with the Binners' Project, our partnership offered their team an additional 360 income opportunities during the PNE Fair and an additional 108 income opportunities during the regular Playland season. For our year-round events, we implemented sorting stations in all outdoor festivals and events, worked with our film partners to standardize their diversion on our site and worked with our event promoters to reduce the volume of packaging used at events. The combined efforts of the full PNE team, our guests and our clients resulted in an increase in diversion by 4% to 76%, exceeding the original diversion goal of 75% by 2020.

2019 proved to be a very successful year. The organization met and exceeded targets, designed experiences for our community with a focus on our mission, vision and values, and continues to deliver memorable experiences 365 days a year with Excellence, Enthusiasm and Evolution.

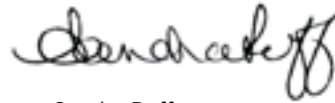
REPORT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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 2019 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

2019 BOARD OF DIRECTORS

The Hastings Park–PNE Board of Directors as appointed by Vancouver City Council were as follows for 2019:

Chair	Lisa Dominato, Councillor, City of Vancouver
Vice Chair	Malcolm Bromley, General Manager, Vancouver Park Board
Treasurer	Patrice Impey, General Manager, Financial Services, City of Vancouver
Directors	<p>Jerry Dobrovolny, Chief Engineer and General Manager of Engineering Services, City of Vancouver (January–October)</p> <p>Kaye Krishna, General Manager of Development, Buildings, and Licensing, City of Vancouver (January only)</p> <p>Nick Kassam, City of Vancouver – GM of Real Estate and Facilities Management (May–present)</p> <p>Paul Mochrie, City of Vancouver – Deputy City Manager (October–present)</p> <p>Jackie Hogue, J Hogue Consulting Inc.</p> <p>Rachel Roy, Lawyer with Allevato, Quail and Roy (March–present)</p> <p>Ty Speer, President and CEO, Tourism Vancouver</p> <p>Richard Saunders, Workers' Advocate, Labourers' Membership Services, Construction and Specialized Workers' Union Local 1611</p>

EXECUTIVE MANAGEMENT COMMITTEE

President and Chief Executive Officer:	Shelley Frost
Vice President, Operations:	Jeff Strickland
Vice President, Sales & Marketing:	Karen Massicotte
Vice President, Finance and Corporate Services	Sandra Ruff
Vice President, Human Resources:	Stacy Shields
Executive Assistant and Corporate Secretary:	Salome Valente

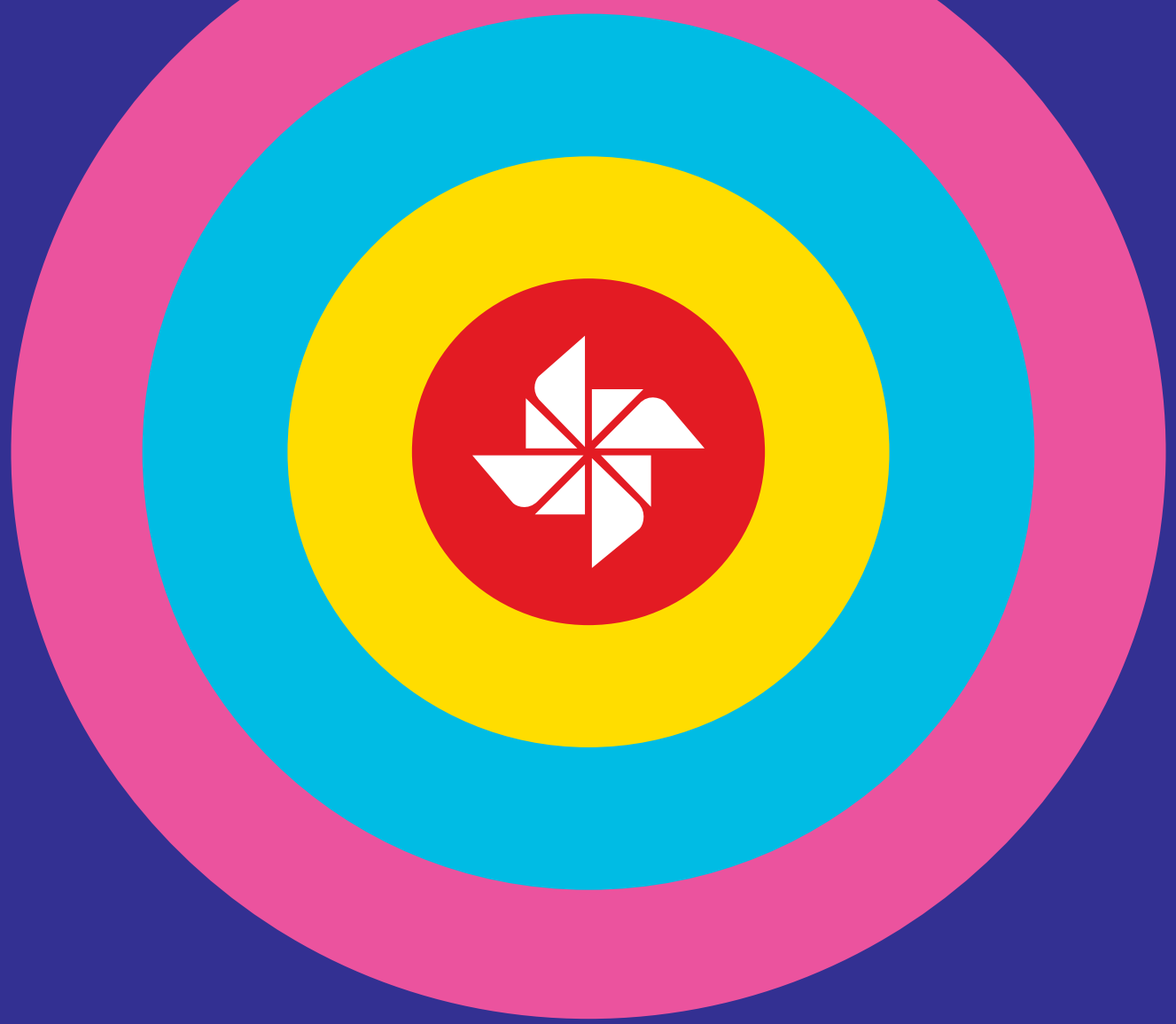
CORPORATE GOVERNANCE PRACTICES

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.

2019 AUDITOR

KPMG LLP
 777 Dunsmuir Street
 P.O. Box 10426
 Vancouver, BC V7Y 1K3
 T: 604-691-3000
 F: 604-691-3031

www.kpmg.ca



Financial Statements

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, 2020
- 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, 2020 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.

INDEPENDENT AUDITORS' REPORT

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 30, 2020

STATEMENT OF FINANCIAL POSITION

March 31, 2020, with comparative information for 2019

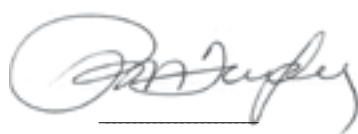
	2020	2019
Financial Assets		
Cash	\$ 374,896	\$ 571,762
Accounts receivable (notes 3 and 4)	939,561	596,121
	<u>\$ 1,314,457</u>	<u>1,167,883</u>
Liabilities		
Bank loans (note 5)	9,851,542	8,720,680
Accounts payable and accrued liabilities (notes 4 and 6)	8,867,331	7,806,310
Deferred revenue	614,088	952,566
	<u>19,332,961</u>	<u>17,479,556</u>
Net debt	(18,018,504)	(16,311,673)
Non-Financial assets		
Tangible capital assets (note 8)	21,635,960	19,951,714
Inventories held for use	969,140	863,558
Prepaid expenses	3,026,436	1,778,025
	<u>25,631,536</u>	<u>22,593,297</u>
Impact of COVID-19 (note 1)		
Contingent liabilities (note 10)		
Accumulated surplus	<u>\$ 7,613,032</u>	<u>\$ 6,281,624</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Lisa Dominato, Director



Patrice Impey, Director

STATEMENT OF OPERATIONS

March 31, 2020, with comparative information for 2019

	Budget	2020	2019
	(Note 2(j))		
REVENUE:			
Events	\$ 56,521,317	\$ 60,976,282	\$ 55,499,380
EXPENSES (NOTE 11):			
Advertising	2,486,377	2,602,243	2,164,255
Agriculture	743,275	1,033,052	749,223
Entertainment	5,312,435	6,227,952	4,170,934
Exhibit space	1,036,228	1,042,412	1,261,471
Finance and corporate services	5,756,025	5,576,690	5,391,678
Food and beverage	6,777,975	7,777,304	6,682,299
Games	2,364,221	2,178,679	2,071,163
Guest services	349,167	395,841	313,573
Human resources	1,816,795	1,703,834	1,850,077
Information services	1,277,451	1,202,700	1,306,737
Lotteries	4,010,451	3,953,411	3,888,852
Marketing and sponsorship	1,368,302	1,387,674	1,151,260
Office of the President	2,186,300	1,076,749	1,170,400
Operations	974,246	976,611	993,497
Playland tech services	7,877,467	7,386,715	8,241,303
Public safety and parking	2,888,887	3,493,673	3,038,432
Sales and group sales	768,655	2,441,522	1,290,369
Tech services	5,752,557	6,661,898	5,613,703
TicketLeader	1,763,570	2,525,914	2,237,617
	55,510,384	59,644,874	53,586,843
Annual surplus	1,010,933	1,331,408	1,912,537
Accumulated surplus, beginning of year	6,281,624	6,281,624	4,369,087
Accumulated surplus, end of year	\$ 7,292,557	\$ 7,613,032	\$ 6,281,624

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET DEBT

March 31, 2020, with comparative information for 2019

	Budget	2020	2019
	(Note 2(j))		
Annual surplus	\$ 1,010,933	\$ 1,331,408	\$ 1,912,537
Acquisition of tangible capital assets	(1,287,510)	(3,620,878)	(2,563,978)
Amortization of tangible capital assets	2,074,925	1,936,632	1,877,257
Proceeds on disposal of tangible capital assets	-	-	39,009
Loss on disposal of tangible capital assets	-	-	174,463
	1,798,348	(352,838)	1,439,288
Acquisition of inventories held for use	-	(5,347,248)	(4,452,610)
Increase in prepaid expense	-	(8,882,440)	(4,040,644)
Consumption of inventories held for use	-	5,241,666	4,404,026
Use of prepaid expense	-	7,634,029	4,027,754
	-	(1,353,993)	(61,474)
Decrease in net debt	1,798,348	(1,706,831)	1,377,814
Net debt, beginning of year	(16,311,673)	(16,311,673)	(17,689,487)
Net debt, end of year	\$(14,513,325)	\$ (18,018,504)	\$ (16,311,673)

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 1,331,408	\$ 1,912,537
Items not involving cash:		
Amortization of tangible capital assets	1,936,632	1,877,257
Loss on disposal of tangible capital assets	-	174,463
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(343,440)	212,331
Increase in prepaid expenses	(1,248,411)	(12,890)
Increase in inventories held for use	(105,582)	(48,584)
Increase in accounts payable and accrued liabilities	1,061,021	1,827,531
Decrease in deferred revenue	(338,478)	(31,922)
Net change in cash from operating activities	2,293,150	5,910,723
Capital activities:		
Cash used to acquire tangible capital assets	(3,620,878)	(2,563,978)
Proceeds on disposal of tangible capital assets	-	39,009
Net change in cash from capital activities	(3,620,878)	(2,524,969)
Financing activities:		
Decrease in bank indebtedness	-	(753,389)
Decrease in bank loan	1,130,862	(2,060,603)
Net change in cash from financing activities	1,130,862	(2,813,992)
Net change in cash	(196,866)	571,762
Cash, beginning of year	571,762	-
Cash, end of year	\$ 374,896	\$ 571,762

See accompanying notes to financial statements.

1. 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. PNE’s operations are conducted on the land and buildings owned by the City of Vancouver.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The subsequent shutdowns globally, nationally and locally have had a significant impact on jurisdictions and market sectors in which PNE operates. As a result of the COVID-19 pandemic, subsequent to year-end, the annual 15 day fair was cancelled, the Playland season was shortened with a significantly reduced capacity, and rentals of buildings for large, third party events have been cancelled. This has resulted in losses of revenues. In response, PNE has reduced employees’ work weeks and staffing levels, as well as implemented work from home policies where possible.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy is not known. The impact of the pandemic continues to create uncertainty over future cash flows, may cause significant changes to the assets or liabilities, and may have other impacts on the future operations. PNE continues to closely monitor its cash flows and will be adjusting its operations as required. To mitigate the impact, PNE is in the process of producing new, smaller events. PNE has transferred the unused portion of its capital credit line to the operating credit line and obtained an increase in the maximum borrowing limit of the operating credit line which is guaranteed by the City of Vancouver.

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, the timing of the resumption of normal operations, and the continued support of its lenders and its parent, the City of Vancouver.

2. 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 of Canada.

(b) Revenue recognition:

Admissions, exhibitor and advertising revenues from the annual fair (the “Fair”) are recorded as revenue when earned during the Fair which 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.

Admission and advertising revenues from Playland amusement park are recognized as earned.

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.

Revenues from the sale of food and beverages are recorded upon completion of the sale.

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.

2. Summary of significant accounting policies (continued):**(d) Non-financial assets (continued):****(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.

(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.

2. Summary of significant accounting policies (continued):**(e) Financial instruments (continued):**

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

- (i) Accounts receivable and accounts payable and accrued liabilities – the carrying amounts approximate fair value due to the short-term nature of these instruments.
- (ii) Bank loans – there are no significant difference between the carrying amount and the fair value because the interest rate is a floating rate based on the prime rate.
- (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, 2020. 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.

(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.

2. Summary of significant accounting policies (continued):

(g) Liability for contaminated sites (continued):

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 lives 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, 2020. As a result, PNE does not have a statement of remeasurement gains and losses.

(j) Budget information:

Budget information has been provided for comparative purposes and has been derived from the Corporate Plan for 2019/2020 approved by the Board of Directors of the PNE on April 18, 2019. This budget is reflected in the statement of operations and statement of changes in net debt. Some expenditures, such as for tangible capital assets and certain events, may be adjusted and approved subsequent to the original approved budget. These adjusted budget amounts are not presented in these financial statements. Expenditures may occur during the year or subsequent to the year it is budgeted for.

3. Accounts receivable:

	2020	2019
Accounts receivable	\$ 1,119,460	\$ 655,585
Allowance for doubtful accounts	(179,899)	(59,464)
	\$ 939,561	\$ 596,121

4. 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:

	2020	2019
Accounts receivable:		
City of Vancouver	\$ 199,887	\$ 124,565
Accounts payable and accrued liabilities:		
City of Vancouver	(12,024)	(35,751)
Payroll tax remittances	(315,185)	(132,455)
Indirect and other taxes	(16,152)	(20,028)
	(343,361)	(188,234)
	\$ (143,474)	\$ (63,669)

5. Bank loans:

	2020	2019
Demand operating loan	\$ 2,850,000	\$ 3,800,000
Instalment loan for capital	7,001,542	4,920,680
	\$ 9,851,542	\$ 8,720,680

PNE has a revolving facility with a Canadian chartered bank providing for maximum borrowing of \$15,000,000 (2019 - \$15,000,000) in operating credit and \$9,900,000 (2019 - \$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 if the bank does not demand repayment are as follows:

2021	\$ 836,892
2022	1,673,783
2023	1,357,779
2024	968,113
2025	683,427
Thereafter	1,481,548
	\$ 7,001,542

5. Bank loans (continued):

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 (2019 - \$80,000).

6. Accounts payable and accrued liabilities:

	2020	2019
Accounts payables and accrued liabilities	\$ 7,740,313	\$ 6,795,054
Salaries and benefits payable	796,554	632,988
Accrued vacation pay	330,464	378,268
	<u>\$ 8,867,331</u>	<u>\$ 7,806,310</u>

7. 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 205,000 active members, of whom 165 are employees of PNE, and 101,000 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, 2018, indicated a funding surplus of approximately \$2,866 million for basic pension benefits on a going concern basis. The next required valuation will be as at December 31, 2021, with results available in 2022. 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 \$967,186 in 2020 (2019 - \$953,081).

NOTES TO FINANCIAL STATEMENTS

March 31, 2020, with comparative information for 2019

8. Tangible capital assets:

Cost	Balance March 31, 2019	Additions	Disposals	Transfers	Balance March 31, 2020
Machinery, furniture and equipment	\$ 19,382,112	\$ -	\$ -	\$ 2,153,408	\$ 21,535,520
Playland rides and equipment	28,006,674	-	-	2,270,096	30,276,770
Assets under construction	807,799	3,620,878	-	(4,423,504)	5,173
Totals	\$ 48,196,585	\$ 3,620,878	\$ -	\$ -	\$ 51,817,463

Accumulated amortization	Balance March 31, 2019	Disposals	Transfers	Balance March 31, 2020
Machinery, furniture and equipment	\$ 13,722,436	\$ -	\$ 941,481	\$ 14,663,917
Playland rides and equipment	14,522,435	-	995,151	15,517,586
Totals	\$ 28,244,871	\$ -	\$ 1,936,632	\$ 30,181,503

	Net book value March 31, 2019	Net book value March 31, 2020
Machinery, furniture and equipment	\$ 5,659,676	\$ 6,871,603
Playland rides and equipment	13,484,239	14,759,184
Assets under construction	807,799	5,173
Totals	\$ 19,951,714	\$ 21,635,960

(a) Assets under construction:

Assets under construction having a value of \$5,173 (2019 - \$807,799) 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 (2019 - nil).

9. 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 loans.

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

(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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020, with comparative information for 2019

10. Contingent liabilities:

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, 2020, there are no significant outstanding claims.

11. Expenses by object:

The following is a summary of expenses by object:

	2020	2019
Cost of goods sold	\$ 3,869,372	\$ 3,120,761
General and administrative	28,838,767	24,986,894
Payroll	24,772,233	23,163,048
Amortization	1,936,632	1,877,257
Loss on disposal of tangible capital assets	-	174,463
Interest - bank loans	74,101	117,176
Interest - term finance	153,769	147,244
	<u>\$ 59,644,874</u>	<u>\$ 53,586,843</u>

12. 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:

2021	\$ 893,678
2022	483,470
2023	344,462
2024	261,002
2025	182,131
Thereafter	173,017
	<u>\$ 2,337,760</u>

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

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