

**B.C. Pavilion Corporation**  
**Statements of Financial Information**  
**Fiscal Year Ended March 31, 2013**

# B.C. PAVILION CORPORATION

## FINANCIAL STATEMENTS For the Year Ended March 31, 2013



# Financial Statements March 31, 2013

## B.C. Pavilion Corporation

### Statement of Management Responsibility

The financial statements of the B.C. Pavilion Corporation have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with information contained in the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Systems of internal control are developed and maintained by management to provide reasonable assurance that reliable information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and financial records are properly maintained to provide a reliable basis for preparation of the financial statements.

The B.C. Pavilion Corporation Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board and its Finance and Audit Committee. The Board reviews internal financial statements at each meeting and external audited financial statements annually. Significant financial reporting or internal control matters are discussed by the Board and its Audit and Finance Committee prior to their approval of the corporation's financial statements.

The Auditor General of British Columbia conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the B.C. Pavilion Corporation financial statements. The auditors have full and free access to financial management of B.C. Pavilion Corporation and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements for B.C. Pavilion Corporation.



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Stuart McLaughlin  
Vice-Chair



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John Harding  
Chief Financial Officer

Vancouver, British Columbia  
June 5, 2013



## **INDEPENDENT AUDITOR'S REPORT**

*To the Board of Directors of B.C. Pavilion Corporation, and  
To the Minister of Energy and Mines, Province of British Columbia*

I have audited the accompanying financial statements of B.C. Pavilion Corporation (“the entity”), which comprise the statement of financial position as at March 31, 2013, and the statement of operations and changes in accumulated surplus, statement of changes in net financial assets (debt) and statement of cash flows for the year then ended, and significant accounting policies and other explanatory information.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, 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.

### ***Auditor's Responsibility***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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 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 presentation of the financial statements.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

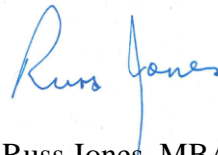
***Opinion***

In my opinion, the financial statements of B.C. Pavilion Corporation for the year ended March 31, 2013, are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

***Emphasis of Matter***

Without modifying my opinion, I draw attention to Note 3 to the financial statements, which discloses that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers. Note 23 to the financial statements discloses the impact of these differences.

Victoria, British Columbia  
June 6, 2013



Russ Jones, MBA, CA  
Auditor General

**B.C. Pavilion Corporation**  
**Statement of Financial Position**  
(in \$000s)

	<i>Note</i>	<b>March 31 2013</b>	<b>March 31 2012</b>
<b>Financial Assets</b>			
Cash and cash equivalents	6	24,111	41,743
Accounts receivable	7	30,361	29,996
Due from government	8	497	6,366
		<u>54,969</u>	<u>78,105</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	21,201	39,801
Employee leave liability	10	739	936
Deferred revenue	11	43,118	38,557
Deferred contributions – other	12	17,405	19,093
Deferred contributions – government	13,23	1,038,827	1,076,727
Long term debt	14	150,000	150,000
		<u>1,271,290</u>	<u>1,325,114</u>
<b>Net financial assets (debt)</b>		<u>(1,216,321)</u>	<u>(1,247,009)</u>
<b>Non-financial assets</b>			
Tangible capital assets	15	1,305,381	1,346,528
Inventories held for use		59	76
Prepaid expenses	16	1,213	952
		<u>1,306,653</u>	<u>1,347,556</u>
<b>Accumulated surplus</b>	23,25	<u><b>90,332</b></u>	<u><b>100,547</b></u>
<b>Contingencies and contractual obligations</b>	17		



Stuart McLaughlin  
Vice-Chair – Board of Directors



Terry Lyons  
Chair – Audit and Finance Committee

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

**B.C. Pavilion Corporation**  
**Statement of Operations and Change in Accumulated Surplus**  
(in \$000s)

	<i>Note</i>	March 31, 2013		March 31
		Budget	Actual	2012
		<i>(Note 21)</i>		Actual
<b>Revenues</b>	25			
Event revenues		47,062	47,812	47,557
Lease revenues		2,340	3,050	2,712
Miscellaneous revenues		4,746	3,437	32,288
Deferred contributions – other		2,726	1,989	3,540
Deferred contributions - government		46,938	49,741	46,923
Interest revenue		20	434	901
		103,832	106,463	133,921
<b>Expenses</b>	18,25			
BC Place Stadium		52,021	51,696	63,434
Vancouver Convention Centre		65,207	64,982	69,013
		117,228	116,678	132,447
<b>Annual operating surplus (deficit)</b>		(13,396)	(10,215)	1,474
Accumulated surplus, beginning of year		100,547	100,547	99,073
Accumulated surplus, end of year		87,151	90,332	100,547

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

**B.C. Pavilion Corporation**  
**Statement of Change in Net Financial Assets (Debt)**  
(in \$000s)

	March 31, 2013		March 31
	Budget	Actual	2012
	<i>(Note 21)</i>		Actual
Annual operating surplus (deficit)	(13,396)	(10,215)	1,474
Acquisition of tangible capital assets	(7,020)	(7,065)	(199,142)
Amortization of tangible capital assets	48,125	48,208	39,680
Loss on sale/disposal of tangible capital assets		4	276
Acquisition of artwork			(693)
Expense of artwork additions			693
	27,709	30,932	(159,186)
Acquisition of supplies inventories		-	(87)
Acquisition of prepaid expense		(4,016)	(15,372)
Consumption of supplies inventories		17	80
Use of prepaid expense		3,755	20,174
		(244)	4,795
Increase in net financial debt	27,709	30,688	(152,917)
Net financial debt – beginning of year		(1,247,009)	(1,094,092)
Net financial debt – end of year		(1,216,321)	(1,247,009)

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



**B.C. Pavilion Corporation**  
**Statement of Cash Flows**  
(in \$000s)

	<b>March 31 2013</b>	<b>March 31 2012</b>
<b>Operating transactions</b>		
Surplus (Deficit) for the year	(10,215)	1,474
<i>Non-cash items included in surplus (deficit):</i>		
Amortization of tangible capital assets	48,208	39,680
Loss on disposal of tangible capital assets	4	276
Amortization of deferred contributions - other	(1,989)	(3,540)
Amortization of deferred contributions – government	(49,741)	(46,923)
Accounts receivable	(365)	(25,325)
Due from government	1,597	11,012
Accounts payable and accrued liabilities	(18,600)	(4,640)
Employee future benefits	(197)	208
Deferred revenue	4,561	5,291
Inventories held for use	17	(7)
Prepaid expenses	(261)	4,801
<i>Cash used in operations</i>	<u>(26,981)</u>	<u>(17,693)</u>
<b>Capital transactions</b>		
Tangible capital assets	(7,065)	(199,142)
<i>Cash used in capital transactions</i>	<u>(7,065)</u>	<u>(199,142)</u>
<b>Financing transactions</b>		
Deferred contributions – other	300	2,211
Deferred contributions – government	11,842	146,532
Due from government	4,272	23,643
Long term debt	-	-
<i>Cash provided for in financing transactions</i>	<u>16,414</u>	<u>172,386</u>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(17,632)</b>	<b>(44,449)</b>
Cash and cash equivalents – beginning of year	41,743	86,192
Cash and cash equivalents – end of year	<u><b>24,111</b></u>	<u><b>41,743</b></u>

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

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**1. Authority and Nature of Operations**

B.C. Pavilion Corporation (PavCo) was formed on April 1, 2008 under the *British Columbia Business Corporations Act*, following the amalgamation of the former B.C. Pavilion Corporation and Vancouver Convention Centre Expansion Project Ltd. (VCCEP). PavCo is wholly owned by the Province of British Columbia, and reports to the Legislative Assembly through the Minister of Energy, Mines and Natural Gas. As a provincial crown agency, PavCo is subject to legislative regulations in government reporting Acts which include the *Budget Transparency and Accountability Act* and the *Financial Administration Act*.

PavCo's mandate is to create significant economic and community benefits for the people of British Columbia by developing, marketing and operating iconic world class public convention, sports and entertainment facilities. The corporation owns and operates BC Place Stadium and the Vancouver Convention Centre's west facility. The Corporation operates the Vancouver Convention Centre's east facility under a separate agreement with Canada Place Corporation.

PavCo is exempt from income taxes under the Income Tax Act.

**2. Change in Accounting Policy**

On April 1, 2012, PavCo adopted the PSA Handbook Section PS 3450 "Financial Instruments". The new standard includes the requirement for recognition, measurement, presentation and disclosure of financial instruments and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on PavCo's financial statements.

**3. Significant Accounting Policies**

These financial statements have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia which requires that financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to accounting for government transfers as presented in Note 23. Significant accounting policies used in the preparation of these financial statements are:

***Financial assets***

Cash and cash equivalents include cash on hand and short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Accounts and loans receivable are recorded at cost less the amount of any valuation allowance (bad debt allowance). Valuation allowances are made when collection is in doubt. Changes in valuation allowances are recognized as expenses in the period when the valuation change is made. Interest is only accrued on receivables when collection is certain.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**3. Significant Accounting Policies (cont.)**

***Tangible capital assets***

Tangible capital assets are recorded at cost less accumulated amortization. Asset costs (excluding land), less any residual value, are amortized over their estimated useful lives to PavCo as follows:

Building and improvements	10 to 50 years, straight line
Leasehold improvements	over the shorter of the estimated useful life of the improvement or the term of the lease, straight line
Equipment and other capital assets	1 to 10 years, straight line
Furniture	3 to 20 years, straight line
Vehicles	30% per annum, declining balance
Computer hardware and software	3 to 5 years, straight line

Assets under construction are recorded at cost and include direct costs during development and construction, indirect costs that are directly attributable to the construction or development activity and other carrying costs. When construction is substantially complete or the asset is ready for use, it is subsequently amortized over its estimated useful life.

The corporation has entered into agreements where value-in-kind (VIK) is provided. VIK is recognized at fair value and when the goods would otherwise have been purchased (including any applicable taxes). The VIK provided by these agreements is included in its applicable tangible capital asset class.

Contributed tangible capital assets are recorded at fair value as of the date of contribution. When fair value of a contributed asset cannot be determined by market or appraisal estimates, the asset is recorded at nominal value.

PavCo reviews the value of its tangible capital assets that are in active service for impairment based on their service potential. Assets are written down when conditions indicate that they no longer contribute to PavCo's ability to provide goods and services.

PavCo does not report the cost of its artwork and theming program in the Statement of Financial Position as artwork is not recognized under public sector accounting standards. All costs associated with developing, constructing, acquiring, installing and securing these assets are expensed when incurred.

***Inventories***

Inventories consist of minor consumable supplies held for use in the course of operations at PavCo's facilities and are recognized at historical cost.

***Prepaid expenses***

Prepaid expenses include cash disbursements for facility insurance and future event and operational costs, which will be charged to expense over the periods expected to benefit from it.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**3. Significant Accounting Policies (cont.)**

***Revenue recognition***

Revenues from events held at PavCo's facilities are recognized upon completion of the events. Amounts received in advance of event completion are recorded as deferred revenue.

Non-event related revenues are recognized on an accrual basis and in the period in which the transactions or events that gave rise to the revenues occurred.

Revenues received in advance from lease and business alliance agreements, and expenses incurred to generate them, are deferred and amortized on a straight line basis over the term specified in the agreements.

Unearned revenue resulting from contra-transactions, such as the exchange of goods or services for advertising, is deferred and amortized over the term of the services contract.

Contributions and transfers that are subject to legislative or contractual stipulations or restrictions on their use are treated as deferred contributions and classified as government or other, and are recognized to revenue in accordance with when their stipulations or restrictions are met.

Funding received for other specific purposes is treated as deferred contributions and recognized in the period that the stipulation or restriction is met.

Funding received for the acquisition of land or a transfer in the form of land, is recognized as revenue in the same period that the asset is acquired.

***Deferred Contributions***

The value of contributed depreciable tangible capital assets or funding received from government for the purpose of acquiring or developing tangible capital assets for use in providing services, is treated as deferred contributions and is amortized to revenue in the period during which the assets are used to provide those services, at a rate corresponding with the amortization rate for the related tangible capital assets. If the net book value of a depreciable tangible capital asset funded by a deferred contribution is reduced for any reason other than amortization, the proportionate share of the deferred contribution is recognized to revenue during the same period. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 23 for the impact of this policy on these financial statements.

***Expenses***

The cost of all goods consumed and services received during the fiscal year, not related to assets under construction, is expensed. Expenses are reported on an accrual basis.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**3. Significant Accounting Policies (cont.)**

Direct costs from events held at the facilities are recognized upon completion of the events. Amounts incurred in advance of event completion are recorded as prepaid expense.

Environmental costs are recorded when a determination of liability is made and the related costs can be reasonably estimated.

***Foreign currency transactions***

Any foreign currency transactions are translated into Canadian dollars at the rate of exchange in effect on the transaction date. Any foreign currency denominated monetary assets and liabilities are stated in the Statement of Financial Position using the prevailing rate of exchange at the financial statement date.

***Financial Instruments - Recognition and Measurement***

Section 3450 establishes standards for recognizing and measuring instruments. All financial assets and financial liabilities are measured in the statement of financial position on a fair value basis, as follows:

- Cash is recorded at fair value (fair value measurement hierarchy level one – quoted market prices).
- All other financial instruments are recorded at cost (fair value measurement hierarchy level three – not based on observable market data), which approximates fair value.

***Employee benefits plan***

PavCo and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension (Plan) is a multi-employer, defined benefit plan with over 110,000 active and retired members. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions.

An actuarial valuation of the plan every three years assesses its financial position. The most recent actuarial valuation, as at March 31, 2011, disclosed an overall actuarial deficit of \$275 million for basic pension benefits, for the entire Public Service Pension Plan. In order to fund the liability, both employer and employee rates increased effective April 1, 2012.

Contributions to the Plan by PavCo for fiscal 2013 were \$1.2 million (2012 - \$1.1 million).

## **B.C. Pavilion Corporation**

### **Notes to the Financial Statements**

**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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#### **4. Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting 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 reporting period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these statements. Actual results could differ from these estimates.

Management has made estimates for valuation allowances on receivables, accrued liabilities and on the expected timing of future expenditures related to construction commitments (Note 17).

## B.C. Pavilion Corporation

### Notes to the Financial Statements

For the year ended March 31, 2013 (tabular amounts in \$000s)

#### 5. Government Partnership

PavCo has partnered with the Greater Vancouver Convention and Visitors Bureau and the Vancouver Hotel Destination Association to create the Convention Development Fund (CDF) to provide incentives to convention groups in order to attract and secure convention business which is mutually beneficial to the parties. PavCo's contribution to the CDF constitutes an investment in a government partnership. Included in the corporation's financial statements is PavCo's proportionate interest in the partnership, based on its contributions to the CDF (2013 – 11.7%; 2012 – 16.9%):

<b>Statement of Financial Position</b>	<b>March 31 2013</b>	<b>March 31 2012</b>
Cash	768	800
Deferred contributions - government	768	800

<b>Statement of Operations</b>	<b>March 31 2013</b>	<b>March 31 2012</b>
Revenue	6	8
Expense	38	(12)

<b>Statement of Cash Flows</b>	<b>March 31 2013</b>	<b>March 31 2012</b>
Increase (Decrease) in deferred contributions - government	(32)	20
Decrease in accounts payable		20
Increase (Decrease) in cash and cash equivalents	(32)	-

PavCo also has a proportionate interest in the future commitments of the CDF. The corporation's current share of these commitments, to be funded by the CDF, as of March 31, 2013 is:

Fiscal 2014	169
Fiscal 2015	123
Fiscal 2016	23
Fiscal 2017	14
Fiscal 2018	103

#### 6. Cash and Cash Equivalents

	<b>March 31 2013</b>	<b>March 31 2012</b>
Cash	23,343	40,943
Investment in Convention Development Fund	768	800
	24,111	41,743

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

**7. Accounts Receivable**

	<b>March 31 2013</b>	<b>March 31 2012</b>
Trade	30,418	30,128
Less: provision for doubtful accounts	(57)	(132)
	<b>30,361</b>	<b>29,996</b>

**8. Due from Government**

	<b>March 31 2013</b>	<b>March 31 2012</b>
Federal government	497	2,094
Province of British Columbia	-	4,272
	<b>497</b>	<b>6,366</b>

Amounts due from the federal government represent reimbursement for harmonized sales tax. Amounts due from the Province of British Columbia are contributions for sustaining operations and construction of tangible capital assets.

**9. Accounts Payable and Accrued Liabilities**

	<b>March 31 2013</b>	<b>March 31 2012</b>
Trade accounts payable and accrued liabilities	18,726	37,218
Builder's lien holdbacks	2,475	2,583
	<b>21,201</b>	<b>39,801</b>

**10. Employee Leave Liability**

Employee leave liability represents the accumulated vacation entitlement that PavCo owes its employees for vacation not yet taken.

**11. Deferred Revenue**

	<b>March 31 2013</b>	<b>March 31 2012</b>
Unearned lease revenues	35,078	32,011
Unearned event revenue and deposits	8,040	6,546
	<b>43,118</b>	<b>38,557</b>

Unearned lease revenue represents funds received in advance from lease and business alliance agreements, and are recognized in accordance to the terms specified in those agreements. The terms of the business alliance agreements range from 10 years to 50 years.

Event revenues and deposits are receipts in advance of scheduled event dates and are deferred until completion of the event.



**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

**12. Deferred Contributions – Other**

	<b>Balance April 1 2012</b>	<b>Receipts during year</b>	<b>Transferred to revenue</b>	<b>Balance March 31 2013</b>
Other Contributions	19,093	300	(1,988)	17,405

	<b>Balance April 1 2011</b>	<b>Receipts during year</b>	<b>Transferred to revenue</b>	<b>Balance March 31 2012</b>
Other Contributions	20,422	2,211	(3,540)	19,093

Other deferred contributions include contributions, defined by their contractual stipulations, from non-related parties to fund major improvements to or the acquisition of capital assets. Included in other deferred contributions are value-in-kind contributions of tangible capital assets. Contributions are amortized to revenue in the period during which the related assets are used to provide those benefits, at the same rate corresponding to the amortization rate for the related tangible capital assets.

**13. Deferred Contributions – Government**

Government contributions are funding transfers which contain eligibility criteria and legislative or contractual stipulations with respect to their use. PavCo has received funding for asset acquisition and capital construction projects at PavCo's facilities as well as funding to support ongoing operations and for other specified purposes as follows:

	<b>Balance April 1 2012</b>	<b>Receipts during year</b>	<b>Transferred to revenue</b>	<b>Balance March 31 2013</b>
Government of Canada	210,960	-	(4,557)	206,403
Province of British Columbia	865,767	11,842	(45,185)	832,424
	1,076,727	11,842	(49,742)	1,038,827

	<b>Balance April 1 2011</b>	<b>Receipts during year</b>	<b>Transferred to revenue</b>	<b>Balance March 31 2012</b>
Government of Canada	215,516	-	(4,556)	210,960
Province of British Columbia	761,604	146,532	(42,369)	865,767
	977,120	146,532	(46,925)	1,076,727

Contributions from the Government of Canada is funding for the construction of the Vancouver Convention Centre's west facility and the connector between the east and west facility. Federal funding for the Vancouver Convention Centre's west facility includes the construction of the waste water treatment facility.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

**13. Deferred Contributions – Government (cont.)**

PavCo received contributions from its shareholder, the Province of British Columbia, for capital and operating purposes, and is segregated based on shareholder direction on the use of funds.

Government contributions for capital are amortized to revenue in the period during which the assets are used to provide those services, at a rate corresponding with the amortization rate for the related tangible capital assets. Other government contributions are recognized when their legislative or contractual stipulations are met.

**14. Long-term Debt**

	<b>March 31 2013</b>	<b>March 31 2012</b>
Province of British Columbia	150,000	150,000

In fiscal 2010, PavCo entered into a long-term loan agreement with the Province of British Columbia to provide financing for the construction of the retractable roof and refurbishment upgrades at BC Place Stadium. PavCo received the balance of the loan in fiscal 2011.

Under the terms of the loan agreement, the repayable loan is non-interest bearing during the construction and start-up period. Commencing April 2, 2013, PavCo will repay the loan by providing semi-annual blended payments of principal and interest (fixed interest rate at 4.89%) until fiscal 2049.

The current repayment schedule reflects loan payments by PavCo of \$4.5 million for the initial and final repayment fiscal years (2014 and 2049), and \$9.0 million for fiscal years 2015 through 2048.

The loan is secured by the assets of BC Place Stadium and the Vancouver Convention Centre.

**15. Tangible Capital Assets**

	<b>BC Place</b>	<b>Vancouver Convention Centre<sup>(1)</sup></b>	<b>March 31 2013</b>	<b>March 31 2012</b>
Land	31,292	41,442	72,734	72,734
Buildings and improvements	483,142	659,523	1,142,665	1,172,081
Leasehold improvements		30,880	30,880	30,010
Equipment	32,820	4,153	36,973	46,491
Furniture and fixtures	20,195	1,758	21,953	25,052
Computer hardware/software	105	71	176	160
<b>Total</b>	<b>567,554</b>	<b>737,827</b>	<b>1,305,381</b>	<b>1,346,528</b>

(1) Includes corporate office assets

PavCo holds a variety of art pieces at its facilities however it does not recognize the cost or value of artwork in its financial statements. All costs of developing, constructing, acquiring, installing and securing the pieces have been expensed. The corporation has title to most pieces in the program, and is responsible for the preservation and protection of all pieces.

## **B.C. Pavilion Corporation**

### **Notes to the Financial Statements**

**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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The Vancouver Convention Centre's comprehensive art program, which was produced as part of the west facility expansion, includes various paintings, sculptures, First Nations pieces, and other items. The historical cost of these art pieces at March 31, 2013 is \$6.2 million (\$6.2 million at March 31, 2012).

#### **15. Tangible Capital Assets (cont.)**

As part of the BC Place revitalization project, PavCo developed and re-constructed Terry Fox plaza to showcase the new Terry Fox memorial sculptures. The historical cost for the Terry Fox memorial sculptures is \$0.6 million (\$0.6 million at March 31, 2012).

The corporation uses the historical cost value of the art pieces for insurance purposes, unless appraisal values are available.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

**15. Tangible Capital Assets (cont.)**

	Land	Buildings and improvements	Leasehold Improvements	Equipment	Furniture and fixtures	Vehicles	Computer hardware & software	2013
<b>Cost:</b>								
Opening balance	72,734	1,270,723	37,229	66,534	32,167	25	2,166	1,481,578
Additions		3,965	2,713	871	218		128	7,895
Disposals and adjustments		217	(97)	(1,822)			(10)	(1,712)
Closing balance	72,734	1,274,905	39,845	65,583	32,385	25	2,284	1,487,761
<b>Accumulated amortization:</b>								
Opening balance	-	(98,642)	(7,219)	(20,043)	(7,115)	(25)	(2,006)	(135,050)
Amortization expense		(33,876)	(1,843)	(9,061)	(3,317)		(111)	(48,208)
Effect of disposals and adjustments		278	97	494			9	878
Closing balance	-	(132,240)	(8,965)	(28,610)	(10,432)	(25)	(2,108)	(182,380)
<b>Net book value</b>	<b>72,734</b>	<b>1,142,665</b>	<b>30,880</b>	<b>36,973</b>	<b>21,953</b>	<b>0</b>	<b>176</b>	<b>1,305,381</b>
	Land	Buildings and improvements	Leasehold Improvements	Equipment	Furniture and fixtures	Vehicles	Computer hardware & software	2012
<b>Cost:</b>								
Opening balance	71,260	1,132,547	36,988	30,483	10,399	49	2,160	1,283,886
Additions	1,474	138,543	241	36,377	22,395	-	112	199,142
Disposals and adjustments	-	(367)	-	(326)	(627)	(24)	(106)	(1,450)
Closing balance	72,734	1,270,723	37,229	66,534	32,167	25	2,166	1,481,578
<b>Accumulated amortization:</b>								
Opening balance	-	(70,892)	(5,344)	(13,810)	(4,691)	(45)	(1,761)	(96,543)
Amortization expense	-	(27,909)	(1,875)	(6,966)	(2,578)	(3)	(349)	(39,680)
Effect of disposals and adjustments	-	159	-	733	154	23	104	1,173
Closing balance	-	(98,642)	(7,219)	(20,043)	(7,115)	(25)	(2,006)	(135,050)
<b>Net book value</b>	<b>72,734</b>	<b>1,172,081</b>	<b>30,010</b>	<b>46,491</b>	<b>25,052</b>	<b>-</b>	<b>160</b>	<b>1,346,528</b>

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

**15. Tangible Capital Assets (cont.)**

*(i) Contributed Assets*

The corporation received contributed assets during the fiscal 2012 which were recognized at fair value and are included in the following asset classes. No amounts were received in fiscal 2013.

	<b>March 31 2013</b>	<b>March 31 2012</b>
Land	-	1,474
Equipment	-	500
	-	1,974

In fiscal 2012 the City of Vancouver enacted zoning for certain lands to the west of BC Place resulting in a minor property transfer (Terry Fox Way) to the corporation, and BC Place received contributed kitchen and concessionary equipment as part of an operating agreement with a supplier.

*(ii) Work in Progress*

During fiscal 2012, PavCo completed its refurbishment project at BC Place Stadium within its \$563.0 million budget. The project included a new retractable roof, significant structural upgrades and interior refurbishments. The stadium re-opened on September 30, 2011. Development and construction costs associated with the refurbishment program were treated as work in progress, and recorded at cost with no amortization until the asset was substantially complete and ready for use.

Development and construction costs associated with the completion of the seawall along the west side of the Vancouver Convention Centre are treated as work in progress and are recorded at cost with no amortization until the asset is substantially complete or ready for use. At March 31, 2013, work in progress consisted of minor interior renovations and implementation of new computer hardware.

Work in progress included in asset cost is as follows:

	Buildings and improvements	Leasehold Improvements	Computer Hardware	<b>2013</b>
BC Place Stadium	19			19
Vancouver Convention Centre	1,138	945	33	2,116
	1,157	945	33	2,135

	Buildings and improvements	Leasehold Improvements	Computer Hardware	<b>2012</b>
BC Place Stadium	50	-	-	<b>50</b>
Vancouver Convention Centre	65	-	-	<b>65</b>
	115	-	-	<b>115</b>

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**16. Prepaid Expenses**

Prepaid expenses reflect prepayments for event and operational requirements.

	<b>March 31 2013</b>	<b>March 31 2012</b>
Event and operations prepayments	1,213	952

**17. Contingencies and Contractual Obligations**

***Contingent assets***

PavCo holds an interest in a parcel of land in Surrey, British Columbia. Under the terms of the agreement, if the land were to be sold or redeveloped before March 2016, PavCo would receive three fifths of the sales proceeds of the land over \$1.1 million. No estimate is available of the current value of the land or of the intention of the owner to dispose of it at this time.

***Contingent liabilities***

- a) During construction of the upgrades to BC Place grease from cables leaked onto the roof. PavCo and its general contractor jointly purchased Course of Construction insurance and have put its insurers on notice of a claim for damage to the roof. Mediation between the Course of Construction insurers, PavCo, the general contractor, and sub-contractors has been scheduled for May 2013. The outcome of mediation and other possible actions are unknown at this time. The amount, if any, of repair costs to be borne by PavCo cannot be determined at this time.
- b) The corporation has issued a letter of credit to the Department of Fisheries and Oceans Canada with respect to a five-year habitat compensation and monitoring program arising from the Vancouver Convention Centre west expansion development. The letter of credit is valued at \$100 thousand, and includes an annual auto-renewal clause, unless cancelled prior to the expiry date of November 19, 2013. PavCo is liable for remediation of the habitat program, if monitoring shows negative results. At March 31, 2013, the corporation has successfully completed its fourth year of the monitoring program with no required remediation to date.
- c) PavCo and predecessor property owners remain liable for environmental and reclamation obligations for known hazards that may exist at its facilities. Management is not aware of any existing environmental problems related to its facilities that may result in material liability to the corporation.
- d) The corporation is named in various legal actions resulting from operations at PavCo's facilities. No determination can be made on the eventual outcome or disposition of the legal actions. PavCo does not expect the outcome of any proceedings, individually or in the aggregate, to have a material impact on the corporation's financial position.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**17. Contingencies and Contractual Obligations (cont.)**

***Contractual obligations***

a) Operating leases

The corporation is committed to payments under several operating leases and maintenance agreements, the longest of which extends to 2018. These represent total commitments as follows:

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Fiscal 2014	852
Fiscal 2015	403
Fiscal 2016	230
Fiscal 2017	226
Fiscal 2018 and beyond	13

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b) Construction

PavCo is committed to completing upgrades and renovations with respect to its major capital projects, within the approved project budgets.

At March 31, 2013, the Corporation has committed to future expenditures under contracts currently entered into with respect to remaining construction obligations as follows:

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Fiscal 2014	875
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c) Redevelopment

On November 29th, 2011 the City of Vancouver Council enacted zoning, as approved at Public Hearing on April 19, 2011, for certain lands on the west side of BC Place. The City of Vancouver acquired lands between Expo Boulevard and Pacific Boulevard for the construction of an extension to Smithe Street (Smithe Street Extension), and transferred its surplus lands between the Smithe Street Extension and BC Place to PavCo (including Terry Fox Way). Under the rezoning obligations, PavCo is required to provide 300 parking stalls for public hourly use in the first development on the lands.

Under separate Agreements, PavCo is also obligated to bear the costs of remediation of soils beneath the Smithe Street Extension and the development lands, the costs of installation of City services under the Smithe Street Extension, and the construction of the Smithe Street Extension to its west curb line. The costs of these obligations and their completion dates have not been determined.

In addition, PavCo entered into an Updated Master Development Agreement with a third party who plans to develop certain land on the west side of BC Place. The Agreement has no financial impact on the March 31, 2013 financial statements.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**18. Expenses by Object**

The following summarizes expenses by object:

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
Event direct costs	25,224	27,162	27,314
Salaries, wages and benefits	16,242	16,189	15,526
Operating expenses	16,012	14,141	14,707
General and administration	5,710	4,420	4,941
Business development	2,082	4,024	2,421
Professional consulting fees	1,833	2,534	2,857
Redevelopment	2,000	-	25,001
Amortization	48,125	48,208	39,680
	<b>117,228</b>	<b>116,678</b>	<b>132,447</b>

**19. Related Party Transactions**

PavCo is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities considered to be in the normal course of operations, are recorded at the exchange amounts, predominantly under prevailing trade terms.

**20. Valuation Allowance**

Valuation allowances are included in 'General and administration' expenditures (Note 18), and represent the write-down of assets and liabilities in the statement of financial position.

	BC Place	Vancouver Convention Centre	<b>2013</b>	<b>2012</b>
Accounts receivable	13	(53)	(40)	99

**21. Budgeted Figures**

Budgeted figures have been provided for comparison purposes and are derived from the estimates provided in the Corporation's 2012/13 Annual Service Plan report which was approved by PavCo's Board of Directors.

**22. Comparative Numbers**

Certain comparative numbers have been restated to conform to the financial statement presentation used in the current year.



**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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**23. Impact of Accounting for Government Transfers in Accordance with Section 23.1 of the *Budget Transparency and Accountability Act***

As a provincial crown agency, PavCo is subject to reporting under the *Budget Transparency and Accountability Act* ('Act') as noted in Note 1 (authority and nature of operations) and Note 3 (significant accounting policies). Section 23.1 of the Act and its related regulations requires the corporation to recognize government transfers for capital asset acquisition or development into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the corporation's financial statements is as follows:

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**At March 31, 2012**

Increase in accumulated operating surplus	(1,064,601)
Decrease in deferred contributions - government	1,064,601

**For the year ended March 31, 2013**

Decrease in operating surplus	25,774
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**At March 31, 2013**

Increase in accumulated operating surplus	(1,038,827)
Decrease in deferred contributions - government	1,038,827

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**24. Financial Instruments**

Financial instruments include cash and cash equivalents, accounts receivable, due from government, accounts payable and accrued liabilities, employee leave liability, and long term debt.

PavCo is exposed to various risks related to its financial instruments. It is management's opinion that the corporation is not exposed to significant market, liquidity or credit risk arising from these financial instruments.

PavCo's risk management objective when it invests in financial instruments is to ensure that any investments are in quality securities so as to safely guard the assets of the shareholder, and enable the corporation to continue operations as a going concern.

*Market Risk* - Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect PavCo's income or the value of its financial instruments.

PavCo's exposure to currency risk is only related to the value of foreign exchange transactions in the normal course of business, and manages this risk by minimizing the amount of transactions in foreign funds.

## **B.C. Pavilion Corporation**

### **Notes to the Financial Statements**

**For the year ended March 31, 2013 (tabular amounts in \$000s)**

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PavCo is not subject to interest rate risk on its long term debt as a fixed rate is provided for in the loan agreement which eliminates fluctuations in the value of this financial instrument during the repayment period.

#### **24. Financial Instruments (cont.)**

*Liquidity Risk* - Liquidity risk is the risk that PavCo will have difficulty in meeting its financial obligations when they come due.

PavCo manages liquidity risk by continually monitoring cash flows, and by maintaining the ability to borrow funds from its shareholder.

*Credit Risk* - Credit risk is the risk of financial loss to PavCo if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

PavCo's exposure to credit risk is only related to the value of accounts receivable in its normal course of business, and manages this risk by minimizing the amount of transactions which require recovery. The corporation continually monitors and manages the collection of receivables from other customers.

## 25. Segmented Information

PavCo reports segmented information by its operating divisions: BC Place Stadium, the Vancouver Convention Centre and Corporate Services. The facilities, BC Place and the Vancouver Convention Centre, market, sell and manage space for conventions, trade and consumer shows, entertainment, sports and other events. PavCo's Corporate Services division provides the corporation's governance and consolidated reporting, and is allocated equally to its facilities.

The segmented information provided is consistent with the accounting policies provided with PavCo's financial statements as disclosed in Note 3. Revenues, expenses and tangible capital assets by facility are provided in the following tables:

	<u>BC Place<sup>(1)</sup></u>		<u>Vancouver Convention Centre<sup>(1)(2)</sup></u>		<u>Total</u>	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Event revenues	10,572	5,470	37,240	42,087	47,812	47,557
Lease revenues	36	9	3,014	2,703	3,050	2,712
Miscellaneous revenues <sup>(3)</sup>	3,307	32,128	130	160	3,437	32,288
Deferred contributions – other	1,036	2,140	953	1,400	1,989	3,540
Deferred contributions - government	27,067	24,822	22,674	22,101	49,741	46,923
Interest revenue	213	339	221	562	434	901
	<b>42,231</b>	<b>64,908</b>	<b>64,232</b>	<b>69,013</b>	<b>106,463</b>	<b>133,921</b>
<b>Expenses</b>						
Event direct costs	6,257	3,109	20,905	24,205	27,162	27,314
Salaries, wages and benefits	7,517	7,237	8,672	8,289	16,189	15,526
Operating expenses	4,772	4,743	9,369	9,964	14,141	14,707
General and administration	1,768	1,930	2,653	3,011	4,420	4,941
Business development	3,369	1,557	655	864	4,024	2,421
Professional consulting fees	1,420	1,703	1,113	1,154	2,534	2,857
Redevelopment <sup>(4)</sup>	-	25,001	-	-	-	25,001
Amortization	26,593	18,154	21,615	21,526	48,208	39,680
	<b>51,696</b>	<b>63,434</b>	<b>64,982</b>	<b>69,013</b>	<b>116,678</b>	<b>132,447</b>
<b>Surplus (deficit) for the period</b>	<b>(9,465)</b>	<b>1,474</b>	<b>(750)</b>	<b>-</b>	<b>(10,215)</b>	<b>1,474</b>

(1) Corporate office revenues and expenditures have been allocated equally between PavCo's facilities

(2) PavCo's proportionate share of the Convention Development fund is consolidated to Vancouver Convention Centre operations

(3) Miscellaneous revenues include monies received outside of the course of normal operations.

(4) Redevelopment costs are outside of normal operating expenses and include the write down of the temporary facility at Empire Field, and expenses associated with the redevelopment of lands to the west of BC Place

## 25. Segmented Information (cont.)

BC Place	Buildings and		Furniture and		Computer hardware and		2013	2012
	Land	improvements	Equipment	fixtures	Vehicles	software		
<b>Cost:</b>								
Opening balance	31,292	548,397	53,381	22,975	-	540	656,585	460,439
Additions		2,676	653	214		62	3,605	197,517
Disposals and adjustments		217	(1,822)			(10)	(1,615)	(1,371)
Closing balance	31,292	551,290	52,212	23,189	-	592	658,575	656,585
<b>Accumulated amortization:</b>								
Opening balance	-	(50,902)	(12,535)	(1,344)	-	(427)	(65,208)	(48,152)
Amortization expense		(17,523)	(7,350)	(1,650)		(70)	(26,593)	(18,153)
Effect of disposals and adjustments		277	493			10	780	1,097
Closing balance	-	(68,148)	(19,392)	(2,994)	-	(487)	(91,021)	(65,208)
<b>Net book value – March 31, 2013</b>	<b>31,292</b>	<b>483,142</b>	<b>32,820</b>	<b>20,195</b>		<b>105</b>	<b>567,554</b>	
<b>Net book value – March 31, 2012</b>	<b>31,292</b>	<b>497,495</b>	<b>40,846</b>	<b>21,631</b>	-	<b>113</b>		<b>591,377</b>

During fiscal 2012, PavCo completed its refurbishment project at BC Place Stadium within its \$563.0 million budget. The project included a new retractable roof, significant structural upgrades, exterior and interior refurbishments. The stadium re-opened on September 30, 2011.

Development and construction costs associated with the refurbishment program were treated as work in progress, and recorded at cost with no amortization until the asset was substantially complete and ready for use. Total asset cost includes work in progress allocated as follows:

	Buildings and	Equipment	Furniture and fixtures	Total work in progress
BC Place – work in progress				
Total costs – March 31, 2013	19			19
Total costs – March 31, 2012	50	-	-	50

## 25. Segmented Information (cont.)

Vancouver Convention Centre <sup>(1)</sup>	Land	Buildings and improvements	Leasehold Improvement s	Equipment	Furniture and fixtures	Vehicles	Computer hardware and software	2013	2012
<b>Cost:</b>									
Opening balance	41,442	722,325	37,229	13,152	9,192	25	1,627	824,992	823,446
Additions		1,289	2,713	219	4		66	4,291	1,624
Disposals and adjustments			(97)					(97)	(78)
Closing balance	41,442	723,614	39,845	13,371	9,196	25	1,693	829,186	824,992
<b>Accumulated amortization:</b>									
Opening balance	-	(47,738)	(7,219)	(7,508)	(5,772)	(25)	(1,580)	(69,842)	(48,391)
Amortization expense		(16,353)	(1,843)	(1,710)	(1,666)		(42)	(26,614)	(21,527)
Effect of disposals and adjustments	-		97					97	76
Closing balance	-	(64,091)	(8,965)	(9,218)	(7,438)	(25)	(1,622)	(91,359)	(69,841)
<b>Net book value – March 31, 2013</b>	<b>41,442</b>	<b>659,523</b>	<b>30,880</b>	<b>4,153</b>	<b>1,758</b>	<b>-</b>	<b>71</b>	<b>737,827</b>	
<b>Net book value – March 31, 2012</b>	<b>41,442</b>	<b>674,587</b>	<b>30,010</b>	<b>5,645</b>	<b>3,420</b>	<b>-</b>	<b>47</b>		<b>755,151</b>

(1) Includes corporate office assets with a total net book value of \$5 thousand at March 31, 2013 (\$30 thousand at March 31, 2012)

PavCo's lease agreement with Canada Place Corporation for the Vancouver Convention Centre's east facility is for a 20-year term expiring in 2027. It is at nominal annual rent and PavCo is responsible for all operating costs. As the lease term represents the full economic life of the asset, it is included in the tangible capital assets of the Corporation. Modifications and renovations to the east facility were substantially completed in fiscal 2011. The Vancouver Convention Centre's west facility, opened on April 3, 2009, and asset cost includes direct costs of construction and an apportioned amount of overhead costs directly attributable to its construction including capitalized interest earned of \$24.9 million.

**25. Segmented Information (cont.)**

At March 31, 2013, development and construction costs associated with the completion of the seawall along the west side of the Vancouver Convention Centre are included in costs. These costs are treated as work in progress and are recorded at cost with no amortization until the asset is substantially complete or ready for use. In addition, minor interior renovations and computer hardware not put into service have been treated as work in progress. The value of this work is as follows:

Vancouver Convention Centre – work in progress	Buildings and improvements	Leasehold Improvements	Computer Hardware	Total work in progress
Total costs – March 31, 2013	1,138	945	33	<b>2,116</b>
Total costs – March 31, 2012	65			<b>65</b>

**B.C. PAVILION CORPORATION  
FINANCIAL REPORTING  
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<b>Name of Person / Company Indemnified</b>	<b>Risk Management Branch File No.</b>	<b>Date Issued</b>
Non-Union Employees of B.C. Pavilion Corporation	93028	September 1992
Unionized Employees of B.C. Pavilion Corporation	970002	June 1, 1994
Vancouver Port Corporation	970101	July 21, 1997
B.C. Tel Communications	970167	March 1997
B.C. Tel	970168	March 1997
Her Majesty The Queen in Right of The Province of British Columbia represented by the Minister of Employment and Investment	970169	March 25, 1997
Colliers Macaulay Nichols Inc.	070387	October 18, 2006
Labor Ready Inc.	070471	December 14, 2006
The Canada Employment Insurance Commission	070480	December 20, 2006
Larco Investments Ltd.	080026	April 23, 2007
Concert Real Estate Corporation; Concert Properties	080059	May 11, 2007
Toronto Dominion Bank	080114	May 25, 2007
Singleton Urquhart LLP	080226	July 10, 2007
Hampton Inn and Suites by Hilton	080407	October 3, 2007
Express Services doing business as Express Personnel Services	080474	November 7, 2007
Georgian Court Hotel Limited	080534	December 13, 2007
Central Heat Distribution Limited	080624	January 23, 2008
Vancouver Fraser Port Authority and Imperial Parking Canada Corporation	080718	February 22, 2008
Board of Directors, BC Pavilion Corporation	080805	March 31, 2008
BCS Consulting Ltd.	090239	June 6, 2008
Arif Rahemtulla	090240	June 6, 2008
Canada Place Corporation	090271	June 16, 2008
Dominion Fairmile Construction Ltd.	090563	August 28, 2008

**B.C. PAVILION CORPORATION  
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<b>Name of Person / Company Indemnified</b>	<b>Risk Management Branch File No.</b>	<b>Date Issued</b>
Kone Inc	090605	September 11, 2008
DDB Canada, a division of Omnicom Canada, Inc	909834	November 21, 2008
Grant Thornton LLP	090841	November 25, 2008
Ironstone Management Ltd	090876	December 11, 2008
Shanahans Limited Partnership	091173	March 25, 2009
BC Hydro and Power Authority	100132	May 4, 2009
American Registry for Internet Numbers Ltd	100169	May 13, 2009
PCI Convention Corporation	100185	May 15, 2009
Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance	100284	June 5, 2009
Vancouver Fraser Port Authority	100520	July 29, 2009
Vancouver Harbour Flight Centre Limited Partnership	100544	August 5, 2009
PCI Convention Corp	100545	August 5, 2009
Petrina Enterprises Inc	100549	August 7, 2009
Reliance Properties Ltd	100589	August 21, 2009
Grant Thornton LLP	100814	October 23, 2009
Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games	100920	November 26, 2009
Ironstone Management Ltd	100953	December 11, 2009
Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games	101170	February 1, 2010
City of Vancouver	101206	February 9, 2010
PCI Waterfront Leasing Corp	101406	March 24, 2010
Her Majesty the Queen in Right of the Province of British Columbia represented by the Minister of Finance	101419	March 26, 2010



**B.C. PAVILION CORPORATION  
FINANCIAL REPORTING  
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<b>Name of Person / Company Indemnified</b>	<b>Risk Management Branch File No.</b>	<b>Date Issued</b>
Southwest Contracting Ltd	101423	March 29, 2010
Canada Place Corporation	110021	April 7, 2010
Vancouver Esperanza Society	110043	April 12, 2010
Vancouver City Savings Credit Union	110047	April 12, 2010
One West Holding Ltd	110617	July 26, 2010
Williams Scotsman of Canada Inc	110687	August 16, 2010
Royal Bank of Canada	110704	August 19, 2010
Strata Plan BCS3127	110762	September 1, 2010
Amazon Web Services LLC	110968	October 14, 2010
Exploration Production Inc	111237	January 20, 2011
Worley Parsons Canada Services Ltd	120232	May 25, 2011
Worley Parsons Canada Services Ltd	120231	May 25, 2011
Worley Parsons Canada Services Ltd	120433	July 4, 2011
Edgewater Casino Limited Partnership	120396	June 22, 2011
Dan Doyle	120434	July 4, 2011
City of Vancouver	121040	November 22, 2011
Ausenco Sandwell	120716	September 19, 2011
The City of Vancouver	120996	November 30, 2011
The City of Vancouver	121005 to 121017	November 30, 2011
Imperial Parking Corporation	121160	October 1, 2011
Grant Thornton LLP	121296	January 31, 2012
QPS Evaluation Services Inc	121297	January 31, 2012
Northwest Hydraulic Services	130577	July 6, 2012
Heenan Blaikie LLP	130711	July 31, 2012
Cole Aviation Services	130712	July 31, 2012
Richmond Elevator Maintenance Limited	131081	November 9, 2012

**B.C. PAVILION CORPORATION  
FINANCIAL REPORTING  
STATEMENT OF INDEMNIFICATIONS**

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<b>Name of Person / Company Indemnified</b>	<b>Risk Management Branch File No.</b>	<b>Date Issued</b>
Vancouver City Savings Credit Union	131315	January 9, 2013
Grant Thornton LLP	131481	February 7, 2013

Note: None of the indemnities have expiry dates or limits of amounts of indemnity.

**B.C. PAVILION CORPORATION**  
**SCHEDULE OF RENUMERATION**  
**APRIL 1, 2012 TO MARCH 31, 2013**

**1. Elected Officials, Employees appointed by Cabinet and Member of the Board of Directors**

<b>Name</b>	<b>Position</b>	<b>Remuneration \$</b>	<b>Expenses \$</b>
Anton Suzanne	Member, Board of Directors	10,500	
Ballingall Michael	Member, Board of Directors	9,500	1,437
Breining Theresa	Member, Board of Directors	0	
Bryant Robert	Member, Board of Directors	12,500	113
Fassbender Peter	Chairperson, Board of Directors	16,500	75
Gomez Susan	Member, Board of Directors	1,500	
Guscott David	Member, Board of Directors	9,500	
Horning John	Member, Board of Directors	16,000	
Kresivo Miriam	Member, Board of Directors	12,500	
Lowe Alan	Member, Board of Directors	10,000	638
Lyons Terry	Member, Board of Directors	16,500	666
McLaughlin Stuart	Vice Chair, Board of Directors	0	
Palmer Frank	Member, Board of Directors	9,000	
Ritchie Grant	Member, Board of Directors	8,500	
Zurowski Donald	Member, Board of Directors	10,500	
		10,500	2,011
		<b>(A) \$143,000</b>	<b>\$4,940</b>

**2. Other Employees (excluding those listed in Section 1 above)**

<b>Name</b>	<b>Position</b>	<b>Remuneration \$</b>	<b>Expenses \$</b>
Blomfield Duncan	Marketing and Communications Manager	75,822	
Buckley Warren	Chief Executive Officer	287,043	3,759
Burdiston Jeff	Engineering Technician	80,528	
Busby Anthony	Controller	94,711	119
Caister Bruce	Power Engineer	83,981	
Campbell Kim	Director of Finance	91,014	743
Cissell Lynn	Sales and Event Manager	83,487	1,183
Collens Michelle	Manager, Business Development	81,315	6,505
Cretney Ken	General Manager	338,458	41,260
Crosley Howard	General Manager	263,851	5,007
Dutton Deborah M.	Director of Event Operations	112,289	1,451
Elder Dan	IBS Manager	91,706	492
Franklin Brent	Mgr Engineering Services	88,560	2,948
Freeman Krista	Director of Finance	93,406	228
Garcia Mike	Manager Engineering Services	95,894	518
Gowe Chris	Director of Sales	118,957	15,858
Grecia Kimberly	Marketing Manager	79,107	
Griffin Brian	Director Facility Operations	139,198	1,566
Hammond Kevin	Health & Safety Coordinator	77,503	
Harding John	Chief Financial Officer	272,157	1,499
Hayden Dana	President and CEO	203,905	29,719
Horton Andrea	Director of Human Resources	114,063	1,873
Hunter Donna	Director Client Services	115,146	662
Ing Jacqueline	Director of Human Resources & Labour Relations	104,193	6,460
Jackson Tom	Operations Supervisor	75,073	
Johnson Stephanie	Sales Manager	75,889	38,606
Koch Amy	Sales Manager	79,598	19,453
Leblanc Alan	Maintenance Manager	85,769	
Lehto Craig	Assistant General Manager	155,793	3,080
Mackenzie Rand	Director Facility Operations	124,831	573
Menzies Lynn	Assistant Director of Sales	92,223	11,940
Mickelson Steven	Conversion Manager	78,598	
Mok Winnie	Director Info Technology	106,347	6,394
O'Flaherty Jane	Accountant	78,998	505
Patterson Thomas	Supervisor, Engineering and Maintenance	78,434	
Quan Dan	Director of Finance	116,115	1,270
Ramsay Graham	Director Sales and Marketing	138,422	15,794
Reid Diana C.	Sales Manager	86,187	20,524
Richard Joseph	Event Manager	85,845	
Robertson-Delisser K	Assistant General Manager	157,519	3,140
Savard Art	Supervisor, Engineering and Maintenance	91,955	20
Scribner Larry	Assistant Manager Client Services	86,364	847
Sketh Paul	Manager Event Operations	89,892	254

**B.C. PAVILION CORPORATION**  
**SCHEDULE OF RENUMERATION**  
**APRIL 1, 2012 TO MARCH 31, 2013**

Smith Claire	VP Sales & Marketing	194,553	45,583
Sodhi-Cavezza Anita	Regional Sales Manager	75,568	1,050
Swank James	Electrician	75,637	
Wagner Alexandra	Exec. Assistant to President	87,281	1,245
Wu Jinny	Communications Manager	84,432	1,128
Yang Xuemo	Electrician	83,590	
Yu Hong	Electrician	82,936	
Zeeben Bill	IT Delivery Service Manager	82,079	1,491
		<u>\$5,836,225</u>	<u>\$294,743</u>
<b>Total, other employees with remuneration of \$75,000 or less</b>		<u>\$10,703,792</u>	<u>\$144,097</u>
<b>Total Employees</b>		<b>(B) <u>\$16,540,017</u></b>	<b><u>\$438,840</u></b>

**3. Reconciliation**

Elected Officials, Employees appointed by Cabinet and Member of the Board of Directors	(A)	\$143,000
Employees total remuneration	(B)	<u>\$16,540,017</u>
Sub-total		\$16,683,017
Reconciling items consisting largely of employer paid benefits offset by wages allocated to events as event direct costs		<u>-\$531,898</u>
<b>Total per Statement of Operations and Retained Earnings</b>		<b><u><u>\$16,189,247</u></u></b>

**B.C. PAVILION CORPORATION  
STATEMENT OF SEVERANCE AGREEMENTS  
APRIL 1, 2012 TO MARCH 31, 2013**

There were no severance agreements between PavCo and its non-unionized employees during fiscal year ended March 31, 2013

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

**B.C. PAVILION CORPORATION**  
**SCHEDULE OF PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES**  
**APRIL 1, 2012 TO MARCH 31, 2013**

**1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000**

<b>Name</b>	<b>Amount</b> <b>\$</b>
0713318 BC Ltd	98,935
Access Metal Products Ltd	32,201
Accountemps	33,245
Acklands Grainger	51,284
All West Facility Services	34,307
Alpha Tent and Awning Ltd	25,848
American Express	84,277
Architectural Lighting Solutions/New Space Technologies JV	92,147
Ausenco Engineering Canada Inc.	109,438
AVW - TELAV Inc.	1,210,501
B.C.G.E.U.	86,141
Ball Park Sports	25,561
Bartle & Gibson Co. Ltd	38,578
BBW International Inc.	55,322
BC Hydro	2,747,261
BCS Consulting Ltd	54,582
Bell Canada	2,090,328
Best Facilities Services Ltd.	2,904,143
Blue Pine Enterprises	55,934
Bock Development Services Ltd.	128,494
Borden Ladner Gervais LLP	345,003
Brent Macgregor P Eng	93,366
Broadcast Systems & Equipment Inc	32,728
Bull, Housser & Tupper LLP	299,819
Business Pro Computers	146,558
Canada Place Corporation	4,477,020
Carma Industries Inc.	92,235
Cedar Crest Lands	140,834
Centerplate	20,583,729
Central Heat Distribution Ltd	661,646
Champion Barge Ltd	32,183
Chan Global BC, a Shaw Media Company	34,705
Channel F Productions	73,756
City of Vancouver	727,827
Cobra Integrated Systems	130,875
Columbia Seal Ltd	216,983
Compugen Systems Ltd	58,409
Contemporary Services Canada	3,659,620
Cossette Communication Inc.	267,470
Costless Express Ltd	32,972
CP Distributors Ltd	81,795
D Squared Management Consultants Ltd.	35,952
DDB Canada	74,940
Dependable Door Maintenance Ltd.	176,424
EBA Engineering Consultants Ltd.	52,190
Echo Glass Installations Ltd.	48,255
Eco Chemical Inc	47,026
Ecolab	48,149
Electric Show Services	720,961
ESC Automation (00050458)	44,194
Feld Entertainment, Inc.	453,247
First Choice Waste Disposal Ltd.	45,391
Florian Weller GMBH	227,304
Fortis BC Energy Inc.	166,293

**B.C. PAVILION CORPORATION**  
**SCHEDULE OF PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES**  
**APRIL 1, 2012 TO MARCH 31, 2013**

Fraser Burrard Diving Ltd.	431,948
Fred Welsh Ltd.	360,853
Geiger Engineers	232,313
Genesis Security Inc	235,203
Genivar Inc.	233,721
Go Wireless Inc.	170,026
Goetz, Stephen	27,755
Grant Thornton LLP	29,282
Green Meeting Industry Council	26,445
Hangar 18 Creative Group Inc.	34,272
Happy Stan's Recycling Services Ltd.	62,952
Hd Supply Canada, Inc.	58,506
Heenan Blaikie LLP	80,450
Heritage Office Furnishings Ltd	116,608
Holaco Construction (1997 ) Ltd	334,631
Holland Landscapers	305,135
Houle Electric	73,042
Humulus Consulting Corp.	253,249
Imperial Parking Canada Corporation	55,017
Imperial Sign Corporation	213,266
Inflated Ideas Inc.	29,400
Inlet Mechanical Services Ltd	141,671
Intuitive Hospitality Inc. Steve Bowers	97,180
Ipsos Reid LP	41,384
Ironstone Management Ltd.	74,169
Jardine Lloyd Thompson Canada Inc.	2,019,755
JM&C Care Essentials Inc.	25,972
Johnson Controls	87,394
Karacters Design Group	156,154
Keynote Consulting, Ltd	176,833
Kone Inc.	413,978
Live Nation Canada Inc.	297,372
LMDG Building Code Consultants Ltd	31,660
LT Concrete Services	25,760
Marks Work Wearhouse	502,625
Mediateam	110,809
Microsoft Licensing, GP	98,617
Minister of Finance	564,789
Nasco Staffing Solutions	215,735
Nathanson, Schachter & Thompson LLP	112,715
NGU Consultants Inc.	155,231
Norma E. Cannon	103,973
Northstar Travel Media, LLC	31,446
Nutech Industries, Inc.	30,975
Pace Group Communications	338,057
Pacific Blasting & Demolition Ltd.	139,373
Pacific Carbon Trust	185,360
Pacific Coast Seismic Division	34,176
Pacific Industrial Movers LP	108,127
Pacific Newspaper Group	28,864
Paisley Products of Canada Inc.	26,469
PCI Waterfront Leasing Corp.	47,229
PCL Construction	311,020
Pigeon Patrol Products	36,898
Pinton Forrest & Madden	77,842
Port Metro Vancouver	270,480
Premier Lighting Limited	55,667
Professional Mechanical Ltd.	79,613

**B.C. PAVILION CORPORATION**  
**SCHEDULE OF PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES**  
**APRIL 1, 2012 TO MARCH 31, 2013**

Recycling Alternative	33,500
Refrigerative Supply Limited	39,166
Renaissance Contracting	731,052
Riggitt Services, Inc.	1,223,958
Rio Tinto Alcan Inc.	127,830
Rocky Mountain Production Services	44,953
Scandinavian Building Services Ltd.	659,609
Secure Networking Solutions Group	122,167
Seda Seating Ltd	133,068
Siemens Canada Ltd.	73,975
Simplex Grinnell	203,650
Singleton Urquhart LLP	42,549
Sparkle Consulting Services Ltd	121,978
Spectrum Painting Ltd.	116,816
Stantec Architecture Ltd.	50,029
Steeves and Associates	31,584
Suntec International	56,096
Super Save Enterprises Ltd.	42,250
Suspended Stages A Division of Yorke Hi-Lo Stages & Hoists Inc	161,687
TD Canada Trust (Visa)	194,945
Telus Communications	17,036,202
The Great West Life Assurance Company	686,237
The Sunset Bay Yacht Group	35,739
Tourism Vancouver	164,261
Towne Millwork Ltd.	275,882
Translink	54,379
Uline Inc	36,802
Ungerboeck Systems International	82,896
Unisource Canada, Inc	65,160
Vancouver Pile Driving Ltd.	364,060
Vancouver Whitecaps FC L.P.	76,631
Vanguard Painting Ltd	61,682
Vibes Corp	324,901
Vinci Park Services (Canada) Inc.	120,831
Warrington PCI Management	63,199
Weather-Seal Construction Ltd.	168,840
Wescan Acoustics	29,315
Wescan Disposal Ltd	63,111
Western Pacific Coquitlam Enterprises	259,455
Western Pacific Enterprises GP	372,947
Westminster Lift Truck & Services Ltd	57,148
Williams Machinery LP	42,104
Worksafe BC/Workers' Compensation Board	245,388

**Total aggregate amounts paid to suppliers (A) \$79,805,865**

**2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less (B) \$3,749,729**

**3. Total of payments to suppliers for grants and contributions greater than \$25,000**

Consolidated total of grants exceeding \$25,000	
Consolidated total of contributions exceeding \$25,000	<u>\$3,360,000</u>

**Consolidated total of all grants and contributions exceeding \$25,000 (C) \$3,360,000**



**B.C. PAVILION CORPORATION**  
**SCHEDULE OF PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES**  
**APRIL 1, 2012 TO MARCH 31, 2013**

**4. Reconciliation**

Total of aggregate payments exceeding \$25,000 paid to suppliers	(A)	\$79,805,865
Consolidated total of payments of \$25,000 or less paid to suppliers	(B)	\$3,749,729
Consolidated total of all grants and contributions exceeding \$25,000	(C)	\$3,360,000
Reconciling items*		<u>-\$18,445,275</u>
<b>Total per Statement of Revenue and Expenditures</b>		<b><u><u>\$68,470,318</u></u></b>

\* Reconciling items consist primarily of addition of capital assets and HST

**B.C. PAVILION CORPORATION  
STATEMENT OF FINANCIAL INFORMATION**

The undersigned represents the Board of Directors of B.C. Pavilion Corporation and approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

Name *STUART O. MCLAUGHLIN*

Title *VICE - CHAIR*

Date

A handwritten signature in black ink, appearing to read 'Stuart O. McLaughlin', with a long horizontal line extending to the right.