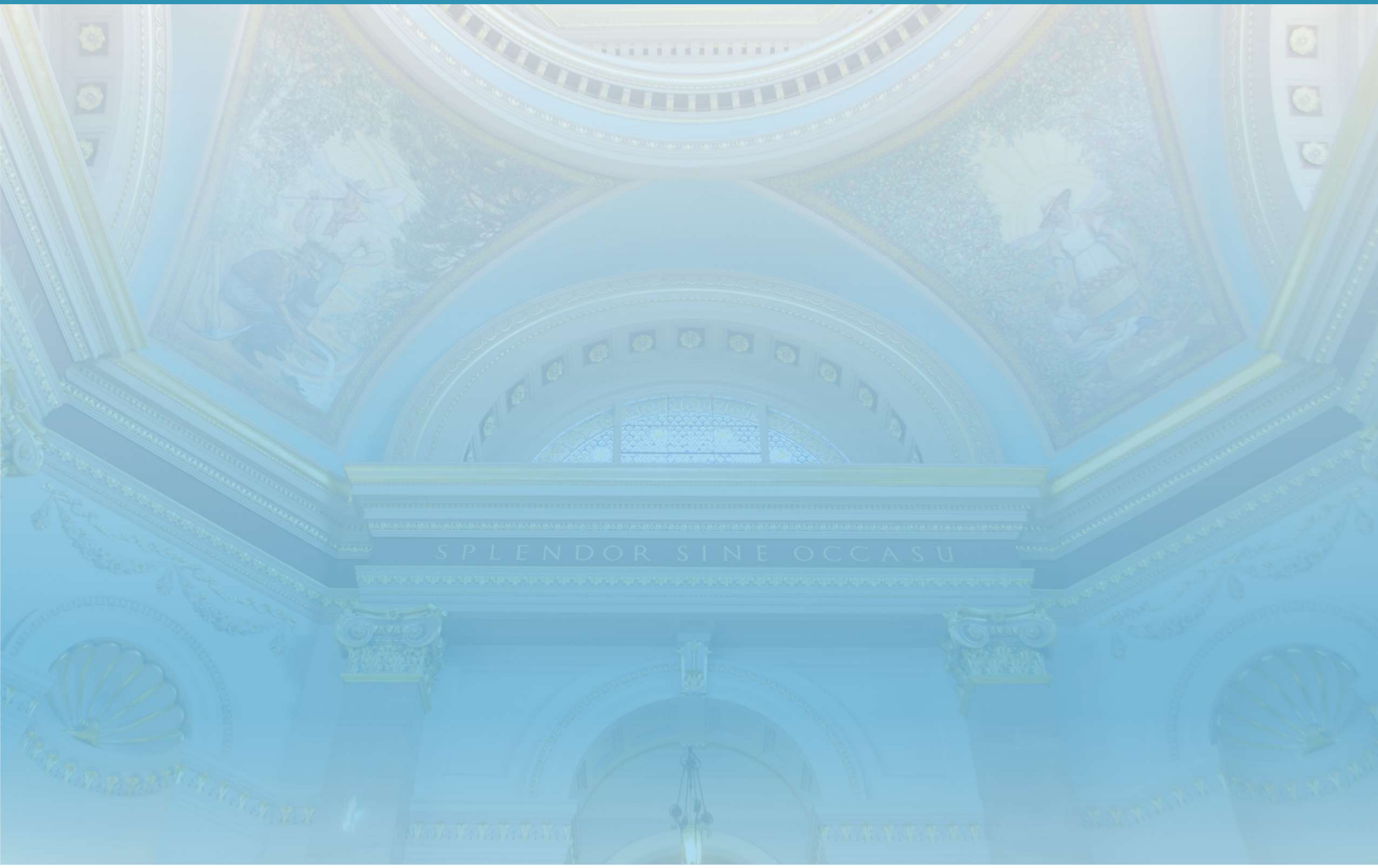
LEGISLATIVE ASSEMBLY
of BRITISH COLUMBIA

Quarterly Financial Report for the Fourth Quarter of 2024-2025

As of March 31, 2025 (unaudited)

Presented to the Legislative Assembly Management Committee



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Section 1 Overview

This report is presented to the Legislative Assembly Management Committee and provides an overview of the unaudited financial results for the fourth and final 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, compared to the approved budget. A more fulsome report, the Management Discussion and Analysis, will accompany the audited financial statements later this year.

Section 2 Executive Summary

At March 31, 2025, the Legislative Assembly of British Columbia (the Assembly) had completed the 2024-25 fiscal year, which reflected a high level of uncertainty and financial challenges. The year began with the identification of unplanned expenditures, which were addressed through a budget savings exercise by the Administration during the second quarter. The continued impacts included addressing unbudgeted items such as the Asset Retirement Obligation, additional policing costs associated with an increased number of demonstrations, and unplanned and urgent life safety upgrades to the buildings. In October, the unanticipated high turnover of MLA's following the Provincial General Election led to additional cost pressures and resourcing challenges. These combined issues resulted in adjustments in priorities to ensure that the establishment of the 43rd Parliament was the primary initiative for the Assembly Administration and that all cost pressures were addressed before the end of the year.

As the fiscal year wrapped up, the cost-saving strategies yielded positive results, mitigating the initial budget pressures and resulting in a small savings position with the higher-than-expected election-related transition costs offset by lower-than-anticipated expenditures for setting up constituency offices.

At the end of Quarter 4, the overall spend for the whole of Vote was below budget in some areas, particularly capital, and Constituency Operations, while the last quarter of the year had many planned expenditures. The unaudited financial results as of March 31 show an overall operating savings of $7.533 million primarily due to savings related to the treatment of tenant improvements in constituency operations, savings recognized through the Assembly Administration cost savings exercises, and the delayed start of several maintenance projects.

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

Figure 1: Summarized Operating Expenses and Capital Expenses

2024-25 Operating Expenditures by Budget Category At March 31, 2025				
	March Actuals YTD (Unaudited)	Budget FY 2025	Variance Actuals to Budget (Over) Under	Variance Actual to Budget %
Caucus Operations	9,823,461	9,908,000	84,539	1%
Caucus Operations Budget post-election	157,313	392,000	234,687	60%
Constituency Operations	29,584,698	35,557,000	5,972,302	17%
Members' Remuneration	26,570,821	25,059,000	(1,511,821)	-6%
Independent Respectful Workplace Office	102,318	250,000	147,682	59%
Parliamentary Operations	892,167	1,372,000	479,833	35%
Legislative Assembly Administration	49,100,966	51,704,100	2,603,134	5%
General Centralized and Accounting	5,895,561	5,417,900	(477,661)	-9%
Total Operating	122,127,305	129,660,000	7,532,695	6%

Figure 2: Capital by Asset Category

2024-25 Capital Expenditures by Asset Categories At March 31, 2025				
Asset Category	March Actuals YTD *(Unaudited)*	Budget FY 2025	Variance Actuals to Budget (Over) Under	Variance Actuals to Budget %
Office Furniture and Equipment	465,601	236,000	(229,601)	(97%)
Computer Hardware / Software (HW / SW)	1,888,454	6,318,000	4,429,546	70%
Building/Land Improvements	3,132,711	4,003,000	870,289	22%
Specialized Equipment	6,270,722	3,650,000	(2,620,722)	(72%)
TOTAL Capital	11,757,488	14,207,000	2,449,512	17%

Section 3 Operating Summary

At the end of Quarter 4, Vote 1 shows an overall savings of $7.533 million despite the budget pressures from operations and the election results, which were identified earlier in the year. The budget pressures in the Members' remuneration category resulting from the higher than expected MLA turnover in the October election were offset by savings in leasehold improvements within Constituency Operations. The 2024/25 budget was established based on the assumption of a 30% turnover of MLAs plus the addition of 6 MLAs in new ridings following the October election. This average turnover rate was used as the basis for all of the election related 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% resulting in many categories being over budget.

At year end, the actual expense for the asset retirement obligation was $1.050 million, reflecting a lower-than-anticipated inflation factor but still higher than budgeted, while the extraordinary policing costs now reflect the actual costs to be billed through a signed MOU with the Victoria Police Department. 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 throughout the year to reflect and changes to Caucus numbers throughout the year. This category also includes centralized funding for learning opportunities and certain benefits for Caucus employees. The Unassigned budget reflects the surplus amounts which were not needed throughout the year. The Vote 1 budget contemplated a number of independent MLAs and a small contingency for unexpected changes. Overall, the Caucus operations category is in a minor savings position of $0.320 million at the end of the year.

Following the election, the change in the number of elected MLAs, the new Caucus staffing requirements resulted in the Caucuses 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.

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 were in a savings position of $5.972 million due to significantly fewer costs related to tenant improvements required to be paid in the current year. The CO allowances expenditures and CO lease costs made up the more than half of the total spend 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 within Members' Remuneration category.

Following an election, unused Constituency office allowances for non-returning members are brought into income on the overall Vote 1 financial statements. In the fiscal year a total of $1.998 million was recognized as revenue with $960 thousand reallocated to Caucus operations as a recovery to offset severance and other post-employment costs for the BC United.

Members' Remuneration: This category includes the 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% 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.

The overall spend within Members' Remuneration was $26.571 million compared to a budget of $25.06 million. 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 $978 thousand, MLA travel-related expenditures of $2.0 million and post-election transitional assistance for non-returning Members of $7.5 million. Expenditures within Members' Remuneration have exceeded the budget within this category by $1.5 million with 51 MLAs anticipated to receive full or partial transition allowance.

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 thousand, resulting in a savings of $148 thousand by the end of the fiscal year.

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 were directly impacted by the volume and nature of the Parliamentary activity during the period.

Year-end expenditures within parliamentary operations were $892 thousand against a budget of $1.372 million, representing 65% 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 $480 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.

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 year-end expenditures for the Assembly Administration were $49.101 million or 95% of the annual budget of $51.704 million. The most significant operating expenditure is salaries which account for approximately 79% of the overall expenditures for the Assembly Administration. The Assembly Administration has a $2.6 million savings position 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.

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 noncash accounting entries, such as amortization of capital assets and the establishment of 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 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 the past years.

The total year end expenditures for General Centralized and Accounting Expenditures were $5.896 million compared to the budgeted amount of $5.418 million. This total reflects an annual amortization of assets of $3.135 million which was slightly lower than the budgeted amount of $4.65 million. This savings in amortization expense 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 $1.079 million for the Assembly and the mitigation of the vacancy discount. The overall actuals for GCA is a pressure position of $478 thousand at year end. Mitigation strategies for this pressure were tied the savings activities noted above in the Assembly Administration category, particularly the ability to manage the vacancy discount and project expenditures.

Figure 3: (Unaudited) Operating expenditures by category compared to budget

Fiscal 2024-25 - LAMC Approved Operating Budget to Actuals
March 31, 2025

	2024-25 Actuals (*Unaudited*)	2024-25 Budget	Actuals to Budget (Over) Under	Variance (%)
B.C. Green Caucus	642	659	17	3%
B.C. NDP Caucus	4,172	4,088	(84)	(2%)
B.C. United Caucus	1,992	1,992	-	100%
Conservative Party of B.C.	2,888	2,868	(20)	(1%)
Independents	129	301	172	57%
Caucus Operations Unassigned	157	392	235	60%
Caucus Operations	**9,981**	**10,300**	**319**	**3%**
Constituency Operations	**29,585**	**35,557**	**5,972**	**17%**
Members' Remuneration	**26,571**	**25,059**	**(1,512)**	**(6%)**
Independent Respectful Workplace Office	**102**	**250**	**148**	**59%**
Interparliamentary Relations	145	252	107	42%
Office of the Speaker	387	377	(10)	(3%)
Parliamentary Committee Operations	220	543	323	59%
Parliamentary Documents	140	200	60	30%
Parliamentary Operations	**892**	**1,372**	**480**	**35%**
Client and Support Services	8,460	9,004	544	6%
Information Services	9,350	9,469	119	1%
Parliamentary Support Services	9,478	9,752	274	3%
Precinct Services	7,396	8,970	1,574	18%
Security Services	9,739	9,299	(440)	(5%)
Enterprise Resource Planning	4,026	4,000	(26)	(1%)

Election readiness	653	1,210	557	46%
Legislative Assembly Administration	**49,101**	**51,704**	**2,603**	**5%**
Centralized and Accounting Expenditures	**5,896**	**5,418**	**(478)**	**(9%)**
Total	**122,127**	**129,660**	**7,533**	**6%**

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 across 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 were mitigated early in the first quarter, stemming from accounting adjustments and ongoing replacement initiatives. The completion of emergency exit stairs into fiscal 24-25 resulted in $508 thousand in contingency spending, while the completion of the accelerated fire detection devices project resulted at an increased $707 thousand in the capital spend. For fiscal 2024/25 the ARO expenses of $1.079 million were not included in the capital budget. Overall additional savings in capital spending are the result of the delay to the approval of the modular childcare facility, as well as decreased spending on space modernization post-election. 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 $7.418 million and actuals of $7.090 million.
- Major Capital Infrastructure: This category includes all building improvements and space modernization for a total budget of $3.928 million and actuals of $2.121 million at year-end.
- Minor Capital: This category is made up of building improvements and specialized equipment or office furniture for a total budget of $1.888 million and actuals of $1.372 million at year-end.
- Contingency Category was used to identify the Capital costs of the asset retirement obligations for the precinct with a total budget of $0 million and total year-end expenditures of $1.050 million
- Strategic Initiatives: This category includes the modular childcare facility with a total year-end budget of 0.973 million and actual Spend of $0.124 million as a result of delays in grant approval.

A capital contingency budget of $500 thousand was established to support unexpected financial demands, such as cost overruns, change orders, or unanticipated projects during the year. This year the contingency fund was utilized for the completion of the emergency exits on the south side of the main building as noted above.

The modular childcare centre project is currently budgeted at $973 thousand. The total amount spent in the current fiscal year is $124 thousand. 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

Unaudited Actuals to Capital Budget: Fiscal 2024-25 March 31, 2025					
Program	**Category**	**2024-25 Actuals** *(Unaudited)*	**2024-25 Budget**	**Variance Actuals to Budget (Over) Under**	**Variance % to Budget**
IT Infrastructure	Specialized Equipment or Computer & Hardware	7,090,499	7,418,000	327,501	4.4%
IT Infrastructure Total		7,090,499	7,418,000	327,501	4.4%
Major Capital Infrastructure	Building Improvements	2,120,655	3,927,575	1,806,920	46.0%
Major Capital Infrastructure Total		2,120,655	3,927,575	1,806,920	46.0%
Minor Capital	Building Improvements	879,307	1,252,425	373,118	29.8%
	Specialized Equipment or Office Furniture	345,749	432,000	86,251	20.0%
	Office Furniture & Equipment	147,169	204,000	56,831	27.9%
Minor Capital Total		1,372,226	1,888,425	516,199	27.3%
Contingency/ ARO	Building Improvements	1,050,003	-	(1,050,003)	0.0%
Contingency/ ARO Total		1,050,003	-	(1,050,003)	0.0%
Strategic Initiatives	Building Improvements	124,105	973,000	848,895	87.2%
Strategic Initiatives Total		124,105	973,000	848,895	87.2%
Grand Total		**11,757,488**	**14,207,000**	**2,449,512**	**17.2%**