

B.C. Pavilion Corporation

Financial Statements

Fiscal Year Ended March 31, 2026

Audited Financial Statements

March 31, 2026

B.C. Pavilion Corporation

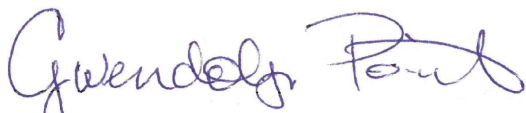
Statement of Management Responsibility

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.



Dr. Gwendolyn Point
Chair – Board of Directors



Curt Walker, FCPA, FCMA
Chief Financial Officer

Vancouver, British Columbia
June 16, 2026



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, 2026 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, 2026;
- 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.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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.

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 18 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

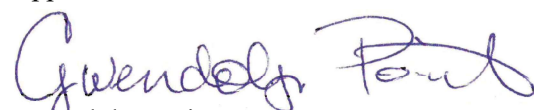
Vancouver, British Columbia

June 16, 2026

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

		March 31	March 31
	Note	2026	2025
Financial Assets			
Cash		32,362	36,840
Investments		286	313
Accounts receivable	4	7,825	12,665
Due from governments	5	41,188	12,779
		<u>81,661</u>	<u>62,597</u>
Liabilities			
Accounts payable and accrued liabilities	6	37,400	25,623
Due to governments	5	9,594	10,876
Employee leave liability		1,766	1,706
Deferred revenue	7	48,711	34,179
Deferred operating contributions - government	8	4,432	-
Deferred capital contributions – government	8	773,365	746,685
Deferred capital contributions – other	9	3,669	3,813
Long-term debt	10	115,894	119,326
		<u>994,831</u>	<u>942,208</u>
Net debt		<u>(913,170)</u>	<u>(879,611)</u>
Non-financial assets			
Tangible capital assets	11	944,328	923,983
Inventories held for use		79	86
Prepaid expenses		6,189	564
		<u>950,596</u>	<u>924,633</u>
Accumulated surplus		<u>37,426</u>	<u>45,022</u>
Contingencies and contractual obligations	12		

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)

		31-March-26		31-March-25
	Note	Budget	Actual	Actual
		<i>(Note 16)</i>		
Revenues	19			
Event revenues		106,254	112,754	145,076
Lease revenues		6,218	6,226	6,325
Miscellaneous revenues		6,517	6,063	4,600
Operating contributions - government		8,710	10,005	9,791
Deferred capital contributions -government		37,912	37,159	36,713
Deferred capital contributions - other		666	679	666
Interest revenue		1,200	2,479	1,601
		<u>167,477</u>	<u>175,365</u>	<u>204,772</u>
Expenses	13,19			
BC Place Stadium		83,607	83,460	97,420
Vancouver Convention Centre		97,924	99,501	103,492
		<u>181,531</u>	<u>182,961</u>	<u>200,912</u>
Annual operating surplus / (deficit)		<u>(14,054)</u>	<u>(7,596)</u>	<u>3,860</u>
Accumulated surplus, beginning of year		<u>45,022</u>	<u>45,022</u>	<u>41,162</u>
Accumulated surplus, end of year		<u>30,968</u>	<u>37,426</u>	<u>45,022</u>

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

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

	31-March-26		31-March-25
	Budget	Actual	Actual
	(Note 16)		
Annual operating (deficit)	(14,054)	(7,596)	3,860
Acquisition of tangible capital assets	(59,222)	(65,013)	(48,389)
Amortization of tangible capital assets	44,529	44,668	44,045
	(28,747)	(27,941)	(484)
Acquisition of prepaid expense		(22,188)	(6,502)
Use of prepaid expense		16,563	8,007
		(5,625)	1,505
Acquisition of inventory for use		(286)	(423)
Use of inventory		293	437
		7	14
Decrease in net debt	(28,747)	(33,559)	1,035
Net debt – beginning of year		(879,611)	(880,646)
Net debt – end of year		(913,170)	(879,611)

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

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

	March 31 2026	March 31 2025
Surplus (Deficit) for the year	(7,596)	3,860
Changes in Non-cash Items Included in (Deficit):		
Amortization of tangible capital assets	44,668	44,045
Amortization of deferred capital contributions – government	(37,159)	(36,713)
Amortization of deferred capital contributions – other	(679)	(666)
Changes in Non-Cash Working Capital Items:		
Accounts receivable	4,840	1,333
Due from governments	(28,409)	(4,190)
Due to governments	(1,282)	1,329
Accounts payable and accrued liabilities	(1,875)	2,412
Employee leave liability	60	64
Deferred revenue	14,532	(15,843)
Inventories held for use	7	14
Prepaid expenses	(5,625)	1,505
<i>Cash provided by operating transactions</i>	<u>(18,518)</u>	<u>(2,850)</u>
Purchase of tangible capital assets	(51,361)	(42,987)
<i>Cash used in capital transactions</i>	<u>(51,361)</u>	<u>(42,987)</u>
Investing Transactions		
Investment	27	41
<i>Cash provided by investing transactions</i>	<u>27</u>	<u>41</u>
Financing Transactions		
Deferred Operating Contributions - government	4,432	
Deferred capital contributions – government	63,839	47,173
Deferred capital contributions - other	535	
Repayment of long-term debt	(3,432)	(3,321)
<i>Cash provided by financing transactions</i>	<u>65,374</u>	<u>43,852</u>
Decrease in cash	(4,478)	(1,944)
Cash - beginning of year	36,840	38,784
Cash - end of year	<u>32,362</u>	<u>36,840</u>
Non-Cash Transactions		
Acquisition of tangible capital assets in accounts payable and accrued liabilities	<u>13,652</u>	<u>5,402</u>

B.C. Pavilion Corporation

Notes to the Financial Statements

For the year ended March 31, 2026 (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 18. Significant accounting policies used in the preparation of these financial statements are:

Financial assets

Cash includes cash held at Canadian financial institutions.

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, 2026 (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, 2026 (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 14).

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.

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

4. Accounts Receivable

	March 31 2026	March 31 2025
Trade	7,502	12,883
Other receivables	563	232
Subtotal	8,065	13,115
Less: provision for doubtful accounts	(240)	(450)
	7,825	12,665

5. Due to and from Governments

	March 31 2026	March 31 2025
Due from federal government	136	-
Due from provincial government	41,052	12,779
Total due from governments	41,188	12,779
Due to federal government	-	419
Due to provincial government	9,594	10,457
Total due to government	9,594	10,876

Due from provincial government represents contributions for tangible capital assets purchased this fiscal year. Included in due from provincial government are contributions receivable from the Province of BC to cover expenditures incurred by the Corporation in preparation for the FIFA World Cup 2026.

6. Accounts Payable and Accrued Liabilities

	March 31 2026	March 31 2025
Trade accounts payable and accrued liabilities	31,562	21,459
Accrued interest on long-term debt	1,908	1,965
Builder's lien and other holdbacks	3,930	2,199
	37,400	25,623

7. Deferred Revenue

	March 31 2026	March 31 2025
Unearned lease revenues	27,341	18,208
Unearned event revenue and deposits	21,370	15,971
	48,711	34,179

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

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

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.

8. Deferred Operating and 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 as well as funding to support ongoing operations and for other specified purposes as follows:

a) Deferred Operating Contributions - Government

Deferred operating contributions of \$4.432 million represent funding receivable from the Province of British Columbia related to FIFA operating activities, which will be recognized as revenue when the related expenditures are incurred.

b) Deferred Capital Contributions - Government

	Balance April 1 2025	Contributions during year	Amortized to revenue	Balance March 31 2026
Government of Canada	151,731	-	(4,556)	147,175
Province of British Columbia	594,954	63,839	(32,603)	626,190
	746,685	63,839	(37,159)	773,365

	Balance April 1 2024	Contributions during year	Amortized to revenue	Balance March 31 2025
Government of Canada	156,287	-	(4,556)	151,731
Province of British Columbia	579,938	47,173	(32,157)	594,954
	736,225	47,173	(36,713)	746,685

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.

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

9. Deferred Capital Contributions – Other

	Balance April 1 2025	Receipts during year	Amortized to revenue	Balance March 31 2026
Other contributions	3,813	535	(679)	3,669

	Balance April 1 2024	Receipts during year	Amortized to revenue	Balance March 31 2025
Other contributions	4,478		(665)	3,813

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.

10. Long-term Debt

	March 31 2026	March 31 2025
Province of British Columbia	115,894	119,326

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 2026, \$3.43 million was repaid on the loan with \$3.90 million paid in interest.

The debt bears an interest rate of 3.29%. The current repayment schedule reflects loan payments by PavCo of \$7.33 million for fiscal years 2026 through 2048 and \$3.7 million for fiscal year 2049 (debt maturity).

11. Tangible Capital Assets

	BC Place	Vancouver Convention Centre	March 31 2026	March 31 2025
Land and improvements	32,466	41,442	73,908	73,908
Buildings and improvements	359,840	464,684	824,524	810,656
Leasehold improvements	-	16,916	16,916	18,172
Equipment	14,700	3,354	18,054	11,258
Furniture and fixtures	4,895	969	5,864	6,710
Computer hardware/software	4,683	379	5,062	3,279
Total	416,584	527,744	944,328	923,983

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

Included above as at March 31, 2026 is work-in-progress in the below tangible capital asset categories.

	BC Place	Vancouver Convention Centre	March 31 2026	March 31 2025
Buildings and improvements	88,409	1,661	90,070	42,666
Leasehold improvements	-	3,936	3,936	4,580
Equipment	11,378	376	11,754	4,707
Furniture and fixtures	107	304	411	367
Computer hardware/software	4,341	20	4,361	2,372
Total Work-in-Progress	104,235	6,297	110,532	54,692

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, 2026 is \$6.2 million (\$6.2 million at March 31, 2025).

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, 2026 (tabular amounts in \$000s)

11. Tangible Capital Assets (cont.)

	Land and Improvements	Buildings and Improvements	Leasehold Improvements	Equipment	Furniture and Fixtures	Vehicles	Computer Hardware and Software	2026
Cost:								
Opening balance	73,908	1,360,174	54,574	74,817	36,664	25	9,597	1,609,759
Additions	-	50,878	2,113	8,910	402		2,710	65,013
Disposals and adjustments	-	317	6	(269)	(60)		(356)	(362)
Closing balance	73,908	1,411,369	56,693	83,458	37,006		11,951	1,674,410
Accumulated amortization:								
Opening balance	-	(549,518)	(36,402)	(63,559)	(29,954)	(25)	(6,318)	(685,776)
Amortization expense	-	(37,327)	(3,375)	(2,126)	(1,248)		(592)	(44,668)
Effect of disposals and adjustments	-	-	-	281	60		21	362
Closing balance	-	(586,845)	(39,777)	(65,404)	(31,142)	-	(6,889)	(730,082)
Net book value	73,908	824,524	16,916	18,054	5,864	-	5,062	944,328

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

11. Tangible Capital Assets (cont.)

	Land and Improvements	Buildings and Improvements	Leasehold improvements	Equipment	Furniture and Fixtures	Vehicles	Computer Hardware and Software	2025
Cost:								
Opening balance	73,908	1,320,489	52,717	78,343	36,857	25	7,377	1,569,716
Additions	-	39,674	1,860	4,400	69	-	2,385	48,388
Disposals and adjustments	-	11	(3)	(7,926)	(262)	-	(165)	(8,345)
Closing balance	73,908	1,360,174	54,574	74,817	36,664	25	9,597	1,609,759
Accumulated amortization:								
Opening balance	-	(512,561)	(32,786)	(69,791)	(29,095)	(25)	(5,819)	(650,077)
Amortization expense	-	(36,957)	(3,616)	(1,695)	(1,123)	-	(654)	(44,045)
Effect of disposals and adjustments	-	-	-	7,927	264	-	155	8,346
Closing balance	-	(549,518)	(36,402)	(63,559)	(29,954)	(25)	(6,318)	(685,776)
Net book value	73,908	810,656	18,172	11,258	6,710	-	3,279	923,983

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

12. 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, 2026, 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 2031. These represent total commitments as follows:

Fiscal 2027	8,351
Fiscal 2028	3,761
Fiscal 2029	2,693
Fiscal 2030	2,735
Fiscal 2031 and beyond	7,204

- ii) Capital projects - at March 31, 2026, the Corporation has committed to future expenditures under contracts currently entered into with respect to remaining capital obligations as follows:

Fiscal 2027	19,930
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13. Expenses by Object

The following summarizes expenses by object:

	2026 Budget	2026 Actual	2025 Actual
Event direct costs	66,902	70,603	90,981
Salaries, wages and benefits	35,005	35,057	33,456
Operating expenses	18,387	18,343	18,599
General and administration	6,760	5,832	6,282
Business development	1,649	852	771
Professional consulting fees	4,434	3,741	2,801
Interest on long-term debt	3,865	3,865	3,977
Amortization	44,529	44,668	44,045
Total	181,531	182,961	200,912

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Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

14. 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 with results available by December 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 2026 were \$2.799 million (2025 - \$2.722 million).

15. 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.

16. Budgeted Figures

Budgeted figures have been provided for comparison purposes and are derived from the estimates provided in the Corporation's 2025/26 – 2027/28 Annual Service Plan which was approved by PavCo's Board of Directors on February 10, 2025.

17. 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.

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

18. Financial Instruments (cont)

Liquidity Risk - Liquidity risk is the risk that PavCo will have difficulty in meeting its financial obligations when they come due. PavCo manages liquidity risk by continually monitoring cash flows and 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 - \$3.5 million
One to five years - \$19.5 million
Over five years - \$93.0 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.

18. 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, 2026 would have increased by \$64.374 million (2025 - increased by \$47.173 million) and the annual operating deficit would have decreased by \$64.374 million (2025 - decreased by \$47.173 million).

As at March 31, 2026, deferred capital contributions used to purchase tangible capital assets would have decreased by \$777.0 million (2025 - decreased by \$750.5 million) and the accumulated surplus would have increased by \$777.0 million (2025 - increased by \$750.5 million).

B.C. Pavilion Corporation

Notes to the Financial Statements

For the year ended March 31, 2026 (tabular amounts in \$000s)

19. 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:

	BC Place⁽¹⁾		Vancouver Convention Centre^{(1) (2)}		Total
	2026	2025	2026	2025	
Revenues					
Event revenues	41,793	65,990	70,961	79,086	112,754
Lease revenues	3,420	3,429	2,806	2,896	6,226
Miscellaneous revenues ⁽³⁾	4,529	4,276	1,534	324	6,063
Operating contributions - government	6,935	7,586	3,070	2,205	10,005
Deferred contributions - government	15,246	15,086	21,913	21,627	37,159
Deferred contributions - other	591	578	88	88	666
Interest revenue	1,995	950	484	651	2,479
	74,509	97,895	100,856	106,877	175,365
					204,772
Expenses					
Event direct costs	32,261	47,461	38,342	43,520	70,603
Salaries, wages and benefits	15,654	14,791	19,403	18,665	35,057
Operating expenses	4,172	4,377	14,171	14,222	18,343
General and administration	2,620	2,914	3,212	3,368	5,832
Business development	406	263	446	508	852
Professional consulting fees	2,135	1,532	1,606	1,269	3,741
Interest on long-term debt	3,865	3,977	-	-	3,865
Amortization	22,347	22,105	22,321	21,940	44,668
	83,460	97,420	99,501	103,492	182,961
					200,912
(Deficit) surplus for the year	(8,951)	474	1,355	3,386	(7,596)
					3,860

(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.

B.C. Pavilion Corporation
Notes to the Financial Statements
For the year ended March 31, 2026 (tabular amounts in \$000s)

20. Segmented Information (cont.)

BC Place	Land & Improvements	Buildings & Improvements	Equipment	Furniture & Fixtures	Computer Hardware & Software	2026	2025
Cost:							
Opening balance	32,466	616,222	53,089	24,822	6,820	733,419	698,039
Additions		49,714	7,908	121	2,553	60,296	43,534
Disposals and adjustments		(33)	(280)	(60)	11	(362)	(8,154)
Closing balance	32,466	665,903	60,717	24,883	9,384	793,353	733,419
Accumulated amortization:							
Opening balance	-	(286,120)	(45,183)	(19,081)	(4,401)	(354,785)	(340,834)
Amortization expense	-	(19,943)	(1,116)	(967)	(321)	(22,347)	(22,105)
Effect of disposals & adjustments	-	-	281	60	21	362	8,154
Closing balance	-	(306,063)	(46,018)	(19,998)	(4,701)	(376,770)	(354,785)
Net book value at March 31	32,466	359,840	14,699	4,895	4,683	416,583	378,634

B.C. Pavilion Corporation

Notes to the Financial Statements

For the year ended March 31, 2026 (tabular amounts in \$000s)

20. Segmented Information (cont.)

Vancouver Convention Centre	Land & Improvements	Buildings & Improvements	Leasehold Improvements	Equipment	Furniture & Fixtures	Vehicles	Computer Hardware & Software	2026	2025
Cost:									
Opening balance	41,442	743,952	54,574	21,728	11,842	25	2,777	876,340	871,677
Additions		1,164	2,113	1,002	281		157	4,717	4,854
Disposals and adjustments		350	6	11			(367)	-	(191)
Closing balance	41,442	745,466	56,693	22,741	12,123	25	2,567	881,057	876,340
Accumulated amortization:									
Opening balance	-	(263,398)	(36,402)	(18,377)	(10,873)	(25)	(1,917)	(330,992)	(309,243)
Amortization expense	-	(17,384)	(3,375)	(1,010)	(281)		(271)	(22,321)	(21,940)
Disposal	-	-	-	-			-	-	191
Closing balance	-	(280,782)	(39,777)	(19,387)	(11,154)	(25)	(2,188)	(353,313)	(330,992)
Net book value at March 31	41,442	464,684	16,916	3,354	969	-	379	527,744	545,348

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, with renewal options. 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.