BC ASSESSMENT

British Columbia Assessment Authority

Financial Statements

Year ended March 31, 2026

Management's Responsibility for the Financial Statements

The accompanying financial statements of the British Columbia Assessment Authority (the "Authority") are the responsibility of the Authority's management and have been prepared in compliance with legislation and in accordance with generally accepted accounting principles for public sector organizations established by the Public Sector Accounting Board of the Chartered Professional Accountants. A summary of the significant accounting policies is described in note 2 of the accompanying notes to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Authority's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Audit and Risk Management Committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to the Board of Director's approval of the financial statements. The financial statements have been audited by KPMG LLP. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's financial statements.

Eileen Hu
Vice President and Executive
Financial Officer

Jason Grant
President and Chief Executive Officer

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of British Columbia Assessment Authority

Opinion

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

- the statement of financial position as at March 31, 2026
- 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 statement 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, 2026, and its results of operations, its remeasurement of gains and losses, its changes in net debt 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.

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.

- 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 14, 2026

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Financial Position
(Tabular amounts in thousands of dollars)

As at March 31, 2026 with comparative figures as at March 31, 2025

	March 31 2026	March 31 2025
Financial assets		
Cash and cash equivalents (note 3)	$ 14,268	$ 6,536
Accounts receivable	27,732	28,328
Due from provincial government (note 12)	40	38
	42,040	34,902
Liabilities		
Accounts payable and accrued liabilities	4,510	4,227
Due to provincial government (note 12)	3,774	2,177
Employee future benefits and other liabilities (note 4)	15,714	12,621
Deferred revenue	79	98
Lease inducements	2,336	2,916
	26,413	22,039
Net financial assets	15,627	12,863
Non-financial assets		
Tangible capital assets (note 5)	41,983	43,786
Prepaid expenses	4,102	4,111
	46,085	47,897
Accumulated surplus (note 6)	$ 61,712	$ 60,760

Commitments (note 7); Contractual rights (note 11); Contingent liabilities (note 13)

Approved on behalf of the Board of Directors:

John Crawford
Chair, Audit & Risk Management Committee

Gina Pala
Chair, Board of Directors

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Operations and Accumulated Surplus
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2026 with comparative figures for the year ended March 31, 2025

	Budget (note 10)	March 31 2026	March 31 2025
Revenues			
Tax levies	$ 125,043	$ 125,196	$ 119,940
Data access services (note 8)	3,800	3,885	3,791
Payments in lieu of taxes	1,140	1,164	1,114
Indigenous Nations	945	981	900
Investment income	750	955	1,274
Other income	10	44	48
Gain/(loss) on disposal of tangible capital assets	-	49	90
Total revenues	131,688	132,274	127,157
Expenses			
Employee expenses	88,588	87,008	85,935
Information technology	16,351	18,882	16,088
Office premises	5,965	6,165	6,009
Corporate and office	3,404	3,070	3,465
Amortization of tangible capital assets	7,786	8,016	7,145
Appeal costs (note 9)	4,258	3,355	3,415
Travel	1,435	804	1,429
Assessment notice printing and postage	3,901	4,022	3,097
Total expenses	131,688	131,322	126,583
Annual surplus/(deficit)	-	952	574
Accumulated surplus, beginning of year	60,760	60,760	60,186
Accumulated surplus, end of period (note 6)	$ 60,760	$ 61,712	$ 60,760

Statement of Change in Net Financial Assets
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2026 with comparative figures for the year ended March 31, 2025

	Budget (note 10)	March 31 2026	March 31 2025
Annual surplus/(deficit)	$ -	$ 952	$ 574
Acquisition of tangible capital assets	(7,640)	(6,273)	(3,793)
Amortization of tangible capital assets	7,786	8,016	7,145
(Gain)/loss on disposal of tangible capital assets	-	(49)	(90)
Write-down of tangible capital assets	-	59	1,209
Proceeds on sale of tangible capital assets	-	50	93
Change in tangible capital assets	146	1,803	4,564
Change in prepaid expenses	-	9	(1,321)
Change in net financial assets	146	2,764	3,817
Net financial assets, beginning of year	12,863	12,863	9,046
Net financial assets, end of period	$ 13,009	$ 15,627	$ 12,863

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Cash Flows
(Tabular amounts in thousands of dollars)

For the year ended March 31, 2026 with comparative figures for the year ended March 31, 2025

		March 31 2026		March 31 2025
Cash provided by (used in):				
Operating activities				
Annual surplus/(deficit)	$	952	$	574
Items not involving cash				
Amortization of tangible capital assets		8,016		7,145
Change in lease inducements		(580)		15
(Gain)/loss on disposal of tangible capital assets		(49)		(90)
Write-down of tangible capital assets		59		1,209
Change in employee benefits and other liabilities		3,093		994
Change in non-cash assets and liabilities				
Accounts receivable		596		(415)
Due from provincial government		(2)		(30)
Accounts payable and accrued liabilities		283		137
Due to provincial government		1,597		(530)
Deferred revenue		(19)		(6)
Prepaid expenses		9		(1,321)
Net change in cash from operating activities		13,955		7,682
Capital activities				
Proceeds on sale of tangible capital assets		50		93
Acquisition of tangible capital assets		(6,273)		(3,793)
Net change in cash from capital activities		(6,223)		(3,700)
Net change in cash and cash equivalents		7,732		3,982
Cash and cash equivalents, beginning of year		6,536		2,554
Cash and cash equivalents, end of period	$	14,268	$	6,536

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 British Columbia 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, excluding those accounted for as retirement benefits or post-employment benefits, compensated absences, termination benefits, and deferred revenue. 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, the disclosure of contingent assets and liabilities at the reporting date, 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 revenues and liabilities, the useful life of capital assets, and 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 are redeemable on demand without penalty are classified as cash and cash equivalents. Investments are recorded at net book value plus accrued interest earned and are amortized over the term of the investments.

When there is an other-than-temporary decline in the value of an investment, the investment is written down to recognize the loss.

e) Employee future benefits

The Authority and its employees contribute to the Public Service Pension Plan, which is administered under the *Public Service Pension Plans Act*. This plan is a multi-employer-defined benefit plan that provides pension benefits based on the member's age at retirement, length of service, and the highest average earnings over five years. Inflation adjustments to pension benefits are contingent on available funding. The Public Service Pension Board of Trustees determines the required contribution rates annually. Participating employers account for their contributions as defined contribution plan expenses because the plan's accrued assets and liabilities are pooled and not allocated to individual employers.

The Authority provides retirement and other future benefits to its employees outside of the Public Service Pension Plan. These benefits include a retirement allowance, unearned vacation entitlement, and death benefits. The costs of these benefits are actuarially determined based on service and management's best estimates of retirement ages, future salary and wage increases, long-term inflation rates, and discount rates. The obligations under these benefit plans are accrued based on projected benefits earned by employees as services are rendered. Actuarial gains and losses are amortized over the expected average remaining service life of the employees.

f) Leasehold improvement inducements

Lease inducements, which may include cash payments, tenant improvement allowances, reduced rent, or rent-free periods, are amortized on a straight-line basis over the term of the lease.

g) Non-financial assets

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

2. Significant Accounting Policies (continued)

h) Tangible capital assets

Tangible capital assets are recorded at cost, including all amounts directly attributable to the acquisition, construction, development, or betterment of the asset. 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 is 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 future economic benefits associated with the tangible capital assets are less than their net book value. Write-downs are recognized as an expense in the statement of operations and accumulated surplus in the year recognized.

i) Leased tangible capital assets

Leases that transfer substantially all the benefits and risks of ownership are classified as leased tangible capital assets. As at March 31, 2026, the Authority did not have any leased tangible capital assets. All other leases are accounted for as operating leases, and lease payments are charged to expenses as incurred.

j) Revenues

Revenue is recognized in the period in which the transactions or events giving rise to the revenue occur.

(Tabular amounts in thousands of dollars)

2. Significant Accounting Policies (continued)

Tax levies: Each year, the Authority, by by-law and with the prior approval of the Lieutenant Governor in Council (effective 2026/27, Treasury Board), imposes and levies a tax upon all taxable real property in the province, excluding property taxable for school purposes under special Acts. A copy of this by-law is provided to each municipality, the Surveyor of Taxes, each taxing Treaty First Nation, and Nisga'a Nation, enabling the taxes to be placed on the applicable tax rolls. Proceeds collected by the municipalities or the Minister of Finance constitutes the Authority's tax levy revenue, which is recognized evenly throughout the fiscal year.

Indigenous Nations: Under the Indian Self Government Enabling Act, municipalities and the Province may participate in First Nation property assessment and taxation systems. Upon request, the Authority contracts with Indigenous Nations for the provision of assessment services, recognizing annual revenue upon satisfaction of contracted performance obligations.

Data access services: Revenue from the sale of property assessment data to third parties, either directly or through BC Online, is recognized upon data delivery. For multi-year contracts, revenue is recognized as products are delivered according to the contract delivery schedule. Deferred revenue is recognized for unfulfilled performance obligations and recognized evenly over the delivery period.

Investment Income: Investment income includes interest earned on deposits and earnings from short-term investments. Investment income is recognized as revenue in the period earned.

Other Income: Other income includes revenue from payments in lieu of taxes and other miscellaneous revenue. Miscellaneous revenue is recognized when goods are delivered or services rendered, while revenue from payments in lieu of taxes is recognized evenly over the fiscal year.

3. Cash and Cash Equivalents

The cash and cash equivalents reported on the statement of financial position consist of the following:

	March 31 2026	March 31 2025
Cash	$ 469	$ 1,138
Cash equivalents	13,799	5,398
Total	$ 14,268	$ 6,536

(Tabular amounts in thousands of dollars)

4. Employee Future Benefits and Other Liabilities

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

		March 31 2026		March 31 2025
Employee future benefits	$	5,392	$	5,239
Other liabilities		10,322		7,382
Total	$	15,714	$	12,621

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

a) Employee future benefits

Outside of participation in the Public Service Pension Plan, the Authority annually accrues its future obligations under its defined retirement benefit plan as the employees render the services to earn these benefits. The retirement benefit plan includes retirement allowances, unearned vacation entitlements, and death benefits.

An independent actuarial valuation of the employee future benefits obligation and the net periodic benefit cost was completed as at March 31, 2026, by HUB International, using membership data and management's assumptions regarding salary escalation and expected retirement ages. The recorded liability represents the present value of these estimated future costs, discounted using market interest rates applicable to the Authority.

Information regarding the Authority's retirement benefit plan is as follows:

Accrued employee future benefits obligation		**March 31 2026**		**March 31 2025**
Balance, beginning of year	$	5,239	$	4,978
Current benefit cost		385		365
Interest		227		226
Benefits paid		(546)		(421)
Amortization of loss		87		91
Balance, end of year	$	5,392	$	5,239

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2026

4. Employee Future Benefits and Other Liabilities (continued)

Actuarial reconciliation at the end of year	**March 31 2026**	**March 31 2025**
Actuarial employee future benefits liability	$ 4,864	$ 5,764
Unamortized actuarial gain/(loss)	528	(525)
Balance, end of year	$ 5,392	$ 5,239

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

	March 31 2026	**March 31 2025**
Discount rate	4.06%	3.88%
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 differences between actuarial experience and expected results will result in actuarial gains or losses in future valuations. In 2025/26, this resulted in a net actuarial gain of $966 thousand, attributed to the change in demographics, timing of vacation in the year of retirement, withdrawal and retirement assumptions, actual benefits payments, and discount rate from 3.88% to 4.06% per annum.

The cumulative unamortized actuarial gain on future benefit payments as at March 31, 2026, is amortized over the estimated average service lives of employees, which is 12 years (2024/25 - 11 years).

b) Employee pension benefits

The Authority and its employees contribute to the Public Service Pension Plan (the Plan), a jointly trusteed, multi-employer contributory defined benefit pension plan. The Plan is governed by the Public Service Pension Board of Trustees, which is responsible for the management of the Plan, including investments of assets and administration of benefits.

Basic pension benefits are based on a defined formula. As at March 31, 2025, the Plan had approximately 79,532 active members and 57,519 retired members.

(Tabular amounts in thousands of dollars)

4. Employee Future Benefits and Other Liabilities (continued)

An actuarial valuation is performed every three years to assess the financial position of the Plan and the adequacy of its 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.

For the year ended March 31, 2026, the Authority made $6.2 million in employer contributions to the Plan (2024/25 - $6.3 million).

5. Tangible Capital Assets

a) Changes to tangible capital assets within the year

Cost	March 31 2025	Additions	Disposals, write-downs & transfers	March 31 2026
Land	$ 91	$ -	$ -	$ 91
Buildings	1,722	-	-	1,722
Furniture & office equipment	5,668	67	(104)	5,631
Computer equipment	9,768	2,821	(2,084)	10,505
Vehicles	1,193	-	(55)	1,138
Leasehold improvements	8,935	-	(132)	8,803
Major computer systems - software	53,745	-	3,401	57,146
Minor computer systems - software	319	-	-	319
Software under development	1,497	3,385	(3,460)	1,422
Total	$ 82,938	$ 6,273	$ (2,434)	$ 86,777

Accumulated Amortization	March 31 2025	Disposals	Amortization expense	March 31 2026
Land	$ -	$ -	$ -	$ -
Buildings	1,464	-	17	1,481
Furniture & office equipment	4,662	(102)	397	4,957
Computer equipment	6,837	(2,084)	1,621	6,374
Vehicles	889	(55)	77	911
Leasehold improvements	6,812	(133)	360	7,039
Major computer systems - software	18,261	-	5,518	23,779
Minor computer systems - software	227	-	26	253
Software under development	-	-	-	-
Total	$ 39,152	$ (2,374)	$ 8,016	$ 44,794

(Tabular amounts in thousands of dollars)

For the year ended March 31, 2026

5. Tangible Capital Assets (continued)

Net book value		March 31 2025		March 31 2026
Land	$	91	$	91
Buildings		258		241
Furniture & office equipment		1,006		674
Computer equipment		2,931		4,131
Vehicles		304		227
Leasehold improvements		2,123		1,764
Major computer systems - software		35,484		33,367
Minor computer systems - software		92		66
Software under development		1,497		1,422
Total	$	43,786	$	41,983

b) Software under development

Software development projects can span multiple fiscal periods. The Software under development category does not include projects that have been terminated or placed on hold indefinitely. In accordance with Public Sector Accounting Standard 3150, Software under development is not subject to amortization, as it represents the accumulated costs incurred to date for projects that are not yet substantially complete by the end of the fiscal year. In 2025/26, $59 thousand in capital work-in-progress was written down.

6. Accumulated Surplus

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

		March 31 2026		March 31 2025
Surplus				
Invested in tangible capital assets	$	41,983	$	43,786
Reserve				
Future tangible capital asset acquisitions		16,729		13,974
Operating		3,000		3,000
Total reserves		19,729		16,974
Accumulated surplus, end of year	$	61,712	$	60,760

(Tabular amounts in thousands of dollars)

6. Accumulated Surplus (continued)

Certain amounts are set aside in accumulated surplus for future financial obligations and the purchase of tangible capital assets. As at March 31, 2026, $2.8 million was applied to fund the tangible capital asset acquisitions reserve.

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
2026/27	$	12,567
2027/28		8,229
2028/29		6,216
2029/30		5,212
2030/31		2,462
2031/32 - 2033/34		2,603
	$	37,289

8. Data Access Services Revenue

During the year, gross data access services sales totaled $7.1 million (2024/25 - $6.3 million). Discounts amounting to $3.2 million (2024/25 - $2.5 million) were provided, resulting in net sales of $3.9 million (2024/25 - $3.8 million). Revenue from multi-year data access service agreements is disclosed in **Note 11. Contractual Rights**.

(Tabular amounts in thousands of dollars)

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 of which are 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 totaled $2.8 million as at March 31, 2026 (2024/25 - $2.7 million).

10. Budget Data

The 2025/26 budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors on June 19, 2025.

11. Contractual Rights

The Authority has entered into various revenue contracts for the provision of data access services in the normal course of operations. The estimated contractual rights at March 31, 2026, are as follows:

Year(s)		Amount
2026/27	$	1,389
2027/28		683
2028/29		502
2029/30		277
2030/31		101
	$	2,952

12. Related Party Transactions

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

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

(Tabular amounts in thousands of dollars)

12. Related Party Transactions (continued)

During the year, the Authority provides data access services to related parties. Payment and collection terms with related parties require settlement within 30 days from the invoice date. The total discounts provided to related parties amounted to $1.5 million (2024/25 – $1.8 million), representing approximately 1% of the Authority's total revenue. The transactions are detailed in the table below.

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

	March 31 2026	March 31 2025
Revenues		
Data access services	$ 980	$ 1,072
Other income	53	96
Expenses		
Employee expenses	1,658	1,635
Information technology	1,392	785
Office premises	137	114
Corporate and office	191	322
Appeal costs	2,801	2,736
Travel	40	43
Assessment notice printing and postage	69	45
Assets/(Liabilities) at period end with related parties:		
Due from provincial government	40	38
Due to provincial government	(3,774)	(2,177)

The Authority contracts the disposal of surplus assets to the Province of British Columbia. Sale proceeds, net of disposal costs, totaled $50 thousand as at March 31, 2026 (2024/25 - $93 thousand).

13. Contingent Liabilities

As at March 31, 2026, BCA is a party to a lawsuit. No amount has been accrued in the financial statements in respect of this matter due to the uncertainty surrounding both the potential outcome and timing of resolution.

14. Financial Risk Management

In the normal course of operations, the Authority is exposed to a variety of risks that can affect its operating performance. These risks arise from the use of financial instruments and include credit risk, market risk, and liquidity risk. Management, together with the Board of Directors, ensure that risks are identified, monitored, and appropriately managed. It is management's opinion that the Authority is not exposed to significant risks arising from its financial instruments.

a) Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty fails to meet its contractual obligations. This risk primarily arises from assets consisting of cash, cash equivalents and accounts receivable.

The Authority's exposure to credit risk related to accounts receivable is mitigated, as the majority of receivables are current or collected subsequent to year-end. Therefore, management does not consider the accounts receivable balance to be impaired.

The Authority's cash and investments are held with Canadian chartered banks and the BC Investment Management Corporation, further mitigating credit risk. Consequently, the Authority is not considered to be 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 comprises:

(i) Currency risk
Currency risk arises from fluctuations in foreign exchange rates. The Authority's exposure to currency risk is not significant, as its foreign currency holdings and transactions 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 due to changes in the market interest rates. The Authority is exposed to interest rate risk through its short-term investments. However, this risk is mitigated as investments are primarily held in short-term treasury bills with maturities of no more than 91 days from the date of acquisition.

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 manages this risk by maintaining adequate levels of working capital to meet its obligations.

14. Financial Risk Management (continued)

To support cash flow requirements, the Authority has a short-term financing agreement with the Government of British Columbia under its Fiscal Agency Loan Program. This agreement provides the Authority with a borrowing limit of $45 million. In supplying funds, the Government of British Columbia uses reasonable efforts to meet the Authority's borrowing requirements at market rates; however, the interest rate is determined at the Government's sole discretion. Loans are unsecured, with maturity dates aligned to the collection of annual tax levy proceeds.