

Financial Statements of

HALIFAX METRO CENTRE

Year ended March 31, 2010



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AUDITORS' REPORT

To the Chairperson and Members of the Board of Trade Centre Limited

We have audited the statement of financial position of Halifax Metro Centre as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Halifax, Canada

May 28, 2010

HALIFAX METRO CENTRE

Statement of Financial Position

March 31, 2010, with comparative figures for 2009

	Restricted	General	2010 Total	2009 Total
Assets				
Current assets:				
Cash	\$ -	\$ 5,570,560	\$ 5,570,560	\$ 8,670,108
Accounts receivable	-	815,309	815,309	1,323,959
Prepaid expenses	-	124,480	124,480	119,722
	\$ -	\$ 6,510,349	\$ 6,510,349	\$10,113,789

Liabilities and Net Assets

Current Liabilities:

Trade accounts payable and accrued liabilities	\$ -	\$ 301,518	\$ 301,518	\$ 396,757
Advance ticket sales	-	2,173,725	2,173,725	5,313,023
Due to Halifax Regional Municipality	-	43,006	43,006	22,419
Due to (from) internal funds	(55,832)	55,832	-	-
Due to Trade Centre Limited	-	2,412,731	2,412,731	2,582,024
Unearned revenue	-	1,003,893	1,003,893	1,089,132
	(55,832)	5,990,705	5,934,873	9,403,355
Net assets	55,832	519,644	575,476	710,434
Contingencies (note 3)				
	\$ -	\$ 6,510,349	\$ 6,510,349	\$10,113,789

See accompanying notes to financial statements.

On behalf of the Board of Trade Centre Limited:


 _____ Director


 _____ President

HALIFAX METRO CENTRE

Statement of Operations

Year ended March 31, 2010, with comparative figures for 2009

	General	2010 Total	General	2009 Total
Revenue	\$ 7,165,956	\$ 7,165,956	\$ 8,530,335	\$ 8,530,335
Expenditures:				
Events	2,963,546	2,963,546	3,386,165	3,386,165
Salaries/administration	2,009,681	2,009,681	2,167,495	2,167,495
Marketing promotions	183,265	183,265	163,201	163,201
Operations	237,854	237,854	181,112	181,112
Maintenance	813,038	813,038	1,409,171	1,409,171
Energy	423,665	423,665	551,288	551,288
Bad debts	2,572	2,572	(6,987)	(6,987)
	6,633,621	6,633,621	7,851,445	7,851,445
Excess of revenue over expenditures	\$ 532,335	\$ 532,335	\$ 678,890	\$ 678,890

See accompanying notes to financial statements.

HALIFAX METRO CENTRE

Statement of Changes in Net Assets

Year ended March 31, 2010, with comparative figures for 2009

	Restricted	General	2010 Total	2009 Total
Balance, beginning of year	\$ 43,141	\$ 667,293	\$ 710,434	\$ 1,225,769
Excess of revenue over expenditures	-	532,335	532,335	678,890
Internal transfers (note 2)	12,691	(12,691)	-	-
Transfers to HRM (note 2)	-	(667,293)	(667,293)	(1,194,225)
Balance, end of year	\$ 55,832	\$ 519,644	\$ 575,476	\$ 710,434

See accompanying notes to financial statements.

HALIFAX METRO CENTRE

Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 532,335	\$ 678,890
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	508,650	(668,756)
Decrease (increase) in prepaid expenses	(4,758)	1,221,580
Increase (decrease) in due to Trade Centre Limited	(169,293)	1,338,066
Decrease in trade accounts payable and accrued liabilities	(95,239)	(368,518)
Decrease in advance ticket sales	(3,139,298)	(413,683)
Decrease in unearned revenue	(85,239)	(78,136)
	(2,452,842)	1,709,443
Financing:		
Increase in due to Halifax Regional Municipality	20,587	174,540
Financing and investing:		
Transfer to HRM	(667,293)	(1,194,225)
Increase (decrease) in cash	(3,099,548)	689,758
Cash, beginning of year	8,670,108	7,980,350
Cash, end of year	\$ 5,570,560	\$ 8,670,108

See accompanying notes to financial statements.

HALIFAX METRO CENTRE

Notes to Financial Statements

Year ended March 31, 2010

The Halifax Metro Centre (the "Centre") is a sports and entertainment complex managed and operated for the Halifax Regional Municipality ("HRM") by Trade Centre Limited, a body corporate, incorporated under the laws of the Province of Nova Scotia. The Centre's operations are financed by the HRM and all profits from the Centre accrue to the account of the HRM.

1. Significant accounting policy:

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

(a) Fund accounting

The Centre follows the restricted fund method of accounting for contributions. The General Fund accounts for the Centre's program delivery and administrative activities. The restricted fund includes a Capital Reserve Fund which is a reserve fund designated to provide for the eventual replacement of motorized equipment and other approved expenditures.

(b) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Capital assets:

The land, building and equipment utilized and operated by the Centre are owned by the HRM and are not included in these financial statements. Outlays for small equipment are expensed in the year incurred. The cost of the debt and depreciation related to these assets are not recorded in these financial statements.

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that 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 revenues and expenses during the year. Actual results could differ from those estimates.

HALIFAX METRO CENTRE

Notes to Financial Statements

Year ended March 31, 2010

2. Transfers:

(a) Internal transfers:

Each year, funds are transferred from the General Fund to the Capital Reserve Fund to the extent the Centre deems necessary. During 2010, \$12,691 (2009 - \$11,597) was transferred to the Capital Reserve Fund for these purposes.

(b) Transfers to the Halifax Regional Municipality:

During the year, the Centre transferred the following amounts to the HRM:

	2010	2009
Prior year's surplus - General Fund	\$ 667,293	\$ 810,103
Capital expenditure	-	384,122
	\$ 667,293	\$ 1,194,225

3. Contingencies:

As of March 31, 2010 there are a number of claims against the HRM for events which have arisen in the normal course of carrying on the operations of the Centre. It is not possible at this time to determine the amounts that may be assessed, or the impact to the Centre's financial statements, with respect to these claims.

4. Related party transactions:

Trade Centre Limited pays certain expenses, including payroll, on behalf of the Centre and is then reimbursed by the Centre. All transactions are recorded at cost.

Interest revenue in the amount of \$19,031 (2009 - \$163,566) was allocated to the Centre by the HRM for interest earned on cash deposits held on behalf of the Centre by the HRM as part of their banking pool arrangement with the bank.

Included in revenue are commissions in the amount of \$95,412 (2009 - \$115,414) paid to the Centre by the Trade Centre Limited for commissions earned on ticket sales purchased through Ticket Atlantic, a division of Trade Centre Limited.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

HALIFAX METRO CENTRE

Notes to Financial Statements

Year ended March 31, 2010

5. Employee pension plan:

Employees of the Centre participate in the Public Service Superannuation Fund (the "Plan"), a contributory defined benefit pension plan administered by the Province of Nova Scotia, which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. Total employer contributions for the year were \$141,190 (2009 - \$131,320) and are recognized as an expense in the period. The Centre is not responsible for any under-funded liability, nor does the Centre have any access to any surplus that may arise in this Plan.

6. Fair value of financial instruments and risk management activities:

The Centre's financial instruments, being cash, accounts receivable, trade accounts payable and accrued liabilities, due to Trade Centre Limited and due to/from Halifax Regional Municipality, approximate fair value due to the relatively short-term to maturity.

The Centre's assets are primarily exposed to credit risk which is the risk that a debtor may not pay amounts owing thus resulting in a loss. To mitigate this risk the Centre undertakes credit checks to ensure the credit worthiness of its customers prior to entering into any rental agreements or other contracts.

The Centre does not maintain any permanent capital as each year's surplus is transferred to the Halifax Regional Municipality.

7. Comparative figures:

Certain 2009 comparative figures have been reclassified to conform with the financial presentation adopted per the current year.