

**Ottawa Convention Centre Corporation / Société
du Centre des Congrès d'Ottawa**

**Financial Statements
March 31, 2026**

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Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
City Park Place, Suite 200
1900 City Park Drive
Ottawa, Ontario
K1J 1A3

T 613-236-2211

To the Members of
Ottawa Convention Centre Corporation / Société du Centre
des Congrès d'Ottawa

Opinion

We have audited the financial statements of Ottawa Convention Centre Corporation / Société du Centre des Congrès d'Ottawa (hereafter "the Centre"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2026, and the results of its operations, its remeasurement gains and losses 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 report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Centre'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 the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre'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 the Centre'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 the Centre 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.

We 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.

Raymond Chabot Grant Thornton LLP

Chartered Professional Accountants,
Licensed Public Accountants

Ottawa, Canada
July 6, 2026

Ottawa Convention Centre Corporation / Société du Centre des Operations

Year ended March 31, 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
Revenues		
Food and beverage	13,787,451	11,809,833
Space rental	5,945,702	6,477,703
Commissions	3,325,042	3,521,695
Advertising	750,613	696,213
Interest	322,032	484,483
	<u>24,130,840</u>	<u>22,989,927</u>
Expenses		
Direct	9,945,596	8,659,440
Facilities	7,723,625	6,897,533
Selling, general and administrative	4,495,874	4,431,584
	<u>22,165,095</u>	<u>19,988,557</u>
Excess of revenues over expenses before other revenues (expenses)	<u>1,965,745</u>	<u>3,001,370</u>
Other revenues (expenses)		
Interest on long-term debt	(1,005,716)	(1,015,936)
Amortization of deferred contributions related to tangible capital assets	4,063,916	3,977,726
Amortization of tangible capital assets	<u>(5,491,140)</u>	<u>(5,218,952)</u>
	<u>(2,432,940)</u>	<u>(2,257,162)</u>
Excess (deficiency) of revenues over expenses	<u>(467,195)</u>	<u>744,208</u>

The accompanying notes are an integral part of the financial statements.

Ottawa Convention Centre Corporation / Société du Centre des Changes in Net Assets

Year ended March 31, 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
Net assets, beginning of year	13,820,798	13,076,590
Excess (deficiency) of revenues over expenses	<u>(467,195)</u>	<u>744,208</u>
Net assets balances, end of year	<u>13,353,603</u>	<u>13,820,798</u>

The accompanying notes are an integral part of the financial statements.

Ottawa Convention Centre Corporation / Société du Centre des Cash Flows

Year ended March 31, 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(467,195)	744,208
Non-cash items		
Amortization of tangible capital assets	5,491,140	5,218,952
Amortization of deferred contributions related to tangible capital assets	(4,063,916)	(3,977,726)
Changes in working capital items		
Trade and other receivables	704,925	1,683,652
Prepaid expenses	(223,068)	(18,514)
Trade payables and other operating liabilities	(807,332)	(53,196)
Deferred revenue and deposits	(707,857)	45,424
Cash flows from operating activities	(73,303)	3,642,800
INVESTING ACTIVITIES		
Acquisitions of tangible capital assets and cash flows from investing activities	(1,321,645)	(2,584,257)
FINANCING ACTIVITIES		
Capital contributions received	3,918,249	776,973
Repayment of long-term debt	(224,284)	(214,063)
Cash flows from financing activities	3,693,965	562,910
Net increase in cash	2,299,017	1,621,453
Cash, beginning of year	11,846,268	10,224,815
Cash, end of year	<u>14,145,285</u>	<u>11,846,268</u>

The accompanying notes are an integral part of the financial statements.

Ottawa Convention Centre Corporation / Société du Centre des Financial Position

March 31, 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
ASSETS		
Current		
Cash	14,145,285	11,846,268
Trade and other receivables (Note 3)	1,179,510	1,663,900
Prepaid expenses	<u>393,339</u>	<u>170,271</u>
	15,718,134	13,680,439
Long-term		
Tangible capital assets (Note 4)	<u>115,326,175</u>	119,495,670
	<u><u>131,044,309</u></u>	<u><u>133,176,109</u></u>
LIABILITIES		
Current		
Trade payables and other operating liabilities (Note 6)	2,220,542	3,027,874
Current portion of deferred revenue and deposits	3,102,612	3,714,036
Current portion of long-term debt	<u>224,284</u>	<u>224,284</u>
	5,323,154	6,966,194
Long-term		
Deferred revenue and deposits	417,325	513,758
Long-term debt (Note 7)	27,583,238	27,583,238
Deferred contributions related to tangible capital assets (Note 8)	<u>84,366,989</u>	<u>84,292,121</u>
	117,690,706	119,355,311
NET ASSETS	<u><u>13,353,603</u></u>	<u><u>13,820,798</u></u>
	<u><u>131,044,309</u></u>	<u><u>133,176,109</u></u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Ottawa Convention Centre Corporation / Société du Centre des Notes to Financial Statements

March 31, 2026

1 - GOVERNING STATUTES AND NATURE OF THE CENTRE

The Centre was incorporated by a special act of the Ontario Provincial Legislature. The mandate of the Centre is to operate, maintain and manage an international class convention centre facility in the City of Ottawa in a manner that will promote and develop tourism and industry in Ontario. The Centre is exempt from income taxes.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Centre's financial statements are prepared in accordance with Canadian public sector accounting standards in the *CPA Canada Public Sector Accounting Handbook*. The Centre has elected to apply the accounting standard recommendations applicable solely to government not-for-profit organizations in Sections PS 4200 to PS 4270 of the *CPA Canada Public Sector Accounting Handbook*.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Centre may undertake in the future. Actual results may differ from these estimates.

Revenue recognition

Contributions

The Centre follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Food, beverage and space rental, advertising and commissions

The Centre's revenue from food, beverage and space rental is recognized when persuasive evidence of an arrangement exists, the related goods or services are provided to the customer, the price to the customer is fixed or determinable and collection is reasonably assured. Advertising revenue is recognized in the year in which the advertising is provided to the customer. Commission revenue is recognized in the year in which the related event is held. Deferred revenue and deposits represent amounts received in advance from customers in relation to services to be rendered in future periods.

Interest

Interest income is recognized on a time apportionment basis.

Ottawa Convention Centre Corporation / Société du Centre des Notes to Financial Statements

March 31, 2026

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities

Initial measurement

The Centre recognizes a financial asset or a financial liability on the statement of financial position when, and only when, it becomes a party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

Subsequent measurement

At each reporting date, the Centre measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

The Centre determines whether there is any objective evidence of impairment of the financial assets, for both financial assets subsequently measured at amortized cost and financial assets subsequently measured at fair value. Any financial asset impairment is recognized in the statement of operations and, in the case of a financial asset classified to the fair value category, the reversal of any net remeasurements is presented in the statement of remeasurement gains and losses when an impairment is recognized.

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Centre receives contributions of capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value if fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the straight-line method over the following periods:

	<u>Periods</u>
Building	40 years
Software	5 years
Furniture, equipment and fixtures	10 years
Technology network	15 years

Write-down

When the Centre recognizes that a tangible capital asset no longer has any long-term service potential, the excess of net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of operations.

Ottawa Convention Centre Corporation / Société du Centre des Notes to Financial Statements

March 31, 2026

3 - TRADE AND OTHER RECEIVABLES

	<u>2026</u>	<u>2025</u>
	\$	\$
Trade accounts receivable (a)	1,089,580	1,588,375
Indirect taxes receivable	89,930	75,525
	<u>1,179,510</u>	<u>1,663,900</u>

(a) As at March 31, 2026, amounts owing from one customer represent 37% of the total trade accounts receivable (one customer represented 33% of the total trade accounts receivable as at March 31, 2025).

4 - TANGIBLE CAPITAL ASSETS

	<u>2026</u>			<u>2025</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Net carrying amount</u>
	\$	\$	\$	\$
Land	753,263		753,263	753,263
Building	170,840,512	63,992,195	106,848,317	111,119,330
Technology network	2,476,912	2,476,912		165,127
Furniture, equipment and fixtures	17,524,414	9,840,978	7,683,436	7,402,286
Software	289,857	248,698	41,159	55,664
	<u>191,884,958</u>	<u>76,558,783</u>	<u>115,326,175</u>	<u>119,495,670</u>

5 - CREDIT FACILITY

The credit facility, for an authorized amount of \$3,000,000, bears interest at the prime rate (4.45%; 4.95% as at March 31, 2025) and is subject to renewal annually.

The credit facility is secured by a general security agreement on all property.

6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2026</u>	<u>2025</u>
	\$	\$
Accounts payable and accrued liabilities	1,858,806	2,523,405
Salaries payable	361,736	504,469
	<u>2,220,542</u>	<u>3,027,874</u>

Government remittances total \$59,548 as at March 31, 2026 (\$65,673 as at March 31, 2025).

Ottawa Convention Centre Corporation / Société du Centre des

Notes to Financial Statements

March 31, 2026

7 - LONG-TERM DEBT

On May 4, 2018, the Centre was granted a release of its obligation to repay a \$40,000,000 loan plus interest to the Ontario Financing Authority (the "OFA"). The release was for the full amount of any outstanding principal and interest totalling \$51,628,557 as of the effective date of March 31, 2018. As a result, a new agreement was signed requiring the Organization to make annual payments of \$1,000,000 to the OFA in perpetuity subject to the Organization's ability to make such payments and the guarantee it obtained from the Ontario Ministry of Tourism, Culture and Gaming. At the time of the agreement, the future cash flows related to this obligation were valued at the Net Present Value of a perpetuity using a 3.63% discount rate (which was based on the Province of Ontario's 25-year borrowing rate at that time plus a 0.5% premium reflecting the Organization's credit risk) and disclosed below totalling \$27,583,238.

As part of the new agreement with the OFA, the Centre obtained a guarantee from the Ministry, a related party through common control, to pay any shortfall in the required annual payment each year to the OFA on behalf of the Centre. The Centre is not obligated to repay any amounts paid by the Ministry under this guarantee.

The new agreement with the OFA also requires the Centre to make additional annual payments to the OFA to the extent excess cash flow from operations permits. The agreement with the OFA stipulates that the amount of any such additional payment will be negotiated annually by the Centre and the OFA based on actual operating results for the particular year as well as taking into consideration the Centre's three-year plan, including its capital plan.

	<u>2026</u>	<u>2025</u>
	\$	\$
Present value of non-interest bearing obligation to pay \$1,000,000 per year to the OFA in perpetuity, discounted at a rate of 3.63% per annum	27,583,238	27,583,238
Debt related to acquisition of technology services network, bears interest at 4.73%, repaid during the fiscal year		224,284
	27,583,238	27,807,522
Current portion		224,284
	27,583,238	27,583,238

8 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance - Beginning of the year	84,292,121	87,492,874
Contributions from the Ontario Ministry of Tourism, Culture and Gaming	638,784	776,973
Contributions from other parties	3,500,000	
Amortization of deferred contributions related to tangible capital assets	(4,063,916)	(3,977,726)
Balance - End of the year	84,366,989	84,292,121

Ottawa Convention Centre Corporation / Société du Centre des

Notes to Financial Statements

March 31, 2026

9 - RELATED PARTY TRANSACTIONS

The Centre is related to all Province of Ontario ministries, agencies, and crown corporations. The Centre is also related to its key management personnel, their close family members and entities over which a key member of management (or a close family member) exercises control or shared control. Related party transactions were concluded in the normal course of operations and are measured at the exchange amount, excluding the resulting financial instruments. During the year ended March 31, 2026, the Organization received \$638,784 (\$776,973 in 2025) of contributions from the Ministry to be used for the purchase of tangible capital assets. Of these amounts, \$221,574 is included in accounts receivable at March 31, 2026 (\$75,200 in 2025).

10 - FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Centre is exposed to various financial risks resulting from its operating, investing and financing activities. The Centre's management manages financial risks.

During the year, there were no changes to the financial instrument risk management policies, procedures and practices. The means used by the Centre to manage each of the financial risks are described in the following paragraphs.

Financial risks

The Centre's main financial risk exposure and its financial risk management policies are as follows :

Credit risk

The Centre is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Centre has determined that the financial assets with more credit risk exposure are trade accounts receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Centre.

Liquidity risk

The Centre's liquidity risk represents the risk that the Centre could encounter difficulty in meeting obligations associated with its financial liabilities. The Centre is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Centre has financing sources for a sufficient authorized amount. The Centre establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations.

As at March 31, 2026, the Centre's contractual maturities for financial liabilities (including any interest payments) are as follows:

	Less than 6 months	6 months to 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$
Trade payables and other operating liabilities	2,220,542			
Long-term debt		1,000,000	3,662,206	22,921,032
	<u>2,220,542</u>	<u>1,000,000</u>	<u>3,662,206</u>	<u>22,921,032</u>

Ottawa Convention Centre Corporation / Société du Centre des Notes to Financial Statements

March 31, 2026

11 - COMMITMENTS

The Centre has entered into a facility management agreement related to the operations of the Centre, which calls for payments of \$3,125,000, expiring in March 2036.

Minimum payments for the next five years for the facility management agreement are \$300,000 in 2027, 2028, 2029, 2030 and 2031.

The Centre has entered into a technology services agreement related to the operations of the Centre, which calls for payments of \$4,495,840, expiring in March 2036.

Minimum payments for the next five years for the technology services agreement are \$449,584 in 2027, 2028, 2029, 2030 and 2031. The technology services agreement is subject to annual indexation.

The Centre has entered into a long-term lease agreement expiring on April 30, 2028 which calls for lease payments of \$51,055 for the rental of equipment.

Minimum lease payments for the next three years are \$23,564 in 2027, 2028 and \$3,927 in 2029.

12 - CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Centre's objective when managing capital is to maintain its ability to continue as a going concern in order to execute its mandate to operate a world-class convention facility. The Centre's capital structure is comprised of its net assets, long-term debt and deferred contributions related to tangible capital assets. The Centre's objective in management of its capital structure is to ensure access to sufficient cash flow to carry out its ongoing operations and service its obligations.