



BC ASSESSMENT

British Columbia Assessment Authority
Financial Statements

Year ended March 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the British Columbia Assessment Authority

Opinion

We have audited the financial statements of the British Columbia Assessment Authority ("the Entity"), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Comparative Information

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 16, 2023.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 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 unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We 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 our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for 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.



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- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.
- 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 we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 16, 2024

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Financial Position

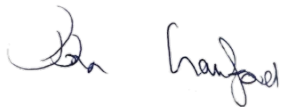
(Tabular amounts in thousands of dollars)

As at March 31, 2024

	March 31 2024	March 31 2023
Financial assets		
Cash and cash equivalents (note 3)	\$ 2,554	\$ 1,196
Accounts receivable	27,913	30,053
Due from provincial government (note 12)	8	12
	30,475	31,261
Liabilities		
Accounts payable and accrued liabilities	4,090	3,210
Due to provincial government (note 12)	2,707	3,193
Employee future benefits and other liabilities (note 4)	11,627	11,373
Deferred revenue	104	100
Lease inducements	2,901	3,435
	21,429	21,311
Net financial assets	9,046	9,950
Non-financial assets		
Tangible capital assets (note 5)	48,350	50,056
Prepaid expenses	2,790	2,348
	51,140	52,404
Accumulated surplus (note 6)	\$ 60,186	\$ 62,354

Commitments (note 7); Contractual rights (note 11)

Approved on behalf of the Board:



John Crawford
Chair, Audit & Risk Management Committee



Ruth Wittenberg
Chair, Board of Directors

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

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Operations and Accumulated Surplus

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

	Budget (note 10)	March 31 2024	March 31 2023
Revenues			
Tax levies	\$ 113,606	\$ 114,215	\$ 106,461
Data access services (note 8)	4,777	4,059	4,864
Payments in lieu of taxes	930	1,059	1,117
Indigenous Nations	775	832	765
Investment income	300	1,353	914
Other income	20	38	3
Gain/Loss on disposal of tangible capital assets	-	(3)	1,482
Total revenues	120,408	121,553	115,606
Expenses			
Employee expenses	77,292	82,695	75,277
Information technology	17,264	15,958	17,615
Office premises	6,291	5,982	6,167
Corporate and office	2,801	3,161	2,758
Amortization of tangible capital assets	8,321	7,512	6,669
Appeal costs (note 9)	4,670	4,016	4,181
Travel	1,336	1,512	1,068
Assessment notice printing and postage	2,433	2,885	2,864
Total expenses	120,408	123,721	116,598
Annual surplus/(deficit)	-	(2,168)	(992)
Accumulated surplus, beginning of year	62,354	62,354	63,346
Accumulated surplus, end of period (note 6)	\$ 62,354	\$ 60,186	\$ 62,354

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

BRITISH COLUMBIA ASSESSMENT AUTHORITY **Statement of Change in Net Financial Assets**

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

	Budget (note 10)	March 31 2024	March 31 2023
Annual surplus/(deficit)	\$ -	\$ (2,168)	\$ (992)
Acquisition of tangible capital assets	(8,321)	(5,850)	(3,477)
Amortization of tangible capital assets	8,321	7,512	6,669
Gain/Loss on disposal of tangible capital assets	-	3	(1,482)
Write down of tangible capital assets	-	40	-
Proceeds on sale of tangible capital assets	-	1	1,748
Asset held for sale	-	-	(263)
Change in tangible capital assets	-	1,706	3,195
Change in prepaid expenses	-	(442)	252
Change in net financial assets	-	(904)	2,455
Net financial assets, beginning of year	9,950	9,950	7,495
Net financial assets, end of period	\$ 9,950	\$ 9,046	\$ 9,950

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

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Cash Flows

(Tabular amounts in thousands of dollars)
For the year ended March 31, 2024

	March 31 2024	March 31 2023
Cash provided by (used in):		
Operating activities		
Annual surplus/(deficit)	\$ (2,168)	\$ (992)
Items not involving cash		
Amortization of tangible capital assets	7,512	6,669
Change in lease inducements	(534)	1,819
Gain/Loss on disposal of tangible capital assets	3	(1,482)
Write down of tangible capital assets	40	-
Asset held for sale	-	(263)
Change in employee benefits and other liabilities	254	(637)
Change in non-cash assets and liabilities		
Accounts receivable	2,140	(27,308)
Due from provincial government	4	11
Long-term accounts receivable	-	25,595
Accounts payable and accrued liabilities	880	(2,041)
Due to provincial government	(486)	948
Deferred revenue	4	(25)
Asset held for sale	-	263
Prepaid expenses	(442)	252
Net change in cash from operating activities	7,207	2,809
Capital activities		
Proceeds on sale of tangible capital assets	1	1,748
Acquisition of tangible capital assets	(5,850)	(3,477)
Net change in cash from capital activities	(5,849)	(1,729)
Financing activities		
Short-term loans	-	(2,892)
Principal payments on capital lease obligations	-	(25)
Net change in cash from financing activities	-	(2,917)
Net change in cash and cash equivalents	1,358	(1,837)
Cash and cash equivalents, beginning of year	1,196	3,033
Cash and cash equivalents, end of period	\$ 2,554	\$ 1,196

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

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

1. Corporate Information

British Columbia Assessment Authority (the "Authority") was established in 1974 as an independent Crown corporation by the Province of British Columbia by enactment of the *Assessment Authority Act*. The purpose of the Authority is to establish and maintain assessments that are uniform in the whole of the province in accordance with the *Assessment Authority Act*. The Authority is not subject to federal or provincial corporate income taxes.

2. Significant Accounting Policies

a) Basis of accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards as established by the Public Sector Accounting Board (PSAB).

b) Financial instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, due from provincial government, accounts payable and accrued liabilities, due to provincial government and employee future benefits and other liabilities. Cash and cash equivalents are measured at net book value plus interest earned. Accounts receivable and due from provincial government are recorded at amortized cost less amount for valuation allowance. Liabilities are recorded at amortized cost.

c) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the period.

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. Significant estimates include assumptions used in estimating provisions for accrued revenue, accrued liabilities, the useful life of capital assets, and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

2. Significant Accounting Policies (continued)

d) Investments

Short-term highly liquid investments that can be redeemed on demand without penalty are reported under cash and cash equivalents. Investments are recorded at net book value plus interest earned and are amortized over the term of the investments.

When there has been a loss in value that is not a temporary decline in value, the respective investment is written down to recognize the loss.

During the year, the Authority reclassified interest income earned on short-term investments from accounts receivable to cash and cash equivalents. The classification change had a nil net impact to assets (\$1.4 million decrease to accounts receivable over prior year offset by \$1.4 million increase to cash and cash equivalents over prior year).

e) Employee future benefits

The Authority and its employees make contributions to the Public Service Pension Plan in accordance with the Public Service Pension Plans Act. This plan is a multi-employer defined benefit plan providing a pension at retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. 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, resulting in no consistent and reliable basis for allocating the obligation, assets and costs to individual employers participating in the plan.

Retirement and other future benefits are also available to the Authority's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages, expected future salary and wage increases, long-term inflation rates and discount rates. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service life of the employees.

f) Leasehold improvement inducements

Lease inducements include cash payments, tenant improvement allowances, reduced rent and rent free periods. The lease inducement benefits are amortized on a straight-line basis over the term of the lease.

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

2. Significant Accounting Policies (continued)**g) Non-financial assets**

Non-financial assets are held for use in the provision of services and not available to discharge existing liabilities. They have lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

h) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost of tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset Class	Useful Life - years
Land	Indefinite
Buildings	40
Furniture and office equipment	3 to 5
Computer equipment	3 to 5
Vehicles	7
Minor computer systems - software	3 to 5 or term of contract
Major computer systems - software	10
Leasehold improvements	Equal to lease term

Software under development is not amortized until it is available for productive use.

The useful life of Major computer systems – software is determined by management in consultation with external professional advisors and approved by the Board of Directors. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Authority's ability to provide services, or when the value of the future economic benefits associated with the tangible capital assets is less than their net book value. The net write-down is accounted for as an expense in the statement of operations and accumulated surplus in the year recognized.

During the year, the Authority revised the amortization period for vehicles from 5 to 7 years to align with the actual replacement experience. This change in accounting estimate has been implemented retroactively with the net adjustment being nominal.

2. Significant Accounting Policies (continued)

i) Leased tangible capital assets

Leases that transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

j) Revenues

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenues.

Tax levies: The Authority, each year by by-law and subject to the prior approval of the Lieutenant Governor in Council, imposes and levies a tax upon all taxable real property in the province, but excluding property that is taxable for school purposes only by special Act. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province, to the Surveyor of Taxes, each taxing Treaty First Nation, and Nisga'a Nation in order that the taxes levied will be placed on the tax rolls. The proceeds of the taxes levied and collected by the municipalities or the Minister of Finance constitutes the Authority's tax levy revenue. This revenue is recognized equally across all periods in the year.

Indigenous Nations: The Indian Self Government Enabling Act allows municipalities and the Province to participate in the implementation of systems of First Nation real property assessment and taxation under First Nation assessment and taxation law, and authorizes BC Assessment to contract with First Nations for the provision of assessment services. The Authority provides an annual Assessment Roll for which revenue is recognized once the Authority meets the contracted performance obligation. Indigenous Nations are also required to pay one-time set up fees, which is recognized once the contract is signed.

Data access services: Includes the sale of property assessment data to a third party either directly or indirectly through BC Online. Revenue is recognized at the time of data delivery. For multi-year contracts, BCA delivers products in accordance with the delivery schedule outlined in the contract. Revenue is recognized for the delivered portion while the unfulfilled performance obligation is recorded as deferred revenue, and recognized equally across all periods in the year that the data has been delivered.

Investment Income: Investment revenues include interest on deposits in banks, and earnings generated by short-term investments, and are reported as revenue in the period earned.

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

2. Significant Accounting Policies (continued)

Other Income: Other revenues includes revenue from payments in lieu of taxes, and other miscellaneous revenue. Other miscellaneous revenue is recognized when data is delivered or services rendered, while revenue from payments in lieu of taxes is recognized equally across all periods throughout the year.

k) New accounting standards adopted

Revenue (PS 3400)

Effective April 1, 2023, the Authority adopted section PS 3400 – Revenue. This standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement, and specifically, it addresses revenue arising from exchange transactions and non-exchange transactions. The Authority performed a review of its existing revenues and noted that Data access services and Indigenous Nations income are within the scope of this standard. The adoption of this new standard did not have an impact on the amounts presented in the financial statements

The standard was adopted prospectively resulting in additional disclosures in these financial statements.

3. Cash and Cash Equivalents

The cash and cash equivalents reported on the statement of financial position are made up of the following:

	March 31 2024	March 31 2023
Cash	\$ 1,006	\$ 1,196
Cash equivalents	1,548	-
Total	\$ 2,554	\$ 1,196

Cash equivalents are recorded at net book value plus interest earned. In prior year, cash equivalents were recorded at cost, and the difference between fair market value and cost plus interest generated on short-term investments was recorded in accounts receivable. The classification change has nil impact to assets.

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

4. Employee Future Benefits and Other Liabilities

The employee future benefits and other liabilities reported on the statement of financial position are made up of the following:

	March 31 2024	March 31 2023
Employee future benefits	\$ 4,978	\$ 4,568
Other liabilities	6,649	6,805
Total	\$ 11,627	\$ 11,373

Other liabilities include outstanding payables for employer remittances, accrued salaries, vacation, overtime, and earned time off.

a) Employee future benefits

Outside of the Public Service Pension Plan, the Authority annually accrues future obligations under the defined retirement benefit plan as the employees render the services necessary to earn the benefit. These retirement benefit plans include a retirement allowance, unearned vacation entitlement, and death benefits. An independent actuarial valuation of the employee future benefits obligation and net periodic benefit cost was calculated at March 31, 2023 by Eckler Ltd., using membership data and management's estimates of salary escalation and expected retirement ages. The recorded liability represents these estimated future costs discounted to a present value using market interest rates applicable to the Authority.

Information about the Authority's retirement benefit plans are as follows:

Accrued employee future benefits obligation	March 31 2024	March 31 2023
Balance, beginning of year	\$ 4,568	\$ 4,672
Current benefit cost	354	358
Interest	207	140
Benefits paid	(246)	(671)
Amortization of loss	95	69
Balance, end of year	\$ 4,978	\$ 4,568

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

4. Employee Future Benefits and Other Liabilities (continued)

Actuarial reconciliation at the end of year	March 31 2024	March 31 2023
Actuarial employee future benefits liability	\$ 5,535	\$ 5,238
Unamortized actuarial loss	(557)	(670)
Balance, end of year	\$ 4,978	\$ 4,568

The significant actuarial assumptions adopted in measuring the Authority's accrued benefit obligations are as follows:

	March 31 2024	March 31 2023
Discount rate	4.02%	3.95%
Expected future inflation rate	2.00%	2.00%
Expected productivity and seniority increases	0% to 4%	0% to 4%

Over time, changes in assumptions and actuarial experience compared to expected results will cause actuarial gains and losses in future valuations. In 2023/24, this resulted in a net actuarial gain of \$18 thousand attributed to the change in discount rate from 3.95% to 4.02% per annum.

The cumulative unamortized actuarial loss on future payments, net of the gains as at March 31, 2024, is amortized over the estimated average service lives of the employees, which is 11 years (2022/23 - 11 years).

b) Employee pension benefits

The Authority and its employees contribute to the Public Service Pension Plan (the Plan), a jointly trusteesd pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investments of the assets and administration of benefits. The Plan is a multi-employer contributory defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2023, the Plan had about 68,080 active members and approximately 55,090 retired members.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

4. Employee Future Benefits and Other Liabilities (continued)

Every three years an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4.5 billion for basic pension benefits.

The total amount paid into the Plan by the Authority for the year ended March 31, 2024 for employer contributions was \$6.0 million (2022/23 -\$5.4 million).

5. Tangible Capital Assets

a) Changes to tangible capital assets within the year

Cost	March 31 2023	Additions	Disposals & transfers	March 31 2024
Land	\$ 91	\$ -	\$ -	91
Buildings	1,544	-	-	1,544
Furniture & office equipment	6,531	477	(32)	6,976
Computer equipment	8,174	2,072	(1,473)	8,773
Vehicles	1,198	220	(174)	1,244
Leasehold improvements	8,550	165	-	8,715
Major computer systems - software	50,755	-	2,990	53,745
Minor computer systems - software	247	130	-	377
Software under development	1,752	2,786	(2,997)	1,541
Total	\$ 78,842	\$ 5,850	\$ (1,686)	\$ 83,006

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

5. Tangible Capital Assets (continued)

Accumulated Amortization	March 31 2023	Disposals	Amortization expense	March 31 2024
Buildings	\$ 1,452	\$ -	\$ 5	\$ 1,457
Furniture & office equipment	5,945	(18)	290	6,217
Computer equipment	5,760	(1,443)	1,539	5,856
Vehicles	1,069	(174)	41	936
Leasehold improvements	6,340	-	489	6,829
Major computer systems - software	7,976	(7)	5,133	13,102
Minor computer systems - software	244	-	15	259
Software under development	-	-	-	-
Total	\$ 28,786	\$ (1,642)	\$ 7,512	\$ 34,656

Net book value	March 31 2023	March 31 2024
Land	\$ 91	\$ 91
Buildings	92	87
Furniture & office equipment	586	759
Computer equipment	2,414	2,917
Vehicles	129	308
Leasehold improvements	2,210	1,886
Major computer systems - software	42,779	40,643
Minor computer systems - software	3	118
Software under development	1,752	1,541
Total	\$ 50,056	\$ 48,350

b) Software under development

Software development projects can often span multiple fiscal periods. Software under development does not contain any projects which have been terminated or placed on hold indefinitely. Software under development is not amortized as it represents the costs incurred to date on projects, which are not substantially complete at the end of the fiscal year, in accordance with Public Sector Accounting Standard 3150. As at March 31, 2024, major enterprise application software disposals and transfers includes \$3.0 million in transfers from software under development into production.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

6. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	March 31 2024	March 31 2023
Surplus		
Invested in tangible capital assets	\$ 48,350	\$ 50,056
Reserve		
Future tangible capital asset acquisitions	8,836	9,298
Operating	3,000	3,000
Total reserves	11,836	12,298
Accumulated surplus, end of year	\$ 60,186	\$ 62,354

Certain amounts are set aside in accumulated surplus for future financial obligations and the purchase of tangible capital assets. As at March 31, 2024, \$2.2 million was applied to fund the operating deficit.

Future tangible capital asset acquisitions reserve: the purpose of this reserve is to help stabilize the financing requirements of large fluctuations in capital spending from one year to the next. Certain high value tangible capital assets such as property assessment software have long term economic usefulness. This reserve assists in the financing of these expenditures to limit the impact to revenue requirements in those years.

Operating reserve: the purpose of this reserve is to finance an unintended deficit. Unintended deficits would be caused largely by unexpected changes in revenues or costs for items that are outside of management's control.

7. Commitments

The Authority is committed to make payments under operating leases for premises and contracts for goods and services as follows:

Year(s)	Payment
2024/25	\$ 19,017
2025/26	9,094
2026/27	6,042
2027/28	3,424
2028/29	1,731
2029/30 - 2033/34	5,729
	\$ 45,037

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

8. Data Access Services Revenue

During the year, gross data access services sales amounted to \$14.1 million (2022/23 - \$9.3 million) against which \$10.0 million (2022/23 - \$4.4 million) discounts were provided resulting to net sales of \$4.1 million (2022/23 - \$4.9 million). Multi-year data access service revenue is disclosed under **Note 11. Contractual Rights**.

9. Appeal Costs

Appeal costs include legal costs incurred by the Authority as well as the operating costs of the Property Assessment Review Panel and the Property Assessment Appeal Board, both operated independently by the Province of British Columbia. By legislation, the Authority is required to reimburse the Province for the Review Panel and Appeal Board costs which amounted to \$3.5 million as at March 31, 2024 (2022/23 - \$3.9 million).

10. Budget Data

The 2023/24 budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors on November 30, 2022.

11. Contractual Rights

The Authority has entered into various revenue contracts for the provision of data access services within the normal course of operations. The estimated contractual rights at March 31, 2024 are as follows:

Year(s)	Amount
2024/25	\$ 1,492
2025/26	953
2026/27	403
2027/28	23
	\$ 2,871

12. Related Party Transactions

The Authority is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations, and all public sector organizations such as school districts, colleges, universities, and health authorities that are included in the provincial government reporting entity. In addition, transactions with senior management, directors, immediate family members of senior management and directors, and companies with which any of the above have a financial interest are also considered related parties.

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Notes to Financial Statements

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2024

12. Related Party Transactions (continued)

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year, the Authority provides data access services to related parties. The payment and collection terms with related parties are due within 30 days from the invoice date. The total discount provided to related parties is \$5.0 million. This is approximately 4% of the Authority's total revenue. The transactions are also included in the table below.

The statement of financial position and the statement of operations and accumulated surplus includes the following transactions with related parties of the Province of British Columbia:

	March 31 2024	March 31 2023
Revenues		
Data access services	\$ 1,208	\$ 1,260
Other income	2	1,486
Expenses		
Employee expenses	1,541	1,478
Information technology	813	745
Office premises	115	116
Corporate and office	326	143
Appeal costs	3,526	3,854
Travel	38	38
Assessment notice printing and postage	55	62
Assets/(Liabilities) at period end with related parties:		
Due from provincial government	8	12
Due to provincial government	(2,707)	(3,193)
Short-term debt due to provincial government	-	-

The Authority contracts the disposal of surplus assets to the Province of British Columbia. Sale proceeds net of disposal costs were \$1 thousand as at March 31, 2024 (2022/23 - \$27 thousand).

13. Financial Risk Management

In the normal course of operations, the Authority is exposed to a number of risks that can affect its operating performance. The Authority has exposure to the following risks from its use of financial instruments: credit risk, market risk, and liquidity risk. Management and the Board of the Authority ensure that the Authority identifies and monitors its risks. It is management's opinion that the Authority is not exposed to significant risks arising from these financial instruments.

a) Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise primarily from certain assets held consisting of cash, cash equivalents and accounts receivable.

The Authority's exposure to credit risk related to the value of accounts receivable in its normal course of business is mitigated because the majority of customer accounts receivable are current or collected subsequent to year end; therefore, management does not consider it to be impaired.

The Authority's cash and investments are held at Canadian chartered banks and BC Investment Management Corporation. The Authority is not exposed to significant credit risk.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Authority is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are not material.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Authority is exposed to interest rate risk through its short-term investments. This risk is mitigated by these investments being held in short-term treasury bills that have a maturity date of no more than 91 days from the date of acquisition.

13. Financial Risk Management (continued)

c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. The Authority maintains adequate levels of working capital to ensure all its obligations can be met as they fall due.

To manage cash flow requirements, the Authority has a short-term financing agreement with the Government of British Columbia under its Fiscal Agency Loan program. Under this agreement, the Authority has a borrowing limit of \$45 million. In making a loan to the Authority, the Government of British Columbia uses reasonable efforts to comply with the borrowing requirements of the Authority by supplying funds at market rates; however, the interest rate is determined at the sole discretion of the Government of British Columbia. Loans are unsecured and the maturity date is aligned to the date in which annual proceeds of the taxes levied are collected.