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Appendix A

March 29th, 2018

Mr. Barry Lacey
Executive Director, Financial and Corporate Services
Proxy Holder – The Regina Exhibition Association Limited
City of Regina
14th Floor - 2476 Victoria Avenue
Regina SK
S4P 3C8

Dear Mr. Lacey:

**RE: The Regina Exhibition Association Limited
Annual submittals for City Council approval**

As per the Articles of Continuance, dated May 1st, 2012 and the Unanimous Member Agreement between the City of Regina and The Regina Exhibition Association Limited enclosed are the following documents for you as the Proxy Holder to submit for City of Regina Council approval:

1. The Regina Exhibition Association Limited Board of Directors recommended Appointment of Auditor for 2018;
2. The Regina Exhibition Association Limited Board of Directors recommended Board of Directors slate and terms for 2018 and associated background documents.
3. 2017 Annual Report – information item for the City Council as required by the Unanimous Member Agreement containing our 2017 Audited Year-end Financial Statements - forthcoming.

In order for us to meet our April 27th, 2018 Annual General Meeting date, we ask that these items be included on the April 18th Executive Committee meeting agenda.

If you have any questions please do not hesitate to contact me directly at (306) 781-9211.

Sincerely,

A handwritten signature in blue ink, appearing to read "Denise Wanner".

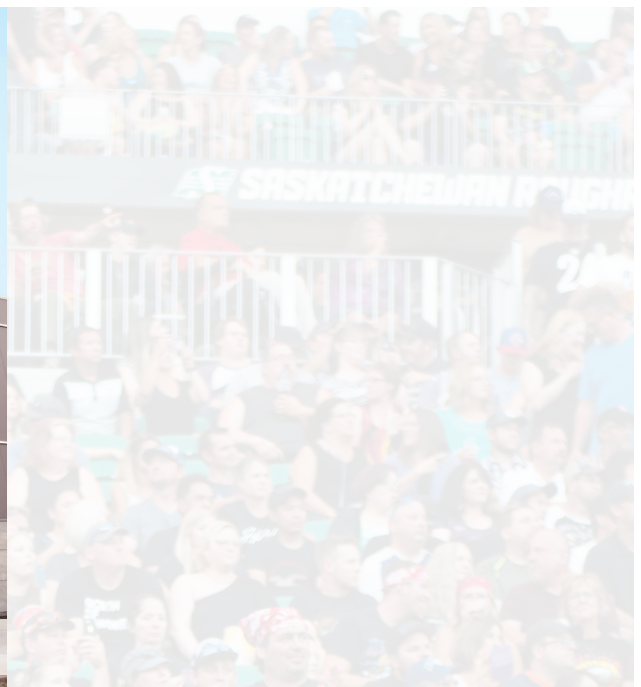
Denise Wanner
Governance Officer

Enclosures: as stated

Cc: June Schultz – Director of Finance
Chris Holden – City Manager
Byron Werry – City Legal Counsel
Sandra Masters – REAL Chair of the Board
Marty Meloche – REAL Chair, Governance/Nominating Committee
Tim Reid – REAL President and CEO
Nolton Knippel – REAL Vice President and CFO



International Trade Centre opened November 2017



2017 ANNUAL REPORT



Confederation Park opened June 2017



Mosaic Stadium opened June 2017



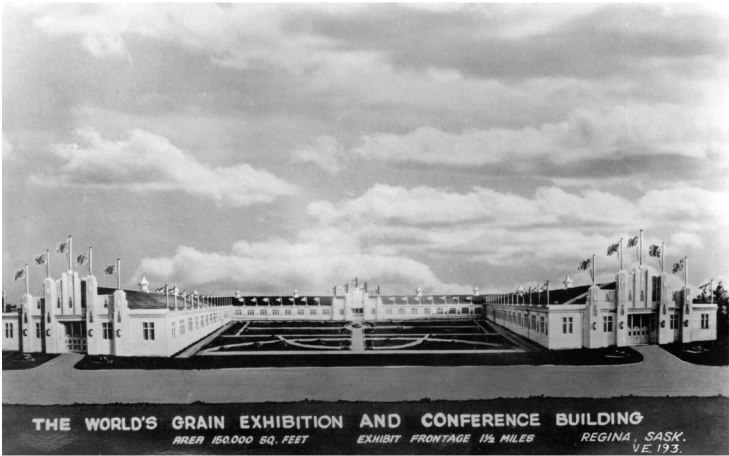
EVRAZplace
Where everything happens ...

OUR HISTORY

Our history is a fascinating one ... beginning more than 130 years ago, long before Saskatchewan was even a province. It all began back in 1884 when an enthusiastic group of townfolk organized Regina’s first-ever agricultural fair in what we now know as Victoria Park downtown. In time, 50 acres of land was purchased west of Elphinstone Street, and became the permanent home of the Regina Agricultural and Industrial Exhibition Association. It was only about half the size of the property we manage today.



Opening ceremonies at the Territorial Fair in 1895. The Governor General's bodyguard is lined up to the left of the stand.



Known for years as Regina Exhibition Park, we played host to events large and small, including the prestigious World’s Grain Exhibition and Conference in 1933 – during the heart of the Great Depression. In 1967, Canada’s centennial year, a city-wide celebration called Buffalo Days was born. It was a nod to Regina’s Indigenous roots and our pioneer history.



Buffalo Days was such a hit that it carried on for many years after, always with Pile o’ Bones Sunday in Wascana Centre and the week-long summer fair at Exhibition Park. Make no mistake about it, that fair was our crown jewel for many years.



In the 1970s, two other major events were born: Canadian Western Agribition and Canada’s Farm Progress Show, both internationally recognized and still hosted on these very grounds today.



The men and women who began all this more than 130 years ago could not have imagined what this park would eventually come to be, or what impact it would have on modern life in the Queen City. Evraz Place now encompasses over 100 acres, making it the largest interconnected event complex of its kind in all of Canada. We’re a community gathering place and the centre of sport, business and entertainment where people come together to enjoy great hospitality at events of every type. And it’s a place where new memories are being made ... every day of the year.



Today, we’re the proud home of Mosaic Stadium and the Saskatchewan Roughriders. Brandt Centre is home base for the Regina Pats hockey club. The team has played on the property for all of its 100 plus years. We have the impressive Queensbury Convention Centre as well ... the 90,000 square-foot EventPlex with a regulation size indoor soccer field ... the Co-operators Centre with a six-rink hockey arena ... and the International Trade Centre, the new home for Canadian Western Agribition, major trade shows, conferences and other events of all shapes and sizes.

OUR MISSION

Enriching the quality of life for people in the community through the hosting and delivery of local, regional, national and international events.

OUR VISION

World-class hospitality for trade, agri-business, sporting, entertainment and cultural events that bring innovation, enrichment and prosperity to Saskatchewan.

PRESIDENT AND CEO’S MESSAGE



In preparing this – my final President and CEO message for REAL – I took some time to review previous years’ annual reports and reflect on all that’s happened in my 15-year tenure with the organization. Aside from realizing how fast the years have gone and how rewarding my time here has been, some things really hit home with me as I flipped through reports from years gone by. Evraz Place has grown into the community’s hub for sport, business and entertainment, which wouldn’t have been possible without our three-cylinder engine of finances, facilities and, most importantly, people.

When I reflect on how things have changed since I started with REAL in 2003, I can’t help but think of the monumental task I shared with our Board of Directors to define and execute a long-term master plan for the property’s renewal. It started with creation of Queensbury Convention Centre, along with the decision to venture into large multi-purpose sport and recreation facilities, after the grandstand and race track closed. Plans began coming to fruition in 2005 with the addition of the EventPlex, followed by The Co-operators Centre in 2010. The sport and recreation line of business continues to augment our financial performance and balance out the variable nature of the event business. The viability of these top-notch sporting facilities extends well beyond their main purpose into trade and consumer shows, conventions and large hospitality and catering functions, which further bolsters our business results.

Property changes continued beyond 2010 with ongoing capital investment, upkeep and the removal of 23 facilities that were beyond their useful lives. In a few short years, the Evraz Place footprint changed so dramatically that it’s sometimes hard to remember how it once looked. Fast forward to 2017 and the game-changing year we experienced. It’s a year that will go down in history, given the increased scope of our business with two new facilities – Mosaic Stadium and the International Trade Centre – and the nearly 50% increase in revenue growth from \$32M to \$47M in just one year. With a revitalized property and all facilities on the 100-acre property now interconnected (except Mosaic Stadium), we now have tremendous opportunity to achieve record revenue growth in years to come. Today, our master property plan is more than two-thirds accomplished, and the next areas of focus are Brandt Centre refurbishments and expansion and modernization of Queensbury Convention Centre. The plan also includes other projects like expanding Lewvan Gate to handle a higher volume of vehicles—a priority now that the property sees more than 3.5 million guests each year.

Our stakeholders recognize Evraz Place as an amazing asset for the community. Many sponsors and partners embrace the opportunity to invest in the property and leave a legacy for future generations. The City of Regina has also been supportive throughout the site’s rebuilding, and their commitment has been instrumental in shaping what Evraz Place has become for our community. I’m grateful to City Administration, former Mayor Pat Fiacco, His Worship Mayor Michael Fougere and the many City Councillors who have provided leadership and guidance over the years. As an independent not-for-profit corporation, REAL must continue to strengthen the trust and support of the City through the inevitable ups and downs of the event business year over year.

From a financial perspective, the business has grown and revenues have increased from \$12M to \$47M in the 15-year time frame since I started with REAL. Despite the revenue growth, however, the organization recorded an operating loss in 2017. In fact, cost management has been an ongoing effort year over year, given that our business is labour intensive. As such, we’re making adjustments to our cost base to counter some softening of our core events and the entertainment business in the past year.

Along with opening two new facilities, 2017 was a year of many “firsts” for our organization, from hosting the inaugural CFL Week in March to the Regina Rocks Mosaic Stadium concert in May. Next, it was the first pre-season Rider game in the new stadium against Winnipeg, the Rider home opener that coincided with Canada’s 150th anniversary, Soccer Day in Saskatchewan in July and the epic Guns N’ Roses concert in August. November marked the first Canadian Western Agribition held in the newly opened International Trade Centre that was completed on time and on budget—another major accomplishment for our organization.

With all of these “firsts,” the renewed energy at Evraz Place is palpable, especially as we move into our second year of operating Mosaic Stadium. The team is proud of the responsibility entrusted to us for the programming, operation, maintenance, and food and beverage services we provide in the stadium. We take this responsibility seriously and will continue to work closely with our key stakeholders to satisfy their needs and delight fans and guests.

Giving back to our community through employment, economic spinoffs and community programming has and always will be the core of our existence. It’s the shared purpose that drives our team to do what we do each day. I’m so proud of the REAL team members who plan and deliver the events and services that contribute to the quality of life for so many in our community. The team takes the responsibility of managing the Evraz Place property and assets seriously, and they do so in a careful, community-minded way. I’ve had the pleasure of working with some of the best talent in the industry, and I want to give kudos to the team members who give their all without exception. It’s the power that comes with having a purpose.

In closing, I wish to thank the entire REAL team and everyone who has supported me and the organization over the past 15 years. And I’d like to give a special shout-out to former Board Chair Jeff MacPherson for his tireless and unwavering dedicating to our vision, mission and success. Jeff gave so much time to this organization, and I will be forever grateful for his leadership and support. It has been a terrific challenge and privilege to have served during a time of tremendous growth and transformation. I will continue to visit Evraz Place as a guest and take pride in the positive impact the property will have on the community for years to come. As A.A. Milne once said, “How lucky I am to have something that makes saying goodbye so hard.” Farewell!!

Mark Allan
President and CEO

CHAIR OF THE BOARD’S MESSAGE



I found it challenging to write my final “Report from the Chair of the Board” for this year’s annual report. Thinking about writing this last report after doing so for 11 years brought back so many memories and warm thoughts about the many people with whom I had the pleasure of interacting. There are the relationships with so many Board members who have come and gone, as well as the business of management and the staff’s efforts in doing what we do every day. The memories all came flooding back and honestly took me by surprise when I really stepped back from the day-to-day chairman’s activities and thought about what these 11 years have allowed me to be part of.

When I first got involved with the Board, I wasn’t a lifelong volunteer like so many on the Board had been. I was far more familiar with the organization from being a Pat’s fan, a concert goer, a convention attendee, a dinner event participant, a fair attendee, a stadium ice renter, and one who wandered the grounds during big events like Farm Progress Show and Canadian Western Agribition. I was familiar with the property because it was the hub for those of us living in Regina for everything that went on in our city, and I was just another citizen.

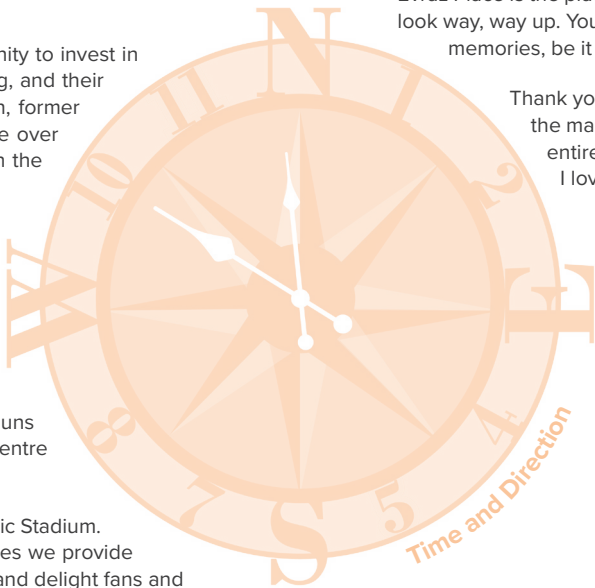
I joined the Board because it was a good community thing to do and giving back to the community made sense. I didn’t join thinking I would serve as chair for 11 years. I didn’t join knowing that we would become such an economic hub, generating approximately \$212 million in provincial GDP and \$151 million to City of Regina GDP , but I am pretty proud of that. I didn’t really consider that Evraz Place would be such a gravitational centre of Regina ... a place that conjures up so many great memories for those who are a part of its delivery and those who attend everything that goes on there. If one were to list the events, I dare say it would be an exercise somewhat like trying to talk about each ride and show at Disneyland.

To that end, I will borrow from the dedication plaque that welcomes visitors to Disneyland because Evraz Place is my Disneyland – “To All Who Come to This Happy Place: Welcome.”

Evraz Place is the place where you can witness youth laugh and play. You can hold hands and kiss. You can sway to a song or stand beside a tractor tire and look way, way up. You can see heroes from the world of music and sport. You can enjoy a summer breeze and take in a carnival ride. You get to create your memories, be it family moments, friendship moments or successful business interactions.

Thank you Regina for the opportunity to be a part of it. Thank you REAL staff for your commitment and pride in everything you do. Thank you to the many Board members I have had the privilege to serve with and thank you to Mark Allan and Denise Wanner for allowing me to share my entire chairmanship career with you. Finally, thank you to my family for providing me the opportunity to dedicate so much time to something I loved to do so much. We leave this place much improved and much more ready to create future memories for the people of Regina.

Jeff MacPherson
Chair of the Board



EXECUTIVE LEADERSHIP TEAM (As of February 2018)

Mark Allan President and CEO	Nolton Knippel Vice President, Finance/Administration and CFO	Bill Stoner Vice President, Facility and Event Delivery
Trevor Walsh Chief Operating Officer	Elma Shoulak Vice President, Human Resources	Denise Wanner Director, Corporate Governance and Corporate Office

OFFICERS

Jeff MacPherson Chair of the Board	Nolton Knippel Vice President, Finance/Administration and CFO	DIRECTORS		
Mark Allan President and CEO	Denise Wanner Governance Officer	Ken Budzak Michael Fix Karen Gibbons Jaime Lavallee Sandra Masters	Kathy McCrum Marty Meloche Gordon Selinger Mark Stefan Tiffany Stephenson	Glenys Sylvestre Grant Wasnik Lee Auten (ex-officio) Chris Holden (ex-officio)



YEAR IN REVIEW

Evraz Place is proud to be the place “where everything happens.” With more than 700 events held at Evraz Place drawing over 3.5 million visitors, 2017 was once again a busy and exciting year. Whether it’s trade shows, sporting events, concerts or cultural events, Evraz Place is proud to give back to the Regina community by creating positive and memorable guest experiences.



Listed below are some of the top highlights of 2017.

CANADA'S FARM PROGRESS SHOW

The 40th edition of Canada’s Farm Progress Show, presented by Viterra, took place June 21 - 23, 2017 at Evraz Place in Regina. To celebrate the milestone anniversary, organizers added new programs, theme days and speaker lineups designed to engage and entertain attendees.

The 2017 show continued to place a strong focus on innovation, education and collaboration. The Innovation Awards presented by Farm Credit Canada (FCC) honoured the year’s best emerging technologies and innovations. New to Canada’s Farm Progress Show was the Farmyard Inventions competition, presented by Peavey Mart, where Canada’s most imaginative inventors competed for a chance to win a prize valued at \$5,000. Both Innovation and Farmyard Invention programs were designed to inspire manufacturers and farmers by giving them a stage to showcase what could change and improve the future of agriculture. The Farm Progress Forum also presented by FCC had engaging, crowd-drawing speakers and topics ranging from farm succession planning to entrepreneurialism to the farming season’s weather forecast. The shows first-ever Empowering Women Conference with keynote speaker Rachel Mielke, Hillberg and Berk founder, provided our women attendees with the tools, inspiration and motivation to become the architect for change in achieving their own personal success.



In 2018, Canada’s Farm Progress Show will grow its footprint even larger with the addition of new exhibit space in the 150,000 sq. ft. International Trade Centre that opened in November 2017.



the SGI Canada Family Fun Zone, SaskMilk Kidz World, SaskTel Thrill Zone and Ramada Plaza Midway Stage entertained the young to the young-at-heart with everything from clowns and illusionists to dog stunts and daring diving routines. Food continues to be a hit year after year. A number of wild and adventurous additions like cookies ‘n’ cream mini donuts, bacon-wrapped mac and cheese sausages, and ice cream waffle tacos satisfied all different tastes.

Organizers are already looking forward to next year’s Queen City Ex, taking place from August 1 - August 5, 2018.



QUEEN CITY EX

Queen City Ex continues to be a highlight of the summer for many people in Saskatchewan. From August 2 - 6, over 200,000 people of all ages joined us for a week of jam-packed fun and entertainment.

As always, a highlight of the week was the Great Western Stage in the Brandt Centre that drew large crowds of music fans. The lineup brought diverse performances aiming to please all ages and genre preferences, keeping to Queen City Ex’s commitment to bring great entertainment experiences to fairgoers. Kicking the event off was Gord Bamford, followed by July Talk, I Mother Earth, The Watchmen and Ruth B to headline the other evenings. Brett Kissel gave an all-star performance to wrap up the stage on the final day of Queen City Ex.

As a long-standing tradition, Queen City Ex worked in partnership with The Mosaic Company to give back to the community. The Mosaic Flip for Hunger pancake breakfast was back for its seventh year, offering pancakes, sausages and free gate admission to the approximately 4,000 fairgoers who brought a non-perishable food item and/or monetary donation for the Regina Food Bank. The breakfast brought in a record-breaking total of 23,980 lbs. of food for the Regina Food Bank, bringing the seven-year total to 97,300 lbs. Together with Mosaic, Queen City Ex also continued the Experience the Ex Program, which provided an opportunity for local charitable organizations to help children and families experience Queen City Ex who otherwise might not be able to do so. A six-year total of 6,000 admissions and 1,200 day tripper passes have been donated.

Family entertainment company Kidomo brought an exciting new series of “meet and greet” tours with popular kids’ programming including PAW Patrol and Teenage Mutant Ninja Turtles. Other attractions like



CONCERTS AND ENTERTAINMENT EVENTS

Creating positive experiences and life-long memories is what we do best. We’re proud to offer a wide variety of entertainment options to please the diverse preferences of our community’s concert and event-goers.

Evraz Place is Regina’s destination for excitement and entertainment. Some of the city’s best events were hosted at the Brandt Centre including Jeff Dunham, I Love the ‘90s Tour, Miranda Lambert and WWE.

The addition of Mosaic Stadium has elevated the status of Evraz Place as a premier entertainment destination with the ability to draw and accommodate large, big-name, exciting events. The anticipated opening of the stadium in May kicked off with a stellar performance from Bryan Adams, Johnny Reid and Our Lady Peace to help test and prepare the stadium for future concerts. Guns N’ Roses joined us as the first official concert in the stadium and drew a large crowd of rock n’ roll and music fans alike in August.



We were honoured to once again host the First Nations University Powwow. More than 400 dancers entertained guests with performances that celebrated Indigenous song, dance and culture. The annual Regina Police Service showcase was also a hit, with the officers demonstrating live action demos and giving over 2,500 youth an up-close-and-personal look at what our police members do each day to keep our community safe.





The Canadian sport tourism alliance reported that Regina is in the top ten in Canada for national and international sport hosting, ranking 8th in the nation. Amongst cities with a population less than 500,000, Regina is ranked #1 in the nation, beating out places like Saskatoon, Halifax, Kingston and Richmond.



SPORTS

Evraz Place is now the proud home to four world-class sport facilities – Mosaic Stadium (home of the Saskatchewan Roughriders), Brandt Centre (home of the Regina Pats), The Co-operators Centre (home of the University of Regina Cougars men’s and women’s hockey teams) and EventPlex (home of the Regina Soccer Association) – each hosting a number of local, national and international sporting events throughout the year. Every day of the week, sports fans throughout the community are guaranteed to find the action at Evraz Place!



In 2017, we hosted several exciting sporting events including the inaugural CFL Week, which included the CFL Combine , throughout the Evraz Place property. In addition to the Saskatchewan Roughriders inaugural season, Mosaic Stadium hosted the province’s first-ever professional soccer-friendly match featuring the New York Cosmos and Valencia CF. The Co-operators Centre was transformed from a hockey facility to a curling rink for a full week during the Pinty’s Grand Slam of Curling, which featured some of the world’s best curlers. Skate Canada International, hosted at the Brandt Centre, delighted fans of all ages as they had a first look at the athletes as they debuted their Olympic routines and competed for a chance to represent their countries at the upcoming Olympic Winter Games.



Evraz Place is looking forward to hosting two major sporting events in 2018 that are sure to bring the excitement and draw large crowds from in and around the community – Tim Hortons Brier and MasterCard Memorial Cup.



TRADE AND CONSUMER SHOWS

Knowledge, ideas, imagination and inspiration come to life each year at Evraz Place with the wide variety of trade and consumer shows that are hosted on our property. Thousands of exhibitors, suppliers and shoppers came together to see the best of the best in offerings ranging from weddings to home décor to gaming and fitness.

With over 30,000 shoppers and 500 exhibitors combined, the long-standing and ever-popular Regina Spring Home Show in March and the Our Best to You Art & Craft Sale in November transformed Evraz Place in to the largest shopping centre in the province. Saskatchewan’s most talented artists, artisans, designers, builders and suppliers provided attendees with fresh and innovative ideas, products and services, giving them everything under one roof to help them build, renovate, redecorate or buy gifts.

The Fan Expo in May – the place to find the newest and hottest in anime, manga, comics, sci-fi and gaming – was another hit with pop-culture fans. Over 6,000 fans had a chance to meet their favourite characters and shop for the hottest and most rare comic books, graphic novels, toys, t-shirts and more.



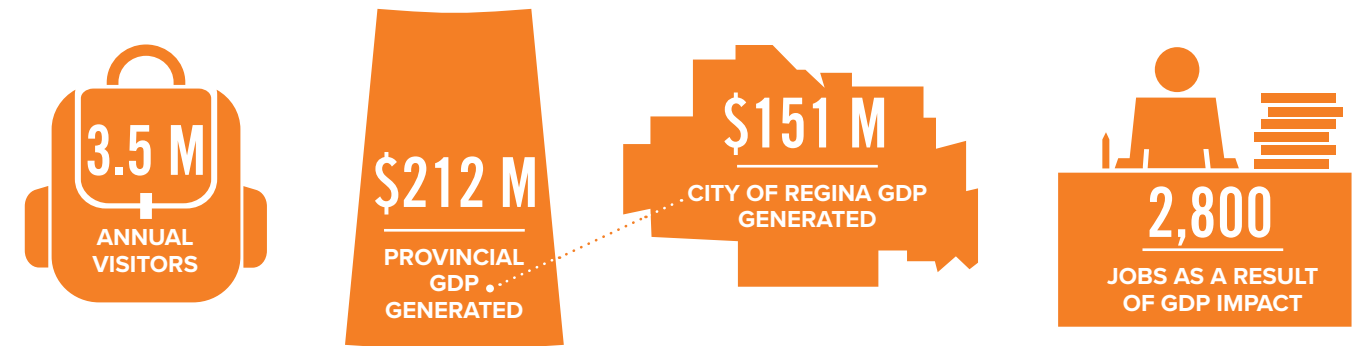
Evraz Place is excited to host even more trade and consumer shows with the recent opening of the International Trade Centre – an attractive space for exhibitors and shoppers alike.



As a not-for-profit corporation, the core purpose of Evraz Place is to give back to the community.

ECONOMIC IMPACT

Evraz Place hosts a number of large events throughout the year that draw millions of people to our city and to our property from across the province, country and globe.



SOCIAL IMPACT

Evraz Place is a significant employer in the community. The diversity of our workforce is one of our greatest strengths. We’re proud of the unique backgrounds and perspectives our employees bring as they allow us to better serve, relate to and represent our community. We truly are stronger together.

Evraz Place brings in nearly 200 community group volunteers for every major event in Mosaic Stadium to assist with recycling, cleaning, the bike valet service and the Regina Rams 50/50. Each of the Mosaic Stadium food vendors and bars also uses the services of community group volunteers. As a result, community groups receive thousands of dollars to support their goals and ensure their groups remain viable.

Our long-standing partnership with Seven Stones Community School is another example of our socially responsible approach to doing business. We are pleased to provide an annual post-secondary scholarship and support the school’s “Circle of Courage Awards” that celebrate students’ accomplishments. Our investment in student literacy and numeracy programs also helps build skills for young students to achieve future employment in our community.

ENVIRONMENTAL IMPACT

Evraz Place is one of the largest event complexes of its kind in Canada. With 100 acres of land and hundreds of events each year, we keep close tabs on managing our environmental impact. We use building management systems for temperature and lighting in the majority of our facilities so we don’t use energy and power unnecessarily. We also have an innovative heat recovery system in The Co-operators Centre that reduces our greenhouse gas emissions by redistributing waste heat to other areas of the facility. Other ways we reduce our environmental footprint are through the use of energy efficient lighting and a park-wide recycling program.

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of The Regina Exhibition Association Limited operating Evraz Place have been prepared by the Association’s management in accordance with Canadian public sector accounting standards and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Board of Directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, MNP LLP, and their report is presented separately.

April 4, 2018


Mark Allan
President and CEO

GOVERNANCE

The Regina Exhibition Association Limited (REAL) is governed by a volunteer board of directors. REAL is a non-profit municipal corporation that operates Evraz Place. The City of Regina City Council is the only member of this municipal corporation. City Council has authorized, by resolution, the City’s Chief Financial Officer to act as its Proxy Holder.

The Board of Directors is made up of no more than 15 members and no fewer than seven. There are currently 13 voting appointed Directors and two ex-officio Directors – one appointed by the City of Regina and the other by the Ministry of Agriculture.

The Board is responsible for overseeing the affairs of the corporation, establishing the governance policies to protect the corporation’s assets and to provide strategic direction. The Board has written charters and has adopted terms of reference for the Board chair and various committee chairs.

The Board practices good governance by adopting the Governance Officer Mandate and by having established written policies covering fundamental areas of the business. The Board is assisted in performing its work by four standing Board committees: the Audit and Finance Committee, the Governance/Nominating Committee, the Human Resources Committee, and the Strategic Initiatives Committee.

INDEPENDENT AUDITOR’S REPORT

TO THE DIRECTORS OF THE REGINA EXHIBITION ASSOCIATION LIMITED:

We have audited the accompanying financial statements of The Regina Exhibition Association Limited, which comprise the statement of financial position as at December 31, 2017, and the statements of loss, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these 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.

AUDITORS’ RESPONSIBILITY

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Regina Exhibition Association Limited as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

OTHER MATTERS

The financial statements of The Regina Exhibition Association Limited for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on the financial statements on March 15, 2017.


Chartered Professional Accountants
April 4, 2018
Regina, Saskatchewan

REGINA EXHIBITION ASSOCIATION LIMITED
OPERATING EVRAZ PLACE



STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	2017	2016
	\$	\$
Assets		
Current assets		
Cash	797,997	8,231,342
Accounts and grants receivable (note 12)	6,243,015	4,122,988
Inventories	540,930	271,026
Supplies and prepaid expenses	56,198	158,662
	7,638,140	12,784,018
Long-term accounts receivable (note 12)	200,000	400,000
Capital assets (note 3)	99,651,559	84,581,130
	107,489,699	97,765,148
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	12,234,520	9,884,563
Deferred revenue and deposits	2,782,459	4,775,987
Current portion of long-term debt (note 4)	52,387	24,573
	15,069,366	14,685,123
Long-term debt (note 4)	110,247	16,382
Deferred grants and other contributions (note 5)	86,899,704	76,645,184
	102,079,317	91,346,689
Share capital (note 7)	10	10
Investment in capital assets	12,589,221	7,894,991
Accumulated (deficit) surplus	(7,178,849)	(1,476,542)
Net assets	5,410,382	6,418,459
	107,489,699	97,765,148

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

Approved by the Board:

Director 
Director 

FINANCIAL STATEMENTS

REGINA EXHIBITION ASSOCIATION LIMITED
OPERATING EVRAZ PLACE

STATEMENT OF LOSS

For the year ended December 31, 2017

	2017	2016
	\$	\$
Revenues		
Sales	29,128,815	16,776,297
Rentals	9,362,753	8,249,488
Contributions and other income	4,426,571	3,489,328
Sponsorships and advertising	2,231,408	1,684,469
Revenue continuance (note 10)	2,600,000	2,600,000
	47,749,547	32,799,582
Expenses		
Administration	2,265,573	1,531,260
Amortization	5,609,692	4,407,468
Cost of goods sold	5,492,351	3,202,849
Repairs and maintenance	1,056,503	961,081
Supplies, equipment and contracted services	9,136,102	3,950,995
Utilities	3,444,299	2,266,223
Wages and employee benefits	21,753,104	17,029,899
	48,757,624	33,349,775
Net loss for the year	(1,008,077)	(550,193)

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

FINANCIAL STATEMENTS

REGINA EXHIBITION ASSOCIATION LIMITED
OPERATING EVRAZ PLACE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31, 2017

	Share capital \$	Investment in capital assets \$	Accumulated (deficit) \$	2017 \$	2016 \$
Balance, beginning of year	10	7,894,991	(1,476,542)	6,418,459	6,968,652
Net loss for the year	-	-	(1,008,077)	(1,008,077)	(550,193)
Amortization	-	(5,609,692)	5,609,692	-	-
Capital contributions deferred	-	(14,273,835)	14,273,835	-	-
Capital contributions recognized	-	4,019,315	(4,019,315)	-	-
Investment in capital assets during the year	-	20,680,121	(20,680,121)	-	-
Net change in long term debt	-	(121,679)	121,679	-	-
Balance, end of year	10	12,589,221	(7,178,849)	5,410,382	6,418,459

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

FINANCIAL STATEMENTS

REGINA EXHIBITION ASSOCIATION LIMITED
OPERATING EVRAZ PLACE

STATEMENT OF CASH FLOWS

For the year ended December 31, 2017

	2017	2016
	\$	\$
Operating activities		
Net loss for the year	(1,008,077)	(550,193)
Items not affecting cash		
Amortization	5,609,692	4,407,468
Deferred capital contributions recognized	(4,019,315)	(3,088,004)
	582,300	769,271
Net increase in non-cash working capital balances related to operations (Note 6)	1,042,797	3,330,248
Net cash generated through operating activities	1,625,097	4,099,519
Financing activities		
Repayment of long-term debt	121,679	(181,909)
Contributions received	11,500,000	18,200,000
Net cash generated through financing activities	11,621,679	18,018,091
Investing activities		
Purchase of capital assets	(20,680,121)	(21,396,329)
Increase in cash during the year	(7,433,345)	721,281
Cash, beginning of year	8,231,342	7,510,061
Cash, end of year	797,997	8,231,342

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

FINANCIAL STATEMENTS

REGINA EXHIBITION ASSOCIATION LIMITED
OPERATING EVRAZ PLACE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2017

Description of operations

The Regina Exhibition Association Limited (the Association) is a not-for-profit organization incorporated in 1907 by "An Act to incorporate The Regina Exhibition Association Limited", being Chapter 41 of the Statutes of Saskatchewan, 1907. The Association transitioned to The Non-profit Corporations Act, 1995 (Saskatchewan), on January 1st, 2014 under an Order in Council approving the Association's Articles of Continuance, which were passed by a special resolution of the shareholders on May 1, 2012. Since the Association is a not-for-profit organization it is not subject to federal or provincial income taxes.

Significant accounting policies

The financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. These estimates are reviewed periodically and adjustments as necessary are reported in the period of review. Significant areas requiring the use of management estimates is the useful life of long-lived assets and allowance for doubtful accounts.

a) Capital assets

Capital assets are recorded at cost. Amortization is recorded over the estimated useful life of the assets as follows:

Buildings	-straight-line over 10 to 30 years
Equipment	-straight-line over 3 to 20 years

b) Long lived assets

Long-lived assets consist of buildings and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in earnings for the year.

c) Revenue recognition

Sales revenue, including catering, concessions and events, and rental revenue are recognized as services are provided. Sponsorship and advertising and revenue continuance revenue is recognized based on the terms of the contract.

d) Grants and other contributions

Grants and other contributions received by the Association are accounted for as follows:

- i) Grants and other contributions to assist with the financing of capital asset additions are recorded as deferred capital contributions (see note 5). The portion of the grant and other contributions equivalent to the annual amortization expense of the related asset is recognized annually as contributions and other income.
- ii) Grants and other contributions that are restricted and not specifically intended for capital asset additions are recorded in revenue in the period the related expenses are incurred.

e) Financial instruments

All financial instruments are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received.

All of the Association's financial instruments are measured at amortized cost following initial recognition.

When an impairment is indicated, and when actual impairment has occurred, the financial instrument's carrying amount is reduced to its realizable value.

FINANCIAL STATEMENTS

3. Tangible capital assets

	Cost		Accumulated amortization		Net book value	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Buildings	135,873,538	119,311,470	41,935,880	37,144,111	93,937,658	82,167,359
Equipment	12,307,900	8,189,848	6,593,999	5,776,077	5,713,901	2,413,771
	148,181,438	127,501,318	48,529,879	42,920,188	99,651,559	84,581,130

4. Long-term debt

	2017	2016
	\$	\$
Loan payable to RCAP in monthly payments of \$3,617 including interest at 5.7%. Specific equipment is pledged as security. Due September, 2021.	146,252	-
Loan payable to Peak Performance in monthly payments of \$2,048, with no applicable interest. Specific assets are pledged as security. Due August, 2018.	16,382	40,955
	162,634	40,955
Less current portion	52,387	24,573
	110,247	16,382

The estimated principal repayments in the next four years are as follows:

2018	\$	52,387
2019		43,404
2020		43,404
2021		23,439

The Association has two authorized line of credits \$3,000,000 and US\$1,000,000 at rates of Prime-0.25% and USB, respectively. The balance outstanding on the line of credits is nil (2016 - nil). In addition, the Association also has access to a non-revolving equipment loan of \$5,000,000 and a demand non-revolving loan for \$4,000,000 at rates of Prime-0.25%, respectively. The balance outstanding on each loan is \$nil (2016 - \$nil).

5. Deferred grants and other contributions

	2017	2016
	\$	\$
Opening deferred grants and other contributions	76,645,184	60,567,794
Amounts received in year	11,500,000	18,200,000
Amounts transferred from deferred revenue and deposits	2,773,835	965,394
Amounts recognized in year	(4,019,315)	(3,088,004)
Ending deferred grants and other contributions	86,899,704	76,645,184

Included in deferred revenue and deposits is \$1,379,640 (2016 - \$4,153,475) from the City of Regina and other contributors to be used towards future funding of the International Trade Centre.

6. Net increase in non-cash working capital balances related to operations

	2017	2016
	\$	\$
Accounts and grants receivable	(2,120,027)	(3,136,902)
Inventories	(269,904)	(10,103)
Supplies and prepaid expenses	102,464	(61,683)
Long-term accounts receivable	200,000	200,000
Accounts payable and accrued liabilities	2,349,957	6,340,330
Deferred revenue and deposits	780,307	(1,394)
	1,042,797	3,330,248

7. Share capital

	2017	2016
	\$	\$
Issued- 1 share (2016 - 1 share)	10	10

FINANCIAL STATEMENTS

8. Financial risk management

The Association has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Association is exposed are.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk on the accounts receivable from its customers. The major accounts receivable balance is with the City of Regina (see note 12) and the remaining from a number of customers.

In order to reduce its credit risk, the Association has adopted credit policies, which include the review of a new customer's credit history and financial position before extending credit and conducting regular reviews of its existing customers' credit performances to reflect the Association's credit policies. The Association has incurred insignificant bad debt expense.

Liquidity risk

The Association's objective is to have sufficient liquidity to meet its liabilities when due. The Association manages liquidity risk through cash flow forecasting and regular monitoring of cash requirements to ensure that it has sufficient funds to fulfill its obligations.

9. Financial instruments

The Association's recognized financial instruments consist of cash, accounts and grants receivable, long term accounts receivable, accounts payable and accrued liabilities, and long-term debt. The fair value of cash, accounts and grants receivable, long term accounts receivable, accounts payable and accrued liabilities approximates carrying value given the short term nature of the amounts. The fair value of long-term debt approximates carrying value based on the terms of the debt agreements.

10. Revenue continuance

On November 22 1997, the Association ceased operating its casino. In accordance with an agreement between the Association and the Province of Saskatchewan, a 30 year agreement was entered into whereby the Association will receive \$2,600,000 annually to maintain its earnings.

11. Contingencies

The Association is subject to certain legal matters arising in the normal course of business, none of which are expected to materially affect the financial results of the Association.

12. Related parties

During the year the Association conducted business with the City of Regina in the normal course of operations and at prices equivalent to unrelated purchases, as follows:

	2017	2016
	\$	\$
Revenue for the year:		
Sales	5,082,242	1,967,668
Rentals	1,589,843	1,378,263
Contributions and other income	1,668,298	576,667
Expenses for the year:		
Supplies, equipment and contracted services	32,562	98,281
Utilities	195,488	248,170
Accounts receivable	4,236,988	2,819,752
Long-term accounts receivable (repayable in instalments of \$200,000 annually commencing June 2017)	200,000	400,000
Accounts payable	38,240	35,942

The buildings and other facilities of the Association are located on the land that belongs to the City of Regina. Such land is being used by the Association at no consideration.

13. Commitment

As at December 31, 2017, the Association has a funding commitment of \$4,348,541 to the City of Regina towards the construction of Food & Beverage assets in Mosaic Stadium.

CORPORATE PARTNERSHIPS

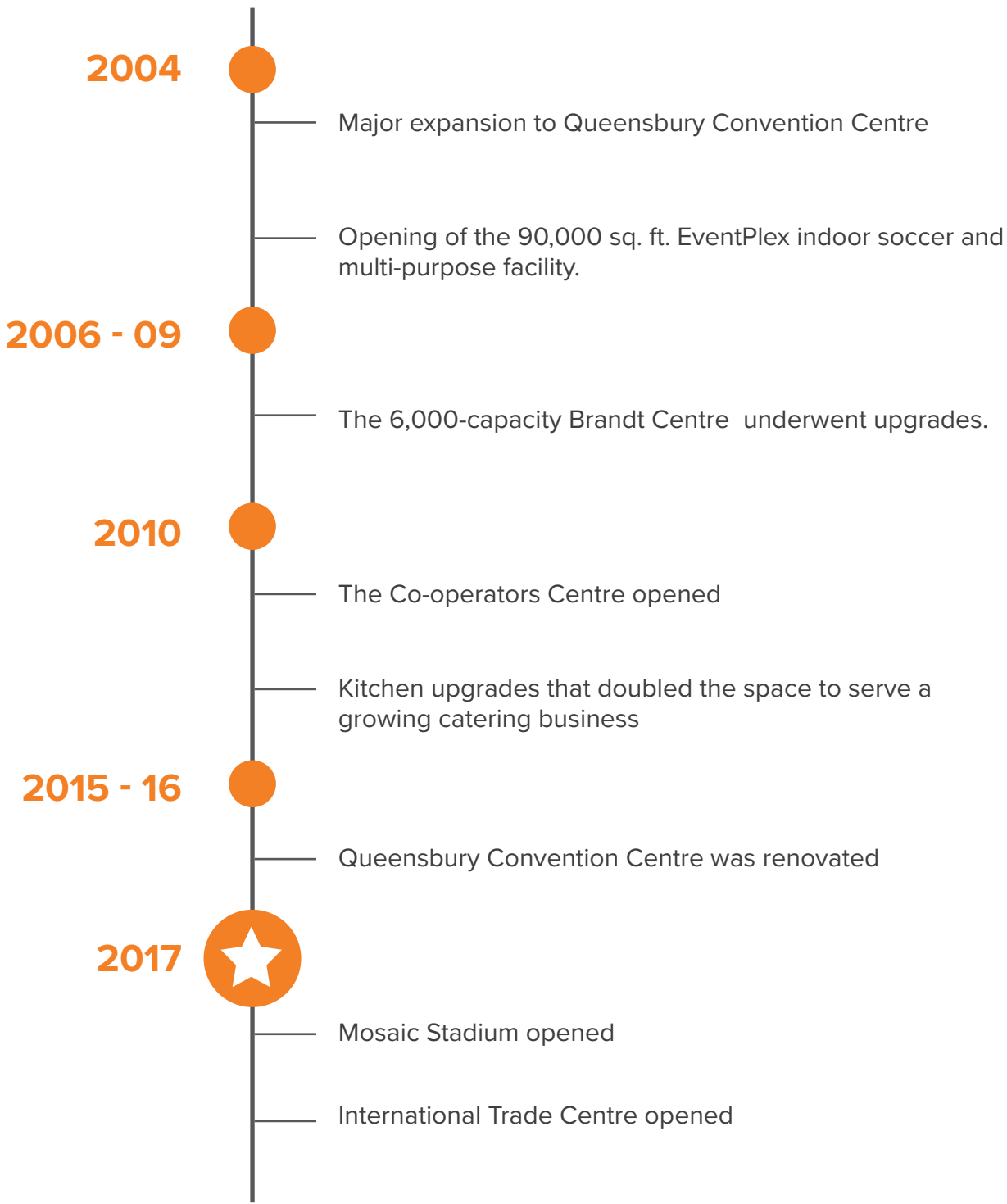
Each of our corporate partners plays an integral role in providing value to our community. Together with their support, we're able to fulfil our mission to provide our guests with positive and memorable experiences through a variety of sport, entertainment and business events.

We're thankful for the support of our corporate partners as they join us for another successful year at one of Canada's largest and most unique venues.



The Evraz Place property and facilities are owned by the City of Regina and leased to Regina Exhibition Association Limited.

THE PROPERTY HAS UNDERGONE A STAGED RENEWAL TO ENSURE ITS VIABILITY FOR GENERATIONS TO COME.



EVRAZ PLACE IS NOW THE LARGEST INTERCONNECTED MULTI-PURPOSE EVENT COMPLEX OF ITS KIND IN CANADA!



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