LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

Quarterly Financial Report for the Fourth Quarter of 2025-2026

As of March 31, 2026 (unaudited)

Presented to the Legislative Assembly Management Committee

Contents

Section 1: Overview

This report is presented to the Legislative Assembly Management Committee and provides an overview of the unaudited financial results for the Legislative Assembly's fourth and final quarter of the 2025-26 fiscal year. The quarterly financial report provides a summary of the actual results for the period, compared to the approved budget. A more fulsome report, the Management Discussion and Analysis, will accompany the audited Annual Financial Statements later this year.

Section 2: Executive Summary

For the fiscal year ended March 31, 2026, the Legislative Assembly incurred an unaudited operating expenditure of $125.1 million compared to a budget of $138.9 million, underspending by $13.6 million (10%).

While significant, much of the operating budget underspend was driven by external or policy-driven factors:

- Members' Remuneration was underspent by 14% ($3.3 million) due to LAMC's direction to withhold and later enactment to forego the legislated annual CPI salary increase for Members, underutilization of Capital City Living Allowance payments to Members in relation to the annual cap, lower than budgeted travel to and from the capital, and underspend for the MLA legal assistance fund. In addition, transitional assistance payments to former Members were lower than the amount accrued in 2024/25, resulting in a recovery in 2025/26.
- Constituency Operations also saw a significant underspend of $5.9 million (16%), driven largely by a modification in the accounting treatment of Constituency Office (CO) tenant improvements. Constituency office leases are now held in the name of the Legislative Assembly, and any tenant improvements on those offices that meet the recognition criteria are classified as capital expenditures as opposed to operating expenses.
- Parliamentary Operations underspent by $1.1 million (41%) due to reduced interparliamentary expenditures, lower-than-anticipated committee travel, advertising, and more virtual meetings.
- Legislative Assembly Administration savings were $2.5 million (4%) for the year. The underspend was driven primarily by maintenance and contracted services across Legislative Assembly Administration departments, as well as savings created by temporarily vacated positions. Savings were offset by longer House sitting hours, including overtime for hourly staff in the Office of the Sergeant-at-Arms and Hansard Services, and higher software licensing volumes and costs, which far outpaced CPI.
- General Centralized and Accounting (GCA) expenditures ended $163 thousand over-budget (2%). Major unforeseen costs included a larger than expected increase to the Asset Retirement Obligation for the Parliament Buildings, Armouries, and Bunker. Estimated remediation costs increased significantly since the last assessment resulting in a higher liability. Budgeted contingencies for increased sitting times, cybersecurity, and extraordinary policing events on the Precinct resulted in additional savings, offsetting some of the overspend.

The capital budget was overspent by 10% ($1.1 million), primarily due to constituency office tenant improvements (TIs) being capitalized as noted above. This resulted in an increase in capital expenditures of $2.3 million and a net overspend of $1.1 million. The Legislative Assembly received approval from Treasury Board to access the CRF Capital Contingencies vote for up to $1.8 million.

Figures 1 and 2 below provide a high-level summary of the annual results.

Figure 1: Operating Expenditures by Budget Category

2025-26 Operating Expenditures by Budget Category March 31, 2026				
Operating Category	Actual (Unaudited)	Budget	Variance ($) (Over) Under	Variance (%)
Caucus Operations	10,151,975	11,151,000	999,025	9%
Constituency Operations	31,334,895	37,203,000	5,868,105	16%
Members' Remuneration	19,915,763	23,245,000	3,329,237	14%
Independent Respectful Workplace Office	168,805	250,000	81,195	32%
Parliamentary Operations	1,583,529	2,686,812	1,103,283	41%
Legislative Assembly Administration	54,428,839	56,927,584	2,498,745	4%
General Centralized and Accounting	7,552,033	7,388,605	(163,428)	(2%)
Total Operating	**125,135,840**	**138,852,000**	**13,716,160**	**10%**

Figure 2: Capital Expenditures by Asset Category

2025-26 Capital Expenditures by Asset Category March 31, 2026				
Asset Category	Actual (Unaudited)	Budget	Variance ($) (Over) Under	Variance (%)
Office Furniture & Equipment	267,700	178,000	(89,700)	(50%)
Information Systems	2,116,413	1,490,045	(626,368)	(42%)
Buildings	3,239,519	3,800,000	560,481	15%
Tenant Improvements	2,284,196	-	(2,284,196)	0%
Land Improvements	2,192,260	2,300,000	107,740	0%
Specialized Equipment	1,733,546	2,963,955	1,230,409	42%
Total Capital	**11,833,634**	**10,732,000**	**(1,101,634)**	**(10%)**

Section 3: Operating Summary

Operating Expenditures by Budget Category

At the end of the fiscal year, the Assembly had overall operating savings of $13.7 million (10%). Figure 3 provides a breakdown of the operating budget by category, followed by detailed explanations for variances between budget and actual results.

Figure 3: Operating Expenditures by Category Compared to Budget

Fiscal 2025-26 - Operating Expenditures by Category Compared to Budget
March 31, 2026

Operating Category	Actuals (Unaudited)	Budget	Variance ($) (Over) Under	Variance (%)
B.C. Green Caucus	640,426	668,000	27,574	4%
B.C. NDP Caucus	3,503,243	3,552,000	48,757	1%
B.C. United Caucus	6,527	0	(6,527)	(0%)
Conservative Party of B.C. Caucus	5,090,226	5,331,000	240,774	5%
OneBC Caucus	332,863	337,000	4,137	1%
Independents	578,689	666,000	87,311	13%
Caucus Operations Unassigned	0	597,000	597,000	0%
Caucus Operations	**10,151,975**	**11,151,000**	**999,025**	**9%**
Constituency Operations	**31,334,895**	**37,203,000**	**5,868,105**	**16%**
Members' Remuneration	**19,915,763**	**23,245,000**	**3,329,237**	**14%**
Independent Respectful Workplace Office	**168,805**	**250,000**	**81,195**	**32%**
Interparliamentary Relations	205,195	360,000	154,805	43%
Office of the Speaker	382,636	383,812	1,176	0%
Parliamentary Committee Operations	712,125	1,648,000	935,875	57%
Parliamentary Documents	283,573	295,000	11,427	4%
Parliamentary Operations	**1,583,529**	**2,686,812**	**1,103,283**	**41%**
Client and Support Services	9,341,584	10,490,307	1,148,724	11%
Information Services	10,587,774	10,338,992	(248,852)	(2%)
Parliamentary Support Services	11,561,684	11,254,446	(307,238)	(3%)
Precinct Services	7,597,051	9,276,081	1,679,030	18%
Security & Sessional Services	11,803,666	12,084,980	281,314	2%
Enterprise Resource Planning	3,537,426	3,482,849	(54,577)	(2%)
Legislative Assembly Administration	**54,428,839**	**56,927,584**	**2,498,746**	**4%**
General Centralized and Accounting	**7,552,033**	**7,388,604**	**(163,429)**	**(2%)**
Total	**125,135,840**	**138,852,000**	**13,716,160**	**10%**

Caucus Operations**:** This category reflects the operations of caucuses and of legislative offices of independent Members, including staff, communications, research and other expenditures. Caucus Operations budget allocations are formula driven based on the number of MLAs in each caucus, as applicable. The 2025/26 budgeted amounts are adjusted throughout the year to reflect changes to caucus and independent Member composition. This category also includes centralized contingencies related to caucus changes. The Caucus Operations Unassigned budget reflects the surplus contingency amounts which were not needed throughout the year. Overall, the Caucus Operations category is in a savings position of $1.0 million at the end of the year, of which $0.6 million related to unused contingencies.

The Caucus Operations Unassigned budget contained funding for changes in caucus compositions, as independent Members are funded at twice the rate of a Member affiliated with a caucus under the caucus funding formula. Additionally, there are budget allocations for centralized benefits: Healthcare Spending Account (HCSA), and parental leave for caucus staff within the unassigned amount. There is a relatively small amount of employee benefit plan costs related to severance for the BC United Caucus. While the severances occurred in the 2025 fiscal year, a few benefits costs were finalized in fiscal 2026. The gross severance payments are recorded in General Centralized and Accounting, but the benefits are recorded in the BC United Caucus.

***Constituency Operations*:** This category reflects the overall costs of operating the constituency offices across the province. It includes the constituency office allowance which is allocated to each Member to operate their constituency office including staffing costs. It also includes centralized expenditures such as leasing costs, some constituency staff benefits, security systems, and the technology costs related to these operations.

At year-end, Constituency Operations had a savings position of $5.9 million due primarily to two significant factors; lower than anticipated monthly lease costs, and a change in how constituency offices leases are administered. All leases are now entered into the name of the Legislative Assembly as opposed to the Member’s name. As a result, the correct accounting treatment for tenant improvements on these offices is capitalization, where capitalization thresholds are met. These amounts had been budgeted as operating expenses, resulting in $2.2 million in current year tenant improvements being classified as capital expenses instead.

The constituency office allowances expenditures ($16 million) and constituency office rent ($6.9 million) costs made up more than half the total spend in this category. The underspend within Constituency Operations costs was the primary contributor to savings in the fiscal year.

Members’ Remuneration: This category includes the compensation, benefits, allowances, travel and other direct costs for Members of the Legislative Assembly. The overall spend within Members’ Remuneration was $19.9 million compared to a budget of $23.3 million. Regular salaries and benefits for Members for the year were $17.*3* million, with the remaining year-end actuals consisting of the capital city living allowance (CCLA) of $1.2 million and MLA travel-related expenditures of $2.6 million. Expenditures within Members’ Remuneration resulted in a surplus of $3.3 million. The underspend in Members’ Remuneration was due to savings across Members’ salaries and benefits of $1.4 million (LAMC enacted to forgo the budgeted inflationary salary increase this year), CCLA ($0.4 million), transitional assistance ($1.0 million), travel expenses ($0.3 million), and the Members’ legal assistance fund ($0.2 million).

The budget included an assumption for the full continuation of transitional assistance provided to non-returning Members. The Transitional Assistance is paid out over 15 months with under-utilization resulting in savings for the current year. The total accrual for Transition Assistance in the previous fiscal year was $ 4.8 million. The actual spend in 2025/26 *was* $3.8 million, resulting in savings of $1 million.

***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.

Fiscal year 2025/26 expenditures within the IRWO were $169 thousand, resulting in a savings of $81 thousand.

***Parliamentary Operations*:** This category summarizes the parliamentary support activities including services such as Interparliamentary Relations, the Office of the Speaker, and Parliamentary Committee Operations and Parliamentary Documents. The budget and expenditures in this category were directly impacted by the volume and nature of the parliamentary activity during the period.

Actual expenditures within Parliamentary Operations for the year were $1.6 million against a budget of $2.7 million, representing 59% of the annual budget. The budget for 2025-26 was increased to a typical calendar of parliamentary activity. The savings of $1.1 million was a result of reduced operating expenses, particularly travel-related costs in Parliamentary Committee Operations as fewer meetings were held outside of Victoria than expected. Fewer meetings outside of Victoria also directly contributed to savings for Members' travel expenses.

***Legislative Assembly Administration*:** This category summarizes the activities of the various departments within the Legislative Assembly Administration. The expenditures were tracked across several subcategories representing groups of departments within the administration which support the work of the Members, caucuses and Constituency Offices in a variety of critical roles. The six subcategories based on the service areas are Client and Support Services, Information Services, Parliamentary Support Services, Precinct Services, Security & Sessional Services, and Enterprise Resource Planning.

Actual annual expenditures for the Legislative Assembly Administration were $54.4 million, 96% of the annual budget of $56.9 million. The most significant operating expenditure is salaries, which accounts for approximately 74% of the overall expenditures for the Legislative Assembly Administration. The Legislative Assembly Administration has a $2.5 million savings position at year-end as a result of savings related to contracted services, lower than budgeted required maintenance, lower uptake on the new school travel funding program, and savings in salaries and benefits due to vacancies and turnover. Specific pressures and savings for the Legislative Assembly Administration were as follows:

Savings:

- Precinct Services had savings across multiple expense categories. Staff vacancies resulted in savings of $206 thousand. Savings in contracted services within Capital Planning and Development totaled $725 thousand, primarily reflecting the central heating plant and leased space projects not proceeding during the year, along with additional savings from delays and limited operational capacity affecting planned work. Maintenance and utilities costs were $813 thousand under budget primarily due to milder temperatures and reduced maintenance requirements across buildings. Major asset maintenance projects contributed additional savings of $124 thousand. Furthermore, the internal contingency of $350 thousand established for emergency requirements within Legislative Facility Services was not utilized during the year.
- Client and Support Services was the second largest contributor to the Legislative Assembly Administration savings, generating $1.1 million in total savings. These savings were primarily driven by reductions of $144 thousand in salaries and benefits across departments and $60 thousand in unused travel expenditures. In addition, $536 thousand in savings came from professional services, including $260 thousand related to Human Resources learning and development, and $300 thousand related to Financial Services where expenses related to secondments were incurred in salaries and benefits instead of contracted services. Further savings of $496 thousand were realized within the Parliamentary Education Office, primarily due to workforce vacancies and savings realised through the inaugural year of the new School Travel Funding program ($231 thousand) and increased recoveries from strong gift shop sales.

- Security & Sessional Services contributed savings of $281 thousand to the Legislative Assembly Administration. Savings were spread across multiple areas of savings, with the largest contributor being $164 thousand within the Office of the Sergeant-at-Arms related to the new Members' Residential Security Program, which launched April 1, 2026. Additional savings was primarily attributable to minor savings in salaries and benefits, as well as contracted services.

Pressures:

- Information Services exceeded the budget of $10.3 million by $249 thousand. Pressures were primarily related to information system cost increases ($826 thousand) related to higher software licensing volumes and costs. In addition, there were pressures in business expenses largely attributed to printing costs. These pressures were partially offset by savings in office expenses, workforce vacancies and professional services.

- Parliamentary Support Services saw increased pressure as the result of increased House sitting hours, particularly in spring 2025. The budget allocation for salaries and benefits for Parliamentary Support Services was $10.1 million, while actual expenditures were $10.6 million. This created budgeted pressure for Hansard Services as well as benefits rates charges related to auxiliary employees who receive full benefits.

General Centralized and Accounting (GCA): Fiscal year 2025/26 expenditures for GCA were $7.6 million compared to the budgeted amount of $7.4 million. This category includes various accounting related expenses, the most significant of which were non-cash expenses, such as amortization of capital assets and the revaluation of the Asset Retirement Obligation (ARO) on the Precinct buildings. This category also includes the budget for centralized expenditures such as parental leave, postal services, and office stationery.

Amortization of tangible capital assets totalled $5.1 million, which was lower than the budgeted amount of $5.9 million. This variance in amortization expense was due to delay in the completion and purchase of new capital assets.

Expenditures within GCA also include a budgeted ARO increase of $1.4 million. This obligation was revalued for the first time since its adoption. The revalued amount was broadly aligned with the budgeted cost, with a variance of $49 thousand.

The budget for 2025-26 also included internal Contingencies of $948 thousand to support costs related to extraordinary policing, cybersecurity, increased staffing demands for increased parliamentary activity, and legal costs. Actual expenditures were closely aligned with budget, resulting in a favourable variance of $16 thousand.

GCA expenditures also holds central benefit costs, current year caucus leased office space, write-down expenses and other expenses. Overall actuals for GCA resulted in a pressure position of $163 thousand at year end.

Section 4: Capital Expenditures

For the fiscal year ended March 31, 2026, the Legislative Assembly incurred an unaudited capital expenditure of $11.8 million, which exceeded the budget of $10.7 million by $1.1 million (10%). This overspend is mainly due to costs associated with constituency office tenant improvements, as discussed at LAMC with the Q3 report. Treasury Board provided a contingency budget of up to $1.8 million to cover this overage.

This year, the Administration prioritized finishing key infrastructure projects, continuing to boost project management practices, and enhancing planning and resource allocation. The capital budget is made up of both regular maintenance and renewal projects and specific projects and initiatives. The projects are summarized into programs such as Major Capital Infrastructure, IT Infrastructure, Minor Capital and Contingency. Each project is also given an asset category which aligns the capital spend with the appropriate accounting policy for amortization and financial statement reporting. These asset categories summarize the assets by type based on their useful life and include Buildings, Information Systems, Specialized Equipment, Tenant Improvements, Land Improvements, and Office Furniture & Equipment.

Key capital projects in each program this year include the following:

- **IT Infrastructure:** This category includes all information technology hardware and infrastructure costs, with a total budget of $3.8 million and actual expenditures of $3.4 million for the year. Due to differences between budget allocations and actual asset category spend throughout the year, information systems are in an overspent position of $624 thousand, while specialized equipment reflects an underspend of $1.0 million relative to the allocated budget.
- **Major Capital Infrastructure:** This category includes all building improvements and space modernization, including tenant improvements for constituency offices, for a total budget of $4.7 million and actuals of $6.5 million to year-end. The main driver for the overspend this year was the inclusion of $2.3 million in constituency office tenant improvements, offset by slower than expected implementation of buildings projects. The Armouries building and the space planning projects have been delayed. Some Armouries maintenance work was completed through the operating budget of Capital Planning and Development.
- **Minor Capital:** This category is made up of building improvements, specialized equipment, and office furniture for a total budget of $887 thousand and actuals of $524 thousand to year-end. Minor underspending occurred across all categories.
- **Contingency Funds:** An initial contingency budget of $500 thousand was set aside to manage unexpected financial demands, such as cost overruns, change orders, or unanticipated projects during the year. The contingency fund was utilized for the emergence of the urgent Armouries repair work identified in early April. This category also includes the ARO for the Precinct, for a total budget of $1.4 million and actuals of $1.4 million.

Pressures on specific projects have been mitigated by reprioritizing other initiatives. Figure 4 includes a summary by program and category, and Appendix 2 provides details by project.

Figure 4: Summary of Capital Expenditures by Program and Asset Category

Unaudited Actuals to Capital Budget: Fiscal 2025-26 March 31, 2026					
Program	Category	Actuals *(Unaudited)*	Budget	Variance ($) (Over) Under	Variance (%)
IT Infrastructure	Information Systems	2,097,275	1,473,000	(624,275)	(42%)
	Specialized Equipment	1,287,526	2,322,000	1,034,474	45%
IT Infrastructure Total		**3,384,801**	**3,795,000**	**410,199**	**11%**
Major Capital Infrastructure	Buildings	1,721,992	2,325,000	603,008	26%
	Tenant Improvements	2,284,196	-	(2,284,196)	0%
	Land Improvements	2,119,927	2,100,000	(19,927)	(1%)
	Specialized Equipment	261,852	250,000	(11,852)	(5%)
	Office Furniture & Equipment	109,565	-	(109,565)	0%
	Information Systems	2,916	-	(2,916)	0%
Major Capital Infrastructure Total		**6,500,450**	**4,675,000**	**(1,825,450)**	**(39%)**
Minor Capital	Specialized Equipment	184,168	391,955	207,787	53%
	Office Furniture & Equipment	158,135	178,000	19,865	11%
	Buildings	93,222	100,000	6,778	7%
	Land Improvements	72,332	200,000	127,668	64%
	Information Systems	16,222	17,045	823	5%
Minor Capital Total		**524,079**	**887,000**	**362,921**	**41%**
Contingency	Buildings	1,424,305	1,375,000	(49,305)	(4%)
Contingency Total		**1,424,305**	**1,375,000**	**(49,305)**	**(4%)**
Grand Total		**11,833,634**	**10,732,000**	**(1,101,634)**	**(10%)**

During the budgeting process, best efforts are made to accurately allocate each program by asset category. Actual classification by category may vary, resulting in variances within categories while the overall program remains on budget. For example, under the IT Infrastructure program, budgeted purchases of Specialized Equipment were more appropriately classified as Information Systems, resulting in an overspend in one category and an offsetting underspend in the other.