



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver, BC V6E 3P3 Canada

Independent Auditor's Report

To the Board of Directors and Shareholder of Infrastructure BC Inc.

Opinion

We have audited the financial statements of Infrastructure BC Inc. (the "Organization") which comprise the Statement of Financial Position as at March 31, 2025 and the Statements of Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the Organization's financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025 and its results of operations, changes in net financial assets, and 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 this report. We are independent of the Organization 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 Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Organization'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 Organization, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Organization'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 Organization 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.

We 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.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

June 18, 2025

Infrastructure BC Inc.
Statement of Financial Position
As at March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Financial assets		
Cash and cash equivalents	\$ 19,407,151	\$ 19,596,450
Accounts receivable (Note 3)	3,515,046	3,199,457
Total Financial Assets	<u>22,922,197</u>	<u>22,795,907</u>
Liabilities		
Accounts payable & accrued liabilities (Note 4)	1,495,308	1,958,144
Deferred lease inducement	78,228	-
Total Liabilities	<u>1,573,536</u>	<u>1,958,144</u>
Net financial assets	<u>21,348,661</u>	<u>20,837,763</u>
Non-financial assets		
Prepaid expenses	147,073	116,038
Tangible capital assets (Note 6)	259,529	206,562
Total Non-financial Assets	<u>406,602</u>	<u>322,600</u>
Accumulated surplus	<u>\$ 21,755,263</u>	<u>\$ 21,160,363</u>
Accumulated surplus is comprised of:		
Accumulated surplus	\$ 21,755,261	\$ 21,160,361
Share capital (Note 7)	2	2
	<u>\$ 21,755,263</u>	<u>\$ 20,160,363</u>

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

APPROVED ON BEHALF OF THE BOARD



C. Fair, Lead Director



S. Dujmovic, Director

Infrastructure BC Inc.
Statement of Operations
For the Years Ended March 31, 2025
and 2024

	Budget	2025	2024
	(Note 11)		
Revenue			
Consulting fees	\$ 16,077,360	\$ 13,565,931	\$ 11,402,153
Interest income	724,000	859,725	1,035,779
Total Revenues	16,801,360	14,425,656	12,437,932
Expenses			
Administration	471,250	396,473	340,950
Amortization of tangible capital assets	80,844	100,176	158,746
Building occupancy	755,600	606,158	509,353
Human resources	12,097,571	11,286,145	9,300,501
Information systems	517,760	485,162	378,969
Professional services	651,500	666,187	691,886
Travel	225,920	290,455	264,184
Total Expenses	14,800,445	13,830,756	11,644,589
Reimbursable costs			
Project recoveries	3,000,000	4,315,359	6,380,018
Less: Project expenses	(3,000,000)	(4,315,359)	(6,380,018)
Net reimbursable costs	-	-	-
Annual surplus	2,000,915	594,900	793,343
Accumulated surplus, beginning of year	21,160,361	21,160,361	20,367,018
Accumulated surplus, end of year	\$ 23,161,276	\$ 21,755,261	\$21,160,361

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

Infrastructure BC Inc.
Statement of Changes in Net Financial Assets
For the Years Ended March 31, 2025 and 2024

	Budget	2025	2024
	(Note 11)		
Annual surplus	\$ 2,000,915	\$ 594,900	\$ 793,343
Acquisition of tangible capital assets	(97,963)	(153,143)	(145,663)
Amortization of tangible capital assets	80,844	100,176	158,746
	<u>(17,119)</u>	<u>(52,967)</u>	<u>13,083</u>
Additions to prepaid expenses	-	(250,676)	(198,333)
Use of prepaid expenses	16,038	219,641	191,497
	<u>16,038</u>	<u>(31,035)</u>	<u>(6,836)</u>
Increase in net financial assets for the year	1,999,834	510,898	799,590
Net financial assets, beginning of year	20,837,763	20,837,763	20,038,173
Net financial assets, end of year	<u>\$ 22,837,597</u>	<u>\$21,348,661</u>	<u>\$20,837,763</u>

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

Infrastructure BC Inc.
Statement of Cash Flows
For the Years Ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating transactions		
Annual surplus	\$ 594,900	\$ 793,343
Non-cash item included in surplus:		
Amortization of tangible capital assets	100,176	158,746
Amortization of deferred lease inducement	(21,187)	(51,900)
	<u>673,889</u>	<u>900,189</u>
Changes in non-cash operating balances		
Accounts receivable	(315,589)	(485,461)
Prepaid expenses	(31,035)	(6,836)
Deferred revenue	-	(50,320)
Accounts payable and accrued liabilities	(462,836)	811,536
	<u>(809,460)</u>	<u>268,919</u>
Cash provided by (used in) operations	<u>(135,571)</u>	<u>1,169,108</u>
Capital transactions		
Purchase of tangible capital assets	(153,143)	(145,663)
Receipt of lease inducement	99,415	-
	<u>(53,728)</u>	<u>(145,663)</u>
Net increase (decrease) in cash for the year	(189,299)	1,023,445
Cash and cash equivalents, beginning of year	<u>19,596,450</u>	<u>18,573,005</u>
Cash and cash equivalents, end of year	<u>\$ 19,407,151</u>	<u>\$ 19,596,450</u>

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

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

1. Nature of Operations

Infrastructure BC Inc. (“Infrastructure BC” or the “Organization”) is a company owned by the Province of British Columbia (the “Province”). The Organization is governed by a Board of Directors and is accountable to the Ministry of Infrastructure. The Organization was incorporated under the British Columbia Business Corporations Act in May 2002 as Partnerships British Columbia Inc. and changed its corporate name to Infrastructure BC Inc. in August 2020. It has two issued shares, both of which are held by His Majesty The King in the Right of the Province of British Columbia.

The Organization’s vision is to improve people’s lives and communities through infrastructure with a mandate to work with owners to deliver complex public infrastructure in an evolving world. Infrastructure BC provides a variety of consulting services to public sector agencies wishing to explore innovative options for building and managing public infrastructure such as highways, bridges, hospitals, public transit and accommodations facilities.

The Organization’s core business is to:

- Provide specialized services in the procurement of major public projects, ranging from advice to business cases, procurement management, and implementation.
- Provide advice on partnership project management, deal structure, risk management, procurement, and the selection and engagement of consultants.
- Foster a positive business and policy environment for successful projects and related activities by continually expanding British Columbia’s and other jurisdictions’ base of knowledge, understanding and expertise in these areas.
- Manage an efficient and leading edge organization that meets or exceeds performance expectations.

The Organization’s clients are public sector agencies, including ministries, Crown corporations, local and statutory authorities in British Columbia and other Provinces, and local governments. To serve these clients effectively, Infrastructure BC also works to build strong relationships with private sector partners such as businesses operating in the infrastructure sector, and legal, financial and other advisors.

Infrastructure BC is exempt from income taxes under the *Income Tax Act*.

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

2. Summary of Significant Accounting Policies

a. Basis of accounting

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards (“PSAS”) using guidelines developed by the Public Sector Accounting Board.

b. Cash and cash equivalents

Cash equivalents include deposits held in the Ministry of Finance’s Central Deposit Program which are recorded at cost plus accrued interest. These deposits earn interest at the prime lending rate of the principal banker to the Province of BC minus 2.0%.

c. Employee future benefits

The employees of Infrastructure BC belong to the Public Service Pension Plan (the “Plan”), which is a multi-employer joint trustee plan. This Plan is a defined benefit plan, providing a pension on retirement based on the member’s age at retirement, length of service, and highest earnings averaged over five years. Inflation adjustments and the provision of post-retirement health benefits are contingent upon available funding.

The joint Board of Trustees of the Plan determines the required Plan contributions every three years.

The contributions made by Infrastructure BC to the Plan are recorded as an expense for the year.

d. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition.

The cost, less residual value, of the Organization’s tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

d. Tangible capital assets (continued)

- | | |
|---------------------------|------------|
| • Computer software | 2 years |
| • Computer hardware | 3 years |
| • Furniture and equipment | 5 years |
| • Leasehold improvements | Lease term |

Tangible capital assets are written down when conditions indicate that they no longer contribute to Infrastructure BC's ability to provide services.

e. Prepaid expenses

Prepaid expenses, which are primarily comprised of annual insurance premiums, deposits, software and other licenses, and future travel costs, are recognized as expenses over the periods in which the goods are consumed or the services are received.

f. Deferred lease inducement

Deferred lease inducement consists of reimbursement of leasehold improvement costs from the lessor. This inducement is deferred and recognized as a reduction to building occupancy expense on a straight-line basis over the term of the lease.

g. Revenue recognition

Revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues. Revenues are recognized as the consulting services are provided and collection is reasonably assured. Project recoveries are recognized when services are performed or when costs are incurred and collection is reasonably assured.

Payments received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or the service performed.

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

h. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Reimbursable project expenses are expensed when services are performed or when costs are incurred.

i. Measurement uncertainty

The preparation of financial statements in conformity with PSAS 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 the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, estimated employee benefits, collection of accounts receivable and the impairment of tangible capital assets.

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. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

j. Related party transactions

A related party disclosure is presented when the following criteria are met:

- A related party exists,
- A transaction occurs between related parties,
- The transaction occurred at a value different from that which would have been arrived at if the parties were unrelated, and
- The transaction has a material financial effect.

Infrastructure BC is related through common ownership to the Province of British Columbia's government ministries, agencies, and Crown corporations (the "Provincial Government"). These organizations represent the majority of Infrastructure BC's clients. All transactions with Provincial Government entities take place on regular commercial terms.

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

3. Accounts Receivable

	2025	2024
Revenues receivable	\$ 3,509,629	\$ 3,190,924
Accrued interest	5,417	8,533
	<u>\$ 3,515,046</u>	<u>\$ 3,199,457</u>

There was no provision for doubtful accounts required as at March 31, 2025 and 2024.

The revenues receivable are primarily due from the Provincial Government and entities controlled by the Provincial Government.

4. Accounts Payable and Accrued Liabilities

	2025	2024
Accounts payables and accrued liabilities	\$ 781,300	\$ 1,437,179
Salaries and benefits	349,939	261,367
Accrued vacation	364,069	259,598
	<u>\$ 1,495,308</u>	<u>\$ 1,958,144</u>

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

5. Employee Future Benefits

Infrastructure BC and its employees contribute to the Plan in accordance with the Public Sector Pension Plan Act. BC Pension Corporation administers the Plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. As such, no pension liability for this type of plan is included in the financial statements.

The Plan provides defined pension benefits to employees based on their length of service and salary. The maximum contribution rate for eligible employees was 8.35% (2024: 8.35%). During the year ended March 31, 2025, Infrastructure BC contributed \$835,086 (2024: \$690,968) to the Plan. These contributions are the Organization's pension expense which is included under human resources expense.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The latest valuation as at March 31, 2023 showed that the Plan had a surplus of \$4.5 billion and is 113 percent funded as it had assets of \$38.0 billion and liabilities of \$33.5 billion. The next valuation will be as at March 31, 2026 with results available by the end of 2026.

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

6. Tangible Capital Assets

	Computer software	Computer hardware	Furniture and equipment	Leasehold improvements	2025 Total
Cost					
Opening Balance	\$ 87,177	\$ 768,874	\$ 328,085	\$ 961,686	\$ 2,145,822
Additions	-	76,816	36,219	40,109	153,144
Closing Balance	87,177	845,690	364,304	1,001,795	2,298,966
Accumulated Amortization					
Opening Balance	87,177	674,011	283,857	894,215	1,939,260
Amortization	-	63,134	21,766	15,276	100,176
Closing Balance	87,177	737,145	305,623	909,491	2,039,436
Net book value	\$ -	\$ 108,545	\$ 58,681	\$ 92,304	\$ 259,530

	Computer software	Computer hardware	Furniture and equipment	Leasehold improvements	2024 Total
Cost					
Opening Balance	\$ 87,177	\$ 701,313	\$ 318,235	\$ 893,434	\$ 2,000,159
Additions	-	67,561	9,850	68,252	145,663
Closing Balance	87,177	768,874	328,085	961,686	2,145,822
Accumulated Amortization					
Opening Balance	87,177	612,687	253,859	826,791	1,780,514
Amortization	-	61,324	29,998	67,424	158,746
Closing Balance	87,177	674,011	283,857	894,215	1,939,260
Net book value	\$ -	\$ 94,863	\$ 44,228	\$ 67,471	\$ 206,562

7. Share Capital

The authorized share capital is 5,000,000 common shares at no par value. There are two issued shares that are held by His Majesty The King in the Right of the Province of British Columbia.

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

8. Expenses by Object

The entity is a sole purpose organization and therefore does not report by function and does not provide segmented information.

9. Contractual Obligations

The Organization is committed to payments under operating leases for premises through 2030/31 as follows:

Year	Amount
2026	\$ 710,543
2027	757,811
2028	779,353
2029	800,572
2030	420,445
2031	70,993
	<u>\$ 3,539,717</u>

The Organization's Vancouver and Victoria office leases are scheduled to expire on March 31, 2029 and May 31, 2030, respectively.

10. Risk Management

a. Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the Organization would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of accounts receivable, and accounts payable approximate their costs given their short-term maturities.

b. Financial management risk objectives and policies

In the normal course of business, the Organization is exposed to financial risks that have the potential to negatively impact its financial performance. These risks may include credit risk, liquidity risk, interest rate risk, and other price risk. The Organization's exposure to market and fair value risks has been minimized by keeping its investments in the Ministry of Finance's Central Deposit Program, which

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

10. Risk Management (continued)

b. Financial management risk objectives and policies (continued)

has an equivalent risk profile to deposits at commercial banks and does not fluctuate in value based on market factors. It therefore does not expose the Organization to any market or value risk. There have been no changes to the risks the Organization is exposed to from the prior year.

c. General objectives, policies and processes

The Audit and Risk Management Committee has overall responsibility for the determination of the Organization's risk management objectives and policies.

The Audit and Risk Management Committee has delegated the authority to ensure effective implementation of the objectives and policies of the Organization to the Chief Executive Officer (CEO) and Senior Management Team. The Audit and Risk Management Committee and Board of Directors receives quarterly reporting from the CEO and Senior Management to ensure all processes and policies put in place are effectively meeting the objectives of the Organization.

There have been no changes in the objectives, policies and processes for managing risk from the prior year.

d. Credit risk

Credit risk is the risk that the Organization's counterparties will fail to meet their financial obligations to the Organization, causing a financial loss.

Accounts receivable arise primarily as a result of consulting work to governments, ministries, agencies and Crown corporations, therefore, collection risk is low. The Organization does not consider its exposure to credit risk to be material.

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2025 and 2024

10. Risk Management (continued)

e. Liquidity risk

Liquidity risk is the risk that the Organization may be unable to generate or obtain sufficient cash in a timely and cost-effective manner to meet its commitments as they come due.

The Organization has in place a planning, budgeting and forecasting process to help determine the funds required to support the Organization's normal operating requirements. The Organization's annual Service Plan and budget are approved by the Board of Directors. The Organization also provides a quarterly revenue forecast to the Audit and Risk Management Committee.

11. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors on January 18, 2024. These budgeted figures were included in the Organization's 2024/25 – 2026/27 Service Plan.