Legislative Assembly of British Columbia

2024-25 FINANCIAL STATEMENTS

November 2025

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Statement of Management Responsibility

For the Year Ended March 31, 2025

The financial statements and note disclosures of the Legislative Assembly of British Columbia have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). The integrity and objectivity of these statements and disclosures are management's responsibility. A summary of the significant accounting policies is described in note 2 of the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced, that assets are safeguarded, that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and that reliable financial information is available on a timely basis for preparation of the financial statements.

The Legislative Assembly Management Committee (LAMC) is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Subcommittee on Finance and Audit (SFA) is appointed by LAMC to review the financial statements, the adequacy of internal controls, the external audited financial statements, and financial reporting.

The external auditors, the Office of the Auditor General of British Columbia, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements of the Legislative Assembly of British Columbia. The external auditors have full and free access to financial management of the Legislative Assembly of British Columbia and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements of the Legislative Assembly of British Columbia.

On behalf of the Legislative Assembly of British Columbia,

Kate Ryan-Lloyd

Kate Ryan-Lloyd
Clerk of the Legislative Assembly

David Hoadley

David Hoadley, CPA, CA
Interim Executive Financial Officer

Victoria, British Columbia
On the 12th day of November 2025

Office of the
Auditor General
of British Columbia

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Independent Auditor's Report

To the Members of the Legislative Assembly Management Committee, and
To the Speaker of the Legislative Assembly, Province of British Columbia

Opinion

I have audited the accompanying financial statements of the Legislative Assembly of British Columbia ("the entity"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and change in accumulated surplus, change in net debt, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2025, and the results of its operations, change in its net debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the Management Discussion and Analysis and the Legislative Assembly's website breakdown of member travel expenses and Constituency Office expenses referenced in Note 17 Expenses by Object (a) *Members' allowances and expenses* of the financial statements (Expenditure breakdown), but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained the Management Discussion and Analysis and the Expenditure breakdown. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

S Dodds

Sheila Dodds, CPA, CA
Acting Auditor General

Victoria, British Columbia, Canada
November 17, 2025

Statement of Financial Position

As at March 31, 2025, with comparative information for March 31, 2024

(in thousands of dollars)	*Note*	**2025**	2024
Financial assets			
Cash	*3*	**2**	2
Accounts receivable	*4*	**675**	99
Inventories held for sale	*2(c),5*	**205**	187
Due from the CRF	*2(d)*	**35,907**	29,323
Total financial assets		**36,789**	29,611
Liabilities			
Accounts payable and accrued liabilities	*6*	**11,815**	10,744
Accrued obligations to employees	*7*	**1,878**	1,597
MLA unfunded pension liability	*8(b)*	**450**	480
Transitional assistance	*9*	**4,770**	-
Asset retirement obligations	*14*	**18,080**	17,030
Total liabilities		**36,993**	29,851
Net debt	*2(i)*	**(204)**	(240)
Non-financial assets			
Tangible capital assets	*12*	**29,250**	22,475
Prepaid expenses	*13*	**3,204**	2,629
Inventories held for use	*2(c)*	**109**	87
Total non-financial assets		**32,563**	25,191
Accumulated surplus	*18*	**32,359**	24,951

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

Authorized for issue on the 12th day of November 2025, on behalf of the Legislative Assembly Management Committee.

RChouhan

Hon. Raj Chouhan, Speaker of the Legislative Assembly

Statement of Operations and Change in Accumulated Surplus

For the year ended March 31, 2025, with comparative information for 2024

(in thousands of dollars)	*Note*	Budget	**2025**	2024
Operating Expenses	*2(a),17*			
Caucus Operations		10,300	**9,981**	8,580
Constituency Operations		35,557	**29,585**	24,110
Independent Respectful Workplace		250	**102**	129
Legislative Assembly Administration		54,545	**50,462**	43,561
Members' Remuneration		25,299	**26,568**	18,568
Parliamentary Operations		1,372	**892**	1,266
General Centralized and Accounting		3,487	**5,896**	5,328
Total operating expenses		130,810	**123,486**	**101,542**
Revenues				
Miscellaneous revenue	*16*	1,150	**2,420**	1,286
Total revenues		1,150	**2,420**	1,286
Net cost of operations	*15*	129,660	**121,066**	100,256
Government funding				
Appropriation - operating		129,660	**116,716**	96,486
Appropriation - capital	*12,15*	14,207	**11,758**	10,649
Total government funding		143,867	**128,474**	107,135
Annual surplus	*18*	-	**7,408**	6,879
Accumulated surplus – beginning of year	*18*	-	**24,951**	18,072
Accumulated surplus - end of year	*18*	-	**32,359**	24,951

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

Statement of Change in Net Debt

For the year ended March 31, 2025, with comparative information for 2024

(in thousands of dollars)	*Note*	**2025**	2024
Net debt - beginning of year		**(240)**	(221)
Annual surplus	*18*	**7,408**	6,879
Change due to tangible capital assets	*12*		
Acquisition of tangible capital assets		**11,758**	10,649
Loss on disposal of tangible capital assets		**-**	(6)
Write down of work-in-progress balance		**(774)**	(16)
Amortization of tangible capital assets		**(4,209)**	(4,110)
Total change due to tangible capital assets		**6,775**	6,517
Acquisition of inventories held for use		**26**	96
Acquisition of prepaid expenses		**2,637**	2,289
Consumption of inventories held for use		**(4)**	(109)
Use of prepaid expenses		**(2,062)**	(1,895)
Increase (decrease) in non-financial assets		**7,372**	6,898
(Increase) decrease in net debt		**36**	(19)
Net debt – end of year	*2(i)*	**(204)**	(240)

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

Statement of Cash Flow

For the year ended March 31, 2025, with comparative information for 2024

(in thousands of dollars)	*Note*	**2025**	2024
Operating activities			
Annual surplus	*18*	**7,408**	6,879
Items not involving cash:			
Amortization of tangible capital assets	*12*	**4,209**	4,110
Loss on disposal of tangible capital assets	*12*	**-**	7
Write down of work-in-progress balance	*12*	**774**	16
Asset retirement obligation inflation adjustment	*14*	**1,050**	1,377
Change in non-cash working capital:			
Decrease (increase) in accounts receivable		**(576)**	708
Decrease (increase) in inventories held for sale		**(18)**	(1)
Decrease (increase) in inventories held for use		**(22)**	13
Decrease (increase) in prepaid expenses		**(575)**	(394)
Decrease (Increase) in due from the CRF		**(6,584)**	(2,925)
Increase (decrease) in accounts payable and accrued liabilities		**1,071**	808
Increase (decrease) in accrued obligations to employees		**281**	61
Increase (decrease) in MLA unfunded pension liability		**(30)**	10
Increase (decrease) in transitional assistance	*9*	**4,770**	-
Net change in cash from operating activities		**11,758**	10,649
Capital activities			
Cash used to acquire tangible capital assets	*12,15*	**(11,758)**	(10,649)
Net change in cash from capital activities		**(11,758)**	(10,649)
Financing activities		**-**	-
Net change in cash from financing activities		**-**	-
Net change in cash		**-**	-
Cash, beginning of year		**2**	2
Cash, end of year		**2**	2

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

Notes to the Financial Statements

For the year ended March 31, 2025

1. Nature of Operations

The Legislative Assembly of British Columbia (the Legislative Assembly) is a self-governing, parliamentary institution. The Legislative Assembly, like all provincial legislatures in Canada, is established by the *Constitution Act, 1867* (formerly the *British North America Act, 1867*), which provides for the matters over which the provincial legislatures have lawmaking competency. The composition and governance of the Legislative Assembly of British Columbia is set out in the provincial *Constitution Act* (R.S.B.C. 1996, c. 66). Its proceedings are governed by the *Standing Orders of the Legislative Assembly of British Columbia*.

The 93 Members of the Legislative Assembly (Members) are elected by British Columbians to represent an electoral district (also called a riding or constituency) in a provincial general election. The main functions of the Legislative Assembly are to consider, debate and approve legislation; to consider and approve all financial expenditures by government; and to provide general oversight of the policies, plans and actions of the executive branch of government.

The Legislative Assembly Management Committee (LAMC) is the parliamentary management board of the Legislative Assembly and oversees its financial management and administration. Chaired by the Speaker, LAMC is comprised of Members and is reflective of the composition of the Legislative Assembly. Both LAMC's and the Speaker's administrative and oversight responsibilities are derived from the *Legislative Assembly Management Committee Act*. The Subcommittee on Finance and Audit (SFA) is a subcommittee of LAMC mandated through its terms of reference established by LAMC to review the financial statements, the adequacy of internal controls, the audit process, and financial reporting.

The Legislative Assembly and its Members are supported by non-partisan employees who make up the Legislative Assembly Administration. The Clerk of the Legislative Assembly is the senior permanent officer and procedural advisor to the Speaker and all Members and is head of the Legislative Assembly Administration with responsibility for the overall administration and financial management of the Legislative Assembly. The position directs Legislative Assembly management and staff in the provision and delivery of non-partisan services to Members.

Legislative Assembly Administration staff provide non-partisan services and support required by Members to fulfil their parliamentary duties and provide continuity in the administration of the Legislative Assembly from one Parliament to another. Advice and support are provided through a wide variety of services such as procedural, legislative, information technology, facilities management, library, educational, security, financial, human resources and food services.

2. Summary of Significant Accounting Policies

(a) Basis of accounting

These financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards (PSAS). All fiscal year references are for the year ended March 31.

The amounts reported in these financial statements may not be consistent with the amounts presented in the Province of B.C.'s *Public Accounts* due to timing differences and various adjustments required to create stand-alone, non-consolidated financial statements.

In 2023, management embarked on a process to better align budgeting and financial reporting with current business practices and operations. This realignment was approved by LAMC on July 20, 2023, and formed the basis of the fiscal 2025 Vote 1 budget submission. The Statement of Operations and Changes in Accumulated Surplus, including the ordering of the expense categories, have been restructured to present expenses under types of operations rather than individual departments. The financial statements include comparative figures from the previous fiscal year. Comparative figures on the Statement of Operations and Change in Accumulated Surplus have been reclassified to conform with the current year's presentation.

(b) Basis of consolidation

These financial statements reflect the assets, liabilities, revenues, and expenses of the Legislative Assembly. Constituency offices are independent offices run by individual Members. The Legislative Assembly provides some administrative services to constituency offices including payroll and payables processing. However, the Legislative Assembly does not control the constituency offices, and as such their assets, liabilities, revenues, and expenses are not consolidated into these financial statements or into the Province of B.C.'s *Public Accounts*. The Legislative Assembly records an annual expense equal to the amount each Member is entitled to receive from the Legislative Assembly to run their constituency office.

(c) Inventories

Inventories held for sale are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost plus shipping costs. Net realizable value is the estimated selling price less any costs to sell. This category of inventory includes Parliamentary Gift Shop and Parliamentary Dining Room inventory.

Inventories held for use are valued at the lower of replacement value and cost, which includes the original purchase cost plus shipping costs. This category of inventory mainly includes educational resources developed for public distribution.

(d) Due from the Consolidated Revenue Fund

Amounts due from the Consolidated Revenue Fund (CRF) are the result of timing differences at year-end and represent the net cash that the Legislative Assembly is entitled to draw from the CRF to discharge its liabilities without further appropriations.

2. Summary of Significant Accounting Policies (continued)

(e) Tangible capital assets

Tangible capital assets (TCAs) are recorded at historical cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets, plus asset retirement obligations, less accumulated amortization. The Legislative Assembly only capitalizes TCAs that meet the acquisition cost thresholds defined in its policy manual, which is based on the Province of B.C.'s Core Policy and Procedures Manual (CPPM). The acquisition cost, less residual value, of the

tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset Class	*Useful life*	*Threshold*
Buildings	40 years	≥$50,000
Furniture and equipment	5 years	≥$1,000
Specialized equipment		
Heavy equipment	10 years	≥$10,000
Operating equipment	5 years	≥$1,000
Vehicles	7 years	None
Computer hardware and software		
Hardware, servers, and related software	5 years	≥$10,000
Personal computer hardware, software, servers and related peripherals	3 years	≥$1,000

Amortization for assets under construction does not begin until the asset is available for use.

TCAs are written down when conditions indicate that they no longer contribute to the Legislative Assembly's ability to provide goods and services, or when the value of future economic benefits associated with the TCAs are less than their net book value. TCA write-downs are accounted for as expenses in the Statement of Operations.

Any transferred or contributed intangible assets, works of art, and historical treasures are not recognized in the financial statements.

Leases which transfer substantially all of the benefits and risks of property ownership to the lessee are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred. The Legislative Assembly did not have any capital leases during the fiscal year.

(f) Asset Retirement Obligations

Asset retirement obligations are accounted for under Public Sector Accounting Standard PS 3280 – *Asset Retirement Obligations* (ARO). The legislative assembly has recognized asset retirement obligations where a reasonable estimate of the fair value of the obligation and the future settlement date of the retirement of the asset could be determined. The associated retirement costs were capitalized as part of the assets

2. Summary of Significant Accounting Policies (continued)

(f) Asset Retirement Obligations (continued)

carrying value and amortized over the assets' useful lives. Legal liabilities may exist for the removal and disposal of materials such as asbestos and lead paint within buildings that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal is recognized in the period that is incurred if a reasonable estimate of fair value can be made.

(g) Prepaid expenses

Prepaid expenses include such things as advance payments of annual licenses and subscriptions, monthly Member allowances, constituency office leases, and other service payments that will be charged to expense over the periods the Legislative Assembly is expected to benefit from.

(h) Accrued obligations to employees

i. Employee leave liability

Employee vacation time and banked overtime are accrued as earned and reduced when taken or paid out. Associated employee benefit costs are included in the accrual. The accrual is adjusted to reflect current pay rates. Additional information is provided in note 7.

Regular employees who retire and who are scheduled to receive a pension under the B.C. Public Service Pension Plan are granted a full vacation entitlement for the final calendar year of service, regardless of the retirement date. In these cases, a full vacation entitlement is accrued on the employee's last day of work.

ii. Employee retirement allowance

The estimated employee retirement allowance is accrued and recorded as an expense in the fiscal year in which employees become eligible to receive the allowance. Each year the estimated liability is adjusted to account for new employees becoming eligible, employee retirements, and employee pay rate changes. An actuarial valuation is not performed. Additional information is provided in note 7.

(i) Net debt

The Legislative Assembly has not been required to incur any debt because it is fully funded through its Vote 1 operating and capital appropriations. The net debt balances in the current year and the prior year reflect funding needed through future appropriations to account for amortization costs related to the ARO (note 12). Net debt position related to future ARO amortization will become nil once ARO is fully amortized.

(j) Pension plans

i. Pension benefits

The Members of the Legislative Assembly and employees contribute to the Public Service Pension Plan (PSPP) in accordance with the Public Service Pension Plans Act. The PSPP is a joint trustee pension plan.

2. Summary of Significant Accounting Policies (continued)

(j) Pension plans (continued)

i. Pension benefits (continued)

This plan is a defined benefit plan, providing a pension on retirement based on age at retirement, length of service, and highest average earnings. Inflation adjustments are contingent upon available funding.

Defined contribution plan accounting is applied to the joint trustee pension plan because sufficient information is not available to apply defined benefit accounting. Accordingly, contributions are expensed as they become payable.

ii. Members of the Legislative Assembly Superannuation Account

Unfunded pension liabilities of the Members of the Legislative Assembly Superannuation Account represent the terminal funding that would be required from the Legislative Assembly for the difference between the present value of the obligations for future benefit entitlements and the amount of funds available in the account. Additional information about pension plans is provided in note 7.

(k) Financial instruments

The Legislative Assembly recognizes its financial instruments when the Legislative Assembly becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at fair value.

The Legislative Assembly does not hold any derivatives or equity investments and has not elected to record any other financial instruments at fair value. Financial assets and financial liabilities are measured at cost or amortized cost, less any permanent impairment in value.

A statement of remeasurement gains and losses is not presented as the Legislative Assembly did not have any remeasurement transactions to report.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

(l) Appropriation and revenue recognition

The Legislative Assembly recognizes revenue according to PS 3400 Revenue. Revenue from transactions with performance obligations is recognized when (or as) the Legislative Assembly satisfies performance obligations by providing the promised goods or services to the payor. Revenue from transactions with no performance obligations is recognized when the Legislative Assembly:

i. Had the authority to claim or retain an inflow of economic resources; and
ii. Identifies a past transaction or event that gives rise to an asset.

2. Summary of Significant Accounting Policies (continued)

(l) Appropriation and revenue recognition (continued)

Appropriations used to purchase non-financial assets (TCAs, prepaid expenses, and inventories held for use) are recognized as revenue when these assets are purchased. All other appropriations are recognized as revenue in the period in which the underlying expense occurs.

Parliamentary Dining Room and Parliamentary Gift Shop sales are recorded as revenue in the period in which the services or goods were provided or sold.

(m) PSAS Standard for PS 3160 Public Private Partnerships and PSG8 Purchased Intangibles

Under PS 3160 Public Private Partnerships and PSG8 Purchased Intangibles issued by the Public Sector Accounting Standards Board, the Legislative Assembly recognizes infrastructure, or a betterment to infrastructure, as an asset, where through the terms and economic substance of the public private partnership the Legislative Assembly controls:

iii. The purpose and use of the infrastructure;

iv. Access to the future economic benefits and exposure to risks of the infrastructure asset; and

v. Significant residual interest in the infrastructure, if any, at the end of the public private partnership's term.

(n) Expenses

Expenses are reported on an accrual basis. Costs of all goods consumed and services received during the year are expensed, regardless of when payments are made.

(o) Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction.

(p) Measurement uncertainty and use of estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of the revenues and expenses. Items requiring the use of significant estimates include the useful life of TCAs, asset retirement obligations, the employee retirement allowance, and the MLA unfunded pension liability.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect on new information as it becomes available. Where actual results differ from these estimates and assumptions, the impact is recorded in future accounting periods when the difference becomes known.

2. Summary of Significant Accounting Policies (continued)

(q) Adoption of PSAS Standard for PS 1202 Financial Statement Presentation

The new standard provides updated guidance on the general and specific requirements for the presentation of information in general purpose financial statements. Section PS 1202 will replace Section PS 1201. While the impact of any changes on the Legislative Assembly's Consolidated Financial Statements is not reasonably determinable at this time, the Legislative Assembly intends to implement the standard effective April 1, 2026, for the fiscal year 2026-27.

3. Cash

(in thousands of dollars)	2025	2024
Petty cash	2	2
Bank balance	-	-
Total	**2**	**2**

The Legislative Assembly's bank account maintains a zero balance throughout the year. As payments are made, the Ministry of Finance deposits the Legislative Assembly's voted appropriation into the account to bring the account balance to zero.

4. Accounts Receivable

(in thousands of dollars)	2025	2024
Accounts receivable	662	45
Due from constituency offices	13	54
Total	**675**	**99**

The majority of the Legislative Assembly's receivables are due from the Ministry of Finance, Members' constituency offices or relate to lease contracts. All receivables are expected to be collected. As such, no provision for doubtful accounts has been recorded.

5. Inventories Held for Sale

(in thousands of dollars)	2025	2024
Parliamentary Gift Shop	194	162
Parliamentary Dining Room	11	25
Total	**205**	**187**

(a) Parliamentary Gift Shop

The Parliamentary Gift Shop inventory consists of merchandise including souvenirs and keepsakes, apparel and accessories, stationery and paper goods, toys and plush animals and home décor and art.

(b) Parliamentary Dining Room

The Parliamentary Dining Room inventory includes food and beverages.

6. Accounts Payable and Accrued Liabilities

(in thousands of dollars)	2025	2024
Accounts payable and accrued liabilities	4,414	2,379
Due to constituency offices	5,145	6,758
Salaries and benefits payable	2,092	1,449
Unreleased minister salary holdbacks	164	158
Total	**11,815**	**10,744**

(a) Accounts payable and accrued liabilities

This account contains amounts payable to suppliers, and payroll remittances for Employment Insurance, the Canada Pension Plan, and income tax.

(b) Due to constituency offices

Each Member is entitled to an annual allowance with which to operate their constituency office. The Assembly processes all payments, including payroll, as an administrative service to the constituency offices. Any unspent portion of the allowance carries forward for use by the Member's constituency office in future years, with the remaining balance due back to the Legislative Assembly when the Member ceases to be a Member. The balance in this account represents the accumulated amounts owed to those Members' constituency offices that have spent less than their annual allowance over their term of office.

(c) Salaries and benefits payable

This account contains salary and benefit amounts payable to employees and Members at fiscal year-end due to the timing of the bi-weekly payroll schedule. Six (6) business days of unpaid work to employees and nine (9) calendar days of unpaid work to Members was accrued as at March 31, 2025 as compared to five (5) business days and nine (9) calendar days respectively of unpaid work accrued at the end of the previous year.

(d) Unreleased minister salary holdbacks

Members of the Executive Council receive additional salary for performing their respective roles set out in the *Members' Remuneration and Pensions Act*. While the Legislative Assembly is responsible for the payment of the additional salaries, they are part of the respective Ministry budgets and are recovered from them on a quarterly basis. As the full amount is recovered, the Legislative Assembly's budget and statement of operations do not contain any amounts related to these additional salaries.

A 10% holdback is applied to the salaries of the Executive Council as required by the *Balanced Budget and Ministerial Accountability Act* (BBMAA). The withheld salary amounts are released after the Province of B.C.'s *Public Accounts* for the fiscal year are issued if their targets are achieved. As the *Public Accounts* are released after the Legislative Assembly's fiscal year-end, an accrual is necessary to record the amount of ministerial salary withheld during the fiscal year.

All members of the Executive Council met their targets for fiscal 2025 and, therefore, received their ministerial salary holdback in August 2025.

7. Accrued Obligations to Employees

(in thousands of dollars)	**2025**	**2024**
Employee leave liability	1,175	896
Employee retirement allowance	703	701
Total	**1,878**	**1,597**

(a) Employee leave liability

Eligible employees receive an annual vacation entitlement which increases with length of service. One-twelfth of the annual entitlement is earned by the employee each month, and a minimum of fifteen days of current year vacation must be used each calendar year. Employees who have unused vacation days for an employment year may have the unused vacation paid out or carried forward for use in the following year.

The employee leave liability amount contains current year vacation earned and not taken to March 31, 2025, vacation hours carried forward from previous years, and banked overtime hours owing.

Constituency assistants are employees of individual Members and are not employees of the Legislative Assembly. Their leave, therefore, is not included in this accrual and is part of total Accounts Payable and Accrued Liabilities. Members, as elected officials, do not accrue vacation time.

(b) Employee retirement allowance

A retirement allowance is payable upon retirement to employees who have completed twenty or more years of combined service with the Legislative Assembly and the B.C. Public Service (with no break in service), are at least 55 years of age, and who are scheduled to receive payments from the B.C. Public Service Pension Plan.

The retirement allowance is calculated based on the employee's years of contributory service and basic salary at retirement. The minimum number of days of retirement allowance payable is 21.75 days (for those who have worked 20 years) and the maximum is 65.25 days (for those who have worked 30 or more years). This policy was updated in 2021, employees hired on or before December 31, 2020 have a minimum number of days of retirement allowance payable of 11 days (for those who have worked for 5 or more years as of December 31, 2020) and the same maximum of 65.25 days (with 30 or more years as of December 31, 2020).

Retirement allowance payments to three (3) former employees, totaling $35 thousand, were made in fiscal 2025 (payments totaling $54 thousand were made to six (6) former employees in fiscal 2024). The three (3) former employees who received a retirement allowance payment during the year had an average contributory service with the BC Legislative Assembly of 16.7 years (13.5 years in fiscal 2024).

8. Pension Plans

(a) B.C. Public Service Pension Plan

The Legislative Assembly, the majority of its employees, and Members contribute to the B.C. Public Service Pension Plan (the Plan or PSPP). The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a joint trustee pension plan. Basic pension benefits are based on a formula. According to the latest Guide for Plan Members by the Plan, as at March 31, 2025, the Plan had about 76 thousand active members and approximately 57 thousand retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

Pension benefits vest immediately for regular employees and after six years for Members.

The latest actuarial valuation, as at March 31, 2023, indicated a funding surplus of $4.5 billion for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, with no consistent and reliable basis for allocating the obligation, assets, and cost to individual employers participating in the Plan.

The Legislative Assembly paid $3.9 million for employer contributions to the Plan on behalf of its employees in fiscal 2025 ($3.5 million in fiscal 2024). The Legislative Assembly's contribution rate for the year was 9.85% of each employee's base salary (employees contribute 8.35%).

The Legislative Assembly paid $4.4 million for employer contributions to the Plan on behalf of Members in fiscal 2025 ($4.4 million in fiscal 2024). The contribution rate to the Plan on behalf of Members remained at 40.14% of salary; each Member contributes 11% of their salary. Member participation in the Plan was established in 2007 by Part 3 of the *Members' Remuneration and Pensions Act* and based on recommendations made by the April 2007 Report by the Independent Commission to Review MLA Compensation. Members previously participated in a separate plan which is discussed below in note 7 (b).

(b) Members of the Legislative Assembly Superannuation Account

The Legislative Assembly Superannuation Account (the Account) was established under Part 2 of the *Members' Remuneration and Pensions Act* (the Act). The Account is administered by the British Columbia Pension Corporation. The Act was amended in July 1995 to discontinue the accrual of benefit entitlements under Part 2 after June 19, 1996.

8. Pension Plans (continued)

(b) Members of the Legislative Assembly Superannuation Account (continued)

As the remaining eligible Members retire, the present value of the amount required to provide a Member's future pension benefit is transferred from the Account to the B.C. Public Service Pension Plan (the Plan). Pension payments are then paid from the Plan. The Legislative Assembly provides additional funding when the present value of the liability exceeds the accumulated assets in the Account available to fund those Members' benefit entitlements. The Act provides basic pension benefits for Members based on length of service, highest four–year average earnings and Plan Members' age at retirement. Benefits, such as group health benefits and inflation protection for the basic pension, are not guaranteed and are contingent upon available funding.

A total of $nil ($160 thousand of net assets required for contribution less $160 thousand of net assets available for benefits) was expensed to the Plan during the year as compared to $14 thousand ($156 thousand of net assets required for contribution less $142 thousand of net assets available for benefits) in fiscal 2024. No Members began receiving their pension in fiscal 2025 (no Members in fiscal 2024).

There are currently two individuals eligible to receive a future pension benefit funded by the Account. As they retire, the Legislative Assembly will need to contribute $610 thousand to the B.C. Public Service Pension Plan. There is $160 thousand in the Account to cover this required funding, so the net liability of the Legislative Assembly is $450 thousand ($480 thousand in fiscal 2024).

9. Transitional Assistance

A Member's term as an elected official is not considered insurable employment; therefore, Members are not eligible to contribute to the federal Employment Insurance plan. Instead, transitional assistance is available to Members who choose not to stand for re-election or who are defeated in a provincial general election. To qualify for transitional assistance, Members must complete their term of office in a parliament (i.e., the period between one dissolution and the next). Members who resign, forfeit their seat, or pass away during a parliament are not eligible for this assistance.

For eligible former Members, transitional assistance payments are based on the current annual Member basic compensation rate. Transitional assistance is payable for a minimum of four months and a maximum of 15 months. Transitional assistance payments are taxable but not pensionable and are reduced by the gross amount of income and Member pension benefits received. Benefits coverage continues while former Members are in receipt of transitional assistance. To qualify for the full amount of transitional assistance, a Member must have served during the entirety of a parliament. Transitional assistance for a Member elected in a by-election is prorated based on time served.

Following the October 19th 2024 provincial general election, 51 former Members began receiving transitional assistance payments. In total, $2.5 million in transitional assistance was paid to former Members during fiscal 2025. In addition, the Assembly accrued $4.6 million in estimated transitional assistance payments (including benefits) for the 51 former Members who were still receiving transitional assistance payments as of March 31, 2025. Members eligible for transitional assistance are also eligible for a career retraining allowance. For the twelve months ended March 31, 2025, a total of $33 thousand was paid to former Members in support of their career retraining. In addition, a total of $128 thousand was accrued as at March 31, 2025 to account for additional retraining expenses to be paid out.

10. Contingent Liabilities

The Legislative Assembly may periodically be involved in legal proceedings, claims, and litigation that arise in the normal course of operations. It is not possible to predict with any certainty the outcome of one pending legal matter; however, in the opinion of Management, any liability that may arise would not have a material effect on the Legislative Assembly's financial position or results of operations.

Regular management and executive meetings are held in which operations are discussed and contingent liabilities are identified. Management identifies contingent liabilities through review of day-to-day transactions, discussion with legal counsel, and by reviewing the meeting minutes of SFA and LAMC.

11. Contractual Obligations

The Legislative Assembly is committed to minimum annual payments under various contracts for the delivery of services, the use of office equipment, and the rental of office space. In addition, Members lease office space throughout B.C. for their constituency offices. These contractual obligations are included below because they are paid for by the Legislative Assembly.

(in thousands of dollars)	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30 and after**	**Total**
Office leases	3,883	4,365	4,443	3,672	7,908	**24,271**
Service contracts	3,063	1,314	752	625	146	**5,900**
Licenses	1,010	-	-	-	-	**1,010**
Other – capital projects	1,098	-	-	-	-	**1,098**
Total	**9,054**	**5,679**	**5,195**	**4,297**	8,054	**32,279**

12. Tangible Capital Assets

(a) Tangible Capital Asset Schedule - March 31, 2025

(in thousands of dollars)	Buildings	Furniture and Equipment	Specialized Equipment	Vehicles	Computer Hardware and Software	Work in Progress	2025 Total
Cost							
Opening balance	29,633	5,659	11,594	67	12,292	5,405	64,650
Additions	1,248	466	3,128	-	704	6,212	11,758
Disposals	-	-	-	-	-	-	-
Transfers	4,699	-	2,712	-	1,195	(8,606)	-
Write-downs	-	-	-	-	-	(774)	(774)
Closing balance	**35,580**	**6,125**	**17,434**	**67**	**14,191**	**2,237**	**75,634**
Accumulated Amortization							
Opening balance	(20,329)	(4,555)	(7,364)	(67)	(9,860)	-	(42,175)
Amortization	(1,356)	(310)	(1,391)	-	(1,152)	-	(4,209)
Disposals	-	-	-	-	-	-	-
Write downs	-	-	-	-	-	-	-
Closing balance	**(21,685)**	**(4,865)**	**(8,755)**	**(67)**	**(11,012)**	-	**(46,384)**
Net Book Value	**13,895**	**1,260**	**8,679**	-	**3,179**	**2,237**	**29,250**

12. Tangible Capital Assets (continued)

(b) Tangible Capital Asset Schedule - March 31, 2024

(in thousands of dollars)	Buildings	Furniture and Equipment	Specialized Equipment	Vehicles	Computer Hardware and Software	Work in Progress	2024 Total
Cost							
Opening balance	26,461	5,003	8,840	67	11,291	2,376	54,037
Additions	1,377	541	2,224	-	994	5,513	10,649
Disposals	-	-	(20)	-	-	-	(20)
Transfers	1,795	115	550	-	7	(2,467)	-
Write-downs	-	-	-	-	-	(16)	(16)
Closing balance	**29,633**	**5,659**	**11,594**	**67**	**12,292**	**5,405**	**64,650**
Accumulated Amortization							
Opening balance	(18,733)	(4,324)	(6,429)	(62)	(8,531)	-	(38,079)
Amortization	(1,596)	(231)	(949)	(5)	(1,329)	-	(4,110)
Disposals	-	-	14	-	-	-	14
Write downs	-	-	-	-	-	-	-
Closing balance	**(20,329)**	**(4,555)**	**(7,364)**	**(67)**	**(9,860)**	**-**	**(42,175)**
Net Book Value	**9,304**	**1,104**	**4,230**	**-**	**2,432**	**5,405**	**22,475**

12. Tangible Capital Assets (continued)

(c) Work in progress

Assets under construction totaling approximately $2.2 million ($5.4 million as of March 31, 2024) have not been amortized. Amortization of these assets will commence when the assets are available for use.

(d) Assets recognized at nominal values

During fiscal 2010, the Province of B.C. transferred 421 and 431 Menzies Street, both of which are on the Legislative Precinct, to the Legislative Assembly for a nominal value of two dollars. These buildings are recorded at their cost of one dollar each and are included in the building's asset class.

(e) Works of art and historical treasures

Under PSAS, any transferred or contributed work of art and historical treasures are not recognized in the financial statements. The Legislative Assembly has an extensive library collection of historical books, government publications, newspapers, periodicals and pamphlets as well as art collections gifted to the Legislative Assembly.

(f) Other assets not recorded

The land on which the Parliament Buildings are located is Crown land owned by the Province of B.C. and consistent with the accounting policy (note 2e), is not capitalized or included in these financial statements.

13. Prepaid Expenses

Prepaid expenses consist of payments made in advance. These amounts are recognized as expenses over the periods in which the related goods or services are consumed in the normal course of operations. The main components of prepaid expenses include annual subscriptions and maintenance contracts for software and hardware, constituency office leases, as well as various operational contracts such as service agreements, insurance premiums, and professional dues. These prepaid amounts are expensed as the underlying services or benefits are received throughout the fiscal year.

(in thousands of dollars)	**2025**	**2024**
Software maintenance contracts	1,708	1,043
Hardware maintenance contracts	445	650
Constituency office leases	698	546
Operational Contracts	152	210
Others	201	180
Total	**3,204**	**2,629**

14. Asset Retirement Obligations

The Legislative Assembly owns and operates several buildings including the building at 501 Belleville Street, the building at 421 and 431 Menzies Street, and the building at 612 and 614 Government Street, that likely contain asbestos and lead paint, which represents a health hazard upon demolition or during renovation of the buildings. A legal obligation to remove such hazard exists and is known as the Asset Retirement Obligations (ARO). Effective April 1, 2022, following the adoption of PS3280, *Asset Retirement Obligations*, the Legislative Assembly recognizes the ARO in the aforementioned buildings. The estimated fair values of the ARO are summarized in the tables below. The associated retirement costs are capitalized as part of the building's carrying value and are amortized over each building's useful life. The building at 501 Belleville Street and the building at 421 and 431 Menzies Street are fully amortized as at April 1, 2022. The Legislative Assembly adopted PS3280 using the modified retroactive approach. Assumptions used are as at the adoption date of April 1, 2022.

An independent evaluator was hired to assess costs related to removing and disposing asbestos and lead paint on a per square footage basis including material, labour and overhead costs. Fair value represents the amount a prudent contractor, considering all aspects of the project, would quote for the work, in the middle of the bid range in a tender process.

Although two out of the three buildings have reached their maximum useful lives for accounting purposes, there is no settlement date when these buildings are planned to be demolished. Therefore, the liability related to the ARO has not been discounted from any future date and the full fair value of the ARO is reflected as a liability on the Statement of the Financial Position.

The Legislative Assembly monitors any change in the fair value of the ARO on an annual basis. For the year ended March 31, 2025, the Legislative Assembly performed a subsequent measurement of the fair value of the ARO to reflect the increased costs related to the removal of the hazardous materials due to inflation. As a result, total ARO increased by $1.1 million or 6.5% ($1.4 million or 8.8% in 2024) from $17.0 million to $18.1 million.

(in thousands of dollars)	**501 Belleville Street**	**421 and 431 Menzies Street**	**612 and 614 Government Street**	**Total**
Opening fair value of recovery costs	14,514	2,146	369	17,030
Subsequent measurement	895	132	23	1,050
Closing fair value of recovery costs	15,409	2,279	392	18,080

14. Asset Retirement Obligations (continued)

Significant areas requiring the use of management estimates relate to the amount of asbestos and lead paint in the buildings. Management performed a sensitivity analysis related to the square footage of the buildings that may contain asbestos and lead paint. A 5% increase/decrease of the square footage estimate may lead to the below changes in the fair value of the costs related to the removal of the hazardous materials:

(in thousands of dollars)	**Reported**	**Low (-5%)**	**High (5%)**
Asset Retirement Obligations	**18,080**	**17,299**	**18,861**

15. Appropriations

The Legislative Assembly receives an annual appropriation (Vote 1 of the *Estimates*) that includes an operating and a capital component. Any unused appropriations lapse at the end of the fiscal year. The budgeted figures included in these financial statements are consistent with Vote 1 and have been provided for comparison purposes. The budgeted operating appropriation of $129.6 million ($100.3 million in fiscal 2024) is net of $1.2 million ($1.1 million in fiscal 2024) in budgeted revenues and recoveries.

The Legislative Assembly has statutory spending authority which provides for additional funding should costs exceed approved budgets due to unforeseen circumstances, such as increased length of sittings of the Legislative Assembly or additional work undertaken by parliamentary committees. The following table compares the Legislative Assembly's actual expenditures to approved budgets:

		2025			**2024**	
(in thousands of dollars)	**Operating**	**Capital**	**Total**	**Operating**	**Capital**	**Total**
Appropriations - Budget	129,660	14,207	**143,867**	100,341	9,326	**109,667**
Other appropriation	-	-	-	-	1,323	**1,323**
Net cost of operations	(121,066)	-	**(121,066)**	(100,256)	-	**(100,256)**
Capital acquisitions	-	(11,758)	**(11,758)**	-	(10,649)	**(10,649)**
Unused Appropriations	**8,594**	**2,449**	**11,043**	**85**	**-**	**85**

16. Miscellaneous Revenue

	Budget	**Actuals**	
(in thousands of dollars)	**2025**	**2025**	**2024**
Parliamentary dining room	996	1,086	964
Parliamentary gift shop	94	248	191
Constituency Office allowance (expenses) /recoveries	-	1,054	(18)
Lease revenue	49	14	46
Other miscellaneous revenue	11	18	103
Total	**1,150**	**2,420**	**1,286**

16. Miscellaneous Revenue (continued)

Parliamentary Dining Room and Parliamentary Gift Shop

The Parliamentary Dining Room is a restaurant operated by the Legislative Assembly in the Parliament Buildings. It is open to Members, employees, and the public. The Legislative Assembly also operates a Parliamentary Gift Shop. Sales are reported on a gross basis, and the cost of goods sold associated with the sales are reported as an expense and are disclosed in note 15.

Constituency Office allowance recoveries

As described in note 6 (b), Members may carry forward unspent constituency office funds for use in future years. When the Member ceases to be a Member, any remaining unspent funds are due back to the Legislative Assembly. Following the provincial general election in October 2024, a total of $2.0 million in unspent constituency office funds was returned to the Legislative Assembly from 51 former Members. At the direction of LAMC, $1.0 million of these returned funds have been allocated to the Caucus expenditure line to offset unanticipated staffing costs as a result of the election.

Lease revenue

The Legislative Assembly leases office space on the Legislative Precinct to several media groups and the Premier's Correspondence Branch.

Other miscellaneous revenue

Other miscellaneous revenue includes donations made to the Legislative Assembly and minor costs recovered during the year.

17. Expenses by Object

The following is a summary of expenses by object:

	Budget	Actuals	
(in thousands of dollars)	**2025**	**2025**	**2024**
Salaries and benefits	64,700	63,478	57,030
Members' allowances and expenses (a)	37,700	34,345	24,009
Operating expenses	23,302	20,746	15,771
Amortization expense	4,648	4,213	4,109
Cost of goods sold (b)	460	699	623
Other expenses (c)	-	5	-
Total	**130,810**	**123,486**	**101,542**

(a) Members' allowances and expenses

Members' allowances and expenses are comprised of constituency office leases, constituency office allowances, Member travel expenses, Member allowances, and other amounts. A detailed breakdown of Member travel expenses and Member constituency office expenditures is available on the Legislative Assembly's website (https://www.leg.bc.ca/). The total shown in this note contains amounts not included

17. Expenses by Object (continued)

as part of the detailed breakdown of Member travel expenses and Member constituency office expenditures disclosed on the website, such as office leases and insurance costs.

(b) Cost of goods sold

Cost of goods sold represents the cost of items sold from various operations of the Legislative Assembly in the table below.

(in thousands of dollars)	2025	2024
Parliamentary Gift Shop	166	129
Parliamentary Dining Room food and beverages	446	425
Educational resources distributed	87	69
Total cost of goods sold	**699**	**623**

(c) Other expenses

Other expenses include budget for the office of the Speaker and grants budgeted.

18. Accumulated Surplus

(in thousands of dollars)	2025	2024
Accumulated surplus - beginning of year	**24,951**	**18,072**
Acquisition of tangible capital assets	11,758	10,649
Loss on disposal of tangible capital assets	-	(6)
Write down of work-in-progress balance	(774)	16
Amortization of tangible capital assets	(4,209)	(4,110)
Acquisition of inventories held for use	26	96
Acquisition of prepaid expenses	2,637	2,289
Consumption of inventories held for use	(4)	(109)
Use of prepaid expenses	(2,062)	(1,895)
Change in net debt	36	(19)
Annual surplus	**7,408**	**6,879**
Accumulated surplus - end of year	**32,359**	**24,951**

Appropriations used to purchase non-financial assets (TCAs, prepaid expenses, and inventories held for use) are recognized as revenue when these assets are purchased (note 2(l)). The expense related to these assets is recognized over time as they are used or consumed. This timing difference creates an annual surplus or deficit. The accumulation of the annual surpluses and deficits results in an accumulated surplus balance, which is equal to the total non-financial assets net of net debt from the adoption of ARO. The balance of net debt will decrease as ARO amortizes over time and will become nil when ARO is fully amortized. As a result, the accumulated surplus will equal to the total of non-financial assets when net debt becomes nil.

Management Discussion and Analysis

Overview

This Management Discussion and Analysis (MD&A) reflects the continued commitment of the financial results for the year and provides insights to operations and strategic initiatives of the Legislative Assembly of British Columbia (the Legislative Assembly) for the fiscal year ending March 31, 2025. This report, which accompanies the Legislative Assembly's audited Financial Statements, aims to provide readers with management's perspective on the financial outcomes, the underlying factors that influenced these results and expectations for future operations.

The Legislative Assembly's financial results are consolidated in the Province of BC's Public Accounts, as part of the Consolidated Revenue Fund (CRF) as Vote 1. As an independent organization, the Legislative Assembly also produces independent audited financial statements each year. The Legislative Assembly's Financial Statements are being presented with an unqualified audit opinion for the year ended March 31, 2025. This MD&A should be read in conjunction with the Legislative Assembly's audited Financial Statements for this year. The financial information in this report has been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), all totals and percentages have been rounded, and all year references are for the year ended March 31.

The Legislative Assembly of British Columbia is a self-governing institution integral to the democratic governance of the province. It consists of ninety-three (93) elected Members (an increase of six (6) following the Provincial General election in October 2024), who represent the interests of their constituents by participating in the legislative process, which includes debating bills, approving budgets, and overseeing government activities. The Legislative Assembly is supported by various administrative and operational departments that ensure its efficient performance.

Financial Statement Presentation

To enhance program-level financial reporting and align with organizational activities, the Legislative Assembly restructured the 2024-25 Vote 1 budget and subsequent reporting into key operational categories. This approach provides a more programmatic representation of parliamentary and administrative functions, including separating the Constituency Office operations from Members' Services. The new structure for this fiscal year 2025 includes Caucus Operations, Constituency Operations, Members' Remuneration, Independent Respectful Workplace Office, Parliamentary Operations, Legislative Assembly Administration, and General Centralized and Accounting Expenditures. This revised presentation has been used for Quarterly reporting throughout the year and has replaced the previous financial reporting structure in the Estimates submission and in the Legislative Assembly's independent Financial Statement. All previous year's figures for the Assembly's independent Financial Statements have been revised to fit in with the new presentation.

Key Strategies and Objectives

The MD&A seeks to enhance the understanding of the Legislative Assembly's financial and operational performance by discussing key financial metrics, significant trends, capital resources, and the primary risks that may impact future operations. This report also highlights the Assembly Administration's strategic priorities as they are reflected in the Financial Statements and how they align with its financial stewardship responsibilities.

The Legislative Assembly's core objectives are to:

- Facilitate effective legislative processes that uphold democratic principles.
- Ensure transparency and accountability in financial and operational management

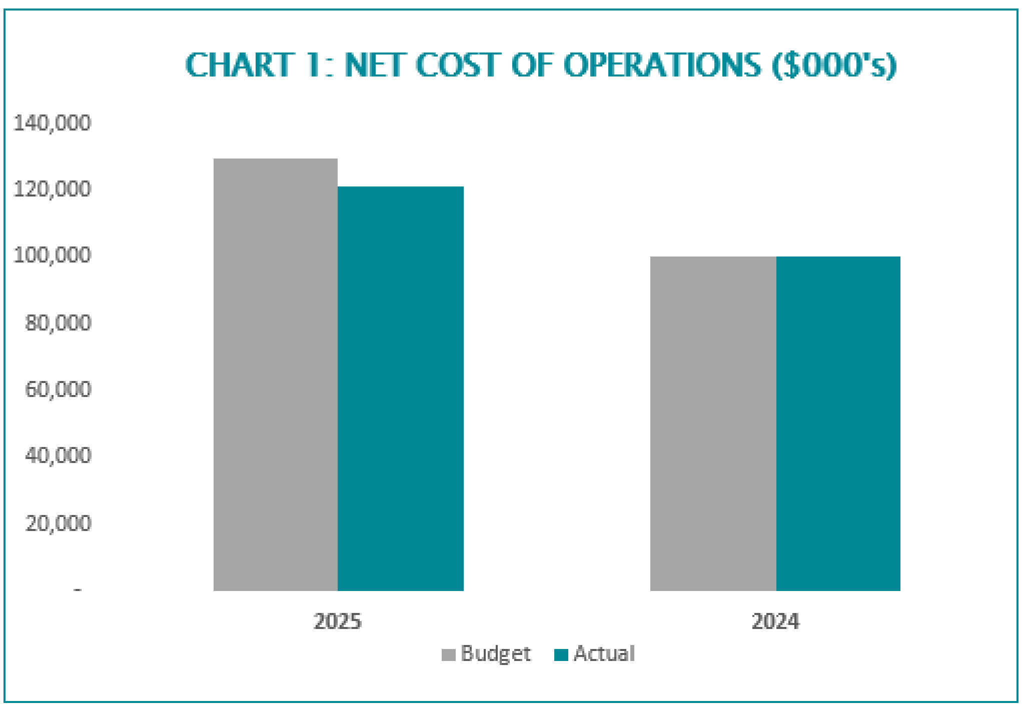
- Provide high-quality, non-partisan support services to Members to help them fulfill their duties

These objectives are overseen by the Legislative Assembly Management Committee (LAMC), which approves strategic goals, budgets, and ensures that resources are allocated efficiently to achieve these goals.

Financial Highlights

Summary of Financial Performance

For the fiscal year 2025 (FY25), the Legislative Assembly operated with a total budget including operating and capital of $143.9 million, which was provided to support the Legislative Assembly's mandate to support Assembly functions, continue with critical infrastructure and security projects, and to support the transition to the 43rd Parliament following the October Provincial General election. The Legislative Assembly ended the year with an annual surplus of $7.4 million, slightly higher than the previous year's $6.9 million, with this surplus contributing to the increase in the Assembly's accumulated surplus balance to $32.4 million. The Legislative Assembly's net cost of operations (total expenses minus revenues) for FY25 amounted to $121.1 million, which was under the $129.7 million budget and $20.9 million higher than the spending in FY24 (see Chart 1). Capital expenditures incurred by the Legislative Assembly were $11.8 million, marking an increase of $1.2 million in comparison to FY24. This increase primarily reflects additional cost pressures required in an election year as well as continued strategic investments in technology systems. The capital spending reflects the continued planning and execution of critical asset management and Member safety and security initiatives across the Precinct. Despite several unplanned events, the Assembly remained within its operating budget, continuing a dedication to fiscal responsibility and operational efficiencies.



Statement of Financial Position

The Legislative Assembly's financial assets increased to $36.8 million, primarily from an increase in amounts due from the Consolidated Revenue Fund (CRF) which is the result of timing differences at year-end and represents the net cash that the Legislative Assembly is entitled to draw from the CRF to discharge its liabilities without further appropriations. Totalling nearly $37.0 million, liabilities also increased, leading to a net debt position of $204.0 thousand. The Assembly's non-financial assets, primarily tangible capital assets, increased to $32.6 million, reflecting the continued investments in both physical and technical infrastructure.

Statement of Cash Flow

The Assembly generated $11.8 million in cashflow from operating activities which was offset by the spend on capital infrastructure renewal and replacement. The Assembly, through the approved cash appropriations, funds the regular operating activities and capital projects without external borrowing thereby maintaining a strong financial position.

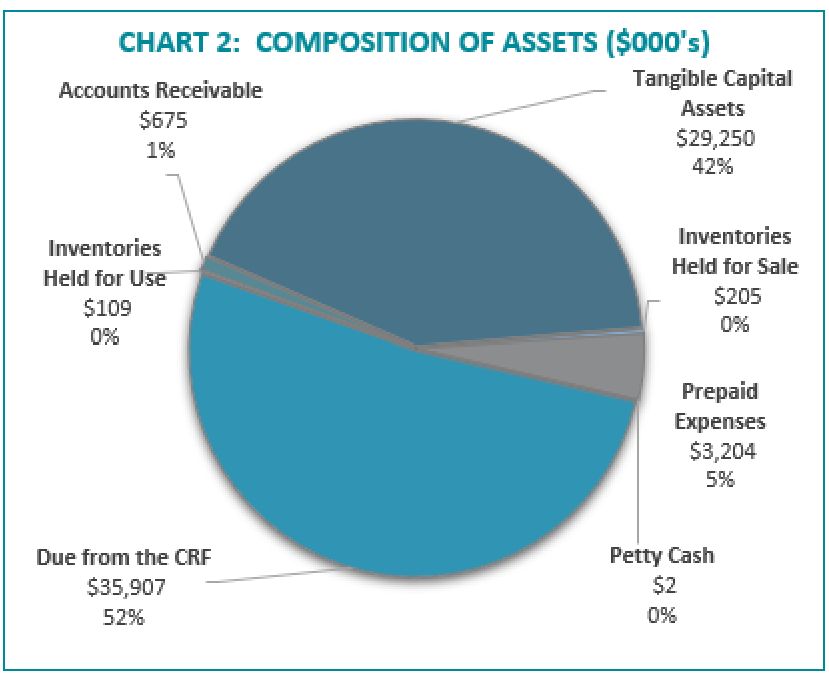
Assets

The Legislative Assembly's most significant asset balance is its tangible capital assets as shown in Chart 2 below. The Legislative Assembly continues strategic investment in the modernization and renewal of the Precinct buildings as well as investing in the enhancement of the physical and digital security programs. In FY25, capital spending was higher than amortization, disposals, and write-downs, resulting in a net increase of $6.8 million to Tangible Capital Assets. Significant capital additions for FY25 are noted below in the Capital Expenditures by Category section (Chart 7).

The Due from the Consolidated Revenue Fund (CRF) balance is the net amount owed to the Legislative Assembly for expenses incurred for which Vote 1 appropriation funds have not yet been received at year end. This balance fluctuates annually based on the changes in liabilities and financial assets and the timing of the March 31st cut-off within the payables and payroll cycle.

The Legislative Assembly bank account is replenished by the Ministry of Finance as payments are made, resulting in a zero balance throughout the year.

The accounts receivable increased significantly to $675.4 thousand due to the payment for the Ministers' salary invoice being received in the new year.

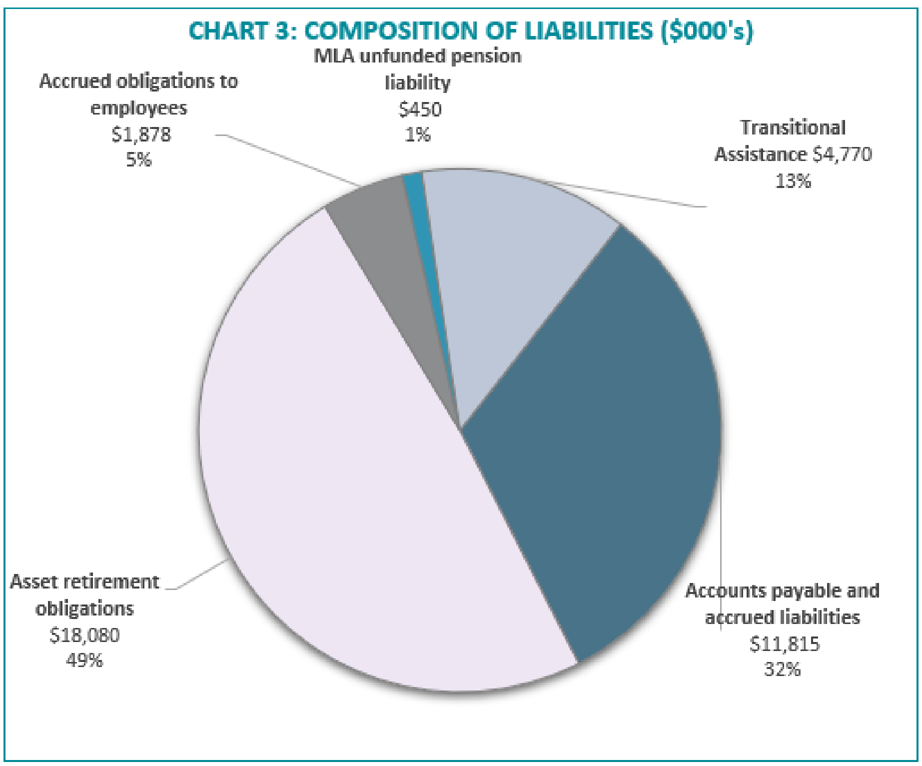


Prepaid expenses consist of payments made in advance for services consumed in the normal course of business. These include annual subscriptions and maintenance contracts for technology services, constituency office leases, insurance premium as well as various operational contracts. The increase of $574.5 thousand is related to the WorkDay ERP implementation, increased software subscription, IT service contracts and CO office leases.

The remainder of the Legislative Assembly's assets are of minor value and include inventories held for Sale in both the Parliamentary Gift shop and Parliamentary Dining Room and Inventories such as maintenance and office supplies held for use by the Assembly operations.

Liabilities

The Legislative Assembly's liabilities consist of both short and long-term obligations, which are detailed in Chart 3. The Accounts Payable and Accrued Liabilities balance increased by $1.1 million in FY25 primarily due to timing differences in payroll (one additional day needed to be accrued) as well as severance and retraining allowance related accruals.



Accrued Obligations to Employees are composed of the employee retirement allowance and employee leave liability. The year-over-year increase for this category was $280.8 thousand, from a slight increase in the employee retirement allowance primarily due to additional qualified employees as well as inflationary impact on wages.

The estimated present value of the Legislative Assembly's obligation to the Member of the Legislative Assembly Superannuation Account (Account), also known as the MLA Unfunded Pension Liability decreased slightly ($30.0 thousand) in the year. As of March 31, 2025, only two plan members are eligible to receive a future pension benefit funded by the Account.

Asset Retirement Obligations

The Legislative Assembly accounts for its asset retirement obligations (ARO) under Public Sector Accounting Standard PS 3280 – Asset Retirement Obligations. This accounting standard aims to enhance transparency and accountability associated with the management of long-term infrastructure-related liabilities. This standard requires public sector entities to recognize and measure the financial obligations associated with the eventual retirement and removal of certain tangible capital assets, such as asbestos removal in retired buildings. By accounting for ARO's public sector organizations are now better equipped to reflect their total liabilities, ensuring that the costs of asset retirements are fairly distributed across time, through amortization based on useful life. The ARO liability for the Assembly is a complex estimation due to the historic nature of the buildings.

ARO is recorded as part of a building's assets with the valuation reviewed each year as part of the financial statement preparation process. Any adjustments to the estimated ARO value are amortized over the remaining accounting life of the buildings with the unamortized amount represented on the Statement of Financial Position. The net debt position will become zero when the ARO balance is fully amortized.

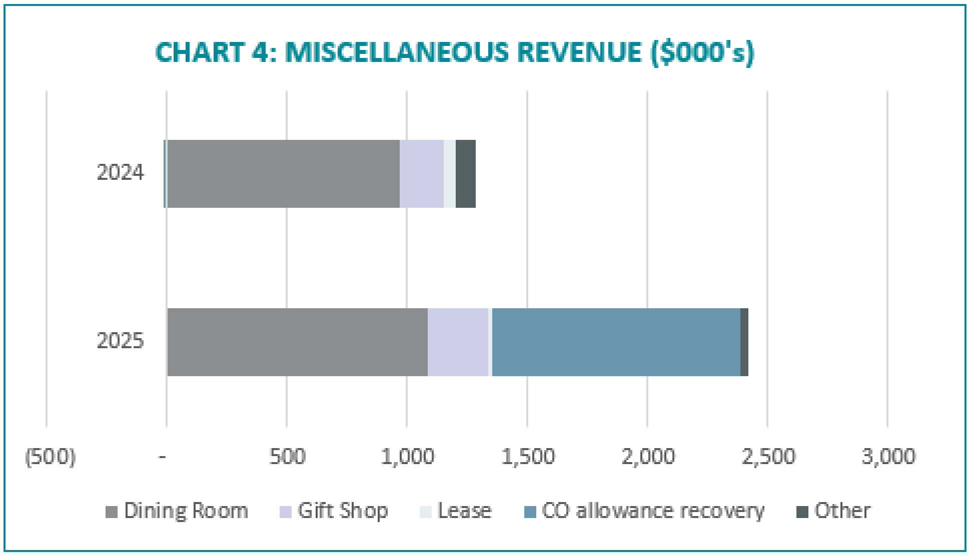
ARO is also recorded as a liability to reflect the estimated future costs related to the removal of hazardous materials from the buildings. The current estimated cost associated with the removal of such material is $18.1 million, and within this amount, $17.9 million has been recovered through the Due from CRF on the Statement of Financial Position. As the ARO is amortized, the ARO liability will be fully funded by the CRF. An independent evaluator was hired to assess costs related to removing and disposing of asbestos and lead paint on a per square footage basis including material, labour, and overhead costs. Fair value represents an estimate of the amount a prudent contractor, considering all aspects of the project, would quote for the work in the middle of the bid range in a tender process.

In FY25, the annual inflation adjustment related to the ARO estimate was $1.1 million, which was fully amortized in the same year. The Legislative Assembly will continue to monitor any changes in the fair value of the ARO on an annual basis, taking into consideration the rate of inflation, updates and modifications completed within the buildings as well as changes of methods or requirements for removal of hazardous material.

Results of Operations

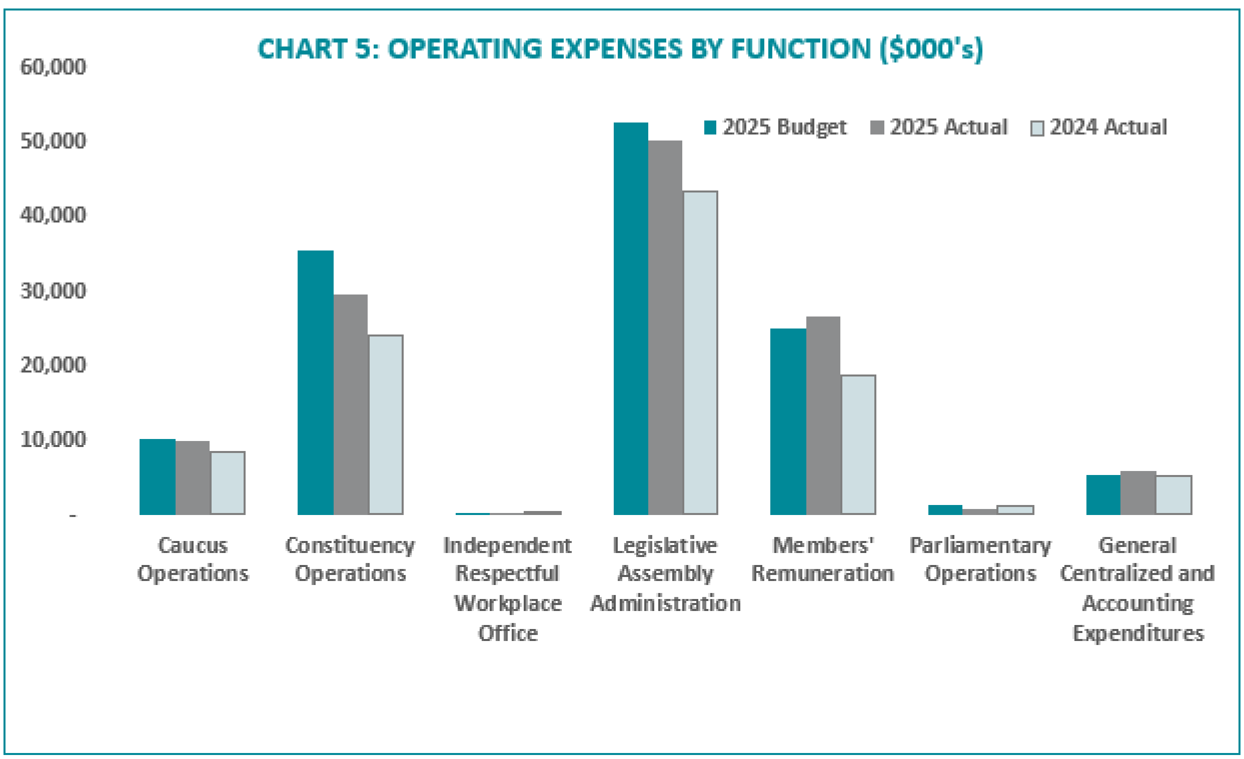
Revenues

Revenues at the Legislative Assembly represent a small share of the overall budget and results representing sales of goods and services from the Parliamentary Dining Room and the Parliamentary Gift Shop on the Precinct. Both services are open to the public but primarily serve Members and employees, throughout most of the year. The Legislative Assembly's total revenue for the fiscal year totalled $2.4 million, surpassing the budgeted amount of $1.2 million. This increase was primarily driven by higher-than-expected performance from the Parliamentary Dining Room and Gift Shop, which benefited from increased visitor traffic and a strong demand for event-related services.



Operating Expenses by Category

In FY25 the total operating expenses of $123.5 million were $7.3 million under budget and had an increase of $22.0 million from the $101.5 million spent in FY24.



Caucus Operations:
This category reflects the operations of the caucuses and their staff. Caucus operations budget allocations are based on the number of MLAs in each party and calculated based on a formula provided in the policy. The

2024/25 budgeted amounts are adjusted throughout the year to reflect changes to Caucus numbers throughout the year. This category also includes centralized funding for learning opportunities and certain benefits for Caucus employees.

Following the election, the change in the number of elected MLA's, the new Caucus staffing requirements resulted in the Caucuses required to cover severance costs for some of their employees. For the BC United Caucus, these post-employment expenses exceeded the available budget and with approval from the Legislative Assembly Management Committee, unspent constituency office allowance funds from the non-returning BCU's MLAs were redistributed to the offset the BCU's Caucus shortfall. The transfer of $960 thousand was used to bring the overall BCU Caucus variance to zero. With this transfer, the overall Caucus operations category is in a minor savings position of $319 thousand at the end of the year.

Constituency Operations:
This category reflects the overall costs of operating the constituency offices across the province as well as some centralized budget items. Specifically, it includes the constituency office allowance which is allocated to each Member for the constituency office operations including staffing and centralized expenditures such as leasing costs, some constituency staff benefits, and the technology costs related to these operations. In this election year budget, this category also included the budget for tenant improvements costs and technology set up costs for new CO locations.

As of March 31, 2025, Constituency Operations expenditures were under budget by $6.0 million due to significantly fewer costs related to tenant improvements required to be paid in the current year. The CO allowances expenditure and constituent staff salaries made up more than half of the total spent in this category with $15.2 million and $5.9 million respectively. The underspend within Constituency Operations – set up costs was the primary contributor to savings in the current year which offset the budget pressures related to increased election-related expenditures in Members' Remuneration category.

Following the election, the unused Constituency office allowances for non-returning members is recorded as revenue on the overall Vote 1 financial statements. In the fiscal year, a total of $2.0 million was recognized as revenue, with $960 thousand reallocated to Caucus Operations as a recovery to offset the severance and other post-employment costs for BC United as noted above.

Independent Respectful Workplace Office (IRWO):
The IRWO was created in 2020-21 to support, promote and sustain positive workplace interactions between Members, caucus staff, ministerial staff, employees of the Assembly and other participant groups that come under the Respectful Workplace Policy. Since April 2023, the IRWO has been operated by Southern Butler Price LLP, a service provider selected through a competitive procurement opportunity. The expenditures relate to the development and delivery of educational materials and training, website development and general support services. Year-end expenditures within the Independent Respectful Workplace Office were $102.3 thousand, resulting in savings of $147.7 thousand. This compares to $129.4 thousand spent last year.

Legislative Assembly Administration:
This category summarizes the activities of the various departments within the Legislative Assembly Administration. The expenditures were tracked across several subcategories which represent groups of departments with the administration which support the work of the Members, Caucuses and Constituency Offices in a variety of critical roles to ensure that the operations function as efficiently as possible. The five subcategories based on the service areas are Client and Support Services, Information Services, Parliamentary Support Services, Precinct Services, and Security and Sessional Services.

The FY25 expenditures for the Assembly Administration were $50.5 million or 92.5% of the annual budget of

$54.5 million. The most significant operating expenditure is salaries which account for approximately 51.4% of the overall expenditures for the Assembly Administration. The Assembly Administration was under budget by $4.1 million at year-end as a result of cost savings measures such as delayed hiring and savings in operating activities, as well as savings related to election-related activities. In addition, the unbudgeted pressure from extraordinary policing costs of $650 thousand was offset by savings from changing priorities and timelines for various projects, including space modernization, childcare facility and Precinct maintenance repairs. The savings in the Legislative Administration category were created and intended to offset the pressures in the General Centralized and Accounting category below which are described in detail below.

Members' Remuneration:
This category includes compensation, benefits, allowances, travel and other direct costs for the Members of the Legislative Assembly. For the election year, the budget included an assumption of a 30.0% turnover for the calculation of the transition allowance provided to non-returning Members. The transitional assistance is paid out over 15 months, but accounting rules require that the full amount is expensed entirely in the year of the election.

With a 58.6% turnover (51 MLAs) the expenditures within Members' Remuneration have exceeded the budget within this category by $1.3 million, primarily due to a full or partial transition allowance being paid for 51 MLAs. The overall expenditure within Members' Remuneration was $26.6 million compared to a budget of $25.3 million and a comparison of $18.6 million last fiscal year. The total regular salaries and benefits for Members for the year were $16.1 million with the remaining year-end actuals consisting of the capital city living allowance (CCLA) of $949.1 thousand, MLA travel-related expenditures of $2.0 million and post-election transitional assistance and retraining expenditure for non-returning Members of $7.4 million.

Parliamentary Operations:
This category summarizes the parliamentary support activities within the Assembly and includes services such as Interparliamentary Relations, the Office of the Speaker, and Parliamentary Committees and documents. The budget and expenditure in this category were directly impacted by the volume and nature of the Parliamentary activity during the period.

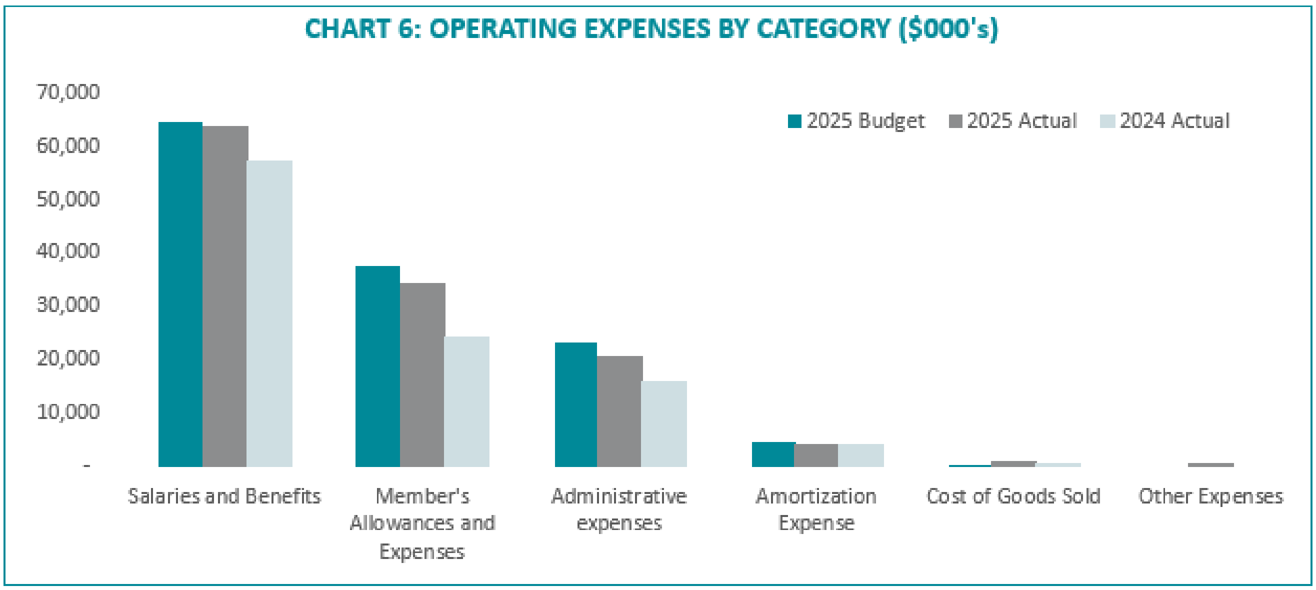
FY25 expenditures within Parliamentary Operations were $892.2 thousand against a budget of $1.4 million, representing 65.0% of the annual budget. The budget for 2024-25 was decreased to account for the reduced Parliamentary activity during the election year. The savings of $507.8 thousand were the result of reduced operating expenses, particularly travel-related costs, in the Parliamentary Committee operations as fewer meetings were held outside of Victoria than originally expected.

General Centralized and Accounting (GCA):
This category includes the expenditures that reflect overall Assembly operations and accounting requirements. The most significant expenditures within this category were the non-cash accounting entries, such as amortization of capital assets and the asset retirement obligation (ARO). The category also includes the budget for centralized expenditures such as parental leave and office supplies which were not easily budgeted to a specific department. The budget for 2024/25 also included a $2.0 million budget offset intended to reflect anticipated wage vacancy expenditures in the Assembly Administration category. This offset, referred to as the vacancy discount, created one of the budget pressures withing the General Centralized and Accounting category as the staff turnover for the year has not been as high as in past years.

The total FY25 expenditure for General Centralized and Accounting Expenditures were $5.9 million compared to the budgeted amount of $3.5 million. This total reflects an annual amortization of assets of $4.2 million which was slightly lower than the budgeted amount of $4.7 million. This saving in amortization expenses was due to the delay in the completion or purchase of new capital assets. Expenditures within GCA also include the unbudgeted asset retirement obligation of $1.1 million for the Assembly and the mitigation of the vacancy discount. The overall figures for GCA are in a pressure position of $2.4 million at year end. Mitigation strategies for this pressure were tied to the savings activities noted above in the Assembly Administration category, particularly the ability to manage the vacancy discount and project expenditures.

Operating Expenses by Category

The Legislative Assembly's most significant expense category is Salaries and Benefits, accounting for more than half (51.4%) of the Legislative Assembly's total expenses. This category includes Members' salaries and benefits as well as Legislative Assembly administration staff salaries and benefits. The next largest expense category is Members' Allowances and Expenses at 27.8%.



The FY25 Legislative Assembly Salaries and Benefits increased as planned by $6.4 million as compared to FY24 and was $1.2 million lower than the approved budget.

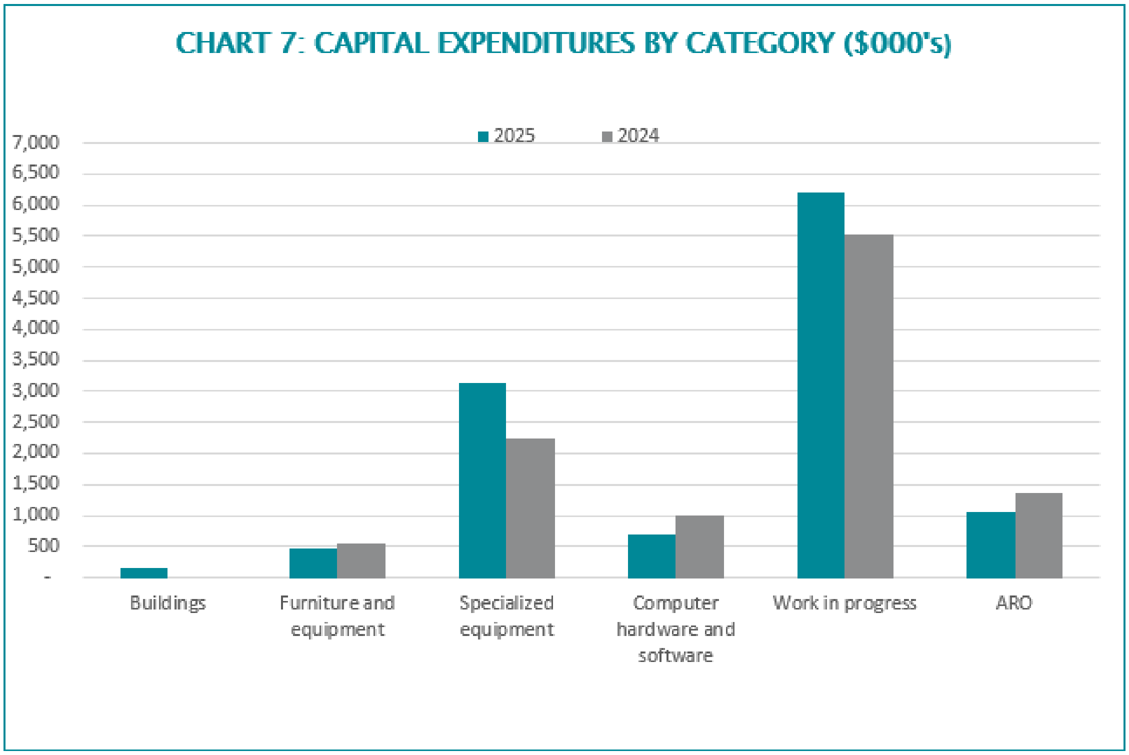
Members' Allowances and Expenses, which include the annual constituency office allowance, increased by $10.3 million compared to FY24 and was $3.4 million under budget. This expense category was under budget primarily due to savings resulting from lower than budgeted Member travel, savings in the capital city living allowance, unused contingency reserves and other minor amounts.

Administrative expenses are comprised of day-to-day office costs, professional services, utilities, repairs and maintenance, communications, and employee travel expenses. These expenses were $5.0 million higher than the prior year, and $2.6 million lower than budgeted. This expense category was below budget due to lower-than-expected expenses for travel, professional consulting services and operational and building maintenance costs.

Amortization for the year is lower than the budgeted amount by $0.4 million due to the delay in the completion of several asset management projects during the year. Amortization will continue to increase in future years as the Precinct continues to focus on the renewal and repair of the buildings on the Precinct.

Capital Expenditures by Category

The annual capital spending varies year over year in amount and category, based on the strategic and operational needs and priorities of the Legislative Assembly and the projects which were approved during the budget process.



The Legislative Assembly's capital assets include the Parliament Buildings and surrounding structures, building improvements, office furniture and equipment, computers, servers, maintenance equipment, security equipment, and specialized broadcasting equipment.

When compared to FY24, capital spending was higher in FY25 by $1.1 million. Budget allocation for FY25 included a significant budget amount in relation to the election. Significant capital additions during 2025 included:

Building Improvements: This category includes projects and programs which focus on building and precinct improvements. This asset category accounted for approximately $1.2 million in capital expenditure. Key projects completed this year include the replacement of the emergency exits, with significant progress on the perimeter security enhancement planning.

Computer Hardware/Software: This category includes projects and programs from information technology and infrastructure. This asset category accounted for approximately $703.9 thousand of the Assembly's capital spend this year. Key programs in this category include Technology Election Program, Core infrastructure and workstation replacements and Network modernization.

Specialized Equipment/Office Furniture: This category includes smaller projects and initiatives which also account for approximately $3.1 million in capital expenditure. Key capital initiatives from this included Constituency Office Security Assets, specialty equipment within the Seargent-at-Arms department, fire alarm upgrades, and space modernization activities.

Asset Retirement Obligation: As noted in the above discussion, the Assembly is required to include the annual increase in the asset retirement estimate as a capital appropriation for the fully amortized assets such as the Parliament Buildings and the Armouries Building. This addition category was $1.1 million for the fiscal year 24/25.

Conclusion

In conclusion, the financial statements for the year ended March 31, 2025, underscores our commitment to transparency. The Legislative Assembly's revenue for the fiscal year totaled $2.4 million, which is more than double the budgeted amount. This increase was primarily driven by higher-than-expected performance from the Parliamentary Dining Room and Gift Shop, which benefited from increased visitor traffic and a strong demand for event-related services. Despite these revenue gains, the Assembly remains predominantly reliant on government appropriations to fund its operations.

Financially, the Legislative Assembly managed well with a net cost of operations of $121.1 million, with $8.6 million below budget. Expenses varied, with savings in some areas offsetting overspending elsewhere. When compared to the prior fiscal year, the Legislative Assembly's total expenditure increased by $21.9 million, or approximately 20.8%. This increase was attributed to 2024 Election related activities, higher investment in key strategic areas, including IT systems, security enhancements, and member support services. These expenditures were necessary to ensure a smooth election transition and modernize the Assembly's operations and to support needs of its stakeholders. Despite the increased spending, the Assembly maintained strict budgetary control, resulting in significant savings in administrative expenses and capital projects.

Caucus Operations saw increased expenditures of $1.4 million or 16.3%, as the result of additional membership, and retirement activities. Constituency Operations saw an increase of $5.5 million or an increase of 22.7%, attributed to election activities. Members' Remuneration saw an increase of $8.0 million or an increase of 43.1% primarily attributed to the transition of membership. Parliamentary Operations saw a decrease of $0.4 million, or a decrease of 29.5% due to election activities. The Legislative Assembly Administration saw a net increase of $6.9 million primarily due to ERP system development, extraordinary policing costs, and the election readiness program. General Centralized and Accounting (GCA) saw a cost increase of $0.6 million.

Our financial position remained strong, with investments in Tangible Capital Assets and well-managed liabilities. The accounting for Asset Retirement Obligations under PS 3280 has enhanced transparency but presented challenges due to our unique assets.

Overall, our financial performance reflects prudent management and sets a foundation for future transparency and accountability.