



# DELIVERING MEMORABLE EXPERIENCES

ANNUAL REPORT 2022-23





ALL SMILES WITH KC BEAR AND STAFF DURING THE PNE FAIR

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## THE LAND WHERE WE LIVE, WORK AND PLAY

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.



**PLAYLAND AT NIGHT**



**SUMMER NIGHT CONCERTS IN FULL SWING**



**THE FESTIVE TUNNEL OF LIGHTS AT WINTER FAIR**



**PLAYLAND AT SUNSET**



**SEA-TO-SKY SWINGER RIDERS**



**FRIGHT NIGHTS PERFORMERS**

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

The PNE's 2022 fiscal year is definitely one to celebrate. Our organization regained its momentum after the challenges of the COVID-19 pandemic and had the best financial year on record since the late 1990s. In-person events returned in all forms, and the PNE successfully rebuilt its team to meet the demands for music, cultural and sporting events and festivals across the site. The PNE team can be very proud of successfully bringing large events back to life; 2022 was an incredibly strong year with many successes that we look forward to sharing with our readers.

In 2022, the PNE generated over \$85.4 million in total revenues (including \$17.4 million in grants) and delivered a net surplus of \$4.24 million (\$21.64 million including grants). These are the highest total revenues and net surplus generated in over 25 years. In addition to \$68 million in event revenues, the PNE successfully received the second year of funds (\$7.4 million of \$10 million total over two years) from the Major Festivals and Events Support Initiative (MFESI) and was successful in securing a \$10 million grant through the Tourism Relief Fund (TRF). TRF investments are to support capital investments that will help rebuild the tourism sector and support an expanded tourism season. The PNE made investments into site technology and infrastructure upgrades, completed a refurbishment of the iconic Wooden Roller Coaster and purchased new assets to support the launch of the PNE Winter Fair. In addition, funds were used to purchase a new launch coaster, set to open in Playland in 2024, that will be the fastest in Canada. All these investments set a strong foundation for future growth, an extended tourism event season and economic recovery at the PNE. We are grateful to Minister Harjit Sajjan and the team at PacifiCan for their ongoing support.

Fiscal 2022 was also year three of our five-year strategic plan and, while rebuilding our business, the team remained focused on achieving the priorities set out across the five pillars of this plan. These pillars keep us focused on elevating our people, improving technologies and processes, elevating business results, delivering social and community good, and moving the Hastings Park-PNE Master Plan forward. The team is very proud to have successfully achieved key corporate priorities in the strategic plan.

Concrete steps forward were also taken on the Hastings Park-PNE Master Plan. Architects and consultants were hired, the functional program was completed, and design work began on the new Amphitheatre, which was approved by Vancouver City Council in June 2021. The PNE looks forward to working closely with the City of Vancouver on this spectacular new venue for Vancouver and the Province, supporting music, arts and culture for generations to come. Scheduled completion is spring 2026.

In November 2022, the PNE also welcomed a new Board Chair, Vancouver City Councillor Sarah Kirby Yung. We would like to take this opportunity to thank the outgoing Chair, Vancouver City Councillor Lisa Dominato for her support and dedication during her four-year term as Chair. We look forward to working with Councillor Kirby-Yung to bring the Master Plan to life and build a strong and resilient PNE.

Our deepest thanks go to our management team, our union teams and our Board of Directors for their ongoing commitment, dedication and leadership of the PNE. The PNE has successfully weathered the financial challenges of COVID. Our past two fiscal years have been the strongest in 25 years and our future is bright. We look forward to seeing you on site.



**Shelley Frost**  
President and  
Chief Executive Officer



**Sarah Kirby-Yung**  
Chair, Hastings Park  
Board of Directors



ROLLER SKATING AT ROLLA SKATE CLUB



ROMANCE AT THE WINTER FAIR



HAVING FUN ON THE FLUTTERBYE



4-H LLAMA AT THE FAIR



PIG RACES AT THE FAIR



PLAYLAND AT SUNSET

# WHO WE ARE

The PNE is a vibrant non-profit organization that is dedicated to creating memorable experiences, building social connections, positively impacting our community and creating first-class events. Our purpose is to inspire joy and build social connections. Founded in 1910, the Pacific National Exhibition (PNE) operates from a 114-acre site at Hastings Park, a multi-facility venue in Vancouver where the organization operates an annual summer Fair, a Winter Fair and the Playland Amusement Park, and manages the site's year-round facilities. Over 3 million visitors from across the province travel to the PNE each 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 for British Columbians—such as a first roller coaster ride, first date, first concert and many others. The PNE returns 100% of its proceeds into the site, facilities, community grants and upkeep of green spaces.

# GOVERNANCE

The PNE is a statutory, non-profit organization wholly owned by the City of Vancouver. The organization is governed by our Board of Directors. The PNE remains operationally financially self-sufficient. Revenue generated from our various activity streams provides the funds to independently operate and maintain the grounds and programming at Hastings Park. The PNE management team and Board of Directors are committed to keeping the organization strong, healthy and vibrant while focusing on the future to ensure many more memories are made on this active and evolving site.

In 2022, the Hastings Park PNE Board of Directors welcomed a new Board Chair, Sarah Kirby Yung. Councillor Sarah Kirby Yung is committed to a livable and vibrant Vancouver, and believes that arts and culture are a vital part of a great city. She is currently serving her second term on Vancouver City Council. Prior to Vancouver City Council, she served on the Vancouver Park Board. Her professional background is in marketing and communications, and she has held senior management roles in the tourism and hospitality sector. Sarah is joined by eight other directors. One of these positions is the Vice Chair, which is always held by the General Manager of the Vancouver Park Board to ensure synergy of the two organizations.

## PNE BOARD STRUCTURE

Donated in trust by the Province to the City of Vancouver.

**1887**

Ownership of the PNE organization was transferred to the City of Vancouver.

**2004**

Master Plan was approved by City Council. Governance review was requested by Council. KPMG was appointed to undertake a three-year study with the City of Vancouver staff, community stakeholders and several public consultations.

**2010**

**1970s–2003**

Provincial Crown corporation from the 1970s through 2003.

**2004–2008**

Community consultation shaped a new Hastings Park-PNE Master Plan to re-envision the space with both the PNE and community needs in mind.

**2014**

The new governance structure for Hastings Park was approved by City Council. The structure accomplished two primary goals: it reaffirmed that the broader site and activities would be stewarded by the PNE, as it has been for over a century, and it ensured more public access to the Board and ongoing consultation with stakeholders by restructuring the Board of Directors to oversee both the PNE and Hastings Park.

*The PNE has a collaborative approach regarding community and commercial use of the space. Each year, we strive to reinvest our revenue to maintain and beautify Hastings Park so the community can enjoy day-to-day use, and to maintain our spaces for the community groups who use the site. As a not-for-profit organization, the PNE returns 100% of proceeds into the site, facilities, equipment, programs, subsidies, grants and upkeep of green spaces.*

# YEAR AT A GLANCE

April 2022 to March 2023 marked a significant turning point for our organization as we regained our momentum after the challenges of the COVID-19 pandemic. The organization made \$68,003,695 in regular revenue and received \$17,394,337 in one-time government grants, for a total revenue for the year of \$85,398,032. As a thriving 365-days-a-year entertainment destination, the PNE saw huge demand from the public to return to in-person concerts, festivals, amusement parks, sports and activities. The events industry was ready and waiting to return to full operations, and the PNE rose to the challenge and delivered a full calendar of events. In fact, the 2022 fiscal year was the PNE’s best financial year on record in more than 25 years. Throughout the year, we focused on our five activity streams, each contributing to our overall success:

## Activity Streams

**PNE FAIR AND PNE WINTER FAIR:** The 112th year of the PNE Fair remained British Columbia’s largest ticketed event, operating from August 20 to September 5. The year marked a significant step towards pre-pandemic crowds and operations. The PNE was excited to see the enthusiastic uptake of entertainment by its more than half a million guests. The PNE Fair and PNE Winter Fair saw a combined attendance of 554,455 and total gross revenue of \$35.96 million. We also entered into the holiday season event market with the introduction of the PNE Winter Fair, which we look forward to adding to our annual offerings.

**PLAYLAND AND FRIGHT NIGHTS:** remained the cornerstones of our business, with 242,678 attendees across the two-month summer season and 16-day fall season. We experienced notable changes with the installation of Skybender and the announcement of a new launch coaster. Playland and Fright Nights saw a combined total gross revenue of \$16.3 million.

**YEAR-ROUND EVENTS:** We curated a diverse lineup of events throughout the year, catering to our wide range of audiences—from family shows and concerts to sporting events and touring shows. Fright Nights, tennis matches, wrestling competitions and cheer events all made a triumphant comeback. Noteworthy touring shows such as Harlem Globetrotters, WWE and Disney on Ice captivated audiences. Make It Fair, one of Vancouver’s favourite holiday traditions, returned this year in December. Total revenues generated for year-round events were \$15.8 million

Looking ahead, we remain committed to executing our Master Plan. Significant progress has been made on the Amphitheatre, with the onboarding of architects and subconsultants, and schematic design development. As we continue our journey, we strive to optimize our technology and processes, elevate our business results, and cultivate community and social good. Our investments in IT infrastructure, lighting upgrades and a new POS system position us for further success. The past year was an overwhelmingly strong return for the PNE, embracing change and rebuilding our organization.

## Giving Back to Our Park and Community

**STEWARDSHIP OF HASTINGS PARK:** Our commitment to maintaining and enhancing the park continued with renewed focus on facility maintenance and park care. We reconfigured spaces, improved storage and created a more workable environment. Our gardening and park care team returned to pre-pandemic capacity, and the merger of our archives with the City of Vancouver ensured the preservation of our rich history, safeguarding memorabilia and documents for future generations.

**COMMUNITY SUPPORT:** In 2022, the PNE made major steps towards regrowing its community relations programming. This included relaunching community initiatives like the KC’s Kids Ticket Donation program, community fundraising, the Neighbourhood Party in Playland and the Neighbourhood Ticket program (Playland, Fair and Winter Fair). We also engaged world-renowned Stages Consultants to develop a sound mitigation plan for future Amphitheatre seasons, in response to community feedback.

Figure 1 | TOTAL REVENUE



\*includes \$17,394,337 of one-time government grants

Figure 2 | NET CONTRIBUTION



\*\$4,242,859 without one-time government grants



# REVENUE - GENERATING ACTIVITIES

## The Much-Loved PNE Fair

The 112th year of the PNE Fair remained British Columbia's largest ticketed event, operating between August 20 and September 5. The footprint of the event was 75% of the 2019 footprint, as we and our vendors continue to bounce back; however, this was a significant event size increase from 2021, showcasing the tremendous steps forward we made this year. The year marked a significant step towards pre-pandemic crowds and operations, and the PNE was excited to see the enthusiastic uptake of entertainment by its more than half a million guests.

PNE STATS	
PNE Fair and Winter Fair attendance	554,455
PNE Fair and Winter Fair total gross revenue	\$35.96 million*
<small>*includes both summer and winter lotteries</small>	

The PNE Fair remains our largest financial contributor, allowing us to continue to give back through our stewardship of Hastings Park and community projects.

Attendees enjoyed a variety of attractions, including the 45th anniversary of the SuperDogs show in the Pacific Coliseum, and The Dinosaurs Around the World exhibit fascinated visitors with animatronic dinosaurs across the park. The Challenger Map also continued to be a crowd favourite. The Fair opened early for two Sensory-Friendly Mornings, for more than 600 guests living on the autism spectrum to enjoy the livestock barns in a sensory-friendly environment. Feedback from the families, who often otherwise cannot visit the Fair, was overwhelmingly positive, and we look forward to continuing this program for years to come.

We were extremely privileged to have Canoe Cultures exhibiting for the first time at the 2022 PNE Fair, marking the first of an annual addition. With only a few canoe carvers left in Canada to pass their knowledge on to communities, it was an honour to have carvers sharing their craft live for Fair guests, showcasing Indigenous arts and culture, and acknowledging the lands we are privileged to work and play on, as well as the Nations who have been stewards of these lands since time immemorial.

The Revel District continued to be a popular destination, featuring free-with-admission shows on the Coca-Cola stage, showcasing bands such as the Tanner Olsen Band, R&B Allstars, DARK, Groove & Tonic, Dr. Strangelove, Mazacote, Tiller's Folly, Side One, The Phonix Dance Band, The Paperboys and Trilojay. The drag show on the Coca-Cola stage was a crowd-thrilling addition to the lineup and an important celebration of the diversity and inclusion the PNE Fair stands for.

Agriculture remained a core commitment of the PNE Fair, with the 4-H Festival celebrating the future of the industry, and the programming in the Livestock Barns bringing an immersive country experience to the city.

The Tim Hortons Community Stage, which showcased a diverse program of community and cultural performances, continues to be an important stage for these groups to share their art with the Fair's guests.

A mural by Laura Kwok of Art + Soul Creative added visual appeal to the Fair, while Elizabeth Cartagena's chalk art captivated onlookers. Additionally, the City of Burnaby environmental programs contributed eco-sculptures, showcasing creativity and sustainability. We were also pleased to showcase a range of key partnerships, including Metro Vancouver: Together We Make Our Region Strong, sharing the incredible sustainability and infrastructure work being done in the region; TransLink's exhibit welcoming guests with an opportunity to make a CarFree Pledge; and families having the opportunity to share their favourite recipes and learn from the chefs demonstrating at the Safeway Cooking Stage. The beloved Dueling Pianos was also relocated to Festival Park along with Electric Fire twice nightly, directing more traffic to the west side of the park during the evenings to better distribute the crowds.

## SUMMER NIGHT CONCERTS

The Fair's Summer Night Concerts were a huge success in 2022 and served as the first year as a fully paid ticketed venue, with six of the 15 shows selling out.

SUMMER NIGHT CONCERTS	
THE GMC STAGE	
<b>AUGUST 20</b>	The B52s Farewell Tour
<b>AUGUST 21</b>	Blue Rodeo <b>SOLD OUT</b>
<b>AUGUST 23</b>	Barenaked Ladies with Special Guest Kim Mitchell <b>SOLD OUT</b>
<b>AUGUST 24</b>	CAKE
<b>AUGUST 25</b>	Vancouver Symphony Orchestra: A Tribute to the Beatles
<b>AUGUST 26</b>	Stars of Drag: A Night of True Colours
<b>AUGUST 27</b>	Gipsy Kings Feat. Nicolas Reyes
<b>AUGUST 28</b>	Chicago
<b>AUGUST 30</b>	Steve Miller Band <b>SOLD OUT</b>
<b>AUGUST 31</b>	TLC & Shaggy <b>SOLD OUT</b>
<b>SEPTEMBER 1</b>	Brothers Osborne
<b>SEPTEMBER 2</b>	Nelly <b>SOLD OUT</b>
<b>SEPTEMBER 3</b>	BACHMAN CUMMINGS <b>SOLD OUT</b>
<b>SEPTEMBER 4</b>	The Beach Boys – Sixty Years of the Sounds of Summer
<b>SEPTEMBER 5</b>	Chaka Khan & Patti LaBelle

## The Inaugural PNE Winter Fair

The PNE created a winter wonderland in December 2022 with the inaugural PNE Winter Fair. The event brought together cherished elements from the PNE Summer Fair to deliver a unique and memorable holiday experience. From captivating concerts to delectable treats, festive entertainment, a vibrant marketplace and a dazzling light display, the PNE Winter Fair proved to be an extraordinary celebration for all.

The Winter Fair featured nightly Holiday Concerts in the Pacific Coliseum, with household favourite artists including David Foster & Katharine McPhee, The Tenors, Tom Cochrane, Dallas Smith, Jann Arden, Holly Cole and Dionne Warwick.

Outside, guests were treated to a WinterLights display presented by BC Hydro, the Holiday Marketplace, more than 25 food and beverage vendors, performances by the Dueling Pianos, skating in the Agrodome on the Tim Hortons Ice Rink, and Holiday Theatre performances for families in the Hastings Room. Each night, a tree lighting ceremony added a touch of enchantment, creating a sense of shared holiday spirit.

Inclement winter weather created challenges for the event, but the PNE team went over and above to deliver the event eight nights out of the 10 planned, despite snow damage, weather warnings and unseasonal freezing temperatures. Extreme weather meant Postmodern Jukebox and A Boy Band Christmas were unfortunately unable to reach the venue to perform, and Johnny Reid's performance on December 22 was cancelled because the artist fell ill. Despite these challenges, the event team persevered and continued to provide an extraordinary experience for attendees.

As an annual addition to the PNE's roster of events, the Winter Fair promises to create lasting memories, foster economic growth and become a beloved tradition for years to come.

Figure 3 | FAIR ATTENDANCE

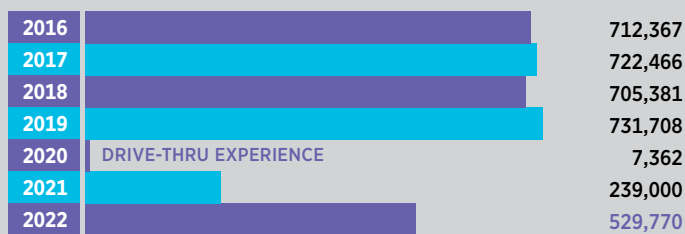


Figure 4 | FAIR TOTAL REVENUES (in millions)



### WINTER FAIR BY THE NUMBERS

**55%**

of guests are between the ages of 25 and 39

**78%**

of visitors are from Metro Vancouver

**TOP 3**

Reasons to visit: light displays, festive holiday activity, food



CANOE CULTURES AT THE FAIR



THE LIGHTS DISPLAY AT THE WINTER FAIR



LIVE MUSIC AT THE FAIR



FLYING FOOLS HIGH DIVE SHOW



LIVESTOCK BARN SHOWCASE



FUN AT THE WINTER FAIR

## 2022 PNE Prize Home Lottery Transforms Lives

The 2022 PNE Prize Home Lottery captivated the hearts of participants and proved to be an outstanding success, offering a life-changing opportunity to the lucky winner. Among the highlights of the 2022 lottery was the luxurious, fully furnished dream home, located in Langley and valued at an impressive \$2.4 million.

In addition to the spectacular home, the Lottery also awarded cash prizes valued at \$10,000 each, five Chevrolet vehicles, a \$50,000 furniture shopping spree at Yaletown Interiors, a \$30,000 hot tub package from Beachcomber Hot Tubs and, new this year, a travel trailer from Woody's RV World.

### LUXURY AND COMFORT: THE GRAND PRIZE HOME

Built for the first time in Langley, the centrepiece of the 2022 PNE Prize Home Lottery was a stunning Craftsman-style dream home, meticulously designed and furnished by Wesmont Homes. Spanning an impressive 3,408 square feet across three levels, the house boasted exquisite Tuscan-inspired interior accents. It featured three bedrooms, 2.5 bathrooms, a media room, and a remarkable first for the PNE Prize Home Lottery—a one-bedroom, one-bathroom legal basement suite. The house once again embraced sustainability with support from BC Hydro with climate-friendly features such as an EV charger, triple-pane windows, and an all-electric heat pump system for heating and cooling. The home also came complete with 12 solar panels generating 4.08 kW of energy, aligning with the PNE's dedication to promoting eco-friendly practices and encouraging a sustainable future.

Figure 5 | PRIZE LOTTERY TOTAL REVENUES (in millions)

2016		\$4.10
2017		\$5.88
2018		\$5.71
2019		\$6.19
2020		\$6.04
2021		\$8.52
2022		\$9.58



**PARTNERSHIPS HELPING TO REALIZE DREAMS**

We are extremely lucky to have a range of incredible partners that help to make the PNE Prize Home a reality. For around 15 years, Yaletown Interiors has been furnishing the PNE Prize Home, making them our longest supporting partners. BC Hydro has been a partner for more than 12 years, supporting the growth of our construction standards from the original Power Smart campaigns through to net-zero-ready builds complete with heat pumps, on-demand water, and ventless dryers.

Chevrolet has worked with us as a partner for the past three years, bringing our automobile category to life and including electric vehicle options to align with our sustainability strategy. Their partnership has also grown to include participation as our Summer Night Concerts Stage Partner.

**PNE PRIZE HOME LOTTERY BY THE NUMBERS**

Total retail value of lottery prizes	\$3,004,006.81
Total gross ticket sales revenue	\$9,193,830.00
50/50 draw contribution	\$1,777,780.00

**BARB BAMFORD: A LIFE TRANSFORMED**

The fortunate winner of the 2022 PNE Prize Home Lottery was Barb Bamford, a 54-year-old Burnaby resident. Barb, who resided with her mother and sister, received the life-changing news at a time of uncertainty when her boss announced his retirement and the impending closure of his business. Barb’s sister, Joanne, had been out of work since the closure of the local IHOP due to the COVID-19 pandemic. Winning the Grand Prize provided Barb with newfound financial security, allowing her to care for her family, reconnect with loved ones and embark on a worry-free journey. She planned to dedicate her time to volunteering and to take a well-deserved vacation.

**Barb Bamford’s story exemplifies how winning the PNE Prize Home Lottery can transform lives, providing financial stability and the opportunity to pursue dreams and give back to the community.**

**With its impressive lineup of prizes and commitment to sustainability, the PNE Prize Home Lottery continues to be a beloved event that captures the imagination of participants while supporting the PNE’s vital stewardship of Hastings Park and its programs within the community.**



**PRIZE HOME INTERIOR**



**WINNER BARB BAMFORD, SECOND FROM LEFT**

**WINTER LOTTERY**

In addition to the PNE’s inaugural Winter Fair, a Winter Lottery was introduced to add to the PNE’s year-round offerings. The Winter Lottery was run as a calendar raffle lottery where we awarded a winner every day for the entire month of February!

Total retail value of the lottery prizes	<b>\$190,000.00</b>
Total gross ticket sales revenue	<b>\$580,050.00</b>

## Playland Season Soars to New Heights with Exciting Upgrades

Playland and Fright Nights attendees	242,678
Playland and Fright Nights total gross revenue	\$14.96 million

Open from June 18 to August 18, Playland had 48 summer operational days and 19 operational nights through its stand-alone season as well as 15 operational days and 12 days of sold-out ride passes during the PNE Fair from August 20 to September 5.

Highlights of the season included the highly anticipated reopening of the iconic Playland Wooden Roller Coaster, following Phase One of a \$2 million restoration, with Phase Two scheduled for 2023. The restoration project included the addition of lap belts.

In addition to the coaster's restoration, Playland introduced a thrilling new ride called Skybender, designed and constructed by world-renowned Italian ride designer Zamperla. Skybender offers a unique single rider experience, combining gravity drops, accelerations and mesmerizing light sequences.

The investments made in Playland's rides and attractions reflect the park's commitment to providing unforgettable experiences for visitors of all ages. The retirement of the classic Music Express and Crazy Beach Party rides paved the way for exciting future improvements at the park.

The advertising campaign featured the headline "Fun is back in Fashion". After a few years of being stuck at home in our comfortable clothes, people were invited out to have fun in real life again. The campaign featured teens and families in the latest clothes, but with a Playland twist—their hair was windblown, their pant legs twisted and their makeup smudged. This expressed the thrilling time that Playland offers.

Playland was the proud destination for the inaugural Happyland Pride event, which received overwhelming support. Due to its resounding success, the event will return in 2023, celebrating the PNE's commitment to diversity and inclusivity.

In November 2022, the PNE announced the purchase of Canada's fastest launch coaster. The \$16 million ride is also designed and built by Zamperla and will occupy the previous location of the retired Corkscrew roller coaster. Construction will begin in 2023, with opening targeted for 2024. This is the largest single attraction investment made by Playland and signals a bright future for Playland.

Figure 6 | PLAYLAND ATTENDANCE



Figure 7 | PLAYLAND TOTAL REVENUES (in millions)



### PLAYLAND BY THE NUMBERS

19%

of visitors are visiting Playland for the first time

60%

of guests are age 24 or younger

57%

of guests live in Metro Vancouver

33%

of guests come to Playland in groups of 5 or more

TOP 3

Reasons to visit: the fun "thing" to do, rides, games



SKYBENDER RIDE AT PLAYLAND

## FRIGHT NIGHTS

For 16 nights between October 7 and October 31, Playland transformed into a spine-chilling Halloween-themed experience, offering seven terrifying haunted houses, 19 hair-raising rides, and 102 roaming monsters and live-performing actors.

Fright Nights launched a nightly Opening Scaremony—a new concept to formally introduce guests to Fright Nights and to the Fright Nights icon, Venom.

Highlights of this year’s Fright Nights included a nightly performance of Caravan of Curiosities, the introduction of Scare Zone to replace the Carnevil house for the 2022 season only, and elevated lighting and audio to enhance the experience across the site.

For those looking to make the most of their Fright Nights experience, the new Early Access Pass gained them expedited entry into the park from 5 p.m. onwards and early access to three of the most popular haunted houses: Hollywood Horrors, Keepers Doll Factory and Darkness.

In 2022, it was the final year for guests to experience the iconic Hollywood Horrors haunted house, which will be replaced by a new house in 2023. Hollywood Horrors first opened in 2009 and has been an iconic part of the Fright Nights experience ever since. The house took guests through some of Hollywood’s classic horror films, including *Silence of the Lambs*, *Friday the 13th*, and *The Texas Chainsaw Massacre*.

Fright Nights remained a strong addition to Playland’s season and to the PNE’s year-round offerings.

## TRICKS & TREATS

Playland introduced a brand-new, one-off, family-friendly Halloween event, Tricks & Treats, in 2022. On October 29 and 30, from 12 p.m. to 4 p.m., Tricks & Treats offered 20 Playland rides, games, a candy scavenger hunt and child-friendly surprises along the way.

Despite adverse weather, the event drew a crowd of delighted children and parents to experience Halloween at Playland in a family-friendly environment.



### FRIGHT NIGHTS BY THE NUMBERS

68%

of visitors are age 24 or younger

35%

of visitors attend Fright Nights in groups of 5 or more

62%

of guests live in Metro Vancouver

41%

visited Fright Nights for the first time



Figure 8 | FRIGHT NIGHTS/HALLOWED EVES ATTENDANCE

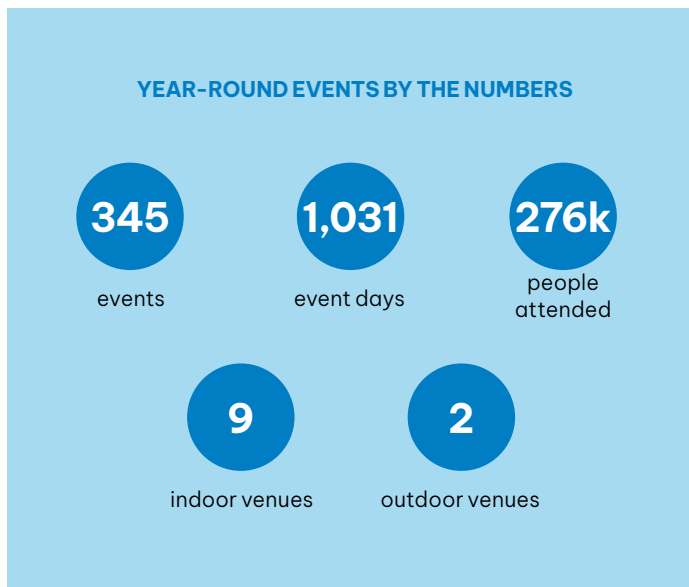
2016		75,696
2017		83,470
2018		93,454
2019		82,242
2020	OPERATING AS SLAYLAND	15,375
2021	OPERATING AS HALLOWED EVES	25,265
2022		68,587

Figure 9 | FRIGHT NIGHTS/HALLOWED EVES TOTAL REVENUES (in millions)

2016		\$3.09
2017		\$3.70
2018		\$4.31
2019		\$4.40
2020	OPERATING AS SLAYLAND	\$0.81
2021	OPERATING AS HALLOWED EVES	\$1.71
2022		\$5.34



## Year-Round Events



At the heart of our success in 2022 was our commitment to growing a diverse calendar of year-round events as we expand into a 365-days-a-year destination. From family shows, cultural shows, and arts and crafts events to sports, tradeshow and concerts, we successfully created a calendar of events that catered to a wide range of interests, age groups and cultural backgrounds, making the PNE a destination for everyone. We were extremely encouraged by the excited uptake and public appetite for these events, making 2022 an encouraging step towards solidifying our position as a prominent year-round entertainment hub in British Columbia.

The resilience and strength of the PNE team was highlighted when we faced the challenge of a group of destructive and aggressive guests at Breakout Festival in September. This group of guests caused more than \$250,000 damage to our venue and facilities, as well as an estimated \$120,000 in lost revenue at following events where our food and beverage offerings were diminished because of damaged equipment and infrastructure. Despite this, PNE staff went over and above to bounce back and successfully hosted four more events the same week, showcasing the strength of the organization and our commitment to our guests.

We also learned many lessons through an unprecedented busy fall concert season in the Amphitheatre that was the result of pandemic restrictions lifting and pushing events later into the season in a condensed calendar. The PNE received an exceptional amount of public feedback that directly influenced changes to business and calendar planning for 2023 and beyond. Public feedback also influenced expanding sound mitigation planning for 2023–2025 and sound mitigation planning in the design of the new Amphitheatre, due to be completed in 2026.

We were very pleased to see the return of popular pre-pandemic events, including Harvest Haus and Hopscotch in the Forum, as well as Vancouver Craft Beer Week and Punchbowl Festival hosted in the Hastings Park grounds. Parking lot rental, particularly for film crews, grew as filming slowly returned to pre-pandemic levels.

The PNE's full-time, long-term community tenants, Rolla Skate Club in Rollerland and CircusWest in the Garden Auditorium, remained major draws for community participation and an important part of our year-round community programs and partnerships. Rolla Skate Club diversified their events, offering a wide range of classes for different age groups and skill levels, as well as drop-in events including VanCity Soul Skate, AfroBeats Skate Night, Glam-O-Rama Roller Disco, Roller Derby Bouts and Saturday Skate Nights. CircusWest shared their talents with audiences in June through their four Year-End Showcase shows as well as their eight shows of "The Golden Ticket".

### YEAR-ROUND EVENT HIGHLIGHTS INCLUDED:

#### DISNEY ON ICE

##### – ROAD TRIP ADVENTURES

10 shows from November 23 to 27

**57,823 ATTENDEES**

Pacific Coliseum

#### MONSTER JAM

4 shows from March 17 to 19

**34,494 ATTENDEES**

Pacific Coliseum

#### SEVEN EVENTS CELEBRATING

##### LOCAL ARTS AND CRAFTS IN THE FORUM

- Vancouver Gift Expo, September & March
- Knit City
- Vancouver Comic & Toy Show, June & October
- Vancouver Gem & Mineral Winter Show
- Make It

#### 10 YEAR-ROUND

##### AMPHITHEATRE CONCERTS

(in addition to the 15 Summer Night Concerts)

**45,551 ATTENDEES**

## Federal Investment

In 2022, we were the extremely fortunate recipients of \$10 million in PacifiCan funding that was granted to the PNE through the Tourism Relief Fund. Designed to rebuild the tourism industry after the impacts of pandemic closures and restrictions, the funding was to be used for capital investments to help secure the organization for generations to come.

The funding was therefore invested in the upgrading of all lighting across our site to significantly reduce our annual utility costs, the installation of digital signage across the site to reduce printing

costs and unnecessary waste, the essential refurbishment of our beloved Wooden Roller Coaster, and the purchase of a new launch coaster, due to be ready for the 2024 Playland season.

These enhancements ensure that the PNE remains a sought-after attraction for years to come, and we were extremely grateful to the federal government for their support of BC's tourism sector and for recognizing the role the PNE plays in job creation and economic growth in BC.

Figure 10 | FACILITY SALES TOTAL REVENUES (in millions)

2016		\$8.78
2017		\$12.95
2018		\$12.37
2019		\$15.41
2020		\$4.23
2021		\$7.03
2022		\$15.76



CONCERT IN THE FORUM

# INVESTING BACK INTO OUR PARK AND COMMUNITY

## Master Plan Progress

The PNE made significant strides in progressing its Master Plan during the 2022 fiscal year, including the design of a new state-of-the-art Amphitheatre, the introduction of Canada’s fastest launch coaster to Playland, and essential infrastructure upgrades across the site.

### AMPHITHEATRE

In the second quarter of 2022, Revery, a renowned architectural firm, was awarded the design contract for the Amphitheatre. This decision marked a crucial step towards realizing the vision for this iconic venue. From April to June, the conceptual design phase was undertaken, before entering the costing stage from July to November. The schematic design development took place during the remainder of the year and a 3D model was created, bringing the project to life and providing stakeholders with a vivid visualization of the final structure.

Once completed, the Amphitheatre will be a state-of-the-art venue with a capacity of approximately 10,000. Nestled in the “Heart of the Park” with stunning panoramic views of the North Shore mountains, this world-class open-air venue will provide much needed mixed-use venue space for top-tier concerts, arts and culture programming, community events, esports events and more.

The Amphitheatre will fill a high-demand gap in Vancouver’s venue landscape, providing permanent infrastructure for the arts and culture scene that caters to the medium-sized audience. It will

create a “plug and play” platform for smaller groups, as well as new and emerging artists, that the current Amphitheatre cannot, with the overhead costs of stage, sound, lighting and venue setup.

### INTRODUCTION OF THE LAUNCH COASTER

Another notable accomplishment during the 2022 fiscal year was the completion of the concept and schematic design for the launch coaster. In the fourth quarter of 2022, the design phase for this thrilling attraction was finalized.

With plans for the launch coaster to be ready for the 2024 Playland Season, this new addition will play a huge part in the revitalization of Playland, providing new experiences for British Columbians and solidifying Playland as a leading attraction in the province. The launch coaster will be the fastest of its kind in Canada, so for local roller coaster enthusiasts, it will provide a world-class experience on their doorstep.

### INFRASTRUCTURE UPGRADES

During the first quarter of 2023, Request for Proposals (RFPs) were posted for various infrastructure projects, including site-wide improvements and enhancements to support the construction of the Amphitheatre. Additionally, plans were set in motion to upgrade the Garden Auditorium substation, ensuring the availability of reliable power supply to meet the demands of the expanded facilities.



## Capital Projects

As a 113-year-old organization, we understand the importance of longevity and ensuring the PNE continues to be an entertainment destination for British Columbians for another hundred years. Capital projects are focused on ensuring the longevity of our venues, improving the sustainability of our aging infrastructure, reducing our annual operating costs and enhancing our guest experience.

In 2022, with the help of City of Vancouver capital, we undertook upgrades to the 55-year-old Pacific Coliseum, including the installation of new rooftop heat and air-conditioning units, replacing the previous natural gas systems with all-electric heating and cooling capabilities. These upgrades support our sustainability efforts and reduce our annual costs, ensuring we have capital for other upgrades. Additionally, the Pacific Coliseum and Agrodome ice plant underwent refurbishments, including the rebuild and replacement of compressors, to ensure we can continue to provide essential ice time and space for local hockey leagues that rely on it for their season.

The Administration Building and Pacific Coliseum West Offices underwent much-needed upgrading, receiving new flooring and fresh paint throughout, with other office spaces across the park scheduled for the same upgrades in 2023. The heating and cooling system in the Administration building was upgraded to a fully electric system, as part of our commitment to sustainability and reducing our carbon footprint.

We also made the important purchase of new concert staging for the Forum. Previously, the staging from the Pacific Coliseum was shared and transported to and from the Forum when needed, which contributed labour costs each time and caused unnecessary wear and tear on the equipment. The new staging is permanently in the Forum so both venues are now equipped with their own setup.

Looking at the safety and efficiency of our spaces, we purchased new hoists for boiler and vehicle maintenance, the flat roofs of the Forum and Rollerland received essential repairs, and fall restraint systems were installed.

A major refurbishment also began on the 64-year-old Wooden Roller Coaster track and structure, with work continuing into 2023.

As part of our commitment to create inclusive spaces across Hastings Park and through our events, renovations began on the Triple O's washrooms, converting the former men's washroom to a barrier-free and unisex facility, with the project continuing into 2023. Playland's Administration Building and the Gate 13 entrance received new roofs, improving the overall aesthetics and functionality of the park.

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## Technology and Process Improvements

### INFORMATION & TECHNOLOGY TEAM PROJECTS

The past year was a period of significant progress and accomplishments for our IT department, with site-wide projects to improve guest experience and create efficiencies.

Recognizing the significance of a robust IT framework, the team developed their policies with a structured framework to improve IT services across the organization.

One of the key milestones was the implementation of the state-of-the-art Volanté point of sale (POS) system. The phased deployment of the system was executed smoothly, with full deployment accomplished for the Food and Beverage team. The new system significantly streamlined operations, resulting in enhanced guest experiences, improved transaction times and improved efficiency.

With an eye toward the future, the IT team conducted an assessment for a Wi-Fi expansion project scheduled to commence later in 2023.

Recognizing the need to accommodate current and future requirements, the IT team undertook the expansion of the network footprint. This expansion will allow for the integration of various technological advancements such as digital signage, security cameras and Wi-Fi.

Supply chain challenges dictated a phased approach to replace switches within the organization. Despite the constraints, the IT team successfully executed the switch replacement project, ensuring minimal disruption to operations and maintaining the integrity of the network infrastructure.

As part of ongoing efforts to prioritize cybersecurity, an IT Security Awareness Training program was initiated for the entire PNE team. The training aimed to enhance employees' understanding of potential risks and equip them with the knowledge necessary to protect sensitive information effectively.

In addition to the core IT initiatives, the department also provided valuable assistance on various projects throughout the year. The team also supported the assessment, selection and ongoing deployment of security cameras across the PNE grounds.

## EFFICIENCIES FOR OUR EVENT MANAGEMENT

The Sales department began a rollout of the use of their event booking software, Ungerboeck, to all other departments involved in event and venue management across the PNE. The rollout is due to be completed by Q3 2023.

Once fully implemented, the system will streamline event processes and internal communications for the entire life cycle of an event—from inquiry to booking, planning, preparation, implementation and teardown. The software will also house all event details and offer automated reports that will allow us to more effectively review our full span of events and inform our business planning.

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## Facility Maintenance

Enhancing operational efficiency remains a key priority for the PNE's Facilities and Maintenance team. This will allow the team to streamline processes, improve productivity and maximize resource utilization.

During 2022, the team implemented critical operational efficiencies that reduced the time required for venue event changeovers, improved interdepartmental collaboration and improved event margins. New equipment was purchased to reduce manual processes and improve services across the site. New software was trialed to manage work orders and improve staff scheduling.

Following a major fire in February 2022, the Facilities and Maintenance yard underwent a rebuild to maximize space, ensure appropriate working space for technical services teams and add new storage. As well, several storage areas across the site were reorganized and optimized to make assets easier to track,

reduce transport time to venues, and minimize wear and tear on equipment that is used in several venues across the site. Where appropriate, additional equipment was purchased so fewer assets need to be moved between venues.

We have also seen a significant increase in graffiti across Hastings Park in recent years, resulting in a need for increased resources to combat its proliferation. Experts were consulted to develop a plan to reduce the graffiti on-site in the most cost-effective way. Strategic initiatives for cost savings and optimization included purchasing new equipment and working with graffiti removal experts on contract to improve efficiencies and results.

The Facilities and Maintenance team's work highlights the PNE's ability to adapt, repurpose, reorganize and pivot to meet the changing and growing needs of the organization.



## Park Care

As stewards of Hastings Park, our focus remains on maintaining and enhancing the green spaces for everyone to enjoy for generations to come. From Momiji Garden to the Italian Gardens, the Sanctuary and the green spaces in between, including bocce courts for locals to enjoy and a playground frequented by local schools and daycares, our hard-working gardening team works tirelessly to keep the park tidy and safe.

In August 2022, an arborist report was undertaken to review the health of every tree in Hastings Park. At that time, 42 trees were identified as dead, and therefore unsafe, across the site. The trees were safely removed, and a replanting strategy is being developed in 2023.

Other projects in the Sanctuary included the replacement of both aerators that service the pond and the repair of the irrigation, re-establishing a supply of water to the east grounds. The pond is due to be restocked with fish in April 2023.

In March 2023, a large snowstorm sadly brought down a number of trees in the park, particularly in the Sanctuary and the Momiji Garden. Work began on safely removing the fallen trees, processing them into pieces and placing them through the Sanctuary to naturalize. This work will continue into 2023.



## Sustainability

The PNE continues to make significant strides in its commitment to sustainability, implementing initiatives focused on waste diversion and energy efficiency.

### WASTE DIVERSION

The PNE has steadily increased its waste diversion rate over the past two years. In 2022, the diversion rate was 75%, a slight decrease from the 2021 diversion rate of 76%, but still a significant improvement on 2018, 2019 and 2020, with diversion rates of 67%, 70% and 69%, respectively.

### LIGHTING

The PNE embarked on an ambitious lighting project between August 2021 and March 2023, focusing on replacing outdated, energy-intensive light fixtures with high-efficiency LED alternatives. A total of 6,629 old light fixtures and bulbs were removed, making way for the installation of 6,165 new LED light fixtures.

The project's expected annual energy savings are estimated to be a significant 1,817,000 kWh per year. These projected energy savings translate to an expected annual cost reduction of approximately \$360,000 in the PNE's electricity bill.

As part of the lighting project, Radiance Energy implemented a sophisticated site-wide lighting control system that allows for enhanced guest experience through improved indoor and outdoor lighting. The control system's flexibility enables the PNE to adjust lighting according to the time of day, day of the week, week of the month and month of the year, optimizing energy usage and providing a safer environment.



PARK GREEN SPACES

## Economic Impact

The PNE plays a crucial role in the economic growth and prosperity of Vancouver and the Lower Mainland, through various avenues such as tourism, employment and support for local businesses.

With more than 180,000 annual tourism visits, the PNE draws in visitors from around the province and elsewhere in Canada. These tourists not only spend on entry tickets but also contribute to the local economy through spending on accommodations, dining, transportation and other leisure activities.

We are the largest employer of youth in British Columbia, generating 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 first employer of a high percentage of new Canadians.

With both the Hastings Park-PNE Master Plan and the Playland Redevelopment Plan focused on enhancing Vancouver's tourism offerings, providing world-class attractions and improving public amenities, we expect the PNE's contribution to the economic development of the region to continue to grow.

**Executive Director of Hastings North Business Improvement Association (HNBIA) Patricia Barnes says the PNE is hugely important in drawing customers to Hastings-Sunrise neighbourhood businesses as well as providing employment opportunities for local youth.**

"It's great and it's one of the things our businesses really appreciate, as everyone comes into the area, they're excited and happy and they want to eat first... it's that early pre-concert crowd that we really love to see and who really participate in our neighbourhood.

I think the PNE is a hugely important asset to our community, as we know that not only do they help us by bringing all the tourists into the neighbourhood, they're also a place to go for people that live here... and there's the jobs. They provide so many jobs for the young people in our neighbourhood, and that's hugely important to all our high school students and kids coming home from university. I can't emphasize how important it is to have that opportunity to come to the PNE and work in the summer.

I would say the not-for-profits in this neighbourhood also really benefit from the PNE and the grounds with the opportunities that it brings forward for them to take part, host events and really come together as a community."





**PNE GENERATES THOUSANDS OF JOBS**

## Partnerships

In 2022, we saw a strong rebuilding of the partnership portfolio coming out of the pandemic, with brands excited and eager to engage with our guests in authentic and creative ways.

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 the PNE is just a little bit different from other spaces competing for investment dollars. Our experience working together to achieve our partners' objectives and key performance indicators shows solid success year over year. This success is the leverage our partners look for, and we thank our partners for their continued support.

The PNE builds strong community-facing programs, including our site safety initiative with BCAA (this expands upon the original child safety initiatives created a number of years ago, bringing overall guest safety to the forefront); our local food initiatives featuring Safeway, Buy BC through the Ministry of Agriculture and Food, and our agriculture partners; and our sustainability initiatives through BC Hydro in our PNE Prize Home and with our recycling partners including Return-It and the Binners' Project. Ticket accessibility is provided through our Ways to Save campaigns, with BCAA member rewards and TransLink two-for-one days on Fair Fridays.



FAMILY TIME AT THE FAIR

### 2022 PARTNERSHIP HIGHLIGHTS

The Fair welcomed guests to:

- the **Summer Night Concerts** at the GMC Stage
- a focus on electric vehicles in the **Chevrolet EV Zone**
- visits to transportation new and historical at TransLink's **Ride and Shine** exhibit
- agriculture partners, families and professional chefs at the **Safeway Cooking Stage**
- Metro Vancouver's exhibit – **Together We Make Our Region Strong** in Festival Park
- family-friendly entertainment on the **BCAA ToonCity stage**
- a multitude of brands doing experiential marketing booths throughout the 15 days

The Prize Home welcomed two new partners to the lineup—Woody's RV World and Beachcomber Hot Tubs—to complement ongoing partnerships spanning many years.

Our year-round partnerships in food and beverage continue to be strong, supported by multi-year agreements in both non-alcoholic and alcoholic beverages.



SAFEWAY COOKING STAGE AT THE FAIR

## Community Programs

With the strong return of revenue-generating activities in 2022, the PNE was able to bring back a full-time Manager of Community Relations for the first time post-pandemic and to relaunch its Community Engagement activities.

This included relaunching the KC's Kids Ticket program, supporting up to 90 non-profit charities in the Lower Mainland each year with PNE Fair, Playland and Winter Fair tickets, for the children they support who have economic, physical, emotional or cognitive challenges.

We maintained a reduced-capacity Charitable Ticket Donation Program, with tickets donated to Playland, the PNE Fair, Fright Nights and the Winter Fair, to support the fundraising efforts of non-profits and charities, schools, sports teams, arts and cultural groups, and more.

The Neighbourhood Ticket Program continued and included tickets for the inaugural Winter Fair.

We received a record level of community feedback in response to a busy and condensed Amphitheatre concert season; this feedback directly influenced business planning for future seasons. A Community Open House was hosted in November 2022, with presenters including a world-renowned sound consultant the PNE engaged for sound mitigation projects in the current Amphitheatre and in the new Amphitheatre coming in 2026.

The PNE welcomed teachers from across the Lower Mainland for a Pro-D Day at Hastings Park to learn about the internment of Japanese Canadians in the Second World War, and the cultural significance of the livestock barns in Japanese Canadian history.

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## Accessibility

We are dedicated to ensuring an inclusive and enjoyable experience for all our guests. Our goal is to make access to our rides easy and comfortable for everyone, especially for guests facing physical disabilities or those with learning/emotional impairments. To achieve this, we proudly participate in the Ride Accessibility Program, which is made possible through our participation in the Easter Seals Canada Access 2 Card program. For guests who find it challenging to stand in ride lines for extended periods, they can utilize this program by presenting their Access 2 card at our Guest Services.

At all PNE events, we offer various amenities, including first aid services, access for guide and service dogs, a child find program,



KIDS ENJOY THE WINTER FAIR

accessible parking, and gender-neutral washroom facilities. Our aim is to ensure that all our guests feel welcomed and comfortable during their time on-site.

We also proudly participate in the Vancouver Police Department (VPD) Safe Place program, which is designed to support and assist members of the LGBTQ2+ community. If someone finds themselves targeted by bullying or harassment, or is a victim of a crime, our premises are a safe place to call the police and wait for assistance. We stand with the LGBTQ2+ community and are committed to providing a secure environment for all.

# OUR PEOPLE

## Team

Our successes are a testament to the dedication and resilience of our team. Following the COVID-19 pandemic, we rebuilt our workforce with strategic intent, adding great new members who embody our vision and values. The return of many seasonal and part-time employees underscored the loyalty and commitment within our organization.

With a workforce comprising executive, management and union personnel, the PNE offers year-round employment opportunities for more than 150 full-time employees and an additional 1,200 part-time year-round staff members. With the enthusiastic return of in-person events and increased attendance capacities in 2022, the PNE quickly grew to add 2,400 seasonal employees for both the Playland and Fair seasons.

The PNE proudly remains the largest employer of youth in British Columbia. Recognizing the significance of providing essential first jobs, training and support, the PNE plays a pivotal role in equipping young individuals with the necessary skills to thrive in their future careers.

With a commitment to inclusivity and accessibility, the PNE has developed streamlined processes that provide a wide array of low-barrier-to-entry roles. These initiatives enable individuals entering or re-entering the workforce to gain work experience while creating career trajectories.

As a unionized organization, the PNE collaborates with four prominent unions—CUPE, IATSE, IUOE and IBEW—amalgamating a diverse range of skilled roles within the trades.

The organization continues to help grow the local economy, contributing \$200 million each year and employing more than 3,800 staff members annually.

The PNE values the recognition and celebration of its employees. Throughout the year, the People and Culture team implements a range of rewards programs. The Spotlight program allows managers to personally acknowledge the dedication, hard work and achievements of their team members with gift cards for popular retailers. During the Fair, more than 500 staff members were recognized through the Spotlight program. The PNE ensures that employee recognition is not just a formality but a genuine expression of gratitude and appreciation.



**The PNE prides itself on developing its team from entry-level positions into management positions, from youth employment through to career development.**

Now Assistant Manager of Corporate Partnerships, Janell Yeo began at the PNE 17 years ago as a teenager, stamping hands in the ticket booth at the PNE Fair. The PNE was the ideal part-time job for Janell while she attended school, and later, college. She moved between departments, gaining experience in the ticket booths, food and beverage, and coat check, working during the PNE Fair as well as for year-round events at the PNE before finishing up her part-time work at the PNE after nine years.

In 2021, with a Bachelor of Arts degree with a Communications Major from Simon Fraser University under her belt, Janell returned to the PNE as the Sales & Marketing Coordinator. Her knowledge of the organization and her front-line experience, combined with her education, made her the perfect candidate. She was quickly promoted to Assistant Manager of Sales & Marketing, and in December 2022, moved into the role of Assistant Manager of Corporate Partnerships.

Janell said her early days at the PNE were filled with fun, and now, as an Assistant Manager, she has continual opportunities for growth and progression in her career.

**“It’s a fun place to work, and there isn’t a day that’s the same as the day before. I find the PNE really values and supports employee development and I’m constantly learning. I’m also excited to be a part of all the great things to come in the next year and beyond.”**

**From Rides Operator to Industrial Maintenance, the PNE sponsored Jerry Wong to pursue his career more than four decades ago.**

Jerry Wong entered his 45th year with the PNE in 2022. Now a full-time Foreperson for the PNE's Facilities & Maintenance Department, Jerry works in Playland Amusement Park, maintaining and servicing its nearly 30 attractions and rides.

Jerry had his first job as a Rides Operator in Playland at the age of 16. It was a summer job that his uncle, who worked in the Maintenance team at the time, recommended to him. Jerry has not missed a PNE Fair since.

After beginning in the Rides department during school holidays, Jerry transferred to the Facilities & Maintenance Department for full-time employment, and soon after, he began studies towards his trades tickets with help from Playland.

Playland, which at that time was privately owned, sponsored Jerry to complete his Machinist and Millwright (Industrial Mechanic) apprenticeships and certifications. Jerry became certified in 1992 and has remained at Playland as a full-time union employee ever since.

For Jerry, it is the great people and the diversity of work that have kept him in the job. As a long-serving union employee, Jerry also enjoys the benefits that come with more than four decades of service. Jerry says he's also enjoyed watching the evolution of rides and attractions, and learning how each new one works.

**“The job is neat, and there is something different all the time. It's never mundane, and I encounter a wide variety of challenges every day.”**

**Janis Dickson is one of the PNE's longest-serving team members, celebrating more than 50 years of service.**

Janis grew up across the street from the PNE and began her career at the organization in 1972 when she was 15. Her first shift was at Empire Stadium working a BC Lions football game, when hot dogs were 25 cents and a cup of coffee was 10 cents. Janis worked her first Fair that same year and continued part-time until 1976 when she was offered a full-time role in the Concession Office doing scheduling, ordering and supervising during events.

Janis says it's the people that keep her coming back.

**“I have always worked with a great team of managers and staff in the Food and Beverage Department. We are like one big happy family! Over the years I have met a lot of great people and made numerous friends. It's definitely the staff and people I meet that bring me back year after year.”**

For Janis, the PNE has also been a full family affair. Her grandpa worked as a groundskeeper, and her two sisters, daughter, son and niece have all worked in the Food and Beverage Department over the years. Janis' mom also worked at the Hastings Racecourse.

**“The PNE has been a huge part of my life over the past 52 years, and I'm not done yet!”**



**BREAKDANCE RIDE AT PLAYLAND**

## SafeConnect

In February 2023, the PNE showcased its commitment to safety, collaboration, innovation and inspired leadership through the inaugural SafeConnect Conference at the Pacific Coliseum. This five-day event served as a platform to address the ongoing safety training needs of the PNE and Playland staff responsible for the tasks of ride installation, maintenance and inspection.

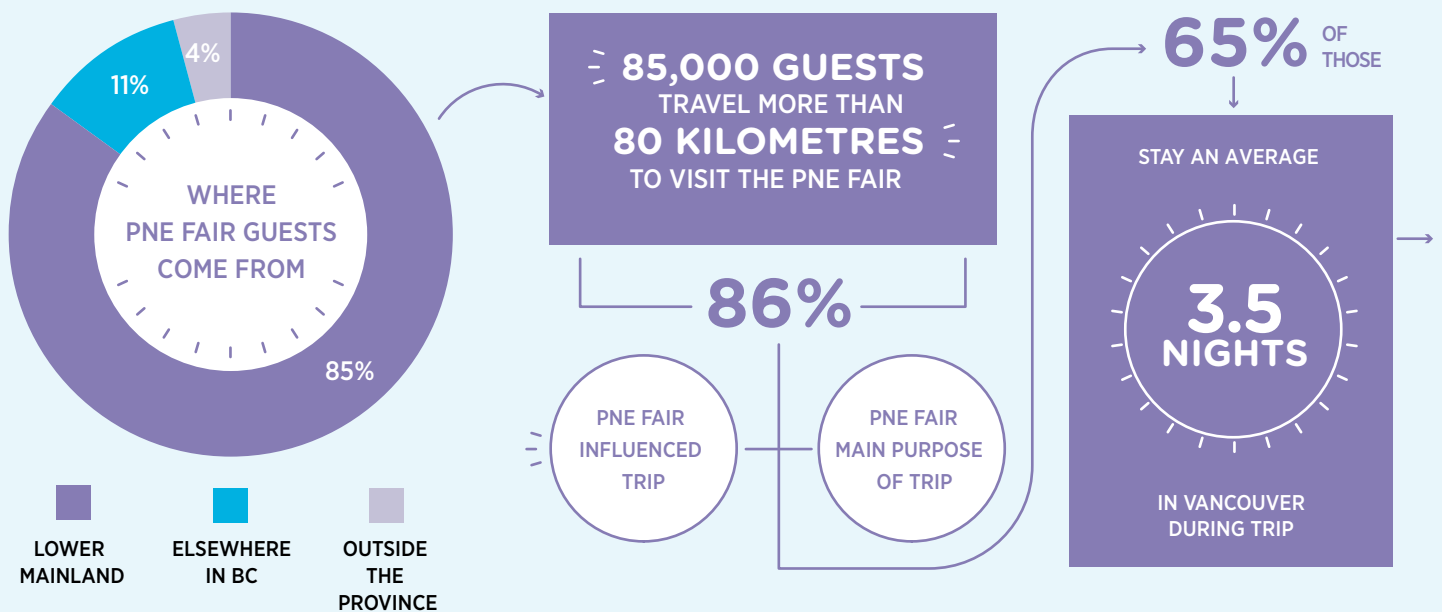
SafeConnect, distinguished as the first-ever Canadian amusement park safety conference of its kind, attracted participants from across Canada, establishing itself as an important gathering for knowledge sharing, best practices and collaboration. The PNE will continue to deliver this as an annual event.



**“Safety is paramount in the attractions industry. SafeConnect participants learn from leading industry safety experts and connect with colleagues from across North America to share best practices. We bet our businesses on safety, and this conference allows attendees to examine safety from every angle.”**

—Michael Shelton, Regional Vice President and Executive Director, IAAPA North America

## TYPICAL ANNUAL ECONOMIC IMPACT OF THE PACIFIC NATIONAL EXHIBITION





FAMILIES ENJOY BUG WHIRLED





PNE STAFF AT THE PACNET '22 CONFERENCE



HONOURABLE LANA POPHAM, MINISTER OF TOURISM, ARTS, CULTURE AND SPORT, DOING A MINI DONUT TASTE TEST



DINOSAURS AT THE FAIR



FLUTTERBYE IN ACTION





FAIR CROWDS



PACIFIC SPIRIT HORSE SHOW



PNE PEP BAND PERFORMS



CAROLLERS AT WINTER FAIR

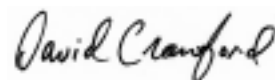
# REPORT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The *Pacific National Exhibition Incorporation Act* of 1973, later amended by the 2003 *Pacific National Exhibition 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 2022 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.



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**Shelley Frost**  
President and  
Chief Executive Officer



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**David Crawford**  
Vice President, Finance  
and Corporate Services

# CORPORATE GOVERNANCE

## 2022 Board of Directors

The Hastings Park-PNE Board of Directors, as appointed by Vancouver City Council, were as follows for 2022:

### CHAIR

Sarah Kirby-Yung, Councillor  
City of Vancouver (from November 5, 2022)

Lisa Dominato, Councillor  
City of Vancouver (until November 5, 2022)

### VICE CHAIR

Donnie Rosa, General Manager, Park Board,  
City of Vancouver

### TREASURER

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

### DIRECTORS

Paul Mochrie, Deputy City Manager  
City of Vancouver

Rachel Roy, Partner  
Allevato, Quail & Roy

Ty Speer, CEO  
St. John's Ambulance

Maury Kask  
Retired Executive and ICD Director

Raj Sihota, Vice President  
Strategies 360

## Executive Management Committee

### PRESIDENT AND CHIEF EXECUTIVE OFFICER

Shelley Frost

### VICE PRESIDENT, PEOPLE, CULTURE AND PLANNING

Stacy Shields

### VICE PRESIDENT, SALES, MARKETING AND BUSINESS DEVELOPMENT

Karen Massicotte

### VICE PRESIDENT, OPERATIONS

Jeff Strickland (until January 2023)

### VICE PRESIDENT, FINANCE AND CORPORATE SERVICES

David Crawford

### EXECUTIVE ASSISTANT AND CORPORATE SECRETARY

Salome Valente

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## 2022 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

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## 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.



# FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023 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 "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our auditor's 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.

# INDEPENDENT AUDITOR'S REPORT

## ***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.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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



# INDEPENDENT AUDITOR'S REPORT

- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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.

The image shows a handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, slightly slanted style. Below the signature, there is a horizontal line that tapers at both ends, serving as a decorative underline.

Chartered Professional Accountants

Vancouver, Canada  
July 6, 2023

# STATEMENT OF FINANCIAL POSITION

March 31, 2023, with comparative information for 2022

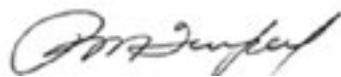
	As at March 31, 2023	As at March 31, 2022
<b>Financial Assets</b>		
Cash	\$ -	\$ 4,754,873
Accounts receivable (notes 4 and 5)	7,989,564	4,696,771
	7,989,564	9,451,644
<b>Liabilities</b>		
Bank indebtedness (note 6)	4,997,842	-
Bank loans (note 6)	6,833,882	5,353,984
Accounts payable and accrued liabilities (notes 5 and 7)	17,694,971	23,616,789
Deferred revenue	961,013	1,271,399
	30,487,708	30,242,172
Net debt	(22,498,144)	(20,790,528)
<b>Non-Financial Assets</b>		
Tangible capital assets (note 9)	45,531,819	20,227,878
Inventories held for use	871,459	838,232
Prepaid expenses	1,741,563	3,733,919
	48,144,841	24,800,029
Subsequent event (note 6)		
Contingent liabilities (note 12)		
Accumulated surplus	\$ 25,646,697	\$ 4,009,501

See accompanying notes to financial statements.

Approved on behalf of the Board:



Sarah Kirby-Yung, Director



Patrice Impey, Director

# STATEMENT OF OPERATIONS

Year ended March 31, 2023, with comparative information for the year ended March 31, 2022

	Budget for the year ended March 31, 2023	Year ended March 31, 2023	Year ended March 31, 2022
	(Note 2 (i))		
<b>Revenue</b>			
Fairs and festivals	\$ 33,595,907	\$ 35,963,037	\$ 21,484,890
Playland	16,390,235	14,960,431	8,896,269
Year-round events	13,793,820	15,760,603	7,032,833
Government grants (note 10)	-	17,394,337	4,105,663
Other	671,038	1,319,624	134,130
	64,451,000	85,398,032	41,653,785
<b>Expenses (note 13)</b>			
Advertising	2,216,710	2,324,709	1,335,065
Agriculture	1,240,210	789,310	338,383
Entertainment	5,603,173	7,166,789	1,446,857
Exhibit space	544,803	552,287	281,314
Fair and festival operations	956,565	1,082,334	442,118
Finance and corporate services	6,183,383	6,307,777	5,169,966
Food and beverage	7,607,264	8,220,295	3,927,092
Games	1,515,079	1,154,726	898,183
Guest services	556,595	420,932	194,041
Information services	1,639,624	1,430,465	1,350,065
Lotteries	5,126,769	5,162,945	4,166,835
Marketing and sponsorship	1,548,234	1,459,085	968,644
Office of the President	2,626,190	1,085,324	875,817
Operations	735,348	830,336	1,834,660
People and culture (human resources)	2,864,790	2,600,636	1,682,947
Playland tech services	7,997,943	7,744,968	5,327,795
Public safety and parking	3,318,110	4,241,939	1,598,896
Sales and group sales	826,163	860,652	779,018
Tech services	5,929,327	6,341,911	3,341,297
TicketLeader	3,196,730	3,983,416	1,328,065
	62,233,010	63,760,836	37,287,058
Annual surplus	2,217,990	21,637,196	4,366,727
Accumulated surplus (deficit), beginning of year	4,009,501	4,009,501	(357,226)
Accumulated surplus, end of year	\$ 6,227,491	\$ 25,646,697	\$ 4,009,501

See accompanying notes to financial statements.

## STATEMENT OF CHANGES IN NET DEBT

Year ended March 31, 2023, with comparative information for the year ended March 31, 2022

	Budget for the year ended March 31, 2023  (Note 2 (i))	Year ended March 31, 2023	Year ended March 31, 2022
Annual surplus	\$ 2,217,990	\$ 21,637,196	\$ 4,366,727
Acquisition of tangible capital assets	(2,602,944)	(28,092,115)	(3,074,766)
Loss on disposal of tangible capital assets	-	86,297	904,122
Amortization of tangible capital assets	2,508,180	2,701,877	1,865,681
	2,123,226	(3,666,745)	4,061,764
Acquisition of inventories held for use	-	(3,704,916)	(2,089,825)
Increase in prepaid expenses	-	(2,488,867)	(3,878,232)
Consumption of inventories held for use	-	3,671,689	2,017,013
Use of prepaid expenses	-	4,481,223	1,922,339
	-	1,959,129	(2,028,705)
Decrease (increase) in net debt	2,123,226	(1,707,616)	2,033,059
Net debt, beginning of year	(20,790,528)	(20,790,528)	(22,823,587)
Net debt, end of year	\$ (18,667,302)	\$ (22,498,144)	\$ (20,790,528)

See accompanying notes to financial statements.

# STATEMENT OF CASH FLOWS

Year ended March 31, 2023, with comparative information for the year ended March 31, 2022

	Year ended March 31, 2023	Year ended March 31, 2022
Cash provided by (used in):		
<b>Operations</b>		
Annual surplus	\$ 21,637,196	\$ 4,366,727
Items not involving cash:		
Loss on disposal of tangible capital assets	86,297	904,122
Amortization of tangible capital assets	2,701,877	1,865,681
Changes in non-cash operating working capital:		
Increase in accounts receivable	(3,292,793)	(3,646,697)
Increase in inventories held for use	(33,227)	(72,812)
Decrease (increase) in prepaid expenses	1,992,356	(1,955,893)
Increase (decrease) in accounts payable and accrued liabilities	(5,921,818)	13,720,784
Increase (decrease) in deferred revenue	(310,386)	838,727
Net change in cash from operating activities	16,859,502	16,020,639
<b>Capital activities</b>		
Cash used to acquire tangible capital assets	(28,092,115)	(3,074,766)
Net change in cash from capital activities	(28,092,115)	(3,074,766)
<b>Financing activities</b>		
Proceeds from (repayment of) bank indebtedness	4,997,842	(850,425)
Proceeds from (repayment of) bank loans	1,479,898	(7,340,575)
Net change in cash from financing activities	6,477,740	(8,191,000)
Increase (decrease) in cash	(4,754,873)	4,754,873
Cash, beginning of year	4,754,873	-
Cash, end of year	\$ -	\$ 4,754,873

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 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.

## 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.

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.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 2. Summary of significant accounting policies (continued):

(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, which includes deposits paid for the purchase of tangible capital assets prior to the assets being received by PNE, are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to PNE's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

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

(iii) Inventories held for use:  
Inventories held for use are recorded at the lower of cost and replacement cost.

Inventories consist of stores, plush toys, merchandise, and food and beverages 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.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 2. Summary of significant accounting policies (continued):

### (d) Financial instruments:

Financial instruments consist of accounts receivable, accounts payable and accrued liabilities, bank indebtedness, 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, 2023, 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. PNE has not elected to carry any other financial 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, 2023 and March 31, 2022. 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.

### (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:

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



# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 2. Summary of significant accounting policies (continued):

(f) Liability for contaminated sites (continued):

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. There are no contaminated sites liabilities recorded as at March 31, 2023 and March 31, 2022.

(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.

(h) Foreign currency:

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

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, 2023 and March 31, 2022. 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, 2023 approved by the Board of Directors of the PNE on April 7, 2022. 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.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 3. Adoption of new accounting standard:

On April 1, 2022, PNE adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) The past transaction or event giving rise to the liability has occurred;
- (c) It is expected that future economic benefits will be given up; and,
- (d) A reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets. As at March 31, 2023, PNE determined that there were no significant asset retirement obligations associated with its tangible capital assets and hence, the adoption of this standard did not have an impact on the amounts presented in these financial statements.

## 4. Accounts receivable:

	As at March 31, 2023	As at March 31, 2022
Accounts receivable	\$ 8,103,129	\$ 4,867,167
Allowance for doubtful accounts	(113,565)	(170,396)
	\$ 7,989,564	\$ 4,696,771

## NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

### 5. 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, Tourism Relief Fund, the Canada Emergency Wage Subsidy and the Tourism and Hospitality Recovery Program, the amounts below arise from the normal course of operations:

	As at March 31, 2023	As at March 31, 2022
Accounts receivable:		
Major Festivals and Events (note 10(a))	\$ 1,110,966	\$ 2,605,663
Tourism Relief Fund (note 10(b))	5,132,024	-
City of Vancouver	155,408	225,674
	<u>6,398,398</u>	<u>2,831,337</u>
Accounts payable and accrued liabilities:		
City of Vancouver	\$ (10,612)	\$ (34,306)
Payroll tax remittances	(178,116)	(61,133)
Indirect and other taxes	(296,527)	(160,900)
Canada Emergency Wage Subsidy (a)	(6,507,415)	(6,957,207)
Tourism and Hospitality Recovery Program (b)	(1,138,622)	(1,204,194)
	<u>\$ (8,131,292)</u>	<u>\$ (8,417,740)</u>

- (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. This program ended in October 2021. As PNE is in the process of assessing their eligibility to retain cash payments received, the total amount received as at March 31, 2023 of \$6,507,415 (as at March 31, 2022 - \$6,957,207) has been recorded in accounts payable and accrued liabilities.
- (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. As PNE is in the process of assessing their eligibility to retain these cash payments, the total amount received as at March 31, 2023 of \$1,138,622 (as at March 31, 2022 - \$1,204,194) has been recorded in accounts payable and accrued liabilities.

## NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

### 6. Bank indebtedness and bank loans:

	As at March 31, 2023	As at March 31, 2022
Bank indebtedness	\$ 4,997,842	\$ -
Bank loans:		
Demand operating loan	3,000,000	-
Instalment loan for capital	3,833,882	5,353,984
	6,833,882	5,353,984
	\$ 11,831,724	\$ 5,353,984

PNE has a revolving facility with a Canadian chartered bank. Subsequent to the year ended March 31, 2023, the facility agreement was amended for the period of April 25, 2023 to October 31, 2023 to provide a temporary maximum borrowing of \$16,000,000 in operating credit and \$16,000,000 for instalment loan for capital purchases. Effective November 1, 2023, the limit will revert to \$11,000,000 (as at March 31, 2022 - \$11,000,000) in operating credit and \$21,000,000 (as at March 31, 2022 - \$21,000,000) for instalment loan for capital purchases. The facilities bear interest at the bank prime rate minus 0.25%. The operating loan and bank indebtedness are due on demand and have 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, 2024	\$ 1,293,184
March 31, 2025	769,164
March 31, 2026	537,934
March 31, 2027	428,040
March 31, 2028	428,022
Thereafter	377,538
	\$ 3,833,882

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, 2022 - \$32,000,000) has been provided as security for the bank indebtedness, operating loan and instalment loan for capital.

As at March 31, 2023, PNE has issued a letter of credit for \$80,000 (as at March 31, 2022 - \$80,000) for its liquor operations.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 7. Accounts payable and accrued liabilities:

	As at March 31, 2023	As at March 31, 2022
Accounts payables and accrued liabilities	\$ 8,784,386	\$ 13,979,914
Canada Emergency Wage Subsidy (note 5(a))	6,507,415	6,957,207
Tourism and Hospitality Recovery Program (note 5(b))	1,138,622	1,204,194
Salaries and benefits payable	815,334	1,046,977
Accrued vacation pay	449,214	428,497
	<u>\$ 17,694,971</u>	<u>\$ 23,616,789</u>

## 8. Pension benefits:

PNE and its employees contribute to the Plan, a jointly trustee pension plan. The Plan's Board of Trustees, representing plan members and employers, is responsible for the management of the Plan, including investment of the assets and administration of benefits. The Plan is a defined benefit multi-employer contributory pension plan. The Plan has approximately 240,000 active members, of whom 138 are employees of PNE, and 124,000 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 latest actuarial valuation as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis and a balance of \$3,185 million in the rate stabilization account. The next valuation will be as at December 31, 2024, with results available in 2025. 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, 2023, PNE paid \$880,773 (year ended March 31, 2022 - \$680,326) for employer contributions while employees contributed \$814,550 (year ended March 31, 2022 - \$616,453) to the Plan.

## NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

### 9. Tangible capital assets:

Cost	As at March 31, 2022	Additions	Disposals	Transfers	At at March 31, 2023
Machinery, furniture and equipment	\$ 20,930,946	\$ -	\$ -	\$ 11,696,835	\$ 32,627,781
Playland rides and equipment	28,265,069	-	(862,968)	7,292,716	34,694,817
Assets under construction and deposits	2,541,885	28,092,115	-	(18,989,551)	11,644,449
<b>Total</b>	<b>\$ 51,737,900</b>	<b>\$ 28,092,115</b>	<b>\$ (862,968)</b>	<b>\$ -</b>	<b>\$ 78,967,047</b>

Accumulated amortization	As at March 31, 2022	Amortization expense	Disposals	As at March 31, 2023
Machinery, furniture and equipment	\$ 15,473,022	\$ 1,610,786	\$ -	\$ 17,083,808
Playland rides and equipment	16,037,000	1,091,091	(776,671)	16,351,420
<b>Total</b>	<b>\$ 31,510,022</b>	<b>\$ 2,701,877</b>	<b>\$ (776,671)</b>	<b>\$ 33,435,228</b>

Net book value	As at March 31, 2022	As at March 31, 2023
Machinery, furniture and equipment	\$ 5,457,924	\$ 15,543,973
Playland rides and equipment	12,228,069	18,343,397
Assets under construction and deposits	2,541,885	11,644,449
<b>Total</b>	<b>\$ 20,227,878</b>	<b>\$ 45,531,819</b>

- (a) Assets under construction and deposits:  
Assets under construction and deposits having a value of \$11,644,449 (as at March 31, 2022 - \$2,541,885) have not been amortized. Amortization 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, 2023 (as at March 31, 2022 - nil).

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 10. 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 funded 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 \$7,394,337 (year ended March 31, 2022 - \$2,605,663) of revenue in the statement of operations based on the project costs incurred in the year ended March 31, 2023, of which \$1,110,966 (as at March 31, 2022 - \$2,605,663) is included in accounts receivable as at March 31, 2023 (note 5).
- (b) In the year ended March 31, 2023, PNE was the recipient of a \$10,000,000 grant from the Tourism Relief Fund administered by Pacific Economic Development Canada on behalf of the Canadian government. The grant funded eligible costs incurred between September 1, 2022 and March 31, 2023 for certain site improvements and capital upgrades to increase the accessibility and long-term operational viability of year-round events. PNE has recognized \$10,000,000 of revenue in the statement of operations based on the project costs incurred in the year ended March 31, 2023, of which \$5,132,024 is included in accounts receivable as at March 31, 2023 (note 5).

## 11. 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.

# NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

## 11. Financial risk management (continued):

### (b) Market risks (continued):

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 indebtedness and bank loans which bear a floating rate of interest.

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.

### (c) Liquidity risk:

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

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

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

## 12. 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, 2023, there are no significant outstanding claims.



## NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2023

### 13. Expenses by object:

The following is a summary of expenses by object:

	Year ended March 31, 2023	Year ended March 31, 2022
Cost of goods sold	\$ 3,536,827	\$ 1,645,885
General and administrative	31,718,971	16,420,943
Payroll	25,490,601	16,340,187
Loss on disposal of tangible capital assets	86,297	904,122
Amortization of tangible capital assets	2,701,877	1,865,681
Interest - bank loans	40,984	36,484
Interest - term finance	185,279	73,756
	<u>\$ 63,760,836</u>	<u>\$ 37,287,058</u>

### 14. 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, 2024	\$ 799,202
March 31, 2025	301,131
March 31, 2026	66,789
March 31, 2027	66,789
March 31, 2028	66,789
Thereafter	48,445
	<u>\$ 1,349,145</u>

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

### 15. Comparative information:

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

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