



DELIVERING *Memorable* **EXPERIENCES**

ANNUAL REPORT 2021-22



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TERRITORIAL ACKNOWLEDGEMENT

The PNE acknowledges that we are fortunate to work, play and provide memorable experiences for British Columbians from the unceded territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish) and səlilwətał (Tsleil-Waututh) Nations. We thank them for having cared for these lands and waters and look forward to working with them in partnership as we continue to build this great city together.



CONCESSION STANDS AT THE PNE FAIR

CENTRE STAGE AT FESTIVAL PARK

SUPPORT FOR THE PNE

A STRONGER BC FOR EVERYONE
BC GOVERNMENT PRESS CONFERENCE AT THE PNE FAIR

MAINLINE AT THE PNE FAIR

COOLING STATION AT THE PNE FAIR

LETTER FROM THE PNE PRESIDENT AND CHIEF EXECUTIVE OFFICER AND THE CHAIR OF THE PNE BOARD

As we started our 2021 fiscal year, the province was emerging from pandemic restrictions, but the road map was not yet clear and we were prepared for an uncertain and challenging 2021. The previous year, however, taught us that our PNE team is capable of great innovation, resilience and creativity, so we were confident we could effectively manage through the year ahead. Ultimately, despite the shifting landscape, it was an incredibly strong year, with many successes to share.

We entered the year centred on achieving the priorities set out in the pillars of our five-year strategic plan. These pillars keep us focused on elevating our people, technologies, business results and community impact, as well as moving the Hastings Park-PNE Master Plan forward. There was no doubt that another pandemic year would challenge our team, but these pillars provide a shared path forward as we work through recovery to the future.

On April 8, a controlled lifting of restrictions allowed us to start rebuilding our events portfolio. The provincial government heard the voices of our battered tourism and hospitality sector and responded with the Major Anchor Attractions Program (MAAP), under which the PNE qualified for its first COVID relief funding and Playland received \$1 million in operational funding support. Our deepest gratitude goes to the Ministry of Tourism, Arts, Culture and Sport and to then-Minister Melanie Mark for acting to support our province's anchor attractions. Later that summer, Minister Mark also announced the Fairs, Festivals and Events Recovery Fund (FFERF); under that program, the PNE qualified for an additional \$500,000 in operational funding to support the 2021 PNE Fair, Fright Nights and WinterLights events. We appreciate the Province's recognition of tourism sector challenges and their quick action to address them.

Playland amusement park reopened for the season in June and the PNE Fair reopened in August as an in-person event, albeit with a reduced footprint and scope. Our team eagerly and successfully welcomed over 400,000 guests safely back to the site through these combined operations. Family shows, concerts,

cultural events, and consumer and tradeshow recovered slowly, but by the end of 2021, our team was fully back to work and the PNE had generated \$41 million (65% of our 2019 revenues) through events and activities on-site. As much of the sector continued to struggle with recovery, the PNE team can be very proud of safely and successfully bringing large events back to life in BC.

In June, the PNE went to City Council with a bold plan to redevelop the PNE Amphitheatre, and received unanimous approval to move this \$65 million project forward. Not only will this be a key step in moving the Hastings Park-PNE Master Plan forward – revitalizing the site and securing financial growth for the PNE – it will also support and reinvigorate the post-COVID recovery of the arts and culture sector and the music industry. We thank the Vancouver City Council for recognizing the importance of this project.

In the fall of 2021, the federal government launched the Major Festivals and Events Support Initiative (MFESI), a fund to set up major Canadian festivals for post-pandemic economic recovery and growth. The PNE was successful in securing a \$10 million grant through this fund to support major capital investments in equipment, technology and improved infrastructure. These investments will set a strong foundation for future growth and economic recovery at the PNE, and we are grateful to the team at Pacific Economic Development Canada (PacifiCan) for their support.

In February 2022, at the end of the fiscal year, we had a significant fire on-site. We are grateful that no one was injured and that the fire was contained to the technical services yard, and we thank the Vancouver Fire Rescue Services for their quick response. Despite this setback, the PNE ended the year in a strong position, ready to build events back and grow in 2022.

Our deepest thanks goes to our management team, our union teams and our Board of Directors for their ongoing commitment, dedication and leadership of the PNE. Our future is bright.

Shelley Frost
Shelley Frost
President and
Chief Executive Officer

Lisa Dominato
Lisa Dominato
Chair, Hastings Park
Board of Directors



LANY AT THE PACIFIC COLISEUM



ROLLA SKATE CLUB AT ROLLERLAND



METRO VANCOUVER EXHIBIT



BLUE'S DANCE PARTY AT BCAA TOONCITY



ICED MINI DONUTS



FVDED AT THE PNE AMPHITHEATRE

WHO WE ARE

The Pacific National Exhibition (PNE) has been the heart and steward of Hastings Park for 111 years. Since our inception in 1910, our organization has created annual events on our site, beginning as an annual industry and agriculture exhibition, and has since developed into an innovative non-profit organization dedicated to building social connections, inspiring joy and delivering memorable experiences 365 days a year to a multi-faceted demographic. The PNE is proud to administer the maintenance and development of Hastings Park, a year-round destination that showcases the diversity of Vancouver and the surrounding Metro Vancouver communities to local, regional, national and international guests. We continue to provide year-round access to public spaces, and bring people together through inclusive, accessible events that respond to diverse and dynamic community interests. Each year, we welcome over 2.5 million guests who enjoy our green spaces, Playland Amusement Park, year-round family shows, sporting events, concerts, cultural activities, exhibits, consumer shows and the annual summer PNE Fair.

Snapshot of Fiscal 2021

Looking back at our 2021 fiscal year, the PNE was faced with many disruptions to our business, including a full shut-down of the event industry, cancellations of our year-round programming and a three-alarm fire in our maintenance yard in February. This left the organization focused on innovation, experimentation, and a determined spirit to move through the current global challenges and into an era of recovery and revitalization.

This recovery was a result of the resilience of the organization. Playland opened in June after the provincial “circuit breaker”¹ shutdown. We worked closely with the Provincial Health Officer (PHO) to develop best practices that allowed the PNE to open the annual Fair as a scaled-down in-person event.

The PNE worked with our industry stakeholders to advocate for provincial funding for the events, attractions and hospitality industry. In 2021, Playland received a \$1 million grant – the maximum allowable – through BC’s Major Anchor Attractions Program and a \$500,000 grant through the BC Fairs, Festivals and Events Recovery Fund. The PNE is grateful to former Premier John Horgan and the Hon. Melanie Mark, then-Minister of Tourism, Arts, Culture and Sport, for hearing the needs of the industry and for providing a balancing contribution.

Federally, the Major Festivals and Events Support Initiative (MFESI), a two-year \$200 million national fund to help

major Canadian festivals survive and adapt to the pandemic, was launched. This fund helps position the industry for post-pandemic economic recovery and growth. The PNE was successful in securing a \$10 million grant through this fund to set the foundation for future success through major capital investments in equipment, technology and innovation. We thank PacificCan for making this fund available to us. The PNE and the fairs and festivals industry continue to aggressively advocate for federal funding to support large-scale event companies with significant campuses and overhead that were disproportionately affected financially during the pandemic.

The PNE is grateful to the civic, provincial and federal leaders who heard industry voices for this hard-hit sector. Since April 2020, the PNE has continued to advocate, with support from City Council, provincial MLAs and federal MPs, and from union partners (CUPE, IATSE) who helped amplify our voice. We thank our stakeholders for their support, and the provincial and federal governments for the grants funding received to date.

2021 has been a year of positive recovery, with lessons learned that have been taken forward, and resilience from our management team who – despite changing restrictions from pandemic-related issues – remained focused on what we could do, rather than on what we could not do. This year closed with a small surplus, before federal funding; the funding provides us with the ability to rebuild and to focus on the future of the PNE.

¹ To learn more about the extended 2021 BC Provincial Health Circuit Breaker, visit: www.globalnews.ca/news/7769782/bc-covid-19-restrictions-update-april-19-2021/

ACTIVITY STREAMS

The PNE is a statutory non-profit organization wholly owned by the City of Vancouver. The organization is governed by our Board of Directors. (See Corporate Governance on page 37) The PNE remains operationally financially self-sufficient, making substantial financial recovery in 2021 despite the ongoing pandemic. Revenue generated in our various activity streams throughout our fiscal year provides the funds to independently operate and maintain the infrastructure and programming at Hastings Park. The PNE and the City of Vancouver continue to support annual capital investments into site facilities and infrastructure.

Our purpose is to bring joy and build social connections by delivering memorable face-to-face experiences for all ages, interests, ethnicities and income levels. 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, and corporate and community support.

Our 111-year-old PNE Fair remains the largest revenue-generating stream for the PNE and, in 2021, we were able to shift back to an in-person Fair. Although it operated in a reduced capacity, the PNE welcomed over 239,000 guests from across the province to experience a reimagined Fair – complete with interesting food, live shows, and rides and exhibits. The 2021 event garnered total revenues of \$21.83 million and a net contribution of \$8.93 million. This activity stream includes the PNE Prize Home Lottery, which continued to perform exceptionally well during the pandemic.

The PNE’s second activity stream is Playland Amusement Park. Due to the PHO “circuit breaker” lockdown in spring 2021, opening was slightly delayed and special in-park opportunities, including Science Days and school year-end parties, were cancelled. Although delayed one month, Playland opened the gates for its 92nd year with capacity limits, date entry and safety protocols around communicable disease in June. Playland completed the season at the end of October with an outdoor-only Halloween program, reimagined as Hallowed Eves, that provided a taste of our traditional Fright Nights experience but without our renowned haunted houses. In 2021, Playland’s reduced calendar allowed for 69 operating days² and over 159,000 guests, with revenues of \$9.05 million and a net contribution of \$4.77 million.

Year-round events are a significant contributor to our financial outlook as our third revenue-generating activity stream. This stream is concentrated on the use of all on-site facilities

2 Combined regular Playland season and Hallowed Eves event.

used to host concerts, family shows, trade and consumer shows, sporting events, festivals, and cultural and community events. While business planning originally included the reintroduction of many of these returning groups, the continued restrictions postponed most major events that involved large group gatherings throughout the 2021 fiscal year.

Our site remains a popular choice for the film industry. We welcomed 12 productions ranging from music videos to TV series to feature films, with 882 shoot days. Due to the ongoing restrictions, our calendar saw significant postponements of major concerts, including André Rieu, Rage Against the Machine, Playboi Carti and Doots Night. However, the PNE team was able to secure successful indoor and outdoor concerts following PHO protocols, including LANY, alt-J & Portugal. The Man, Bonobo, Aminé and FVDED, along with one family show in March 2022 – Monster Jam. In 2021, the PNE generated \$7.03 million and provided a net contribution of \$1.8 million through these activities.

The PNE year-round team also remains committed to supporting local programs. We subsidize community programming within several venues. This year, we maintained our support of Vancouver minor hockey leagues through our community ice program in the Agrodome from September to April; CircusWest remains our long-term tenant in the Garden Auditorium, offering children, teens and adults an opportunity to explore circus arts in an encouraging, non-competitive environment; and in January 2022, Rolla Skate Club became a long-term tenant in Rollerland, offering open and inclusive roller skate programming for people of all ages and abilities. Our venues and outdoor spaces are popular with local community groups and businesses, including the Vancouver Farmers Market, the Japanese Canadian Hastings Park Committee, Hastings Park Conservancy, and the Lower Mainland Christmas Bureau. All revenues generated in 2021 through the Fair, Playland and year-round activity streams are used to help subsidize community initiatives and to support the organization’s fourth and fifth activity streams, which include the organization’s overhead (insurance, utilities, technology infrastructure, etc.).

Our fourth and fifth activity streams represent our stewardship of Hastings Park. The PNE is responsible for the facility maintenance and care of the Pacific Coliseum, Forum, Agrodome, Rollerland, Livestock Building and Garden Auditorium. Our horticultural teams ensure that public park spaces remain in their naturally intended states. We 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

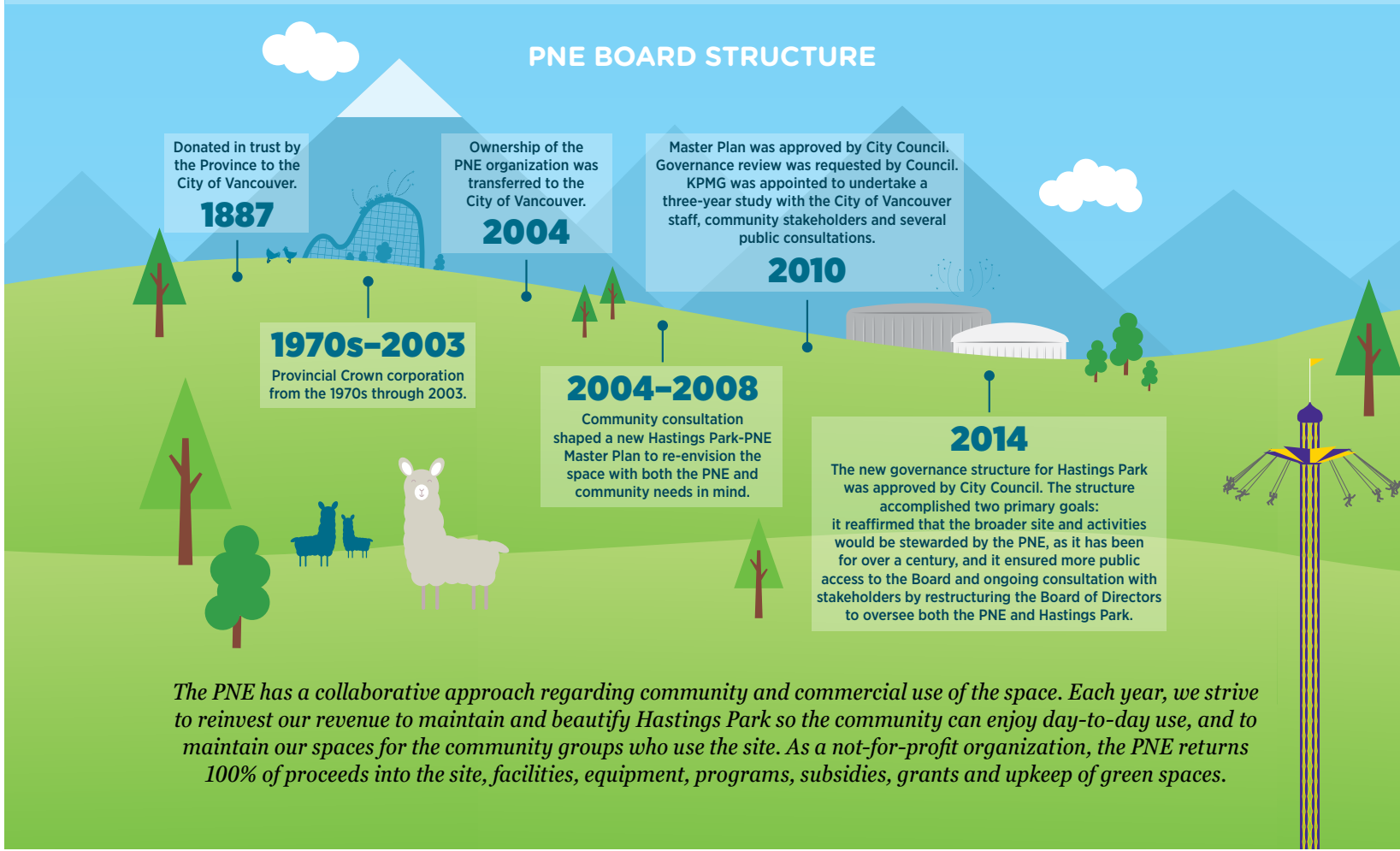
valuable input is reflected throughout the grounds. Management of these areas is an annual budgeted PNE expense.

The PNE is committed to open dialogue with our community partners – including the Hastings BIA, Community Advisory Group (CAG), Hastings Community Policing

Association, Kiwassa House and other neighbourhood groups – and in 2020, we did so by holding several virtual Community Advisory Group meetings. Due to the pandemic, we postponed many of our other regular annual community programs and initiatives.

GOVERNANCE

For the past 111 years, Hastings Park has remained a multi-purpose site used for the enjoyment and recreation of our community at large. Our purpose is to inspire joy and build social connections. Our guests enjoy our public green spaces, attend multiple events in our venues, enjoy our amusement park, and look forward to sharing the tradition of our Fair and many festivals produced throughout the year. Over 2.5 million visitors from across the province travel to the PNE in a typical year 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” moments – such as a first roller coaster ride, first date, first concert and many others. The PNE management team and Board of Directors are committed to pandemic recovery and to keeping the organization strong, healthy and vibrant while focused on the future to ensure many more memories are made on this active and evolving site.



DELIVERING MEMORABLE EXPERIENCES

INSPIRE & EMPOWER OUR PEOPLE

Our people remain the most important pillar to our organization – they are the conduit to delivering our mission. We empower our team members by investing in the workplace culture and by training all staff.

Safety, Collaboration, Innovation and Inspired Leadership

The PNE’s Core Values of Excellence, Enthusiasm and Evolution were showcased in February 2022 with the inaugural SafeConnect Conference in the Pacific Coliseum. SafeConnect was borne out of an ongoing need for safety training among the PNE and Playland staff responsible for ride installation, safety, maintenance and inspection. This five-day conference, which welcomed participants from across Canada, is recognized for its education through AIMS International, the amusement industry’s leading provider of safety education, delivering superior curriculum and connecting safety professionals around the world. SafeConnect, the first Canadian amusement park safety conference of its kind, will be an annual event at the PNE. This program sets the foundation for peer-to-peer training and career development pathways.

Workforce

In addition to the full complement of industry professionals who make up our executive, management and union year-round staff of 311, the PNE continues to be the largest employer of youth in British Columbia. With fewer events and lower attendance capacities in Playland and at the PNE Fair in 2021, we required fewer staff and employed 707 seasonal and part-time staff compared to the pre-COVID thousands, with over 72% under the age of 21. The PNE is committed to providing much-needed first jobs, training and support to build essential skills for the next generation of workers and leaders. We 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. The PNE contributes \$200 million into the local economy each year and employed over 4,000 staff annually pre-COVID.

Training and Recruitment

The PNE is the largest employer of youth in BC. For the 2021 annual Fair, the PNE hired approximately 665 staff. While this is significantly less than most years due to COVID restrictions, the PNE was proud to provide these opportunities. For many, this is their first job, so these new hires have minimal work experience; therefore, we understand the importance of introducing them to safety in the workplace. With the changing environment precipitated by the ongoing pandemic, the People and Culture Team adapted and moved all recruitment online. Group interviews were held virtually, and the onboarding process for new hires was predominantly held in a virtual environment. These streamlined processes reduced the hiring time required in 2021.

Staff Recognition and Service Longevity

In 2021, PNE employees were recognized through a variety of rewards programs. Our Spotlight program ran year-round, allowing managers to shine a spotlight on their outstanding year-round, seasonal and Fair employees. This program featured two methods of recognizing staff: a Spotlight card (a preloaded gift card) and a Spotlight ballot card. Both the Spotlight gift card and the Spotlight ballot card allowed managers to provide employees with a handwritten note to recognize their accomplishments and hard work. The Spotlight gift card, which was used for on-the-spot employee recognition, included a gift card for various popular retailers; the Spotlight ballot card entered exceptional employees into a grand prize draw. Throughout the month of October, the PNE launched an additional rewards program called Gifts for Shifts for seasonal employees working Hallowed Eves, our October Playland event.

Year-Round Event Staff Spotlight Program

At the numerous events that took place in the last half of 2021, over 300 staff members were recognized for exemplifying one of the PNE’s Core Values of Excellence, Enthusiasm or Evolution and were awarded a Spotlight gift card that acknowledged they went above and beyond.



PNE PRIZE HOME DISPLAY



SPOTLIGHT AWARD CARD



HALLOWED EVES



PNE STAFF AT THE PNE FAIR



WINTERLIGHTS TREATS



BCAA CHILD SAFETY STICKERS



MINISTER MELANIE MARK AT THE PNE FAIR

Playland and Hallowed Eves Spotlight Program

Throughout the months of June and July, managers had the opportunity to develop a department-specific Spotlight program for their seasonal staff. Each department manager created a recognition program that aligned with the goals of their department; the manager then received an allotment of \$25 gift cards to award to their team members. In June and July, we were able to award more than 40 Playland employees. During the PNE Fair in August and September, our Spotlight program, with both Spotlight gift cards and Spotlight ballot cards, was featured.

Throughout the operation of Hallowed Eves in October, more than 50 employees were awarded with Spotlight gift cards and more than 200 draw entries were made into the

Gifts for Shifts recognition program. Gifts for Shifts was a ballot program designed to encourage employees to increase the number of attended shifts after our Playland peak season, and weekly Gift for Shift winners each received a grand prize package featuring a variety of prizes valued at over \$300.

Fair Spotlight Program

During the 2021 Fair, managers were able to recognize more than 500 of our new and existing employees with Spotlight gift cards, and more than 300 employees with Spotlight ballot cards. All Fair staff who received a Spotlight ballot card were entered into a draw to win a \$50 Visa gift card. During the 17-day run of the Fair, we celebrated 10 Visa gift card winners for the hard work that goes into our largest event.



FOOD AND BEVERAGE STAFF AT PLAYLAND

OPTIMIZE TECHNOLOGY AND PROCESS

The PNE maintains a focus on the growth and innovation of our systems to support our business growth and to provide our team with the tools needed to make strategic, data-driven decisions and build revenue for our organization.

Technology Improvements

Technology improvements continue to be a focus on our 111-year-old site as we improve systems and infrastructure that create efficiencies and cost savings throughout Hastings Park. Capital investments included improvements to each of our buildings, such as new all-electric high-efficiency heat/cool (HVAC) rooftop units at the administration building, a new brine line header for the ice in the Agrodome, and new equipment for our Facilities and Maintenance team.

A new point-of-sale system was selected for our food and beverage operations, with phased implementation that began in Q1 2022. New software, terminals and payment modules

were implemented, and internal technology and processes were updated to improve our client management systems.

Our Facility Sales Team implemented new Event Management software, which allows the team to streamline processes, manage event details and measure event data in ways not previously possible.

We expanded our IT Team to seven, built a server room on our premises and were able to discontinue our third-party data hosting.

These investments in technology have allowed the PNE to focus on future growth.



FOOD AND BEVERAGE STAFF AT THE PNE AMPHITHEATRE

EXECUTE MASTER PLAN

The PNE is at the centre of stewardship in the execution of our ongoing Master Plan redevelopment that will lead the transition of Hastings Park into a world-class site. 2021 has seen strong advancements in this plan.

Approval of PNE Amphitheatre

In spring 2021, the Hastings Park-PNE Master Plan Project Team completed the business case updates, project costs, funding details and implementation strategy for the redevelopment of the PNE Amphitheatre. With scope, budget and schedule firmly in place, the project team presented the following final recommendations to Vancouver City Council:

- 1. THAT Council approve in principle the Amphitheatre Renewal project as outlined in the council report.
- 2. THAT Council direct staff to proceed to the planning and design phase of the Amphitheatre Renewal project, and provide Council an update prior to construction.

The Vancouver City Council approved these recommendations for a \$67 million Amphitheatre redevelopment in June 2021.

Once the Amphitheatre Redevelopment had been approved, the next phase required the City of Vancouver Facilities Planning and Development team in Real Estate and Facilities Management (REFM) and the Hastings Park-PNE Master Plan project management team to develop a consultant scope of work for an initial request for proposal (RFP) for the project. The purpose of this RFP is to secure an architect-led professional consulting team for the planning, design and construction of the renewal project.

This RFP contains two phases:

Phase 1 is the Sub-Area Plan and Functional Program, which clearly defines the criteria and scope of work. This will include conducting targeted engagement activities, planning and programming for the three interrelated parts of the redevelopment: Amphitheatre, the Plaza and the daylighting of Hastings Creek. This is done to identify design objectives, site infrastructure requirements and constraints, traffic and access to the site, and potential expandability.

Phase 2 is the Amphitheatre Design and Delivery. This phase is to realize the objectives defined in Phase 1 activities. This includes all stages of design and construction of an open-air Amphitheatre with front-of-house and back-of-house support structures as well as all site modifications. Phase 2 design is anticipated to be complete and building permits submitted by Q3 2023, with construction projected to begin in fall 2024 and

“The business case is strong with full payback of city-fronted capital, but what can’t be quantified are the priceless experiences and memories that will be created for new generations of music lovers.”
— Councillor Sarah Kirby-Yung

completion estimated in 2026. It is noted that efforts are being made to reduce this timeline.

This RFP was posted in Q3 2021, with a vendor expected to be named in Q2 2022.

Daylighting of Hastings Creek

The Hastings Creek 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.

A critical component of advancing the Hastings Creek Daylighting Study has been to determine where the water entering Hastings Creek will come from, and how much water could eventually be redirected into Hastings Park. The Vancouver Park Board and the Sewer and Design Branch (SDB) of Engineering Services have been working collaboratively to undertake the following:

- To clarify SDB’s schedule for sewer replacements, separations and upgrades in the Hastings Sunrise catchment adjacent to Hastings Park, which will be the primary source of water for the future Hastings Creek
- To identify the potential upstream areas within the catchment that either currently, or within the next few years, will have separated rainwater runoff that could be redirected into Hastings Creek
- To determine the maximum potential water volume that could eventually be redirected into Hastings Creek, and ultimately into Burrard Inlet

Hastings Park as a place...



With this information in hand, the Park Board and Engineering Services are now developing the specific scope of work and consultant team requirements for the Hastings Creek Daylighting Study RFP.

Infrastructure Upgrades

Infrastructure upgrades required to replace aging assets and to provide capacity at the site have been identified, and funding for the design work to support this was approved at Vancouver City Council in June 2021. Some of the infrastructure work is site-wide and some of it is required prior to the construction for the Amphitheatre Renewal project.

The specific scope of work requirements for the electrical design upgrades has been developed by the PNE and REFM.

The scope of work requirements for the water, storm and sewer design for the Hastings Park site is under development by Engineering Services.

The procurement approach for the design works (water, storm, sewer and electrical) is being examined. An RFP will be posted for market consideration in early 2023.

As these projects move forward though 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.

Playland

In April 2021, a review of the Playland Redevelopment business case showed that the current economic climate and significant funding shortfalls presented risks in the current plan. Staff recommended to the Steering Committee that the project be paused in favour of prioritizing the Amphitheatre renewal, and for Playland redevelopment to be revisited after the long-term financial effects of COVID on the PNE are better understood.

In the interim, the PNE presented a five-year Playland ride investment strategy to the PNE Board of Directors on October 27, 2021. This strategy was approved, ensuring Playland would continue to see investment in attractions even if the official redevelopment plan is paused.

ELEVATING OUR BUSINESS RESULTS

Business results in one business stream mean impact and opportunity in another. The PNE takes a strategic approach to maximizing our revenue-generating activity streams (the Fair, Playland and year-round events), focused on delivering a balance of driving revenue and on making the guest experience a key factor in business planning and decision-making. Positive results in these business streams impact the park, our community initiatives, and our commitment to providing a place to connect and thrive, which is at the core of our brand.

Playland Regular Season

Playland Amusement Park – 92 years old in 2021 – is home to Vancouver’s most thrilling rides. Playland’s current complement offers 32 rides and attractions, 20 games, and 16 food and beverage outlets, including FunDunkers mini-donuts, Triple O’s, Pizza Pizza and BeaverTails – all in a fun, safe and unique setting.

Playland is also known for its iconic Wooden Roller Coaster. The popular ride first opened to the public in 1958 and has won numerous awards and designations, including Coaster Classic and Coaster Landmark from the American Coaster Enthusiasts (ACE). The Coaster, as it is known to enthusiasts, is currently undergoing a major refurbishment project with an expected reopening in 2022, which includes replacement of 1,200 lengths of structural-grade Douglas fir lumber and the addition of lap belts in the 16-passenger train. The ride is the only one in Canada to earn an ACE designation and was the first outside of the U.S. The first recipient was named in 2002 and since then, just over 40 rides have earned an ACE Roller Coaster Landmark plaque.

Looking at the Playland year in review, we managed our capacities flexibly according to COVID-19 regulations and restrictions. This was controlled by date- and time-specific ticketing through TicketLeader, with the opening pushed back by the provincial “circuit breaker” to June 11, 2021. Due to an extraordinary heat dome through July and August, and to meet

demand and manage capacities, we added evening sessions from 6 p.m. to 11 p.m. on Fridays and Saturdays. Playland rethemed Pacific Adventure Golf into Sweet Escape Mini Golf, giving the space new colour and excitement, and introduced a selfie-friendly walkthrough of Adventures in Happyland, which was loosely inspired by *Alice in Wonderland*. Rides were reopened, including Hellevator, Drop Zone, Super Slide and Climbing Wall.

In 2021, Playland was open for 69 regular season operating days from June through September (including the PNE Fair that took place from August 20 to September 5). During the regular season, we welcomed 134,094 guests, a significant increase from the capacity-restricted 2020 season, although still down from Playland’s pre-COVID normal. (See Figure 1 for a seven-year attendance history.) Playland generated total revenues of \$9.05 million in 2021 and provided a net contribution of \$4.77 million. (See Figures 2 and 3 for a seven-year history.)

According to guests, the top reasons for attending Playland are: the rides, it’s the fun thing to do, the kids wanted to come, and good weather. These reasons have not changed from before the pandemic. We know that people are looking for a safe way to have fun with friends and family, and Playland delivers: 88% of guests said that they agree that they felt safe at Playland. (Source: surveys sent to visitors via email after their visit.)



SWEET ESCAPE MINI GOLF



ADVENTURES IN HAPPYLAND EXHIBIT



MUSIC EXPRESS RIDE



MINI DONUTS AT PLAYLAND

The PNE recognizes the need for Playland to offer affordability and accessibility for our community and we have several programs in place to support this. In 2021, for the first time, BCAA offered its members 30% off Playland passes through its website. Special rates are offered to groups of 10+ and 50+ with significant savings on both Thrill and Fun passes. In addition to the standard birthday party program in place, we introduced a Best Birthday Ever Package with expanded offerings, including a personalized host for four hours, special line access for select rides, meal service and gifts.

Playland continues to partner with Easter Seals Canada 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 heightened growth in the coming years as we progress further with the Playland Redevelopment Plan. This plan, which will help the PNE meet the objectives

of being 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 www.vancouver.ca/files/cov/HastingsParkPNE-doco-MasterPlan.pdf



Figure 1 | PLAYLAND ATTENDANCE



Figure 2 | PLAYLAND TOTAL REVENUES (in millions)



Figure 3 | PLAYLAND NET CONTRIBUTION (in millions)



Fright Nights Held for 2021 Season — Hallowed Eves Open Throughout October 2021

Note: Fright Nights/Hallowed Eves revenue is separated out here for reference, but is included in the Playland total noted on Page 18.

Limitations on indoor venues continued to haunt the planning of our traditional and much-anticipated Fright Nights, which typically features many indoor haunted houses. Building on the 2020 walk-thru design of Slayland, Hallowed Eves opened on October 8 for 15 nights, offering increased live entertainment, including sideshow stunts, contortionists, fire breathers, 18 rides, and special opportunities like Bloodshed Family Dinner and the Haunted Mansion Family Portrait, which utilized the exteriors of some of our most famous haunted houses. Hallowed Eves had a reduced scare factor and welcomed ages 8+. Hallowed Eves followed all safety protocols used during the regular Playland season, including the vaccine passport policy developed by the PHO.

Hallowed Eves successfully scared 25,265 guests in 2021, an increase of almost 10,000 guests over 2020. (See Figure 4 for a seven-year history.) Hallowed Eves achieved revenues of

\$1.71 million in 2021 (see Figure 5 for a seven-year history) and \$1.05 million in net income towards the Playland activity stream (see Figure 6 for a seven-year history). The PNE is focused on the reintroduction of our traditional Fright Nights haunted houses in 2022 with a heightened scare experience.



Figure 4 | FRIGHT NIGHTS/HALLOWED EVES ATTENDANCE



Figure 5 | FRIGHT NIGHTS/HALLOWED EVES TOTAL REVENUES (in millions)



Figure 6 | FRIGHT NIGHTS/HALLOWED EVES NET CONTRIBUTION (in millions)



PNE Fair

An In-Person PNE Fair Opens

On August 21, 2021, the PNE Fair opened for the 111th year, with a reduced footprint and great weather. The reduced footprint meant that all indoor spaces remained closed, except the Livestock Barns which were able to remain open due to their high ceilings, large doorways, and the flow of movement meaning people weren’t gathering. The ongoing restrictions also forced a pause on the always-popular Summer Night Concerts. The agricultural program and Marketplace shared the space within the Livestock Barns, with each taking half the space. The program concentrated on ensuring that the most popular elements of the PNE Fair were on-site, including SuperDogs (moved to the Amphitheatre), ToonCity (moved to near Playland), 35 of everyone’s favourite food trucks and 60 market vendors, many of whom reported their best year of sales. We welcomed approximately one-third of our average attendance, with more than 239,000 happy guests. (See Figure 7 for a seven-year history.) The reimagined 2021 PNE Fair provided 15 days of fun, excitement and educational experiences through new exhibits, including Metro Vancouver Regional District’s Together We Are Stronger, TransLink’s ReConnect, the return of the Challenger Map (see Challenger Map story on page 22) and engaging agriculture programming, along with the ability to connect with family and friends to enjoy favourite Fair foods, rides and games. The 2021 Fair provided strong total revenue of \$21.83 million, and the highest net contribution on record at \$8.93 million, in part due to the reduced requirements for large crowds. (See Figures 8 and 9 for a seven-year history.)

“To see the support of so many people who love the PNE Fair and who made a special point to purchase a ticket to support this organization and the thousands of employees, as well as the extended PNE family of exhibitors and concessionaires, was incredibly gratifying.”
— PNE President and CEO Shelley Frost

Fair Programming Highlights

The Fair welcomed back the West Coast Lumberjack show, featuring all the favourite activities beloved by Fair guests, including fast-action chopping, high-speed chainsaws, log rolling and axe throwing. BCAA’s ToonCity welcomed kids of all ages to dance at Blue’s Dance Party, to become a pirate at Bones & Scully: ‘Tis Fun to Be a Pirate, and to enjoy Family Flicks on the big screen. The Revel District welcomed guests to enjoy BC’s best cover bands on the Coca-Cola Stage. Roaming entertainment throughout the park included the PNE Pep Band, a mariachi band and Comedy Corner. Guests learned how to cook on the Safeway Cooking stage, featuring professional chefs as well as families sharing their favourite recipes.

Metro Vancouver Regional District introduced their Together We Are Stronger exhibit, showcasing their work with various initiatives and departments within the region, including beautification of green spaces, recycling and waste diversion, drinkable water, and infrastructure maintenance and redevelopment. The attraction welcomed elected officials from across the region each day to talk with our guests.

2021 RESTRICTIONS IMPACT THE PNE FAIR

Planning for our annual PNE Fair begins months in advance of official announcements, and the 2021 Fair was no different. With the unknowns of ongoing restrictions and the introduction of the provincial “circuit breaker” in early spring, with guidance from the PHO, the Fairs and Festivals Operations team began planning various scenarios for a small, in- person and mostly outdoor event. This was considered to be the safest and most fiscally responsible option. Then, on May 3, the PHO announced it would not allow any large-scale events until fall 2021. With that, the PNE released a media advisory on May 5 announcing the cancellation of the 2021 PNE Fair. (www.pne.ca/files/uploads/2021/05/Release-2021-PNE-Fair-Canceled.pdf)

Just three weeks later, on May 25, the province reversed its decision and introduced BC’s Restart – A Plan to Bring Us Back Together. BC’s Restart was introduced as a four-phased approach to opening the province and, under Phase 3 in July, fairs and festivals were once again allowed to operate. With this announcement, the planning teams activated the most feasible scenario from the planning sessions and on June 30, the PNE issued a Media Advisory: “2021 PNE Fair set for safe, exciting in-person return”. www.pne.ca/files/uploads/2021/06/Release-2021PNEFairannouncement.pdf

Under the phased restart plan, the requirement for masks in outdoor spaces was removed; however, on August 24, the PHO announced that mandatory mask policies would be reinstated beginning August 25. The PNE complied with and enforced the change on-site.



TRANSLINK EXHIBIT



COTTON CANDY AT THE PNE FAIR



METRO VANCOUVER EXHIBIT



BCAA SAFETY SIGNAGE



SAFEWAY COOKING STAGE



WEST COAST LOGGING SHOW

TransLink created ReConnect in Agrodome Plaza 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 vehicles and an award-winning technology-forward presentation with 3D modelling. The exhibit was utilized the second week of the Fair by the Hon. Rob Fleming as the provincial government announced their Kids Ride Free initiative. TransLink also provided a way to save at the PNE with TransLink Tuesdays – offering two-for-one admission for guests on both Tuesdays of the Fair.

With support from CN Rail, we welcomed a fully restored section of the Challenger Relief Map back to its original home at the PNE. The full map is over 6,000 square feet – the size of two tennis courts. The map is a monumental, hand-built, 80-foot-by-76-foot topographic map of the province. Created by George Challenger and his family, it accurately features all of BC’s mountains, lakes, rivers and valleys in exact-scaled topographical detail. The map was the anchor attraction of the British Columbia Pavilion at the PNE from 1954 to 1997, where it was viewed by millions of visitors. Guinness World Records cites the Challenger Map as the largest of its kind in the world. The Challenger Relief Map Foundation’s goal is to



raise funds to fully restore the entire map, and to incorporate digital technology to enhance the once-static map for future generations. At the close of the 2021 Fair, the map moved to the Vancouver Convention Centre and then to the BC Sports Hall of Fame for display and will be moved back to the PNE in 2022.

The PNE has an ongoing commitment to arts and culture and the City of Vancouver’s Creative City Strategy; we show this commitment supporting local performers such as ABRA Cadabra, the Dr. Strangelove band, and comedic entertainment like Mike Wood and Sharon Mahoney. The beloved SuperDogs, which have been a part of PNE Fair tradition for over four decades, continue to entertain and amaze our guests with three shows daily in a reimagined outdoor show in the Amphitheatre. And, at the end of every day, the Amphitheatre came to life with a captivating finale: Electric Fire.

Agriculture remains at the heart of who we are. Educating the urban public is a high priority as we continue to tell the story of growing, shopping and eating local. We are grateful to our industry partners, as their support allows the ongoing expansion of our agriculture programming.. The PNE believes in the need for education around healthy food and food security. 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.

Although the 2021 footprint for agriculture programming was smaller and was housed in the west half of the Livestock Barns, it included a full complement of live animals and active participation from our partners, including the BC Cattlemen’s Association, the BC Egg Marketing Board, Poultry in Motion, the BC Dairy Association, and the BC Ministry of Agriculture and Food. A scaled-down Farm Country was on display and remains extremely popular for our guests. Farm Country is also home to Kidz Discovery Farm, our interactive and educational exhibit for children. Each year we welcome over 25,000 children through this exhibit.

The PNE continues to support BC 4-H and hosted a virtual 4-H auction that allowed their members to sell their projects to support future ventures and education in agriculture production. The livestock auction raised over \$30,000 for 4-H members in a year where 4-H was severely impacted by the pandemic.

Figure 7 | FAIR ATTENDANCE



Figure 8 | FAIR TOTAL REVENUES (in millions)



Figure 9 | FAIR NET CONTRIBUTION (in millions)



FOR THE LOVE OF DRAG AT THE PNE FAIR

PNE Prize Home

The PNE Prize Home – still BC’s most affordable home lottery – celebrated its 87th year in 2021. Traditionally, the PNE purchases land in a vacation-centric community like the Okanagan, along the Sea to Sky corridor or on the Sunshine Coast, and then works with a builder to design and build a modular home for that land. Each year, we build and display that home on-site at Hastings Park for guests to tour all summer before awarding it to the winner and moving it to its final location. This year, after extensive research with our ticket purchasers, we chose instead to purchase a home in the Lower Mainland – specifically, in South Surrey on the White Rock boundary. The grand prize this year was a gorgeous 3,644-square-foot modern West Coast design 4-bedroom, 4.5-bath home. This was a significant shift in purchase strategy, as the already constructed home in Surrey would not be on display at the PNE Fair. To offset the absence of the home for tours in Hastings Park, the home was opened for 10 preview days in June and July, augmented by a professionally designed presentation centre on show during the PNE Fair.

The stunning home in McNally Creek, designed with the aesthetics of its natural location near the ocean in mind, is once again energy-efficient, featuring an upgraded heat pump and furnace system for heating and cooling at its best.

The 2021 home was designed and built by Distrikt Homes. One of the largest houses built for our Lottery, the home featured open-concept living space, an upstairs flex space popular due

to the increased need for work-from-home space, a home gym, and a rear covered outdoor space with a hot tub and gazebo supplied by Coast Spas Lifestyles. Lane Home Furnishings provided stylish and comfortable indoor furniture. In addition to the home, lottery prizes included five Chevrolet vehicles, one Harley-Davidson motorcycle, 10 cash prizes of \$10,000, and early-bird prizes featuring West Coast travel and cash. The lottery ran from May 1 to September 11, 2021. Ticket packages were available for \$30, \$50 and \$120, ensuring that the lottery remained affordable for all. The outcome was fantastic, with over 733,000 prize home tickets sold and entered into the draw at odds of 1/788,000. The 2021 program garnered \$8.52 million in total revenue generated. (See Figure 10 for a seven-year history.)

Overall, the PNE Prize Home Lottery gave away over \$2.29 million in cash and prizes, and we are proud to report record-breaking ticket sales. With a strong push, the team took 1,069 calls and generated over \$881,260 in sales on the final day – our largest grossing sales day to date. In addition, the 50/50 jackpot totalled \$1,738,330; the winner was awarded a cash prize of \$869,165.

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.



Figure 10 | PRIZE LOTTERY TOTAL REVENUES (in millions)

2015	\$5.45
2016	\$4.10
2017	\$5.88
2018	\$5.71
2019	\$6.19
2020	\$6.04
2021	\$8.52



WinterLights

The PNE rounded out the fair and festival event calendar with the second annual WinterLights drive-thru, welcoming 15,875 vehicles (over 47,000 people) through our gates across 21 operating nights. The 30-minute experience, which featured an expanded footprint from 2020, included increased accessibility for the community. TransLink Community Shuttles throughout the night allowed for those without access to a car to experience the event by walking or taking transit to Hastings Park and riding the Reindeer Shuttle on select nights.

The event featured a series of themed zones, including Santa Street, Winter Creatures, Festive Forest and the new Snowglobe Village – all providing the sights and sounds of Christmas, with a special FM broadcast of holiday music in the comfort of viewers’ vehicles. The event supported small businesses through the inclusion of seven favourite food trucks, and was a welcome stop on the cross-Canada Coca-Cola Holiday Truck tour.

Although the event sustained multiple heavy snowfalls beginning December 17 through to the new year, positive reviews were expressed regarding accessibility for people in the young, aging and mobility-challenged demographics.



SANTA AT WINTERLIGHTS

Year-Round Events

Year-round events encompass all uses of the site and venues, outside of our Playland and PNE Fair business activity. In a normal year, the PNE is proud to welcome more than 2.5 million people to Hastings Park; a significant number of these guests attend several events throughout the year. Concerts, sporting events, cultural and family shows, film shoots, trade and consumer shows, festivals and community events typically utilize our indoor venues and outdoor spaces throughout the year – this accounts for approximately 25% of the PNE’s annual revenues. This is a focused area of growth for the PNE as we come out of the pandemic, and 2021 was important for year-round events, as promoters and planners begin to reserve space for the coming months and years. In 2021, our year-round events contributed \$7.03 million in revenues to the PNE. This portfolio saw a net contribution of \$1.81 million. (See Figures 11 and 12 for a seven-year revenue history.)

The PNE maintains a positive reputation as the steward of diverse venues and spaces throughout Hastings Park. We are also proud to support Vancouver’s Creative City Strategy, which provides a showcase for local, national and international events and performers, and we found unique and creative ways to work

with the PHO to provide this even in a pandemic. Through this, we bring people together to enjoy performances and to build social connections, and we deliver memorable experiences 365 days a year to a multi-faceted demographic.

From a music industry perspective, the continuing restrictions on large-scale gatherings in indoor spaces limited the opportunities. Many shows were forced to cancel or postpone to later dates; however, we were able to present a limited number of music events. The Pacific Coliseum hosted LANY in November, and alt-J and Portugal. The Man in March. In the Forum, Bonobo and Aminé both performed. Immediately following the 2021 Fair, FVDED featured multiple DJs in our Amphitheatre. Culturally speaking, the live music business is anxious to get back to normal in the coming years, and our calendar is expected to fill up as restrictions continue to lift.

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. We actively focus on building relationships with these clients as we look at future growth.



LIGHT TUNNEL AT WINTERLIGHTS



CHERRY GLAZER AT THE PACIFIC COLISEUM



LANY AT THE PACIFIC COLISEUM



BONOBO AT THE PACIFIC COLISEUM



AJ TRACEY AT THE PACIFIC COLISEUM

Film

British Columbia maintains its status as North America’s third-largest film hub, and 2021 remained a premier destination for the creation of film and television content. Due to BC’s versatile location, expert talent, competitive dollar and provincial tax incentives, the industry contributes \$3.4 billion to BC’s annual economic impact and employs over 25,000 people. Approximately 40% of productions made in Canada are made in BC. (www.vancouvereconomic.com/film-television)

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. Film was one of the first industries to resume operations during the pandemic and our site, while slower to recover with live events, saw strong activity with film partners. 2021 saw 408 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 rented long-term for construction shops to support two TV series and one feature film
- Playland Amusement Park provided unique spaces for *Nancy Drew*, *Batwoman* and season 8 of *The Flash*; additionally, it was used for a Lael music video shoot
- The Pacific Coliseum housed shoots for *Project Basketball*, and the Forum was used for a Vans commercial shoot and the TV series *Resident Alien*
- The Amphitheatre was active in the off season, with *Turner & Hooch*, *Psych 3: This Is Gus* and *The Baby-Sitters Club* filming, and *Superman & Lois* and *Easter Sunday* using the space for stunt rehearsals

Figure 11 | FACILITY SALES TOTAL REVENUES (in millions)

2015	\$12.49
2016	\$8.78
2017	\$12.95
2018	\$12.37
2019	\$15.41
2020	\$4.23
2021	\$7.03

Figure 12 | FACILITY SALES NET CONTRIBUTION (in millions)

2015	\$4.37
2016	\$2.52
2017	\$3.48
2018	\$3.63
2019	\$1.02
2020	\$2.07
2021	\$1.81

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.

Trade and Consumer Shows

While trade and consumer shows were hard hit during the pandemic due to gathering restrictions, these 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. In the 2021 fiscal year, we were home to the Canadian Institute of Heating & Plumbing CIPHEX West Trade Show, the Vancouver Gift Expo (our first tradeshow post-pandemic restrictions), Knit City, Winter Extreme Ski & Board Swap, the Vancouver Comic & Toy Show and the Gem & Mineral Show. We expect the return of many of our annual shows in 2022.

Family Shows

Each year, the PNE is host to some of BC’s largest and most successful family productions at the Pacific Coliseum. While Disney on Ice was cancelled in 2021 due to the pandemic, we did see the return of the Harlem Globetrotters in January 2022 and Monster Jam in March 2022. Building on the PNE’s renowned drive-thru model, the DOXA Documentary Film Festival drive-in screenings were held in May in the Amphitheatre.



Sporting Events

The Pacific National Exhibition partners with Sports Hosting Vancouver (SHV) to bring world-class sporting events to the City of Vancouver. We continue to partner with SHV, municipal and provincial partners to build future opportunities for sports hosting in years to come.

Although sporting events have been limited, in February, the BC School Sport Wrestling Provincial Championships were held in the Pacific Coliseum. The B.C. Provincial Cheerleading Championships, Varsity Spirit Canada, Feel the Power West Cheerleading Competition, The Vancouver Basketball Foundation’s summer basketball camps, Escape Velocity Bike Race, and Pedalheads were also on-site at Hastings Park.

TicketLeader

TicketLeader is a full-service ticketing provider owned and operated by the PNE. TicketLeader successfully allowed all events at the PNE to manage COVID capacity limits and timed entry to ensure gatherings met the requirements of the Provincial Health Office guidelines. In addition to ticketing all events at the PNE, because of the system’s flexibility and capabilities, we saw growth in providing ticketing for off-site events including Agrifair.

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 providing sales support for promoters hosting events at the PNE venues, such as Harlem Globetrotters and Monster Jam – this year, once again, all suites for Monster Jam sold out. Typically, 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. PNE Group Sales Services is a huge asset that continues to support the growth of the PNE Year-Round Business Stream.

We worked with off-site clients such as the Da Vinci Experience and Cirque du Soleil Alegria to provide them with group sales services. This allows us to offer a diverse range of experiences to our group sales clients and provides local group sales services to promoters who are not based in this market.



CULTIVATE COMMUNITY AND SOCIAL GOOD

Economic Impact

The PNE contributes significant economic impact in several ways, including tourism, employment and support for local business. We generate more than \$200 million in economic impact in the region and drive nearly 200,000 tourism visits to the Lower Mainland. We are the largest employer of youth in BC, responsible for 4,300 direct jobs and 9,500 direct and indirect jobs. Many of these positions are low-barrier entry-level jobs to highly skilled trades, making the PNE the largest employer of youth in BC, and a first employer of a high percentage of new Canadians.

Through the Hastings Park-PNE Master Plan and the Playland Redevelopment Plan, we look forward to expanding Vancouver’s tourism content by providing an accessible, world-class attractions with enhanced public amenities for regional residents and tourists to enjoy.

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. We were proud to bring events back in 2021 to help support this thriving business community, as many expressed that their ability to survive was significantly challenged during COVID without the vibrancy of events held at the PNE.

PNE Partnerships

The Corporate Partnerships team continues to focus on our multi-year strategic plan, developed to enhance increasing awareness around PNE activities, values and initiatives, with both short-term and long-term objectives aimed at building our partnership opportunities. This is achieved by developing stronger relationships with marketing agencies and brands that allow the PNE to build meaningful partnerships, creating impact and purpose to 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 Partnerships team has focused on why partners look to our events to showcase their social or business objectives.

We are grateful to our key partners who continue to see our aligned objectives throughout the ongoing pandemic. The PNE proudly partners with some of BC’s and Canada’s most beloved brands like BCAA, Safeway, Metro Vancouver Regional District and TransLink, who all align with the PNE’s shared values. Our key food and beverage partners held strong in our partnership through the past two years, and we thank Coca-Cola, Labatt, Red Bull, Parallel 49 and Arterra for seeing the long-term value of partnership with us.

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 investment dollars. Our experience working together to achieve partners’ objectives and key performance indicators shows solid success year over year. This success is the leverage our partners look for.

Giving Back

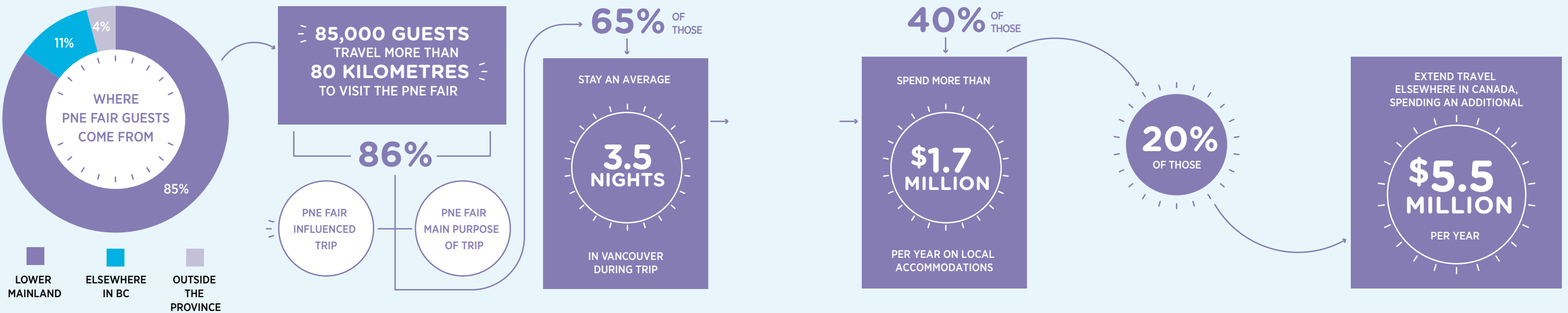
The PNE is a non-profit organization dedicated to maintaining Hastings Park; we typically utilize our profits to generously give back to local organizations and community groups. With the pause on all events, the PNE suspended all ticket programs and community grants. The ticket donations will be reinstated in 2022 and the community grant program will be reinstated in 2023, along with new fundraising initiatives for non-profit organizations, community groups and charities.

Throughout the pandemic, we maintained our engagement with the Community Advisory Group, covering such topics as the future of public art at Hastings Park, the increased graffiti and vandalism challenges on the site, and engagement on the Hastings Park-PNE Redevelopment Plans.

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TYPICAL ANNUAL ECONOMIC IMPACT OF THE PACIFIC NATIONAL EXHIBITION



the future of public art at Hastings Park, the increased graffiti and vandalism challenges on the site, and engagement on the Hastings Park-PNE Redevelopment Plans.

With reduced resources, the PNE Neighbourhood Focus Group and the PNE Youth Council were put on hold until 2023, when they both will return in a revitalized format. We are dedicated to creating positive impact in our local community, and when our site is active once again, we will continue to work closely with the local community to mitigate impacts from events, to help build community and to support local community initiatives.

Our partnership with the Vancouver Farmers Market Society continued to thrive throughout the fall and winter of 2020/2021. This initiative brings fresh, local products to the community every Sunday from November to April. This year's market included heightened safety protocols and a reduced number of vendors, but maintained its focus on selling local produce, baked goods, meats, fish, jams, spirits and crafts. The PNE continues to subsidize this program's operational costs, including garbage/recycling/compost bins, waste pickup, power and heat, pre- and post-event site cleaning, and promotion of the farmers market.

Throughout the year, CircusWest, a PNE-subsidized community partner hosting youth development programs related to performance and the circus arts, expanded their operation to include additional space by utilizing a large tent east of the Garden Auditorium in the adjacent parking lot. This enabled them to comply with social distancing requirements while maintaining training and education operations for their participants. The PNE is committed to supporting organizations like CircusWest that promote active play in communities.

The PNE continued to operate our Community Ice program in the Agrodome through 2021. Although no recreational groups were permitted, due to public health restrictions, we were able to provide ice time to four minor hockey league-style groups (approximately 15 teams), and one figure skating group with 20 skaters. The PNE implemented safety protocols to ensure

the safety of all ice users, including 15-minute breaks between user groups to clean the facility, an outdoor dressing area to put on skates, closing all change rooms, having spectators wait outdoors, providing distinct entry and exit paths through different doors to maintain physical distancing, and instituting rules for players to come dressed and ready to play.

Each year, the Sanctuary at the southwest side of Hastings Park is stocked by the Freshwater Fisheries Society of BC (FFSBC) with rainbow trout during the spring and fall. In 2021, although no formal programs for learning to fish were provided, the area remained open for the local community to fish and the space was actively used. This habitat continues to be closely monitored to ensure that the more than 125 species currently sharing the Sanctuary space are not negatively impacted.

Hastings Park remains an anchor destination in Vancouver, and we strive to continue to bring joy and build social connections with the community we live and work within. The PNE looks forward to welcoming back all opportunities for public use of Hastings Park as we anticipate the strong return to live events in 2022.

Accessibility

Playland offers the Ride Accessibility Program through our participation in the Easter Seals Canada Access 2 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/emotional impairment, can utilize this program throughout the season by presenting an Access 2 card at Guest Services. Additionally, at all PNE events, we offer, 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.

The PNE participates 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 the victims of crime. The PNE offers a safe place for LGBTQ2+ community members to call the police and safely wait.

Care of the Park

A priority focus in 2021 was returning the park, cultural gardens, and amenities to their 2019 levels. Our gardening team introduced weekly walk-through audits with our leadership team to identify key areas of focus and investment.

In 2021 we began the renewal of the PNE Waste Diversion strategy and expanded our focus to include a back-of-house audit on how we haul, sort and dispose of all operational waste. This audit, which will be completed in 2022, will support our zero-waste initiatives and support the improvement of our already strong diversion rates of 78%.

With approval of the Playland five-year ride strategy in 2021, the PNE began site preparation for a new ride to be launched in 2022. As a result of our intentional focus on diversion, we successfully diverted over 128,500 kilograms of metal from the landfills during this project.

The February 2022 fire in our maintenance yard had a devastating impact on our facilities and site maintenance teams. The team quickly rallied and rebuilt their resources to ensure they were ready for the 2022 spring season cleanup.

Capital Expenditures and Maintenance Improvements

The PNE and City of Vancouver continued to invest in upgrades and maintenance of the facilities in Hastings Park through 2021.

The Administration Building in the southwest of Hastings Park received a new roof in 2021 and electrification upgrades were made to the building. New, all-electric, high-efficiency heat/cool rooftop units were installed to replace old natural gas heating units.

In the Agrodome, a new roof was installed above the concourse, and a new brine line header was installed for the ice hockey floor. New interior paint provided a much-needed facelift in the north Forum as well as in the south end of the Livestock Barns. We also invested in much-needed new maintenance equipment. As a result of the need to replace equipment after the fire on-site, we were able to reassess the teams' needs and invest in newer capital assets that would improve their efficiency and effectiveness.

As a result of the \$10 million grant from the federal Major Festivals and Events Support Initiative (MFESI), the PNE was able this year to initiate new investments in energy-efficient equipment, site vehicles, technology and other energy-efficiency projects. We look forward to sharing more about the projects when they are complete in 2022.

Looking to the Future

2021 has been a year of Resiliency, Recovery and Innovation. Although there is still a long road ahead, the PNE is proud to see a remarkable bounce-back in our revenues, and we have made decisions and investments that will set us on a long-term path to recovery in a timeline shorter than originally anticipated. There are still unknowns, but the organization is led by a strong executive team who have been laser-focused on mitigating losses, developing achievable targets, delivering master plan development, keeping a strong voice of advocacy in the industry, and continuing to lead the design of experiences for our community with a focus on our mission, vision and values. The PNE continues to deliver memorable experiences 365 days a year with Excellence, Enthusiasm and Evolution.



METRO VANCOUVER EXHIBIT



PNE PEP BAND



WEST COAST LUMBERJACK SHOW



TRANSLINK EXHIBIT



PETTING FARM



CONCERT CROWD



WEST COAST LUMBERJACK SHOW



THE CHALLENGER MAP



METRO VANCOUVER EXHIBIT



TRANSLINK EXHIBIT



BUG WHIRLED RIDE



SELFIES AT THE PNE FAIR



MARKETPLACE AT THE PNE FAIR



PLAYLAND AT NIGHT



SNO CONES AT THE PNE FAIR



FVDED AT THE PNE AMPHITHEATRE



MARIACHI BAND AT THE PNE FAIR



FARM COUNTRY DISPLAY

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 2021 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



David Crawford
Vice President, Finance and Corporate Services

CORPORATE GOVERNANCE

2021 BOARD OF DIRECTORS

The Hastings Park–PNE Board of Directors, as appointed by Vancouver City Council, were as follows for 2021:

Chair
Lisa Dominato, Councillor,
City of Vancouver

Vice Chair
Donnie Rosa, General Manager, Park Board,
City of Vancouver (October 2020–present)

Treasurer
Patrice Impey, General Manager, Financial Services,
City of Vancouver

Directors
Paul Mochrie, Deputy City Manager,
City of Vancouver

Nick Kassam, General Manager of Real Estate
and Facilities Management,
City of Vancouver (until December 2021)

Rachel Roy, Lawyer with Allevato,
Quail and Roy

Jackie Hogue, J Hogue Consulting Inc.
(until June 2021)

Ty Speer

Maury Kask (July 2021 – present)

Raj Sihota (July 2021 – present)

EXECUTIVE MANAGEMENT COMMITTEE

President and Chief Executive Officer:
Shelley Frost

Vice President, People, Culture & Planning:
Stacy Shields

Vice President, Operations:
Jeff Strickland

Vice President, Sales, Marketing & Business Development:
Karen Massicotte

Vice President, Finance and Corporate Services:
David Crawford

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.

2021 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, 2022
- 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, 2022 and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of PNE in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

In preparing the financial statements, management is responsible for assessing PNE’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate PNE or to cease operations, or has no realistic alternative but to do so.

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PNE’s internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on PNE’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause PNE to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Vancouver, Canada
July 13, 2022

STATEMENT OF FINANCIAL POSITION

March 31, 2022, with comparative information for March 31, 2021

	As at March 31, 2022	As at March,31, 2021
Financial Assets		
Cash	\$ 4,754,873	\$ -
Accounts receivable (notes 3 and 4)	4,696,771	1,050,074
	9,451,644	1,050,074
Liabilities		
Bank indebtedness (note 5)	-	850,425
Bank loans (note 5)	5,353,984	12,694,559
Accounts payable and accrued liabilities (notes 4 and 6)	23,616,789	9,896,005
Deferred revenue	1,271,399	432,672
	30,242,172	23,873,661
Net debt	(20,790,528)	(22,823,587)
Non-Financial assets		
Tangible capital assets (note 8)	20,227,878	19,922,915
Inventories held for use	838,232	765,420
Prepaid expenses	3,733,919	1,778,026
	24,800,029	22,466,361
Subsequent event (note 5)		
Contingent liabilities (note 11)		
Accumulated surplus (deficit)	\$ 4,009,501	\$ (357,226)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Lisa Dominato, Director

Patrice Impey, Director

STATEMENT OF OPERATIONS

Year ended March 31, 2022, with comparative information for the year ended March 31, 2021

	Budget for the year ended March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021
	(Note 2(i))		
REVENUE:			
Fairs and festivals	\$ 13,695,430	\$ 21,484,890	\$ 8,244,296
Playland	7,536,626	8,896,269	2,014,411
Year round events	8,447,769	7,032,833	4,233,866
Government grants (note 9)	2,300,000	4,105,663	-
Other	153,833	134,130	133,421
	32,133,658	41,653,785	14,625,994
EXPENSES (NOTE 12):			
Advertising	1,273,719	1,335,065	931,295
Agriculture	229,430	338,383	42,333
Entertainment	1,383,328	1,446,857	528,115
Exhibit space	631,918	723,432	297,368
Finance and corporate services	4,247,418	5,169,966	3,975,024
Food and beverage	3,123,347	3,927,092	1,170,400
Games	396,550	898,183	42,977
Guest services	224,577	194,041	63,540
Information services	1,507,697	1,350,065	856,464
Lotteries	3,939,581	4,166,835	4,379,421
Marketing and sponsorship	963,874	968,644	605,728
Office of the President	996,063	875,817	648,955
Operations	1,736,079	1,834,660	344,343
People and culture (human resources)	1,506,607	1,682,947	1,585,102
Playland tech services	6,215,534	5,327,795	2,766,691
Public safety and parking	1,612,130	1,598,896	760,504
Sales and group sales	506,211	779,018	1,114,225
Tech services	3,550,190	3,341,297	1,865,344
Ticketleader	1,479,814	1,328,065	618,423
	35,524,067	37,287,058	22,596,252
Annual surplus (deficit)	(3,390,409)	4,366,727	(7,970,258)
Accumulated surplus (deficit), beginning of year	(357,226)	(357,226)	7,613,032
Accumulated surplus (deficit), end of year	\$ (3,747,635)	\$ 4,009,501	\$ (357,226)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET DEBT

Year ended March 31, 2022, with comparative information for the year ended March 31, 2021

	Budget for the year ended March 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021
	(Note 2(i))		
Annual surplus (deficit)	\$ (3,390,409)	\$ 4,366,727	\$ (7,970,258)
Acquisition of tangible capital assets	(790,764)	(3,074,766)	(295,924)
Loss on disposal of tangible capital assets	-	904,122	-
Amortization of tangible capital assets	2,083,970	1,865,681	2,008,969
	(2,097,203)	4,061,764	(6,257,213)
Acquisition of inventories held for use	-	(2,089,825)	(312,400)
Increase in prepaid expenses	-	(3,878,232)	(3,188,586)
Consumption of inventories held for use	-	2,017,013	516,120
Use of prepaid expenses	-	1,922,339	4,436,996
	-	(2,028,705)	1,452,130
Decrease (increase) in net debt	(2,097,203)	2,033,059	(4,805,083)
Net debt, beginning of year	(22,823,587)	(22,823,587)	(18,018,504)
Net debt, end of year	\$ (24,920,790)	\$ (20,790,528)	\$ (22,823,587)

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

Year ended March 31, 2022, with comparative information for the year ended March 31, 2021

	Year ended March 31, 2022	Year ended March 31, 2021
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ 4,366,727	\$ (7,970,258)
Items not involving cash:		
Loss on disposal of tangible capital assets	904,122	-
Amortization of tangible capital assets	1,865,681	2,008,969
Changes in non-cash operating working capital:		
Increase in accounts receivable	(3,646,697)	(110,513)
Decrease (increase) in inventories held for use	(72,812)	203,720
Decrease (increase) in prepaid expenses	(1,955,893)	1,248,410
Increase in accounts payable and accrued liabilities	13,720,784	1,028,674
Decrease in deferred revenue	838,727	(181,416)
Net change in cash from operating activities	16,020,639	(3,772,414)
Capital activities:		
Cash used to acquire tangible capital assets	(3,074,766)	(295,924)
Net change in cash from capital activities	(3,074,766)	(295,924)
Financing activities:		
Increase (decrease) in bank indebtedness	(850,425)	850,425
Increase (decrease) in bank loans	(7,340,575)	2,843,017
Net change in cash from financing activities	(8,191,000)	3,693,442
Increase (decrease) in cash	4,754,873	(374,896)
Cash, beginning of year	-	374,896
Cash, end of year	\$ 4,754,873	\$ -

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

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 is not subject to income taxes.

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. PNE’s operations are conducted on 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. In the year ended March 31, 2022, PNE held a scaled-down 15-day fair and a reduced capacity Playland season and had limited rentals of buildings for third party events. Additionally, PNE received grants from the provincial and federal governments (note 9).

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.

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. PNE’s ability to continue as a going concern is dependent upon, among other things, continued support of its lenders and the City of Vancouver.

2. Summary of significant accounting policies:

(a) Basis of presentation:

These 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:

Fairs and festivals revenue includes amounts earned from events that are organized by the PNE. Year-round events revenue includes amounts earned from events that are organized by third parties at the PNE site.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

2. Summary of significant accounting policies (continued):

(b) Revenue recognition (continued):

Admissions, exhibitor, advertising, and other revenues from events are initially deferred and recorded as revenue when earned during the event. Advertising revenue for long-term contracts is recognized on a straight-line basis over the term of the related contract.

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

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

Contributions from funders 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, including contributions from the City of Vancouver and senior government, 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) Non-financial assets:

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

(i) Tangible capital assets:

Tangible capital assets are initially recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Interest is not capitalized when external debt is obtained to finance the construction of the 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% to 30%
Playland rides and equipment	Straight-line	15 years to 25 years

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.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

2. Summary of significant accounting policies (continued):

(c) Non-financial assets (continued):

(ii) Leased tangible capital assets:

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

(iii) Inventories held for use:

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

Inventories consist of stores, plush toys, merchandise, and food and beverages that is held for use as part of the operations. 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.

(iv) Prepaid expenses:

Prepaid expenses are expensed over the periods expected to benefit from them.

(d) Financial instruments:

Financial instruments consist of accounts receivable, accounts payable and accrued liabilities, bank loans and foreign currency hedge 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. As at March 31, 2022, there are no derivative instruments held by PNE. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value would be recognized on the statement of remeasurement gains and 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, 2022 and March 31, 2021. As a result, PNE does not have a statement of remeasurement gains and 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.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

2. Summary of significant accounting policies (continued):

(e) 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 5 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.

(f) Liability for contaminated sites:

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

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

The liability is recognized as management’s estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. There are no contaminated sites liabilities recorded as at March 31, 2022 and March 31, 2021.

(g) 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 and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(f) Foreign currency:

Foreign currency transactions are translated into Canadian dollars at the exchange rate in effect on the transaction date.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

2. Summary of significant accounting policies (continued):

(h) Foreign currency (continued):

Monetary assets and liabilities denominated in foreign currencies are reflected in the financial statements in equivalent Canadian dollars at the exchange rate in effect on 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 or losses as at March 31, 2022 and March 31, 2021. As a result, PNE does not have a statement of remeasurement gains and losses.

(i) Budget information:

Budget information has been provided for comparative purposes and has been derived from the Corporate Plan for the year ended March 31, 2022 approved by the Board of Directors of the PNE on July 28, 2021. 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:

	As at		As at	
	March 31, 2022		March 31, 2021	
Accounts receivable	\$	4,867,167	\$	1,160,965
Allowance for doubtful accounts		(170,396)		(110,891)
	\$	4,696,771	\$	1,050,074

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

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. Other than the Major Festivals and Events Support Initiative, the Canada Emergency Wage Subsidy and the Tourism and Hospitality Recovery Program, the amounts below arise from the normal course of operations:

	As at		As at	
	March 31, 2022		March 31, 2021	
Accounts receivable:				
Major Festivals and Events Support Initiative (note 9(a))	\$	2,605,663	\$	-
City of Vancouver		225,674		70,647
		2,831,337		70,647
Accounts payable and accrued liabilities:				
City of Vancouver		(34,306)		(88)
Payroll tax remittances		(61,133)		(41,561)
Indirect and other taxes		(160,900)		(75,417)
Canada Emergency Wage Subsidy (a)		(6,957,207)		(3,929,958)
Tourism and Hospitality Recovery Program (b)		(1,204,194)		-
		(8,417,740)		(4,047,024)

- (a) Due to the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy (“CEWS”) to assist organizations who meet certain eligibility requirements. In the year ended March 31, 2022, PNE applied for CEWS and received an additional \$3,027,249 (year ended March 31, 2021 - \$3,929,958) from the Canadian government. As PNE is in the process of assessing their eligibility to retain these cash payments, this amount has been recorded in accounts payable and accrued liabilities as at March 31, 2022.
- (b) Due to the COVID-19 pandemic, the Canadian government introduced the Tourism and Hospitality Recovery Program (“THRP”) to assist organizations in the tourism, hospitality, arts, entertainment or recreation sectors who meet certain eligibility requirements. In the year ended March 31, 2022, PNE applied for THRP subsidies and received \$1,204,194 (year ended March 31, 2021 - nil). As PNE is in the process of assessing their eligibility to retain these cash payments, this amount has been recorded in accounts payable and accrued liabilities as at March 31, 2022.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

5. Bank indebtedness and bank loans:

	As at March 31, 2022	As at March 31, 2021
Bank indebtedness	\$ -	\$ 850,425
Bank loans:		
Demand operating loan	-	5,700,000
Instalment loan for capital	5,353,984	6,994,559
	5,353,984	12,694,559
	\$ 5,353,984	\$ 13,544,984

PNE has a revolving facility with a Canadian chartered bank. Subsequent to the year ended March 31, 2022, the facility agreement was amended to provide maximum borrowing of \$11,000,000 (as at March 31, 2021 - \$27,905,441) in operating credit and \$21,000,000 (as at March 31, 2021 - \$6,994,559) for instalment loan for capital purchases. The facilities bear interest at the bank prime rate minus 0.25%. The operating loan, which includes bank indebtedness, 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, on a 10-year straight line principal reduction basis, payable monthly together with accrued interest. 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:

Year ended:	
March 31, 2023	\$ 1,540,783
March 31, 2024	1,270,627
March 31, 2025	769,164
March 31, 2026	539,809
March 31, 2027	428,040
Thereafter	805,561
	\$ 5,353,984

PNE's U.S. dollar bank account balance and a limited guarantee from the City of Vancouver of \$32,000,000 (as at March 31, 2021 - \$34,900,000) has been provided as security for the operating loan and instalment loan for capital.

As at March 31, 2022, PNE has issued a letter of credit for \$80,000 (as at March 31, 2021 - \$80,000) for its liquor operations.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

6. Accounts payable and accrued liabilities:

	As at March 31, 2022	As at March 31, 2021
Accounts payables and accrued liabilities	\$ 13,979,914	\$ 4,942,713
Canada Emergency Wage Subsidy (note 4(a))	6,957,207	3,929,958
Tourism and Hospitality Recovery Program (note 4(b))	1,204,194	-
Salaries and benefits payable	1,046,977	575,028
Accrued vacation pay	428,497	448,306
	\$ 23,616,789	\$ 9,896,005

7. Pension benefits:

PNE and its employees contribute to the Plan, a jointly trusteesd 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 220,000 active members, of whom 138 are employees of PNE, and 112,000 retired members.

Every 3 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 the fall of 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.

In the year ended March 31, 2022, PNE paid \$680,326 (year ended March 31, 2021 - \$554,422) for employer contributions while employees contributed \$616,453 (year ended March 31, 2021 - \$492,412) to the Plan.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

8. Tangible capital assets:

Cost	As at, March 31, 2021	Additions	Disposals	Transfers	As at, March 31, 2022
Machinery, furniture and equipment	\$ 21,742,739	\$ -	\$ (1,362,549)	\$ 550,756	\$ 20,930,946
Playland rides and equipment	30,352,773	-	(2,087,704)	-	28,265,069
Assets under construction	17,875	3,074,766	-	(550,756)	2,541,885
Total	\$ 52,113,387	\$ 3,074,766	\$ (3,450,253)	\$ -	\$ 51,737,900

Accumulated amortization	As at, March 31, 2021	Amortization expense	Disposals	As at, March 31, 2022
Machinery, furniture and equipment	\$ 15,685,560	\$ 837,623	\$ (1,050,161)	\$ 15,473,022
Playland rides and equipment	16,504,912	1,028,058	(1,495,970)	16,037,000
Total	\$ 32,190,472	\$ 1,865,681	\$ (2,546,131)	\$ 31,510,022

Net book value	As at, March 31, 2021	As at, March 31, 2022
Machinery, furniture and equipment	\$ 6,057,179	\$ 5,457,924
Playland rides and equipment	13,847,861	12,228,069
Assets under construction	17,875	2,541,885
Total	\$ 19,922,915	\$ 20,227,878

- (a) Assets under construction:
Assets under construction having a value of \$2,541,885 (as at March 31, 2021 - \$17,875) 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 were no write-downs of tangible capital assets in the year ended March 31, 2022 (year ended March 31, 2021 – nil).

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

9. Government grants:

- (a) In the year ended March 31, 2022, PNE was the recipient of a \$10,000,000 grant from the Major Festival and Events Support Initiative administered by Pacific Economic Development Canada on behalf of the Canadian government. The grant will fund eligible costs incurred between April 19, 2021 and March 31, 2023 for certain technology and site improvement projects that will increase the accessibility and long-term operational viability of the annual fair. PNE has recognized \$2,605,663 of revenue in the statement of operations based on the project costs incurred in the year ended March 31, 2022. The balance is included in accounts receivable as at March 31, 2022 (note 4).
- (b) In the year ended March 31, 2022, PNE was the recipient of grants totaling \$500,000 from the Province of British Columbia’s Fairs, Festivals and Events Recovery Fund for the annual fair, Hallowed Eves and WinterLights events. The grants were recognized as revenue in the statement of operations.
- (c) In the year ended March 31, 2022, PNE was the recipient of a \$1,000,000 grant from the Province of British Columbia’s Major Anchor Attractions Program for costs incurred to restart or ramp up operations in preparation for the gradual reopening in alignment with provincial health orders. The grant was recognized as revenue in the statement of operations.

10. 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 accounts receivable.

It is management’s opinion that PNE is not exposed to significant credit risk arising from its accounts receivable. Management monitors and assesses the collectability and makes a provision for doubtful accounts based on this assessment.
- (b) Market risks:
Market risk is the risk that changes in market prices, such as interest rates and foreign exchange 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 or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fixed rate instruments are subject to fair value risk while floating rate instruments are subject to cash flow risks. PNE is exposed to cash flow risks related to its bank loans which bear a floating rate of interest.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

10. Financial risk management (continued):

- (b)

Market risks (continued):
Foreign exchange risk, which is mainly related to accounts payable and accrued liabilities, 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.
- (b)

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.

There has been no significant change to the risk exposures related to financial instruments from the prior period.

11. 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, 2022, there are no significant outstanding claims.

12. Expenses by object:

The following is a summary of expenses by object:

	Year ended March 31, 2022	Year ended March 31, 2021
Cost of goods sold	\$ 1,645,885	\$ 215,626
General and administrative	16,420,943	10,978,215
Payroll	16,340,187	9,229,355
Loss on disposal of tangible capital assets	904,122	-
Amortization of tangible capital assets	1,865,681	2,008,969
Interest - bank loans	36,484	77,669
Interest - term finance	73,756	86,418
	\$ 37,287,058	\$ 22,596,252

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2022

13. 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:

Year ended:	
March 31, 2023	\$ 904,330
March 31, 2024	851,904
March 31, 2025	850,824
March 31, 2026	184,264
March 31, 2027	76,789
Thereafter	131,493
	\$ 2,999,604

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.

14. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year. The reclassification did not impact the annual deficit or accumulated surplus reported in the prior year.

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