



LEGISLATIVE ASSEMBLY MANAGEMENT COMMITTEE

INFORMATION NOTE: QUARTER 4 FINANCIAL UPDATE – FISCAL YEAR 2023-24

PURPOSE

To present the Legislative Assembly Management Committee with an overview of the unaudited financial results for the fourth quarter of the 2023-24 fiscal year Legislative Assembly (Vote 1) budget.

ANALYSIS

The summary of the results for the last quarter of fiscal 2024 (period ending March 31, 2024) reflects the activities of the Legislative Assembly over the past year. While the Legislative Assembly Administration aimed to forecast anticipated expenditures and adjustments throughout the year, several items were unexpected and impacted the results.

On June 5, 2023, the Subcommittee on Finance and Audit reviewed and recommended restructuring Vote 1 (the Legislative Assembly budget) starting in the 2024-25 fiscal year. The Legislative Assembly Management Committee accepted this recommendation on July 2, 2023, and the new structure informed the 2024-25 budget, appearing in the blue budget book (Public Accounts) with an explanation of the changes. Quarterly financial reporting adopted the new structure beginning in the first quarter of the 2023-24 fiscal year.

The new Vote 1 structure aims to reflect the operations of the Legislative Assembly by categorizing expenditures in a way that better represents the nature of each activity. These budget categories include Caucus Operations, Constituency Operations, Members' Remuneration, Independent Respectful Workplace Office, Parliamentary Operations, Legislative Assembly Administration, and Centralized and Accounting Expenditures. Appendix 1 included in this report includes an updated summary of the types of expenditures included in each of these categories.

To ensure comparability and transparency in year-to-year comparisons, expenses in 2023-24 were allocated according to the new Vote 1 structure, providing a consistent basis for financial reporting, and allowing for clear and accurate comparisons with previous and future year results. As a result, budget category descriptors were expanded to ensure alignment with the format of the 2024-25 budget for comparison purposes.

As the fiscal year 2024 concluded, initial results indicated a full operating budget spend of \$100.337 million, with only \$3,691 remaining, and \$54 thousand unspent on capital projects.

Throughout the year, the Administration effectively balanced ongoing operational requirements and strategic objectives while ensuring financial results remained within the voted appropriation. As unforeseen expenditures arose, funds were reallocated from areas with savings to sustain operations and achieve strategic goals. Additionally, an unanticipated final accounting adjustment for the newly

introduced Asset Retirement Obligations accounting standard utilized \$1.377 million of the remaining operating budget in the vote and impacted the reporting of capital due to accounting treatment in the Public Accounts when the Legislative Assembly's financial records are consolidated into the Public Accounts. A more fulsome discussion of the impacts of the Asset Retirement Obligation accounting standard is included in the detailed discussion which follows.

Operating Summary

The presentation of the report reflects the approved Vote 1 reporting structure which aims to present the Legislative Assembly financial information in more programmatic grouping to better reflect the activities of Legislative Assembly operations.

As referenced in the quarterly updates, the Administration made some small adjustments to the budget allocations as the fiscal year progressed throughout 2023-24. These adjustments include an increase to Caucus Operations of \$233 thousand (in alignment with the Caucus Funding Policy, driven by changes in caucus composition and the number of caucuses) and a transfer from General Centralized and Accounting to Legislative Assembly Administration due to changes in project allocations and the allocation of budgets initially held centrally to match the expenses coding such as centralized benefits, and Member- related costs.

The unaudited results for fiscal 2024 show that Vote 1 is nearly fully spent, with only approximately \$3,691 remaining unspent for operating costs – an underspend of just 0.0037% compared to the budget. Given the minimal unallocated contingencies within the overall Vote 1 budget, addressing unexpected expenses and accounting entries proved to be challenging without the time or capacity to reduce or defer planned services or projects.

Summary by Sub-Vote

Caucus Operations and Caucus Operations budget offset: This category reflects the operations of the caucuses and their staff. The results at the end of the fourth quarter reflect the operations during the entire fiscal year, which included several changes in the caucus makeups with a total of four caucuses and three Independent Members for some portion of the year. The Administration worked with the caucuses in the last quarter to ensure that year-end charges and accounting entries such as payroll accruals, benefit charges, and other indirect expenses were anticipated in their forecasts. Unspent caucus funds do not carry over into the next year, however, any overages are offset in the new fiscal year budget allocation. The Caucus Operations budget offset of \$232 thousand is needed to keep the overall Vote 1 budget in balance after adjusting the individual caucus budgets to reflect the changing makeup of caucuses. As there is no contingency within the Vote 1 budget for this type of budget increase, the offset is applied against the whole to keep the overall Vote 1 budget in balance.

Constituency Operations: The Constituency Operations category reflects the funds allocated to each Member for their constituency office operations. While budgeted and managed centrally, this section also reports the leasing costs for constituency offices, information technology and security expenses related to the provision of services at constituency offices, and some centrally funded benefits for the constituency office staff. In addition, with the settlement of a new collective agreement for constituency office staff of Members affiliated with the BC NDP Caucus, many constituency offices incurred retroactive pay for their staff late in the fourth quarter which was an expense not included in the previous forecasts. This resulted in a few offices being slightly overspent on their budget at March 31, 2024. The

Administration is in communication with these constituency offices and the overages will be offset in the 2024-25 fiscal year budget. Overall, the Constituency Operations category was overspent by \$57.4 thousand.

Members' Remuneration: This expense category includes an accumulation of the salaries and benefits paid to Members and has been adjusted for comparability to also include other member-related activities which were included in this category for the 2024-25 budget build. In addition to Members' remuneration, this service line also reflects specific Member-related activities such as the technology and security costs directly associated with Members in this category, such as laptop and phone costs. Overall, this category finished the year with a savings variance of \$942.3 thousand compared to the budget. This variance is primarily attributed to underutilized Member benefits.

Independent Respectful Workplace Office: This category includes the budget and expenses associated with this program area which ended the year with savings of \$120.5 thousand.

Parliamentary Operations: This category summarizes the parliamentary support activities within the Legislative Assembly. At year end, the overall operations showed an underspend of \$437 thousand compared to the budget for the fiscal year due mainly to reduced employee and Member travel for parliamentary committee meetings and reduced interparliamentary travel expenditures.

Legislative Assembly Administration: This category contains the departments within the Legislative Assembly Administration, which support the Legislative Assembly and its Members. At the end of the fourth quarter, the overall savings of \$1.196 million, however, this does not include the 2023-24 wage and benefits vacancy discount of \$2.0 million which is recorded within the General Centralized and Accounting category. This vacancy discount was incorporated into budget planning to reflect anticipated savings from staffing vacancies throughout the year. In the past year, however, many staff positions within the Administration did not sit vacant for extended periods, which only resulted in approximately \$1.0 million in savings attributable to wages and benefits rather than the \$2 million that was budgeted. Added cost pressures to wages and benefits within the Administration related to higher-than-expected overtime, particularly for staff teams which supported concurrent chamber proceedings, and to several positions which were originally intended to be funded through the capital budget but were later deemed operating expenses for accounting purposes during the year.

General Centralized and Accounting: This final category includes holds the budget for amortization and other non-cash accounting entries as well as centralized expenditures that are not easily allocated across various departments and budget categories. Included in this cost category are the accounting entries for amortization as well as an adjustment for the recent accounting standard PS 3280 – Asset Retirement Obligations (ARO). The unplanned addition of \$1.3M in current year ARO expense was required to reflect the increase to the estimated liability to remove hazardous material from the buildings when they are no longer in use. The ARO accounting standard was introduced last year with retroactive adjustments to the Legislative Assembly's financial statements. As this is the first full year of the standard, many details of how it would be operationalized have been challenging to work out and anticipate particularly the nuances and options between the treatment for the independent Legislative Assembly financial statements and the information provided for the Consolidated Revenue Fund within the Public Accounts. Through collaboration and discussion with the Office of the Comptroller General within the Ministry of Finance, the required accounting entry was finally calculated for the end of the year which will keep the Legislative Assembly's financial accounting treatment consistent with the treatment in the Public Accounts. The Administration did not anticipate this large entry when preparing the budget or the quarter

3 projection, which resulted in a significant variance from the quarter 3 forecasts and 2023-24 budget. As noted in the Administration category above, this category also includes the offset for wages and benefits vacancy of approximately \$2 million. This category centrally budgets expenses that relate to many areas; throughout the year, budgets or expenses may be transferred in or out of this section to reflect the actual activities of the Assembly.

Capital Summary

This year, the Administration focused on completing the priority infrastructure projects already underway, building new project management capacity, and focusing resources on project planning and delivery. In addition, a significant focus was on enhancing the technology and security infrastructure at constituency offices and on the Legislative Precinct. These multi-year renewal projects are key initiatives that continue to be a priority for the Administration. The initial capital budget came in with a \$54 thousand underspend with the Administration shifting ahead a few approved IT and security capital purchases such as security vests and computer hardware into the 2023-24 fiscal to maximize the available capital and provide some room in the next fiscal for any unanticipated capital costs. As noted above, the inclusion of the Consumer Price Index adjustment to the estimated cost of future asset retirement obligation created a new capital item and associated appropriation this year. Following the close of the fiscal year, and the direction to incorporate the ARO capital value of \$1.377 million to the cost base of the Assembly's assets, the capital budget was \$1.323 million overspent requiring a transfer from contingency to cover the overage. With the additional appropriation and the inclusion of the non-cash ARO adjustment, the Assembly's capital budget is fully spent for fiscal year 2023-24.

Key capital projects in each asset category which were completed this year include the following:

Building Improvements: This category includes projects and programs which focus on building and precinct improvements. This asset category accounted for approximately \$5 million in capital expenditures. Key projects completed this year include the replacement of the front stairs, significant progress on the emergency exits, perimeter security enhancement planning and the Lekwungen language signage along Belleville Street.

Computer Hardware/Software: This category includes projects and programs from information technology and infrastructure. This asset category accounted for approximately \$2 million of the Legislative Assembly's capital spend this year. Key programs in this category include Precinct and constituency office security modernization, core infrastructure and workstation replacements, and network modernization.

Specialized Equipment/Office Furniture: This category includes smaller projects and initiatives which also accounted for approximately \$2 million in capital expenditures which was spread across several departments. Key capital initiatives from this included upgrade to Hansard broadcasting equipment, specialty equipment within the Sergeant-at-Arms department, and office space modernization and equipment.

Asset Retirement Obligation: As noted in the above discussion, the Legislative 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 additional non-cash category was \$1.377 million for the fiscal year 2023-24.

EXECUTIVE FINANCIAL SUMMARY

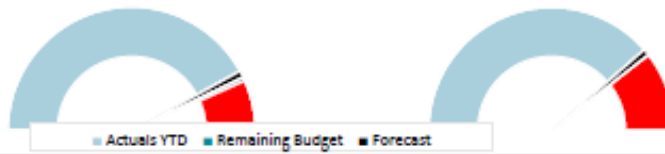
For the period ending March 31, 2024



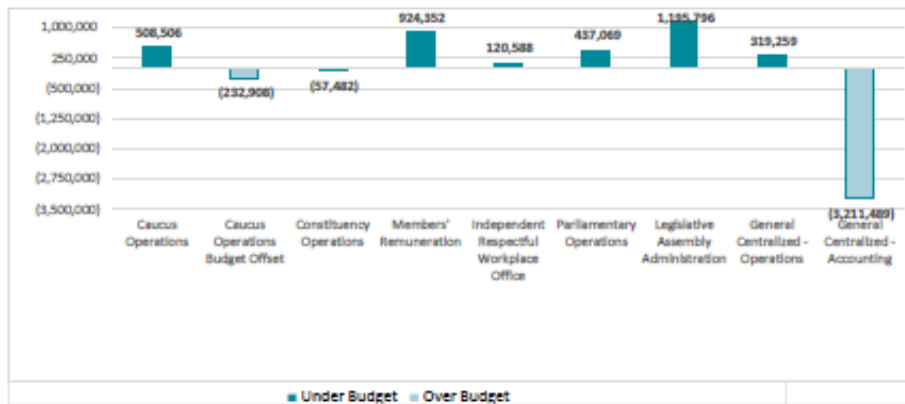
BUDGET

Operating Expenses

Capital Expenses



Operating Variance from Budget by Function (\$)



2023-24 Capital Expenditures by Function

Department	FISCAL YEAR 2023-24			
	YTD Mar-2024	Budget	Variance to Actuals	%
B.C. Green Caucus	-	17,000	17,000	100%
B.C. NDP Caucus	46,787	54,000	7,213	13%
B.C. United Caucus	13,487	34,000	20,513	60%
Conservative Party of B.C.	-	9,000	9,000	100%
Independent - Rustad	-	1,000	1,000	100%
Independent - Walker	-	1,000	1,000	100%
Caucus Operations	60,274	116,000	55,726	48%
Client and Support Services	12,010	135,000	122,990	91%
Information Services	2,654,100	2,455,000	(199,100)	-8%
Parliamentary Support Services	420,008	400,000	(20,008)	-5%
Precinct Services	5,929,185	5,801,750	(127,435)	-2%
Security Services	196,413	189,000	(7,413)	-4%
Legislative Assembly Administration	9,211,776	8,980,750	(231,026)	-3%
General Centralized and Accounting Expenditures	-	229,250	229,250	100%
Total Capital Acquisitions:	9,272,050	9,326,000	53,950	1%
Asset Retirement Obligation	1,377,405	1,323,455	(53,950)	0%
Total Capital Impact:	10,649,455	10,649,455	0	0%

2023-24 Operating Expenditures by Function

Department	FISCAL YEAR 2023-24			
	YTD Mar-2024	Budget	Variance to Actuals	%
B.C. Green Caucus	591,526	600,908	9,382	1.6%
B.C. NDP Caucus	4,356,822	4,357,000	178	0.0%
B.C. United Caucus	3,093,591	3,578,000	484,409	13.5%
Conservative Party of B.C.	326,202	329,000	2,798	0.9%
Independent - Rustad	97,000	97,000	-	0.0%
Independent - Walker	115,262	112,000	(3,262)	-2.9%
Independent - Robinson	-	15,000	15,000	100.0%
Caucus Operations	8,580,402	9,088,908	508,506	5.6%
Caucus Operations Budget Offset	-	(232,908)	(232,908)	
Constituency Operations	24,109,532	24,052,050	(57,482)	-0.2%
Members' Remuneration	18,564,648	19,489,000	924,352	4.7%
Independent Respectful Workplace Office	129,412	250,000	120,588	48.2%
Interparliamentary Relations	173,389	279,000	105,611	37.9%
Office of the Speaker	353,965	365,000	11,035	3.0%
Parliamentary Committee Operations	566,677	859,000	292,323	34.0%
Parliamentary Documents	171,900	200,000	28,100	14.1%
Parliamentary Operations	1,265,931	1,703,000	437,069	25.7%
Client and Support Services	7,496,495	8,071,070	574,575	7.1%
Information Services	10,001,139	10,191,770	190,631	1.9%
Parliamentary Support Services	9,531,606	9,511,110	(20,496)	-0.2%
Precinct Services	6,517,761	6,526,000	8,239	0.1%
Security Services	8,812,152	9,255,000	442,848	4.8%
Legislative Assembly Administration	42,359,154	43,554,950	1,195,796	2.7%
General Centralized - Operations	1,218,741	1,538,000	319,259	20.8%
General Centralized - Accounting	4,109,489	898,000	(3,211,489)	-357.6%
Grand Total	100,337,309	100,341,000	3,691	0.0%
				exceeds budget by 5% or more
				exceeds budget by less than 5%

For more information regarding this update please contact:

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LEGISLATIVE ASSEMBLY OF BC
2023/24 CAPITAL PROJECTS SUMMARY - BY DEPARTMENT AS AT MARCH 31, 2024

Project Number	Department	Project Name	Asset Category	Status	Approved Budget	Subsequent Project Approval	Updated Budget (re-allocated)	Year-to-Date Expense (to March 31, 2024)	Forecast to Mar - 2024	Forecasted Under (Over) Spend	% of Budget Remaining
CAU-NDP	NDP Caucus	Furniture and Equipment	Office Furniture and Equipment	Active	\$60,581	-\$6,581	\$54,000	\$46,787	\$46,787	\$7,213	13%
CAU-BCU	United Caucus	Furniture and Equipment	Office Furniture and Equipment	Active	\$36,977	-\$2,977	\$34,000	\$13,487	\$13,487	\$20,513	60%
CAU-GRE	Green Caucus	Furniture and Equipment	Office Furniture and Equipment	Active	\$16,442		\$17,000	\$0	\$0	\$17,000	100%
CAU-CPBC	CPBC Caucus	Furniture and Equipment	Office Furniture and Equipment	Active		\$9,000	\$9,000	\$0	\$0	\$9,000	100%
CAU-WALKER	Ind-Walker	Furniture and Equipment	Office Furniture and Equipment	Active		\$1,000	\$1,000	\$0	\$0	\$1,000	100%
CAU-RUSTAD	Ind-Rustad	Furniture and Equipment	Office Furniture and Equipment	Complete	\$2,000	-\$1,000	\$1,000	\$0	\$0	\$1,000	100%
					\$116,000	\$0	\$116,000	\$60,274	\$60,274	\$55,726	48%
DR-6	Dining Room	Rational Oven Replacement	Specialized Equipment	Active	\$25,000		\$25,000	\$23,162	\$23,162	\$2,838	11%
DR-7	Dining Room	Double Door Freezer Replacement	Specialized Equipment	Deferred	\$7,000		\$7,000	\$0	\$0	\$7,000	100%
					\$32,000	\$0	\$32,000	\$23,162	\$23,162	\$8,838	31%
CC-4	Central	General Contingency	Building Improvements	Active	\$500,000	-\$304,710	\$195,290	\$0	\$0	\$195,290	100%
					\$500,000	-\$304,710	\$195,290	\$0	\$0	\$195,290	100.00%
LI-4	Library	Rare Book Vacuum	Specialized Equipment	Active	\$4,000		\$4,000	\$4,036	\$4,036	-\$36	-1%
					\$4,000	\$0	\$4,000	\$4,036	\$4,036	-\$36	-1%
IT-16	IT	Workstation and Endpoint Refresh Program	Computer Hardware/Software	Active	\$300,000	\$25,000	\$525,000	\$559,337	\$559,337	-\$59,337	-7%
IT-21	IT	CO Fib-Optic Network Modernization	Computer Hardware/Software	Active	\$221,000	-\$75,000	\$146,000	\$78,783	\$78,783	\$67,217	46%
IT-23	IT	MLA Resilience Security	Computer Hardware/Software	Active	\$0	\$43,374	\$43,374	\$30,999	\$30,999	\$12,375	75%
IT-24	IT	Core Infrastructure (Networking and Data Centre Modernization)	Computer Hardware/Software	Active	\$771,000	-\$45,000	\$726,000	\$75,638	\$75,638	-\$25,638	-4%
IT-25	IT	Core Wiring and Power Management System	Computer Hardware/Software	Active	\$67,000	\$18,071	\$85,071	\$88,571	\$88,571	-\$3,500	-4%
IT-26	IT	Legislative Information Management System	Computer Hardware/Software	Cancelled	\$250,000	-\$250,000	\$0	\$0	\$0	\$0	0%
IT-27	IT	Prochid Security Modernization	Computer Hardware/Software	Active	\$632,000	-\$161,445	\$470,555	\$575,715	\$575,715	-\$105,160	-23%
IT-29	IT	Constituency Office Security Modernization (20 sites)	Specialized Equipment	Active	\$205,000	\$250,000	\$455,000	\$585,021	\$585,021	-\$130,021	-29%
					\$2,446,000	\$5,000	\$2,451,000	\$2,650,064	\$2,650,064	-\$199,064	-8%
HS-2	Hansard	Sound System / Camera Robotics Control Processor Refresh	Specialized Equipment	Active	\$30,000		\$30,206	\$30,206	\$30,206	-\$306	-1%
HS-5	Hansard	Support Critical Equipment Replacement Fund	Specialized Equipment	Active	\$60,000	-\$21,516	\$38,484	\$31,269	\$31,269	\$7,215	19%
HS-33	Hansard	HBC (Audio) Infrastructure	Specialized Equipment	Complete	\$20,000		\$20,250	\$20,250	\$20,250	-\$250	-1%
HS-48	Hansard	Digital Intercom Expansion	Specialized Equipment	Complete	\$30,000		\$30,000	\$31,388	\$31,388	-\$1,388	-5%
HS-55	Hansard	Chamber Broadcast Video Camera	Specialized Equipment	Active	\$175,000		\$175,000	\$172,541	\$172,541	\$2,459	1%
HS-56	Hansard	Equipment Rack and Patchbay Update	Specialized Equipment	Active	\$45,000		\$45,000	\$37,474	\$37,474	\$7,526	17%
HS-57	Hansard	Alternate Broadcast Transport Pilot	Specialized Equipment	Complete	\$40,000		\$40,000	\$43,418	\$43,418	-\$3,418	-9%
HS-58	Hansard	Video Router Commissioning	Specialized Equipment	Complete	\$0	\$21,536	\$21,536	\$20,556	\$20,556	\$980	4%
HS-59	Hansard	Hansard Broadcasting Equipment Room Backup Cooling System	Specialized Equipment	Active	\$0	\$33,960	\$33,960	\$32,956	\$32,956	\$1,004	3%
					\$400,000	\$19,960	\$419,960	\$420,068	\$420,068	\$13,892	3%
CPD-4	Capital Planning & Development	Safe Passage / Seismic / Structural Improvements	Building Improvements	Active	\$850,000	\$214,767	\$1,064,767	\$1,153,924	\$1,153,924	-\$89,157	-8%
CPD-5	Capital Planning & Development	New Construction - Major Renovation	Building Improvements	Active	\$629,000	-\$100,000	\$529,000	\$454,689	\$454,689	\$74,311	14%
CPD-11	Capital Planning & Development	Security	Building Improvements	Active	\$700,000	-\$450,000	\$250,000	\$162,079	\$162,079	\$87,921	35%
CPD-12	Capital Planning & Development	Vertical Signage	Building Improvements	Active		\$267,747	\$267,747	\$259,797	\$259,797	\$7,949	3%
CPD-33	Capital Planning & Development	Building Envelope	Building Improvements	Active	\$430,000	-\$580,000	\$250,000	\$0	\$0	\$250,000	100%
CPD-34	Capital Planning & Development	Fire Life and Safety	Building Improvements	Active	\$1,780,000	\$462,487	\$2,242,487	\$1,034,903	\$1,034,903	\$1,207,584	-10%
					\$4,789,000	\$195,000	\$4,984,000	\$5,065,293	\$5,065,293	-\$81,293	-2%
LFS-2	Facilities	Office Furniture & Equipment Purchases	Office Furniture and Equipment	Active	\$65,000	\$70,750	\$135,750	\$195,167	\$195,167	-\$59,417	-44%
LFS-7	Facilities	"As Needed" Operating Equipment	Specialized Equipment	Active	\$25,000		\$25,000	\$25,311	\$25,311	-\$311	-1%
LFS-10	Facilities	Replace DDC Panels	Specialized Equipment	Active	\$30,000		\$30,000	\$29,819	\$29,819	\$181	1%
LFS-11	Facilities	Confederation Park LED Lighting - Coats of Arms Wall	Specialized Equipment	Active	\$45,000		\$45,000	\$46,853	\$46,853	-\$1,853	-4%
CPD-29	Facilities	Fire Alarm Detection Devices	Specialized Equipment	Active	\$150,000		\$150,000	\$188,933	\$188,933	-\$38,933	-26%
IT-28	Facilities	Space Modernization (Bunker)	Office Furniture and Equipment	Active	\$400,000		\$400,000	\$355,546	\$355,546	\$44,454	11%
					\$715,000	\$70,750	\$785,750	\$841,629	\$841,629	-\$55,879	-7%
SA-4	Sergeant-at-Arms	Weapon Replacement and Related Equipment	Specialized Equipment	Active	\$37,000		\$37,000	\$22,998	\$22,998	\$14,002	38%
SA-5	Sergeant-at-Arms	Ballistic Vests (Body Armour)	Specialized Equipment	Active	\$47,000		\$47,000	\$74,784	\$74,784	-\$27,784	-59%
SA-6	Sergeant-at-Arms	CREST Radios	Specialized Equipment	Cancelled	\$13,000		\$0	\$0	\$0	\$13,000	100%
SA-12	Sergeant-at-Arms	Mailroom X-Ray Machine Replacement	Specialized Equipment	Active	\$64,000		\$64,000	\$56,650	\$56,650	\$7,350	11%
SA-16	Sergeant-at-Arms	CBRT Air Tanks	Specialized Equipment	Active	\$9,000		\$9,000	\$0	\$0	\$9,000	100%
SA-17	Sergeant-at-Arms	Quick Response Team Equipment	Specialized Equipment	Active	\$19,000		\$19,000	\$41,982	\$41,982	-\$22,982	-121%
					\$189,000	\$0	\$189,000	\$136,413	\$136,413	\$52,587	-4%
FS-1	Financial Services	Financial System Improvements	Computer Hardware/Software	Active	\$85,000		\$85,000	\$0	\$0	\$85,000	100%
FS-5	Financial Services	Docuware System Improvements	Computer Hardware/Software	Active	\$50,000		\$50,000	\$12,010	\$12,010	\$37,990	76%
					\$135,000	\$0	\$135,000	\$12,010	\$12,010	\$122,990	91%
					\$8,328,990	\$0	\$8,328,990	\$8,272,899	\$8,272,899	\$56,091	1%
Non Cash Outlays											
NA	General Centralized	Asset Retirement Obligation	Long Term Tenant Improvement		\$1,323,454	\$0	\$0	\$1,377,405	\$1,377,405	-\$53,951	0%
					\$1,323,454	\$0	\$0	\$1,377,405	\$1,377,405	-\$53,951	0%
					\$9,652,444	\$0	\$8,328,990	\$9,650,304	\$9,650,304	\$0	0%