

B.C. Pavilion Corporation

Statement of Management Responsibility

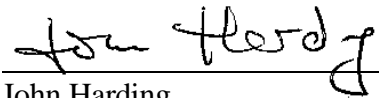
Management, in accordance with Canadian generally accepted accounting principles, has prepared the financial statements for B.C. Pavilion Corporation. These statements present fairly the financial position of the corporation as at March 31, 2009 and results of its operations and cash flows for the year ended March 31, 2009.

Management is responsible for the preparation, integrity and objectivity of the financial statements. Systems of internal control are developed and maintained by management to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide a reliable basis for preparation of the financial statements.

The Auditor General of British Columbia has performed an independent audit of the financial statements. The Report of the Auditor General outlines the scope of his work on the financial statements for B.C. Pavilion Corporation.



David Podmore
Chair



John Harding
Chief Financial Officer

Vancouver, British Columbia
June 11, 2009



Report of the Auditor General
of British Columbia

*To the Board of Directors of
the B.C. Pavilion Corporation, and*

*To the Minister of Tourism, Culture and the Arts
Province of British Columbia:*

I have audited the balance sheet of the *B.C. Pavilion Corporation* as at March 31, 2009, and the statements of operations, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *B.C. Pavilion Corporation* as at March 31, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
June 11, 2009*

John Doyle, MBA, CA
Auditor General

B.C. Pavilion Corporation

Balance Sheet

(in \$000s)

March 31	2009	2008
Assets		
Current		
Cash and cash equivalents (Notes 6)	170,000	99,689
Investments (Notes 7)	-	20,083
Accounts receivable (Note 8)	8,591	7,376
Due from Government of Canada (Note 9)	7,380	9,982
Prepays	2,207	1,040
	188,178	138,170
Long-term		
Property, plant & equipment (Note 11)	860,367	578,646
Intangible assets (Note 12)	2,206	113
	862,573	578,759
	1,050,751	716,929
Liabilities		
Current		
Accounts payables and accrued liabilities (Note 14)	67,565	48,438
Current portion of long-term debt (Note 15)	75	75
Deferred revenue (Note 16)	5,628	4,458
	73,268	52,971
Long-term		
Long-term debt (Note 15)	68	168
Deferred revenue (Note 16)	23,960	12,375
Deferred contributions (Note 17)	316,129	293,302
	340,157	305,845
	413,425	358,816
Shareholder's Equity		
Share capital (Note 18)	-	-
Contributed surplus (Note 19)	609,513	330,300
Retained earnings	27,813	27,813
	637,326	358,113
	1,050,751	716,929

Commitments (Note 24)

Contingent Liabilities (Note 25)

On behalf of the Board


Chair


Director

See accompanying notes to the financial statements.

B.C. Pavilion Corporation

Statement of Operations, Comprehensive Income and Retained Earnings

(in \$000s)

Years ended March 31	2009	2008
Revenues (Note 20)	32,139	33,263
Direct costs	16,843	17,031
	15,296	16,232
Facility expenses		
Staffing	9,964	8,508
Operating	7,090	6,091
Business development	2,681	1,479
General and administration	2,579	2,020
Fees	1,223	1,049
Amortization	2,975	3,381
	26,512	22,528
Loss on operations	(11,216)	(6,296)
BC Place redevelopment (Note 10)	(1,493)	(2,074)
Amortization of contributed surplus (Note 19)	12,709	3,549
(Loss) before discontinued operations	-	(4,821)
Discontinued operations Bridge Studios	-	33,569
Net income for the year, being comprehensive income	-	28,748
Retained earnings (deficit)– beginning of year	27,813	(935)
Retained earnings – end of year	27,813	27,813

See accompanying notes to the financial statements

B.C. Pavilion Corporation

Statement of Cash Flows

(in \$000s)

Years ended March 31	2009	2008
Operations		
Loss on operations	(12,709)	(8,370)
<i>Items not affecting cash</i>		
Amortization	2,975	3,381
Fair value adjustment on investments	54	114
Disposal of assets	569	-
<i>Change in working capital</i>		
Deferred revenue	12,755	5,776
Change in non-cash working capital (Note 21)	19,347	62,274
	22,991	63,175
Net income from discontinued operations	-	391
<i>Cash provided by (used in) operations</i>	22,991	63,566
Investing		
Property, plant & equipment additions	(285,251)	(245,295)
Intangibles	(2,161)	(29)
Investments	20,083	125,266
Gain on the sale of Bridge Studios	-	33,178
Decrease in long-term debt	(100)	(100)
<i>Cash provided by (used in) investing activities</i>	(267,429)	(86,980)
Financing		
Contributions from the Province of British Columbia	291,922	289
Contributions from other	22,827	100,443
<i>Cash provided by financing activities</i>	314,749	100,732
Net increase in cash and cash equivalents	70,311	77,318
Cash and cash equivalents – beginning of year	99,689	22,371
Cash and cash equivalents – end of year (Note 6)	170,000	99,689

See accompanying notes to the financial statements.

1. Authority and Purpose

On April 1, 2008 B.C. Pavilion Corporation amalgamated with Vancouver Convention Centre Expansion Project Ltd., to form a new corporation, B.C. Pavilion Corporation (PavCo) under the *British Columbia Business Corporations Act*.

PavCo owns and operates BC Place and owns and will operate the expansion to the Vancouver Convention Centre commencing April 2009. The Corporation also operates the existing Vancouver Convention Centre under a separate agreement with Canada Place Corporation.

PavCo is exempt from income taxes under the Income Tax Act as it is wholly owned by the Province of British Columbia.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

a) Financial Instruments – Recognition and Measurement

Section 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. All financial assets and financial liabilities including derivatives are measured in the balance sheet at fair value, except for loans and receivables, and other financial liabilities, which are measured at amortized cost.

PavCo has designated its financial instruments as follows:

Cash is classified as financial assets held for trading. Due to its nature, the carrying value equals its fair value.

Investments are classified as assets held for trading. Assets held for trading are carried at fair value with the changes in fair value recorded in revenues from operations, and gains and losses realized on disposal of held for trading securities, along with the interest are recorded in revenues from operations. Fair value adjustments and any gains or losses on disposal of securities from the VCCEP Division are recorded to construction in progress until the expansion facility is ready for use. (Prior to amalgamation, investments of VCCEP Ltd. at March 31, 2008, were classified as available for sale, recorded at fair value, with changes in fair value recorded to Accumulated Other Comprehensive Income).

Accounts receivable and accounts payable are measured at amortized cost.

b) Construction-in-progress

All costs of construction are recorded at cost and include direct costs during development and construction, as well as value-in-kind (VIK) contributions (see VIK accounting policy), property taxes, any realized gains or losses on the disposal of held for trade securities and interest earned or incurred during construction. As the expansion of the Vancouver Convention Centre is complete, a significant portion of these costs have been transferred to property, plant and equipment. They will be subsequently amortized over their estimated useful lives. The redevelopment of BC Place is on-going.

2. Significant Accounting Policies (cont.)

c) *Value-in-kind (VIK)*

PavCo has entered into agreements where VIK is provided. VIK is recognized at fair value and when the goods would otherwise have been purchased (including any applicable taxes). The VIK provided by these agreements is included in construction in progress (see construction-in-progress accounting policy) or property, plant and equipment.

d) *Contra-transactions*

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

e) *Amortization*

Property, plant and equipment are recorded at cost less accumulated amortization.

Assets are amortized over their estimated useful lives to PavCo:

Buildings and improvements	10 to 50 years, straight line
Furniture	3 – 5 years, straight line
Computer equipment	3 years, straight line
Leasehold improvements	over the shorter of the estimated useful life of the improvement and the term of the lease
Mobile equipment	30% per annum, declining balance
Equipment and other capital assets	1 to 10 years, straight line

The art/theming collection is recorded at cost with no amortization.

f) *Impairment of long-lived assets*

PavCo reviews capital assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting standard CICA Handbook Section 3063 “Impairment of Long-Lived Assets”. An impairment loss is recognized when the carrying amount of an asset that is held and used exceeds the projected undiscounted future net cash flows expected from its use and disposal, and is measured as the amount by which the carrying amount of the asset exceeds its fair value, which is measured by discounted cash flows when quoted market prices are not available.

g) *Intangible assets*

Intangible assets are recorded at cost and amortized over their useful life (three years) on a straight line basis.

h) *Deferred contributions*

Contributions for the construction of capital assets are deferred and are amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

2. Significant Accounting Policies (cont.)

i) *Government funding for operations*

Funding received from the Province of British Columbia is recognized as contributed surplus when received and is then amortized to operations to the extent operating expenses exceed revenues.

Government contributions for specific purposes are deferred and recognized as the expenses are incurred.

j) Revenue recognition

Revenue from events at BC Place and the Vancouver Convention Centre is recognized on the completion of events. Amounts received in advance of event completion are recorded as unearned revenue.

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

k) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions based on the information available. Such estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from the amounts estimated.

l) Environmental expenses

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

m) Foreign currency transactions

Any foreign currency transactions are translated into Canadian dollars at the rate of exchange in effect at the transaction date. Any foreign currency denominated monetary assets and liabilities are stated using the prevailing rate of exchange at the balance sheet date.

n) New accounting policies

Effective April 1, 2008 PavCo has adopted the CICA handbook section 3064 for classification of intangible assets. As a result computer software is now classified as an intangible asset. These had previously been part of property, plant and equipment.

3. Financial Instruments – Risk Management

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

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

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

The corporation is exposed to interest rate risk and other price risk through its investments held at Vancity Investment Management Ltd. and with the British Columbia Investment Management Corporation. PavCo's current investment policy requires a need for high liquidity, thus the investment portfolio contains a low level of market risk, and is regularly reviewed by management.

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 drawing from its investments when the need arises, and by maintaining the ability to borrow funds from its shareholder.

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

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

4. Capital Management

PavCo defines its capital structure as cash and cash equivalents, long-term debt and shareholder's equity. The corporation's objectives when managing capital are to optimize the use of capital to provide an appropriate investment return to the shareholder, to maintain financial flexibility in order to preserve its ability to meet financial obligations and to continue as a going concern.

PavCo manages its capital structure based on the funds available to the corporation. To maintain or adjust the capital structure may require funding assistance from PavCo's shareholder.

There has been no change to PavCo's capital management approach for the current period. PavCo has no externally imposed capital requirements.

5. Economic Dependence

PavCo relies on its sole shareholder to provide any capital for investments in property, plant and equipment and when required, to assist with operational funding.

6. Cash and Cash Equivalents

PavCo considers deposits in banks and investments with maturities of three months or less as cash and short term investments.

Included in cash for VCCEP division is \$1.4 million of restricted cash related to the initial deposits for the long term lease agreements with PCI Convention Corp. The restriction on this cash expires upon the lease commencement dates identified in the agreements.

	March 31 2009	March 31 2008
<u>PavCo Operations</u>		
Cash	4,930	757
<u>Investments < 90 days</u> Deposits with BCIMC	10,967	38,945
<i>Fair value</i>	15,897	39,702
<i>Book value</i>	15,843	39,588
<u>VCCEP Construction Division</u>		
Cash	4,386	1,409
<u>Investments < 90 days</u>		
Cash	4	1
Canadian treasury bills with interest rates up to 1.00% (3.00% in Fiscal Year 07/08)	96,366	19,412
Government bonds with interest rates of 4.00% to 5.50% (3.75% to 6.00% in Fiscal Year 07/08)	53,347	25,140
Corporate bonds with interest rates between 4.69% and 5.00%	-	12,032
Strip coupons with interest rates of up to 3.18%	-	1,993
<i>Fair value</i>	154,103	59,987
<i>Book value</i>	154,566	60,211
<u>Total Cash & Cash Equivalents</u>		
Total fair value	170,000	99,689
Total book value	170,409	99,799
Fair value adjustment	(409)	(110)

Short-term investments held for trading

Short-term investments identified in PavCo operations consist of units in the British Columbia Investment Management Corporation (BCIMC). The investments are held in Canadian Money Market funds and are receivable on demand. The units are carried at fair value as of the statement date.

6. Cash and Cash Equivalents (cont.)

Income attributed to the units represents the unit holder's share of the interest earned by the portfolio and may be realized upon the sale of the units.

The fair value adjustment at March 31, 2008 for VCCEP Ltd. (unrealized loss of \$224 thousand) was recorded to Accumulated Other Comprehensive Income. Upon amalgamation with BC Pavilion Corporation on April 1, 2008, fair value adjustments are now recorded to operations to conform to the amalgamated corporation's policies. Fair value adjustments and any gains or losses on disposal of securities from the VCCEP Division are recorded to construction in progress until the expansion facility is ready for use.

7. Investments

	March 31 2009	March 31 2008
<u>VCCEP Division</u>		
Corporate bonds with interest rates between 4.30% and 4.50%	-	20,083
Fair value	<u>-</u>	<u>20,083</u>
Book value	<u>-</u>	<u>19,967</u>
Accumulated other comprehensive income	<u>-</u>	<u>116</u>

The fair value adjustment at March 31, 2008 for VCCEP Ltd. was recorded to Accumulated Other Comprehensive Income. Upon amalgamation with BC Pavilion Corporation on April 1, 2008, fair value adjustments are now recorded to operations to conform to the amalgamated corporation's policies. Fair value adjustments and any gains or losses on disposal of securities from the VCCEP Division are recorded to construction in progress until the expansion facility is ready for use.

8. Accounts Receivable

	March 31 2009	March 31 2008
Trade	3,716	2,988
Interest	934	885
GST	3,941	3,503
	<u>8,591</u>	<u>7,376</u>

9. Due from Government of Canada

a) Project funding

The funding agreement between Infrastructure Canada (INFC) and the VCCEP division specifies that VCCEP may submit claims for reimbursement of paid eligible costs to a maximum of \$222.5 million (\$202.5 million for the Expansion facility and \$20 million for the Connector).

At March 31, 2009, VCCEP has recovered \$215.4 million of the \$220.6 million in total claims submitted for recovery of paid eligible costs (\$202.5 million of \$202.5 million received for Expansion claims and \$12.9 million of \$18.1 million received for Connector claims).

b) Incremental funding

The funding agreement between Western Economic Diversification Canada (WED) and VCCEP specifies that VCCEP may submit claims for reimbursement of paid eligible costs to a maximum of \$2.1 million. At March 31, 2009, VCCEP has recovered \$1.9 million of the \$2.1 million total submitted claims for eligible costs under this agreement.

	March 31 2009	March 31 2008
Infrastructure Canada:		
Total claims submitted	220,613	207,859
Less: Payments received	215,362	199,019
Claims receivable	5,251	8,840
Accrued (unpaid) eligible costs	1,887	653
Receivable from Infrastructure Canada	7,138	9,493
Western Economic Diversification Canada:		
Total claims submitted	1,991	1,786
Less: Payments received	1,887	1,297
Claims receivable	104	489
Accrued (unpaid) eligible costs	138	-
Receivable from WED	242	489
Total due from Government of Canada	7,380	9,982

10. Funding

BC Place Redevelopment

PavCo has been approved for a multi-project envelope of up to \$365 million, including contingencies, to complete interior refurbishments, significant deferred maintenance projects, and to install a retractable roof on the 26 year old BC Place.

The majority of the project will be self-financed by PavCo through the development of lands surrounding BC Place, existing cash reserves, expanded event business and sponsorship opportunities, and operational and energy savings resulting from the refurbishments.

During construction, the Province of British Columbia will provide financing to PavCo for the roof and interiors, in the form of a repayable fiscal agency loan. Financing from the Province of BC will not be required until fiscal year 2009/10.

During the period ended March 31, 2009, costs of \$1,493,000 were spent on investigative costs for replacement of the roof of BC Place, upgrades to the facility and the comprehensive redevelopment of its lands. A further \$44.7 million has been spent in Capital outlays for this project.

	March 31 2009	March 31 2008
Feasibility costs written off	932	2,074
Loss on disposal of assets	561	-
	1,493	2,074

VCCEP Expansion

At March 31, 2009, the budget for construction of the new convention centre facility (Expansion Facility), the connection between the Expansion Facility and Canada Place together with the upgrades to the existing facility at Canada Place is \$883.2 million, and is to be funded as follows:

- Expansion Facility - \$808.4 million to be funded by the Government of Canada (\$202.5 million), the Province of British Columbia (up to \$485.9 million), Tourism Vancouver (\$90 million) and a minimum of \$30 million from commercial opportunities.
- Connector - \$38.6 million to be funded by the Government of Canada (\$20 million) and the Province of British Columbia (\$18.6 million).
- Upgrades to existing facility - \$36.2 million to be funded by the Province of British Columbia.

Tourism Vancouver's funding is being financed by way of contributions advanced on its behalf from the Province of British Columbia (Note 17).

In March 2005, VCCEP entered into a separate \$2.1 million funding agreement with WED for incremental sustainability initiatives to be added to the expansion project.

VCCEP has generated a minimum of \$30 million of funding from commercial opportunities under long term lease agreements with PCI Convention Corp., various business alliance agreements and from interest earned on funding received in advance of project expenditures.

11. Property, Plant & Equipment

By facility	March 31, 2009			March 31
	Carrying Cost	Accumulated Amortization	Net Book Value	2008 Net Book Value
VCCEP Expansion	763,554	156	763,398	527,075
BC Place	140,869	48,698	92,171	49,809
Vancouver Convention Centre	12,099	7,303	4,796	1,755
Corporate Office	28	26	2	7
	916,550	56,183	860,367	578,646

By category	March 31, 2009			March 31
	Carrying Cost	Accumulated Amortization	Net Book Value	2008 Net Book Value
Land	71,260	-	71,260	68,464
Buildings & Improvements	745,883	39,087	706,796	16,359
Construction in Progress				
VCCEP Expansion	18,505	-	18,505	488,405
BC Place	44,716	-	44,716	-
Equipment	23,150	14,518	8,632	4,915
Mobile Equipment	193	125	68	97
Furniture	8,233	1,295	6,938	107
Computer Equipment	1,418	1,158	260	299
Art/ Theming Collection	3,192	-	3,192	-
	916,550	56,183	860,367	578,646

PavCo has a lease agreement with Canada Place Corporation relating to Vancouver Convention Centre's east facility. The lease is for a 20-year term, 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 capital assets of the Corporation.

Construction of the Vancouver Convention Centre Expansion reached substantial completion on February 15, 2009, and was subsequently handed over to PavCo for testing and commissioning on March 13, 2009. The facility will open for operations on April 3, 2009. Asset cost includes direct costs of construction and an apportioned amount of overhead costs directly attributable to the construction including capitalized interest earned of \$24.9 million.

12. Intangible Assets

By Category	March 31, 2009			March 31 2008
	Carrying Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer software	261	214	47	113
Website	279	-	279	-
Agreement to secure the 2011 Grey Cup	1,880	-	1,880	-
	2,420	214	2,206	113

The agreement to secure the 2011 Grey Cup to showcase the revitalization of BC Place was fully funded by Province of BC. The cost will be amortized to operations in fiscal year 2011/12.

13. Intangible Rights

PavCo has had interests in two properties that have been sold or transferred to third parties. Under the terms of the transfer agreements, PavCo could have rights to further income or property at some future date if these or other adjacent properties are developed or sold.

The first relates to a parcel of land adjacent to BC Place that was transferred to a developer for future exchange for another piece of land of approximate size. If the adjacent land is sub-divided or developed, then PavCo will receive the land exchange, otherwise, PavCo will receive cash compensation of approximately \$150 thousand.

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

14. Accounts Payable and Accrued Liabilities

	March 31 2009	March 31 2008
Trade	60,528	29,454
Holdbacks	7,037	18,984
	67,565	48,438

15. Long-term Debt

	March 31 2009	March 31 2008
British Columbia Transportation Financing Authority	143	243
Less: Current portion	75	75
	68	168

The long-term non-interest bearing debt is repayable over a ten year term to 2011. The minimum amount payable each year is \$75 thousand.

16. Deferred Revenue

	March 31 2009	March 31 2008
Current		
Unearned revenue	2,205	4
Event revenues	3,423	4,454
	<u>5,628</u>	<u>4,458</u>
Long- term		
Event revenues	678	608
Other deferred revenue	23,282	11,767
	<u>23,960</u>	<u>12,375</u>
Total deferred revenue	<u>29,588</u>	<u>16,833</u>

17. Deferred Contributions

	March 31 2009	March 31 2008
Government of Canada		
Infrastructure Canada (INFC)	222,500	208,513
Western Economic Diversification Canada (WED)	2,128	1,786
	<u>224,628</u>	<u>210,299</u>
Other Contributions		
Contributions from Tourism Vancouver	90,000	82,600
Other	1,501	403
	<u>91,501</u>	<u>83,003</u>
	<u>316,129</u>	<u>293,302</u>

18. Share Capital

PavCo is authorized to issue an unlimited number of shares without par value, without special rights or restrictions attached. 101 shares are issued and outstanding. These shares are owned by the Province of British Columbia, through registration in the name of the Minister of Tourism, Culture and the Arts, and Her Majesty the Queen in Right of the Province of British Columbia.

19. Contributed Surplus

Contributed surplus represents the Province of British Columbia's investment in PavCo.

	March 31 2009	March 31 2008
Balance – beginning of year	330,300	333,560
Additional contributions	291,922	289
Amortized to operations	(12,709)	(3,549)
Balance – end of year	609,513	330,300

20. Revenue from Operations by Business Segment

	March 31 2009	March 31 2008
Vancouver Convention Centre	17,605	18,122
BC Place	13,247	13,298
Corporate Office ⁽¹⁾	1,185	1,754
Vancouver Convention Centre Expansion Project	102	89
	32,139	33,263

- Corporate office revenues consist of interest earned on cash and investments and any fair value adjustment on the investments.

21. Change in Non-cash Working Capital

	March 31 2009	March 31 2008
Receivables	1,387	31,606
Prepays	(1,167)	(524)
Assets held for sale	-	5,525
Trade payables and accrued liabilities	19,127	25,667
	19,347	62,274

22. Environmental Costs

PavCo and predecessor property owners remain liable for environmental and reclamation obligations for known hazards that may exist at its facilities. Management is not aware of any existing environmental problems related to its facilities that may result in material liability to PavCo.

23. Employee Benefits Plan

PavCo and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension (Plan) is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2008) determined that the Plan needed to implement a contribution rate increase to meet funding requirements of the *Pension Benefits Standards Act*. As a result rates for employees and employer will increase by 0.15% as of April 1, 2009.

Contributions to the Plan by PavCo for fiscal 2008/09 were \$732 thousand (2008 - \$580 thousand).

24. Commitments

a) Construction

As at March 31, 2009, the Corporation is committed to future expenditures for contracts currently entered into with respect to:

BC Place Revitalization	\$38.9 million
VCCEP Division	\$16.2 million

b) Operating lease

The Corporation is committed to payments under operating leases of \$51 thousand.

25. Contingent Liability

The Corporation has issued Letters of Credit to the following:

	Value (in \$)	Expiry Date
City of Vancouver:		
Thurlow Street viaduct warranty costs	\$211,940	October 20, 2009
Department of Fisheries and Oceans Canada:		
Habitat compensation and monitoring	\$100,000	September 3, 2009

The Letters of Credit include an annual auto-renewal clause, unless cancelled prior to the expiry date.

26. Related Party Transactions

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

	March 31 2009	March 31 2008
Amounts included in :		
Assets		
Accounts receivable	196	28
Liabilities		
Accounts payable	226	231
Long term debt	143	243
Deferred revenue	4,000	4,000
Equity		
Contributed surplus	609,513	330,300
Operations		
Revenues	384	417
Staffing	106	392
Fees	67	62
General & administrative costs	18	29
Business development	5	-
Operations	1,106	1,114

27. Comparative Numbers

The March 31, 2008 figures are the audited figures of Vancouver Convention Centre Expansion Project Ltd. and B.C. Pavilion Corporation prior to amalgamation on April 1, 2008.

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