Infrastructure BC Inc.

2025/26
Annual Service Plan Report

August 2026

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Board Chair's Accountability Statement

The Infrastructure BC Inc. 2025/26 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2025/26 – 2027/28 Service Plan published in 2025. I am accountable for those results as reported.

Signed on behalf of the Board by:

Connie Fair
Board Chair
July 27, 2026

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Letter from the Board Chair & CEO

Please find enclosed our Annual Service Plan Report for the fiscal year 2025/26, which summarizes Infrastructure BC's performance in the context of the Mandate Letter provided to us by our Shareholder, the Minister of Infrastructure as the representative for His Majesty The King in Right of the Province of British Columbia.

Infrastructure BC supported the Government of B.C.'s five priorities as outlined in our 2025 Mandate Letter:

- Grow the economy;
- Create good paying jobs;
- Strengthen healthcare, and;
- Make our communities and neighbourhoods safer.

In 2025/26, Infrastructure BC supported a significant number of projects, ranging from schools to hospitals, transit hubs, and highways. Of particular note, Infrastructure BC reached a final project agreement on the following projects in fiscal 2025/26: Ecole Mission Senior Secondary, Belleville Terminal Replacement, Kamloops Cancer Centre, and the Highway 11 Interchange Project. Additionally, during fiscal 2025/26, Infrastructure BC managed the procurement of the Britannia Mine Water Treatment Plant Service Contract.

During fiscal 2025/26, Infrastructure BC continued to play a role in the delivery of the new Surrey Hospital and BC Cancer centre project, which is the first pilot project of the Enhanced Inclusion and Development Agreement (EIDA), which aims to increase the number of underrepresented workers, Indigenous workers, apprentices, and Indigenous apprentices. Infrastructure BC's experiences taken from the new Surrey hospital and BC Cancer centre project with respect to EIDA were implemented in the Kamloops BC Cancer centre project, the second Infrastructure BC-supported project to execute an EIDA. The EIDA has been successfully implemented and construction is underway on the project. Infrastructure BC members sit on the EIDA Advisory Committee for both the new Surrey Hospital and BC Cancer centre project and Kamloops Cancer Centre Project.

With respect to the development and/or completion of business cases, and the issuing of Request for Qualifications (RFQ) and Request for Proposals (RFP), fiscal 2025/26 was a significant year for Infrastructure BC, during which our team supported the following projects: Plant and Animal Health Centre Replacement, Roberts Bank Terminal 2 – Landmass and Wharf; Transit Centres in Kelowna and Kamloops for BC Transit, and the University Hospital Northern BC Acute Care Tower. During fiscal 2025/26, on behalf of Government, Infrastructure BC released the Plant and Animal Health Centre Replacement RFQ.

During fiscal 2025/26, Infrastructure BC provided procurement-related advisory services to public bodies such as TransLink, BC Hydro, Yukon Development Corporation, Yukon Hospital Corporation, BC Parks, BC Wildfire Service, and BC Pavillon Corp. Infrastructure BC will continue to provide advisory services for entities connected to the Province of British Columbia as well as others, both within British Columbia and out-of-province.

Recognizing market challenges that include, but are not limited to, capacity issues, project risk (transfer), and scope that is difficult to define upfront, Infrastructure BC introduced the Alliance procurement model to British Columbia in 2020. The interest and adoption of this unique collaborative contract have grown each year. 2025/26 saw the formation of the University Hospital of Northern British Columbia Acute Care Tower Alliance, following the completion of the RFQ and RFP phases, British Columbia's ninth project delivered via the Alliance model. During 2025/26, Infrastructure BC continued to play a pivotal role as an Alliance participant in the Cowichan District Hospital Replacement Project (recently renamed as the Quw'utsun Valley Hospital), and the Richmond Hospital Alliance. The introduction of this procurement model was a key contribution by Infrastructure BC to the province's efforts to achieve its goals of providing vital infrastructure for British Columbia's citizens and taxpayers.

With the support of Infrastructure BC's Board of Directors and Government, logistical planning began for the inaugural 2026 Canadian Collaborative Contracts Conference. As British Columbia's centre of procurement expertise, Infrastructure BC developed this first-of-its-kind conference to convene leaders from across the public and private sectors, including procurement professionals, market experts, and project managers, to advance collaboration in the planning, procurement, and delivery of public infrastructure projects. Public and private sector interest in this first-of-its-kind event was incredibly strong from the outset of the conference announcement in fall 2025.

As Infrastructure BC continues to carry out our important mandate of improving people's lives and communities through infrastructure, we are ready to assist the provincial government with the planning, procurement, and delivery of cost-effective, high-quality generational infrastructure projects.

On behalf of the Board of Directors and executive team, we would like to thank everyone at Infrastructure BC for their continued hard work and dedication.

Connie Fair
Board Chair
July 27, 2026

Mark Liedemann
President and CEO
July 27, 2026

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2024 and the Board Chair's Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Infrastructure BC 2025/26 – 2027/28 Service Plan and the actual results reported on in this annual report.

Purpose of the Organization

Infrastructure BC is owned by the Province of British Columbia. It is incorporated under the *Business Corporations Act*.

Infrastructure BC is governed by a Board of Directors that is responsible to the Minister of Infrastructure. The Board's direction is implemented by management, who carries out the day-to-day operations of the Corporation under the supervision of the President and Chief Executive Officer. For more information on Corporate Governance, please refer to https://www.infrastructurebc.com/about/governance-practices/.

Infrastructure BC advises public sector clients on how best to plan, procure, and deliver capital projects to foster innovation and quality, address key service needs, and manage projects on time and budget using various procurement models. These models engage the private sector and efficiently allocate or manage risk to provide the best value and outcome for all of Infrastructure BC's clients' projects. The public sector owns the infrastructure and maintains complete oversight of the projects in all cases.

Infrastructure BC brings its knowledge of infrastructure development and procurement expertise to each project, ensuring that projects meet citizens' and clients' needs. Infrastructure BC works in concert with the Ministry of Infrastructure to ensure that its priorities align with the Government of B.C.'s infrastructure development priorities. Infrastructure BC also provides services to public sector project owners in Canada other than the Government of B.C.

Infrastructure BC assists the Government of B.C. in implementing its Environmental, Social and Governance (ESG) Framework priorities for capital, namely CleanBC, Mass Timber, child care, and the hiring of underrepresented workers such as Indigenous peoples, women, and people with disabilities through the planning and procurement of major infrastructure projects.

Since its inception in 2002, Infrastructure BC has provided planning expertise across more than one hundred public infrastructure projects and successfully completed procurement services for 92 projects totaling approximately $33 billion in capital investment. This includes 12 procurements valued at $4 billion delivered for governments outside the Province of British Columbia.

Economic Statement

Economic activity in British Columbia advanced in 2025, after modest growth in 2024, despite facing notable headwinds. Last year, homebuilding activity in the province continued at a steady pace, and lower interest rates and easing inflation supported household spending. Meanwhile, high uncertainty around the impacts of U.S. tariffs and significantly lower population growth tempered economic activity in B.C., and across many provinces. Overall, B.C.'s real GDP rose by 2.0 per cent in 2025, up from 1.2 per cent growth in 2024. B.C. was one of only two provinces that saw an increase in the rate of real GDP growth from 2024 to 2025. On an industry basis, B.C.’s economic growth in 2025 was led by real estate, rental and leasing; health care and social assistance services; mining, quarrying, and oil and gas extraction; and construction.

B.C.’s labour market moderated in 2025, amid slower population growth and trade-related economic uncertainty. Total employment rose by 1.1 percent (+32,200 jobs), while wages and salaries rose by 3.1 percent. The unemployment rate averaged 6.2 percent in 2025, up from 5.6 percent in 2024, as labour force growth outpaced job creation. Despite rising last year, B.C.’s unemployment rate remained below the national average of 6.8 percent. B.C. housing starts totalled 44,193 units in 2025, down 3.6 percent from 2024, but remained above the 10-year historical average. Meanwhile, B.C. home sales activity declined by 5.7 percent compared to 2024, with muted demand contributing to a 2.9 percent decrease in the average home price. Inflationary pressures continued to moderate in 2025, reflecting slower price growth for services and subdued inflation for goods. Shelter inflation was the largest contributor to headline inflation last year but slowed substantially for both rented and owned accommodation compared to recent years. Lower gasoline prices, partly due to the removal of the B.C. consumer carbon tax, also helped ease headline inflation. Overall, B.C.’s consumer price inflation averaged 2.1 percent in 2025, down from 2.6 percent in 2024. Lower inflation and easing interest rates supported robust retail sales, which grew by 6.4 percent in 2025. On the trade front, B.C.’s merchandise exports remained relatively flat as markets adjusted to shifting global trade conditions. Overall, the value of B.C.’s goods exports edged down 0.1 percent compared to 2024 as increased exports to non-U.S. destinations were offset by a continued decline in goods exports to the U.S.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2025/26 – 2027/28 service plan. For forward-looking planning information, including current and future performance targets, please see the latest service plan.

Goal 1: Effective delivery of complex infrastructure projects for project owners

Infrastructure BC acts as an interface between public sector entities and private sector companies in the procurement and delivery of complex capital projects.

Objective 1.1: Effective planning of complex infrastructure projects.

Infrastructure BC assists the province and other public sector owners with planning complex infrastructure projects.

Key results

- Applied provincial guidance for concept plans and business cases.
- Assisted provincial project owners in writing concept plans and business cases consistent with the Capital Asset Management Framework (CAMF).
- Developed comprehensive business cases for public sector owners not associated with the Province.
- Delivered educational workshops to project owners.

Summary of progress made in 2025/26

To ensure the quality and consistency of its concept plans and business cases, Infrastructure BC created various guidance documents and templates that it applied to every project.

Additionally, Infrastructure BC provided education workshops for Government and project owners to help them learn about the elements of a comprehensive concept plan and business case, as well as the time and resources required to produce them. During 2025/26, Infrastructure BC delivered multiple presentations to Government and public-sector owner audiences, both in person and virtually. Presentations were made to public bodies including, but not limited to, Transportation Investment Corporation, health authorities, and others.

During the year, Infrastructure BC also provided advisory services during design, construction, and operations on the following projects: Dawson Creek and District Hospital Redevelopment, Nats'oojeh Hospital and Health Centre (Stuart Lake Hospital Redevelopment), Cowichan District Hospital Replacement, (recently named the Quw'utsun Valley Hospital), and the Royal BC Museum (RBCM) Provincial Archives, Research, and Collections (PARC) Building.

Objective 1.2: Successful procurement of complex infrastructure projects

Infrastructure BC consistently works with owners and the market, adapting, when necessary, to ensure effective delivery of complex infrastructure projects.

Key results

- Developed and implemented new procurement delivery models and/or improvements to existing models, and maintained regular engagement with market participants and other procurement agencies in Canada and worldwide.
- Retained a Fairness Reviewer on all procurements.
- Published the BC Major Infrastructure Projects Brochure twice per year.
- Participated on designated project boards (governance structure for large Government capital projects).
- Worked with owners to manage the scope to deliver value when receiving pricing from one proponent. Employed third-party reviews to provide assurance.

Summary of progress made in 2025/26

Infrastructure BC worked closely with the Ministry of Transportation and Transit and the Transportation Investment Corporation, managing project procurement, including the Belleville Terminal Replacement and the Highway 11 Interchange. Infrastructure BC also managed the procurement of Ecole Mission Senior Secondary and Kamloops Cancer Centre through 2025/26.

Infrastructure BC also managed the development phases of projects ledby several health authorities. These projects included the Richmond Hospital Redevelopment Phase 2 & 3, Burnaby Hospital Redevelopment Phase 2 and BC Cancer Centre, and the University Hospital of Northern BC Acute Care Tower.

Current market conditions are characterized by many large and complex projects in both public and private sectors, as well as a higher risk aversion among contractors. Infrastructure BC provided advice to project owners on how to successfully procure capital procurements in this environment. A key element that remains constant is the requirement to conduct procurements that are fair and verified to be fair. This is achieved by using a third-party monitor, known as a Fairness Reviewer.

The BC Major Infrastructure Projects Brochure is typically published each spring and fall by Infrastructure BC and features project details from the Ministry of Infrastructure, the Ministry of Transportation and Transit, BC Hydro, as well as Metro Vancouver, TransLink, Vancouver Fraser Port Authority, and the Capital Regional District. The brochure provided market participants, including industry, contractors, and subcontractors, with information on planned infrastructure projects, enabling them to determine how best to allocate the necessary financial and human resources. The market reaction to this biannual brochure continued to be positive and strong throughout 2025/26, with the Spring 2025 brochure published in June, and the Fall edition published in October 2025.

Infrastructure BC contributes its expertise to the governance of capital projects through the procurement of major projects. For example, in procurements where only one bidder provides pricing, value must be ensured, even if the pricing is within the project budget. Infrastructure BC requires disclosure and transparency of pricing, not found in procurements where pricing is received from more than one bidder. In addition, Infrastructure BC conducts independent cost reviews. In procurements where more than one bidder provides pricing, value is determined from the competitive process. In fiscal 2025/26, Infrastructure BC received two or more submissions from all procurements.

Objective 1.3: Effective management of design and construction of complex infrastructure projects on behalf of or with Provincial project owners

Canadian construction market is expected to be very active for the foreseeable future, making it difficult to find qualified resources to manage and deliver complex capital projects. Infrastructure BC provides its expertise to the governance of these projects during their design and construction projects.

Key Results

- Had sufficient experienced internal resources focused on design and construction, led by Infrastructure BC’s Vice President, Infrastructure Construction and Delivery.
- Identified provincial project owners who may not have sufficient capacity and/or expertise to undertake the management of design and construction of large, complex infrastructure projects and proactively offer Infrastructure BC's services.

Summary of progress made in 2025/26

Infrastructure BC provided its expertise to the management of projects during their design and construction phases during 2025/26, which included Dawson Creek and District Hospital Redevelopment, Nats’oojeh Hospital and Health Centre (Stuart Lake Hospital Redevelopment), Cowichan District Hospital Replacement, (recently renamed as the Quw’utsun Valley Hospital), and the RBCM Provincial Archives, Research, and Collections (PARC) Building.

Infrastructure BC is on multiple due diligence panels that provide independent advice to governing bodies. On these due diligence panels, Infrastructure BC employees work with external experts to meet regularly with the project team and provide advice to the project team and the governing body.

Performance measures and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
1.a % of Clients who are satisfied with Infrastructure BC's capital planning support.[1,2]	NA (biennial survey)[2]	80% or higher	88%

Data source: Client and Stakeholder Satisfaction Survey.
[1]PM 1a targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 80% or higher and NA, respectively.
[2]The most recent client and stakeholder satisfaction survey was held in Q4 of the 2025/26 fiscal year and biennially thereafter.

Infrastructure BC has developed many detailed guidance documents and templates that it utilizes to complete comprehensive concept plans and business cases. All concept plans and business cases go through an internal quality control process before being finalized. During 2025/26, Infrastructure BC supported the development or completion of multiple business cases, including the Plant and Animal Health Centre Replacement, Kelowna Transit Centre, and Saanich Transit Centre Operations and Maintenance Facility.

During 2025/26, Infrastructure BC delivered multiple education workshops for Government and project owners to assist in their knowledge of procurement models, specifically the Alliance model.

Infrastructure BC conducts biennial surveys of stakeholders and clients. The most recent Infrastructure BC Client and Stakeholder Satisfaction Survey was conducted in Q4 of the 2025/26 fiscal year, which saw an 88% satisfaction rate achieved. The next survey will be conducted in 2027/28.

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
1.b [1] % of procurements with clean Fairness Reviewer reports.[1,]	100%	100%	100%

Data source: Fairness Reviewer Reports are available within each individual project page located on Infrastructure BC website.
[1]PM 1.2 targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 100% and 100%, respectively.

Fairness Reviewer reports are created for both the RFQ and RFP phases. Clean reports help strengthen market confidence in Infrastructure BC-led procurements, contributing to stronger market competition and improved pricing and value for projects. A clean Fairness Reviewer report comments positively on the treatment of participants, the application of evaluation criteria, fairness, and transparency, and contributes to the effective delivery of complex infrastructure projects. Fairness Reviewer reports are publicly available on Infrastructure BC's website project page.

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
1.c % of procurements with two or more qualified respondents[1]	100%	100%	100%

Data source: Infrastructure BC internal tracking.
[1]PM 1.3 targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 100% and 100%, respectively.

Public sector clients receive the best value through robust market participation and competition; therefore, Infrastructure BC targets a minimum of two qualified responses in each capital project procurement to generate competitive tension for projects.

Goal 2: Province's capital projects are aligned with its policy priorities

Infrastructure BC supports the analysis of incorporating government policy priorities for capital projects at the business case stage.

Objective 2.1: Assist the Province in implementing the Province's Environmental, Social, and Governance Framework for Capital (ESGFC)

To ensure capital projects are aligned with policy priorities such as ESGFC, Infrastructure BC supports the Province through project planning that includes the achievement of lasting labour, environmental, economic, and social benefits for British Columbians by leveraging its investments in public infrastructure projects.

Key results

- Assisted with the development and implementation of assessment tools that can be used during the capital planning stage (e.g., screening tools).
- Supported the development and implementation of approaches to include ESGFC priorities in the procurement phase of projects (e.g., template legal language suitable for different forms of standard construction contracts).
- Monitored ESGFC initiatives during design and construction stages and suggested improvements.

Summary of progress made in 2025/26

As a partner in provincial capital project planning and implementation, Infrastructure BC remained well-positioned to support the implementation of the ESGFC. The ESGFC includes four priority areas:

- Childcare – providing more childcare spaces;
- CleanBC – reducing energy consumption and emission of greenhouse gases and climate resilience goals;
- Mass Timber – utilizing mass timber in construction where possible; and

- Labour – increase participation of individuals from underrepresented groups in construction and increase apprentices on major public infrastructure projects.

Based on the Province's decision regarding ESGFC initiatives to be included in the project, Infrastructure BC worked with owners and construction market participants to integrate the identified initiatives where relevant into the procurement and construction documents.

Performance measure and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
2.a Clients', Government, and Contractors' satisfaction with Infrastructure BC's effectiveness in implementing Government's strategic priorities.[1,2]	NA[2]	80% or higher	88%

Data source: Infrastructure BC Client and Stakeholder Engagement Survey.
[1]PM 2.1 Targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as NA and 80% or higher, respectively.
[2]The most recent client and stakeholder satisfaction survey was held in Q4 of the 2025/26 fiscal year and biennially thereafter.

Infrastructure BC conducts biennial surveys of stakeholders and clients. The most recent Infrastructure BC Client and Stakeholder Satisfaction Survey was conducted in Q4 of the 2025/26 fiscal year, which saw an 88% satisfaction rate achieved. The next survey will be conducted in 2027/28.

Goal 3: Ensure sufficient capacity to deliver Infrastructure BC's mandate

Objective 3.1: Achieve sufficient capacity to provide services to clients

Infrastructure BC requires staff with strong planning and procurement experience to deliver on projects successfully.

Key results

- Infrastructure BC has maintained an organization-wide succession plan that enabled new staff to be trained and to work on tasks (such as lessons learned, project boards, market engagement, education within government, etc.).
- Provided focused staff development and learning opportunities.
- Developed an organization-wide employee coaching framework.
- Implemented a Balanced Scorecard framework and integrated the scorecard with the Organization's employee Career Development Plan as part of the annual performance review process. The Balanced Scorecard allows the Organization to align its human resources practices with overarching business strategies, recognizing that employees are valuable assets who drive success.

Summary of progress made in 2025/26

Given the significant knowledge and skills that are required to deliver on its mandate, Infrastructure BC has established the processes to hire, train, and develop its staff. Each employee has a manager who oversees their training and development. Infrastructure BC also has a career development program that provides resources and learning opportunities for employees to work on projects.

However, it takes time for new employees to fully understand Infrastructure BC's processes. This is because a business case usually takes a year to complete, and a procurement process typically takes 15 months. To speed up the learning curve, Infrastructure BC offers staff development and coaching programs. Infrastructure BC also has many ongoing projects that provide valuable learning experiences for its staff. Through 2025/26, Infrastructure BC enhanced its internal coaching program with the creation of a Coaching Committee that cultivated and advanced a coaching culture within Infrastructure BC. This program includes promoting coaching, mentoring, and leadership development to foster professional growth and collaboration across the organization.

Objective 3.2: Enhance employee engagement and satisfaction

Infrastructure BC focuses on continuous learning and improvement of all team members.

Key results

- Addressed key recommendations raised through staff engagement surveys.
- Promoted a welcoming workplace culture for people of all backgrounds and orientations.
- Continued Infrastructure BC’s Diversity, Equality, and Inclusion journey, focusing on mental and physical health.
- Limited knowledge loss by reducing voluntary turnover in comparison to Western Canada-based organizations.

Summary of progress made in 2025/26

“People First” is among Infrastructure BC’s core values. Infrastructure BC focused on continuous learning and improvement of all team members. This corporate culture focuses on growth and is supported by coaching and timely feedback to ensure continued positive staff engagement at all levels.

Every two years, Infrastructure BC undertakes an employee engagement survey to solicit confidential feedback on how to improve the way people are managed within Infrastructure BC. Infrastructure BC recognizes that the path of Diversity, Equity, and Inclusion is an ongoing journey. During the year, Infrastructure BC continued to focus on its core value of people first. The strategy of orienting, integrating, and supporting newer employees while further developing and mentoring experienced employees continues to be a key component in

Infrastructure BC's positive employee engagement survey results. The 2025/26 employee engagement survey, with a 100% participation rate, returned a 68% satisfaction index.

Performance measure and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
3.a % of engaged employees[1]	NA[2]	80% or higher	68%

Data source: [type data source here]
[1]PM 3.2 targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 80% or higher and NA, respectively.
[2]The next Infrastructure BC Employee Engagement Survey will be held in Q4 of 2027/28 fiscal year and biennially thereafter.

Infrastructure BC works in a knowledge management industry, and its most important asset is its employees. For Infrastructure BC to build and maintain the capacity required to deliver its mandate, it is essential that Infrastructure BC understands its employees' engagement and satisfaction across specific areas of focus, including day-to-day work, development and training, co-workers, managers, executives, and the organization.

A well-managed organization supports employee development and provides growth and challenging opportunities. Infrastructure BC measures employee engagement through job satisfaction and commitment via an employee engagement survey. This survey, conducted biennially by a third-party consultant, measures outcomes in various areas, including teamwork, professional development, and job suitability. Where possible, normative scores are included in the final report for benchmarking purposes. The most recent Infrastructure BC Employee Engagement Survey was conducted in Q4 of the 2025/26 fiscal year and achieved a 68% engagement rate. Following a notable increase in 2024, overall employee engagement and sentiment metrics have returned to 2022 levels. Ipsos data reveals a distinct divide among Canadian employees, who feel relatively confident in their personal financial situations but are highly pessimistic regarding the broader national economy. Infrastructure BC will focus on key areas for improvement which centre on growth, culture, fairness, follow-through, and strategy: strengthening career development, fostering innovation without fear of failure, ensuring fair workload and recognition, closing the loop on employee feedback, and reinforcing confidence in the Organization's direction and leadership. The next Employee and Engagement survey will be conducted in 2027/28 and biennially thereafter.

Financial Report

For the auditor's report and audited financial statements, see Appendix [Letter]. These documents can also be found on the Infrastructure BC website.

Discussion of Results

This Discussion of Results of Infrastructure BC Inc. (Infrastructure BC or the 'Organization') is intended to be read in conjunction with the audited financial statements and accompanying notes. The results reported are prepared in accordance with Canadian Public Sector Accounting Standards using guidelines developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

This Discussion of Results presents an analysis of Infrastructure BC's 2025/26 financial performance in comparison to the previous fiscal year and 2025/26 budget.

Overview of Fiscal 2025/26

Fiscal 2025/26 was the first full year under Infrastructure BC's new shareholder – the Ministry of Infrastructure. In addition, macroeconomic events like global conflicts and US protectionist measures, together with balancing interest rates and current inflationary challenges, have had negative cost impacts on active capital projects. Despite these challenges Infrastructure BC has continued to support public sector clients by providing leadership in the planning, procurement, and delivery of complex capital projects.

Comparison of 2025/26 and 2024/25 Financial Performances

Infrastructure BC generated consulting fees of $13.2 million in fiscal 2025/26 compared to $13.6 million in fiscal 2024/25, resulting in a decrease of $0.4 million or 3 per cent, largely due to fewer projects in procurement.

The following project reached the development phase (implementation) in fiscal 2025/26:

- University Hospital Northern BC

The Organization continued to support the development phase for the following projects in fiscal 2025/26:

- Burnaby Hospital Redevelopment Phase 2 and BC Cancer Centre;[1]
- Richmond Hospital Redevelopment; and
- Fraser River Tunnel Replacement

The Organization reached a design-build agreement on the following projects in fiscal 2025/26:

- Belleville Terminal Replacement:

[1] The project timeline was subsequently adjusted under the Province of BC's fiscal 2026/27 budget.

- Ecole Mission Senior Secondary School; and
- Highway 11 Interchange;

The Organization reached a service agreement on the following project in fiscal 2025/26:

- Britannia Mine Wastewater Treatment Plant

Concurrently, there were several other projects in procurement in fiscal 2025/26:

- Plant and Animal Health Centre Replacement;
- Roberts Bank Terminal 2 – Landmass and Wharf;
- University Hospital Northern BC.

During the year, Infrastructure BC also supported the development and or completion of business plans for the following projects:

- Plant and Animal Health Centre Replacement;
- Kelowna Transit Centre; and
- Saanich Transit Centre Operations and Maintenance Facility.

During the year, Infrastructure BC also provided advisory services during design and construction on the following projects:

- Provincial Archives and Research Centre for the Royal BC Museum;
- Dawson Creek and District Hospital Replacement;
- Quw'utsun Valley Hospital (formerly Cowichan District Hospital)
- Nats'oojeh Hospital and Health Centre (Fort St James); and
- Yukon Hospital Corporation Secure Medical Unit.

VARIANCE AND TREND ANALYSIS

Revenues – Comparison between 2025/26 and 2024/25 and to Budget

For the year ended March 31, 2026, total revenues consisting of consulting fees and interest income were 4.4 per cent lower than total revenues for the year ended March 31, 2025.

During the year, the Organization had fewer projects in planning, procurement, and design and construction.

Interest income decreased by $0.3 million in fiscal 2025/26 due to the decrease in interest rates. The Organization has continued to place its excess cash with the Ministry of Finance Central Deposit Program (the 'Program') to support the Province's monetary program while at the same time earning a competitive interest rate with minimal risk.

Expenses – Comparison between 2025/26 and 2024/25

For the year ended March 31, 2026, there was a decrease in operating expenses of $0.2 million or 1.7 per cent compared to 2024/25.

Overall, for the year ended March 31, 2026, total expenses as a percentage of revenues were 98.6 per cent compared to 95.9 per cent for the year ended March 31,2025. The increase was largely attributable to lower-than-expected consulting work fees in fiscal 2025/26.

Total general and administrative expenses for 2025/26, as a percentage of revenues, were 17.6 per cent compared to total general and administrative expenses as a percentage of revenues for the year ended March 31, 2025 of 17.6 per cent.

Expenses – Comparison of 2025/26 to Budget

The development of the fiscal 2025/26 budget was based on the projected pipeline of projects from the Province taking into consideration the number of active projects in planning and procurement.

For the year ended March 31, 2026, the Organization did not hire the full complement of staff allowed for in the budget. As a result, human resources expenses were $11.2 million compared to budget of $12.2 million resulting in a positive variance of $1.0 million or 8.4 per cent. For the year ended March 31, 2026, all categories of general and administrative expenses were below budget.

For the year ended March 31, 2026, total general and administrative expenses were $2.4 million compared to budget of $3.0 million, resulting in a variance of $0.6 million or 20.9 per cent. The positive variance was largely due to the lower administrative expenses as a result of the initiatives described above.

Total expenses for the year ended March 31, 2026 as a percentage of revenues were 98.6 per cent which was greater than the budgeted percentage of 93.5 per cent. General and administrative expenses for the year ended March 31, 2026, as a percentage of revenues, were 17.6 per cent which was lower than the budgeted percentage of 18.8 per cent.

Statement of Financial Position

Assets

Cash increased by $1.0 million from $19.4 million as at March 31, 2025 to $20.4 million as at March 31, 2026. The increase in cash was due to changes in working capital, specifically the receipt of the Organization’s April 2026 Canadian Collaborative Contracts Conference registration fees and sponsorships and the current year’s operating surplus.

Accounts receivable, which consist of consulting fees, project recoverable expenses and accruals at year-end, decreased by $0.4 million from $3.5 million as at March 31, 2025 to $3.1 million as at March 31, 2026. Current accounts receivable represented approximately 90 per cent of the balance at year-end. Majority of the accounts receivable are receivables from the

Province of B.C. and related agencies. As a result, the Organization did not provide for any doubtful accounts for the years ended March 31, 2026, and 2025.

Non-financial assets consisting of prepaid expenses and tangible capital assets increased by $0.2 million.   This was primarily due to capital asset additions during the year and prepayment of certain expenses for the Canadian Collaborative Contracts Conference.

Liabilities and Accumulated Surplus

Accounts payable and accrued liabilities decreased by $0.1 million from $1.5 million as at March 31, 2025 to $1.4 million as at March 31, 2026. The overall decrease in accounts payable and accrued liabilities was due to the timely payment of accounts payable and accrued liabilities at fiscal year-end.

As previously mentioned, the Organization was planning to host the inaugural Canadian Collaborative Contracts Conference in April 2026 to advance collaboration in the planning, procurement, and delivery of public infrastructure projects. All conference registration revenues and conference sponsorships collected in advance have been recorded as deferred revenue and were recognized as revenue after the conference is concluded.

Deferred lease inducement of $0.06 million consists of unamortized reimbursement of leasehold improvement costs from the lessor. The total inducement was deferred and recognized as a reduction of building occupancy expense on a straight-line basis over the term of the lease.

The increase in accumulated surplus was attributable to an annual operating surplus of $0.2 million.

Statement of Cash Flows

Liquidity and capital resources

As at March 31, 2026, the Organization's principal sources of liquidity included cash of $20.4 million and accounts receivable of $3.1 million. The Organization has $1.4 million in accounts payable and accrued liabilities due in 2026/27 and deferred revenues of $0.7 million. As a result, the Organization has a net working capital of $21.6 million compared to $21.5 million as at March 31, 2025, an increase of $0.1 million.

Financial Summary

($000s/$m)	2024/25 Actual	2025/26 Budget	2025/26 Actual	2025/26 Variance
Revenues				
Consulting fees	13.57	15.80	13.20	(2.60)
Investment income	0.86	0.53	0.59	0.06
Project recoveries	4.32	3.00	3.51	0.51
Total Revenue	**18.75**	**19.33**	**17.30**	**(2.03)**
Expenses				
Human resource costs	11.29	12.18	11.16	(1.02)
Administration	1.78	2.24	1.74	(0.50)
Professional services	0.67	0.72	0.57	(0.15)
Amortization	0.10	0.12	0.13	0.01
Project recoverable expenses	4.32	3.00	3.51	0.51
Total Expenses	**18.16**	**18.26**	**17.11**	**(1.15)**
Operating Surplus	**0.59**	**1.07**	**0.19**	**(0.88)**
Total Debt	**0.00**	**0.00**	**0.00**	**0.00**
Capital Expenditures	**0.15**	**0.33**	**0.25**	**(0.08)**
Accumulated Surplus	**21.75**	**22.82**	**21.94**	**(0.88)**

[1] The above financial information was prepared based on current Generally Accepted Accounting Principles.
[2] [Additional footnote placeholder to explain any inconsistencies, missing data, significant fluctuations, unmet targets, etc.] [Keep this reminder in the template during drafting, only delete before finalizing – Crowns should customize their revenue and expense items to accurately reflect the nature of their business model]

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2025 Mandate Letter from the Minister Responsible.

2025 Mandate Letter Priority	Status as of March 31, 2026
Continue to enhance the understanding of project owners in the Provincial government and other stakeholders of the best practices in capital planning, procurement, and contract management to improve communication and better understand project outcomes and stakeholders' needs.	Ongoing • Infrastructure BC provided education and information sessions to public sector owners during fiscal 2025/26. • Infrastructure BC published the BC Major Infrastructure Projects Brochure in June and October 2025.
Continue to provide strategic advice to the Province and support to public sector clients for Government priorities as they relate to capital projects, including, but not limited to, use of mass timber, standardized designs and prefabricated components; labour models used on capital projects; inclusion of childcare spaces; bundling procurement; and assisting the Province in meeting CleanBC targets.	Ongoing • Infrastructure BC continues to provide strategic advice regarding childcare design standards, mass timber assessment tool, mass timber in procurements, CleanBC targets in all vertical procurements, procuring projects with Community Benefit Agreements (CBA), as well as assisting in the management of projects with CBAs (example: Cowichan District Hospital Replacement).
2023 Mandate Letter Priority	**Status as of March 31, 2026**
Implement and maintain an effective fraud risk management strategy.	Implemented and ongoing • Strategy implemented and maintained on a quarterly and annual basis
Gender-Based Analysis Plus (GBA+) lens	Ongoing

Appendix B: Auditor's Report and Audited Financial Statements

Statement of Management Responsibility

The financial statements of Infrastructure BC Inc. for the year ended March 31, 2026, have been prepared by management in accordance with Canadian Public Sector Accounting Standards. These financial statements present fairly the financial position of Infrastructure BC Inc. as at March 31, 2026.

Management is responsible for the preparation of the financial statements and has established a system for internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records provide reliable information for the preparation of the financial statements.

The Board of Directors carries out its responsibility for the review of financial statements. The Board meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Board.

BDO Canada LLP has performed an independent audit of the financial statements of Infrastructure BC Inc. The Independent Auditor's Report outlines the scope of their examination and expresses an opinion on statements of Infrastructure BC Inc.

Mark Liedemann
President and Chief Executive Officer
Infrastructure BC Inc.

Chan-Seng Lee, CPA, CA
Chief Financial Officer and Corporate Secretary
Infrastructure BC Inc.

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Unit 1100, P.O. Box 11101
Vancouver, British Columbia
V6E 3P3

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Infrastructure BC Inc. (the "Organization") which comprise the Statement of Financial Position as at March 31, 2026 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, 2026 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 8, 2026

Infrastructure BC Inc.
Statement of Financial Position
As at March 31, 2026 and 2025

	2026	2025
Financial assets		
Cash and cash equivalents	$ 20,437,741	$ 19,407,151
Accounts receivable (Note 3)	3,106,845	3,515,046
Total Financial Assets	23,544,586	22,922,197
Liabilities		
Accounts payable & accrued liabilities (Note 4)	1,408,930	1,495,308
Deferred revenue	703,691	-
Deferred lease inducement	58,670	78,228
Total Financial Liabilities	2,171,291	1,573,536
Net financial assets	21,373,295	21,348,661
Non-financial assets		
Prepaid expenses	194,563	147,073
Tangible capital assets (Note 6)	376,305	259,529
Total Non-Financial Assets	570,868	406,602
Accumulated surplus	$ 21,944,163	$ 21,755,263
Accumulated surplus is comprised of:		
Accumulated surplus	$ 21,944,161	$ 21,755,261
Share capital (Note 7)	2	2
	$ 21,944,163	$ 21,755,263

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

APPROVED ON BEHALF OF THE BOARD

e Fair (Jun 4, 2026 15:53:27 PDT)
C. Fair, Chair

Sue Dujmovic (Jun 4, 2026 15:34:36 PDT)
S. Dujmovic, Director

Infrastructure BC Inc.
Statement of Operations
For the Years Ended March 31, 2026 and 2025

	Budget	2026	2025
	(Note 11)		
Revenues			
Consulting fees	$ 15,796,900	$ 13,199,010	$ 13,565,931
Interest income	530,500	586,467	859,725
Total Revenues	16,327,400	13,785,477	14,425,656
Expenses			
Administration	413,750	336,602	396,473
Amortization of tangible capital assets	121,239	130,735	100,176
Building occupancy	790,284	703,201	606,158
Human resources	12,182,144	11,163,709	11,286,145
Information systems	692,000	484,884	485,162
Professional services	723,500	569,109	666,187
Travel	335,450	208,337	290,455
Total Expenses	15,258,367	13,596,577	13,830,756
Reimbursable costs			
Project recoveries	3,000,000	3,514,008	4,315,359
Less: Project expenses	(3,000,000)	(3,514,008)	(4,315,359)
Net reimbursable costs	-	-	-
Annual surplus	1,069,033	188,900	594,900
Accumulated surplus, beginning of year	21,755,261	21,755,261	21,160,361
Accumulated surplus, end of year	$ 22,824,294	$ 21,944,161	$ 21,755,261

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, 2026 and 2025

	Budget	**2026**	**2025**
	(Note 11)		
Annual surplus	$ 1,069,033	$ 188,900	$ 594,900
Acquisition of tangible capital assets	(334,500)	(247,511)	(153,143)
Amortization of tangible capital assets	121,239	130,735	100,176
	(213,261)	(116,776)	(52,967)
Additions to prepaid expenses	-	(349,562)	(250,676)
Use of prepaid expenses	47,073	302,072	219,641
	47,073	(47,490)	(31,035)
Increase in net financial assets for the year	902,845	24,634	510,898
Net financial assets, beginning of year	21,348,661	21,348,661	20,837,763
Net financial assets, end of year	$ 22,251,506	$ 21,373,295	$21,348,661

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

Infrastructure BC Inc.
Statement of Cash Flows
For the Years Ended March 31, 2026 and 2025

	2026	2025
Operating transactions		
Annual surplus	$ 188,900	$ 594,900
Non-cash item included in surplus:		
Amortization of tangible capital assets	130,735	100,176
Amortization of deferred lease inducement	(19,558)	(21,187)
	300,077	673,889
Changes in non-cash operating balances		
Accounts receivable	408,201	(315,589)
Prepaid expenses	(47,490)	(31,035)
Deferred revenue	703,691	-
Accounts payable and accrued liabilities	(86,378)	(462,836)
	978,024	(809,460)
Cash provided by (used in) operations	1,278,101	(135,571)
Capital transactions		
Purchase of tangible capital assets	(247,511)	(153,143)
Receipt of lease inducement	-	99,415
	(247,511)	(53,728)
Net increase (decrease) in cash for the year	1,030,590	(189,299)
Cash and cash equivalents, beginning of year	19,407,151	19,596,450
Cash and cash equivalents, end of year	$ 20,437,741	$ 19,407,151

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

Infrastructure BC Inc.
Notes to Financial Statements
For the Years Ended March 31, 2026 and 2025

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.*

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:

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. Deferred revenue

The Organization is hosting an inaugural conference – Canadian Collaborative Contracts Conference to advance collaboration in the planning, procurement, and delivery of public infrastructure projects. Any conference registration revenues and conference sponsorships collected in advance are recorded as deferred revenue and will be recognized as revenue when earned as the conference is delivered.

f. Prepaid expenses

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

g. 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.

h. 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. Consulting fee 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. Conference revenues are recognized when the conference is delivered.

2. Summary of Significant Accounting Policies (continued)

h. **Revenue recognition (continued)**

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.

i. **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.

j. **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.

2. Summary of Significant Accounting Policies (continued)

k. **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.

3. Accounts Receivable

	2026	**2025**
Revenues receivable	$ 3,100,609	$ 3,509,629
Accrued interest	6,236	5,417
	$ 3,106,845	**$ 3,515,046**

There was no provision for doubtful accounts required as at March 31, 2026 and 2025.

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

4. Accounts Payable and Accrued Liabilities

	2026	**2025**
Accounts payables and accrued liabilities	$ 477,812	$ 781,300
Salaries and benefits	593,428	349,939
Accrued vacation	337,690	364,069
	$ 1,408,930	**$ 1,495,308**

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% (2025: 8.35%). During the year ended March 31, 2026, Infrastructure BC contributed $844,775 (2025: $835,086) 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.

6. Tangible Capital Assets

	Computer software	Computer hardware	Furniture and equipment	Leasehold improvements	2026 Total
Cost					
Opening Balance	$ 87,177	$ 845,690	$ 364,303	$ 1,001,795	$ 2,298,965
Additions	-	124,396	91,769	31,346	247,511
Closing Balance	87,177	970,086	456,072	1,033,141	2,546,476
Accumulated Amortization					
Opening Balance	87,177	737,145	305,623	909,491	2,039,436
Amortization	-	78,450	29,844	22,441	130,735
Closing Balance	87,177	815,595	335,467	931,932	2,170,171
Net book value	**$ -**	**$ 154,491**	**$ 120,605**	**$101,209**	**$376,305**

	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	36,218	40,109	153,143
Closing Balance	87,177	845,690	364,303	1,001,795	2,298,965
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**	**$ 58,680**	**$ 92,304**	**$ 259,529**

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.

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
2027	$ 763,697
2028	785,416
2029	806,816
2030	433,147
2031	73,173
	$ 2,862,249

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

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.

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 23, 2025. These budgeted figures were included in the Organization's 2025/26 – 2027/28 Service Plan.