

**B.C. Pavilion Corporation**

**2023/24**  
**Annual Service Plan Report**

**August 2024**



For more information on the B.C. Pavilion Corporation, please contact us at:

B.C. Pavilion Corporation

#200 - 999 Canada Place

Vancouver, BC V6C 3C1

Tel: (604) 482-2200

Email: [info@bcpavco.com](mailto:info@bcpavco.com)

Or visit our website at: [www.bcpavco.com](http://www.bcpavco.com)

Published by the B.C. Pavilion Corporation

## Board Chair's Accountability Statement



The B.C. Pavilion Corporation 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 - 2025/26 Service Plan published in 2023. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in blue ink that reads "Gwendolyn Point".

Dr. Gwendolyn Point  
Board Chair, B.C. Pavilion Corporation  
August 9, 2024

## Table of Contents

Board Chair’s Accountability Statement.....	3
Letter from the Board Chair & CEO.....	5
Purpose of the Annual Service Plan Report .....	7
Strategic Direction.....	7
Purpose of the Organization .....	7
Operating Environment.....	8
Report on Performance: Goals, Objectives and Results .....	9
Financial Report.....	17
Appendix A: Progress on Mandate Letter Priorities .....	22
Appendix B: Subsidiaries and Operating Segments .....	26
Appendix C: Auditor’s Report and Audited Financial Statements .....	28

## Letter from the Board Chair & CEO

On behalf of the Board of Directors and the employees of B.C. Pavilion Corporation (PavCo), we are pleased to present PavCo's Annual Service Plan Report for the 2023/24 fiscal year. As a Crown corporation, PavCo's primary mandate is to create significant economic and community benefits for the people of British Columbia (B.C.). We accomplish this by attracting events that bring attendees and guests from around the world, benefiting the people, communities and businesses of B.C. Our commitment to collaboration with government, industry stakeholders, clients, suppliers and members of the community makes this possible.

Following a strong recovery from the COVID-19 pandemic in 2022/23, our fiscal 2023/24 was a year which saw record-breaking revenues and improved overall profitability at our iconic venues, BC Place Stadium (BC Place) and the Vancouver Convention Centre (VCC).

BC Place celebrated its 40<sup>th</sup> anniversary by having a year like no other in its history – welcoming more than one million people to approximately 100 events, generating more than \$50 million in total revenue and \$220 million in economic impact. Ed Sheeran's performance in September broke the attendance record for BC Place at more than 65,000, while other major music acts which graced the stadium's stage last year included Beyonce, Coldplay, Guns N' Roses and Luke Combs.

BC Place also saw successful seasons for its tenant teams, the Vancouver Whitecaps FC and BC Lions, and the return of the popular Canada Rugby Sevens tournament. The stadium also changed its name, if only for one night, as we welcomed more than 48,000 passionate fans to 'Christine Sinclair Place' to celebrate our national soccer icon and recognize her legendary career at her retirement match.

Fiscal 2023/24 was the strongest revenue year in the Vancouver Convention Centre's history, with more than \$75 million in total revenues – a nearly 30 per cent increase over the previous fiscal year – and approximately \$371 million in economic impact generated through hosting 328 events, including conventions, banquets, consumer shows, meetings and other special events.

Approximately 1.75 million attendees visited the Vancouver Convention Centre during the year, for major events including the International Conference and Exhibition on Liquefied Natural Gas, the IEEE/CVF Computer Vision and Pattern Recognition Conference and TED 2023. The Vancouver Convention Centre also hosted some unique and diverse events which brought both new and returning audiences through its doors, including an evening as part of the Dine Out Vancouver Festival and recording-breaking attendance numbers for the return of the Vancouver International Auto Show.

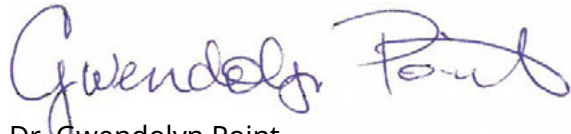
PavCo made progress on its reconciliation journey during this past fiscal year, starting with the education of the organization's leadership team through cultural awareness training for all management positions. PavCo also undertook an extensive review of various areas of its operations, including its risk management, privacy and IT policies, use of its facilities, and supplier and client networks. Another notable highlight was the coming together of the

xʷməθkʷəy̅əm (Musqueam), Skwxwú7mesh (Squamish) and səlilwətał (Tsleil-Waututh) Nations to welcome a band and open a concert at BC Place for the first time for the Coldplay shows in October.

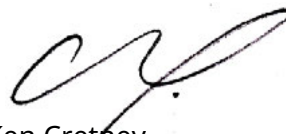
PavCo's team members demonstrated an unwavering commitment to our clients, guests, communities and each other, and our ability to attract and retain top talent during these uncertain times has positioned us well to fulfill the objectives as outlined in our mandate.

Looking ahead, PavCo will continue working towards major landmark events in the calendar, including welcoming Taylor Swift in December 2024, the Invictus Games in February 2025, the Alcoholics Anonymous International Convention in July 2025, and the FIFA World Cup from June to July 2026.

PavCo will also continue working closely with the Ministry of Tourism, Arts, Culture and Sport and its many industry and community partners to deliver significant economic and community benefits for British Columbians while supporting the Province's key priorities.



Dr. Gwendolyn Point  
Board Chair  
August 9, 2024



Ken Cretney  
President and CEO  
August 9, 2024

## Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

## Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's [2021/22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the [B.C. Pavilion Corporation 2023/24 – 2025/26 Service Plan](#) and the actual results reported on in this annual report.

## Purpose of the Organization

B.C. Pavilion Corporation (PavCo) is a government-owned entity incorporated under the Business Corporations Act (British Columbia) and wholly owned by the Province of British Columbia. PavCo operates under the oversight of a board of directors appointed by the Minister Responsible, aiming to create significant economic and community benefits for the people of British Columbia. Its primary facilities are BC Place and the Vancouver Convention Centre, both of which play pivotal roles in hosting a wide array of events in downtown Vancouver and generate economic and community benefits for the people of B.C.

BC Place is the largest multipurpose venue in western Canada, located in the heart of downtown Vancouver. It is home to the BC Lions of the Canadian Football League (CFL), Vancouver Whitecaps FC of Major League Soccer (MLS), and the BC Sports Hall of Fame. BC Place welcomes more than one million guests annually for a diverse range of events from sports and exhibitions to live entertainment and community events. Its multifaceted programming enriches the city's cultural fabric, fostering connections and shared experiences among residents and visitors alike.

The Vancouver Convention Centre (VCC), situated along Vancouver's picturesque waterfront, comprises the iconic East building within Canada Place and the contemporary West building established in 2009, and the world's first double LEED® Platinum certified convention facility. With a total of 466,500 ft<sup>2</sup> (43,340 m<sup>2</sup>) of flexible function space, VCC is equipped to host multiple concurrent events and gatherings of up to 15,000 delegates. Renowned for its modern amenities and scenic views, VCC serves as a dynamic hub for connections and engagement within the global community.

Our venues, BC Place Stadium and the Vancouver Convention Centre, are situated on the traditional, ancestral and unceded territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish) and səliłwətał (Tsleil-Waututh) Nations. We gratefully acknowledge and appreciate

the privilege to operate on these lands, and we recognize the enduring presence and stewardship of these peoples.

## Operating Environment

General global and economic conditions continued to improve through Fiscal Year 2023/24, creating a more stable environment for PavCo's event-driven business than in the prior years since the COVID-19 pandemic. Consumer and client confidence grew throughout the year, building on the previous year's favourable sentiment in the meetings and events sector. Business segments such as live concerts and sporting events, conventions and consumer shows, all showed robust growth over the previous years, including years prior to the pandemic. Not all business segments grew, however, due to corporate travel continuing to lag behind levels experienced in previous years.

Other economic conditions remained challenging including high inflation and interest rates, labour costs and lingering supply chain pressures, which resulted in overall ongoing cost pressures and an increase to PavCo's cost structure. Constrained hotel supply in the Vancouver and regional hotel sector continued to create rate compression, more limited availability, and fewer choices for visitors, resulting in higher costs of attendance for delegates and higher operating costs for clients.

From an internal perspective, PavCo continued to expand its service offerings while working collaboratively with its clients and guests, including expanded food and beverage and event hosting options. Strategic investments in its core systems allowed PavCo to improve data analytics, risk management, and client service functions, resulting in improved optimization and data-informed decision-making to grow sales and margins. Organizational structural changes, particularly in facilities, events and sales departments, provided more sustainable operations and improved financial performance. Workforce development continues to be a priority for PavCo, as expectations in attracting and retaining top talent have grown.

PavCo continued its commitment to community benefit. This included an increased focus on its Indigenous reconciliation journey through staff training, a review of its operations and policies, and a focused effort on increased engagement with First Nations.



# Report on Performance: Goals, Objectives and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

## Goal 1: Create economic and community benefits while optimizing profitability

Objective 1.1: Generate economic and community benefits for the people of B.C. through activities in our venues

### Key results

- PavCo grew its top-line revenues to record-breaking levels, exceeding \$125 million for the first time in its history.
- Improved bottom-line financial results through hosting a diversified portfolio of more than 450 events, strategically positioned across our venues.
- In addition to supporting thousands of industry jobs, PavCo purchased approximately \$65 million in operational goods and services, much of which was procured by local firms, B.C. farmers, wine growers and service providers.
- Provided support to numerous charitable and non-profit community groups, including Indigenous organizations.

### Summary of progress made in 2023/24

PavCo was able to deliver on a variety of measures on its dual goal of delivering economic and community benefits to the people of British Columbia. As the industry as a whole continued to rebuild from the challenging pandemic years, PavCo's strength in delivering exceptional event experiences was readily apparent throughout the year. PavCo continued to make informed and strategic investments in its venues to maintain its iconic assets at a world-class level, and to take advantage of new business opportunities and leverage them for future growth. Across the organization, PavCo realized increases in convention and spectator attendance, economic impact, top-line sales revenues, higher event gross margins and improved bottom-line performance. In addition, PavCo's community impact remained substantial, benefiting multiple charities, non-profit groups and Indigenous organizations. A summary of key performance measures is provided below.

**Performance measure(s) and related discussion**

<b>Performance Measures, in millions (M)<sup>1</sup></b>	<b>2019/20 Baseline</b>	<b>2022/23 Actual</b>	<b>2023/24 Target</b>	<b>2023/24 Actual</b>
<b>[1.1a] Economic Impact<sup>2</sup></b>				
<b>Vancouver Convention Centre</b>				
Visitor Spending from outside Metro Vancouver	\$346 M	\$289 M	\$414 M	\$371 M
Visitor Spending from outside British Columbia	\$272 M	\$234 M	\$350 M	\$317 M
<b>BC Place</b>				
All visitor spending	\$148 M	\$136 M	\$141 M	\$220 M
Visitor Spending from outside British Columbia	\$29 M	\$33 M	\$29 M	\$51 M
<b>[1.1b] Delegate Days and Attendance<sup>3</sup></b>				
<b>Vancouver Convention Centre</b>				
Delegate days from outside Metro Vancouver	0.620 M	0.403 M	0.590 M	0.484 M
Delegate days from outside British Columbia	0.421 M	0.284 M	0.448 M	0.371 M
<b>BC Place</b>				
Total attendance	1.019 M	0.852 M	0.656 M	1.031 M
<b>[1.1c] Financial Performance<sup>4</sup></b>				
Operating deficit target, before government sustaining contributions	\$8.817 M	\$11.971 M	\$24.872 M	\$11.319 M

Data sources:

<sup>1</sup>Performance measure targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

<sup>2</sup>Economic impact is calculated using the BC Stats Input/Output model and is based on estimated expenditures by organizers and visitors at events in the facilities, subsequent spending in the province following the event and the multiplier effect through the economy of such spending. Metro Vancouver is a region within B.C. that encompasses Vancouver and surrounding communities.

<sup>3</sup>Delegate days for attendees at Vancouver Convention Centre for fiscal 2023/24 were actual days recorded in PavCo's event management system. Attendance at BC Place is the total of announced attendance by clients for attendance at their events.

<sup>4</sup>The corporate operating deficit before government contributions is from PavCo's audited financial statements and is the sum of: sales revenues, other revenues and deferred contributions, less total expenses. Operating deficit before interest, amortization, sustaining, and deferred contributions are: 2019/20 \$4.960 million, 2022/23 \$1.266 million, and 2023/24 \$0.711 million.

PavCo's performance, for the fiscal year ending 2023/24, across its three key financial metrics of economic impact, attendance and financial performance continued its upward trend of improving year-over-year performance in the post-pandemic recovery years.

There was a substantial performance improvement to the budgeted operating deficit target (before government sustaining contributions) of \$24.872 million to \$11.319 million, reflective of PavCo's operating sales growth strategies while effectively managing event and facility operating costs, and continuing to deliver exceptional events and world-class venues. Its net operating deficit improved to a loss of \$0.711 million from the prior year's loss of \$1.266 million and the pre-pandemic baseline loss of \$4.960 million. Spurred by a continuing increase in revenue drivers, including attendance and delegate days, the impact for the people of British Columbia continued to be profound, including hundreds of millions of dollars in economic impact in support of the local and regional economy, creating thousands of employment hours, sustaining thousands of jobs, and supporting industry across a multitude of sectors including the events, hospitality, film, large sporting and entertainment, construction and innovation sectors.

### Vancouver Convention Centre

Economic impact at the Vancouver Convention Centre is generated by attracting delegates and exhibitors from outside of British Columbia (non-resident delegates) to events which would not have been hosted in the province had the Convention Centre not existed. A non-resident delegate day is a day when a non-British Columbian attended an event at the Convention Centre, likely residing at a local hotel or shared accommodation, visited restaurants, shopped retail or purchased services from local businesses, participated in local attractions, utilized local transportation services, and generally had a favourable impact on the local economy. The majority of delegates to these important events have multiple days per visit.

The economic impact created by the VCC was again substantial in the 2023/24 fiscal year, with more than \$371 million in activity created across the economy. Business segments performing particularly well included the convention and consumer shows lines, as both out-of-market travel continued to build post-pandemic, and latent consumer goods demand remained strong. Business travel continued to be challenged and has not fully recovered to pre-pandemic levels, affecting the number of corporate events and related revenues. Recognizing this market shift, the VCC utilized strategic sales and marketing efforts to focus on higher-yielding event segments, contributing to the overall performance improvement.

Economic impact generation continued to be only part of the overall story for the VCC as it again delivered significant community benefits for the people of British Columbia. This included engagement with the local community including Chef Andrew George Jr., a chef and Wet'suwet'en hereditary chief, to increase Indigenous menu offerings at various VCC events, teaming up with the Vancouver Hotel Destination Association to light up Coal Harbour for the winter holidays, and partnering with the Dine Out Vancouver Festival to help support Vancouver's diverse and food-passionate neighbourhoods.

### BC Place Stadium

Positive economic and community benefits were further realized at BC Place. Building from a strong performance in the previous fiscal year, all visitor spending grew to more than \$220

million, a considerable \$84 million or 62 per cent improvement over the prior year. Positive performance was realized across the entire range of event types including live sporting events, concert days, film, multiple consumer shows and special events. A combination of higher-yielding sales initiatives, expanded partnerships and robust attendance contributed to the improved results, as attendance grew to more than one million visitors – a return to pre-pandemic attendance.

The community impact that BC Place created for thousands of individuals, youth and families was substantial, while support for a number of charities, non-profit organizations and Indigenous organizations continued to be a central priority in our community benefit strategy. This past fiscal year, the stadium hosted the first-ever Pride Parade Pit Stop in collaboration with Vancouver Pride Society, and once again provided a widescale digital canvas with its Northern Lights Display for artist Debra Sparrow's Indigenous art during the Vancouver Mural Festival's Winter Arts Fest. In the lead-up to National Day for Truth and Reconciliation, BC Place was honoured to have youth representatives of xʷməθkʷəy̓əm (Musqueam), Sḵwx̱wú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations take the stage to welcome Coldplay and open two shows in front of over 40,000 fans each night. In the fall, BC Place was proud to welcome back the BC Secondary Schools' Football Championship, allowing the province's young football talent an incredible, inspirational opportunity to compete on the same stage as their sporting heroes.

## Goal 2: PavCo venues provide exceptional service

### Objective 2.1: Foster an exceptional service culture

#### Key results

- Successfully delivered several high-profile conventions, concerts and live sporting events that produced city-wide impact to support our clients and create exceptional experiences for our delegates and guests.
- At BC Place, more event-time staff were hired and provided with service excellence and emergency evacuation training to ensure guests have an improved experience.
- BC Place also implemented guest initiatives such as new nursing pods and sensory training for staff to support the stadium's new sensory room, while implementing a new \$5 menu to provide food and beverage options for all guests.
- At the VCC, approximately 150 new staff completed service excellence training.

## Summary of progress made in 2023/24

Throughout the fiscal year, striving to provide exceptional client and guest experiences continued to guide many of our strategies and processes, from our sales activities through to event planning and execution. This unwavering commitment to providing excellent customer service produced tangible results, with approximately 2.75 million guests visiting PavCo’s venues – BC Place and the VCC. Central to PavCo’s success are strong recruitment and training initiatives that are service-focused, supported by a culture of belonging, innovation, positivity and wanting to provide accessible venues and facilities for all. These strategic endeavours have not only paved the way for new avenues of business but have also solidified PavCo’s position as a market leader.

### Performance measure(s) and related discussion

Performance Measures	2019/20 Baseline	2022/23 Actual	2023/24 Target	2023/24 Actual
[2a] Service Quality – Loyalty Index, VCC <sup>1,2</sup>	9.3/10	9.3/10	Maintain or Improve upon Baseline	9.2/10
[2b] Client Satisfaction, BC Place <sup>3,4</sup>	4.6/5	4.4/5	Maintain or Improve upon Baseline	4.5/5
[2c] Guest Satisfaction, BC Place <sup>5,6</sup>	4.3/5	4.3/5	Maintain or Improve upon Baseline	4.1/5

Data sources:

<sup>1</sup>Client survey sent to all Vancouver Convention Centre (VCC) clients, conducted by Sentis Market Research. Client Loyalty Index is used to measure service quality for VCC. This combines overall satisfaction with the client’s likelihood to rebook and recommend the facility. The survey also includes questions on true value for price, event planning process and event execution. Results are combined to determine an overall Loyalty Index that is measured as a score out of 10.

<sup>2</sup>PM [2a] targets for both 2024/25 and 2025/26 were stated in the 2023/24 service plan as Maintain or Improve upon Baseline.

<sup>3</sup>Comprehensive on-line client satisfaction survey. Developed in 2013, this survey is sent to all clients who hold events at BC Place. Data from the survey measures client experience from the time of booking, up to the preparation of the final billing for the event. Scores are measured as a total out of 5.

<sup>4</sup>PM [2b] targets for both 2024/25 and 2025/26 were stated in the 2023/24 service plan as Maintain or Improve upon Baseline.

<sup>5</sup>Guest satisfaction survey, originally initiated at BC Place in 2012/13. Guest satisfaction results are collected via touch-screen stations distributed throughout the Stadium. Scores are measured as a total out of 5.

<sup>6</sup>PM [2c] targets for both 2024/25 and 2025/26 were stated in the 2023/24 service plan as Maintain or Improve upon Baseline.

PavCo’s customer service measures reflect its priority in delivering an exceptional, memorable and consistent experience to its clients and guests. Surveys are conducted with clients and event attendees following events at BC Place and the VCC. The feedback and insights from these surveys are reviewed across departments, fostering discussions on achievements as well as areas for enhancement.

The Service Quality – Loyalty Index at the VCC this past year reflects an increased response rate compared to the last fiscal year 2022/23. Regular discovery and debrief meetings are undertaken with clients to gain insight and understanding into how to best support and service their events. In addition, all employees at the VCC, along with official and exclusive supplier partners, participate in weekly line-up meetings focusing on key achievements and areas for improvement, emphasizing the facility's service philosophy. Training sessions focused on providing exceptional service are provided to all new staff members and reinforced regularly with staff. The Index score for the fiscal year 2023/24 was slightly lower than the previous year and baseline reflecting lower-than-average survey scores from a limited number of events within a tight calendar schedule. However, it remains well within the historical range and demonstrates ongoing service excellence. The goal of maintaining or improving upon the baseline will remain one of PavCo's key priorities in the future.

BC Place achieved a Guest Satisfaction score of 4.1 out of 5 during the fiscal year 2023/24, also a slight decrease from the score achieved in the prior fiscal year, while the stadium's Client Satisfaction score increased slightly over the prior fiscal year. Both scores fell just short of the baseline target with a couple of areas highlighted including venue heating and elevator usage and accessibility – both of which are priority issues the stadium is addressing. The scores were based on a larger sample size from the previous fiscal year, representing a traditional mix of clients and views of guests who visited BC Place for concerts, sporting events and trade shows. PavCo continues to commit resources and efforts in providing exceptional service for our guest and clients, recognizing staff members who go above and beyond, and further committing to use all feedback generated from these surveys to enhance the service experience to create memorable and positive impressions for our visitors.

## Goal 3: Employee Experience

### Objective 3.1: Positive employee experience

#### Key results

- Strong employee engagement scores at both BC Place and the VCC are reflective of a positive workplace culture, and alignment with PavCo's values and strategic goals.
- Learning and development programs and career growth opportunities were provided to PavCo employees, leveraging technology through a Learning Management System.
- First-ever participation in the Vancouver Pride Parade shows PavCo's commitment to diversity, equity and inclusion.
- Support of the annual Orange Shirt Day and Moose Hide campaigns showed PavCo's continued focus on Indigenous reconciliation through awareness and education.
- Volunteering by team members across the organization supported local charities and outreach efforts in Vancouver's Downtown Eastside.

## Summary of progress made in 2023/24

Aligned with PavCo’s strategic objective of providing every employee with a meaningful employee experience, our goal is to enhance the experience of every employee by attracting, developing and retaining the best talent, while creating compelling development and engagement activities which improve their workplace experience. PavCo remains committed to Indigenous reconciliation by continuing to promote awareness and education to all team members with a particular focus on respect, collaboration and meaningful engagement.

## Performance measure(s) and related discussion

Performance Measures <sup>1</sup>	2019/20 Baseline	2022/23 Actual	2023/24 Target <sup>2</sup>	2023/24 Actual
[3a] Employee Engagement – Score on Employee Surveys, PavCo Overall <sup>3,4</sup>	69%	67%	Maintain or Improve upon 2022/23 Forecast	70%
[3b] Employee Engagement – Score on Employee Surveys, BC Place <sup>5,6</sup>	59%	57%	Maintain or Improve upon 2022/23 Forecast	59%
[3c] Employee Engagement – Score on Employee Surveys, VCC <sup>7,8</sup>	76%	64%	Maintain or Improve upon 2022/23 Forecast	67%

Data sources:

<sup>1</sup>For the 2019/20 baseline and 2022/23 actuals, annual employee engagement surveys were developed and administered by a third-party independent engagement survey vendor, Great Place to Work® Canada (GPTW), with direction from PavCo. Employee Engagement Survey Scores for PavCo, BC Place and Vancouver Convention Centre are based on the Trust Index model which is a measure developed by GPTW. Baseline reflects engagement results prior to the pandemic.

<sup>2</sup>In fiscal year 2023/24, PavCo amended its survey approach to internal survey methods rather than continued use of the third-party provider. A pulse employee engagement survey was undertaken to measure engagement levels across the organization and included full-time and part-time employees working within each venue and in shared services functions.

<sup>3</sup>Refers to all full-time and part-time PavCo employees at BC Place, the Vancouver Convention Centre and PavCo Head Office.

<sup>4</sup>PM [3a] targets for both 2024/25 and 2025/26 were stated in the 2023/24 service plan as Maintain or Improve upon 2022/23 Forecast.

<sup>5</sup>Refers to all full-time PavCo employees at BC Place.

<sup>6</sup>PM [3b] targets for both 2024/25 and 2025/26 were stated in the 2023/24 service plan as Maintain or Improve upon 2022/23 Forecast.

<sup>7</sup>Refers to all full-time and part-time PavCo employees at the Vancouver Convention Centre.

<sup>8</sup>PM [3c] targets for both 2024/25 and 2025/26 were stated in the 2023/24 service plan as Maintain or Improve upon 2022/23 Forecast.

In the past fiscal year, PavCo conducted an interim “pulse” engagement survey available for all full-time, part-time and event staff across PavCo and its venues. Measures in that survey included assessing engagement across several factors, including communication and

direction, management effectiveness, professional workplace and work-life balance, organizational satisfaction and commitment, and development opportunities.

Engagement scores for 2023/24 were all higher than the prior year. Efforts to increase results to pre-pandemic baseline levels continued throughout the year with a focus on prioritizing several key initiatives, including an unwavering commitment to diversity, equity and inclusion, mental health and wellness, employee attraction and retention, and maintaining a flexible work approach.

BC Place employee engagement scores improved from last year and returned to baseline levels. While the VCC's engagement scores also improved from last year, it was not able to reach its target of maintaining or improving upon its baseline, as that venue continued to recover from the impacts of the pandemic.

Plans are underway for a full employee engagement survey in the fall of 2024, which will capture engagement across a wider variety of measures to further enhance PavCo's commitment to supporting this critical business goal.



## Financial Report

For the auditor's report and audited financial statements, see [Appendix C](#). These documents can also be found on the B.C. Pavilion Corporation website.

### Discussion of Results

PavCo's financial results for fiscal year 2023/24 continued a positive upward trend of business recovery and strengthening post-pandemic. Bottom-line results were again well above budget at both venues, with the Net Operating Loss of \$0.710 million being well ahead of the budgeted loss of \$15.078 million and an improvement to the prior fiscal year's Net Operating Loss of \$1.266 million. Improved results to budget were a combination of strength in event revenues, higher event gross margins, growing sponsorship revenues and effective cost management within PavCo's facilities.

Total operating revenues of \$125.234 million were well ahead of the \$85.958 million budget, reflecting strong ongoing business recovery, targeted sales efforts and agreements secured by our global sponsorships department, which delivered higher-than-expected revenues across several lines of business. Conventions, consumer shows, live sports and entertainment, and special events were again the highest revenue-generating segments. Total operating expenses of \$125.944 million were \$24.907 million higher than budget, resulting from additional costs to support the higher-than-budgeted events. The Gross Margin for event revenues reached \$54.635 million, a level not recorded in PavCo's history, demonstrating both event margin growth and additional revenue generation for ancillary-based business activities. For non-event-related areas, total expenditures of \$55.345 million were a \$1.184 million improvement over budget, with the majority of savings to budget related to business development, licensing fees, and general and administrative costs. Within this total, staffing costs of \$29.599 million were slightly ahead of budget by \$0.029 million, which was increased in fiscal year 2023/24 to support the growing event business and related staffing needs across several departments within the venues.

BC Place had a very strong year, as operating revenue totalled \$50.033 million against a budget of \$27.737 million and an increase from last year's result of \$44.250 million. Revenue generation occurred across its major lines of business, including live sporting events such as soccer, football and rugby, live concerts and consumer shows, and sponsorships, delivering increased annual revenues to PavCo with agreements established in this fiscal year that will extend well into the future. Total operating expenses of \$51.709 million were \$15.363 million higher than the \$36.346 million budget, reflecting the higher cost of sales required to support the higher revenues from hosted events. The cost of sales was partially offset by savings in other areas such as staffing, fees, business development and other operating costs. The resulting Net Operating Loss of \$1.676 million was a considerable improvement over the budgeted Net Operating Loss of \$8.609 million, reflecting a robust performance at the stadium that exceeded both historical financial results and current-year expectations.

The VCC had a similarly impactful year, as total operating revenues of \$75.201 million considerably exceeded the budget of \$58.221 million. Revenues were generated across several

business segments including conventions, conferences, consumer and trade shows, banquets, meetings and various special events throughout the year, many of which supported local community groups and associations. The higher-than-budgeted event revenues resulted in a higher cost of sales to deliver events and the resulting gross margin was a \$7.739 million improvement to budget. Including event related costs, total operating expenses were \$74.235 million on a budget of \$64.691 million, reflecting the higher cost of sales required in order to deliver higher event revenues. The result was a Net Operating Surplus of \$0.966 million, well ahead of the budgeted Net Operating Loss of \$6.470 million and a strong improvement to last year's Net Operating Loss of \$1.064 million.

In accordance with the terms of the loan agreement with the Province of British Columbia, PavCo incurred interest charges of \$4.086 million in fiscal year 2023/24 compared to \$4.192 million in fiscal year 2022/23.

Reflecting prior significant capital investment in PavCo's facilities, amortization of capital assets accounted for \$42.740 million, slightly higher than budget by \$0.911 million. Net capital expenditures amounted to \$14.293 million, invested across a broad range of items including major and routine capital asset upgrades, client and guest experience improvements, BC Place readiness in preparation for the FIFA 2026 World Cup and end-of-life asset replacement.

Overall Net Loss for the Corporation was \$3.514 million, an improvement on both the budgeted loss of \$17.319 million and the \$4.599 million Net Loss experienced in the prior fiscal year.

## Financial Summary

(\$m) <sup>1</sup>	2022/23 Actual	2023/24 Budget	2023/24 Actual <sup>2</sup>	2023/24 Variance
<b>Revenues</b>				
Sales	98.967	82.922	121.320	38.398
Other Revenues	3.434	3.036	3.914	0.878
<b>Revenue from Operations</b>	<b>102.401</b>	<b>85.958</b>	<b>125.234</b>	<b>39.276</b>
Sustaining Contributions	7.372	7.553	7.805	0.252
Deferred Contributions	36.322	36.121	36.217	0.096
<b>Total Revenue</b>	<b>146.095</b>	<b>129.632</b>	<b>169.256</b>	<b>39.624</b>
<b>Expenses</b>				
Cost of Sales	56.937	44.509	70.599	26.090
Staff	24.605	29.570	29.599	0.029
Operations and Maintenance	14.667	16.582	17.520	0.938
General and Administration	5.613	5.628	5.234	(0.394)
Business Development	0.475	1.275	0.714	(0.561)
Fees	1.370	3.472	2.278	(1.194)
Loan Interest	4.192	4.086	4.086	0.000
Amortization	42.835	41.829	42.740	0.911
<b>Total Expenses</b>	<b>150.694</b>	<b>146.951</b>	<b>172.770</b>	<b>25.819</b>
<b>Surplus (Deficit)</b>	<b>(4.599)</b>	<b>(17.319)</b>	<b>(3.514)</b>	<b>13.805</b>
<b>Total Debt</b>	<b>125.861</b>	<b>122.647</b>	<b>122.647</b>	<b>0.000</b>
<b>Capital Expenditures</b>	<b>10.773</b>	<b>10.000</b>	<b>14.293</b>	<b>4.293</b>
<b>Accumulated Surplus (Deficit)</b>	<b>44.676</b>	<b>27.357</b>	<b>41.161</b>	<b>13.805</b>

<sup>1</sup> The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>2</sup> Includes gross sales at the Vancouver Convention Centre and BC Place.

## Variance and Trend Analysis

Financial results for fiscal year 2023/24 reflect a second year of strong business rebound and recovery from the pandemic, which disrupted the entire global meetings and events industry. The demand for meetings, gatherings, large scale events and inbound travel that were previously restricted during the pandemic resulted in a busy calendar of events, driving increased occupancy at both BC Place and the VCC which were limited only by capacity constraints throughout the year.

Total revenues from operations represented a significant improvement from revenues realized over the two pandemic-impacted years and returned to levels higher than experienced before the pandemic. Operating revenues in 2023/24 increased substantially from the prior operating year by \$38.398 million, as clients, events and guests visited PavCo's facilities in strong numbers. Given this strong year, PavCo did not require further subsidies from the Province of British Columbia beyond previously committed levels.

Over the past year, PavCo also continued to remain an active member in important discussions with partners to support the successful recovery of the events and meetings industry. PavCo is actively engaged with industry partners and key stakeholders regionally, nationally and internationally in business recovery and growth efforts.

## Risks and Uncertainties

PavCo is exposed to various risks related to its financial and business operations, several of which are described below:

- **Financial instrument risk:** PavCo's risk management objective when it invests in financial instruments is to ensure that any investments are in quality securities, 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, which will affect PavCo's income or the value of its financial instruments. PavCo's exposure to currency risk is related only to the value of foreign exchange transactions in the normal course of business, and the Corporation manages this risk by minimizing its number of transactions in foreign funds.
- **Interest rate risk:** PavCo is not subject to interest rate risk on its long-term debt as a fixed rate is provided for its loan agreement with the Province of British Columbia, which eliminates fluctuations in the value of this financial instrument during the repayment period.
- **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 through the receipt of grants and borrowed 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 related only to the value of accounts receivable in its normal course of business, and the Corporation manages this risk by minimizing the amount of transactions that require recovery. The Corporation continually monitors and manages the collection of receivables from customers, while adding provisions where collection of outstanding receivable balances is less likely.

## Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
Continue to manage client relationships and explore options to replace lost revenue at PavCo's public facilities and increase operational efficiencies to manage cost impacts of COVID-19.	PavCo continuously evaluates opportunities for improved efficiencies in all aspects of its operations. Additionally, sales teams continue to acquire new business, and existing relationships are strengthened. This has resulted in profitability this fiscal year.
Work with Government and health officials and the events and conventions sector to collaborate on strategies to support the safe resumption and recovery of the sector.	Both facilities are GBAC STAR venues, recognizing PavCo's rigorous protocols in response to bio-risk. Both venues reopened in strict compliance with the provincial health regulations and industry best practices, and continually monitor and evolve operations in response to risk.

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Ensure PavCo’s programs and investments are aligned with the Strategic Framework for Tourism in B.C., and other Government priorities, including support for sport, music, and arts event hosting and pandemic response and recovery.</p>	<p>PavCo’s programs are aligned with the pillars of the Strategic Framework for Tourism: People, Planet and Prosperity, including:</p> <ul style="list-style-type: none"> <li>• Rebuilding confidence and driving bookings in B.C.’s business events and conferences industry.</li> <li>• Working with Indigenous partners to preserve and promote living cultures and the rich heritage of Indigenous peoples.</li> <li>• Championing leading human resources practices and promoting a variety of job and career opportunities.</li> <li>• Being an inclusive and welcoming destination.</li> </ul> <p>PavCo works to support good jobs both internally and by supporting the province’s tourism value chain.</p> <p>In PavCo’s hosting of sports, music, and arts events, significant contributions have been made to the economy of the province, including the pandemic economic recovery.</p> <p>Environmental sustainability is key to PavCo’s strategy and continued efforts are undertaken to ensure all opportunities for clean growth are harnessed.</p>

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Continue to demonstrate innovation and the value achieved by delivering economic, social, environmental, and culturally-focused initiatives and programs through a blended approach of seeking high revenue generation, providing benefits to communities, and supporting B.C. goods and services consistent with provincial trade commitments.</p>	<p>Thorough attention to decision-making around the appropriate mix of clients that provide both profitability and economic benefit, as well as community benefit, PavCo works to maximise several factors in its booking calendar. PavCo continuously evaluates opportunities for community engagement through the events at its venues.</p>
<p>Broaden the community engagement of PavCo’s facilities with a wider range of community stakeholders through the continued development and execution of PavCo’s community engagement strategy.</p>	<p>PavCo continues to engage its community stakeholders across its venues through the sports, music, arts and business ecosystem.</p> <ul style="list-style-type: none"> <li>• Hosting a diverse range of community events at its facilities, including cultural and charitable initiatives such as the Happy Feet Soccer Clinics, Vancouver Mural Festival activations, Canucks Autism Network and Coastal Lunar Lanterns at Jack Poole Plaza.</li> <li>• Engagements with Indigenous and community partners are ongoing to ensure broad participation. Select events included Vancouver Mural Festival activations, an Indigenous-led land acknowledgment and welcome at the Coldplay concerts at BC Place, and preserving three totem poles at the Vancouver Convention Centre.</li> <li>• Ensuring that PavCo's venues are accessible and inclusive to all community members. This year, an accessibility plan was put in place to work toward PavCo’s commitment to providing the best experiences for our patrons and visitors, with varying backgrounds and accessibility needs. Additionally, BC</li> </ul>



2023 Mandate Letter Priority	Status as of March 31, 2024
	<p>Place implemented a sensory room, made sensory kits available and provided related staff training to create a more accessible experience for all guests.</p>
<p>Building on the success of the Vancouver Convention Centre, continue to act as a global sustainability leader, and explore cost-efficient opportunities for environmental improvement in all facilities.</p>	<p>Last year, the Vancouver Convention Centre was re-certified for Double LEED Platinum Certification. Additional projects to reduce both venues' carbon footprint through management of energy, water usage and waste production are ongoing.</p>
<p>Continue to explore options for additional revenue streams that align with PavCo's mandate and Government's priorities, while working collaboratively with Indigenous and community partners.</p>	<p>PavCo continues to expand its client base across the sports, music, arts and business ecosystem. Further, it continues to expand client offerings to drive additional revenue.</p> <p>Engagements with Indigenous and community partners are ongoing to ensure broad participation.</p>
<p>Work with the Ministry of Tourism, Arts, Culture and Sport and events and convention partners to collaborate on strategies to support a vibrant meetings, events and sports sector with special focus on working with B.C. host cities and organizers of upcoming marquee events including the Grey Cup in 2024, Invictus Games in 2025, FIFA World Cup in 2026 and various international conferences to ensure they provide positive benefits for businesses, communities, and the tourism sector while also focusing on supporting strategies related to mitigating hotel occupancy challenges impacting the Vancouver Convention Centre.</p>	<p>Through the marquee events hosted at its venues and in collaboration with the Government, PavCo worked with organizers and other partners such as the City of Vancouver and Destination Vancouver to help plan, promote and amplify the impact of upcoming events.</p> <p>Some strategies included the involvement of PavCo staff on event steering committees, engagement with various industry stakeholders, including the tourism and hotel sector, and working with the local Board of Trade to amplify tourism and economic development efforts for certain marquee events.</p>

## Appendix B: Subsidiaries and Operating Segments

### Operating Segments

#### Vancouver Convention Centre

##### Financial Summary

(\$m)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
<b>Revenues</b>				
Sales	57.627	58.221	74.975	16.754
Other Revenues	0.524	0.000	0.226	0.226
<b>Revenue from Operations</b>	<b>58.151</b>	<b>58.221</b>	<b>75.201</b>	<b>16.980</b>
Sustaining Contributions	0.124	1.404	0.000	(1.404)
Deferred Contributions	20.705	20.506	20.599	0.093
<b>Total Revenues</b>	<b>78.980</b>	<b>80.130</b>	<b>95.800</b>	<b>15.669</b>
<b>Expenses</b>				
Cost of Sales	30.184	30.138	39.153	9.015
Staff	14.224	17.040	17.211	0.171
Operations and Maintenance	10.784	11.899	13.265	1.366
General and Administration	3.201	3.368	3.197	(0.171)
Business Development	0.283	0.648	0.452	(0.196)
Fees	0.539	1.598	0.957	(0.641)
Capital Asset Amortization	20.848	20.798	20.757	(0.041)
<b>Total Expenses</b>	<b>80.063</b>	<b>85.490</b>	<b>94.992</b>	<b>9.503</b>
<b>Surplus (Deficit)</b>	<b>(1.083)</b>	<b>(5.359)</b>	<b>0.808</b>	<b>6.167</b>

#### Discussion of Variance

See discussion 'Financial Report, Discussion of Results' on pages 17-18.

## BC Place

### Financial Summary

(\$m)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
<b>Revenues</b>				
Sales	41.340	24.701	46.345	21.644
Other Revenues	2.910	3.036	3.688	0.652
<b>Revenue from Operations</b>	<b>44.250</b>	<b>27.737</b>	<b>50.033</b>	<b>22.296</b>
Sustaining Contributions	7.248	6.149	7.805	1.656
Deferred Contributions	15.617	15.616	15.618	0.002
<b>Total Revenues</b>	<b>67.115</b>	<b>49.502</b>	<b>73.456</b>	<b>23.954</b>
<b>Expenses</b>				
Cost of Sales	26.753	14.370	31.446	17.076
Staff	10.381	12.531	12.388	(0.143)
Operations and Maintenance	3.883	4.683	4.255	(0.428)
General and Administration	2.412	2.261	2.037	(0.224)
Business Development	0.192	0.627	0.262	(0.365)
Fees	0.831	1.874	1.321	(0.553)
Loan Interest	4.192	4.086	4.086	0.000
Capital Asset Amortization	21.987	21.031	21.983	0.952
<b>Total Expenses</b>	<b>70.631</b>	<b>61.461</b>	<b>77.778</b>	<b>16.317</b>
<b>Surplus (Deficit)</b>	<b>(3.516)</b>	<b>(11.960)</b>	<b>(4.322)</b>	<b>7.638</b>

### Discussion of Variance

See discussion 'Financial Report, Discussion of Results' on pages 17-18.

## **Appendix C: Auditor's Report and Audited Financial Statements**

# **B.C. Pavilion Corporation**

## **Financial Statements**

Fiscal Year Ended March 31, 2024

## ***Audited Financial Statements***

March 31, 2024

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

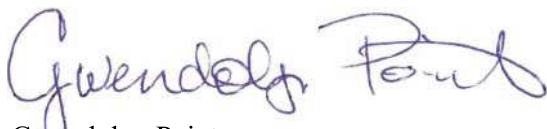
#### **Statement of Management Responsibility**

The financial statements of the B.C. Pavilion Corporation have been prepared by management in accordance with the financial reporting framework disclosed in note 2 to these financial statements, 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 is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board and its Audit and Governance 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 Governance Committee prior to their approval of the Corporation's financial statements.

PricewaterhouseCoopers LLP 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 all financial management records 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.



Gwendolyn Point  
Chair – Board of Directors



Curt Walker, FCPA, FCMA  
Chief Financial Officer

Vancouver, British Columbia  
June 13, 2024



## Independent auditor's report

To the Board of Directors of B.C. Pavilion Corporation and the Minister of Tourism, Arts, Culture and Sport, Province of British Columbia

---

### Our opinion

In our opinion, the accompanying financial statements of B.C. Pavilion Corporation (the Corporation) as at March 31, 2024 and for the year then ended 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.

#### What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at March 31, 2024;
- the statement of operations and change in accumulated surplus for the year then ended;
- the statement of change in net debt for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

---

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP  
PwC Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7  
T.: +1 604 806 7000, F.: +1 604 806 7806, Fax to mail: ca\_vancouver\_main\_fax@pwc.com



---

## **Emphasis of matter – basis of accounting**

We draw attention to note 2 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 19 to the financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

---

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

Management is responsible for the preparation of the 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

---

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*


Chartered Professional Accountants

Vancouver, British Columbia  
June 13, 2024

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

	<b>Note</b>	<b>March 31 2024</b>	<b>March 31 2023</b>
<b>Financial Assets</b>			
Cash and cash equivalents	4	38,784	27,210
Restricted Cash	4	-	350
Investments	4	354	392
Accounts receivable	5	13,998	14,431
Due from governments	6	8,589	7,222
		61,725	49,605
<b>Liabilities</b>			
Accounts payable and accrued liabilities	7	17,809	18,744
Due to governments	6	9,547	9,523
Employee leave liability		1,643	1,490
Deferred revenue	8	50,022	34,629
Deferred capital contributions – government	9	736,225	758,507
Deferred capital contributions – other	10	4,478	5,309
Long-term debt	11	122,647	125,861
		942,371	954,063
<b>Net debt</b>		(880,646)	(904,458)
<b>Non-financial assets</b>			
Tangible capital assets	12	919,639	948,086
Inventories held for use		100	95
Prepaid expenses		2,069	953
		921,808	949,134
<b>Accumulated surplus</b>		<b>41,162</b>	<b>44,676</b>
<b>Contingencies and contractual obligations</b>	13		

Approved on behalf of the board:



Gwendolyn Point.  
Chair – Board of Directors



Flavia Coughlan  
Chair – Audit & Governance 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)

	Note	31-Mar-24		31-Mar-23
		Budget	Actual	Actual <sup>(1)</sup>
		<i>(Note 17)</i>		
<b>Revenues</b>	20			
Event revenues		86,065	112,650	91,385
Lease revenues		7,073	7,183	6,886
Miscellaneous revenues		2,916	3,913	3,063
Operating contributions - government		7,552	7,805	7,372
Deferred capital contributions -government		35,254	35,386	35,485
Deferred capital contributions - other		868	832	837
Interest revenue		-	1,487	1,067
		139,728	169,256	146,095
<b>Expenses</b>	14,20			
BC Place Stadium		71,558	77,778	70,631
Vancouver Convention Centre		85,487	94,992	80,063
		157,045	172,770	150,694
<b>Annual operating (deficit)</b>		(17,317)	(3,514)	(4,599)
Accumulated surplus, beginning of year		44,676	44,676	49,275
Accumulated surplus, end of year		27,359	41,162	44,676

(1) Event revenues and expenses for BC Place Stadium for fiscal year 2023 have been restated to reflect change in food and beverage revenue recognition policy. Refer to note #2 for additional information.

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

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

	31-Mar-24		31-Mar-23
	Budget	Actual	Actual
	<i>(Note 17)</i>		
Annual operating (deficit)	(17,317)	(3,514)	(4,599)
Acquisition of tangible capital assets	(10,000)	(14,293)	(10,773)
Amortization of tangible capital assets	41,829	42,740	42,835
	14,512	24,933	27,463
Acquisition of prepaid expense	-	(7,647)	(5,552)
Use of prepaid expense	-	6,531	5,054
	-	(1,116)	(498)
Acquisition of inventory for use	-	(209)	(147)
Use of inventory	-	204	197
	-	(5)	50
Decrease in net debt	14,512	23,812	27,015
Net debt – beginning of year		(904,458)	(931,473)
Net debt – end of year		(880,646)	(904,458)

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

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

	<b>March 31</b>	<b>March 31</b>
	<b>2024</b>	<b>2023</b>
<b>(Deficit) for the year</b>	(3,514)	(4,599)
<b>Changes in Non-cash Items Included in (Deficit):</b>		
Amortization of tangible capital assets	42,740	42,835
Amortization of deferred capital contributions – government	(35,386)	(35,485)
Amortization of deferred capital contributions – other	(832)	(837)
<b>Changes in Non-Cash Working Capital Items:</b>		
Accounts receivable	433	(8,159)
Due from governments	(1,367)	(1,956)
Due to governments	24	121
Accounts payable and accrued liabilities	(934)	7,658
Employee leave liability	153	86
Deferred revenue	15,394	2,646
Inventories held for use	(5)	50
Prepaid expenses	(1,116)	(498)
<i>Cash provided by operating transactions</i>	15,590	1,862
Purchase of tangible capital assets	(14,293)	(10,773)
<i>Cash used in capital transactions</i>	(14,293)	(10,773)
<b>Investing Transactions</b>		
Investment	37	25
<i>Cash provided by investing transactions</i>	37	25
<b>Financing Transactions</b>		
Deferred capital contributions – government	13,104	10,354
Repayment of long-term debt	(3,214)	(3,111)
<i>Cash provided by financing transactions</i>	9,890	7,243
Increase in cash and cash equivalents	11,224	(1,643)
Cash and cash equivalents – beginning of year	27,560	29,203
Cash and cash equivalents – end of year	38,784	27,560

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

**1. Authority and Nature of Operations**

B.C. Pavilion Corporation (PavCo or the Corporation) 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 Tourism, Arts, Culture and Sport. 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 generate economic and community benefit for the people of British Columbia through the prudent management of public facilities. PavCo achieves this 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. Significant Accounting Policies**

These financial statements have been prepared by management in accordance with the accounting requirements of 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 set out in Note 19. 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 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 reasonably assured.

***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:

Buildings and improvements	5 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 and fixtures	3 to 20 years, straight-line
Vehicles	30% per annum, declining balance
Computer hardware and software	3 to 5 years, straight-line

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

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

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.

In the year of asset acquisition, amortization will be recorded at 50% of the normal annual rate, calculated for the asset as per above. In the final year or the year of disposition, amortization will be charged at 50% of the annual rate.

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 PSAS. 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 them.

***Revenue recognition***

Revenues from events held at PavCo's facilities are recognized over time throughout the course 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. Food and beverage revenues are recognized on a gross revenue basis and included within event revenues, while related expenses are included as an event direct cost.

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.

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

Operating contributions are recognized as income in the period for which they are contributed. Contributions restricted for specific purposes are recorded as deferred contributions and recognized in revenue in the period in which the stipulation or restriction on the contributions have been met.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

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

***Capital contributions***

The value of contributed depreciable tangible capital assets or funding received from government or other external sources for the purpose of acquiring or developing tangible capital assets for use in providing services, is treated as deferred capital contributions. These contributions are amortized to revenue in the period during which the assets are used to provide services, at the same amortization rate as the related tangible capital assets. If the net book value of a depreciable tangible capital asset funded by a deferred capital 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 PSAS which require that government transfers or externally restricted contributions be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer or externally restricted contribution contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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.

***Expenses***

The cost of all goods consumed and services received during the fiscal year, not related to assets, is expensed. Expenses are reported on an accrual basis. 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 expenses. Environmental costs are recorded when a determination of liability is made and the related costs can be reasonably estimated.

***Financial Instruments - recognition and measurement***

PavCo's financial instruments consist of cash and cash equivalents, accounts receivable, due from governments, accounts payable and accrued liabilities, due to governments and long-term debt. All financial instruments are carried at cost or amortized cost in the financial statements. All financial assets are assessed annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

***Employee pension plan***

PavCo and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act. Defined contribution plan accounting is applied because sufficient information is not available to apply defined benefit accounting. Contributions are expensed as they become payable (note 15).

***New accounting standards adopted***

Effective April 1, 2023, PavCo adopted sections PS 3400 –*Revenue*, PSG-8 - *Purchased Intangibles and PS 3160 - Public Private Partnerships* issued by the Public Sector Accounting Board. PSG-8 - *Purchased Intangibles* and PS 3160 - *Public Private Partnerships* did not have a material impact to these financial statements.

As a result of the adoption of PS 3400-*Revenue*, PavCo re-evaluated its principal versus agent assessment and as a result, determined that it is the principal in the arrangements pertaining to food & beverage at BC Place Stadium. Prior to the adoption of PS 3400 - *Revenue*, food & beverage revenue at BC Place Stadium was reported on a net basis. As PS 3400 was applied retroactively by PavCo, the comparative information



**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

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

has been restated accordingly for fiscal year 2023. The impact to the statement of operations and changes in accumulated surplus for the year ended March 31, 2023 includes an increase in fiscal year 2023 revenues of \$14.134 million and a corresponding increase in fiscal year 2023 expenses of \$14.134 million.

**3. Measurement Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosed amounts of contingent assets and liabilities at the reporting date as well as the reported amounts of revenues and expenses during the reporting period. Uncertainty in the determination of these amounts is known as measurement uncertainty.

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. Actual results could differ from these estimates. Estimates included in these financial statements are accrued liabilities, collectability of accounts receivable and estimated useful life of tangible capital assets.

**4. Cash and Investments**

	<b>March 31 2024</b>	<b>March 31 2023</b>
Unrestricted cash	38,784	27,210
Restricted cash	-	350
	<u>38,784</u>	<u>27,560</u>
Investments	<u>354</u>	<u>392</u>

Restricted cash consists of a refundable deposit to secure a letter of credit that PavCo issued on behalf of the depositor. A liability for the amount of the deposit is recorded in accounts payable and accrued liabilities. Investments represent PavCo's proportionate interest in the Convention Development Fund, which is a joint initiative with Tourism Vancouver and the Vancouver Hotel Destination Association.

**5. Accounts Receivable**

	<b>March 31 2024</b>	<b>March 31 2023</b>
Trade	14,640	14,781
Other receivables	728	1,905
Subtotal	<u>15,368</u>	<u>16,686</u>
Less: provision for doubtful accounts	<u>(1,370)</u>	<u>(2,255)</u>
	<u>13,998</u>	<u>14,431</u>

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

**6. Due to and from Governments**

	<b>March 31 2024</b>	<b>March 31 2023</b>
Due from federal government	65	152
Due from provincial government	8,524	7,070
Total due from governments	8,589	7,222
Due to provincial government	9,547	9,523

Due from provincial government represent contributions for tangible capital assets purchased this fiscal year.

**7. Accounts Payable and Accrued Liabilities**

	<b>March 31 2024</b>	<b>March 31 2023</b>
Trade accounts payable and accrued liabilities	15,530	16,638
Accrued interest on long-term debt	2,020	2,073
Builder's lien and other holdbacks	259	33
	17,809	18,744

**8. Deferred Revenue**

	<b>March 31 2024</b>	<b>March 31 2023</b>
Unearned lease revenues	18,435	18,933
Unearned event revenue and deposits	31,587	15,696
	50,022	34,629

Unearned lease revenue represents funds received in advance from lease and business alliance agreements, and is recognized in accordance with 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, 2024 (tabular amounts in \$000s)

#### 9. Deferred Capital Contributions – Government

Government contributions are funding transfers that 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 follows:

	Balance April 1 2023	Contributions during year	Amortized to revenue	Balance March 31 2024
Government of Canada	160,843	-	(4,556)	156,287
Province of British Columbia	597,664	13,104	(30,830)	579,938
	758,507	13,104	(35,386)	736,225

	Balance April 1 2022	Contributions during year	Amortized to revenue	Balance March 31 2023
Government of Canada	165,399	-	(4,556)	160,843
Province of British Columbia	618,239	10,354	(30,929)	597,664
	783,638	10,354	(35,485)	758,507

Contributions from the Government of Canada comprise federal funding for the construction of the Vancouver Convention Centre's west facility and the connector between the east and west facility. The funding for the Vancouver Convention Centre's west facility includes the construction of the waste water treatment facility. Contributions from the Province of British Columbia are for tangible capital assets.

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.

#### 10. Deferred Capital Contributions – Other

	Balance April 1 2023	Receipts during year	Amortized to revenue	Balance March 31 2024
Other contributions	5,309		(832)	4,478

	Balance April 1 2022	Receipts during year	Amortized to revenue	Balance March 31 2023
Other contributions	6,146		(837)	5,309

Other deferred contributions include contributions, defined by their contractual stipulations, from non-related parties to fund major improvements to or for the acquisition of capital assets. Included in other deferred contributions are value-in-kind contributions of tangible capital assets.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

**11. Long-term Debt**

	<b>March 31 2024</b>	<b>March 31 2023</b>
Province of British Columbia	122,647	125,861

In fiscal 2010, PavCo entered into a long-term loan agreement with the Province of British Columbia to provide financing for the revitalization at BC Place Stadium. PavCo received the balance of the loan in fiscal 2011. The loan is secured by the assets of BC Place Stadium and the Vancouver Convention Centre.

Under the terms of the loan agreement, the repayable loan was non-interest bearing during the construction and start-up period. Commencing April 2, 2013, PavCo began repaying the loan by providing semi-annual blended payments of principal and interest. For fiscal year 2024, \$3.21 million was repaid on the loan with \$4.1 million paid in interest.

The parties negotiated a reduced interest rate from 4.89% to 3.29% effective November 1, 2015 until fiscal year 2049. The current repayment schedule reflects loan payments by PavCo of \$7.33 million for fiscal years 2024 through 2048 and \$3.7 million for fiscal year 2049.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

**12. Tangible Capital Assets**

	BC Place	Vancouver Convention Centre <sup>(1)</sup>	March 31 2024	March 31 2023
Land and improvements	32,466	41,442	73,908	72,734
Buildings and improvements	311,855	496,073	807,928	837,578
Leasehold improvements	-	19,931	19,931	22,215
Equipment	5,488	3,064	8,552	6,323
Furniture and fixtures	6,639	1,123	7,762	7,772
Computer hardware/software	757	801	1,558	1,464
<b>Total</b>	<b>357,205</b>	<b>562,434</b>	<b>919,639</b>	<b>948,086</b>

(1) Includes Shared Services office assets

Included above as at March 31, 2024 is work-in-progress in the below tangible capital asset categories.

	BC Place	Vancouver Convention Centre	March 31 2024	March 2023
Buildings and improvements	6,130	1,189	7,319	5,357
Leasehold improvements	-	4,241	4,241	4,075
Equipment	2,933	946	3,879	1,832
Furniture and fixtures	206	714	920	381
Computer hardware/software	4	459	463	370
<b>Total Work-in-Progress</b>	<b>9,273</b>	<b>7,549</b>	<b>16,822</b>	<b>12,015</b>

**Artwork**

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.

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, 2024 is \$6.2 million (\$6.2 million at March 31, 2023).

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, 2024 (tabular amounts in \$000s)****12. Tangible Capital Assets (cont.)**

	Land and Improvements	Buildings and Improvements	Leasehold Improvements	Equipment	Furniture and Fixtures	Vehicles	Computer Hardware and Software	2024
<b>Cost:</b>								
Opening balance	72,734	1,313,613	52,384	75,275	35,925	25	7,130	1,557,086
Additions	1,174	6,898	298	3,807	1,171	-	945	14,293
Disposals and adjustments	-	(22)	35	(739)	(239)	-	(698)	(1,663)
Closing balance	73,908	1,320,489	52,717	78,343	36,857	25	7,377	1,569,716
<b>Accumulated amortization:</b>								
Opening balance	-	(476,035)	(30,169)	(68,952)	(28,153)	(25)	(5,666)	(609,000)
Amortization expense	-	(36,527)	(2,617)	(1,574)	(1,186)	-	(836)	(42,740)
Effect of disposals and adjustments	-	1	-	735	244	-	683	1,663
Closing balance	-	(512,561)	(32,786)	(69,791)	(29,095)	(25)	(5,819)	(650,077)
<b>Net book value</b>	<b>73,908</b>	<b>807,928</b>	<b>19,931</b>	<b>8,552</b>	<b>7,762</b>	<b>0</b>	<b>1,558</b>	<b>919,639</b>

**B.C. Pavilion Corporation****Notes to the Financial Statements****For the year ended March 31, 2024 (tabular amounts in \$000s)****12. Tangible Capital Assets (cont.)**

	Land and Improvements	Buildings and Improvements	Leasehold improvements	Equipment	Furniture and Fixtures	Vehicles	Computer Hardware and Software	2023
<b>Cost:</b>								
Opening balance	72,734	1,308,850	50,229	73,338	35,374	25	6,620	1,547,170
Additions	-	4,757	2,155	2,636	559	-	666	10,773
Disposals and adjustments	-	6	-	(699)	(8)	-	(156)	(857)
Closing balance	72,734	1,313,613	52,384	75,275	35,925	25	7,130	1,557,086
<b>Accumulated amortization:</b>								
Opening balance	-	(439,766)	(27,605)	(68,051)	(26,854)	(25)	(4,721)	(567,022)
Amortization expense	-	(36,269)	(2,564)	(1,600)	(1,301)	-	(1,101)	(42,835)
Effect of disposals and adjustments	-	-	-	699	2	-	156	857
Closing balance	-	(476,035)	(30,169)	(68,952)	(28,153)	(25)	(5,666)	(609,000)
<b>Net book value</b>	<b>72,734</b>	<b>837,578</b>	<b>22,215</b>	<b>6,323</b>	<b>7,772</b>	<b>-</b>	<b>1,464</b>	<b>948,086</b>

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

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

**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

#### **13. Contingencies and Contractual Obligations**

**a) *Contingent liabilities***

- i) Environmental - PavCo remains liable for environmental and reclamation obligations for known hazards that may exist at its facilities and has recognized soil remediation costs in the financial statements. As at March 31, 2024, management is not aware of any additional existing environmental problems related to its facilities that may result in material liability to the Corporation.
  
- ii) Legal - 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) *Contractual obligations***

- i) Operating leases and maintenance - the Corporation is committed to payments under several operating leases and maintenance agreements, the longest of which extends to 2027. These represent total commitments as follows:

Fiscal 2025	5,718
Fiscal 2026	4,209
Fiscal 2027	3,219

- ii) Capital projects - at March 31, 2024, the Corporation has committed to future expenditures of under contracts currently entered into with respect to remaining capital obligations as follows:

Fiscal 2024	5,999
-------------	-------



**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

**14. Expenses by Object**

The following summarizes expenses by object:

	<b>2024</b>	<b>2024</b>	<b>2023 <sup>(1)</sup></b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
Event direct costs	54,221	70,599	56,937
Salaries, wages and benefits	30,168	29,599	24,605
Operating expenses	16,407	17,520	14,667
General and administration	5,629	5,234	4,645
Business development	1,273	714	475
Professional consulting fees	3,432	2,278	2,338
Interest on long-term debt	4,086	4,086	4,192
Amortization	41,829	42,740	42,835
<b>Total</b>	<b>157,045</b>	<b>172,770</b>	<b>150,694</b>

(1) Event revenues and direct costs for fiscal year 2023 at BC Place Stadium have been restated to reflect change in food and beverage revenue recognition policy. Refer to note #2 for additional information.

**15. Employee Pension Plan**

PavCo and its employees contribute to the Public Service Pension Plan, a jointly trustee pension plan. The Public Service Pension Plan Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration benefits. The Public Service Pension Plan has approximately 123,000 active, inactive and retired members.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the funding. The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4.491 million for basic pension benefits. The next valuation will be as at March 31, 2026.

Employers participating in the plan record their pension expenses as the amount of employer contributions made during the fiscal year. This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, and therefore there is no consistent and reliable basis for allocating the obligation, assets and costs to individual employers participating in the plan.

Contributions to the plan by PavCo for fiscal 2024 were \$2.340 million (2023 - \$1.933 million).

**16. Related Party Transactions**

PavCo is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. All transactions with these entities were in the normal course of operations and recorded at fair market value.

**17. Budgeted Figures**

Budgeted figures have been provided for comparison purposes and are derived from the estimates provided in the Corporation's 202/24 – 2025/26 Annual Service Plan which was approved by PavCo's Board of Directors on February 6, 2023.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

**18. Financial Instruments**

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 related only to the value of foreign exchange transactions in the normal course of business, and the Corporation manages this risk by minimizing the amount of transactions in foreign funds.

*Interest Rate Risk* - 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.

*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 through the receipt of grants and borrowed funds from its shareholder.

All financial assets and liabilities are current and expected to mature within one year, with the exception of long-term debt held with the Province of BC. Debt will mature per the following schedule:

Within one year - \$3.3 million  
One to five years - \$18.3 million  
Over five years - \$101.0 million

*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 related only to the value of accounts receivable in its normal course of business, and the Corporation manages this risk by minimizing the amount of transactions that require recovery. The Corporation continually monitors and manages the collection of receivables from other customers, while adding provisions where collection of balances is less likely.

**B.C. Pavilion Corporation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2024 (tabular amounts in \$000s)**

---

**19. Impact of accounting for restricted contributions in accordance with Restriction Contributions Regulation 198/2011**

As disclosed in the significant accounting policies, note 2, regulation 198/2011 requires PavCo to recognize revenue from restricted contributions for the purpose of acquiring or developing a depreciable tangible capital asset on the same basis as the related amortization expense of the tangible capital asset. As these transfers do not contain stipulations or restrictions creating a liability over the term of the expected useful life of a related tangible capital asset, Canadian PSAS would require these contributions to be recognized in revenue as a tangible capital asset is acquired or development and construction of a tangible capital asset is complete.

If PavCo had recorded deferred capital contributions under PSAS rather than the accounting policy described under note 2, deferred capital contributions recognized as revenue for the year ended March 31, 2024 would have increased by \$13.104 million (2023 - increased by \$9.692 million) and the annual operating deficit would have decreased by \$13.104 million (2023 - decreased by \$9.692 million).

As at March 31, 2024, deferred capital contributions used to purchase tangible capital assets would have decreased by \$740.7 million (2023 - decreased by \$763.8 million) and the accumulated surplus would have increased by \$740.7 million (2023 - increased by \$763.8 million).

## B.C. Pavilion Corporation

### Notes to the Financial Statements

For the year ended March 31, 2024 (tabular amounts in \$000s)

#### 20. Segmented Information

PavCo reports segmented information by its operating divisions: BC Place Stadium and the Vancouver Convention Centre. BC Place Stadium and the Vancouver Convention Centre, market, sell and manage space for conventions, trade and consumer shows, entertainment, sports and other events. Revenues, expenses and tangible capital assets by facility are provided in the following tables:

	<i>BC Place</i> <sup>(1)</sup>		<i>Vancouver Convention Centre</i> <sup>(1) (2)</sup>		<i>Total</i>	
	2024	2023 <sup>(4)</sup>	2024	2023	2024	2023 <sup>(4)</sup>
<b>Revenues</b>						
Event revenues	42,218	37,634	70,432	53,751	112,650	91,385
Lease revenues	3,386	3,425	3,797	3,461	7,183	6,886
Miscellaneous revenues <sup>(3)</sup>	3,687	2,539	226	524	3,913	3,063
Operating contributions - government	7,805	7,248	-	124	7,805	7,372
Deferred contributions - government	15,041	15,039	20,345	20,446	35,386	35,485
Deferred contributions - other	578	578	254	259	832	837
Interest revenue	741	652	746	415	1,487	1,067
	<b>73,456</b>	<b>67,115</b>	<b>95,800</b>	<b>78,980</b>	<b>169,256</b>	<b>146,095</b>
<b>Expenses</b>						
Event direct costs	31,446	26,753	39,153	30,184	70,599	56,937
Salaries, wages and benefits	12,388	10,381	17,211	14,224	29,599	24,605
Operating expenses	4,255	3,883	13,265	10,784	17,520	14,667
General and administration	2,037	1,907	3,197	3,201	5,234	4,645
Business development	262	192	452	283	714	475
Professional consulting fees	1,321	1,336	957	539	2,278	2,338
Interest on long-term debt	4,086	4,192	-	-	4,086	4,192
Amortization	21,983	21,987	20,757	20,848	42,740	42,835
	<b>77,778</b>	<b>70,631</b>	<b>94,992</b>	<b>80,063</b>	<b>172,770</b>	<b>150,694</b>
<b>(Deficit) surplus for the year</b>	<b>(4,322)</b>	<b>(3,516)</b>	<b>808</b>	<b>(1,083)</b>	<b>(3,514)</b>	<b>(4,599)</b>

(1) Shared Services 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 non-event related revenues and monies received outside of the course of normal operations.

(4) Event revenues and direct cost expense for fiscal year 2023 at BC Place Stadium have been restated to reflect change in food and beverage revenue recognition policy. Refer to note #2 for additional information.

**B.C. Pavilion Corporation****Notes to the Financial Statements****For the year ended March 31, 2024 (tabular amounts in \$000s)****20. Segmented Information (cont.)**

<b>BC Place</b>	<b>Land &amp; Improvements</b>	<b>Buildings &amp; Improvements</b>	<b>Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Computer Hardware &amp; Software</b>	<b>2024</b>	<b>2023</b>
<b>Cost:</b>							
Opening balance	31,292	572,557	54,358	24,609	4,453	687,269	683,343
Additions	1,174	5,699	3,026	632	443	10,974	4,781
Disposals and adjustments	-	4	10	(201)	(17)	(204)	(855)
<b>Closing balance</b>	<b>32,466</b>	<b>578,260</b>	<b>57,394</b>	<b>25,040</b>	<b>4,879</b>	<b>698,039</b>	<b>687,269</b>
<b>Accumulated amortization:</b>							
Opening balance	-	(246,949)	(51,033)	(17,596)	(3,475)	(319,053)	(297,921)
Amortization expense	-	(19,456)	(874)	(1,006)	(647)	(21,983)	(21,987)
Effect of disposals & adjustments	-	-	1	201	-	202	855
<b>Closing balance</b>		<b>(266,405)</b>	<b>(51,906)</b>	<b>(18,401)</b>	<b>(4,122)</b>	<b>(340,834)</b>	<b>(319,053)</b>
<b>Net book value at March 31</b>	<b>32,466</b>	<b>311,855</b>	<b>5,488</b>	<b>6,639</b>	<b>757</b>	<b>357,205</b>	<b>368,216</b>

## B.C. Pavilion Corporation

### Notes to the Financial Statements

For the year ended March 31, 2024 (tabular amounts in \$000s)

#### 20. Segmented Information (cont.)

Vancouver Convention Centre	Land & Improvements	Buildings & Improvements	Leasehold Improvements	Equipment	Furniture & Fixtures	Vehicles	Computer Hardware & Software	2024	2023
<b>Cost:</b>									
Opening balance	41,442	741,056	52,384	20,917	11,316	25	2,677	869,817	863,827
Additions	-	1,199	298	781	539	-	502	3,319	5,992
Disposals and adjustments	-	(26)	35	(749)	(38)	-	(681)	(1,459)	(2)
<b>Closing balance</b>	<b>41,442</b>	<b>742,229</b>	<b>52,717</b>	<b>20,949</b>	<b>11,817</b>	<b>25</b>	<b>2,498</b>	<b>871,677</b>	<b>869,817</b>
<b>Accumulated amortization:</b>									
Opening balance	-	(229,086)	(30,169)	(17,919)	(10,557)	(25)	(2,191)	(289,947)	(269,101)
Amortization expense	-	(17,071)	(2,617)	(700)	(180)	-	(189)	(20,757)	(20,848)
Disposal	-	1	-	734	43	-	683	1,461	2
<b>Closing balance</b>	<b>-</b>	<b>(246,156)</b>	<b>(32,786)</b>	<b>(17,885)</b>	<b>(10,694)</b>	<b>(25)</b>	<b>(1,697)</b>	<b>(309,243)</b>	<b>(289,947)</b>
<b>Net book value at March 31</b>	<b>41,442</b>	<b>496,073</b>	<b>19,931</b>	<b>3,064</b>	<b>1,123</b>	<b>-</b>	<b>801</b>	<b>562,434</b>	<b>579,870</b>

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.