



Connecting and Celebrating the Capital with Every British Columbian

Table Of Contents

Chair's Report	1
Organizational Overview	2
Report on Performance	4
Alignment with Government's Strategic Plan	7
Financial Report	
Management Discussion and Analysis	8
Management's Responsibility for Financial Reporting	13
Auditor's Report	14
Financial Statements	15
Corporate Governance	29
Contact Information	35

Message from the Chair to the Minister

To the Minister Responsible Ministry of Tourism, Sport and the Arts



Dear Minister

I am pleased to present the Annual Report of the Provincial Capital Commission (PCC) for the year ending March 31, 2006. This year marks the fiftieth anniversary of the PCC and its predecessor organization, the Capital Improvement District Commission. The year saw further progress in moving the PCC's focus toward its Outreach-oriented mandate. Several new Outreach programs are now progressing through various stages of development and implementation.

Another major line of business is the stewardship of the heritage buildings with which the PCC has been entrusted. The structural remediation of the Crystal Garden is nearing completion, and the multi-media BC Experience attraction is scheduled to open to the public in June. This represents a turnaround for the future financial performance of the PCC and the kind of success that can be achieved in a partnership between the public and private sectors.

As custodian of several prominent properties on the Inner Harbour, the PCC embraces its responsibility for maintaining and enhancing one of the province's most remarkable gateways. In recent years the PCC has sponsored conferences and the required studies to bring together the key stakeholders of the Harbour precinct who share a dream of a long overdue redeveloped Belleville Terminal site for the Capital. The PCC is in the process of sharing the results of these efforts with the Minister responsible.

Governance best practices and sound corporate management continue to be a primary focus for the PCC Board and Management, to help us meet the continual challenges of balancing mandates of self-sustainability, maintenance of heritage assets, and the need to generate revenues to implement effective Outreach programs on a province-wide basis. We have a small but dedicated staff who work together to maximize the resources to which they have access.

The PCC's 2005/06 Annual Report was prepared under my direction in accordance with the Budget Transparency and Accountability Act. I am accountable for the contents of the report, including the selection of performance measures and how the results have been reported. The information presented reflects the actual performance of the PCC for the twelve months ended March 31, 2006. I am responsible for ensuring internal controls are in place so that performance information is measured accurately and in a timely fashion.

The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of the PCC's actual performance in relation to our Service Plan. All significant decisions, events and identified risks, as of May 15, 2006, have been considered in preparing the report. The measures presented are consistent with the PCC's mission, goals and objectives, and focus on aspects critical to the organization's performance. This report contains estimates and interpretive information that represent the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

This has been a year of significant accomplishment for the PCC and I wish to thank our Chief Executive Officer and his staff for their hard work, my Board colleagues for their commitment to moving the mandate of the PCC forward, and the Minister of Tourism, Sport and the Arts for her support of the organization.

Bill Wellburn, CA

A handwritten signature in black ink that reads "Bill Wellburn". The signature is stylized and cursive.

Organizational Overview

Vision

Connecting and celebrating the Capital with every British Columbian.

Mission

(Note: our mission has been rephrased from the 2005/06 – 2007/08 Service Plan Update)

- Delivery of programs that connect British Columbians to their Capital, and foster pride and awareness of the diverse cultures and rich history of their province.
- Responsible stewardship of public assets.
- A self-sustaining Crown corporation.

Values and Guiding Principles

- Act with integrity by operating with openness, fairness and transparency.
- Be respectful, inclusive and accessible.
- Think, plan and act long-term.
- Be socially responsible in everything we do by promoting long-term financial and economic sustainability, a healthy environment and the well-being of all citizens.
- Balance the needs of the Capital and the province-wide mandate.
- Recognize and support the diversity of British Columbia’s cultures, landscapes and history.
- Manage the balance between our heritage properties and our province-wide mandate.

Enabling Legislation

The Capital Commission Act provides the PCC with the authority that focuses principally on real property and beautification throughout the Capital Improvement District. At the direction of government, the mandate of the PCC was expanded in 2003 to include a broader province-wide mandate of engendering a sense of pride by all British Columbians in their Capital and province.

Location

The Commission’s head office is located at 613 Pandora Avenue in Victoria, British Columbia.

Markets Served

- Citizens of British Columbia.
- Communities throughout the province.
- Individuals seeking information about the Capital via our publications and website.

Partners, Clients and Stakeholders

The PCC operates in an environment that includes other parties with mandated responsibilities, visions and interests including: municipalities, other government departments, First Nations, other agencies such as the Greater Victoria Harbour Authority and the private sector.

Core Business Areas

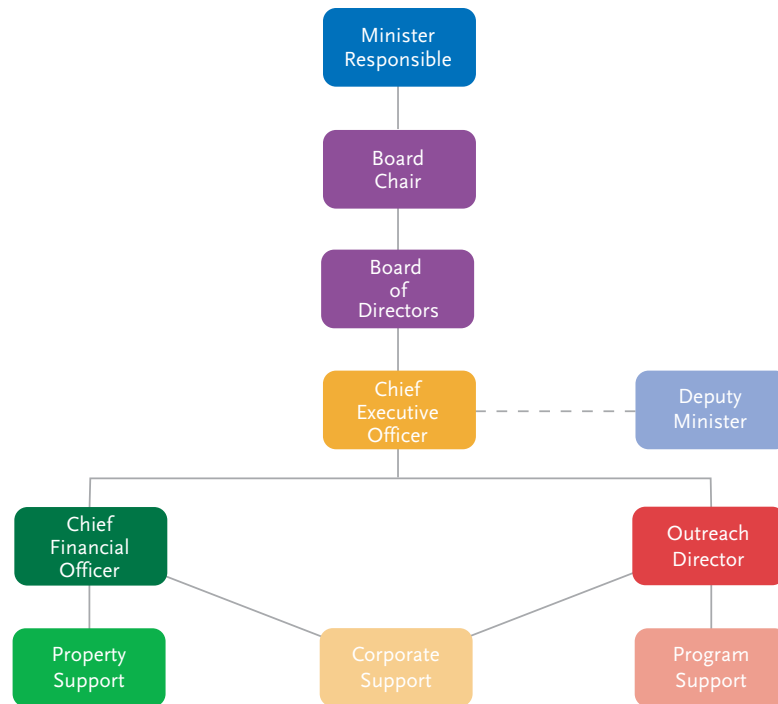
Core business areas of the Commission include:

- Delivery of Outreach programs that connect British Columbians with their Capital, and the Capital with all British Columbians.
- Stewardship of our heritage, Inner Harbour and open space properties.

Structure

At March, 2006, the Commission has 12 Full Time Equivalent employees working to implement PCC strategies related to Outreach and Engagement, assets and property, and corporate support. Assistance from various consultants and specialists is utilized to supplement staff resources as required.

Organization Chart



Report on Performance

This section describes progress made by the PCC in 2005/06 towards achieving the strategic goals as defined in the updated September 2005 Service Plan.

The PCC’s mandate comes from Government. The Board of Directors approves the strategic and operating plans consistent with that mandate. The Board consists of eight directors appointed by Order in Council and six directors appointed by local municipalities.

The Board of Directors and senior management meet early in the planning process to review the goals, strategies and performance measures that have been developed to achieve the Commission’s vision and mission statement. It is during this process that the Commission’s goals, strategies and performance measures may be refined to better align the Corporation with the mandate and high-level direction provided by Government.

Once the PCC’ goals, strategies and performance measures have been approved by the Board, this information is communicated throughout the organization and to the public.

2005/06 – 2007/08 Service Plan Goals

Goal 1: Create an embracing concept of the Capital for all British Columbians.

Strategies

- Implement Communications programs to reach the targeted audiences and promote the Capital through such initiatives as student visits.
- Assess the impact and cost/benefit of Outreach strategies through internal monitoring and external surveys, and redesign or refine the products and processes accordingly.
- Reach out to Aboriginal peoples by facilitating opportunities and working in partnership with representative bodies.
- Stage “Signature Programs” that will be exclusively identified as the corporate mark of the PCC.
- Implement a series of child and youth focused Outreach, Engagement and Communications strategies to connect this provincial population to their Capital and engage them in activities that manifest this connection.
- Connect the regions to the Capital by providing the opportunities and support for having the Capital represented in the regions and a meaningful presence of the regions in the Capital.

Performance

Successful performance in the above Outreach and Engagement strategies were determined by measuring the awareness of the PCC and its Outreach among citizens of the province and by measuring the numbers and percentages of citizens that responded to or participated in the various Outreach initiatives, as well as by evaluating their economic feasibility.

Goal 1

Performance Measures	Target			Result 05/06
	05/06	06/07	07/08	
Percentage of BC population aware of Provincial Capital Commission and its role in connecting British Columbians with their Capital	15%	17%	19%	15% - 2005/06 target based on September 2005 province-wide survey.
Percentage of BC population with a sense of pride and history in our provincial capital	77%	79%	81%	77% - 2005/06 target based on September 2005 province-wide survey.
Engagement in PCC Outreach and Engagement programs targeted for children and youth	Establish base	+ 5% from base	+ 8% from base	Youth Connects/Student Travel Subsidy Program announced in March 2006. Baseline participation to be established in 06/07.
Description and cumulative number of new engagement related initiatives	2	4	6	2 new initiatives: Student Travel Subsidy, pilot Outreach initiative with the City of Dawson Creek.

Goal 2: Optimize opportunities and revenues from all PCC assets to fund Outreach programs.

Strategies

- Review those buildings and properties that are expense-generating and implement plans to move towards a financial neutral or positive position.
- Complete and implement plans for sustaining performing properties and for remediation or changes to properties required to enhance their revenue or opportunity potential while recognizing their heritage significance.
- Follow sound risk management practices by implementing plans to manage risks that could result in loss of value, revenue or cost exposure to the PCC through setting priorities for mitigation strategies considering cost/benefit implications.
- Complete remediation and optimize the lease of the CP Terminal Building, subject to funding availability.
- Continue stewardship role of PCC-owned property on the Capital's Inner Harbour.

Performance

Performance in this area was measured by monitoring the extent to which each individual property generated revenue relative to historical performance. Ideas to derive additional opportunities for each property were reviewed throughout the year.

Goal 2

Performance Measures	Target			Result 05/06
	05/06	06/07	07/08	
Annual revenue from all assets	\$2.6 million	\$2.7 million	\$2.8 million	Achieved: Tenant income up 12% vs. 04/05; 06/07 revised budget target is \$2.9 million.
Number of commercial heritage buildings fully utilized (5 maximum)	2	3	4	Achieved: 05/06 St. Ann's Academy, Tourist Information Centre; 06/07 target-Crystal Garden and CP terminal. Stores Building is contingent on the Inner Harbour Plan.
Cumulative savings realized from new cost reduction initiatives.	\$20 thousand	\$40 thousand	\$60 thousand	Achieved: 05/06 \$55, 000. Out years in excess of \$100,000.



Goal 3: Implement and adhere to governance and corporate best practices.

Strategies

- Continue with policy-setting agenda of the Board.
- Monitor implementation of corporate-wide risk management strategy.
- Approve best practices standards for management and financial reporting and monitor accordingly.
- Annual evaluation of the Board, CEO and Board Chair.

Performance

Measures for goal three were monitored by producing quarterly management reports for review by Board and senior management.

Goal 3

Performance Measures	Target			Result 05/06
	05/06	06/07	07/08	
Financial reporting linked to service plan goals	Implement	TBD	TBD	Achieved: Current year operations by core business (schedule 4) added to the audited financial statements.
Board governance effectiveness	80%	85%	90%	90% - Determined by fully achieving 11 of 12 relevant Board Resourcing and Development Office Guidelines.

Alignment with Government's Strategic Plan

The PCC directly supports the Provincial Government Goal: To make BC the best educated, most literate jurisdiction on the continent.

PCC Alignment

- Outreach program components address and encourage knowledge of British Columbia's rich history and diverse cultures.
- The PCC operates a National Historic Site, St. Ann's Academy, which offers interpretive and education programs.
- The new privately-operated BC Experience located in the heritage Crystal Garden is scheduled to open in June 2006 and will provide a significant opportunity to advance knowledge of the province's geography, economy and resources.
- Participation in planning the 2008 North American Aboriginal Games will bring opportunities to educate citizens and visitors about our rich aboriginal heritage.

Financial Reporting Management Discussion and Analysis

Business Model

As a self-sustaining Crown corporation, the goal of the PCC is to optimize net income from its property assets to fund expenditures incurred in the delivery of Outreach programs and its core business operations.

The current financial performance of the PCC is driven by:

- Revenues from commercial activities, in particular tenant leases and revenue from future development sites currently used for parking lots.
- Application of the resources required to achieve Service Plan goals for the core business areas.
- The stewardship of heritage and open space properties.
- The net cost to operate St. Ann's Interpretive Centre and grounds.
- Completion of Crystal Garden building remediation and transitioning its use to financial self-sustainability.

Consolidated Financial Summary

(\$Thousands)	Actual 03/04	Actual 04/05	Actual 05/06	Budget 05/06	Budget 06/07
Revenue	3,557	3,181	2,580	2,585	2,900
Expenditures	3,340	3,672	2,494	2,520	2,850
Total excess (deficiency) of revenue over expenditure from operations	217	(491)	86	65	50
Greenways/Beautification Program expenditures funded from reserves	(246)	(183)	(105)	(174)	(51)
Net decrease (increase) in investment in capital assets	(539)	(210)	(907)	(526)	(199)
Reserves, end of year (restricted and unrestricted)	2,519	1,635	709	1,000	800
Full-time Equivalents (excluding auxiliaries and staff placements)	24	17	11	11	12

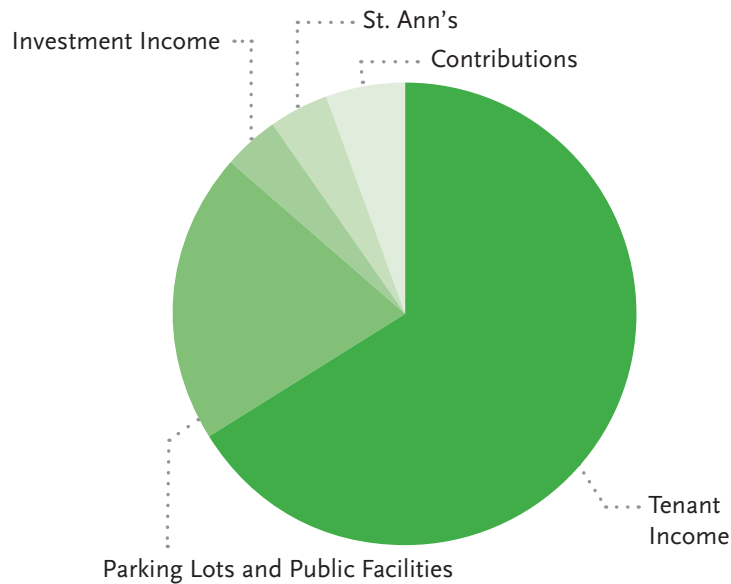
Current Year Operating Results

The current year operating surplus of \$85,501 was consistent with the planned budget surplus of \$65,000.

Compared to prior years, gross revenue and expenditure volume in the current year is lower due to the closure of the Crystal Garden Conservation Centre in September 2004.

Revenue

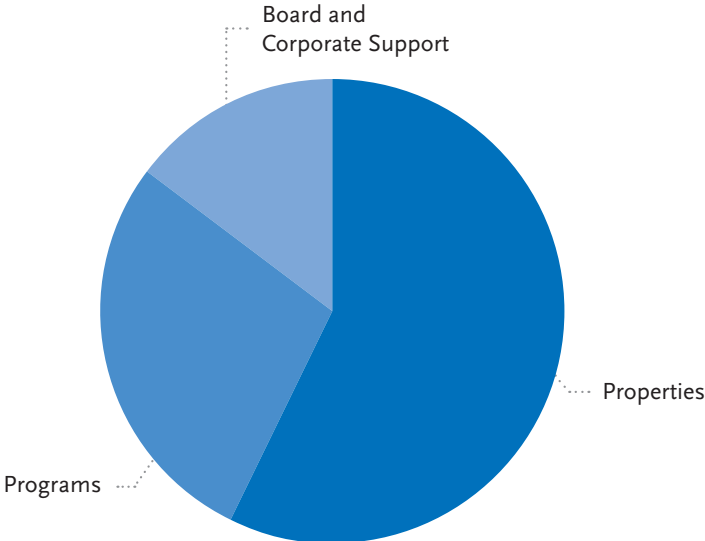
Current year revenue of \$2.580 million including Crystal Garden operations reflects a 12% increase in tenant income compared to the prior year. This increase was driven by lease renewals, enhanced cost recovery, lease of the CP Terminal building second floor, and introduction of kiosk licensing agreements on PCC-owned properties. This was partially offset by reduced parking revenue from hosting special events such as Tall Ships, a lower volume of event revenue at St. Ann's Academy, and reduced investment income due to capital improvements to the Crystal Garden and the Belleville Port Facility.



Revenue	
Tenant Income	\$1, 706, 798
Parking Lots and Public Facilities	\$528, 961
St Ann's	\$99, 707
Investment Income	\$106, 127
Contributions	\$138, 123
Total Revenue	\$2,579,716

Expenditures

Operating expenditures of \$2.494 million reported in Schedule 4 were incurred in support of the PCC’s core business activities: properties (\$1.432 million), programs (\$0.700 million) and Board governance and corporate support (\$0.362 million). Expenditures include property expenses and amortization, funding for Outreach programs and marketing, and the cost of core business delivery including salaries and benefits, professional services for operational and advisory support, and administrative expenses including Board and committee meetings.



Expenditures	Properties	Programs	Board and Corporate Support	Total
Salaries and Benefits	\$ 306,719	\$ 308,215	\$ 240,345	\$ 855,279
Professional Services	\$ 156,532	\$ 35,434	\$ 81,243	\$ 273,209
Administrative Expenses	\$ 9,300	\$ 20,011	\$ 170,025	\$ 199,336
Amortization	\$ 250,119	\$ 16,092	\$ 17,300	\$ 283,511
Property Expenses	\$ 573,942	\$ 99,300	\$ 78,519	\$ 751,761
Outreach Programs and Marketing		\$ 131,119		\$ 131,119
Corporate Overhead	\$ 135,800	\$ 90,100	\$ (225,900)	—
Total Expenditures	\$ 1,432,412	\$ 700,271	\$ 361,532	\$ 2,494,215

Outreach programs and marketing expenditures of \$131,119 (04/05: \$184,020) reflect a year over year shift in strategic focus. Current year activity included significant progress on strategic planning, building capacity for program delivery, and implementing new initiatives including the Student Travel Subsidy Program and a pilot Outreach event with the City of Dawson Creek. In 04/05, efforts focused on one time marketing initiatives and events support to raise awareness and visibility of Outreach and the PCC. Compared to the current year budget of \$253,000, savings include initiatives planned in 05/06 that will be completed in early 06/07. The PCC also provides free use of its parking lot properties to events held in the Capital such as Tall Ships, Folkfest and the Swiftsure Yacht Race. In 05/06, this in kind support approximated \$28,000.

Crystal Garden Operations

For the current year, a net operating surplus of \$56,080 is reported. The prior year loss of \$382,697 included the partial year operation of the Conservation Centre as well as one-time transition costs. As a result of the September 2004 closure date, prior year comparative results avoided the fall/winter losses that were typically incurred. In 2003/04, the last full year of operation of the Conservation Centre, the operating loss for the building net of tenant income was \$263,944.

Current year activity on the Crystal Garden focused on completing structural remediation to the building that will preserve and extend its useful life in preparation for the planned opening of the new tenant-operated BC Experience attraction in June 2006.

Greenways and Beautification Projects

The PCC continues to fund commitments on previously approved projects. Payments on completed Greenways projects of \$105,420 were funded during the year from restricted reserves. A balance of \$151,222 on active projects remains committed.

Capital Assets

Crystal Garden Building Remediation

During the year substantive progress was made by the PCC on remediation of the Crystal Garden. The scope of work includes seismic and building code upgrades, structural repairs and mechanical system upgrades. This work has been completed during the transition in use and will preserve and extend the useful life of this treasured eighty year old heritage building.

After remediation of the building was started, the initial scope of work required to make the building ready for tenant improvements, originally estimated at \$1.6 million, was increased to \$3.6 million to include the replacement of the glass roof and additional repairs for deterioration that were not identified nor anticipated in the original engineering studies.

The work is being funded from PCC reserves of \$1.4 million, tenant contributions of \$0.7 million, and a Provincial contribution of up to \$1.5 million.

At March 31, 2006 work in progress totalled \$3.1 million.

Reserves

The PCC holds cash and short-term investments to finance its operating and capital activities. At year end, the total was \$2.4 million, of which \$0.5 million was committed for liabilities, \$1.2 million was deferred contributions restricted for the Belleville Port Facility, and \$0.7 million for restricted and unrestricted reserves.

Reserves of \$0.3 million are currently restricted for Greenways, Beautification and Building Remediation with a balance of \$0.4 million available for unrestricted use. Compared to the previous year end balance of \$1.6 million, reserves have been primarily utilized for Crystal Garden building remediation and completed Greenways projects. In future years, reserves are anticipated to grow to \$1.0 million by 2008/09 through operations.



Looking Ahead - 2006/07 Financial Outlook

In building for the future, the PCC is optimizing revenue from commercial activities, investing reserve capacity towards remediating its heritage assets and participating in a stewardship capacity in plans for re-development of the Inner Harbour. These activities will provide benefits for all stakeholders by improving the future state of the Commission’s assets both for their heritage significance and as a means to finance Outreach programs for the years ahead.

In the updated Service Plan for 2006/07 to 2008/09, the 2006/07 revised budget is based on revenue of \$2.90 million and expenditures of \$2.85 million. The budget includes an increase for Outreach program funding to \$350,000, (05/06: 253,000) financed through revenue growth and sustainable performance from PCC property assets.



Provincial Capital Commission Financial Statements


Year Ended March 31, 2006

Management's Responsibility for Financial Reporting

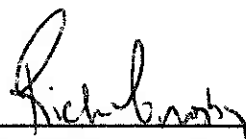
The financial statements of the Provincial Capital Commission have been prepared by management in accordance with Canadian generally accepted accounting principles. Any financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records are properly maintained to facilitate the preparation of financial statements in a timely manner.

Grant Thornton LLP has performed an independent audit of the financial statements of the Provincial Capital Commission. The Auditors' Report outlines the scope of this independent audit and expresses an opinion on the financial statements of the Provincial Capital Commission.



Ray Parke
Chief Executive Officer



Richard Crosby, C.G.A.
Chief Financial Officer

Victoria, British Columbia
April 26, 2006

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the Members of the Provincial Capital Commission, and
To the Minister of Tourism, Sport and the Arts, Province of British Columbia

We have audited the statement of financial position of Provincial Capital Commission as at March 31, 2006 and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2006 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Victoria, Canada
April 26, 2006

Grant Thornton LLP

Grant Thornton LLP
Chartered Accountants

Third Floor
888 Fort Street
Victoria, British Columbia
V8W 1H8
T (250) 383-4191
F (250) 381-4623
E Victoria@GrantThornton.ca
W www.GrantThornton.ca

Canadian Member of Grant Thornton International

Provincial Capital Commission
Statement of Financial Position

March 31

2006

2005

Assets

Current

Cash	\$ 124,896	\$ 247,669
Short term investments (Notes 3 and 6)	2,255,596	3,102,729
Receivables	99,944	91,686
Prepaid expenses	47,978	39,137
	<u>2,528,414</u>	<u>3,481,221</u>

Capital assets (Note 4)	<u>17,949,896</u>	<u>15,105,089</u>
	<u>\$ 20,478,310</u>	<u>\$ 18,586,310</u>

Liabilities

Current

Payables and accruals (Note 10)	\$ 347,159	\$ 369,088
Due to Province of British Columbia (Note 5)	63,306	104,265
Deferred revenue	57,544	42,188
	<u>468,009</u>	<u>515,541</u>

Deferred contributions (Note 6)	1,162,623	1,330,659
Deferred contributions related to capital assets (Note 7)	3,947,064	1,819,577
	<u>5,577,696</u>	<u>3,665,777</u>

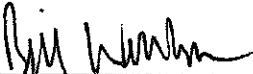
Net Assets

Invested in capital assets	14,191,916	13,285,512
Restricted for Beautification (Note 8)	40,000	64,466
Restricted for Greenways (Note 8)	111,222	271,331
Restricted for Building Remediation (Note 8)	143,764	886,559
Unrestricted	413,712	412,665
	<u>14,900,614</u>	<u>14,920,533</u>
	<u>\$ 20,478,310</u>	<u>\$ 18,586,310</u>

All accompanying notes are an integral part of these financial statements including:

- Commitments and Contingent Liability (Notes 9 and 10)

On behalf of the Board:


 Bill Wellburn
 Chair, Board of Directors


 Rob Hunter
 Chair, Finance and Audit Committee

Provincial Capital Commission

Statement of Operations

Year Ended March 31	2006	2005
		(Note 11)
Revenue		
Commercial activities:		
Tenants	\$ 1,381,385	\$ 1,235,422
Parking lots and public facilities	528,961	550,643
St Ann's Academy	99,707	115,587
Investment income	106,127	142,078
Contributions:		
Provincial (Note 7)	29,781	29,781
Federal (Note 6 and 7)	45,532	57,708
	<u>2,191,493</u>	<u>2,131,219</u>
Expenditures		
Salaries and benefits	804,318	693,964
Professional services:		
Property management	156,532	288,288
Communications and risk management	31,834	90,279
Operational support	84,843	147,100
Administrative expenses:		
Board and committee meetings	59,728	56,810
Office and business	101,883	112,158
Personnel, payroll and audit services	34,225	51,169
Property expenses:		
Property maintenance	441,666	319,389
Utilities	57,214	63,975
Insurance	71,727	61,100
Amortization	186,983	171,006
Outreach programs and marketing	131,119	184,020
	<u>2,162,072</u>	<u>2,239,258</u>
Excess (deficiency) of revenue over expenditures before Crystal Garden operations	29,421	(108,039)
Crystal Garden, net of transition costs (Schedule 1)	<u>56,080</u>	<u>(382,697)</u>
Total excess (deficiency) of revenue over expenditures from operations (Schedule 4)	85,501	(490,736)
Program expenditures from restricted reserves:		
Greenways projects (Schedule 2)	(105,420)	(182,641)
Beautification projects (Schedule 3)	-	-
Total excess (deficiency) of revenue over expenditures	<u>\$ (19,919)</u>	<u>\$ (673,377)</u>

See accompanying notes to the financial statements.

Provincial Capital Commission
Statement of Changes in Net Assets

Year Ended March 31, 2006

	Invested in Capital Assets	Restricted			Unrestricted	Net Assets 2006	Net Assets 2005
		Beautification	Greenways	Building Remediation			
Balance, beginning of year	\$ 13,285,512	\$ 64,466	\$ 271,331	\$ 886,51	\$ 412,665	\$ 14,920,533	\$ 15,593,910
Excess (deficiency) of revenue over expenditures from operations	(167,674)				253,17	85,501	(490,736)
Program expenditures			(105,420)			(105,420)	(182,641)
Investment in capital assets	1,074,078			(1,023,308)	(50,770)	-	-
Transfers (Note 8)							
- Completed and cancelled projects		(24,466)	(54,689)		79,1	-	-
- Crystal Garden building remediation				280,	(280,513)	-	-
Balance, end of year	\$ 14,191,916	\$ 40,000	\$ 111,222	\$ 143,7	\$ 413,712	\$ 14,900,614	\$ 14,920,533

See accompanying notes to the financial statements.

Provincial Capital Commission Statement of Cash Flow

Year Ended March 31	2006	2005
		(Note 11)
Increase (decrease) in cash		
Cash flow from operating activities		
Cash received from commercial activities	\$ 2,297,523	\$ 2,898,128
Investment income received for operating purposes	106,127	142,079
Cash paid for salaries and benefits	(845,605)	(1,319,669)
Cash paid for materials and services	(1,391,789)	(2,102,083)
	<u>166,256</u>	<u>(381,545)</u>
Greenways Program disbursements from reserves	(105,420)	(182,641)
Net cash flow from operating activities	<u>60,836</u>	<u>(564,186)</u>
Cash flow from investing activities		
Short-term investments, net	847,133	611,824
Purchase of capital assets, net of contributions	(1,030,742)	(377,292)
Net cash flow from investing activities	<u>(183,609)</u>	<u>234,532</u>
Net decrease in cash	(122,773)	(329,654)
Cash, beginning of year	<u>247,669</u>	<u>577,323</u>
Cash, end of year	<u>\$ 124,896</u>	<u>\$ 247,669</u>

See accompanying notes to the financial statements.

Provincial Capital Commission

Notes to the Financial Statements

March 31, 2006

1. Purpose of the Commission

The Provincial Capital Commission operates under authority of the Capital Commission Act of British Columbia. It is controlled by the provincial government of British Columbia and is exempt from federal and provincial income taxes.

The Commission was established in 1956 to enhance the amenities and environment in the Greater Victoria area and to respond to requests from various levels of government to undertake special projects. The current mandate of the Provincial Capital Commission is to connect and celebrate the Capital with every British Columbian as well as preservation of its heritage assets.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Investments

Short term investments consist of units in Province of British Columbia Pooled Investment Portfolios. Units are carried at the lower of cost adjusted by income attributed to the units, and market value. Income attributed to the units represents the unit holder's share of interest earned by the Portfolio and may be realized upon sale of units. Earned income is based on the performance of the Portfolio investments.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

The contribution of park lands and green spaces is valued at \$1. The contribution of the St. Ann's Academy, a provincially designated heritage site, is valued at \$1. Capital improvements to St. Ann's Academy paid for by the Commission are recorded at cost.

Amortization is provided on a straight-line basis over the assets' estimated useful lives at the following rates:

Buildings and Improvements	40 years
Wharves	10 years
Furniture and Equipment	5 years
Computer Hardware and Software.....	3 years

No amortization is recognized for work in progress on capital assets under development.

Program Expenditures

Beautification and Greenways Project expenditures are funded from restricted reserves, and payment is authorized when all eligibility criteria have been met.

Provincial Capital Commission

Notes to the Financial Statements

March 31, 2006

2. Summary of significant accounting policies (continued)

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other revenue related to expenditures of future periods is deferred and recognized in the period in which the related expenditures are incurred.

Employee benefit plans

The Commission and its employees contribute to the Public Service Pension Plan (the plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the plan. The pension plan is a multi-employer contributory defined benefit pension plan with approximately 51,000 active plan members and 30,000 retired plan members. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest valuation as at March 31, 2005, indicated an unfunded liability of \$767 million. The actuary does not attribute portions of the liability to individual employers.

The Commission also contributes through the Provincial Government payroll system for employer funded health care, employment and termination benefits as provided for under collective agreements and terms of employment. For 2005/06, the benefits contribution was 24% (2005: 23%) of Commission salary costs. Total benefit expense for the year was \$161,473 (2005: \$234,307).

Defined contribution plan accounting is applied to these benefit plans as the Commission has insufficient information to apply defined benefit plan accounting. As such, the cost of these employee future benefits is recognized as an expense in the year that contributions are paid.

Financial instruments

The Commission's financial instruments consist of short term investments, receivables, payables and accrued liabilities, including amounts due to the Province of British Columbia. Unless otherwise noted, it is management's opinion that the Commission is not exposed to significant interest or foreign currency risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Use of estimates

In preparing the Commission's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Provincial Capital Commission

Notes to the Financial Statements

March 31, 2006

3. Short Term Investments	<u>2006</u>	<u>2005</u>
Market value	\$ 2,257,082	\$ 3,121,030
Less: unrealized gain	<u>1,486</u>	<u>18,301</u>
Cost	<u>\$ 2,255,596</u>	<u>\$ 3,102,729</u>

Investment income of \$106,127 (2005:\$142,078) reflects an average rate of return of 4.2% (2005:4.0%).

4. Capital assets	<u>2006</u>	<u>2005</u>	
Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$9,575,220	\$ 9,575,220	\$ 9,575,220
Buildings	7,423,472	3,258,152	4,165,320
Crystal Garden remediation - work in progress	3,114,714	-	3,114,714
Wharves	458,887	106,086	352,801
Belleville Terminal Project – development costs	175,000	-	175,000
Furniture and equipment	243,892	178,762	65,130
St. Ann's Academy	619,666	117,956	501,710
Park lands & green spaces	<u>1</u>	<u>1</u>	<u>1</u>
	<u>\$21,610,852</u>	<u>\$3,660,956</u>	<u>\$17,949,896</u>
			<u>\$15,105,089</u>

The current assessed value of Commission properties is \$90.3 million (2005: \$86.7 million). This includes 60 parcels of land that make up parklands and green spaces with an assessed value of \$22.9 million (2005: \$22.1 million). The assessed value of land and buildings from other Commission owned properties, including St. Ann's Academy is \$67.4 million (land, \$40.1 million; buildings, \$27.3 million) (2005: \$64.6 million).

St. Ann's Academy, excluding the Chapel and Interpretative Centre, has been leased to the British Columbia Buildings Corporation for 51 years for \$10 in exchange for the Corporation performing renovations to the building and property. At the completion of the lease period all improvements become the property of the Commission.

5. Related party transactions and balances

In addition to the amount due to the Province of British Columbia, the Commission's shareholder, the Commission had the following transactions with the Province and its related entities:

The Commission received \$1,450,000 from the Ministry of Tourism, Sport and the Arts during the year towards completion of structural repairs to the Crystal Garden (2005: Nil).

The Province acts as fiscal agent for the Commission and also provides personnel and payroll services. Service charges in 2006 were \$14,300 (2005: \$31,019).

Rent revenue of \$28,738 (2005: \$28,738) was received from British Columbia Buildings Corporation (BCBC) relating to St. Ann's Academy. In return, operating costs of \$59,242 (2005: \$56,210) relating to St. Ann's Academy were paid to BCBC.

Provincial Capital Commission

Notes to the Financial Statements

March 31, 2006

5. Related party transactions and balances (continued)

Insurance costs of \$115,934 (2005: \$72,565) were paid to the Ministry of Finance, Risk Management Branch.

6. Deferred contributions

Deferred contributions represent unspent contributions restricted by Transport Canada. Transport Canada provided \$1.5 million in cash in the 2002 fiscal year for the continued operation of the Belleville Port Facility. The contribution may only be used for eligible expenditures to operate the port, as described in the Transport Canada Contribution Agreement dated December 4, 2001. In the current year, \$145,750 was spent on security improvements to dock facilities leased to Clipper Navigation Limited to bring the Port Facility to minimum standards. Any unused funds must be returned to Transport Canada after ten years of operations. Cash or investments held at the end of the year subject to these restrictions total \$1,162,623 (2005: \$1,330,659).

Changes in the deferred contributions balance are as follows:

	<u>2006</u>	<u>2005</u>
Opening balance	\$ 1,330,659	\$ 1,377,267
Less: wharf improvements	(145,750)	-
Less: revenue recognized for eligible expenses	<u>(22,286)</u>	<u>(46,608)</u>
Ending balance	<u>\$ 1,162,623</u>	<u>\$ 1,330,659</u>

7. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent assets received through contribution or donation from the Province of British Columbia, Transport Canada and other third parties.

In the 2002 fiscal year, Transport Canada contributed \$2 million in land, buildings and wharves to the Commission. The \$444,000 portion of the contribution allocated to buildings and wharves was deferred and is recognized as revenue on the same basis as amortization expense. The land contribution of \$1,556,000 was accounted for as a direct increase to net assets.

In the current fiscal year, Transport Canada restricted contributions were used to fund Belleville Port Facility wharf improvements and will be deferred and recognized as revenue to match the amortization expense. In addition, contributions received from the Province and Crystal Garden Partners Inc. (tenant) for the structural remediation of the Crystal Garden will be deferred and recognized as revenue in future periods. Under the terms of the lease agreement, tenant contributions will be amortized over 10 years.

Changes in the deferred contributions balance are as follows:	<u>2006</u>	<u>2005</u>
Opening balance	\$ 1,819,577	\$ 1,923,268
Add: Port Facility wharf improvements	145,750	-
Add: Crystal Garden building remediation		
Provincial contribution	\$ 1,450,000	
Tenant contribution	<u>647,575</u>	-
Less: amounts amortized to revenue		
General Operations	\$ 29,781	
Crystal Garden	62,810	
Port Facility	<u>23,247</u>	<u>(103,691)</u>
Ending balance	<u>\$ 3,947,064</u>	<u>\$ 1,819,577</u>

Provincial Capital Commission

Notes to the Financial Statements

March 31, 2006

8. Restrictions on net assets

At the discretion of the Board of Directors, the Commission may restrict net assets for specific uses. Current year activity is summarized in the Statement of Changes in Net Assets.

Beautification and Greenways Projects

Net assets are restricted for unexpended balances of projects approved by Orders in Council. Such projects are undertaken in cooperation with Capital Improvement Districts, municipalities and other groups. During the year, a total of \$79,155 in unused restrictions for completed and cancelled projects was transferred for unrestricted use. The unexpended balances of \$111,222 for Greenways and \$40,000 for Beautification are to be used by March 31, 2007.

Building Remediation

As part of the Commission's stewardship responsibilities, the Board internally restricts net assets for building remediation. The current restriction is committed for remediation of the Crystal Garden. The current year restriction increase of \$280,513 was approved by the Board to bring the total authorization to \$1.35 million. The unexpended balance is \$143,764.

9. Commitments

At March 31, 2006, the Commission has operating and capital commitments under various agreements as follows:

Building remediation: through Order in Council 172/06, the Commission is authorized to expend up to \$3.6 million on remediation of the Crystal Garden. Of this amount, \$1.35 million is currently authorized from restrictions of net assets for building remediation, up to \$1.5 million from the Province, and \$0.7 million from Crystal Garden Partners Inc. under the terms of the lease agreement. To March 31, 2006 work in progress totalled \$3,114,714.

Salaries and benefits: Under the terms of the new BCGEU collective agreement effective April 1, 2006, staff will receive a 2.5% general wage increase in 2006/07, followed by increases of 3% in 2007/08, 2.5% in 2008/09 and 2% in 2009/10. The signing bonus of up to \$4,000 per employee payable March 31, 2006 will be funded directly by the Province.

Crystal Garden staff placement contingent liability: refer to Note 10.

Operating leases: the Commission has two operating leases for office equipment. One agreement runs to September, 2008 with a total commitment of \$6,000. The other expires February, 2010 with an annual commitment of \$5,600, which may be terminated on 30 days notice on each anniversary date of the agreement.

Provincial Capital Commission

Notes to the Financial Statements

March 31, 2006

10. Crystal Garden Operations

The Schedule of Crystal Garden Operations (Schedule 1) includes the prior year financial results for the operation of the Conservation Centre which was closed September 6, 2004. In June 2004, through an open request for proposal process, the Board of Directors accepted a proposal from a proponent who will lease the space previously occupied by the Conservation Centre to operate a multi-media tourist attraction. The new attraction is scheduled to open in June, 2006.

During the current year, the Commission has undertaken remediation of the building. The scope of work includes seismic and building code upgrades, structural repairs and improvements that will preserve the building and extend its useful life. Per OIC 172/06, \$3.6 million is authorized for this work, funded from Board approved restrictions of net assets for building remediation (Note 8), Provincial and tenant contributions (Note 9). As at March 31, 2006 work in progress totalled \$3,114,714.

Contingent Liability - Staff Placement

Under the new BCGEU collective agreement effective April 1, 2006, the guaranteed job security provision for two former employees of the Conservation Centre remains in effect. The two staff remain on the Commission's payroll while on temporary work assignment within government pending permanent placement. At March 31, 2005 the Commission accrued its best estimate of the liability relating to the staff placement costs of these employees based on guaranteed job security to March 30, 2006 under the previous collective agreement. Due to the uncertainty of estimating future placement dates or cost to the Commission, salaries and benefits are expensed as incurred. The potential expense could approximate up to \$100,000 per year.

11. Comparative Figures

Certain 2005 comparative figures have been reclassified to conform to the presentation adopted in the current year.

12. Current Year Operations by Core Business

Schedule 4 is included to report current year operations of the Commission by core business for the year ending March 31, 2006 as defined by the 2005 Service Plan. As a self sustaining crown corporation, the business model of the Commission is to optimize revenue from property assets to fund the delivery of outreach programs. Revenues and expenditures for the three core business activities are defined as follows:

Properties: includes revenues and expenditures relating to the Commission's commercial heritage buildings, temporary parking lots, parks and open space properties. Property stewardship expenditures include salaries and benefits for both direct and indirect staff resources, contracted professional support including legal services, and administrative expenses.

Programs: includes outreach programs, marketing, and the operation of St. Ann's Interpretive Centre net of revenue. Program delivery expenditures include salaries and benefits for both direct and indirect staff resources, contracted professional support, and administrative expenses.

Board Governance and Corporate Support: expenditures include board and committee meetings, salaries and benefits, professional services and administrative expenses for corporate operations support, including property expenses for head office at 613 Pandora Avenue. A portion of these corporate operating costs are allocated to properties and programs.

Provincial Capital Commission Schedule of Crystal Garden Operations

Schedule 1

Year Ended March 31	2006	2005
	(Note 10)	
Revenue		
Commercial activities:		
Admissions	\$ -	\$ 608,988
Ballroom and bar	-	49,057
Gift Shop and other income	-	40,414
Tenants	325,413	288,737
Contributions, Provincial (Note 7)	62,810	62,810
	<u>388,223</u>	<u>1,050,006</u>
Expenditures		
Salaries and benefits	-	365,264
Administrative expenses	3,500	38,324
Operating costs	-	107,760
Property expenses:		
Property maintenance	70,762	160,996
Utilities	71,685	82,868
Insurance	38,707	29,860
Amortization	96,528	99,066
	<u>281,182</u>	<u>884,138</u>
Excess of revenue over expenditures, excluding transition costs	107,041	165,868
Conservation Centre Closure - transition costs (Note 10)		
Closure of operations and building transition	-	355,697
Staff placement - salaries and benefits	50,961	192,868
Excess (deficiency) of revenue over expenditures, including transition costs	<u>\$ 56,080</u>	<u>\$ (382,697)</u>

Provincial Capital Commission

Schedule of Net Assets Restricted for Greenways

Schedule 2

Year Ended March 31, 2006

Greenways Projects	Balance	Current Year		Balance End of Year	Project Status
	Beginning of Year	Transfer to Unrestricted	Expenditures		
Banfield Park Waterfront Path	\$ 27,000		(27,000)	\$ -	Completed
Blenkinsop Greenways Planning Project	15,000		(15,000)	-	Completed
Bowker Creek Watershed	3,420		(3,420)	-	Completed
Cecelia Ravine Park/Galloping Goose	202	(202)		-	Completed
Dockside Greenways Link	1,564	(1,564)		-	Completed
Duke Road Path	25,000	(25,000)		-	Cancelled
Galloping Goose Phase II	3,528	(3,528)		-	Completed
Goldstream Meadows Connector	45,000		(45,000)	-	Completed
Good Neighbours Private Land Stewardship	4	(4)		-	Completed
Greenway Mt. Newton X-Road	3,239	(3,239)		-	Completed
Greenway Plan	3,167	(3,167)		-	Completed
Good Neighbours Strategy	5,000		(5,000)	-	Completed
Hagen Creek Watershed	270	(270)		-	Completed
Lochside Trail (Central Saanich)	5,028	(5,028)		-	Completed
Lochside Trail Extension	11,976	(11,976)		-	Completed
Lochside Trail Kiosk	5,000			5,000	Active
Plelps Road Thetis Lake	10,000		(10,000)	-	Completed
Restoration of Dominion Brook Park Phase II	15	(15)		-	Completed
South Coast Trail Phase II	95,000			95,000	Active
Switch Bridge Gateway	11,222			11,222	Active
West Side Rail Trail	696	(696)		-	Completed
Total restricted net assets	\$271,331	\$(54,689)	\$(105,420)	\$111,222	

Provincial Capital Commission

Schedule of Net Assets Restricted for Beautification

Schedule 3

Year Ended March 31, 2006

Beautification Projects	Balance Beginning of Year	Current Year		Balance End of Year	Project Status
		Transfer to Unrestricted	Expenditures		
Confederation Square	\$ 8,000	(8,000)		\$ -	Cancelled
Oak Bay Avenue Planting	3,933	(3,933)		-	Completed
Selkirk Arbutus Walkway	40,000			40,000	Active
Switch Bridge Gateway	533	(533)		-	Completed
Westsong Way Study	12,000	(12,000)		-	Cancelled
Total restricted net assets	<u>\$ 64,466</u>	<u>\$(24,466)</u>	<u>\$ -</u>	<u>\$ 40,000</u>	

Provincial Capital Commission

Schedule of Current Year Operations by Core Business

Schedule 4

Year Ended March 31, 2006

	Core Business (Note 12)			Total Actual	Approved Budget
	Properties	Programs	Board Governance & Corporate Support		
Combined operations including the Crystal Garden:					
Revenue					
Commercial Activities:					
Tenant income	\$1,706,798			\$1,706,798	\$1,700,000
Parking lots and public facilities	528,961			528,961	525,000
St Ann's Academy		99,707		99,707	125,000
Investment income	106,127			106,127	85,000
Contributions	138,123			138,123	150,000
Total Revenue	2,480,009	99,707		2,579,716	2,585,000
Expenditures					
Salaries and benefits					
Management & operations support	255,758	182,062	240,345	678,165	
St. Ann's Interpretive Centre		126,153		126,153	
Crystal Garden staff placements	50,961			50,961	
				855,279	913,000
Professional services	156,532	35,434	81,243	273,209	233,000
Administrative expenses:					
Board and committee meetings			59,728	59,728	
Office and business	6,800	20,011	78,572	105,383	
Personnel, payroll and audit	2,500		31,725	34,225	
				199,336	203,500
Amortization	250,119	16,092	17,300	283,511	251,000
Property expenses	573,942	99,300	78,519	751,761	666,500
Outreach and marketing		131,119		131,119	253,000
Corporate overhead	135,800	90,100	(225,900)	-	-
Total Expenditures	1,432,412	700,271	361,532	2,494,215	2,520,000
Net revenue(expenditure) by core business	\$1,047,597	\$(600,564)	\$(361,532)	\$85,501	\$65,000

Risks and Sensitivities

The Service Plan for 2005/06 to 2007/08 identified a number of risks and sensitivities impacting current and future years. A progress report on how these were managed is included below.

Risks/Sensitivity	Status
Building remediation is conditional on source funding.	Supplementary funding to complete an increase in the scope of work was based on increasing restrictions on PCC reserves, an increase in tenant contributions, and a contribution from the Province. Future structural and seismic remediation on other PCC-owned buildings is subject to source funding.
Tenant income is sensitive to building remediation and (where applicable) percentage of sales performance.	Revenue budget assumptions are conservative. Target met for 05/06. Current outlook for 06/07 is that the revised target of \$2.9 million will be met or exceeded.
Belleville property will be impacted in future by Inner Harbour Plan development. Potential impact is contingent on future progress.	Potential sensitivity on PCC revenue will be taken into consideration as part of a future planning process.
Funding for Outreach programs is dependent on net revenue from commercial properties.	Outreach budget increased to \$350,000 for 06/07. Further growth potential linked to optimization of lease revenues, including realization of percentage of sales provisions, and progress on the Inner Harbour Plan.

Corporate Governance

In January 2005 the Board Resourcing and Development Office of the Office of the Premier published its “Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations”. Those Guidelines broadly define “corporate governance” as “the structures and processes by which organizations are directed, controlled and held to account.” It also involves the set of relationships amongst a corporation’s management, its board of directors and its shareholders.

The Commission has a 14 member Board of Directors pursuant to the Capital Commission Act. Eight members including the Board Chair are appointed by Order in Council to represent the Province at large. The remaining six are appointed by the four core municipalities of Greater Victoria (two from Victoria, two from Saanich, and one each from Oak Bay and Esquimalt). The board of directors govern the PCC under the Capital Commission Act. Day to day management of the PCC is delegated by the Board to the CEO.

Effective governance is essential to ensure the efficient use of resources, accountability for the stewardship of those resources, and to enable a corporation to function effectively in fulfilling its mandate and goals. As a Crown corporation, the PCC embraces the governance practices and procedures reflected in the Guidelines as well as the related disclosure standards.

Disclosure is a key aspect of best practice in corporate governance for public sector organizations, the PCC's website at www.bcpcc.com includes the following information:

Director Biographies and Appointment Terms of Directors

Board Relationship with Minister

Board of Directors — Terms of Reference

Director — Terms of Reference

Board Chair — Terms of Reference

Board Committees – Terms of Reference

CEO — Terms of Reference



Board of Directors

Governance Principles

Renewal

Board recruitment is guided by a forward looking definition of the skills and expertise needed to govern a corporation effectively. The Chair, Vice-Chair and six other Order-In-Council appointees are chosen according to the government's merit based appointment process, which targets an open, transparent and consistent appointment process. The six municipal representatives are appointed directly by their municipality. In 2005, the PCC developed a skills matrix for the existing Commission to identify the skills and experience needed to guide the corporation, and as a basis for filling vacancies as they occur. The Governance Committee plays an instrumental role in ensuring timely and competent board evaluation and renewal.

Director Orientation

The Board Chair and Governance Committee Chair provide new directors with a detailed presentation on the PCC's enabling legislation, PCC history, governance processes, Service Plan, and current issues. Senior management provides incoming directors with an understanding of the PCC's day to day operations.

Independence

Members of the Commission are required to act with honesty, integrity, confidentiality and in good faith. The PCC requires that each new director review and acknowledge his or her understanding of the principles expressed in the Conduct of Ethical Standards.

Performance Evaluation

The Commission undertakes an annual evaluation to determine the effectiveness of the Board, the Board Chair and committees. As part of the assessment, the Board identifies opportunities for director education, opportunities to improve effectiveness, and it monitors progress in implementing recommended changes.

Management Relationship

Directors engage with management in strategic planning sessions and approve the PCC's Service Plan. The Annual Operating Plan is presented by management and approved by the Board. The CEO and CFO report to the Board and committees on current issues and projects and respond to questions and discussion. The Board reviews corporate performance quarterly against objectives and targets outlined in the Service Plan.

Board Membership

Director	Position	From	Appointed
Basil Boulton	Director	Esquimalt	Esquimalt
Barbara Brink	Director	Vancouver	OIC
Beth Campbell	Vice Chair	Penticton	OIC
Allan Cassidy	Director	Oak Bay	Oak Bay
Jane Durante	Director	Vancouver	OIC
Chris Fairbank	Director	Nelson	OIC
Robert Gillespie	Director	Saanich	Saanich
Rob Hunter	Director	Victoria	OIC
Pamela Madoff	Director	Victoria	Victoria
William Oppen	Director	Dawson Creek	OIC
Matt Vickers	Director	Hazelton	OIC
Bill Wellburn	Chair	Victoria	OIC
Leif Wergeland	Director	Saanich	Saanich
Geoff Young	Director	Victoria	Victoria

Senior Management

Name	Position
Ray Parks	Chief Executive Officer
Rick Crosby	Chief Financial Officer
Denis Johnston	Director, Outreach and Engagement

Board Committees

Committees are established by Board resolution and operate in accordance with a Board approved mandate. Annually, the Board Chair proposes the composition and Chairs of Board committees for approval by the full Board. Committee membership is determined on the basis of relevant skills and expertise, diversity of views and continuity. Committees meet on a scheduled basis, and as determined by the committee Chair, in order to accomplish the committee's annual outputs as approved by the Board. The Chair of each committee reports to the Board on its activities at each scheduled Board meeting.

Executive Committee – guides the Board by reviewing policy proposals and agendas for Board meetings and planning sessions.

Members: Bill Wellburn (Chair), Beth Campbell (Vice-Chair), Barbara Brink, Rob Hunter

Finance and Audit Committee – meets with external auditors, recommends financial statements to the Board of Directors, obtains assurances that the corporation's accounting systems are reliable and that the prescribed internal controls are operating effectively, evaluates corporate risks and provides oversight of property stewardship activities.

Members: Rob Hunter (Chair), Allan Cassidy, Chris Fairbank, Robert Gillespie, Geoff Young

Governance Committee – assesses the effectiveness of the Board and committees and reviews the development of Board policies and procedures to advance good corporate governance.

Members: Beth Campbell (Chair), Jane Durante, Pam Madoff, William Oppen, Matt Vickers

Program Resource and Communications Committee – provides assistance and advice to management as required in developing PCC programs and oversees the implementation and effectiveness of programs approved by the Board.

Members: Barbara Brink (Chair), Basil Boulton, Jane Durante, Chris Fairbank, William Oppen, Matt Vickers

* Committee membership as of March 31, 2006

Meeting Attendance for the Year Ended March 31, 2006

Director	Board Meeting	Executive Committee	Finance Committee	Governance Committee	Program Committee
Basil Boulton (4)	2 of 2	—	—	—	2 of 2
Barbara Brink (1)(3)(4)	5 of 7	7 of 11	—	3 of 4	5 of 5
Beth Campbell (1)(3)	6 of 7	9 of 11	—	5 of 5	—
Allan Cassidy (2)	2 of 2	—	1 of 1	—	—
Jane Durante (3)(4)	6 of 7	—	—	5 of 5	3 of 5
Chris Fairbank (2)(4)	6 of 7	—	8 of 9	—	5 of 5
Robert Gillespie (2)	4 of 7	—	1 of 1	—	—
Rob Hunter (1)(2)	7 of 7	11 of 11	9 of 9	—	—
Pamela Madoff (3)	6 of 7	—	—	1 of 1	—
William Oppen (3)(4)	6 of 7	—	—	1 of 1	5 of 5
Matt Vickers (3)(4)	5 of 7	—	—	1 of 1	4 of 5
Bill Wellburn (1)	7 of 7	11 of 11	9 of 9	5 of 5	5 of 5
Leif Wergeland (2)	4 of 7	—	6 of 8	—	—
Geoff Young (2)	2 of 2	—	0 of 1	—	—

- (1) Member of executive committee
- (2) Member of finance committee
- (3) Member of governance committee
- (4) Member of programs committee

Note: The number in red denotes Chair of the Committee



For more information, please contact

Ray Parks, Chief Executive Officer
Provincial Capital Commission
613 Pandora Ave., Victoria BC V8W 1N8 Phone (250) 953-8800
or visit our website at www.bcpc.com



PROVINCIAL CAPITAL COMMISSION