

Legislative Assembly of British Columbia

2023-24 FINANCIAL STATEMENTS

September 2024



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Statement of Management Responsibility

For the Year Ended March 31, 2024

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
Clerk of the Legislative Assembly

Kathy Humphrey, CPA, CA
Executive Financial Officer

Victoria, British Columbia
On the 9th day of September 2024



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, 2024, 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 financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2024, and the results of its operations, change in its net debt, and its cash flow 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.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in Management Discussion and Analysis and the Legislative Assembly's website breakdown of member travel expenses and Constituency Office expense referenced in Note 16 (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.

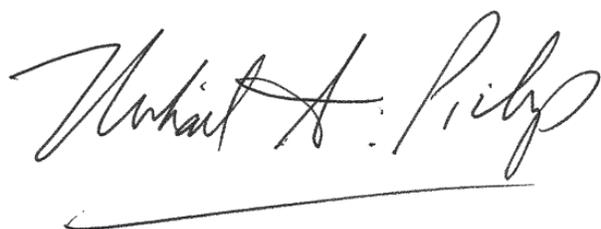
Independent Auditor's Report

Legislative Assembly of British Columbia

- 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 communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Michael A. Pickup, FCPA, FCA
Auditor General

Victoria, British Columbia, Canada
September 10, 2024



Statement of Financial Position

As at March 31, 2024, with comparative information for March 31, 2023

<i>(in thousands of dollars)</i>	<i>Note</i>	2024	2023
Financial assets			
Cash	3	2	2
Accounts receivable	4	99	807
Inventories held for sale	5	187	186
Due from the CRF	2(d)	29,323	26,398
Total financial assets		29,611	27,393
Liabilities			
Accounts payable and accrued liabilities	6	10,744	9,936
Accrued obligations to employees	7	1,597	1,536
MLA unfunded pension liability	8(b)	480	490
Asset retirement obligations	13	17,030	15,652
Total liabilities		29,851	27,614
Net debt	2(i)	(240)	(221)
Non-financial assets			
Tangible capital assets	12	22,475	15,958
Prepaid expenses		2,629	2,235
Inventories held for use		87	100
Total non-financial assets		25,191	18,293
Accumulated surplus	17	24,951	18,072

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

Authorized for issue on the 9th day of September 2024, on behalf of the Legislative Assembly Management Committee.

Hon. Raj Chouhan, Speaker of the Legislative Assembly



Statement of Operations and Change in Accumulated Surplus

For the year ended March 31, 2024, with comparative information for 2023

<i>(in thousands of dollars)</i>	<i>Note</i>	Budget	2024	2023
Operating Expenses	16			
Members' Services		45,018	43,914	40,516
Respectful Workplace Office		250	129	8
Caucus Support Services		8,856	8,580	7,739
Office of the Speaker		365	354	315
Office of the Clerk		2,637	2,632	1,913
Clerk of Committees		1,589	1,444	1,315
Legislative Operations		25,674	27,626	22,479
Sergeant-at-Arms		9,255	8,812	6,579
Hansard Services		5,171	5,455	5,145
Legislative Library		2,651	2,596	2,453
Total operating expenses		101,466	101,542	88,462
Revenues				
Miscellaneous revenue	15	1,125	1,286	1,350
Total revenues		1,125	1,286	1,350
Net cost of operations	14	100,341	100,256	87,112
Government funding				
Appropriation - operating		100,341	96,486	85,856
Appropriation - capital	12, 14	9,326	10,649	4,998
Total government funding		109,667	107,135	90,854
Annual surplus	17	-	6,879	3,742
Accumulated surplus – beginning of year	17	-	18,072	14,330
Accumulated surplus - end of year	17	-	24,951	18,072

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



Statement of Change in Net Debt

For the year ended March 31, 2024, with comparative information for 2023

<i>(in thousands of dollars)</i>	<i>Note</i>	2024	2023
Net debt - beginning of year		(221)	(229)
Annual surplus		6,879	3,742
Change due to tangible capital assets	<i>12</i>		
Acquisition of tangible capital assets		10,649	4,998
Loss on disposal of tangible capital assets		(6)	(1)
Write down of work-in-progress balance		(16)	-
Amortization of tangible capital assets		(4,110)	(1,929)
Total change due to tangible capital assets		6,517	3,068
Acquisition of inventories held for use		96	65
Acquisition of prepaid expenses		2,289	2,435
Consumption of inventories held for use		(109)	(68)
Use of prepaid expenses		(1,895)	(1,758)
Increase (decrease) in non-financial assets		6,898	3,742
(Increase) decrease in net debt		(19)	8
Net debt – end of year	<i>2(i)</i>	(240)	(221)

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



Statement of Cash Flow

For the year ended March 31, 2024, with comparative information for 2023

<i>(in thousands of dollars)</i>	<i>Note</i>	2024	2023
Operating activities			
Annual surplus	17	6,879	3,742
Items not involving cash:			
Amortization of tangible capital assets	12	4,110	1,929
Loss on disposal of tangible capital assets	12	7	1
Write down of work-in-progress balance	12	16	-
Asset retirement obligation inflation adjustment	13	1,377	-
Change in non-cash working capital:			
Decrease (increase) in accounts receivable		708	(724)
Decrease (increase) in inventories held for sale		(1)	(31)
Decrease (increase) in inventories held for use		13	4
Decrease (increase) in prepaid expenses		(394)	(671)
Decrease (Increase) in due from the CRF		(2,925)	3,480
Increase (decrease) in accounts payable and accrued liabilities		808	(2,592)
Increase (decrease) in deferred revenue		-	(2)
Increase (decrease) in accrued obligations to employees		61	(138)
Increase (decrease) in MLA unfunded pension liability		10	-
Net change in cash from operating activities		10,649	4,999
Capital activities			
Cash used to acquire tangible capital assets	12,14	(10,649)	(4,998)
Net change in cash from capital activities		(10,649)	(4,998)
Financing activities			
Net change in cash from financing activities		-	-
Net change in cash		-	1
Cash, beginning of year		2	1
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, 2024

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 87 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.

(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.

(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:

2. Summary of Significant Accounting Policies (continued)

(e) Tangible capital assets (continued)

<i>Asset Class</i>	<i>Useful life</i>	<i>Threshold</i>
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 does 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 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.

2. Summary of Significant Accounting Policies (continued)

(g) Prepaid expenses

Prepaid expenses include such things as advance payments of monthly Member allowances and constituency office leases, annual licenses, 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 6.

(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. 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.

2. Summary of Significant Accounting Policies (continued)

(j) Pension plans (continued)

- 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

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) Adoption of PSAS Standard for PS 3400 Revenue

PS 3400 Revenue, issued November 2018, establishes standards on how to account for and report on revenue and is effective April 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as “exchange transactions”, and transactions that do not have performance obligations referred to as “non-exchange transactions”.

2. Summary of Significant Accounting Policies (continued)

(m) Adoption of PSAS Standard for PS 3400 Revenue (continued)

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.

Effective April 1, 2023, the Legislative Assembly prospectively adopted PS 3400 Revenue. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

(n) Adoption of PSAS Standard for PS 3160 Public Private Partnerships and PSG8 Purchased Intangibles

Effective April 1, 2023, the Legislative Assembly adopted sections PS 3160 Public Private Partnerships and PSG8 Purchased Intangibles issued by the Public Sector Accounting Standards Board. The adoption of these standards did not have a material impact on these financial statements.

(o) 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.

(p) Foreign currency translation

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

(q) 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 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.

In addition, the Legislative Assembly's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs. Actual results will differ from these estimates.

3. Cash

<i>(in thousands of dollars)</i>	2024	2023
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

<i>(in thousands of dollars)</i>	2024	2023
Accounts receivable	45	720
Due from constituency offices	54	87
Total	99	807

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

<i>(in thousands of dollars)</i>	2024	2023
Parliamentary Gift Shop	163	162
Parliamentary Dining Room	25	23
Total	187	186

(a) Parliamentary Gift Shop

The Parliamentary Gift Shop inventory consists of merchandises 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 of food and beverages.

6. Accounts Payable and Accrued Liabilities

<i>(in thousands of dollars)</i>	2024	2023
Accounts payable and accrued liabilities	2,379	1,932
Due to constituency offices	6,758	6,437
Salaries and benefits payable	1,449	1,419
Unreleased minister salary holdbacks	158	148
Total	10,744	9,936

(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. Five days of unpaid work was accrued as at March 31, 2024 as compared to six days 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, except for one Minister Without Portfolio met their targets for fiscal 2024 and, therefore, will receive their ministerial salary holdback in September 2024. No ministerial salary holdback will be paid to the Minister Without Portfolio.

7. Accrued Obligations to Employees

<i>(in thousands of dollars)</i>	2024	2023
Employee leave liability	896	997
Employee retirement allowance	701	539
Total	1,597	1,536

(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, 2024, 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. 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 six former employees, totaling \$54 thousand, were made in fiscal 2024 (payments totaling \$102 thousand were made to thirteen former employees in fiscal 2023). The six former employees who received a retirement allowance payment during the year had an average contributory service with the BC Legislative Assembly of 13.5 years (13 years in fiscal 2023).

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, 2024, 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 \$3.5 million for employer contributions to the Plan on behalf of its employees in fiscal 2024 (\$3.1 million in fiscal 2023). 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 2024 (\$4.6 million in fiscal 2023). 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).

8. Pension Plans (continued)

(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.

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 \$14 thousand (\$156 thousand of net assets required for contribution less \$142 thousand of net assets available for benefits) was expensed to the Plan during the year as compared to \$10 thousand (\$146 thousand of net assets required for contribution less \$136 thousand of net assets available for benefits) in fiscal 2023. No Members began receiving their pension in fiscal 2024 (no Members in fiscal 2023).

There are currently two Members eligible to receive a future pension benefit funded by the Account. As they retire, the Legislative Assembly will need to contribute \$622 thousand to the B.C. Public Service Pension Plan. There is \$142 thousand in the Account to cover this required funding, so the net liability of the Legislative Assembly is \$480 thousand (\$490 thousand in fiscal 2023).

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.

9. Transitional Assistance (continued)

Members eligible for transitional assistance are also eligible for a career retraining allowance. The allowance provides funding for career counselling, education, and training costs up to \$9,000 during the transitional assistance period.

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.

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 leases are usually four years in length to coincide with the typical length of a parliament. These contractual obligations are included below because they are paid for by the Legislative Assembly

<i>(in thousands of dollars)</i>	2024/25	2025/26	2026/27	2027/28	2028/29 and after	Total
Office leases	4,161	442	219	219	1,314	6,355
Service contracts	1,108	466	182	40	-	1,796
Licenses	1,131	-	-	-	-	1,131
Other - capital projects	15	-	-	-	-	15
Total	6,416	908	401	259	1,314	9,297

12. Tangible Capital Assets

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

<i>(in thousands of dollars)</i>	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)

(b) Tangible Capital Asset Schedule - March 31, 2023

<i>(in thousands of dollars)</i>	Buildings	Furniture and Equipment	Specialized Equipment	Vehicles	Computer Hardware and Software	Work in Progress	2023 Total
Cost							
Opening balance	26,348	4,594	7,710	67	9,228	1,093	49,040
Additions	-	409	693	-	434	3,462	4,998
Disposals	-	-	(1)	-	-	-	(1)
Transfers	113	-	437	-	1,629	(2,179)	-
Write-downs	-	-	-	-	-	-	-
Closing balance	26,461	5,003	8,840	67	11,291	2,376	54,037
Accumulated Amortization							
Opening balance	(18,508)	(4,175)	(5,782)	(57)	(7,628)	-	(36,150)
Amortization	(216)	(149)	(647)	(5)	(903)	-	(1,920)
Disposals	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-
ARO	(9)	-	-	-	-	-	(9)
Closing balance	(18,733)	(4,324)	(6,429)	(62)	(8,531)	-	(38,079)
Net Book Value	7,728	679	2,411	5	2,760	2,376	15,958

12. Tangible Capital Assets (continued)

(c) Work in progress

Assets under construction totaling approximately \$5.4 million (\$2.4 million as of March 31, 2023) 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. 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 Positions.

The Legislative Assembly monitors any change in the fair value of the ARO on an annual basis. For the year ended March 31, 2024, the Legislative Assembly performed a subsequent measurement of the fair value

13. Asset Retirement Obligations (continued)

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 \$1.38 million (8.8%) from \$15.7 million to \$17.0 million.

<i>(in thousands of dollars)</i>	501 Belleville Street	421 and 431 Menzies Street	612 and 614 Government Street	Total
Opening fair value of recovery costs	13,340	1,973	339	15,652
Subsequent measurement	1,174	173	30	1,377
Closing fair value of recovery costs	14,514	2,146	369	17,030

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:

<i>(in thousands of dollars)</i>	Reported	Low	High
Asset Retirement Obligations	17,030	16,294	17,765

14. 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 \$100.3 million (\$92.0 million in fiscal 2023) is net of \$1.1 million (\$0.8 million in fiscal 2023) 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:

14. Appropriations (continued)

<i>(in thousands of dollars)</i>	2024			2023		
	Operating	Capital	Total	Operating	Capital	Total
Appropriations - Budget	100,341	9,326	109,667	91,983	9,473	101,456
Other appropriation	-	1,323	1,323	-	-	-
Net cost of operations	(100,256)	-	(100,256)	(87,112)	-	(87,112)
Capital acquisitions	-	(10,649)	(10,649)	-	(4,998)	(4,998)
Unused Appropriations	85	-	85	4,871	4,475	9,346

15. Miscellaneous Revenue

<i>(in thousands of dollars)</i>	Budget		Actuals	
	2024	2024	2024	2023
Parliamentary dining room	996	964	964	889
Parliamentary gift shop	79	191	191	190
Constituency Office allowance (expenses) /recoveries	-	(18)	(18)	219
Lease revenue	49	46	46	51
Other miscellaneous revenue	-	103	103	-
Total	1,125	1,286	1,286	1,350

(a) 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.

(b) Constituency Office allowance recoveries

As described in note 5 (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.

(c) Lease revenue

The Legislative Assembly leases office space on the Legislative Precinct to several media groups, the Premier's Correspondence Branch, and the Office of the Conflict of Interest Commissioner.

(d) Other miscellaneous revenue

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

16. Expenses by Object

The following is a summary of expenses by object:

	Budget	Actuals	
<i>(in thousands of dollars)</i>	2024	2024	2023
Salaries and benefits	57,381	57,030	50,829
Members' allowances and expenses	24,335	24,009	22,667
Operating expenses	16,367	15,771	12,469
Amortization expense	2,898	4,109	1,929
Cost of goods sold	460	623	568
Other expenses	25	-	-
Total	101,466	101,542	88,462

(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 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.

<i>(in thousands of dollars)</i>	2024	2023
Parliamentary Gift Shop	129	119
Parliamentary Dining Room food and beverages	425	383
Educational resources distributed	69	66
Total cost of goods sold	623	568

(c) Other expenses

Other expenses include budget for the office of the Speaker and grants budgeted but not awarded.

17. Accumulated Surplus

<i>(in thousands of dollars)</i>	2024	2023
Accumulated surplus - beginning of year	18,072	14,330
Acquisition of tangible capital assets	10,649	4,998
Loss on disposal of tangible capital assets	(6)	(1)
Write down of work-in-progress balance	(16)	-
Amortization of tangible capital assets	(4,110)	(1,929)
Acquisition of inventories held for use	96	65
Acquisition of prepaid expenses	2,289	2,435
Consumption of inventories held for use	(109)	(68)
Use of prepaid expenses	(1,895)	(1,758)
Change in net debt	(19)	8
Annual surplus	6,879	3,742
Accumulated surplus - end of year	24,951	18,072

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(I)). 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.

18. Risk Management

It is management's opinion that the Legislative Assembly is not exposed to significant interest, liquidity, currency, or credit risk arising from its financial operations. The carrying values of financial assets and liabilities approximate their fair value because of their short maturity.

The Legislative Assembly is self-insured. Any damage to Legislative Assembly property or equipment is paid for out of the Legislative Assembly's operating and capital budgets.

The Legislative Assembly pays an annual premium for a third-party insurance policy covering Member constituency offices.

19. Related Party Transactions

The Legislative Assembly is related to all Province of B.C. ministries, agencies, Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, occurred in the normal course of operations, and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Examples of related party transactions conducted in the normal course of operations include printing fees paid to King's Printer and services provided by the Ministry of Citizens' Services.

20. Subsequent Events

The British Columbia Provincial General Election (the Election) has been scheduled to occur on (or before) October 19th, 2024. A number of current Members of the Legislative Assembly have announced that they will not be seeking re-election. These Members will be eligible for a transition allowance (note 9). The transition allowance is included in the budget for the 2025 fiscal year. In addition, any Member's unspent constituency office allowance will be recovered by the Legislative Assembly (note 15b) and result in a reduction in accounts payable. One of the non-returning Members is a participant in the Member's Superannuation Account (note 8b) and the MLA unfunded pension liability will decrease as a result. Management is not able to make specific estimates in the reduction of accounts payable and MLA unfunded pension liability at the time of issuance of these financial statements.

Management Discussion and Analysis

For the year ended March 31, 2024

Overview

This Management Discussion and Analysis (MD&A) offers an in-depth analysis of the financial condition, operational results, and strategic initiatives of the Legislative Assembly of British Columbia (the "Legislative Assembly") for the fiscal year ended March 31, 2024. It 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 of British Columbia is a self-governing institution integral to the democratic governance of the province. It consists of eighty-seven elected Members, 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.

The Legislative Assembly's financial results are consolidated in the *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 presented with an unqualified audit opinion for the year ended March 31, 2024. 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.

Financial Presentation

The current structure of Vote 1 has been in place for many years, with various departments and areas grouped under "Legislative Operations." To enhance program-level financial reporting and align with organizational activities, the Legislative Assembly will be restructuring the 2024-25 Vote 1 budget and subsequent reporting into key operational categories. This approach will provide a more programmatic representation of parliamentary and administrative functions, including separating the Constituency Office operations from Members' Services. The new structure for 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 will replace the existing structure in the Estimates submission and in the Legislative Assembly's independent Financial Statement next year.

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 Administration's core objectives are to:

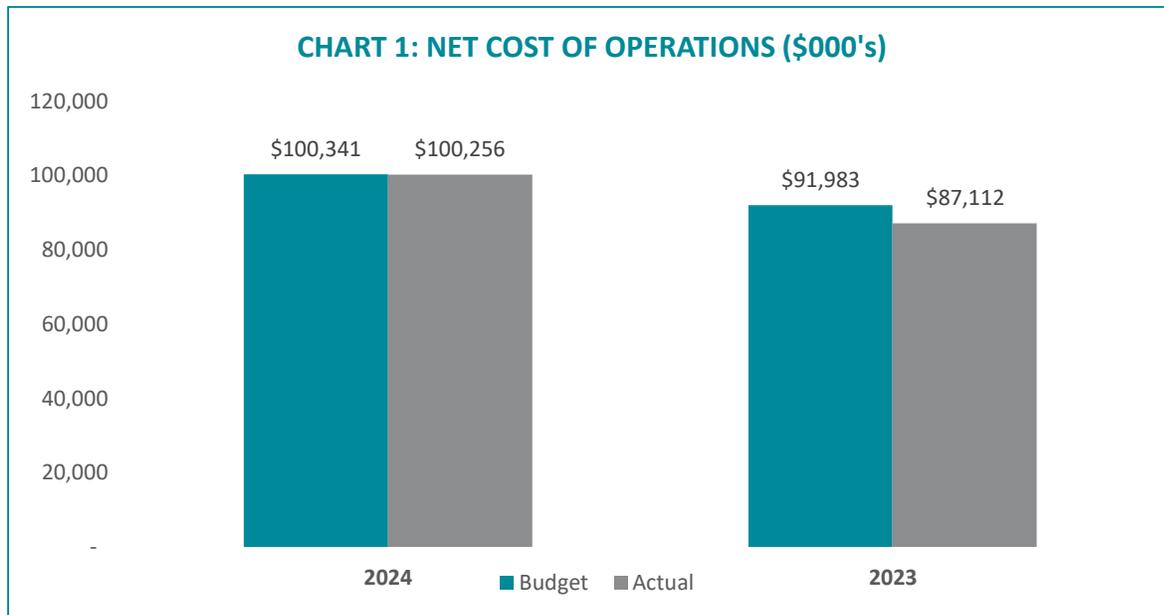
- Facilitate effective legislative processes that uphold democratic principles.
- Ensure transparency and accountability in financial and operational management.
- Provide high-quality, non-partisan support services to Members to help them fulfill their duties.

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

Financial Highlights

Summary of Financial Performance

For the fiscal year 2024 (FY24), the Legislative Assembly operated with an overall budget of \$109.7 million, aiming to fulfill its mandate to support Assembly functions and maintain infrastructure critical to the operations of the Legislative Assembly. The net operational cost (total expenses minus revenues) for the Assembly in FY24 amounted to \$100.2 million, slightly under the budgeted \$100.3 million and \$13.1 million more than the expenditure in FY23 (Chart 1). Capital expenditures recorded by the Assembly were \$10.6 million, marking an increase of \$5.6 million from the previous year. Various essential infrastructure projects made headway and reached completion within the year. As of March 31, 2024, the Legislative Assembly showed an accumulated surplus of \$25.0 million, showing an increase from the previous year's \$18.1 million. This increase is attributed to effective fiscal management, highlighted by strategic capital investments. The Assembly remained within its operational budget, underscoring a dedication to fiscal responsibility and efficiency.



Statement of Financial Position

The Legislative Assembly's financial assets increased to \$29.6 million, primarily from an increase in amounts due from the Consolidated Revenue Fund. Totalling \$29.9 million, liabilities also slightly increased, leading to a net debt position of \$0.24 million. The Assembly's non-financial assets, mainly tangible capital assets, grew to \$25.2 million, reflecting the significant investments in infrastructure, such as building upgrades and IT systems enhancements.

Assets

As noted in chart 2, the Legislative Assembly's most significant asset balance is its tangible capital assets. As the Legislative Assembly continues to invest in the modernization and renewal of its properties, in FY24, capital spending was higher than amortization, disposals, and write-downs, resulting in a net increase of \$6.5 million to Tangible Capital Assets. Significant capital additions for FY24 are noted above (see chart 7) in the Capital Expenditures by Category section.

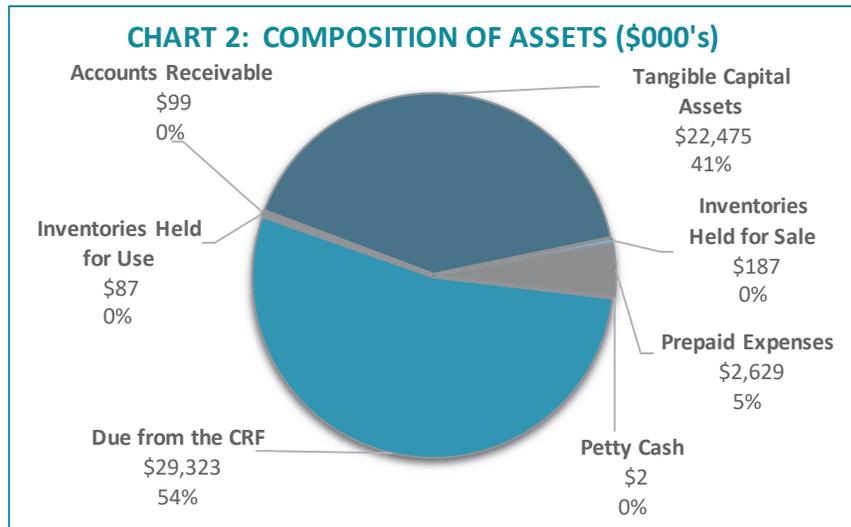
The Due from the Consolidated Revenue Fund (CRF) balance is the net amount owed to the Legislative Assembly for expenses incurred for which Vote 1 appropriation funds had not yet been received. This balance fluctuates annually based on the changes in liabilities and financial assets.

The Legislative Assembly bank account is replenished by the Ministry of Finance throughout the year as payments are made and, therefore, it maintains a zero balance.

The accounts receivable balance decreased by \$0.7 million due to the timing of the receipt and payment of invoices at year-end.

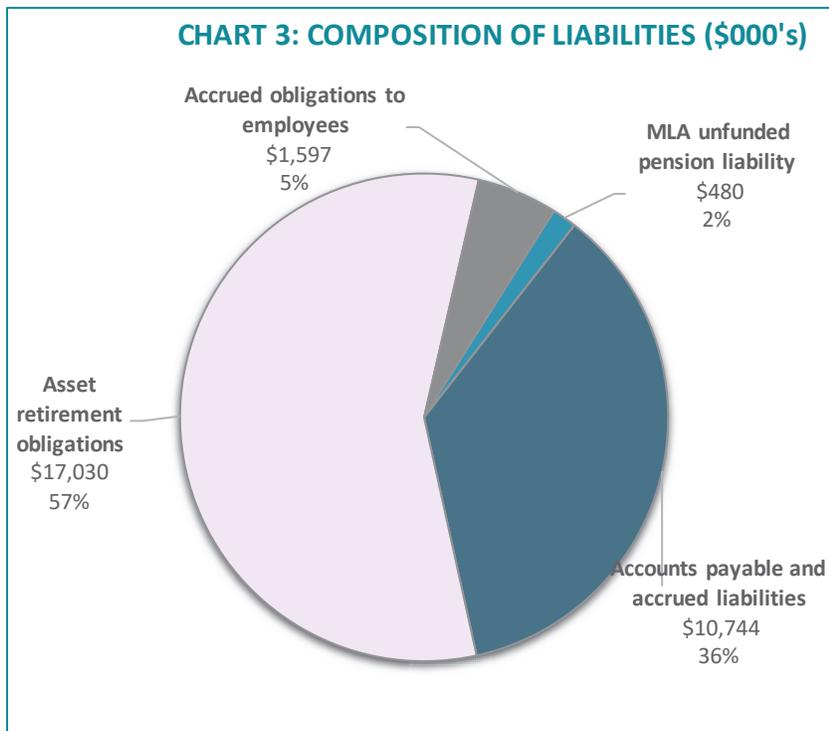
The increase in prepaid expenses of \$0.4 million relates to contracts paid in advance for the Legislative Library's digital archive project, constituency office insurance and IT contracts for a number of initiatives including software maintenance, infrastructure, and cybersecurity.

The remainder of the Legislative Assembly's assets are of minor value and did not change significantly in FY24 as compared to FY23.



Liabilities

The Accounts Payable and Accrued Liabilities balance increased by \$0.8 million in FY24. A breakdown of the composition of the Legislative Assembly's liabilities can be found in chart 3. The increase over the prior year is primarily due to Members' constituency office carry-forward balances and timing differences for salaries and benefits payable.



Accrued Obligations to Employees is composed of the employee retirement allowance and the employee leave liability. The year-over-year change for this category was \$0.1 million, resulting from a slight increase in the employee retirement allowance.

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 by \$0.01 million in the year. As of March 31, 2024, two MLAs 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 intends to enhance the 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. The standard was adopted on a modified retroactive approach at the date of adoption. Under the modified retroactive approach, the assumptions used on initial recognition are those as of the date of adoption of the standard. 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 implementation of the ARO standard presented several challenges for the Legislative Assembly. Determining the fair value of AROs was complex and involved making many assumptions about the timing and costs associated with the corresponding assets' retirement. Due to the nature of the Legislative Assembly’s assets, there is no planned retirement in the foreseeable future. In addition, due to the historic nature of the buildings, detailed construction and materials documents are not available, which adds complexity to the estimates.

ARO is recorded as part of a building's assets. The Parliament Buildings (501 Belleville Street) and the Armouries buildings (421 and 431 Menzies Street) are fully amortized for the purposes of the adoption of the ARO accounting standard which requires the expense to be fully recognized rather than amortized. The Administration building (612 and 614 Government Street) is partially amortized, and the unamortized portion of the building’s ARO is \$221 thousand as of March 31, 2023, and \$240 thousand as of March 31, 2024. The increase of \$0.02 million is due to the subsequent remeasurement of ARO liability to reflect annual inflation. The annual amortization of the Administration building’s ARO is \$10 thousand. Currently, the net debt positions on the Statement of Financial Position represent the unamortized value of the ARO to be amortized over the remaining useful life of the Administration building. 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 hazardous materials from the buildings. The current estimated cost associated with the removal of such material is \$17.0 million, and within this amount, \$16.8 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.

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.

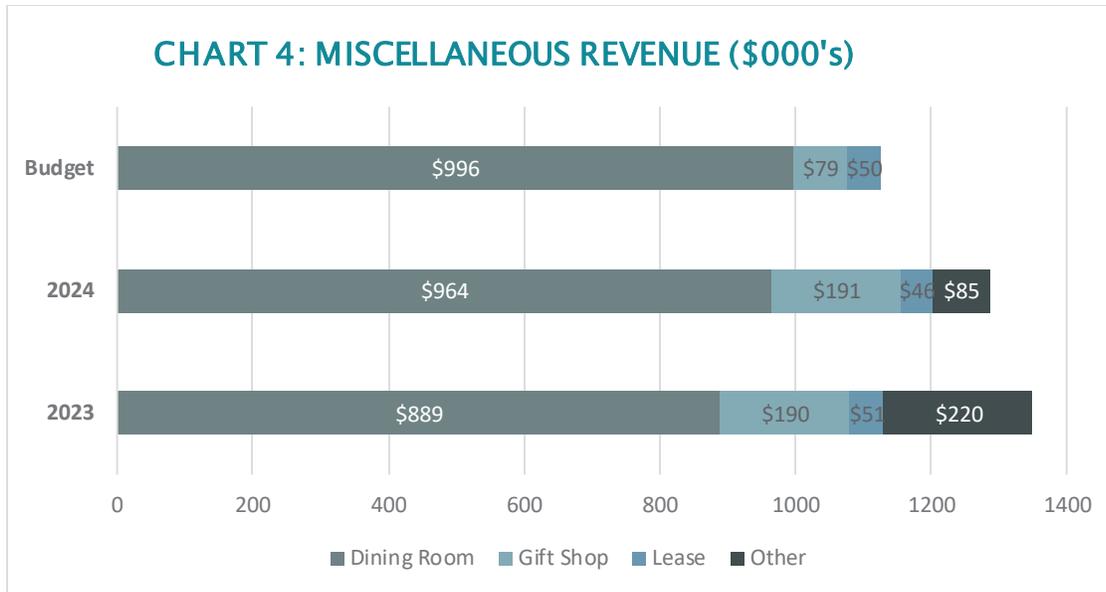
Statement of Cash Flow

The Assembly generated \$10.7 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.

Results of Operations

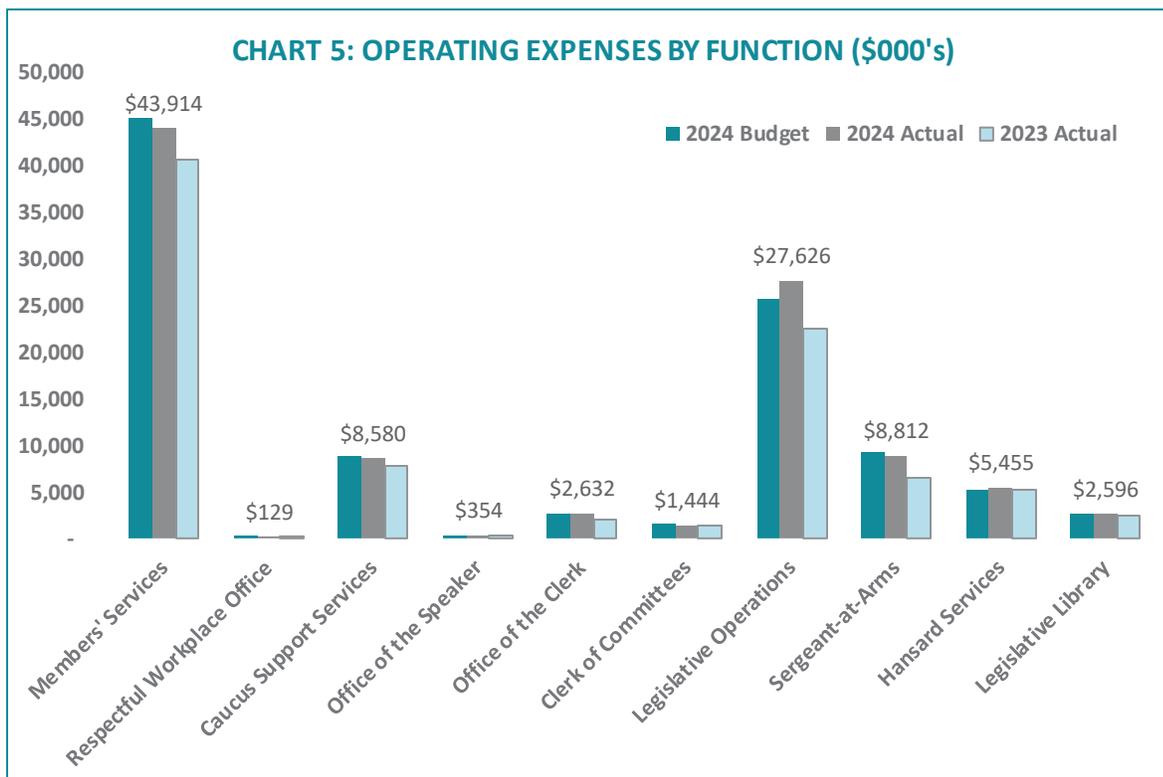
Revenues

Revenues at the Legislative Assembly are a small share of the overall budget as they are generated from sales of goods and services on the Precinct. The Parliamentary Dining Room and the Parliamentary Gift Shop are both open to the public, as well as Members and employees, throughout most of the year. The Legislative Assembly's revenue for the fiscal year totalled \$1.3 million, slightly surpassing the budgeted amount (Chart 4). 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.



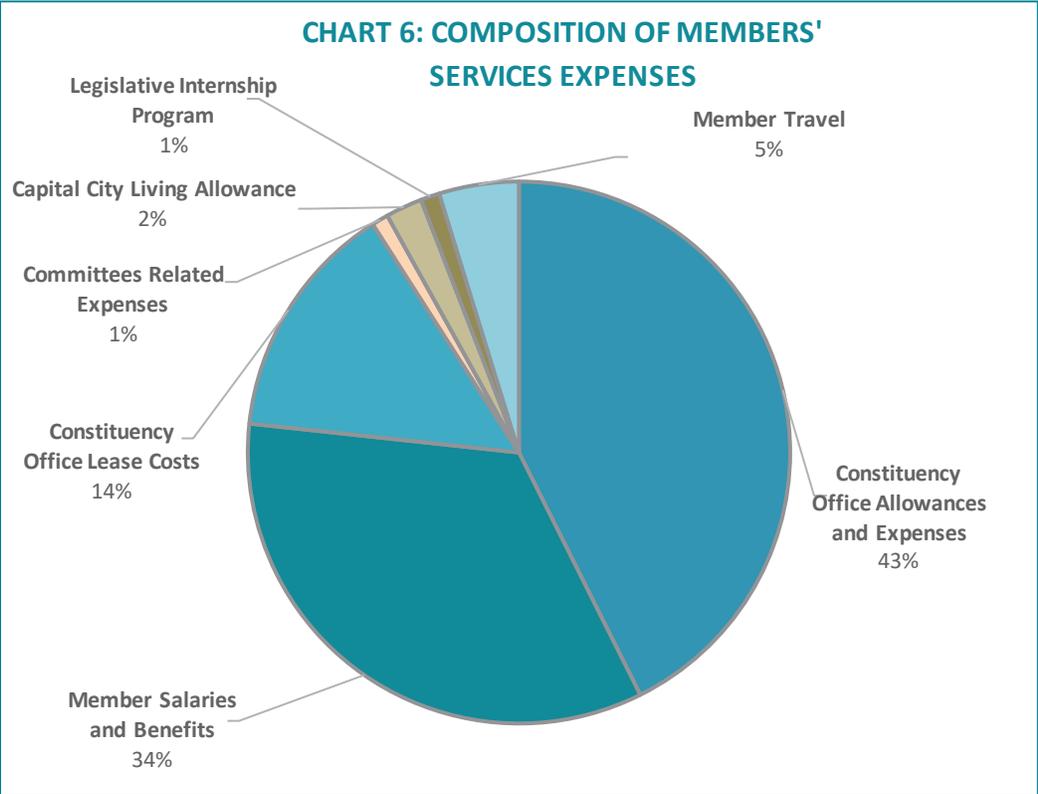
Operating Expenses by Function

In FY24 the total operating expenses of \$101.5 million were \$0.08 million under budget and had an increase of \$13 million from the \$88.5 million spent in FY23. (Chart 5 below – 2024 actuals are noted). The presentation of the expenditures within the financial statements in FY24 aligns with the format of the approved Vote 1 budget for the 2023-2024 fiscal year.



Members' Services consists of all expenses relating to Members of the Legislative Assembly (Members) and their constituency offices. Chart 6 shows the composition of Members' Services expenditures. The largest expense component is constituency office allowances and expenses (43%), followed by Members' salaries and benefits (34%). Constituency office allowances and expenses include the annual per office constituency office allowance of \$160,350 (\$150,000 in prior year), furniture and equipment allowance, and expenses including but not limited to insurance, internet, phone, and security costs. The Legislative Assembly budget funds the lease costs for all the Constituency offices across the province. Constituency office lease costs represent 14% (15% in prior year) of the Members' Services total.

Members' Services expenses were budgeted to be \$45.0 million. Actual expenses were \$43.9 million (\$40.5 million in the prior year) and were \$1.1 million lower than budget. The net underspend was primarily a result of underutilized Member benefits.



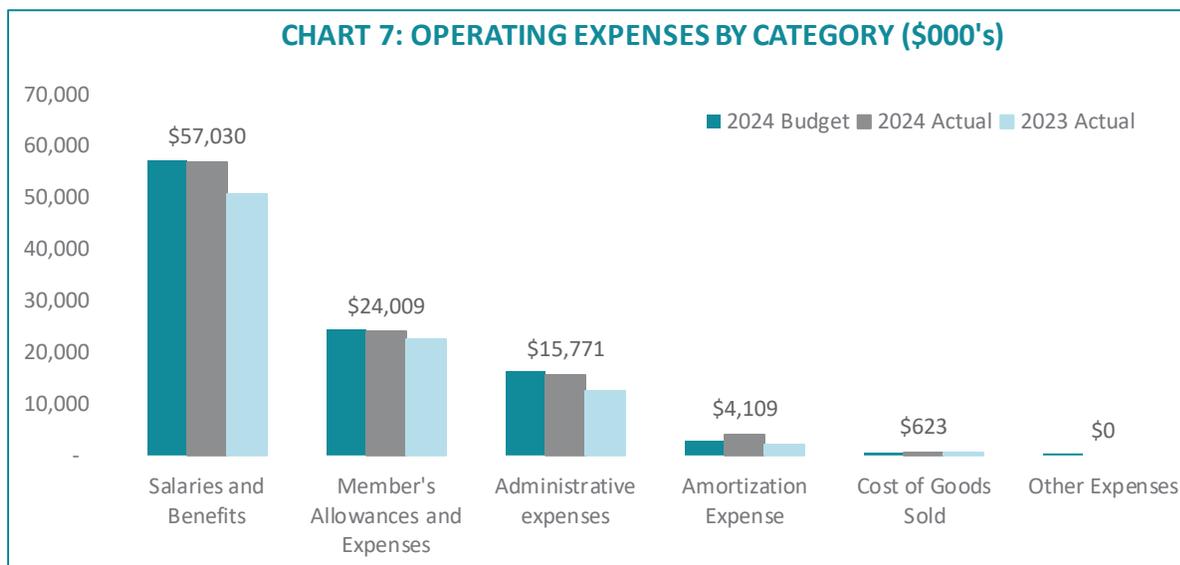
Legislative Operations expenses totalled \$27.6 million and \$1.9 million over the budgeted amount. The overspend was mainly due to subsequent re-calculation of the Asset Retirement Obligation (ARO) due to inflation, as well as higher-than-expected overtime, particularly in the teams which supported the concurrent chamber proceedings, and to several staff positions which were originally intended to be funded through the capital budget but were later deemed operating expenses for accounting purposes during the year.

Each caucus receives an annual formula-driven budget to fund its legislative offices and responsibilities (Caucus Support Services). The policy-based formula is based on the number of Members within each caucus. As a result, there are minimal variances in annual expenses and budgets within each parliament. Caucus Support Services expenses were \$0.2 million under budget in FY24. The underspend was primarily a result of savings in travel, advertising and publications as well as operational efficiencies within the Caucus operations.

Operating Expenses by Category

Compared to the prior fiscal year, the Legislative Assembly’s total expenditures increased by \$13.1 million, or approximately 15%. This increase was attributed to a planned increased investment in key strategic areas, including IT systems, security enhancements, and Member support services. These expenditures were necessary to modernize the Assembly’s operations and to ensure that it can continue to meet the needs and expectations of Members. Despite the increased spending, the Assembly maintained budgetary controls, resulting in the ability to absorb unanticipated expenditures through savings in administrative expenses and capital projects.

The Legislative Assembly’s most significant expense category is Salaries and Benefits, accounting for more than half (56.2%) of the Legislative Assembly’s total expenses. This category includes salaries and benefits for Members, caucus and constituency office staff, and Legislative Assembly Administration staff. The next largest expense category is Members’ Allowances and Expenses at 23.6% (Chart 4 – 2024 actuals values shown) which includes the allowances for Members to operate their Constituency as well as Legislative Assembly offices.



The FY24 Legislative Assembly Salaries and Benefits increased as planned by \$6.2 million compared to FY23 and was \$0.4 million lower than the approved budget.

Members’ Allowances and Expenses, which include the annual constituency office allowance, increased by \$1.3 million compared to FY23 and was \$0.3 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 \$3.3 million higher than the prior year, and \$0.6 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 higher than the budgeted amount by \$1.2 million and higher than the prior year by \$2.2 million. The increase compared to the budget amount is mainly due to the addition of the expense related to the Assembly’s asset retirement obligation (ARO) which was an unbudgeted expenditure. In addition, the completion of several major capital projects contributed to the increase in amortization compared to the prior year.

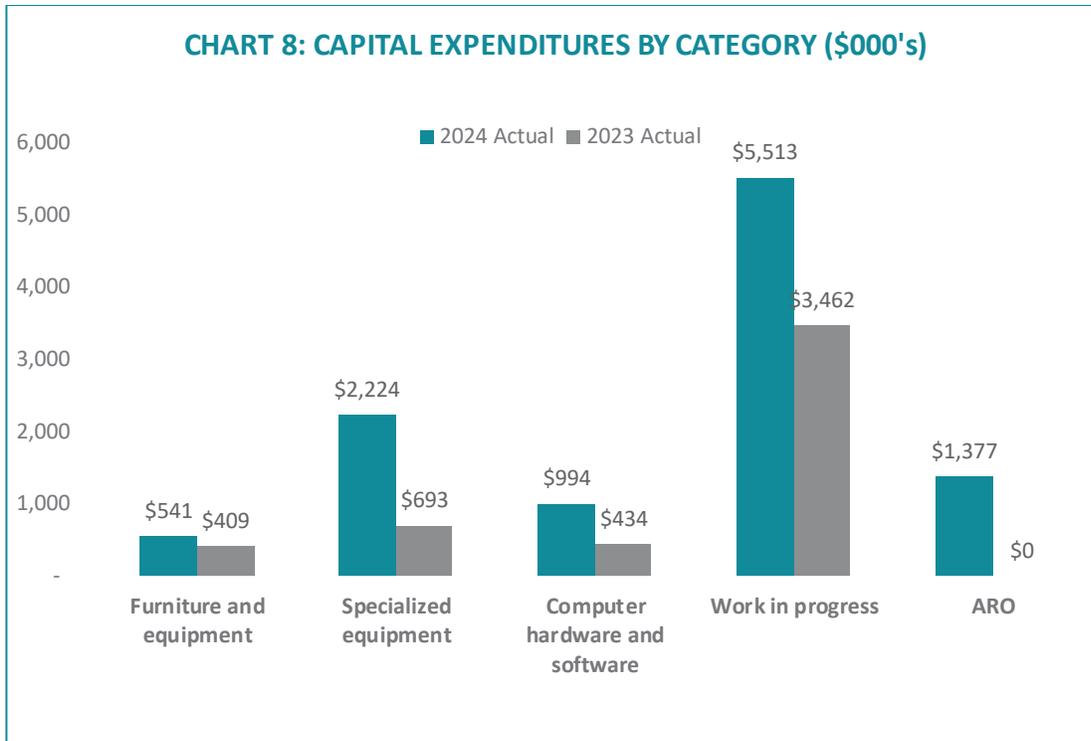
Capital Expenditures by Category

The Legislative Assembly's capital expenditures for the fiscal year totalled \$10.65 million, reflecting significant investments in infrastructure and technology (Chart 8). 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. The total capital appropriation includes an additional \$1.377 million in appropriation funding which was required to offset the additional capital expenditure required to record the Assembly's asset retirement obligation.

Key projects included within all the asset categories are:

- **Building Upgrades:** Investments in modernizing the Assembly's physical infrastructure to ensure safety, accessibility, and energy efficiency. Projects that are not yet complete at the end of the year are recorded as Work in Progress until completion.
- **IT Systems Enhancements:** Upgrades to the Assembly's digital infrastructure, including improvements in cybersecurity, network capacity, and legislative management software, which are essential for supporting the Assembly's operations and ensuring data integrity both on the Precinct and at the Constituency Offices.
- **Broadcasting Equipment Modernization:** The replacement of outdated broadcasting equipment to enhance the quality of legislative broadcasts, thereby improving public access to the Assembly's proceedings and promoting transparency.
- **Asset Retirement Obligations:** The Asset Retirement Obligation (ARO) is a significant liability recorded to estimate the future costs associated with retiring tangible capital assets. For the Assembly, this primarily includes the requirement to remove hazardous materials from the tangible capital assets when they are no longer in productive use. To comply with new accounting standards, the Assembly has recorded the inflationary increase on the estimated liability as an expense for those assets such as the Parliament Buildings which are already fully amortized.

These investments are aligned with the Assembly's long-term strategic objectives of modernization and operational excellence. Capital spending varies annually in amount and by category depending on the specific projects approved which are based on the strategic and operational needs and priorities of the Legislative Assembly.



Overview of Risks and Mitigation

Risks

The Legislative Assembly faces several risks that could impact its financial and operational performance. These include:

- **Operational Risks:** As the Assembly prioritizes the renewal of the Precinct infrastructure, delays in capital projects due to supply chain disruptions, labour shortages, and logistical challenges pose a risk to the annual operations. Unexpected security requirements resulting from changing social and political environment can add pressure to the Assembly’s operations.
- **Financial Risks:** The need to manage budgetary constraints while addressing the unexpected infrastructure and operational requirements creates added pressure on the Assembly’s budget. Aging infrastructure at or near the end of its useful life poses the risk of unplanned repairs or replacement if assets fail.
- **Regulatory Risks:** Compliance with evolving accounting standards, particularly the newly implemented Asset Retirement Obligations (ARO) standard, which introduces complexities in financial reporting.

Mitigations

To address these risks, the Legislative Assembly has implemented a comprehensive risk management framework that includes:

- **Enhanced Capital Planning and Project Management:** The Assembly has strengthened its project management capabilities across all areas to minimize the impact of delays and ensure that capital and

strategic projects are completed on time and within budget. Additionally, the Assembly is developing a long-term plan for the Precinct to ensure a comprehensive and coordinated approach to asset management.

- **Close Monitoring of Financial Performance:** The Assembly regularly reviews its financial performance against budgetary targets, allowing it to adjust as needed to maintain fiscal discipline and adapt to changing assumptions and priorities.
- **Proactive Engagement with Regulatory Bodies:** The Assembly works closely with regulatory authorities, Office of the Comptroller General and Auditor General to ensure compliance with new accounting standards and to anticipate potential changes in the regulatory environment.

Additionally, the Assembly has established some limited contingency plans for capital projects to mitigate the impact of unforeseen delays or cost overruns.

Key Accounting Policies and Estimates

Accounting Policies

The Legislative Assembly's financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant accounting policies include the recognition of tangible capital assets, the treatment of asset retirement obligations (ARO), and the recognition of government appropriations as revenue.

Estimates and Assumptions

Management's estimates play a critical role in the preparation of the financial statements. Key estimates include:

- **Valuation of Asset Retirement Obligations (ARO):** The ARO is a significant liability that requires careful estimation of the future costs associated with retiring tangible capital assets. These estimates are based on current regulations and the expected timing of asset retirement.
- **Useful Life of Tangible Capital Assets:** The estimation of the useful life of assets impacts the calculation of amortization expenses and the timing of asset replacement. These estimates are reviewed annually and adjusted as necessary to reflect changes in usage patterns or technological advancements.
- **Accrued Obligations to Employees:** The Assembly's obligations to employees and Members, including accrued vacation and other benefits, are estimated based on current employment agreements, policies, and historical trends. These estimates are critical to ensuring that the Assembly's financial statements accurately reflect its liabilities.

Conclusion and Outlook

Looking ahead, the Legislative Assembly is focused on maintaining financial stability while continuing to invest in infrastructure and services that support its mandate. The results of the upcoming provincial general election and other social or environmental factors may have unanticipated impacts the operations and financial obligations of the Assembly, however the Assembly is identifying the risks and potential mitigations to successfully adapt to these potential events. In future years, the Assembly will continue to prioritize its operations to remain within the approved Vote 1 budget.

As the above discussion outlines, our financial performance reflects prudent fiscal management and sets a foundation for future transparency and accountability. Looking ahead, the Legislative Assembly is focused on maintaining its financial stability while continuing to invest in infrastructure and services that support Members, caucus and constituency operations and the mandate of the Legislative Assembly Administration.