LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

Quarterly Financial Report for the Third Quarter of 2024-2025

As of December 31, 2024 (unaudited)

Presented to theLegislative 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 third quarter of the 2024-25 fiscal year Legislative Assembly (Vote 1) budget. The quarterly financial report provides a summary of the actual results for the period and the forecast for expenditures to the end of the fiscal year compared to the approved budget and the results of the prior year.

Section 2 Executive Summary

As of December 31, 2024, the Legislative Assembly of British Columbia (the Assembly) continues to reflect the financial challenges which were outlined in the earlier quarterly reports as well as the impacts of a much higher than planned turnover following the October Provincial General Election. The continued impacts include addressing unbudgeted items such as the Asset Retirement obligation, additional policing costs associated with an increased number of demonstrations, unplanned and urgent life safety upgrades to the buildings and the various costs of onboarding and offboarding MLAs. These items have required the Assembly to develop cost-saving plans earlier in the year which included slowing down hiring processes and deferring non-critical activities and projects to redirect funds towards these critical initiatives.

At the end of the third quarter, these cost-saving strategies yielded positive results, mitigating our initial budget pressures now resulting in a small savings position. The higher-than-expected election-related transition costs have been offset by lower-than-anticipated expenditures for setting up constituency offices.

At the end of Quarter 3, Vote 1 actual spending is low in some areas, particularly capital, while the last quarter of the year has many planned expenditures. The financial results as of December 31 show an overall forecasted savings of $0.604M to year-end due to savings related to the treatment of tenant improvements in constituency operations, and savings recognized through the Assembly Administration cost savings exercise.

Figures 1 and 2 below provide a high-level summary of the third quarter results and forecasted spending to the end of the fiscal year.

Figure 1: Summarized Operating Expenses and Capital Expenses

2024-25 Operating Expenditures by Function Forecast to Working Budget					
Budget Category	December Actuals YTD	Forecast FY 2025	Budget FY 2025	Variance Forecast to Budget (Over) Under	Variance to Budget %
Caucus Operations	7,098,830	9,734,791	9,885,000	150,209	1.5%
Caucus Operations Budget Post Election	-	-	415,000	415,000	100.0%
Constituency Operations	21,203,324	34,360,997	35,557,000	1,196,003	3.4%
Members' Remuneration	14,408,407	28,176,976	25,299,000	(2,877,976)	-11.4%
Independent Respectful Workplace Office	70,225	200,000	250,000	50,000	20.0%
Parliamentary Operations	605,357	1,249,311	1,372,000	122,689	8.9%
Legislative Assembly Administration	34,223,921	49,068,911	51,464,100	2,395,189	4.7%
Centralized and Accounting Expenditures - Operations	(448,100)	1,514,519	472,744	(1,041,775)	-220.4%
Centralized and Accounting Expenditures - Accounting	4,750,000	4,100,000	4,945,156	845,156	17.1%
Centralized and Accounting Expenditures - ARO	-	650,000	-	(650,000)	0.0%
Total Operating	81,911,963	129,055,505	129,660,000	604,495	0.5%
Total Capital	4,409,280	11,199,974	14,207,000	3,007,026	21.2%

Figure 2: Capital by Asset Category

2024-25 Capital Expenditures by Asset Categories At December 31, 2024					
Asset Category	December Actuals YTD	Forecast FY 2025	Budget FY 2025	Variance Forecast to Budget (Over)Under	Variance Forecast to Budget %
Office Furniture and Equipment	190,754	336,293	388,425	52,132	13.4%
Computer Hardware / Software (HW / SW)	2,529,615	5,019,884	5,718,000	698,116	12.2%
Building/Land Improvements	1,083,931	4,413,594	6,472,575	2,058,981	31.8%
Specialized Equipment	604,980	1,430,203	1,628,000	197,797	12.1%
Total Capital	4,409,280	11,199,974	14,207,000	3,007,026	21.2%

Section 3 Operating Summary

At the end of Quarter 3, Vote 1 is showing an overall forecasted savings of $0.605M to year-end despite the various budget pressures from operations and the election results. The budget pressures in the Members' remuneration category are being offset by savings in Constituency Operations reflecting the early estimates of costs associated with the MLA turnover post-election. The 2024/25 budget was established based on the assumption of an approximate 30% turnover of MLAs plus the 6 MLAs in new ridings following the October election. This average turnover rate was used as the basis for all of the budget assumptions including MLA Transition allowances, technology and constituency office renewals and other expense items to estimate the election costs for the Assembly. This estimate was too low as the turnover from the fall election was 58.6%.

The assumptions used to estimate the budgetary pressures that were identified earlier in the year, primarily related to the accounting entries, have been refined at the end of the third quarter to better reflect the current environment. At December 31st the estimated expense for the asset retirement obligation was reduced, reflecting a lower-than-anticipated inflation factor and the extraordinary policing costs now reflect the actual costs to be billed. Although there are still significant pressures in Members' Remunerations due to Members' transition allowances, savings in tenant improvement costs have been realized within the Constituency Operations category for this fiscal year. The narrative in the next section provides additional details for the detailed financial information provided in Figure 3.

Operating Expenditures by Budget Category

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 and prorated to reflect the makeup of the Caucuses on December 31st. This category also includes centralized funding for learning opportunities and certain benefits for Caucus employees. The Unassigned budget reflects 5 months of budget which will be allocated based on the Caucus numbers post election. At this time, All Caucuses have begun forecasting minor savings to 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.

Year-to-date expenditures within Constituency Operations $21.203M and are mostly attributed to CO leases $4.9M, Constituency Office Allowances of $11.02M, constituency office assistant benefits of $2.00M, and technology-related costs of $1.47M. As of December 31st, 2024, Constituency Operations are forecasting a savings of $1.196M due projected reduction in the requirement for tenant improvements to be paid in the current year. Forecasted underspend within Constituency Operations is expected to provide some relief within the sub-vote of Members' Remuneration, where higher than budgeted turnover is expected non-returning MLAs.

Figure 3: Operating expenditures by category compared to budget

Fiscal 2024-25 – Operating Budget to Forecast (000's)
At December 31, 2024

Budget Category	2024-25 Actuals	2024-25 Forecast	2024-25 Budget	Forecast to Budget (Over)Under	Variance (%)
B.C. Green Caucus	313	636	659	23	3.5%
B.C. NDP Caucus	2,998	4,088	4,088	-	0.0%
B.C. United Caucus	2,649	1,992	1,992	-	0.0%
Conservative Party of B.C.	1,010	2,890	2,890	-	0.0%
Independents	129	129	256	127	49.7%
Caucus Operations Unassigned	-		415	415	100.0%
Caucus Operations	**7,099**	**9,735**	**10,300**	**565**	**5.5%**
Constituency Operations	**21,203**	**27,096**	**28,292**	**1,196**	**4.2%**
Members' Remuneration	**14,408**	**23,481**	**20,603**	**(2,878)**	**(14.0%)**
Independent Respectful Workplace Office	**70**	**200**	**250**	**50**	**20.0%**
Interparliamentary Relations	121	252	252	-	0.0%
Office of the Speaker	258	375	377	2	0.5%
Parliamentary Committee Operations	128	422	543	121	22.3%
Parliamentary Documents	98	200	200	-	0.0%
Parliamentary Operations	**605**	**1,249**	**1,372**	**123**	**8.9%**
Client and Support Services	5,689	8,520	9,004	484	5.4%
Information Services	7,152	9,222	9,229	7	0.1%
Parliamentary Support Services	6,668	9,638	9,752	114	1.2%
Precinct Services	5,158	7,119	8,006	887	11.1%
Security Services	6,401	9,674	9,299	(375)	(4.0%)
Legislative Assembly Administration	31,068	44,173	45,290	1,117	2.5%
General Centralized and Accounting	4,302	6,265	5,418	(847)	(15.6%)
Total - Core Operating Budget	**78,756**	**112,199**	**111,525**	**(674)**	**(0.6%)**
Strategic Initiatives	2,813	4,150	4,750	600	12.6%
Election Related	344	12,706	13,385	679	5.1%
Total	**81,912**	**129,055**	**129,660**	**605**	**0.5%**

Members' Remuneration: This category includes the compensation, benefits, allowances, travel and other direct costs for the Members of the Legislative Assembly.

Year to date Actuals within Members' Remuneration are $14.41M and are mostly attributed to the regular salary and benefits for members. The Salaries and benefits represent $11.4M of the year-to-date actuals within Members' Remuneration with the remaining year-to-date actuals relating to Capital City Living Allowance of $0.69M, Travel related expenditures $0.93M and year-to-date transitional assistance for members of $0.998M. Forecasted expenditures within Members' Remuneration have the potential to exceed the budget within this category. The budget for MLA transition allowance was built on an assumption of 33% turnover. Current forecasts assume a turnover of 52 MLAs with full utilization of the transition assistance. We are looking to refine this forecast as election results are finalized and will look to mitigate this pressure with savings from other categories.

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-to-date expenditures within the Independent Respectful Workplace Office are 0.07M. Forecasted expenditures are likely to be slightly under budget for the year, resulting in a savings of 0.05M by the end of the fiscal. The utilization rate of the IRWO contract post-election is mostly unknown and will be refined as the year continues. Savings as a result of underutilization due to election will help to offset election pressures in other service lines.

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 expenditures in this category are directly impacted by the volume and nature of the Parliamentary activity within the Assembly during the period.

Year-to-date expenditures within parliamentary operations are 0.605M representing 44% of the annual budget. The budget for 2024-25 has been decreased to account for the amount of parliamentary activity during the election year. Forecasted savings are the result of reduced operating activities in parliamentary committee operations as fewer meetings were held outside of Victoria than originally expected.

Legislative Assembly Administration: This category summarizes the activities within the various departments of the Legislative Assembly Administration. The expenditures are 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.

Year-to-date expenditures for the Assembly Administration are $31.068M or 69% of the annual budget. The most significant operating expenditure is salaries which account for 79% of the year-to-date expenditures within the Assembly Administration. The Assembly Administration is currently forecasting a savings position at year-end of $1.117M, resulting from cost savings measures such as delayed hiring and savings in operating activities. In addition, changing priorities and timelines for various projects including space modernization, childcare facility and repair work has been offset by the $0.650M pressure of extraordinary policy costs. The savings in the Legislative Administration category are intended to offset the pressures in the General Centralized and Accounting category below.

General Centralized and Accounting (GCA): This category includes the expenditures which reflect overall Assembly operations and accounting requirements. The most significant expenditures within this category are the non-cash accounting entries such as amortization and the asset retirement obligation. The category also includes centralized expenditures such as parental leave and office supplies which are not easily budgeted to a specific department. The budget for 2024/25 also included a $2Mintended to offset anticipated wage vacancy expenditures in the Assembly Administration category.

The Year-to-date expenditures for General Centralized and Accounting Expenditures are $4.302M. The most significant expenditure within GCA is the annual amortization of assets, which accounts for $3.46M of the year-to-date expense, and more than $4.65M of the annual budget. Forecasted expenditures within GCA will also include the asset retirement obligation for the Assembly and the mitigation of the vacancy discount. The overall forecast for GCA is a pressure position of $0.847M. Mitigation strategies for this pressure are tied the savings activities noted above in the Assembly Administration category, particularly the ability to manage the vacancy discount and project expenditures. Additionally, for this forecast now reflects an updated inflation rate for the calculation of the asset retirement obligation which has reduced the pressure since the second quarter forecast.

Section 4 Capital Expenditures

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 other initiatives. 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 Building Improvements, computer hardware and software, specialized equipment, and office furniture.

Pressures on the capital budget have been mitigated early in the first quarter, stemming from accounting adjustments and ongoing replacement initiatives. The continuation of fire exit stairs into fiscal 24-25 is expected to result in $0.508M in contingency spending, while the accelerated replacement of Fire alarm detection devices is forecasted at an increased 0.698M. Asset retirement obligations within the Assembly are being forecasted at 0.065M. Savings are projected in capital spending as the result of delays in approvals related to the modular childcare facility, as well as decreased forecasted spending on space modernization. Figure 4 highlights the spending and budget by program and capital asset category.

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

- IT Infrastructure: This category includes all information technology hardware and infrastructure costs for a total budget of $6.818M.
- Major Capital Infrastructure: This category includes all building improvements and space modernization for a total budget of $4.012M and a forecast of $2.665M for year-end.
- Minor Capital: This category is made up of building improvements and specialized equipment or office furniture for a total budget of $1.776M and a forecast of $1.4180M to year-end. The forecast includes funds reallocated from contingency funds and Project approval forms.

Contingency Funds: A contingency budget of $0.500M is set aside to manage unexpected financial demands, such as cost overruns, change orders, or unanticipated projects during the year. At present, the contingency fund has been utilized for the continuation of the emergency fire exits on the south side of the main building. Forecasted expenditures to complete the project are $0.508M.

Childcare Capital: The modular childcare centre project is currently budgeted at $1.6M. The current forecast is $400 thousand to be spent in the current fiscal year. The Assembly is still awaiting a response from the Ministry of Education and Child Care on the result of the ChildCareBC New Spaces Fund grant application.

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

Forecast to Capital Budget: Fiscal 2024-25 At December 31, 2024						
Program	**Category**	**2024-25 Actuals**	**2024-25 Forecast**	**2024-25 Budget**	**Variance Forecast to Budget**	**Variance %**
IT Infrastructure	Computer Hardware or Software	2,529,615	5,019,885	5,718,000	698,115	12.2%
	Specialized Equipment or Office Furniture	407,656	1,045,991	1,100,000	54,009	4.9%
IT Infrastructure Total		**2,937,271**	**6,065,876**	**6,818,000**	**752,124**	**11.0%**
Major Capital Infrastructure	Building Improvements	832,388	2,665,551	4,012,575	1,347,024	33.6%
Major Capital Infrastructure Total		**832,388**	**2,665,551**	**4,012,575**	**1,347,024**	**33.6%**
Minor Capital	Building Improvements	251,543	698,043	860,000	161,957	18.8%
	Specialized Equipment or Office Furniture	388,078	720,505	916,425	195,920	21.4%
Minor Capital Total		**639,621**	**1,418,548**	**1,776,425**	**357,877**	**20.1%**
Contingency	Unallocated	-			-	0.0%
	Building Improvements	-	650,000		(650,000)	100.0%
Contingency Total		**-**	**650,000**	**-**	**(650,000)**	**(100.0%)**
Childcare Facility	Building Improvements	-	400,000	1,600,000	1,200,000	75.0%
Childcare Facility Total		**-**	**400,000**	**1,600,000**	**1,200,000**	**75.0%**
Grand Total		**4,409,280**	**11,199,974**	**14,207,000**	**3,007,026**	**21.2%**