
*Consolidated
Summary Financial Statements
Province of British Columbia*

*For the Fiscal Year Ended
March 31, 2021*



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Statement of Responsibility for the Summary Financial Statements of the Government of the Province of British Columbia

Responsibility for the integrity and objectivity of the Summary Financial Statements for the Government of the Province of British Columbia rests with the government. The Comptroller General prepares these financial statements in accordance with the *Budget Transparency and Accountability Act* (BTAA), which requires generally accepted accounting principles (GAAP) for senior governments in Canada, supported by regulations of Treasury Board under the BTAA. The fiscal year of the government is from April 1 to March 31 of the following year.

To fulfill its accounting and reporting responsibilities, the government maintains financial management and internal control systems. These systems give due consideration to costs, benefits and risks, and are designed to provide reasonable assurance that transactions are properly authorized by the Legislative Assembly, are executed in accordance with prescribed regulations and are properly recorded. This is done to maintain accountability of public money and safeguard the assets and properties of the Province of British Columbia under government administration. The Comptroller General of British Columbia maintains the accounts of British Columbia, a centralized record of the government's financial transactions, and obtains additional information as required from ministries, Crown corporations, agencies, school districts, universities, colleges, institutes and health organizations to meet accounting and reporting requirements.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the government. The duties of the Auditor General in that respect are contained in section 11 of the *Auditor General Act*.

Annually, the financial statements are tabled in the legislature as part of the Public Accounts, and are referred to the Select Standing Committee on Public Accounts of the Legislative Assembly. The Select Standing Committee on Public Accounts reports to the Legislative Assembly with the results of its examination and any recommendations it may have with respect to the financial statements and accompanying audit opinions.

Approved on behalf of the Government of the Province of British Columbia:



SELINA ROBINSON

Chair, Treasury Board

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INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of British Columbia

Qualified Opinion

I have audited the summary financial statements of the Government of the Province of British Columbia (Government) using my staff and resources. The Engagement Leader, Molly Pearce, CPA, CA is responsible for this audit and its performance. The summary financial statements of Government comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in net liabilities and cash flow for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of my report, the summary financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2021, and the results of its operations, change in its net liabilities, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Deferral of revenues

Government's accounting treatment for funds received from other governments and for externally restricted funds received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized.

Under Canadian Public Sector Accounting Standards, Government's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions from others do not meet the definition of a liability, and as such Government's method of accounting for those contributions represents a departure from Canadian Public Sector Accounting Standards.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had Government made an adjustment for this departure in the current year, the liability for deferred revenue as at March 31, 2021 would have been lower by \$5,983 million, contribution revenue, surplus for the year and accumulated surplus would have been higher by \$5,983 million, and net liabilities would have been lower by \$5,983 million.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Government in accordance with the ethical requirements that are relevant to my audit of the summary financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Consolidation of the Government's financial statements

The Government's summary financial statements include the financial information of both central government components and those organizations in the broader public sector controlled by Government. Note 1 – Significant Accounting Policies, explains what is included in the reporting entity (with reference to a list of organizations on pages 91 – 93) and the principles of consolidation.

The challenge is to understand what control means in the public sector. Control is determined by looking at the circumstances of each organization. An organization's legal form does not determine whether an organization is included or excluded from the reporting entity. Canadian Public Sector Accounting Standards provides guidance that sets out various indicators that provide evidence of control at the financial statement reporting date. Once the determination of control has been made the type of government organization needs to be determined as this impacts the accounting policies applied in the consolidation of the financial information. The complexity of identifying all the entities that comprise the government reporting entity, along with the significant judgments required in the determination of control, as well as the significant judgments required in determination of the types of government organizations controlled have a pervasive impact on the financial statements. In addition, the complexity of the consolidation process itself creates a risk of fraud and error. For that reason, the consolidation of the Government's financial statements has been identified as a key audit matter.

Audit procedures include evaluating the relationship between government and an organization. In some circumstances it is easy to determine the existence of control. In other cases, it is a matter of judgement to determine if indicators represent evidence of control. Throughout the year, as part of my audit procedures I scan media as well as Government announcements to identify new organizations, as well as organizations or legislative changes that may have changed an organization's control profile. I look for indicators of control for each new and changed organization. I also enquire of management and obtain representations as to the completeness of the summary financial statement.

Once the government reporting entity organizations, or components, have been identified there are extensive procedures to ensure the preparation of the consolidated summary financial statements has resulted in accurate eliminations of all intra-organization balances and accurate disclosure of financial statement balances. My audit procedures for the consolidation process include: reviewing the audit work performed by component auditors, checking that figures used in the consolidation have been accurately extracted from the financial statements of the components, reviewing the disclosures in the component financial statements to ensure these are carried forward to the summary financial statements, reviewing the adjustments for any components have a different financial year end than the summary financial statements, and gathering evidence to support specific consolidation journal entries and verifying the compilation of the summary financial statements as a whole.

Accuracy of personal income taxation revenue

Personal income tax is Government's largest taxation revenue stream, providing over \$11.1 billion in revenue in fiscal 2021. Personal tax is included in Note 29 – taxation revenue and note 2 - measurement uncertainty provides disclosure on measurement uncertainty related to personal income tax revenue and provides a range for uncertainty of +/- \$500 million. Personal income tax revenue in a fiscal year is derived from management estimates of personal income tax for two separate calendar years. For the fiscal year ending March 31, 2021, Government records nine months of revenue for calendar year 2020 and three months of revenue for calendar year 2021. However, the tax assessments for the 2020 calendar year will not be finalized until December 2021, and the 2021 tax assessments won't be available until one year later. This means precise revenue figures from personal income tax cannot be determined until 21 months after the fiscal year-end date. As a result, Government estimates these revenues based on the best information available. The estimate is complex and includes several inputs and assumptions and as a result this has been identified as a key audit matter.

Government uses an economic forecast model to support its conclusions on two main assumptions underpinning a significant portion of its calendar year estimates: household income growth and elasticity. The latter, elasticity, is defined as the ratio of annual current year tax revenue growth to annual household income growth.

Other key areas included in the estimate are the impact of tax measures or other adjustments to consider significant events. In the current year, there was a one-time downward adjustment of \$391 million due to the expectation that the impacts of COVID-19 would result in taxpayers moving to a lower tax bracket.

Actual calendar year results differ from Government's estimates and result in prior year adjustments being accounted for in the current fiscal reporting period. These adjustments impact Government's reported personal income tax revenue.

Audit work to address this key audit matter included assessing the appropriateness of the method used to make the estimate, performing a retrospective review to determine the accuracy of previous estimates made, ensuring the underlying data supporting management estimate is correct, testing the accuracy of management's calculations supporting the estimate and developing a range estimate to assess managements estimate against. Audit procedures also included a review of the estimate for indications of management bias, an evaluation of the quality of the personal income tax revenue measurement uncertainty disclosure in the summary financial statements and management representation related to estimates was obtained.

An auditor's specialist was engaged to assist with the audit of this complex estimate.

Impact of the COVID-19 pandemic relevant to the summary financial statements

The COVID-19 pandemic has had a significant impact on the province of British Columbia for fiscal year 2021. Government has considered the impact of COVID-19 on the summary financial statements. They have disclosed that the pandemic has increased measurement uncertainty as noted in Note 2. Government has also disclosed a broad statement related to COVID-19 in Note 40 – significant event. The COVID-19 pandemic has resulted in risks related to the operations and financial reporting processes of Government and for this reason it has been identified as a key audit matter.

Risks arising from the impacts of COVID-19 include:

- the valuation of investments, interest rates used to estimate long term liabilities, estimation of taxes owed to Government and the collection of other accounts receivable.
- the financial impact of the COVID-19 response measures implemented in 2021.
- Government's way of working, including the operation of controls, has been impacted by COVID-19 as a result of many staff working remotely. There is inevitably an increase in risk due to the remote accessing of information technology systems.

Audit procedures to address the significant aspects of COVID-19 included meetings with Government during the year to understand the impacts of the pandemic to financial reporting and how it has impacted the significant estimates and judgements used in the preparation of the summary financial statements.

Though the audit places only limited reliance on the Government's information technology control environment, in response to any incremental risk from remote working, audit procedures included obtaining understanding and reviewing any key changes to various Government information technology controls and financial process activities as part of my assessment of audit risks to consider where additional testing might be required.

The higher level of COVID-19 related spending increased the level of detailed audit testing done as well as adjusting substantive analytic procedures to take into consideration the factors that are directly related to pandemic revenues and expense. There was also increased scrutiny of transactions occurring directly before and after year end to ensure entries were recorded in the correct year. In addition, management representation related to the impact of COVID-19 on the financial statements was obtained.

Other Accompanying Information

Government is responsible for the information they include in the annual Public Accounts report.

My opinion on the summary financial statements does not cover other information accompanying the financial statements and, except for my independent auditor's opinion on the debt-related statements, I do not express any form of assurance conclusion thereon.

In connection with my audit of the summary financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report. As described in the *Basis for Qualified Opinion* section above, I believe there are material misstatements in Government's accounting for the deferral of revenues. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the annual report affected by this departure from Canadian Public Sector Accounting Standards.

Responsibilities of Treasury Board for the Summary Financial Statements

The Treasury Board of British Columbia is responsible for the oversight of the financial reporting process including the approval of significant accounting policies. The Comptroller General of British Columbia (Comptroller General) is responsible for the preparation and fair presentation of the summary financial statements in accordance with the *Budget Transparency and Accountability Act* (BTAA), and for such internal control as the Comptroller General determines is necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the summary financial statements, the Comptroller General is responsible for assessing Government's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the Government will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the summary financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with generally accepted accounting principles, being Public Sector Accounting Standards for senior governments in Canada. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the summary financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Government's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Comptroller General.
- Conclude on the appropriateness of the Comptroller General'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 Government's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the summary financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Government to cease to continue as a going concern.

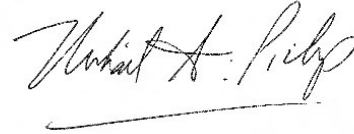
- Evaluate the overall presentation, structure and content of the summary financial statements, including the disclosures, and whether the summary financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The audit of the summary financial statements is a group audit engagement. As such I also obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the summary financial statements. I am responsible for the direction, supervision and performance of the group audit and I remain solely responsible for my audit opinion.

I communicate with the Chair of Treasury Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Chair of Treasury Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Victoria, British Columbia, Canada
July 16, 2021



Michael A. Pickup, FCPA, FCA
Auditor General



Summary Financial Statements

Consolidated Statement of Financial Position as at March 31, 2021

| | Note | In Millions | |
|---|-----------|---------------------|---------------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| Financial Assets | | | |
| Cash and cash equivalents..... | | 6,163 | 3,590 |
| Temporary investments..... | | 397 | 395 |
| Accounts receivable..... | 3 | 5,971 | 5,165 |
| Inventories for resale..... | 4 | 71 | 68 |
| Due from other governments..... | 5 | 1,711 | 932 |
| Due from self-supported Crown corporations and agencies..... | 6 | 282 | 316 |
| Equity in self-supported Crown corporations and agencies..... | 7 | 9,623 | 6,515 |
| Loans, advances and mortgages receivable..... | 8 | 4,021 | 2,940 |
| Other investments..... | 9 | 3,343 | 2,973 |
| Sinking fund investments..... | 10 | 492 | 692 |
| Loans for purchase of assets, recoverable from agencies..... | 11 | 26,301 | 24,768 |
| | | <u>58,375</u> | <u>48,354</u> |
| Liabilities | | | |
| Accounts payable and accrued liabilities..... | 12 | 8,893 | 7,684 |
| Employee future benefits..... | 13 | 2,865 | 2,654 |
| Due to other governments..... | 14 | 623 | 436 |
| Due to Crown corporations, agencies and trust funds..... | 15 | 710 | 722 |
| Deferred revenue..... | 16 | 12,185 | 10,626 |
| Employee pension plans..... | 17 | 1 | 1 |
| Taxpayer-supported debt..... | 18 | 59,982 | 46,669 |
| Self-supported debt..... | 19 | 26,275 | 24,847 |
| | | <u>111,534</u> | <u>93,639</u> |
| Net assets (liabilities)..... | 21 | <u>(53,159)</u> | <u>(45,285)</u> |
| Non-financial Assets | | | |
| Tangible capital assets..... | 22 | 52,781 | 50,023 |
| Restricted assets..... | 23 | 2,003 | 1,931 |
| Prepaid program costs..... | 24 | 1,264 | 892 |
| Other assets..... | 25 | 318 | 208 |
| | | <u>56,366</u> | <u>53,054</u> |
| Accumulated surplus (deficit)..... | 26 | <u>3,207</u> | <u>7,769</u> |
| Measurement uncertainty..... | 2 | | |
| Contingent assets and contractual rights..... | 27 | | |
| Contingent liabilities and contractual obligations..... | 28 | | |
| Significant events..... | 40 | | |

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

Prepared in accordance with Canadian generally accepted accounting principles.



CARL FISCHER
Comptroller General

Summary Financial Statements

Consolidated Statement of Operations

for the Fiscal Year Ended March 31, 2021

| | In Millions | | |
|---|------------------------------|----------------|---------------|
| | 2021 | 2020 | |
| | Estimates (Note 34) \$ | Actual \$ | Actual \$ |
| Revenue | | | |
| Taxation (Note 29)..... | 35,344 | 34,166 | 33,266 |
| Contributions from the federal government..... | 9,963 | 12,894 | 9,535 |
| Fees and licences..... | 4,667 | 4,329 | 5,572 |
| Miscellaneous..... | 3,798 | 3,136 | 3,838 |
| Net earnings of self-supported Crown corporations and agencies (Note 7)..... | 3,417 | 3,964 | 2,918 |
| Natural resources (Note 30)..... | 2,149 | 2,403 | 2,268 |
| Investment income..... | 1,247 | 1,264 | 1,263 |
| | <u>60,585</u> | <u>62,156</u> | <u>58,660</u> |
| Expense (Note 31) | | | |
| Health | 24,285 | 25,605 | 23,449 |
| Education | 15,178 | 14,943 | 14,735 |
| Social services..... | 6,201 | 7,789 | 5,887 |
| Natural resources and economic development..... | 3,097 | 4,191 | 3,778 |
| Interest..... | 2,723 | 2,722 | 2,727 |
| Other | 2,633 | 2,841 | 2,501 |
| Transportation | 2,228 | 3,360 | 2,126 |
| General government..... | 1,896 | 3,915 | 1,653 |
| Protection of persons and property..... | 1,817 | 2,258 | 2,126 |
| | <u>60,058</u> | <u>67,624</u> | <u>58,982</u> |
| Surplus (deficit) for the year before forecast allowance..... | 527 | (5,468) | (322) |
| Forecast allowance..... | (300) | | |
| Surplus (deficit) for the year..... | <u>227</u> | <u>(5,468)</u> | <u>(322)</u> |
| Accumulated surplus (deficit)—beginning of year as restated (Note 26)..... | | 7,993 | 8,315 |
| Accumulated surplus (deficit)—before other comprehensive income..... | | <u>2,525</u> | <u>7,993</u> |
| Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 105)—beginning of year..... | | (224) | 31 |
| Other comprehensive income from self-supported Crown corporations and agencies (see page 105)..... | | 906 | (255) |
| Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 105)—end of year..... | | <u>682</u> | <u>(224)</u> |
| Accumulated surplus (deficit)—end of year..... | | <u>3,207</u> | <u>7,769</u> |

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

Summary Financial Statements

Consolidated Statement of Change in Net Liabilities for the Fiscal Year Ended March 31, 2021

| | In Millions | | |
|--|------------------------|------------------------|------------------------|
| | 2021 | | 2020 |
| | Estimates ¹ | Actual | Actual |
| | \$ | \$ | \$ |
| Surplus (deficit) for the year..... | 227 | (5,468) | (322) |
| Effect of change in tangible capital assets: | | | |
| Acquisition of tangible capital assets..... | (7,126) | (5,428) | (4,772) |
| (Gain) or loss on sale of tangible capital assets..... | (56) | (7) | |
| Amortization of tangible capital assets..... | 2,601 | 2,547 | 2,469 |
| Disposals and valuation adjustments..... | 50 | 130 | 109 |
| | <u>(4,531)</u> | <u>(2,758)</u> | <u>(2,194)</u> |
| Effect of change in: | | | |
| Restricted assets..... | (59) | (72) | (97) |
| Prepaid program costs..... | (1) | (372) | (105) |
| Other assets..... | (1) | (110) | (43) |
| | <u>(61)</u> | <u>(554)</u> | <u>(245)</u> |
| Effect of self-supported Crown corporations' and agencies' other comprehensive income..... | 40 | 906 | (255) |
| (Increase) in net liabilities..... | (4,325) | (7,874) | (3,016) |
| Net (liabilities)—beginning of year..... | <u>(44,536)</u> | <u>(45,285)</u> | <u>(42,269)</u> |
| Net (liabilities)—end of year (Note 21)..... | <u>(48,861)</u> | <u>(53,159)</u> | <u>(45,285)</u> |

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

¹The estimates amounts are from page 147 of the Budget and Fiscal Plan 2020/21–2022/23.

Summary Financial Statements

Consolidated Statement of Cash Flow

for the Fiscal Year Ended March 31, 2021

| | In Millions | | | 2020 |
|---|-------------|----------------|-----------------|----------------|
| | 2021 | | Net | |
| | Receipts | Disbursements | | \$ |
| | \$ | \$ | \$ | \$ |
| Operating Transactions | | | | |
| Surplus (deficit) for the year ¹ | | | (5,468) | (322) |
| Non-cash items included in surplus (deficit): | | | | |
| Amortization of tangible capital assets..... | | | 2,547 | 2,469 |
| Amortization of public debt deferred revenue and deferred charges... | | | (202) | (75) |
| Concessionary loan adjustments (decrease)..... | | | (6) | (4) |
| (Gain) or loss on sale of tangible capital assets..... | | | (7) | |
| Valuation adjustment..... | | | 189 | 251 |
| Net earnings of self-supported Crown corporations and agencies..... | | | (3,964) | (2,918) |
| Temporary investments (increase) decrease..... | | | (2) | 36 |
| Accounts receivable (increase)..... | | | (864) | (59) |
| Due from other governments (increase) decrease..... | | | (779) | 341 |
| Due from self-supported Crown corporations and agencies decrease.... | | | 34 | 177 |
| Accounts payable and accrued liabilities increase..... | | | 1,209 | 369 |
| Employee future benefits increase..... | | | 211 | 83 |
| Due to other governments increase (decrease)..... | | | 187 | (108) |
| Due to Crown corporations, agencies and funds (decrease) increase.... | | | (12) | 644 |
| Employee pension plan (decrease)..... | | | | (64) |
| Items applicable to future operations increase (decrease)..... | | | 969 | (51) |
| Contributions from self-supported Crown corporations and agencies ... | | | <u>1,763</u> | <u>2,625</u> |
| Cash (used for) derived from operations..... | | | <u>(4,195)</u> | <u>3,394</u> |
| Capital Transactions | | | | |
| Tangible capital assets dispositions (acquisitions)..... | 123 | (5,428) | (5,305) | (4,719) |
| Cash (used for) capital..... | <u>123</u> | <u>(5,428)</u> | <u>(5,305)</u> | <u>(4,719)</u> |
| Investment Transactions | | | | |
| Investment in self-supported Crown corporations and agencies..... | | | (1) | (745) |
| Loans, advances and mortgages receivable (issues)..... | 391 | (1,495) | (1,104) | (592) |
| Other investments—net (increase) decrease..... | | (372) | (372) | 164 |
| Restricted assets—net (increase)..... | | (72) | (72) | (97) |
| Sinking fund investments—net decrease..... | 208 | (37) | 171 | 74 |
| Cash (used for) investments..... | <u>599</u> | <u>(1,977)</u> | <u>(1,378)</u> | <u>(1,196)</u> |
| Sub-total cash (requirements)..... | | | <u>(10,878)</u> | <u>(2,521)</u> |

Summary Financial Statements

Consolidated Statement of Cash Flow—Continued for the Fiscal Year Ended March 31, 2021

| | In Millions | | | 2020 | |
|---|-------------|---------------|--------------|--------------|-----|
| | 2021 | | Net | | Net |
| | Receipts | Disbursements | | | |
| | \$ | \$ | \$ | \$ | |
| Sub-total cash (requirements) carried forward from previous page..... | | | (10,878) | (2,521) | |
| Financing Transactions² | | | | | |
| Public debt increase..... | 42,217 | (27,359) | 14,858 | 5,694 | |
| (Used for) purchase of assets, recoverable from agencies..... | 10,296 | (11,703) | (1,407) | (2,181) | |
| Cash derived from financing..... | 52,513 | (39,062) | 13,451 | 3,513 | |
| Increase in cash and cash equivalents..... | | | 2,573 | 992 | |
| Cash and cash equivalents—beginning of year..... | | | 3,590 | 2,598 | |
| Cash and cash equivalents—end of year | | | 6,163 | 3,590 | |
| Cash and cash equivalents are made up of: | | | | | |
| Cash..... | | | 5,248 | 2,875 | |
| Cash equivalents..... | | | 915 | 715 | |
| | | | 6,163 | 3,590 | |

¹Interest received during the year was \$1,244 million (2020: \$1,213 million). Interest paid during the year was \$2,677 million (2020: \$2,711 million). Interest received includes interest income from the Statement of Operations in the amount of \$1,264 million (2020: \$1,263 million) plus the change in accrued interest receivable in the amount of \$(20) million (2020: \$(50) million). Interest paid includes interest expense from the Statement of Operations in the amount of \$2,722 million (2020: \$2,727 million) plus the change in accrued interest payable in the amount of \$(45) million (2020: \$(16) million).

²Financing transaction receipts are from debt issues and disbursements are for debt repayments.

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

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021

1. Significant Accounting Policies

(a) BASIS OF ACCOUNTING

The government's Summary Financial Statements are prepared in accordance with the *Budget Transparency and Accountability Act* (BTAA), which requires generally accepted accounting principles (GAAP) for senior governments in Canada, supported by regulations of Treasury Board under the BTAA.

(b) REPORTING ENTITY

These financial statements include the accounts of organizations that meet the criteria of control (by the province) as established under Canadian Public Sector Accounting Standards. The reporting entity also includes government partnerships.

A list of organizations included in these consolidated financial statements may be found on pages 91 – 93. Trusts administered by government or government organizations are excluded from the reporting entity.

(c) PRINCIPLES OF CONSOLIDATION

Taxpayer-supported Crown corporations, agencies, and the school districts, universities, colleges, institutes, health organizations (SUCH) and the Consolidated Revenue Fund (CRF) are consolidated using the full consolidation method. The government's interests in government partnerships are recorded on a proportional consolidation basis. Self-supported Crown corporations, agencies, entities and government business partnerships are consolidated using the modified equity basis of consolidation.

Organizations are reviewed annually to determine whether they can be expected to meet the definition of self-supported over their normal course of operations. In determining whether organizations will be able to maintain their operations and meet their liabilities from revenues received from sources outside of the government reporting entity, the following factors are considered as they apply:

- i) The organization's history of maintaining its operations and meeting its liabilities;
- ii) Whether the organization would continue to maintain its operations and meet its liabilities without relying on sales to, or subsidies in cash or kind from, the government reporting entity;
- iii) Past, present and future economic conditions within which the organization operates; and
- iv) Whether the organization has realistic and specific plans that show how it expects to be able to maintain its operations and meet its liabilities in the future.

The status of self-supported organizations is not changed in response to financial results which are reasonably expected to be temporary in nature. Organizations are classified as self-supported on establishment and during a start up period if they are reasonably expected to meet the definition of self-supported in their normal course of operations.

The definitions of these consolidation methods can be found on page 151.

Adjustments are made for Crown corporations, agencies and entities whose fiscal year ends are different from the government's fiscal year end of March 31. These Crown corporations, agencies and entities consist of the British Columbia Assessment Authority (December 31) and all school districts (June 30).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

1. Significant Accounting Policies—Continued

Statistics Canada's Financial Management System for Government Statistics provides the guidance for establishing segment disclosure and function reporting. The Consolidated Statement of Financial Position by Sector and the Consolidated Statement of Operations by Sector are found on pages 94 – 101. These statements include the operations of the CRF, taxpayer-supported Crown corporations and agencies, and SUCH sector organizations. Each taxpayer-supported Crown corporation, agency and SUCH sector organization is assigned to a sector based on its major activity. Sectors are identified using functions. The nature of each function is described in greater detail under Note 1(d) Classification by Sector.

(d) SPECIFIC ACCOUNTING POLICIES

Classification by Sector

The province uses the following sectors: health, education, social services, natural resources and economic development, protection of persons and property, transportation, general government, debt servicing and other.

The health sector includes the provincial health care system. It includes providing medical, hospital and preventive care, and other health-related services such as laboratories and diagnostic facilities.

The education sector includes education services. It includes elementary, secondary, and post-secondary schools. It also includes other education services such as programs to upgrade the skills of individuals and to provide apprenticeship training.

The social services sector includes outlays that the province made to help disadvantaged individuals and families overcome obstacles and circumstances which threaten their well-being. It includes counselling and rehabilitation services, transfer payments to individuals who are unable to lead a normal life due to a physical or mental disability, and services and goods provided by the province to the elderly.

The natural resources and economic development sector includes the promotion and development of industries, as well as the development and conservation of the natural resources on which these industries depend. It includes regulating the various industrial activities that are carried on in the province, as well as research related to resource conservation.

The protection of persons and property sector includes the protection of persons and property from negligence, abuse and crime. It includes policing, operating and maintaining courts of law and correctional facilities. It includes services related to new immigrants. It also includes negotiations to resolve land, resources, governance and jurisdictional issues with First Nations.

The transportation sector includes the operation and maintenance of transportation systems. This includes highway infrastructure, other road systems and public transit.

The general government sector is composed of three sub-categories. These are general administration, executive and legislature, and other general government services. General administration includes central accounting, budgeting, tax administration and collection, and other centralized administrative services. Executive and legislature includes the political, law enactment and constitutional activities of the province.

The debt servicing sector represents the financial impacts of activities related to management of public debt.

The other sector consists of activities, such as housing and culture, which cannot be allocated to any of the specifically described sector classifications.

Revenue

All revenue is recorded on an accrual basis. For corporate income tax, the cash received from the federal government is used as the basis for estimating the tax revenue. Annual tax revenues also include adjustments between the estimated revenues of previous years and actual amounts, as well as revenues from reassessments relating to prior years. Revenues do not include estimates of unreported taxes, or the impact of future reassessments that cannot be reliably determined.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

1. Significant Accounting Policies—Continued

Personal income tax revenue is accrued in the year earned based on estimates of household and taxable income. The revenue reported in the fiscal year is based on a pro-ration of the calendar year estimates.

Direct taxes, such as sales, fuel, carbon and tobacco, are recorded during the period in which the taxable event occurs and when authorized by legislation. Property tax revenues are recorded based on a pro-ration of actual property tax billings for each of the calendar years that comprise the fiscal year.

Taxes payable by the province in the normal course of operations are reported on the gross basis, as are the related expenses.

Tax concessions are accrued on the same basis as the associated tax revenues and reduce gross taxation revenue, but are not considered valuation allowances.

Royalty revenue is reported net of allowable credits integral to determining the amount of royalty. Amounts are reported as revenue when received or receivable.

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations for specific programs such as health transfers.

Expense

The cost of all goods consumed and services received during the year is expensed. Interest expense includes debt servicing costs such as amortization of discounts and premiums, foreign exchange gains and losses, and issue costs.

Pension expense is calculated as the cost of pension benefits earned by employees during the year, interest on the pension benefits liability, net of pension plan assets, and amortization of the government's share of any experience gains or losses, less contributions made by members. The estimated total cost of government's share of plan amendments related to past service is expensed in the year the plan is amended.

Government transfers include grants, entitlements and transfers under agreements, as defined in the definitions on page 152. Government transfers are recognized as expenses in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

Assets

Assets are recorded to the extent they represent cash and claims upon outside parties, items held for resale to outside parties, prepaid expenses, deferred charges or tangible capital assets acquired as a result of events and transactions prior to year end.

Financial Assets

Cash and cash equivalents include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash. These are subject to an insignificant risk of changes in value. These short-term investments generally have a maturity of three months or less and are held for the purpose of meeting short-term cash commitments rather than for investing.

Temporary investments and Warehouse Program investments include short-term investments recorded at the lower of cost or market value. The fair values of short-term investments approximate their carrying values because of the short-term maturity of these instruments. Warehouse Program investments are short-term investments related to specific borrowings in advance of requirements under the Warehouse Borrowing Program.

Inventories for resale are expected to be sold within one year and include property that has been purchased, or for which development costs have been incurred, and that is held for ultimate resale or lease to outside parties. Inventories for resale are recorded at the lower of cost or net realizable value.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

1. Significant Accounting Policies—Continued

Equity in self-supported Crown corporations and agencies represents the province's investment (including long-term advances) in those self-supported Crown corporations and agencies at cost, increases/decreases in the investees' net assets, and other comprehensive income.

Loans for purchase of assets recoverable from agencies are recorded at maturity value, less unamortized premium or discount, deferred foreign exchange gains or losses and sinking fund balances. Premium/discount is amortized on a constant yield basis.

Loans and advances are recorded at cost less adjustment for any prolonged impairment in value. Mortgages receivable are recorded at the principal amount less valuation allowance, are secured by real estate and are repayable over varying terms. Concessionary loans and mortgages are recorded at net present value at issue, and related present value discounts are expensed. Valuation allowances are made when collectibility is considered doubtful. Interest is accrued on loans receivable only when collection is certain. Otherwise, it is recognized on the cash basis.

Other investments are recorded at the cost of acquisition, which may be adjusted by attributed income. Valuation adjustments are made when the value of investments is impaired.

Sinking fund investments are cash and marketable securities held specifically for the purpose of repaying outstanding debt at maturity. Sinking fund investments are recorded at the cost of acquisition.

Tangible Capital Assets

Tangible capital assets are recorded at historical cost, plus asset retirement obligations, less accumulated amortization. The recorded cost, less the residual value, is generally amortized over the estimated useful lives of the assets on a straight-line basis.

All significant tangible capital assets of government organizations and operations have been capitalized. Intangible assets and items inherited by right of the Crown, such as forest, water and mineral resources, are not recognized in these financial statements. Crown land is capitalized at a nominal value of one dollar.

The value of collections (e.g. artifacts, specimens and documents) has been excluded from the Statement of Financial Position. When collections are purchased, these items are expensed.

Liabilities

All liabilities are recorded to the extent they represent claims payable to outside parties as a result of events and transactions prior to year end. This includes probable losses on loan guarantees issued by the province, contingent liabilities (when it is likely a liability exists and the amount of the liability can be reasonably determined on an individual or portfolio basis) and unfunded pension liabilities. Liabilities are not recorded for tax concessions or royalty credits which are integral in determining the amount of revenue.

Guaranteed debt includes guarantees by the Minister of Finance, made through specific agreements or legislation, to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Loss provisions on guaranteed debt are recorded when it is likely that a loss will occur. The amount of the loss provision represents the best estimate of future payments less recoveries. The loss provision is recorded as a liability and an expense in the year determined and is adjusted as necessary to ensure it equals the expected payout of the guarantee.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

1. Significant Accounting Policies—Continued

Employee Pension Plans

The province accounts for employee pension plans by recognizing a liability and an expense in the reporting period in which the employee has provided service. The amount is calculated using the accrued benefit actuarial cost method. Where plans are in a net asset position and Joint Trusteeship Agreements restrict access to the assets, the province records the value of plan net assets as nil. The province records a liability for its share where plans are in a net obligation position. Changes in net liabilities/assets, which arise as a result of actuarial gains and losses, are amortized on a straight-line basis over the average remaining service period of employees active at the date of the adjustments. Past service costs from plan amendments are recognized in full in the year of the amendment.

Unfunded pension liabilities of the Members of the Legislative Assembly Superannuation Account represent the terminal funding that would be required from the province for the difference between the present value of the obligations for future benefit entitlements and the amount of funds available in the account.

Public Debt

Public debt represents the direct debt obligations of the Province of British Columbia, including borrowings incurred for government operating purposes, the acquisition of capital assets, re-lending to authorized government bodies and borrowings in advance of future requirements under the Warehouse Borrowing Program. Public debt consists of short-term promissory notes, notes, bonds and debentures, bank loans, capital leases and mortgages payable. These obligations are recorded at principal less unamortized premium or discount and unrealized foreign exchange gains or losses.

Public debt is reported under two categories:

- (i) Taxpayer-supported debt—includes direct debt used for government operating and capital purposes, the debt of those Crown corporations, agencies and SUCH sector entities who require an operating or debt servicing subsidy from the provincial government, and the debt of an entity that is fully consolidated within these financial statements.
- (ii) Self-supported debt—includes the portion of debt of self-supported organizations and entities that has been borrowed through the government's fiscal agency loan program. It does not include all debt of self-supported organizations as these entities are consolidated on the modified equity basis. Self-supported organizations fully fund their operations and debt from revenue generated through the sale of goods and/or services at commercial rates to buyers that are outside the government reporting entity. Self-supported debt includes debt of the Warehouse Borrowing Program.

Debt premium/discount is amortized on a constant yield basis. Unamortized premium/discount on bonds called and refinanced is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at year end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction unless hedged by forward contracts that specify the rate of exchange. Adjustments to revenue or expense transactions arising as a result of foreign currency translation are credited or charged to operations at the time the adjustments arise. Unrealized foreign currency gains and losses on long-term, fixed-term monetary assets and liabilities are reported as a component of sinking funds, public debt and loans for purchase of assets recoverable from agencies, and amortized over the remaining terms of the related items on a straight-line basis. Non-monetary assets and liabilities are translated at historical rates of exchange.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

1. Significant Accounting Policies—Continued

Derivative Financial Instruments

The province is a party to financial instruments with off-balance sheet risk due to fluctuations in foreign currency exchange rates, interest rate fluctuations and counterparty default on financial obligations. The province does not use derivative financial instruments for speculative purposes. Off-balance sheet position data is given in the form of nominal principal amounts outstanding. Amounts earned and expenses incurred under swaps are recognized and offset against the related interest expense. Gains and losses on terminated derivative contracts are deferred and amortized over the remaining term of the contract or the term of the related debt.

Other Comprehensive Income

Any recognition of other comprehensive income for self-supported Crown corporations has been reflected in the equity in self-supported Crown corporations and agencies, and in the accumulated surplus (deficit).

Asset Retirement Obligations

The province recognizes asset retirement obligations where a reasonable estimate of the fair value of the obligation and the future settlement date of the retirement of the asset can be determined. The associated retirement costs are capitalized as part of the assets' carrying value and amortized over the assets' useful lives. Legal liabilities may exist for the removal and disposal of asbestos within buildings that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made.

2. Measurement Uncertainty

The preparation of financial statements requires the province to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses during the reporting period. Uncertainty in the determination of these amounts is known as measurement uncertainty.

Some of the more significant estimates used in these financial statements affect the accrual of tax revenues, Canada Health Transfer and Canada Social Transfer entitlements, obligations for pension obligations and other employee future benefits, accruals for environmental obligations, future payments related to contingent liabilities, and valuation allowances for loans, investments and advances. Actual results could differ from estimates. For many common financial statement items, such as accounts payable and allowances for doubtful accounts, measurement uncertainty is inherent but inestimable.

A provision for environmental clean-up is included in accounts payable and accrued liabilities. The provision is subject to a high degree of measurement uncertainty because the existence and extent of contamination, the responsibility for clean-up, and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined. Environmental clean-up disclosure is included in Note 28.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

2. Measurement Uncertainty—Continued

The amount of personal income tax attributable to the year can change as a result of changes in the underlying revenue assumptions, such as household income growth and tax base growth, and as a result of tax assessments and reassessments. The amount of corporate income tax attributable to the tax year can change as a result of tax assessments and reassessments in subsequent years. Tax transfer expenses related to refundable tax credits attributable to the year are also impacted by both personal income tax and corporate income tax assessments and reassessments. The variability of the final amounts attributable to the year cannot be reasonably determined.

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. Certain estimates used in these financial statements may be subject to measurement uncertainty due to the COVID-19 pandemic (see Note 40). The amount of variability cannot be reasonably determined at this time.

Measurement uncertainty exists in these financial statements, as identified in the table below, for items with a variability of over \$10 million:

| Program Area | In Millions | | | | |
|--|---------------------|-------------------------|---------|---------|---------|
| | Actual ¹ | Measurement Uncertainty | | Range | |
| | Amount Recorded | Minimum | Maximum | Minimum | Maximum |
| | \$ | \$ | \$ | \$ | \$ |
| Liabilities | | | | | |
| <i>Accounts Payable and Accrued Liabilities</i> | | | | | |
| Litigation and Arbitration | 185 | 155 | 230 | (30) | 45 |
| Crime Victim Assistance Program | 173 | 163 | 183 | (10) | 10 |
| Silviculture Liability..... | 181 | 163 | 199 | (18) | 18 |
| Employee Leave Entitlements..... | 411 | 398 | 428 | (13) | 17 |
| Variability arises from uncertainty of the outcomes or the use of estimates. | | | | | |
| Revenue | | | | | |
| <i>Taxation</i> | | | | | |
| Personal Income Tax..... | 11,118 | 10,618 | 11,618 | (500) | 500 |
| <i>Contributions from the Federal Government</i> | | | | | |
| Canada Health Transfer payments ² | 5,671 | 5,629 | 5,713 | (42) | 42 |
| Canada Social Transfer payments ² | 2,035 | 2,020 | 2,050 | (15) | 15 |
| Expense (Note 31) | | | | | |
| <i>Government Transfers</i> | | | | | |
| Tax Transfers | 2,358 | 2,158 | 2,558 | (200) | 200 |

Variability is based on the potential differences between the estimates for the economic factors used in calculating the accruals and actual economic results.

¹Actual amount recorded for each program area may not represent the entire amount in the financial statement line item.

²Canada Health Transfer and Canada Social Transfer payments are transfers from the federal government based on the provincial share of national population figures.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

3. Accounts Receivable

| | In Millions | |
|--------------------------------------|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Accounts receivable..... | 3,679 | 3,250 |
| Taxes receivable..... | 2,734 | 2,421 |
| Accrued interest..... | 357 | 337 |
| | 6,770 | 6,008 |
| Provision for doubtful accounts..... | (799) | (843) |
| | <u>5,971</u> | <u>5,165</u> |

4. Inventories for Resale

| | In Millions | |
|--------------------|-------------|-----------|
| | 2021 | 2020 |
| | \$ | \$ |
| Properties..... | 13 | 9 |
| Miscellaneous..... | 58 | 59 |
| | <u>71</u> | <u>68</u> |

Inventories for resale are charged to the statement of operations when sold. During the year, the total cost of sales was \$94 million (2020: \$156 million) including the effect of write-downs of \$2 million (2020: \$1 million). Write-downs occurred due to obsolete materials no longer used, damaged goods, and reductions in the market value of goods.

5. Due from Other Governments

| | In Millions | |
|---------------------------------|--------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Government of Canada: | | |
| Current..... | 1,632 | 866 |
| Provincial governments: | | |
| Current..... | 21 | 19 |
| Local governments: ¹ | | |
| Current..... | 55 | 44 |
| Long-term..... | 3 | 3 |
| | <u>1,711</u> | <u>932</u> |

¹Local governments are municipal units established by the provincial government which include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

6. Due from Self-supported Crown Corporations and Agencies

| | In Millions | |
|--|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| British Columbia Liquor Distribution Branch..... | 94 | 100 |
| UBC Properties Investments Ltd..... | 71 | 54 |
| British Columbia Lottery Corporation..... | 48 | 69 |
| Columbia Power Corporation..... | 47 | 61 |
| British Columbia Hydro and Power Authority..... | 10 | 10 |
| Vancouver Island Technology Park Trust..... | 7 | 6 |
| Heritage Realty Properties Ltd..... | 4 | 3 |
| Great Northern Way Campus Trust..... | 1 | 1 |
| SFU Community Trust..... | | 10 |
| Miscellaneous..... | | 2 |
| | <u>282</u> | <u>316</u> |

See Statement of Financial Position for Self-supported Crown Corporations and Agencies on pages 102 – 103 for details.

7. Equity in Self-supported Crown Corporations and Agencies

| | In Millions | | | | 2020 |
|---|--------------|---------------------|----------------------|--------------|--------------|
| | 2021 | | Other | | |
| | Investments | Unremitted Earnings | Comprehensive Income | Total | |
| \$ | \$ | \$ | \$ | Total | |
| | | | | \$ | |
| British Columbia Hydro and Power Authority..... | 20 | 6,300 | (19) | 6,301 | 5,588 |
| Insurance Corporation of British Columbia..... | | 1,132 | 730 | 1,862 | (561) |
| Columbia Power Corporation..... | 26 | 160 | | 186 | 177 |
| British Columbia Lottery Corporation..... | | (25) | (24) | (49) | (32) |
| | <u>46</u> | <u>7,567</u> | <u>687</u> | <u>8,300</u> | <u>5,172</u> |
| Self-Supported Subsidiaries¹ | | | | | |
| Columbia Basin Trust joint ventures ² | 941 | 30 | | 971 | 981 |
| British Columbia Railway Company ³ | 107 | 126 | (7) | 226 | 215 |
| Great Northern Way Campus Trust ⁴ | 72 | (19) | | 53 | 51 |
| Real Estate Errors and Omissions Insurance Corporation ⁵ | | 29 | 2 | 31 | 25 |
| UBC Properties Investments Ltd..... | | 30 | | 30 | 47 |
| SFU Community Trust..... | | 7 | | 7 | 12 |
| Vancouver Island Technology Park Trust ⁶ | 1 | 1 | | 2 | 2 |
| Heritage Realty Properties Ltd ⁶ | | | | | 1 |
| Miscellaneous..... | | 3 | | 3 | 9 |
| | <u>1,121</u> | <u>207</u> | <u>(5)</u> | <u>1,323</u> | <u>1,343</u> |
| | <u>1,167</u> | <u>7,774</u> | <u>682</u> | <u>9,623</u> | <u>6,515</u> |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

7. Equity in Self-supported Crown Corporations and Agencies—Continued

| | In Millions | | | | 2020 |
|---|--------------|---------------------|----------------------------|--------------|--------------|
| | 2021 | | | Total | |
| | Investments | Unremitted Earnings | Other Comprehensive Income | | |
| \$ | \$ | \$ | \$ | \$ | |
| Change in Equity in Self-supported Crown Corporations and Agencies | | | | | |
| Balance—beginning of year..... | 46 | 5,342 | (216) | 5,172 | 5,105 |
| Increase (decrease) in other comprehensive income..... | | | 903 | 903 | (254) |
| Net earnings of self-supported Crown corporations and agencies..... | | 3,853 | | 3,853 | 2,826 |
| Dividends..... | | (1,484) | | (1,484) | (2,258) |
| Adjustments to dividends..... | | (144) | | (144) | (247) |
| Balance—end of year..... | 46 | 7,567 | 687 | 8,300 | 5,172 |
| Self-Supported Subsidiaries¹ | | | | | |
| Balance—beginning of year..... | 1,120 | 231 | (8) | 1,343 | 612 |
| Prior period adjustments..... | | | | | 15 |
| Balance—beginning of year restated..... | 1,120 | 231 | (8) | 1,343 | 627 |
| Increase (decrease) in investment..... | 1 | | | 1 | 745 |
| Increase (decrease) in other comprehensive income..... | | | 3 | 3 | (1) |
| Net earnings of self-supported Crown corporations and agencies..... | | 111 | | 111 | 92 |
| Dividends..... | | (111) | | (111) | (71) |
| Transfers (to) from deferred revenue..... | | (24) | | (24) | (49) |
| Balance—end of year..... | 1,121 | 207 | (5) | 1,323 | 1,343 |
| | 1,167 | 7,774 | 682 | 9,623 | 6,515 |

¹Self-supported subsidiaries are non-core government business enterprises that are consolidated under the modified equity method by taxpayer-supported organizations.

²Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation and Waneta Expansion Power Corporation are jointly controlled with Columbia Power Corporation. Columbia Power Corporation's equity investment is included as an integral component of Columbia Power Corporation.

³A subsidiary of BC Transportation Financing Authority.

⁴Great Northern Way Campus Trust is owned 25% each by Emily Carr University of Art & Design, British Columbia Institute of Technology, The University of British Columbia, and Simon Fraser University.

⁵A subsidiary of the Real Estate Council of British Columbia.

⁶Subsidiaries of the University of Victoria.

See Statement of Financial Position for Self-supported Crown Corporations and Agencies and Summary of Results of Operations and Statement of Equity for Self-supported Crown Corporations and Agencies on pages 102 – 105 for details.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

8. Loans, Advances and Mortgages Receivable

| | In Millions | |
|--|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Loans and Advances | | |
| Land tax deferment loans..... | 1,492 | 1,320 |
| BC student loans..... | 1,064 | 1,017 |
| Construction loans to social housing projects..... | 938 | 594 |
| Note receivable..... | 678 | |
| Miscellaneous..... | 151 | 288 |
| | 4,323 | 3,219 |
| Provision for doubtful accounts..... | (321) | (301) |
| | 4,002 | 2,918 |
| Mortgages Receivable | | |
| Reconstruction Program..... | 20 | 23 |
| Provision for doubtful accounts..... | (1) | (1) |
| | 19 | 22 |
| | <u>4,021</u> | <u>2,940</u> |

The Land Tax Deferment Program allows eligible owners to defer payment of all, or a portion of, annual property taxes due on principal residences. Eligible individuals are either 55 years of age or older, a surviving spouse, a person with a disability, or an owner who is financially supporting, at the time of application, a dependent child. The program for individuals 55 years of age or older, a surviving spouse, or a person with a disability, requires 25% equity in the home. The program for families with dependent children requires 15% equity in the home. Simple interest is charged on the deferred taxes at a rate set by the Minister of Finance. This rate will not exceed the prime lending rate of the principal banker to the government and there is a different interest rate between the two programs. The deferred taxes, plus any administration fees or outstanding interest, must be repaid before the residence can be legally transferred to a new owner, other than directly to a surviving spouse or adding a current spouse to title. Land Tax Deferment Loans are secured by registered charge on title.

The BC Student Loan Program provides funding in the form of interest-free repayable loans to students for post secondary education leading toward a credential. Amortization of the loans is set on repayment commencement by the borrower. Most periods are 114 months in length but borrowers can extend to a maximum of 174 months if minimum payment requirements have been met. Defaulted loans are due on demand. The Ministry of Finance also administers defaulted student loans issued by financial institutions under a guaranteed or a risk sharing agreement with the province.

Construction loans are provided by British Columbia Housing Management Commission (BCHMC), a taxpayer-supported Crown corporation and an approved lender under the *National Housing Act*. BCHMC provides construction loans for societies that are building approved projects under social housing programs. Interest is payable at the province's weighted average borrowing rate for short-term funds, plus administration costs. Loans are repaid at substantial completion of each project from financing arranged with private lenders.

The note receivable is due to a sale of property by Providence Health Care Society.

Miscellaneous loans issued by University of British Columbia include matured unsecured promissory notes (2020: \$78 million) issued to UBC Properties Trust, and housing and other loans receivable of \$36 million (2020: \$26 million) issued in accordance with University's Housing Action Plan, bearing interest at the Canada Revenue Agency's prescribed interest rate, maturing at 15 or 30 years. Miscellaneous loans include commercial loans of \$26 million (2020: \$34 million) issued by Columbia Basin Trust bearing interest of nil to 7.50% maturing by 2045 and loans of \$20 million (2020: \$21 million) issued by University of Victoria to subsidiary government business enterprises bearing interest of 5.13% to 7.45% maturing by 2030.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

8. Loans, Advances and Mortgages Receivable—Continued

The Reconstruction Loan Program was established in 1998 under the *Homeowner Protection Act* to provide financial assistance to British Columbians who own homes damaged by premature building envelope failure and have limited ability to secure financing to pay for necessary remediation work. The financial assistance includes interest free loans as well as guarantees and interest subsidies of those loans provided by lenders outside of the government reporting entity. No new applicants under the program were being accepted after July 31, 2009. Financial assistance is secured by registered mortgages.

9. Other Investments

| | In Millions | |
|---|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Pooled investment portfolios..... | 2,006 | 1,747 |
| Equity investments..... | 385 | 299 |
| Municipal, corporate and other bonds..... | 227 | 233 |
| Provincial government bonds..... | 80 | 80 |
| British Columbia Ferry Services Inc..... | 75 | 75 |
| Commercial loans and investments..... | 11 | 11 |
| Government of Canada bonds..... | 8 | 12 |
| Miscellaneous..... | 551 | 516 |
| | <u>3,343</u> | <u>2,973</u> |

Pooled investment portfolios consist mainly of units in various funds of the British Columbia Investment Management Corporation. These funds' investments consist primarily of debt and equity holdings of privately held companies. Pooled investment portfolios have a market value of \$2,426 million (2020: \$1,995 million).

Equity investments have a market value of \$766 million (2020: \$376 million). They include investments in Canadian, United States (U.S.) and international equity markets.

Municipal, corporate and other bonds have a market value of \$266 million (2020: \$233 million) with yields ranging from 0.18% to 11.75%. Maturity dates range from April 13, 2021 to May 15, 2067.

Provincial bonds of various provinces have a market value of \$83 million (2020: \$85 million), with yields ranging from 0.23% to 7.60%. Maturity dates range from June 1, 2021 to December 2, 2051.

As part of a secured debenture amendment and preferred share surrender agreement dated May 23, 2003, the province exchanged its interest in British Columbia Ferry Corporation for 75,477 preferred shares in British Columbia Ferry Services Inc. These non-voting preferred shares are valued at \$1,000 per share and entitle the province to a fixed cumulative dividend at a rate of 8% of the issue price.

Commercial loans and investments are recorded at the lower of cost of acquisition adjusted by attributed income and market value. Commercial loans and investments include Columbia Basin Trust's \$11 million (2020: \$11 million) investment in power developments and other investments.

Government of Canada bonds have a market value of \$7 million (2020: \$12 million), with yields ranging from 0.17% to 5.75%. Maturity dates range from June 15, 2021 to December 1, 2064.

Miscellaneous investments consist of other pooled funds as well as various forms of income securities, notes and treasury bills. The market value of miscellaneous investments is \$587 million (2020: \$521 million).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

10. Sinking Fund Investments

| | In Millions | |
|--|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Sinking fund investments related to taxpayer-supported debt..... | 236 | 445 |
| Sinking fund investments related to self-supported debt..... | 256 | 247 |
| | <u>492</u> | <u>692</u> |

| | In Millions | |
|-----------------------------------|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Provincial government bonds..... | 463 | 456 |
| Pooled investment portfolios..... | 24 | 29 |
| Local government bonds..... | 5 | 5 |
| Miscellaneous..... | | 202 |
| | <u>492</u> | <u>692</u> |

Provincial bonds of various provinces have a market value of \$545 million (2020: \$496 million), with yields ranging from 0.11% to 3.37%. Maturity dates range from April 1, 2021 to March 5, 2050.

Pooled investment portfolios have a market value of \$24 million (2020: \$29 million). These pooled investment portfolios consist of units in the British Columbia Investment Management Corporation's bond funds, which mainly consist of various governments' bonds and short-term unitized funds that hold money market instruments.

Local government bonds have a market value of \$6 million (2020: \$6 million), with yields of 0.63%. Maturity date is November 30, 2023. Local government bonds mainly consist of debt issued by the Municipal Finance Authority of British Columbia.

Miscellaneous investments have a market value of nil (2020: \$202 million).

Sinking fund investments related to self-supported debt include Province of British Columbia bonds with a carrying value of \$102 million (2020: \$139 million).

11. Loans for Purchase of Assets, Recoverable from Agencies

| | In Millions | |
|--|---------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| British Columbia Hydro and Power Authority..... | 24,876 | 23,316 |
| Columbia Basin Trust joint ventures ¹ | 969 | 990 |
| Columbia Power Corporation..... | 271 | 277 |
| British Columbia Lottery Corporation..... | 180 | 180 |
| Improvement districts..... | 5 | 5 |
| | <u>26,301</u> | <u>24,768</u> |

¹Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

12. Accounts Payable and Accrued Liabilities

| | In Millions | |
|--|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Accounts payable..... | 4,670 | 3,805 |
| Other accrued estimated liabilities ¹ | 3,510 | 3,211 |
| Accrued interest on debt..... | 713 | 668 |
| | <u>8,893</u> | <u>7,684</u> |

¹Includes pending litigation, provision for guaranteed debt payout and other miscellaneous accrued claims as disclosed in Note 28.

13. Employee Future Benefits

| | In Millions | |
|---|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Vacation, compensatory time off, sick bank..... | 1,388 | 1,229 |
| Retirement allowance..... | 773 | 762 |
| Long-term disability..... | 345 | 345 |
| Post-retirement benefits..... | 238 | 203 |
| Worker compensation benefits..... | 121 | 115 |
| | <u>2,865</u> | <u>2,654</u> |

There are a variety of employee benefit plans across the reporting entity with different terms that provide for post-employment benefits, compensated absences and termination benefits. The cost of benefits is recognized in the periods the employee provides service. A liability is recognized for benefits that do not vest or accumulate when an event that obligates the province to pay benefits occurs.

The retirement allowance includes actuarially determined liabilities. As at March 31, 2021, unamortized actuarial losses (gains) from actuarial estimates performed every three years were \$(11) million (2020: \$(28) million). During the year, the amount of benefits paid was \$48 million (2020: \$53 million).

Worker compensation benefits represent the actual premiums accruing to WorkSafeBC for the year. Amounts recorded in the financial statements relating to long-term disability benefits represent the actual amount of benefits paid during the year plus the actuarial estimate for future payments, based on claims ongoing at year-end.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

14. Due to Other Governments

| | In Millions | |
|---------------------------------|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Government of Canada: | | |
| Current..... | 520 | 355 |
| Long-term..... | | 3 |
| Provincial governments: | | |
| Current..... | 20 | 21 |
| Local governments: ¹ | | |
| Current..... | 83 | 57 |
| | <u>623</u> | <u>436</u> |

¹Local governments are municipal units established by the provincial government that include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

15. Due to Crown Corporations, Agencies and Trust Funds

| | In Millions | |
|--|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Columbia Basin Trust joint ventures ¹ | 634 | 651 |
| Great Northern Way Campus Trust..... | 9 | 10 |
| Trust funds..... | 67 | 61 |
| | <u>710</u> | <u>722</u> |

¹Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation).

16. Deferred Revenue

| | In Millions | |
|---|---------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Deferred restricted contributions (see table)..... | 9,328 | 7,768 |
| Unearned lease revenue..... | 1,197 | 1,139 |
| Tuition..... | 479 | 501 |
| Petroleum, natural gas and minerals, leases and fees..... | 337 | 455 |
| Motor vehicle licences and permits..... | 291 | 279 |
| Water rentals and recording fees..... | 123 | 101 |
| Derivative debt instruments..... | 71 | 77 |
| Miscellaneous..... | 359 | 306 |
| | <u>12,185</u> | <u>10,626</u> |

Unearned lease revenue represents lease payments received in advance. Revenue is recognized as the performance obligations are met over the term of the lease.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

16. Deferred Revenue—Continued

Petroleum, natural gas and minerals, leases and fees include payments received from external sources to obtain exclusive subsurface tenure rights to explore for, or produce, petroleum and natural gas resources. Revenue is recognized over the average term of the tenures issued, currently estimated at 10 years.

Deferred Restricted Contributions are those contributions received from external sources that are restricted through legislative or contractual stipulations for the purpose of program delivery. These deferred contributions are reduced and recognized as revenue when the stipulations of the contribution agreement are satisfied.

| | Revenue Recognition (Years) | In Millions | |
|---|--------------------------------|--------------|--------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| Restricted Contributions from the Federal Government | | | |
| Build Canada fund for highway and transportation infrastructure..... | 3–100 | 1,637 | 1,163 |
| Operating contributions for the education sector..... | 1–12 | 584 | 337 |
| Infrastructure and economic diversification..... | 20–50 | 559 | 256 |
| Miscellaneous contributions for post–secondary institutions..... | 1–40 | 352 | 351 |
| Strategic infrastructure fund investments in post–secondary institutions..... | 3–40 | 335 | 345 |
| Operating contributions for other sectors..... | 1–12 | 180 | 140 |
| Miscellaneous contributions for transportation infrastructure..... | 1–40 | 178 | 734 |
| Regional services and facilities in the health sector..... | 3–40 | 7 | 9 |
| Other..... | 1–40 | 116 | 22 |
| Restricted Contributions from Municipal Sources | | | |
| Regional hospital districts for equipment and facilities..... | 3–40 | 1,028 | 523 |
| Operating contributions for the transportation sector..... | 1–12 | 177 | 82 |
| Bylaw capital funding for schools..... | 3–40 | 129 | 122 |
| Municipal transportation infrastructure funding..... | 3–77 | 59 | 61 |
| Restricted Contributions from Other Sources | | | |
| Health endowments and other contributions..... | 5–50 | 2,115 | 1,768 |
| Education endowments..... | 30 | 1,078 | 1,060 |
| Operating contributions for the education sector..... | 1–12 | 489 | 510 |
| Operating contributions for the other sector..... | 1–12 | 170 | 159 |
| Operating contributions for the health sector..... | 1–12 | 119 | 107 |
| Miscellaneous contributions from other sources..... | 5–50 | 16 | 19 |
| | | <u>9,328</u> | <u>7,768</u> |

Impact to revenue for the next five fiscal years and thereafter is estimated to be:

| | In Millions |
|--|--------------|
| | \$ |
| 2022..... | 935 |
| 2023..... | 821 |
| 2024..... | 522 |
| 2025..... | 493 |
| 2026..... | 460 |
| Thereafter..... | <u>6,097</u> |
| Total deferred restricted contributions..... | <u>9,328</u> |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

17. Employee Pension Plans

| | In Millions | |
|---|-------------|------|
| | 2021 | 2020 |
| | \$ | \$ |
| Members of the Legislative Assembly Superannuation Account..... | 1 | 1 |

Members of the Legislative Assembly Superannuation Account

The Legislative Assembly Superannuation Account (the "Account") is administered by the British Columbia Pension Corporation (the "BC Pension Corporation"). As members of the Legislative Assembly retire, the present value of the amount required to provide a legislative member's future pension benefit is transferred from the Account to the Public Service Pension Plan from which monthly pensions are paid. The province contributes to this plan and provides additional funding when the present value of the funding exceeds the accumulated assets in the Account available to fund those members' benefit entitlements in the plan. This plan provides basic pension benefits based on length of service, highest four-year average earnings and plan members' age at retirement. Benefits, such as group health benefits and inflation protection for the basic pension, are not guaranteed and are contingent upon available funding.

Other pension plans

Other pension plans represent defined benefit plans outside of the College, Public Service, Municipal, and Teachers' Pension plans which are funded by entities within the government reporting entity. They include the Retirement Plan for Non-Teaching Employees of the Board of School Trustees of School District No. 43 (Coquitlam), the University of Victoria's pension plan for employees other than faculty and professional staff, Simon Fraser University's Academic Pension Plan and Administrative/Union Pension Plan, and Canadian Blood Services' pension plan for regular employees. Only 14.67% of the pension fund assets and accrued benefit obligation are included for the Canadian Blood Services pension plan, reflecting the province's interest in the plan. The accrued benefit obligation for these other pension plans is \$841 million (2020: \$767 million), with estimated pension fund assets of \$988 million (2020: \$896 million), and an unamortized actuarial gain (loss) of \$36 million (2020: \$43 million). The accrued net asset (liability) is \$111 million (2020: \$86 million) and is included in post retirement benefits in Note 13.

There are additional employee pension plans in Crown corporations and agencies consolidated on the modified equity basis. They include British Columbia Hydro and Power Authority, British Columbia Lottery Corporation, British Columbia Railway Company, and the Insurance Corporation of British Columbia. Net assets or net liabilities of the pension funds are included in the equity balance of the particular Crown corporation or agency in Note 7. Total accrued benefit obligations equal \$9,061 million (2020: \$7,884 million), with estimated pension fund assets of \$7,490 million (2020: \$6,477 million). The accrued net (liability) asset is \$(1,571) million (2020: \$(1,407) million).

Joint trustee plans

The province contributes to four pension plans for substantially all of its employees. The four pension plans are the College Pension Plan, the Public Service Pension Plan, the Municipal Pension Plan, and the Teachers' Pension Plan. The plans provide basic pensions based on length of service, highest five-year average earnings and plan members' age at retirement. Benefits, such as group health benefits and inflation protection for the basic pension, are not guaranteed and are contingent upon available funding. No unfunded liability exists for the future indexing of pensions as the obligation is limited to the amount of available assets in separate inflation accounts.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

17. Employee Pension Plans—Continued

The College, Public Service, Municipal and Teachers' pension plans are joint trustee plans. In joint trustee plans, control of the plans and their assets is assumed by individual pension boards made up of plan employer and plan member appointed trustees. The Province participates as a plan employer in each plan. Provisions of these plans stipulate that the province has no formal claim to any pension plan surplus or asset. The boards are fully responsible for the management of the plans, including investment of the assets and administration of the plans. The BC Pension Corporation provides benefit administrative services as an agent of the boards of trustees. The British Columbia Investment Management Corporation provides investment management services as an agent of the boards of trustees.

In the event an unfunded liability is determined by an actuarial valuation (performed at least every three years), the pension boards are required to address it through contribution adjustments shared equally by plan members and employers. It is expected, therefore, that any unfunded liabilities in the future will be short-term in nature.

The reported net assets or net obligations of the pension plans are administered under joint trust arrangements. The province has no claim on accrued asset amounts. The province is responsible for 50% of a reported net obligation. Settlement of the obligation will occur in future periods as contributions maintain a fully funded plan status over time. Also, only 70% of the pension fund assets, accrued benefit obligation, and preliminary current year employer contributions are included for the Municipal Pension Plan, reflecting the province's interest in the plan.

The accrued benefit obligations and pension assets shown for 2020/21 are based on extrapolations of the most recent actuarial valuations as shown below. Fund assets are based on market value at the date of actuarial valuation and extrapolated using actuarial growth assumptions as shown in the following table. The expected long-term inflation rates used in these assumptions are nil, since the future indexing of pensions is limited to the amount of available assets in the inflation adjustment account.

Key actuarial assumptions and dates:

| | Public Service Pension Plan | Municipal Pension Plan | Teachers' Pension Plan | College Pension Plan |
|---|--------------------------------------|------------------------------|------------------------------|----------------------------|
| Date of actuarial valuation..... | Mar 31/20 | Dec 31/18 | Dec 31/17 | Aug 31/18 |
| Date of audited financial statements..... | Mar 31/20 | Dec 31/19 | Dec 31/19 | Aug 31/20 |
| Expected long-term rate of return..... | 6.00% | 6.25% | 6.00% | 6.25% |

The audited financial statements of each pension plan listed, except the Account, may be found in the annual reports at www.pensionsbc.ca outside these audited statements.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

17. Employee Pension Plans—Continued

Accrued net obligation (asset) table:

The estimated financial position as at March 31, 2021, for the basic pension in each plan is as follows:

| | In Millions | | | | |
|--|--------------------------------------|------------------------------|------------------------------|----------------------------|----------------|
| | Public Service Pension Plan | Municipal Pension Plan | Teachers' Pension Plan | College Pension Plan | Total |
| | \$ | \$ | \$ | \$ | \$ |
| Accrued benefit obligation..... | 22,664 | 30,819 | 22,429 | 4,231 | 80,143 |
| Pension fund assets..... | 26,113 | 35,334 | 24,065 | 4,723 | 90,235 |
| | (3,449) | (4,515) | (1,636) | (492) | (10,092) |
| Unamortized actuarial gain (loss)..... | 1,037 | 2,089 | 1,326 | 273 | 4,725 |
| Accrued net obligation (asset)..... | (2,412) | (2,426) | (310) | (219) | (5,367) |

The province is obligated under labour contracts to provide retirement benefits for its employees through contributions to these pension plans. Contribution rates are adjusted to reflect the results of the triennial actuarial valuation of each plan. When there is an accrued net obligation, the contribution rates will be increased to address the shortfall over the employees' estimated remaining years of service. The province contributes approximately 50% of the total contributions for these plans; therefore, the province's accrued net obligation is 50%. An accrued net obligation will not result in a payment to the plan, but will be addressed through increased contributions over time.

The preliminary overall fund rates of return (loss) reported to the pension boards as at December 31, 2020 for each plan are: College Pension Plan 11.2% (2020: 13.5%), Public Service Pension Plan 12.1% (2020: 13.4%), Municipal Pension Plan 11.6% (2020: 12.5%), and Teachers' Pension Plan 10.6% (2020: 13.0%).

The province's share includes contributions for all participants in the government reporting entity. Total contributions this year for each plan are: College Pension Plan \$100 million (2020: \$94 million), the Public Service Pension Plan \$455 million (2020: \$431 million), the Municipal Pension Plan \$894 million (2020: \$843 million), and the Teachers' Pension Plan \$394 million (2020: \$375 million).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

18. Taxpayer-supported Debt¹

| | Year of Maturity | Canadian Dollar | In Millions | | 2021 | 2020 |
|---|---------------------|--------------------|---------------------------|----------------------------------|---------------|---------------|
| | | | US Dollar ² | Other Currencies ² | | |
| | | \$ | \$ | \$ | \$ | \$ |
| Short-term promissory notes..... | 2021 | | | | 0 | 4,504 |
| | 2022 | 5,231 | 2,399 | | 7,630 | 0 |
| Notes, bonds and debentures ³ | 2021 | | | | 0 | 2,143 |
| | 2022 | 2,370 | 990 | | 3,360 | 3,387 |
| | 2023 | 2,456 | 1,233 | | 3,689 | 3,690 |
| | 2024 | 3,319 | | | 3,319 | 2,681 |
| | 2025 | 1,449 | 1,663 | 712 | 3,824 | 3,644 |
| | 2026 | 3,477 | | 350 | 3,827 | 1,620 |
| | 2027–2031 | 9,409 | 3,206 | 265 | 12,880 | 8,527 |
| | 2032–2036 | 3,214 | | 161 | 3,375 | 2,708 |
| | 2037–2041 | 4,757 | | 379 | 5,136 | 5,010 |
| | 2042–2046 | 4,247 | | 340 | 4,587 | 4,572 |
| | 2047–2051 | 5,723 | | 1,245 | 6,968 | 3,583 |
| | 2052–2056 | 137 | | | 137 | 133 |
| | 2057–2061 | | | | 0 | 0 |
| | 2062–2066 | 181 | | | 181 | 181 |
| Capital leases..... | 2021–2048 | 280 | | | 280 | 285 |
| Total debt issued at face value..... | | 46,250 | 9,491 | 3,452 | 59,193 | 46,668 |
| Unamortized premium..... | | | | | 789 | 1 |
| Total taxpayer-supported debt..... | | | | | 59,982 | 46,669 |
| The effective interest rates (weighted average) as at March 31 on the above debt are: | | | | | | |
| | 2021..... | | | | 3.15% | |
| | 2020..... | | | | | 3.66% |

¹The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 20.

²Foreign currency denominated debt as at March 31, 2021 includes USD\$7,874 million which was fully hedged to CAD\$9,491 million; 100 million Swiss Francs was fully hedged into CAD\$96 million; 1,673 million EURO was fully hedged to CAD\$2,474 million, \$870 million AUD was fully hedged to CAD\$882 million.

³Notes, bonds, and debentures includes \$27 million (2020: \$31 million) in other loans.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

18. Taxpayer-supported Debt—Continued

Notes, bonds and debentures

Redeemable by the province

Balances include debentures issued to the Canada Pension Plan totalling \$3,131 million (2020: \$3,282 million) at a weighted average interest rate of 4.71% (2020: 4.87%). These debentures mature at various dates from April 10, 2021 to July 12, 2049 with interest rates varying between 1.98% and 6.64%. These debentures are redeemable in whole or in part before maturity, on thirty days prior notice, at the option of the province. During the year, \$109 million (2020: \$156 million) Canada Pension Plan debentures were issued.

Public-private partnership obligations

Balances include the present value of the minimum payments related to tangible capital assets financed by public-private partnership agreements totalling \$3,096 million (2020: \$2,819 million).

Mortgages

Balances include mortgages totalling \$171 million (2020: \$164 million) secured by land and buildings. The carrying value is \$253 million (2020: \$214 million).

Aggregate payments to meet sinking fund instalments and retirement provisions

Aggregate payments for the next five fiscal years and thereafter to meet sinking fund instalments and retirement provisions on notes, bonds and debentures are:

| | <u>In Millions</u> |
|--|----------------------|
| | \$ |
| 2022..... | 3,794 |
| 2023..... | 3,667 |
| 2024..... | 3,309 |
| 2025..... | 3,824 |
| 2026..... | 3,821 |
| 2027–2066..... | <u>33,167</u> |
| Total of stated minimum payments..... | <u>51,582</u> |

Capital Lease Obligations

Capital lease obligations consist of the present value of the minimum lease payments related to capital leased assets. The province has lease agreements with terms between 3 years and 42 years, with interest rates ranging between 0.00% and 10.63%.

Major leases include: Vancouver Coastal Health Authority capital lease obligation for the Gordon and Leslie Diamond Health Care Centre of \$98 million (2020: \$101 million), with a weighted average interest rate of 5.37% and maturing August 1, 2036, Ministry of Citizens' Services capital lease obligation for office space in Capital Park of \$95 million (2020: \$99 million), with a weighted average interest rate of 3.97% and maturing March 1, 2040, Thompson Rivers University lease agreements for land and student residences of \$35 million (2020: \$36 million), with a weighted average interest rate of 5.14% and maturing August 31, 2047, and British Columbia Institute of Technology capital lease obligation for the building at Annacis Island Campus of \$18 million (2020: \$20 million), with a weighted average interest rate of 4.19% and maturing July 31, 2044.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

18. Taxpayer-supported Debt—Continued

Aggregate payments to meet capital lease payments

Aggregate minimum lease payments over the next five fiscal years and thereafter are:

| | In Millions |
|---|-------------|
| | \$ |
| 2022..... | 31 |
| 2023..... | 28 |
| 2024..... | 25 |
| 2025..... | 22 |
| 2026..... | 21 |
| 2027–2048..... | 282 |
| Total minimum lease payments..... | 409 |
| Less imputed interest..... | (129) |
| Total capital lease liability..... | 280 |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

19. Self-supported Debt¹

| | Year of Maturity | Canadian Dollar | In Millions | | 2021 | 2020 |
|--|---------------------|--------------------|---------------------------|----------------------------------|---------------|---------------|
| | | | US Dollar ² | Other Currencies ² | | |
| | | \$ | \$ | \$ | \$ | \$ |
| Short-term promissory notes..... | 2021 | | | | 0 | 2,876 |
| | 2022 | 906 | 2,113 | | 3,019 | 0 |
| Notes, bonds and debentures..... | 2021 | | | | 0 | 1,100 |
| | 2022 | 526 | | | 526 | 526 |
| | 2023 | 500 | | | 500 | 500 |
| | 2024 | 200 | | | 200 | 200 |
| | 2025 | | | | 0 | 0 |
| | 2026 | 900 | 633 | 391 | 1,924 | 1,950 |
| | 2027–2031 | 5,575 | | | 5,575 | 4,275 |
| | 2032–2036 | 1,110 | | 200 | 1,310 | 1,310 |
| | 2037–2041 | 1,250 | 371 | | 1,621 | 1,632 |
| | 2042–2046 | 4,923 | | | 4,923 | 4,923 |
| | 2047–2051 | 6,481 | | | 6,481 | 5,581 |
| | 2052–2056 | 60 | | | 60 | 60 |
| | 2057–2061 | | | | 0 | 0 |
| | 2062–2063 | 50 | | | 50 | 50 |
| Total debt issued at face value..... | | 22,481 | 3,117 | 591 | 26,189 | 24,983 |
| Unamortized premium (discount)..... | | | | | 80 | (104) |
| Unrealized foreign exchange gain (loss)..... | | | | | 6 | (32) |
| Total self-supported debt..... | | | | | 26,275 | 24,847 |

The effective interest rates (weighted average) as at March 31 on the above debt are:

| | |
|-----------|-------|
| 2021..... | 3.23% |
| 2020..... | 3.50% |

¹The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 20.

²Foreign currency denominated debt as at March 31, 2021 includes USD\$2,454 million (CAD\$3,117 million), of which USD\$2,227 million was fully hedged to CAD\$2,832 million and USD\$227 million was unhedged (CAD\$285 million), and 402 million EURO was fully hedged to CAD\$591 million.

Notes, bonds and debentures

Redeemable by the province

Balances include debentures issued to the Canada Pension Plan totalling \$223 million (2020: \$223 million) at a weighted average interest rate of 3.34% (2020: 3.34%). These debentures mature at various dates from May 8, 2042 to July 10, 2042, with interest rates varying between 3.22% and 3.54%. These debentures are redeemable in whole or in part before maturity, on thirty days prior notice, at the option of the province. During the year, no Canada Pension Plan debentures were issued (2020: nil).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

19. Self-supported Debt—Continued

Aggregate payments to meet retirement provisions

Aggregate payments for the next five fiscal years and thereafter to meet retirement provisions on notes, bonds and debentures are:

| | In Millions |
|--|---------------|
| | \$ |
| 2022..... | 526 |
| 2023..... | 500 |
| 2024..... | 200 |
| 2025..... | 0 |
| 2026..... | 1,924 |
| 2027–2063..... | 20,020 |
| Total of stated minimum payments..... | 23,170 |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

20. Risk Management and Derivative Financial Instruments

The province borrows funds in both domestic and foreign capital markets, and manages its existing debt portfolio to achieve the lowest debt costs within specified risk parameters. As a result, the province is exposed to risks associated with fluctuations in interest rates, foreign exchange rates, and credit risk. In accordance with the risk management policy guidelines set by the Risk Committee of the Ministry of Finance, the province uses a variety of derivative financial instruments to hedge the exposure to these risks.

Derivatives used by the province include interest rate swaps, cross-currency swaps, and forward foreign exchange contracts. A derivative instrument is a financial contract with a counterparty that is applied to effect a hedge on interest rate or foreign exchange exposure that exists in the underlying provincial debt instrument. A derivative derives value from the impact of market changes on the underlying hedged debt instrument.

The following tables present maturity schedules of the province's derivatives, based on the notional amounts of the contracts. Cross-currency swaps can have an exchange of the notional amounts at the start of the contract, the end of the contract, or both. There is no exchange of the notional amounts in interest rate swaps.

Taxpayer-supported Portfolios (Notional Values)

| Year of Maturity | In Millions | | | | Total |
|-------------------|-----------------------------------|----------------------------------|---|---------------|-------|
| | Cross-Currency Swaps ¹ | Interest Rate Swaps ¹ | Forward Foreign Exchange Contracts ¹ | | |
| | \$ | \$ | \$ | \$ | |
| 2022 | 1,025 | 486 | 2,398 | 3,909 | |
| 2023 | 1,233 | 1,050 | | 2,283 | |
| 2024 | | 109 | | 109 | |
| 2025 | 2,375 | 4 | | 2,379 | |
| 2026 | 350 | 100 | | 450 | |
| 2027–2031 | 3,471 | 692 | | 4,163 | |
| 2032–2036 | 161 | 232 | | 393 | |
| 2037–2041 | 378 | 200 | | 578 | |
| 2042–2046 | 340 | 200 | | 540 | |
| 2047–2051 | 1,245 | 400 | | 1,645 | |
| 2052–2056 | | 195 | | 195 | |
| Total..... | 10,578 | 3,668 | 2,398 | 16,644 | |

¹At March 31, 2021, fair market valuation was an unrealized gain of \$710 million (2020: \$1,276 million gain) on cross-currency swaps, and an unrealized gain of \$238 million (2020: \$447 million gain) on interest rate swaps, and an unrealized loss of \$43 million (2020: \$99 million gain) on forward foreign exchange contracts. These unrealized gains and losses are incurred on derivatives held in matched hedging arrangements with related debt instruments that are held to maturity. The unrealized gains or losses on these hedging derivatives are offset by corresponding unrealized gains or losses on the matched debt instruments. These gains and losses are subject to measurement uncertainty.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

20. Risk Management and Derivative Financial Instruments—Continued

Self-supported Portfolios (Notional Values)

| Year of Maturity | In Millions | | | Total |
|---------------------|--|--|--|--------------|
| | Cross- Currency Swaps ² | Interest Rate Swaps ² | Forward Foreign Exchange Contracts ² | |
| | \$ | \$ | \$ | \$ |
| 2022 | | | 2,113 | 2,113 |
| 2023 | | | | 0 |
| 2024 | | | | 0 |
| 2025 | | | | 0 |
| 2026 | 391 | | | 391 |
| 2027–2031 | | | 436 | 436 |
| 2032–2036 | 200 | 1,725 | | 1,925 |
| 2037–2041 | | | 283 | 283 |
| 2042–2046 | | | | 0 |
| 2047–2051 | | | | 0 |
| 2052–2056 | | 1,500 | | 1,500 |
| Total | 591 | 3,225 | 2,832 | 6,648 |

²At March 31, 2021, fair market valuation was an unrealized gain of \$19 million (2020: \$14 million gain) on cross currency swaps, an unrealized loss of \$121 million (2020: \$951 million loss) on interest rate swaps, no gain or loss (2020: \$79 million loss) on advanced rate setting agreements, and an unrealized loss of \$24 million (2020: \$166 million gain) on forward foreign exchange contracts. These unrealized gains and losses are incurred on derivatives held in matched hedging arrangements with related debt instruments that are held to maturity. The unrealized gains or losses on these hedging derivatives are offset by corresponding unrealized gains or losses on the matched debt instruments. These gains and losses are subject to measurement uncertainty.

Interest rate risk

Interest rate risk is the risk that the province's debt servicing costs will fluctuate due to changes in interest rates. The province uses derivative contracts (interest rate swaps) to manage interest rate risk by exchanging a series of interest payments and assuming either a fixed or floating rate liability to a counterparty, based on the notional principal amount. Derivatives allow the province to alter the proportion of its debt held in fixed and floating rate form to take advantage of changes in interest rates.

The government's current policy guidelines with respect to the provincial government direct debt portfolio, which totals \$42,432 million (2020: \$30,804 million), allow floating rate exposure up to 45.00% (2020: 45.00%) of this portion of the taxpayer-supported debt. At March 31, 2021, floating rate debt exposure was 22.33% (2020: 22.02%) of the government direct debt portfolio.

Under current policy guidelines for British Columbia Hydro and Power Authority (BC Hydro), the maximum floating rate exposure is 25.00% (2020: 25.00%) of their debt which totals \$24,602 million (2020: \$23,158 million). At March 31, 2021, floating rate debt exposure for BC Hydro was 13.60% (2020: 16.00%) of their debt.

Based on the taxpayer-supported and self-supported debt portfolios at March 31, 2021, a one percent change in interest rates would impact the annual debt servicing expense by \$116 million (2020: \$86 million) for the taxpayer-supported debt portfolio and \$30 million (2020: \$29 million) for the self-supported debt portfolio.

At March 31, 2021, swap agreements relating to investments held by taxpayer-supported portfolios included interest rate swaps totalling \$44 million (2020: \$44 million).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

20. Risk Management and Derivative Financial Instruments—Continued

Foreign exchange risk

Foreign exchange risk is the risk that the province's debt servicing costs and principal payments will fluctuate due to changes in foreign exchange rates. The province uses derivative contracts (cross-currency swaps) to hedge foreign exchange risk by converting foreign currency principal and interest cash flows into Canadian dollar cash flows.

The government's current policy guidelines with respect to the provincial government direct debt portfolio, which totals \$42,432 million (2020: \$30,804 million), allow unhedged foreign debt exposure up to 10.00% (2020: 10.00%) of this portion of the taxpayer-supported debt. At March 31, 2021, there was no unhedged foreign debt exposure of the government direct debt portfolio (2020: nil).

Under current policy guidelines for BC Hydro, the maximum unhedged foreign debt exposure is 5.00% (2020: 5.00%) of its debt, which totals \$24,602 million (2020: \$23,158 million). At March 31, 2021, 0.20% (2020: 0.30%) of its debt was in the form of unhedged foreign debt in US dollars.

Based on the taxpayer-supported and self-supported debt portfolios at March 31, 2021, a one cent change in the Canadian dollar versus the US dollar would not impact the annual debt servicing cost (2020: nil) for the taxpayer-supported debt portfolio; however, the self-supported debt portfolio would increase by \$1 million (2020: \$2 million).

At March 31, 2021, swap agreements relating to investments held by taxpayer-supported portfolios included cross-currency swaps totalling \$39 million (2020: \$39 million).

Credit risk

Credit risk is the risk that the province will incur financial losses due to a counterparty defaulting on its financial obligations. In accordance with the government's policy guidelines, the province reduces its credit risk by dealing with only highly rated counterparties. The province only enters into derivative transactions with counterparties that have a rating from Standard & Poor's or Moody's Investors Service Inc. of at least A+/A1. The province also establishes limits on individual counterparty credit exposures and monitors these exposures on a regular basis.

The province implements Credit Support Annex agreements for all derivative type transactions, including cross-currency and interest rate swaps, to mitigate exposure to counterparty default risk. Under the terms of these agreements, the province may be required to pledge or receive eligible collateral with its counterparties. These amounts will be returned to or received from the counterparties when there are no longer any outstanding obligations. As at March 31, 2021, gross counterparty exposure was valued at \$781 million (2020: \$972 million), and net collateral held was \$374 million (2020: \$172 million), for a net exposure of \$407 million (2020: \$800 million). Collateral held consists of \$91 million cash received which is included in accounts payable (*see* Note 12) (2020: \$51 million cash paid included in accounts receivable (*see* Note 3)), and \$283 million (2020: \$223 million) of securities received, which have not been recognized in the financial statements as it is held by a third party until the derivative transaction is completed or default occurs.

21. Net Liabilities

The Consolidated Statement of Change in Net Liabilities (*see* page 47) shows the net impact of applying the expenditure basis of accounting. The net liabilities calculation uses the expenditure, rather than the expense basis of accounting. Under the expenditure basis of accounting, tangible capital assets, prepaid program costs and other assets are recorded as expenditures when calculating the current year surplus or deficit. Under the expense basis of accounting, these items are recorded on the Consolidated Statement of Financial Position as assets and amortized over an applicable period of time.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

22. Tangible Capital Assets

| | In Millions | |
|--|---------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Land and land improvements..... | 5,829 | 5,531 |
| Buildings (including tenant improvements)..... | 26,065 | 24,547 |
| Highway infrastructure..... | 13,702 | 13,275 |
| Transportation equipment..... | 2,894 | 2,604 |
| Computer hardware and software..... | 2,047 | 1,908 |
| Other..... | 2,244 | 2,158 |
| | <u>52,781</u> | <u>50,023</u> |

See Consolidated Statement of Tangible Capital Assets on page 106.

The estimated useful lives of the more common tangible capital assets are: buildings (3–90 years); highway infrastructure (3–90 years); transportation equipment (including rapid transit, ferries and related infrastructure) (15–100 years); computer hardware and software (1–18 years); major software systems (1–18 years); and other (including vehicles, specialized equipment, and furniture and equipment) (1–30 years). Land improvements are amortized over 30 years (recreation areas) or 40 years (dams and water management systems). Leasehold improvements are amortized over 2–50 years, over the lease term, or over the lesser of the lease term and the life of the asset.

BC Transportation Financing Authority (BCTFA) assets include capital assets under lease to South Coast British Columbia Transportation Authority (SCBCTA). These capital assets under lease consist of land, land improvements, interests in land, park and ride facilities, stations, guideways, rolling stocks and other assets related to the SkyTrain system, including the Millennium Line, Evergreen Line, the Expo Line SkyTrain systems and the West Coast Express. These assets are made available for use by SCBCTA under operating lease arrangements for a nominal lease amount pursuant to an Order in Council and to the Millennium Line Use Agreement, and represent one of the province's contributions toward public transportation in the Metro Vancouver service area. The Expo Line and Millennium Line Use Agreements expire in January 2022 and may be renewed, if mutually agreed, for successive five year terms as long as the assets remain a part of the Greater Vancouver regional transportation system. The net book value of these assets is \$2,316 million (2020: \$2,365 million).

The province received no donations of tangible capital assets during the year (2020: nil).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

23. Restricted Assets

| | In Millions | |
|----------------------|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Endowment funds..... | <u>2,003</u> | <u>1,931</u> |

Donors have placed restrictions on their contributions to the endowment funds of universities, colleges, school districts, health organizations, and taxpayer-supported Crown corporations. One restriction is that the original contribution should not be spent. Another potential restriction is that any investment income of the endowment fund that is required to offset the eroding effect of inflation or preserve the original value of the endowment should also not be spent.

24. Prepaid Program Costs

| | In Millions | |
|----------------------------|--------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Prepaid program costs..... | <u>1,264</u> | <u>892</u> |

The prepaid program costs include deferred costs associated with the BC Timber Sales Program, prepaid operating costs and inventories of supplies and other not-for-resale items held by taxpayer-supported Crown corporations and agencies which are charged to expense when consumed in the normal course of operations. At March 31, 2021, the total inventories held for use or consumption was \$576 million (2020: \$414 million). During the year, the total expense due to the consumption of inventories was \$1,510 million (2020: \$1,419 million) including the effect of write-downs of \$65 million (2020: \$11 million).

25. Other Assets

| | In Millions | |
|-------------------------------------|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Deferred debt instrument costs..... | 124 | 112 |
| Other deferred costs..... | 194 | 96 |
| | <u>318</u> | <u>208</u> |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

26. Accumulated Surplus (Deficit)

| | In Millions | |
|---|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Accumulated surplus (deficit)—before other comprehensive income—beginning of year as previously reported ¹ | 8,106 | 8,427 |
| Adjustments to accumulated surplus (deficit) ^{2,3} | (113) | (112) |
| Accumulated surplus (deficit)—beginning of year as restated..... | 7,993 | 8,315 |
| Surplus (deficit) for the year ⁴ | (5,468) | (322) |
| Accumulated surplus (deficit)—before other comprehensive income..... | 2,525 | 7,993 |
| Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 105)—beginning of year..... | (224) | 31 |
| Other comprehensive income from self-supported Crown corporations and agencies (see page 105)..... | 906 | (255) |
| Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 105)—end of year..... | 682 | (224) |
| Accumulated surplus (deficit)—end of year..... | 3,207 | 7,769 |

¹The opening accumulated surplus (deficit) figures for April 1, 2020 and April 1, 2019 are reported before accumulated other comprehensive income.

²During 2020/21, adjustments were made to the opening accumulated surplus for 2019/20 for the following items:

| | |
|---|--------------|
| Restatement of Vancouver Coastal Health Authority deferred contributions..... | (63) |
| Recognition of concessionary adjustment on land tax deferral loans..... | (61) |
| Restatement of University of British Columbia deferred revenue recognition..... | 13 |
| School district amortization policy adjustment..... | (1) |
| Total..... | (112) |

³During 2020/21, adjustments were made to the opening accumulated surplus for 2020/21 for the following items:

| | |
|---|--------------|
| Restatement of Vancouver Coastal Health Authority deferred contributions..... | (63) |
| Recognition of concessionary adjustment on land tax deferral loans..... | (61) |
| Restatement of University of British Columbia deferred revenue recognition..... | 13 |
| School district amortization policy adjustment..... | (2) |
| Total..... | (113) |

⁴During 2020/21, adjustments were made to the reported (deficit) figure for the 2019/20 fiscal year as follows:

| | |
|---|------------|
| School district amortization policy adjustment..... | (1) |
| Total..... | (1) |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

27. Contingent Assets and Contractual Rights

(a) UNRECOGNIZED ASSETS

Intangible assets and items inherited by right of Crown, such as forest, water and mineral resources, are not recognized in these financial statements. Land inherited by the right of Crown is capitalized at a nominal value of one dollar.

The value of collections (e.g. artifacts, specimens, works of art, and documents) has been excluded from the Statement of Financial Position. When collections are purchased, these items are expensed.

(b) CONTINGENT ASSETS

The province has no contingent assets where the estimated amount is, or exceeds \$100,000, and the occurrence of the confirming future event is likely.

(c) CONTRACTUAL RIGHTS

Contractual rights are future-oriented financial information based on multi-year contracts the government has entered into that will become assets and revenue when terms of the contracts are met. The following table presents contractual rights that are greater than \$50 million, by sector, by year.

| | In Millions | | | | | | Total |
|---|---------------------|---------------------|---------------------|-------------------|-------------------|----------------------|----------------------|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 and beyond | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies | | | | | | | |
| Education..... | 20 | 13 | 12 | 3 | | | 48 |
| Natural resources and economic development..... | 342 | 327 | 305 | 302 | 301 | 4,780 | 6,357 |
| Other..... | 136 | 80 | 72 | 64 | 51 | 88 | 491 |
| Transportation..... | 521 | 515 | 428 | 218 | 144 | 1,223 | 3,049 |
| | <u>1,019</u> | <u>935</u> | <u>817</u> | <u>587</u> | <u>496</u> | <u>6,091</u> | <u>9,945</u> |
| Self-supported Crown corporations and agencies | | | | | | | |
| Natural resources and economic development..... | 349 | 276 | 235 | 193 | 196 | 4,495 | 5,744 |
| Transportation..... | 5 | 5 | 5 | 5 | 5 | 30 | 55 |
| Protection of persons and property..... | 36 | 31 | 27 | 21 | 17 | 53 | 185 |
| | <u>390</u> | <u>312</u> | <u>267</u> | <u>219</u> | <u>218</u> | <u>4,578</u> | <u>5,984</u> |
| Total..... | <u>1,409</u> | <u>1,247</u> | <u>1,084</u> | <u>806</u> | <u>714</u> | <u>10,669</u> | <u>15,929</u> |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

28. Contingent Liabilities and Contractual Obligations

(a) GUARANTEED DEBT

The authorized limit for loans guaranteed by the province as at March 31, 2021 was \$398 million (2020: \$398 million). These guarantees include amounts where indemnities have been made for explicit quantifiable loans. Guaranteed debt as at March 31, 2021 totalled \$13 million (2020: \$14 million). See Consolidated Statement of Guaranteed Debt on page 107 for details.

(b) CONTINGENT LIABILITIES

Litigation

The province is a defendant in legal actions and is involved in matters such as expropriation, contract and tax disputes. These matters may give rise to future liabilities.

The province has the following contingent liabilities where the estimated or known claim is, or exceeds \$100,000, but the likelihood of payment is uncertain.

| | In Millions | |
|------------------------------------|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Property access disputes..... | 281 | 281 |
| Tax disputes..... | 50 | 48 |
| Contract disputes..... | 17 | 2 |
| Damage to persons or property..... | 2 | |
| Negligence and miscellaneous..... | 330 | 294 |
| | <u>680</u> | <u>625</u> |

When it is determined it is likely a liability exists and the amount can be reasonably estimated, the amount is recorded as an accrued liability (see Note 12) and an expense. The accrued liability for pending litigation in process at March 31, 2021 was \$123 million (2020: \$138 million).

Tax Appeals

The province has received appeals under various tax statutes totalling \$125 million (2020: \$99 million). The cost to the province cannot be determined as the outcome of these appeals is uncertain.

Guarantees and Indemnities

The province also has contingent liabilities in the form of indemnities, indirect guarantees and outstanding claims for amounts that are not explicit or reasonably estimable at this time.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

28. Contingent Liabilities and Contractual Obligations—Continued

Environmental Clean-up

The province is responsible for the remediation of numerous contaminated sites in the province that are no longer in productive economic use.

For sites where the province is directly responsible or has assumed responsibility for remediation, the following provision for future clean-up costs has been accrued based on preliminary environmental assessments, or estimations for those sites where an assessment has not been conducted. The provision is recorded as an accrued liability (see Note 12).

| | In Millions | |
|------------------------------------|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Mine sites..... | 320 | 315 |
| Transportation infrastructure..... | 32 | 38 |
| Industrial sites..... | 25 | 26 |
| Pulp mills..... | 5 | 6 |
| Salt sheds..... | 4 | 5 |
| Maintenance yards..... | 4 | 2 |
| Miscellaneous..... | 95 | 113 |
| | <u>485</u> | <u>505</u> |

This provision for future clean-up costs is an estimate of the minimum remediation costs for known sites where an assessment has been conducted, or where available information on sites is sufficient to estimate the costs. Where information is not available to make an estimate, costs are extrapolated from the estimated costs of similar sites. Where sites require ongoing remediation, monitoring, or maintenance all estimated future costs are discounted using the province's estimated weighted average cost of capital at periodic evaluation dates. As at March 31, 2021, the weighted average cost of capital is 3.15% (2020: 3.66%).

As at the reporting date, 30 sites where historical industrial activity has occurred have been identified for monitoring purposes. Remediation activities are unlikely to be performed on these sites and any future cost is not determinable.

Additional environmental liabilities of government business enterprises include \$326 million (2020: \$309 million) accrued by British Columbia Hydro and Power Authority, and \$96 million (2020: \$96 million) accrued by British Columbia Railway Company. The liabilities are included in the investment balance of the Crown corporation or agency in Note 7.

Indigenous Land Claims

Treaty negotiations between the province, Canada and First Nations commenced in 1994. The province anticipates these negotiations will result in modern-day treaties defining the boundaries and nature of First Nations treaty settlement lands. As of March 31, 2021, there were 72 First Nations in various stages of negotiation, including 39 First Nations in active or completed negotiations.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

28. Contingent Liabilities and Contractual Obligations—Continued

When final treaty agreements are ratified by all parties, the provincial cost of treaties is recorded in the Public Accounts. Costs are accounted for based on the substance of the final agreement.

A Final Agreement with Yale First Nation was ratified by the Yale First Nation in March 2011, by the provincial government on June 2, 2011 and by the Parliament of Canada on June 19, 2013. Yale First Nation is now negotiating implementation of the treaty; however, a treaty effective date has not yet been agreed to by the parties. Through the treaty, the province will provide Yale with a capital transfer of \$2.5 million, economic development funding of \$1.1 million and 1,179 hectares of provincial Crown lands.

It is expected the capital transfer components in all treaty agreements will be, in most cases, entirely provided by Canada. The current commitments of provincial Crown land for all Final Agreement and Increment Treaty Agreement tables are as follows:

- Ditidaht, 3,567 hectares
- Homalco, 822 hectares
- In–SHUCK–ch, (Skatin and Samahquam) 9,474 hectares
- Kaska Dena Council, 677 hectares
- Kitselas, 34,839 hectares
- Kitsumkalum, 44,661 hectares
- K'omoks, 1,733 hectares
- Ktunaxa Nation Council, 418 hectares
- Lake Babine Nation (BC only), 511 hectares with a one–time payment of \$0.02 million
- Lheidli T'enneh, 3,416 hectares
- Nazko, 172 hectares
- NStQ (Canoe Creek, Sugar Cane, Canim Lake, Soda Creek), 3,758 hectares
- Pacheedaht, 1,216 hectares
- Te'mexw (Malahat, Scia'new, Snaw–naw–as, Songhees and T'Sou–ke), 1,182 hectares
- Tla–o–qui–aht, 47 hectares
- Wei Wai Kai (Cape Mudge First Nation), 3,100 hectares
- Wuikinuxv, 13,946 hectares
- Yekooche, 5,960 hectares

Upon coming into effect, treaties will also trigger implementation costs and may result in compensation to third parties. Those costs are not determinable at this time.

Some First Nations have chosen not to negotiate through the formal British Columbia Treaty Commission process. A number of First Nations have chosen to advance their claims through litigation. Claims include declarations with respect to aboriginal rights and title, commercial rights, challenges with respect to adequacy of consultation and accommodation, and damages for unjustified infringements. The amount of any provincial liability is not determinable at this time.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

28. Contingent Liabilities and Contractual Obligations—Continued

Crown Corporations, Agencies and School Districts, Universities, Colleges, Institutes and Health Organizations (SUCH)

- (i) The BC Transportation Financing Authority has unrecorded contingent liabilities of \$42 million (2020: \$36 million), including \$2 million (2020: nil) for expropriation claims and \$25 million (2020: \$25 million) for contaminated sites.
- (ii) The B.C. Pavilion Corporation and predecessor property owners remain liable for environmental and reclamation obligations for known hazards that may exist at its facilities. Management is not aware of any existing environmental problems related to its facilities that may result in a material liability to the B.C. Pavilion Corporation.

(c) CONTRACTUAL OBLIGATIONS

The government has entered into a number of multiple-year contracts for the delivery of services and the construction of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts. Contractual obligations are future-oriented financial information about non-discounted future cash payments for operating and capital contracts, and do not indicate when the related expenses will be recognized in the financial statements.

The following table presents the minimum amounts required to satisfy the contractual obligations, for contractual obligations that are greater than \$50 million, by sector, by year. Details are available as unaudited supplementary information on the public website at <http://gov.bc.ca/publicaccounts>.

| | In Millions | | | | | | Total |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 and beyond | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies | | | | | | | |
| Health..... | 3,382 | 953 | 1,005 | 963 | 760 | 5,245 | 12,308 |
| Education..... | 946 | 373 | 119 | 42 | 13 | 148 | 1,641 |
| Social services..... | 291 | 9 | | | | | 300 |
| Natural resources and economic development..... | 48 | 47 | 44 | 28 | 27 | 128 | 322 |
| Other..... | 732 | 424 | 270 | 198 | 179 | 4,812 | 6,615 |
| Transportation..... | 2,229 | 1,900 | 1,453 | 918 | 858 | 10,756 | 18,114 |
| General government..... | 527 | 443 | 377 | 295 | 59 | 243 | 1,944 |
| Protection of persons and property..... | 454 | 493 | 439 | 416 | 408 | 2,638 | 4,848 |
| | <u>8,609</u> | <u>4,642</u> | <u>3,707</u> | <u>2,860</u> | <u>2,304</u> | <u>23,970</u> | <u>46,092</u> |
| Self-supported Crown corporations and agencies | | | | | | | |
| Natural resources and economic development..... | 2,981 | 3,102 | 2,009 | 1,686 | 1,582 | 37,819 | 49,179 |
| General government..... | 53 | 2 | | | | | 55 |
| Protection of persons and property..... | 7 | 6 | 6 | 4 | 4 | 5 | 32 |
| | <u>3,041</u> | <u>3,110</u> | <u>2,015</u> | <u>1,690</u> | <u>1,586</u> | <u>37,824</u> | <u>49,266</u> |
| Total..... | <u>11,650</u> | <u>7,752</u> | <u>5,722</u> | <u>4,550</u> | <u>3,890</u> | <u>61,794</u> | <u>95,358</u> |

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

29. Taxation Revenue

| | In Millions | |
|------------------------|---------------|---------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Personal income..... | 11,118 | 10,657 |
| Provincial sales..... | 7,694 | 7,374 |
| Corporate income..... | 4,805 | 5,011 |
| Property..... | 2,313 | 2,608 |
| Employer health..... | 2,156 | 1,897 |
| Property transfer..... | 2,098 | 1,609 |
| Carbon..... | 1,683 | 1,682 |
| Fuel..... | 936 | 1,008 |
| Tobacco..... | 711 | 729 |
| Other..... | 652 | 691 |
| | <u>34,166</u> | <u>33,266</u> |

Personal income tax and corporate income tax revenues are recorded after deductions for non-refundable tax credits. Deductions allowable in the calculation of personal income tax revenue were \$107 million (2020: \$94 million) and corporate income tax were \$97 million (2020: \$144 million). The types of tax credits adjusting personal income tax and corporation income tax revenues are for foreign taxes, logging taxes, venture capital, scientific and experimental development tax, and mining flow-through share.

Personal income tax revenue was also reduced by \$189 million (2020: \$172 million) for the BC Tax Reduction.

Personal and corporate income tax refunds related to prior years may be issued under the *International Business Activity Act*. Corporate income tax reimbursements were \$2 million (2020: \$0.2 million).

Property tax revenue was recorded net of home owner grants of \$857 million (2020: \$852 million).

30. Natural Resource Revenue

| | In Millions | |
|--|--------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Forests..... | 1,304 | 988 |
| Petroleum, natural gas and minerals..... | 550 | 729 |
| Water and other..... | 549 | 551 |
| | <u>2,403</u> | <u>2,268</u> |

Oil and gas royalty revenues are reported after adjustments for various royalty deduction programs such as producer cost of service allowances, deep well, marginal, ultra marginal, low production, net profit, new pool discovery and road construction. Deductions allowable in the calculation of royalty revenue were \$654 million (2020: \$567 million). Natural resource revenue includes mining taxes of \$75 million (2020: \$250 million) and logging taxes of \$56 million (2020: \$28 million).

The province offers credits for certain costs incurred by producers including the deep well, road and summer drilling programs. Deep well credits of \$3,223 million (2020: \$2,920 million), road credits of \$25 million (2020: \$14 million) and summer drilling credits of \$3 million (2020: \$3 million) have been incurred by producers and will reduce future natural gas royalties payable when wells go into production.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

31. Expense

| | In Millions | |
|--|---------------|---------------|
| | 2021 | 2020 |
| Total Expense by Group Account Classification | \$ | \$ |
| Salaries and benefits..... | 24,558 | 22,832 |
| Government transfers..... | 22,463 | 16,471 |
| Operating costs..... | 14,470 | 13,536 |
| Interest ¹ | 2,722 | 2,727 |
| Amortization..... | 2,547 | 2,469 |
| Other..... | 864 | 947 |
| | <u>67,624</u> | <u>58,982</u> |

¹Includes foreign exchange loss amortization of \$1 million (2020: loss amortization of \$2 million).

32. Valuation Allowances

| | In Millions | |
|---|-------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Inventories for resale..... | 92 | |
| Accounts receivable..... | 58 | 156 |
| Loans, advances and mortgages receivable..... | 29 | 39 |
| Tangible capital assets..... | 7 | 56 |
| Other investments..... | 2 | |
| Other assets..... | 1 | |
| | <u>189</u> | <u>251</u> |

These amounts are included in "Other" of "Total Expense by Group Account Classification" in Note 31, and represent the write-down of assets in the above Consolidated Statement of Financial Position categories.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

33. Trusts Under Administration

Trusts Under Administration are not included in the Summary Financial Statements, because the province has no equity in or power of appropriation over these trusts. The province administers these trusts on behalf of third parties according to the terms of the underlying trust arrangements. The trust assets consist of cash, term deposits, investments, real estate and other sundry assets. Trust liabilities consist of trade payables, loans payable, and mortgages payable. Summary financial information from the financial statements of trust funds is provided below.

| | In Millions | | | |
|--|--------------|--------------|--------------|--------------|
| | Assets | Liabilities | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Public Guardian and Trustee of British Columbia ¹ | | | | |
| —administered by government officials..... | 1,222 | (49) | 1,173 | 1,051 |
| Credit Union Deposit Insurance Corporation of British Columbia ¹ | | | | |
| —administered by various government officials and a non-government investment corporation..... | 795 | (3) | 792 | 774 |
| Supreme and provincial court (Suitors' Funds) | | | | |
| —administered by the Courts..... | 184 | | 184 | 147 |
| Other trust funds | | | | |
| —administered by various government officials..... | 218 | (54) | 164 | 141 |
| | <u>2,419</u> | <u>(106)</u> | <u>2,313</u> | <u>2,113</u> |

¹These organizations are reported under International Financial Reporting Standards. Their financial statements are draft and unaudited when the Public Accounts are prepared.

34. Comparison to Estimates

The Estimates numbers on the Statement of Operations are taken from the Estimated Statement of Operations, the Estimated Revenue by Source, and the Estimated Expense by Function, on pages 4 – 6 of the *Estimates, Fiscal Year Ending March 31, 2021*, presented to the Legislative Assembly February 18, 2020.

35. Comparatives

Comparative figures have been restated to conform with the current year's presentation. The effect of restatements on the previously reported operating result is disclosed in Note 26.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

36. Asset Retirement Obligations¹

| | In Millions | |
|---|-------------|------------|
| | 2021 | 2020 |
| Consolidated Revenue Fund and Taxpayer–supported Crown corporations and agencies | \$ | \$ |
| Education..... | 23 | 25 |
| Natural resources and economic development..... | 10 | 10 |
| Health..... | 5 | 2 |
| | 38 | 37 |
| Self–supported Crown corporations and agencies | | |
| Transportation..... | 206 | 243 |
| Natural resources and economic development..... | 87 | 77 |
| General government..... | 1 | 1 |
| | 294 | 321 |
| | 332 | 358 |

¹Additional asset retirement obligation costs exist which have not been recognized because they cannot be reasonably estimated at this time. Self–supported Crown corporations' balances in the natural resources and economic development, transportation and general government sectors are calculated using International Financial Reporting Standards.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

37. Government Partnerships

Canadian Blood Services owns and operates the national blood supply system for Canada, except for the province of Quebec. It is a government partnership amongst Canadian provinces and territories. The ministers of health for the provinces and territories, except Quebec, provide contributions to fund its operations. Its financial results are proportionately consolidated with those of the province based upon the province's share of its total provincial contributions (14.67%). The amounts included in these financial statements are as follows:

| Consolidated Statement of Financial Position | In Millions | |
|--|-------------|-------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Financial assets..... | 100 | 107 |
| Liabilities..... | 130 | 133 |
| Net liabilities..... | (30) | (26) |
| Non-financial assets..... | 73 | 65 |
| Accumulated surplus (deficit)..... | 43 | 39 |

| Consolidated Statement of Operations | In Millions | |
|---|-------------|-----------|
| | 2021 | 2020 |
| | \$ | \$ |
| Revenue..... | 182 | 181 |
| Expenses..... | 178 | 181 |
| Surplus (deficit) for the year..... | 4 | 0 |
| Accumulated surplus (deficit)—beginning of year..... | 39 | 39 |
| Accumulated surplus (deficit)—end of year..... | 43 | 39 |

38. Regulatory Accounting

Included in the Summary Financial Statements are entities that are regulated by the independent British Columbia Utilities Commission (the Commission). The Commission is responsible for regulating utilities in British Columbia which includes establishing tariffs, approving the construction of new facilities planned by utilities, and their issuance of securities. As an independent provincial agency, the operating results of the Commission are also included in the Summary Financial Statements.

Rate-regulation can result in the deferral and amortization of costs and recoveries to allow for adjustment of future rates. In the absence of rate-regulation, these amounts would otherwise be included in the determination of net income in the year the amounts are incurred. BC Hydro had unamortized net regulatory assets at the end of March 31, 2021 of \$4,277 million (2020: \$5,005 million). Regulatory accounting resulted in a decrease to net income for BC Hydro for the year ended March 31, 2021 of \$604 million (2020: \$1,086 million increase). Further details are available in BC Hydro's financial statements outside these audited financial statements at <http://gov.bc.ca/financepublications>.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2021—Continued

39. Long-term BC First Nations Gaming Revenue Sharing

Beginning in fiscal year 2021/22, the *Gaming Control Act* requires that 7% of British Columbia Lottery Corporation's net income be transferred to the BC First Nations Gaming Revenue Sharing Limited Partnership. This dedicated revenue is estimated at \$58 million for the next fiscal year and is expected to total approximately \$3 billion over the next 23 years.

The province will collect and transfer revenues to the BC First Nations Gaming Revenue Sharing Limited Partnership. The First Nations' right to gaming revenue established in legislation has been implemented through the Long-term BC First Nations Gaming Revenue Sharing and Financial Agreement dated September 16, 2020.

40. Significant Events

COVID-19 (Novel Coronavirus) Global Pandemic

On March 18, 2020, the Government of British Columbia declared a state of emergency in response to the COVID-19 Novel Coronavirus global pandemic. Since that date, the Provincial Health Officer has issued orders directed to all British Columbians and organizations operating in the province. Some actions taken will have an impact on future financial statements. The state of emergency ended on June 30, 2021.

An additional \$8 billion in contingency spending was authorized for fiscal year 2020/21 by the Legislative Assembly to support the pandemic response and economic recovery. The future financial impacts of the pandemic on the province are not determinable at this time.

**Supplementary Statement to the
Consolidated Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2021**
TAXPAYER-SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT ORGANIZATIONS)
RECORDED ON A CONSOLIDATED BASIS

Consolidated Revenue Fund¹

Health Sector

BC Health Care Occupational Health and Safety Society²
Canadian Blood Services³
Fraser Health Authority
Interior Health Authority
Louis Brier Home and Hospital
Menno Hospital
Mount St. Mary Hospital
Nisga'a Valley Health Authority
Northern Health Authority
Providence Health Care Society
Provincial Health Services Authority
St Michael's Centre
Vancouver Coastal Health Authority
Vancouver Island Health Authority

Education Sector

BCNET
British Columbia Institute of Technology
Camosun College
Capilano University
Coast Mountain College
College of New Caledonia
College of the Rockies
Douglas College
Emily Carr University of Art & Design
Industry Training Authority
Justice Institute of British Columbia
Knowledge Network Corporation
Kwantlen Polytechnic University
Langara College
Nicola Valley Institute of Technology
North Island College
Northern Lights College
Okanagan College

**Supplementary Statement to the
Consolidated Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2021—Continued**
TAXPAYER-SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT ORGANIZATIONS)
RECORDED ON A CONSOLIDATED BASIS

Education Sector—Continued

Royal Roads University
School Districts
Selkirk College
Simon Fraser University
The British Columbia Council for International Education
The University of British Columbia
Thompson Rivers University
University of the Fraser Valley
University of Northern British Columbia
University of Victoria
Vancouver Community College
Vancouver Island University

Natural Resources and Economic Development Sector

BC Infrastructure Benefits Inc.
B.C. Pavilion Corporation
British Columbia Enterprise Corporation
Columbia Basin Trust
Creston Valley Wildlife Management Authority Trust Fund
Destination BC Corp.
Forest Enhancement Society of BC
Forestry Innovation Investment Ltd
InBC Investment Corp.⁴
Infrastructure BC Inc.⁴
Innovate BC
Nechako–Kitimaat Development Fund Society
Oil and Gas Commission

Transportation Sector

BC Transportation Financing Authority
British Columbia Transit

Protection of Persons and Property Sector

BC Family Maintenance Agency Ltd.
BC Financial Services Authority
British Columbia Securities Commission
Organized Crime Agency of British Columbia Society
Real Estate Council of British Columbia
Real Estate Foundation of British Columbia

**Supplementary Statement to the
Consolidated Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2021—Continued**
TAXPAYER–SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT ORGANIZATIONS)
RECORDED ON A CONSOLIDATED BASIS

Social Services Sector

Community Living British Columbia
Legal Services Society

Other Sector

BC Games Society
British Columbia Assessment Authority
British Columbia Housing Management Commission
British Columbia Public School Employers' Association
Community Social Services Employers' Association of British Columbia
Crown Corporations Employers' Association
First Peoples' Heritage, Language and Culture Council
Health Employers Association of British Columbia
Post–Secondary Employers' Association
Provincial Rental Housing Corporation
The Royal British Columbia Museum Corporation

SELF–SUPPORTED CROWN CORPORATIONS AND AGENCIES
(GOVERNMENT BUSINESS ENTERPRISES)
RECORDED ON A MODIFIED EQUITY BASIS

British Columbia Hydro and Power Authority⁵
British Columbia Liquor Distribution Branch⁶
British Columbia Lottery Corporation⁶
Columbia Power Corporation⁵
Insurance Corporation of British Columbia⁷

¹The Consolidated Revenue Fund has been allocated to the appropriate sector on the Consolidated Statement of Financial Position by Sector (page 94) and on the Consolidated Statement of Operations by Sector (page 98).

²This organization was established during the year.

³This organization reflects a government partnership amongst Canadian provinces and is proportionally consolidated based upon the province's share (14.67%) of the total provincial contributions to the partnership.

⁴These organizations were renamed during the year.

⁵These organizations were included in the Natural Resources and Economic Development Sector results.

⁶These organizations were included in the General Government Sector results.

⁷This organization was included in the Protection of Persons and Property Sector results.

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2021

| | In Millions | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|-----------------|-----------|--|--------------|-----------------------------|---------------|
| | Health | | Education | | Social Services | | Natural Resources and Economic Development | | Debt Servicing ¹ | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Financial Assets | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash and cash equivalents..... | 2,177 | 1,658 | 3,169 | 2,839 | 22 | 8 | 186 | 232 | 2,519 | 502 |
| Temporary investments..... | 2 | 3 | 94 | 101 | | | 2 | 200 | 183 | |
| Accounts receivable..... | 877 | 753 | 363 | 274 | 50 | 45 | 688 | 382 | 378 | 431 |
| Inventories for resale..... | 3 | 2 | 21 | 25 | | | 38 | 34 | | |
| Due from Crown corporations and agencies..... | 9 | 5 | 66 | 35 | 1 | 1 | 11 | 15 | | |
| Due from other governments..... | 79 | 51 | 59 | 72 | 45 | 15 | 207 | 124 | | |
| Due from self-supported Crown corporations and agencies. | | | 83 | 76 | | | 57 | 71 | | |
| Equity in self-supported Crown corporations and agencies. | | | 95 | 122 | | | 7,458 | 6,746 | | |
| Loans, advances and mortgages receivable..... | 682 | 5 | 794 | 889 | 1 | 1 | 61 | 80 | | |
| Other investments..... | 76 | 73 | 2,675 | 2,334 | | | 214 | 217 | 9 | 9 |
| Sinking fund investments..... | | | 58 | 52 | | | | | 492 | 692 |
| Loans for purchase of assets, recoverable from agencies..... | | | | | | | | | 40,108 | 36,777 |
| | <u>3,905</u> | <u>2,550</u> | <u>7,477</u> | <u>6,819</u> | <u>119</u> | <u>72</u> | <u>9,120</u> | <u>8,084</u> | <u>43,506</u> | <u>38,411</u> |

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector—Continued
as at March 31, 2021**

In Millions

| | Other ² | | Transportation | | General Government ³ | | Protection of Persons and Property | | Adjustments ⁴ | | Total | |
|--|--------------------|--------------|----------------|------------|---------------------------------|--------------|---------------------------------------|-------------|--------------------------|-----------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | | | | | | | | |
| Cash and cash equivalents..... | 109 | 89 | 77 | 84 | 321 | 317 | 54 | 47 | (2,471) | (2,186) | 6,163 | 3,590 |
| Temporary investments..... | 101 | 106 | | | | | | | | | 397 | 395 |
| Accounts receivable..... | 294 | 288 | 44 | 41 | 3,312 | 2,994 | 98 | 97 | (133) | (140) | 5,971 | 5,165 |
| Inventories for resale..... | 2 | 1 | 3 | 1 | 2 | 2 | 2 | 3 | | | 71 | 68 |
| Due from Crown corporations and agencies..... | 25 | | 39 | 39 | | | | | (151) | (95) | 0 | 0 |
| Due from other governments..... | 95 | 23 | 124 | 165 | 775 | 239 | 327 | 243 | | | 1,711 | 932 |
| Due from self-supported Crown corporations and agencies. | | | | | 142 | 169 | | | | | 282 | 316 |
| Equity in self-supported Crown corporations and agencies. | | | 226 | 215 | (49) | (32) | 1,893 | (536) | | | 9,623 | 6,515 |
| Loans, advances and mortgages receivable..... | 1,007 | 674 | | | 1,490 | 1,318 | 1 | | (15) | (27) | 4,021 | 2,940 |
| Other investments..... | 191 | 185 | 76 | 76 | | | 102 | 79 | | | 3,343 | 2,973 |
| Sinking fund investments..... | | | 88 | 102 | | | | | (146) | (154) | 492 | 692 |
| Loans for purchase of assets, recoverable from agencies..... | | | | | | | | | (13,807) | (12,009) | 26,301 | 24,768 |
| | <u>1,824</u> | <u>1,366</u> | <u>677</u> | <u>723</u> | <u>5,993</u> | <u>5,007</u> | <u>2,477</u> | <u>(67)</u> | <u>(16,723)</u> | <u>(14,611)</u> | <u>58,375</u> | <u>48,354</u> |

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector—Continued
as at March 31, 2021

| | In Millions | | | | | | | | | |
|--|----------------|----------------|---------------|---------------|-----------------|--------------|--|--------------|-----------------------------|-----------------|
| | Health | | Education | | Social Services | | Natural Resources and Economic Development | | Debt Servicing ¹ | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Liabilities | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Accounts payable and accrued liabilities..... | 2,158 | 1,704 | 1,532 | 1,464 | 217 | 134 | 1,484 | 1,432 | 810 | 660 |
| Employee future benefits..... | 1,362 | 1,278 | 735 | 652 | 34 | 27 | 42 | 34 | | |
| Due to other governments..... | 90 | 70 | 94 | 32 | | | 13 | 24 | | |
| Due to Crown corporations, agencies and trust funds..... | 59 | 12 | 8 | 4 | 6 | 2 | 642 | 652 | 2,480 | 2,197 |
| Due to the Province of British Columbia..... | | | 4 | | 6 | 6 | 10 | 11 | | |
| Deferred revenue..... | 3,382 | 2,448 | 4,726 | 4,447 | 6 | 8 | 971 | 941 | 71 | 77 |
| Employee pension plans..... | | | | | | | | | | |
| Taxpayer-supported debt..... | 1,876 | 1,803 | 979 | 838 | | | 176 | 182 | 56,021 | 42,991 |
| Self-supported debt..... | | | | | | | | | 26,275 | 24,847 |
| | <u>8,927</u> | <u>7,315</u> | <u>8,078</u> | <u>7,437</u> | <u>269</u> | <u>177</u> | <u>3,338</u> | <u>3,276</u> | <u>85,657</u> | <u>70,772</u> |
| Net assets (liabilities)..... | <u>(5,022)</u> | <u>(4,765)</u> | <u>(601)</u> | <u>(618)</u> | <u>(150)</u> | <u>(105)</u> | <u>5,782</u> | <u>4,808</u> | <u>(42,151)</u> | <u>(32,361)</u> |
| Non-financial Assets | | | | | | | | | | |
| Tangible capital assets..... | 9,135 | 8,643 | 18,276 | 17,327 | 154 | 169 | 2,284 | 2,276 | | |
| Restricted assets..... | 5 | 5 | 1,998 | 1,926 | | | | | | |
| Prepaid program costs..... | 695 | 357 | 104 | 86 | 23 | 24 | 267 | 262 | | |
| Other assets..... | 190 | 89 | 4 | 7 | | | | | 68 | 42 |
| | <u>10,025</u> | <u>9,094</u> | <u>20,382</u> | <u>19,346</u> | <u>177</u> | <u>193</u> | <u>2,551</u> | <u>2,538</u> | <u>68</u> | <u>42</u> |
| Accumulated surplus (deficit)..... | <u>5,003</u> | <u>4,329</u> | <u>19,781</u> | <u>18,728</u> | <u>27</u> | <u>88</u> | <u>8,333</u> | <u>7,346</u> | <u>(42,083)</u> | <u>(32,319)</u> |

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector—Continued
as at March 31, 2021**

In Millions

| | Other ² | | Transportation | | General Government ³ | | Protection of Persons and Property | | Adjustments ⁴ | | Total | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------------------|---------------------|---------------------------------------|---------------------|--------------------------|--------------------|---------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Liabilities | | | | | | | | | | | | |
| Accounts payable and accrued liabilities..... | 700 | 540 | 692 | 652 | 1,079 | 878 | 388 | 397 | (167) | (177) | 8,893 | 7,684 |
| Employee future benefits..... | 17 | 13 | 36 | 31 | 575 | 570 | 64 | 49 | | | 2,865 | 2,654 |
| Due to other governments..... | 55 | 20 | 2 | | 198 | 38 | 171 | 252 | | | 623 | 436 |
| Due to Crown corporations, agencies and trust funds..... | 68 | 67 | 9 | 8 | | | 1 | 1 | (2,563) | (2,221) | 710 | 722 |
| Due to the Province of British Columbia..... | 4 | 3 | 2 | 2 | | | | | (26) | (22) | 0 | 0 |
| Deferred revenue..... | 202 | 174 | 2,489 | 2,212 | 15 | 12 | 323 | 307 | | | 12,185 | 10,626 |
| Employee pension plans..... | | | | | 1 | 1 | | | | | 1 | 1 |
| Taxpayer-supported debt..... | 770 | 223 | 13,801 | 12,505 | 326 | 318 | | | (13,967) | (12,191) | 59,982 | 46,669 |
| Self-supported debt..... | | | | | | | | | | | 26,275 | 24,847 |
| | <u>1,816</u> | <u>1,040</u> | <u>17,031</u> | <u>15,410</u> | <u>2,194</u> | <u>1,817</u> | <u>947</u> | <u>1,006</u> | <u>(16,723)</u> | <u>(14,611)</u> | <u>111,534</u> | <u>93,639</u> |
| Net assets (liabilities)..... | <u>8</u> | <u>326</u> | <u>(16,354)</u> | <u>(14,687)</u> | <u>3,799</u> | <u>3,190</u> | <u>1,530</u> | <u>(1,073)</u> | <u>0</u> | <u>0</u> | <u>(53,159)</u> | <u>(45,285)</u> |
| Non-financial Assets | | | | | | | | | | | | |
| Tangible capital assets..... | 2,840 | 2,337 | 18,333 | 17,566 | 1,649 | 1,607 | 127 | 115 | (17) | (17) | 52,781 | 50,023 |
| Restricted assets..... | | | | | | | | | | | 2,003 | 1,931 |
| Prepaid program costs..... | 58 | 49 | 28 | 27 | 84 | 83 | 5 | 4 | | | 1,264 | 892 |
| Other assets..... | | | 56 | 70 | | | | | | | 318 | 208 |
| | <u>2,898</u> | <u>2,386</u> | <u>18,417</u> | <u>17,663</u> | <u>1,733</u> | <u>1,690</u> | <u>132</u> | <u>119</u> | <u>(17)</u> | <u>(17)</u> | <u>56,366</u> | <u>53,054</u> |
| Accumulated surplus (deficit)..... | <u>2,906</u> | <u>2,712</u> | <u>2,063</u> | <u>2,976</u> | <u>5,532</u> | <u>4,880</u> | <u>1,662</u> | <u>(954)</u> | <u>(17)</u> | <u>(17)</u> | <u>3,207</u> | <u>7,769</u> |

¹Debt servicing represents the financial impacts of activities related to management of the public debt.

²The Other Sector consists of activities, such as housing and culture, which cannot be allocated to any of the specifically described sector classifications.

³Includes the Legislature, tax collection and administration, Canadian Health and Social Transfers from the federal government, liquor and gaming profits, general administration and central agency services such as accounting, auditing, budgeting, insurance and risk management to all sectors.

⁴Represents sectoral adjustments to conform to government accounting policies and to eliminate transactions between sectors.

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2021**

| | In Millions | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|-----------------|------------|--|--------------|-----------------------------|--------------|
| | Health | | Education | | Social Services | | Natural Resources and Economic Development | | Debt Servicing ¹ | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenue | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Taxation..... | | | | | | | | | | |
| Contributions from the federal government..... | 201 | 203 | 1,530 | 1,127 | 169 | 152 | 174 | 167 | | |
| Fees and licenses..... | 482 | 1,581 | 2,624 | 2,725 | 3 | 4 | 141 | 140 | | |
| Miscellaneous..... | 1,150 | 1,282 | 1,054 | 1,526 | 16 | 19 | 162 | 261 | | |
| Contributions from the provincial government / net earnings of self-supported Crown corporations and agencies..... | 83 | 62 | 282 | 235 | 20 | 18 | 850 | 854 | | |
| Natural resources..... | | | | | | | 2,403 | 2,268 | | |
| Investment income..... | 12 | 27 | 256 | 222 | 1 | 2 | 25 | 24 | 1,302 | 1,347 |
| Total revenue..... | 1,928 | 3,155 | 5,746 | 5,835 | 209 | 195 | 3,755 | 3,714 | 1,302 | 1,347 |

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector—Continued
for the Fiscal Year Ended March 31, 2021**

In Millions

| | Other ² | | Transportation | | General Government ³ | | Protection of Persons and Property | | Adjustments ⁴ | | Total | |
|--|--------------------|------------|----------------|------------|---------------------------------|---------------|---------------------------------------|------------|--------------------------|--------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenue | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Taxation..... | 100 | 96 | 479 | 575 | 33,587 | 32,595 | | | | | 34,166 | 33,266 |
| Contributions from the federal government..... | 546 | 129 | 716 | 156 | 9,334 | 7,527 | 224 | 74 | | | 12,894 | 9,535 |
| Fees and licenses..... | 32 | 33 | 41 | 57 | 35 | 68 | 971 | 964 | | | 4,329 | 5,572 |
| Miscellaneous..... | 67 | 102 | 177 | 102 | 418 | 442 | 216 | 220 | (124) | (116) | 3,136 | 3,838 |
| Contributions from the provincial government / net earnings of self-supported Crown corporations and agencies..... | 69 | 42 | 24 | 27 | 1,580 | 2,444 | 1,570 | (366) | (514) | (398) | 3,964 | 2,918 |
| Natural resources..... | | | | | | | | | | | 2,403 | 2,268 |
| Investment income..... | 6 | 12 | 10 | 12 | 63 | 92 | 4 | 3 | (415) | (478) | 1,264 | 1,263 |
| Total revenue..... | 820 | 414 | 1,447 | 929 | 45,017 | 43,168 | 2,985 | 895 | (1,053) | (992) | 62,156 | 58,660 |

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector—Continued
for the Fiscal Year Ended March 31, 2021**

| | In Millions | | | | | | | | | |
|--|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|---------------------|-----------------------------|-----------------------|
| | Health | | Education | | Social Services | | Natural Resources and Economic Development | | Debt Servicing ¹ | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Expense | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Salaries and benefits..... | 10,519 | 9,380 | 10,577 | 10,136 | 559 | 538 | 775 | 728 | | |
| Government transfers..... | 6,243 | 6,168 | 1,456 | 1,251 | 5,905 | 4,108 | 2,396 | 1,975 | | |
| Operating costs..... | 8,354 | 7,395 | 1,883 | 2,301 | 1,299 | 1,211 | 660 | 679 | | |
| Interest..... | 121 | 122 | 43 | 43 | | | 22 | 22 | 2,508 | 2,551 |
| Amortization..... | 617 | 608 | 898 | 862 | 22 | 24 | 128 | 120 | | |
| Other..... | 253 | 197 | 202 | 238 | 67 | 67 | 284 | 297 | | |
| Operating expense..... | 26,107 | 23,870 | 15,059 | 14,831 | 7,852 | 5,948 | 4,265 | 3,821 | 2,508 | 2,551 |
| Surplus (deficit) for the Fiscal Year ended March 31..... | <u>(24,179)</u> | <u>(20,715)</u> | <u>(9,313)</u> | <u>(8,996)</u> | <u>(7,643)</u> | <u>(5,753)</u> | <u>(510)</u> | <u>(107)</u> | <u>(1,206)</u> | <u>(1,204)</u> |

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector—Continued
for the Fiscal Year Ended March 31, 2021**

In Millions

| Expense | Other ² | | Transportation | | General Government ³ | | Protection of Persons and Property | | Adjustments ⁴ | | Total | |
|--|--------------------|----------------|----------------|----------------|---------------------------------|---------------|---------------------------------------|----------------|--------------------------|--------------|----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Salaries and benefits..... | 228 | 212 | 219 | 207 | 598 | 640 | 1,083 | 991 | | | 24,558 | 22,832 |
| Government transfers..... | 2,307 | 2,030 | 1,268 | 254 | 2,419 | 112 | 820 | 839 | (351) | (266) | 22,463 | 16,471 |
| Operating costs..... | 196 | 155 | 1,248 | 1,000 | 521 | 540 | 313 | 262 | (4) | (7) | 14,470 | 13,536 |
| Interest..... | 11 | 11 | 417 | 443 | 15 | 14 | | | (415) | (479) | 2,722 | 2,727 |
| Amortization..... | 99 | 97 | 624 | 618 | 130 | 116 | 29 | 24 | | | 2,547 | 2,469 |
| Other..... | 27 | 20 | 13 | 60 | 267 | 278 | 34 | 30 | (283) | (240) | 864 | 947 |
| Operating expense..... | 2,868 | 2,525 | 3,789 | 2,582 | 3,950 | 1,700 | 2,279 | 2,146 | (1,053) | (992) | 67,624 | 58,982 |
| Surplus (deficit) for the Fiscal Year ended March 31..... | (2,048) | (2,111) | (2,342) | (1,653) | 41,067 | 41,468 | 706 | (1,251) | 0 | 0 | (5,468) | (322) |

¹Debt servicing represents the financial impacts of activities related to management of the public debt.

²The Other Sector consists of activities, such as housing and culture, which cannot be allocated to any of the specifically described sector classifications.

³Includes the Legislature, tax collection and administration, Canadian Health and Social Transfers from the federal government, liquor and gaming profits, general administration and central agency services such as accounting, auditing, budgeting, insurance and risk management to all sectors.

⁴Represents sectoral adjustments to conform to government accounting policies and to eliminate transactions between sectors.

**Supplementary Statement to the Summary Financial Statements
Statement of Financial Position
for Self-supported Crown Corporations and Agencies¹
as at March 31, 2021**

In Millions

| | Natural Resources and Economic Development ² | Protection of Persons and Property ³ | General Government ⁴ | 2021 Sub-Total | 2020 Sub-Total |
|---|---|---|------------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Assets | | | | | |
| Cash and cash equivalents..... | 111 | 20 | 57 | 188 | 305 |
| Accounts receivable..... | 965 | 2,045 | 65 | 3,075 | 3,221 |
| Inventories..... | 182 | | 240 | 422 | 388 |
| Other investments..... | 1,128 | 21,154 | | 22,282 | 19,531 |
| Tangible capital assets..... | 33,617 | 488 | 706 | 34,811 | 32,612 |
| Other assets..... | 5,191 | 468 | 32 | 5,691 | 6,436 |
| Total Assets..... | 41,194 | 24,175 | 1,100 | 66,469 | 62,493 |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities..... | 5,083 | 19,786 | 510 | 25,379 | 25,056 |
| Deferred revenue..... | 2,852 | 2,466 | 36 | 5,354 | 6,030 |
| Due to Province of British Columbia..... | 57 | | 142 | 199 | 240 |
| Debt due to Province of British Columbia..... | 25,283 | | 180 | 25,463 | 24,168 |
| Other debt..... | 1,432 | 61 | 281 | 1,774 | 1,827 |
| | 34,707 | 22,313 | 1,149 | 58,169 | 57,321 |
| Equity | | | | | |
| Investment by Province of British Columbia..... | 46 | | | 46 | 46 |
| Other comprehensive income..... | (19) | 730 | (24) | 687 | (216) |
| Unremitted earnings—end of year..... | 6,460 | 1,132 | (25) | 7,567 | 5,342 |
| | 6,487 | 1,862 | (49) | 8,300 | 5,172 |
| Total Liabilities and Equity..... | 41,194 | 24,175 | 1,100 | 66,469 | 62,493 |

Supplementary Statement to the Summary Financial Statements
Statement of Financial Position
for Self-supported Crown Corporations and Agencies¹
as at March 31, 2021—Continued

| | In Millions | | | | 2021 | 2020 |
|---|--|--|---|---|---------------|---------------|
| | Education subsidiaries ⁵ | Natural Resources subsidiaries ⁶ | Transportation subsidiaries ⁷ | Protection of Persons and Property subsidiaries ⁸ | Grand Total | Grand Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Assets | | | | | | |
| Cash and cash equivalents..... | 62 | 24 | 121 | 1 | 396 | 530 |
| Accounts receivable..... | 68 | 503 | 3 | | 3,649 | 3,827 |
| Inventories..... | 69 | | | | 491 | 448 |
| Other investments..... | 27 | 10 | 244 | 69 | 22,632 | 19,832 |
| Tangible capital assets..... | 607 | 870 | 195 | 1 | 36,484 | 34,320 |
| Other assets..... | 2 | 261 | 3 | | 5,957 | 6,708 |
| Total Assets..... | 835 | 1,668 | 566 | 71 | 69,609 | 65,665 |
| Liabilities | | | | | | |
| Accounts payable and accrued liabilities..... | 69 | 17 | 314 | 27 | 25,806 | 25,514 |
| Deferred revenue..... | 32 | 1 | 26 | 12 | 5,425 | 6,093 |
| Due to Province of British Columbia..... | 83 | | | | 282 | 316 |
| Debt due to Province of British Columbia..... | 36 | | | | 25,499 | 24,204 |
| Other debt..... | 520 | 679 | | 1 | 2,974 | 3,023 |
| | 740 | 697 | 340 | 40 | 59,986 | 59,150 |
| Equity | | | | | | |
| Investment by Province of British Columbia..... | 73 | 941 | 107 | | 1,167 | 1,166 |
| Other comprehensive income..... | | | (7) | 2 | 682 | (224) |
| Unremitted earnings—end of year..... | 22 | 30 | 126 | 29 | 7,774 | 5,573 |
| | 95 | 971 | 226 | 31 | 9,623 | 6,515 |
| Total Liabilities and Equity..... | 835 | 1,668 | 566 | 71 | 69,609 | 65,665 |

¹Self-supported Crown corporations and agencies report under International Financial Reporting Standards. These statements include related party transactions between self-supported Crown corporations and with taxpayer-supported entities. No elimination entries are recorded for these transactions. They are in the normal course of operations and are recorded at the exchange amount. The normal course of operations includes trade, financial and legal services, shared administration, business relationships, collaboration on projects, carbon offsets, and payment of cash dividends. Significant balances are disclosed in the notes to these financial statements.

²British Columbia Hydro and Power Authority and Columbia Power Corporation.

³Insurance Corporation of British Columbia.

⁴British Columbia Liquor Distribution Branch and British Columbia Lottery Corporation.

⁵Self-supported subsidiaries, including Great Northern Way Campus Trust, Heritage Realty Properties Ltd., SFU Community Trust, UBC Properties Trust, and Vancouver Island Technology Park Trust, of post-secondary institutions.

⁶Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation). Columbia Power Corporation's equity investment is included as an integral component of Columbia Power Corporation.

⁷British Columbia Rail Company, a subsidiary of BC Transportation Financing Authority.

⁸Real Estate Errors and Omissions Insurance Corporation, a subsidiary of Real Estate Council of British Columbia.

**Supplementary Statement to the Summary Financial Statements
Summary of Results of Operations and Statement
of Equity for Self-supported Crown Corporations and Agencies¹
for the Fiscal Year Ended March 31, 2021**

In Millions

| | Natural Resources and Economic Development ² | Protection of Persons and Property ³ | General Government ⁴ | 2021 Sub-Total | 2020 Sub-Total |
|---|---|---|------------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Revenue..... | 6,496 | 6,539 | 5,114 | 18,149 | 20,225 |
| Expense..... | 5,752 | 5,011 | 3,533 | 14,296 | 17,399 |
| Net earnings of self-supported Crown corporations and agencies | 744 | 1,528 | 1,581 | 3,853 | 2,826 |
| Dividends..... | (47) | | (1,437) | (1,484) | (2,258) |
| Adjustments to dividends..... | | | (144) | (144) | (247) |
| Transfers (to) from deferred revenue..... | | | | 0 | 0 |
| Increase(decrease) in unremitted earnings in self-supported Crown corporations and agencies..... | 697 | 1,528 | 0 | 2,225 | 321 |
| Unremitted earnings—beginning of year..... | 5,763 | (396) | (25) | 5,342 | 5,021 |
| Adjustments to unremitted earnings..... | | | | 0 | 0 |
| Unremitted earnings—end of year..... | 6,460 | 1,132 | (25) | 7,567 | 5,342 |
| Accumulated other comprehensive income—beginning of year | (44) | (165) | (7) | (216) | 38 |
| Adjustments to accumulated other comprehensive income..... | | | | 0 | 0 |
| Other comprehensive income..... | 25 | 895 | (17) | 903 | (254) |
| Accumulated other comprehensive income—end of year..... | (19) | 730 | (24) | 687 | (216) |
| Investment by Province of British Columbia..... | 46 | | | 46 | 46 |
| Equity in self-supported Crown corporations and agencies for the year..... | 6,487 | 1,862 | (49) | 8,300 | 5,172 |

Supplementary Statement to the Summary Financial Statements
Summary of Results of Operations and Statement
of Equity for Self-supported Crown Corporations and Agencies¹
for the Fiscal Year Ended March 31, 2021—Continued

In Millions

| | Education subsidiaries ⁵ | Natural Resources subsidiaries ⁶ | Transportation subsidiaries ⁷ | Protection of Persons and Property subsidiaries ⁸ | 2021 Grand Total | 2020 Grand Total |
|---|--|--|---|---|---------------------|---------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue..... | 66 | 142 | 27 | 13 | 18,397 | 20,473 |
| Expense..... | 43 | 68 | 16 | 10 | 14,433 | 17,555 |
| Net earnings of self-supported Crown corporations and agencies | 23 | 74 | 11 | 3 | 3,964 | 2,918 |
| Dividends..... | (27) | (84) | | | (1,595) | (2,329) |
| Adjustments to dividends..... | | | | | (144) | (247) |
| Transfers (to) from deferred revenue..... | (24) | | | | (24) | (49) |
| Increase(decrease) in unremitted earnings in self-supported Crown corporations and agencies..... | (28) | (10) | 11 | 3 | 2,201 | 293 |
| Unremitted earnings—beginning of year..... | 50 | 40 | 115 | 26 | 5,573 | 5,265 |
| Adjustments to unremitted earnings..... | | | | | | 15 |
| Unremitted earnings—end of year..... | 22 | 30 | 126 | 29 | 7,774 | 5,573 |
| Accumulated other comprehensive income—beginning of year. | | | (7) | (1) | (224) | 31 |
| Adjustments to accumulated other comprehensive income..... | | | | | | |
| Other comprehensive income..... | | | | 3 | 906 | (255) |
| Accumulated other comprehensive income—end of year..... | 0 | 0 | (7) | 2 | 682 | (224) |
| Investment by Province of British Columbia..... | 73 | 941 | 107 | | 1,167 | 1,166 |
| Equity in self-supported Crown corporations and agencies for the year..... | 95 | 971 | 226 | 31 | 9,623 | 6,515 |

¹Self-supported Crown corporations and agencies report under International Financial Reporting Standards. These statements include related party transactions between self-supported Crown corporations and with taxpayer-supported entities. No elimination entries are recorded for these transactions. They are in the normal course of operations and are recorded at the exchange amount. The normal course of operations includes trade, financial and legal services, shared administration, business relationships, collaboration on projects, carbon offsets, and payment of cash dividends. Significant balances are disclosed in the notes to these financial statements.

²British Columbia Hydro and Power Authority and Columbia Power Corporation.

³Insurance Corporation of British Columbia.

⁴British Columbia Liquor Distribution Branch and British Columbia Lottery Corporation.

⁵Self-supported subsidiaries, including Great Northern Way Campus Trust, Heritage Realty Properties Ltd., SFU Community Trust, UBC Properties Trust, and Vancouver Island Technology Park Trust, of post-secondary institutions.

⁶Columbia Basin Trust joint ventures with Columbia Power Corporation (Brilliant Power Corporation, Brilliant Expansion Power Corporation, Arrow Lakes Power Corporation, and Waneta Expansion Power Corporation). Columbia Power Corporation's equity investment is included as an integral component of Columbia Power Corporation.

⁷British Columbia Rail Company, a subsidiary of BC Transportation Financing Authority.

⁸Real Estate Errors and Omissions Insurance Corporation, a subsidiary of Real Estate Council of British Columbia.

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Tangible Capital Assets¹
for the Fiscal Year Ended March 31, 2021**

| | In Millions | | | | | | 2021 Total | 2020 Total |
|--|-------------------------------|-----------------|--------------------------------|-----------------------------------|-----------------------------------|--------------------|-----------------|---------------|
| | Land and Land Improvements | Building | Highway Infrastruc- ture | Transport – ation Equipment | Computer Hardware/ Software | Other ³ | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Historical Cost² | | | | | | | | |
| Opening Cost..... | 5,865 | 40,040 | 24,557 | 4,172 | 4,942 | 7,008 | 86,584 | |
| Additions..... | 349 | 2,627 | 983 | 392 | 498 | 579 | 5,428 | |
| Disposals and valuation adjustments..... | (26) | (392) | (15) | (52) | (180) | (341) | (1,006) | |
| | <u>6,188</u> | <u>42,275</u> | <u>25,525</u> | <u>4,512</u> | <u>5,260</u> | <u>7,246</u> | <u>91,006</u> | |
| Accumulated Amortization | | | | | | | | |
| Opening balance..... | (334) | (15,493) | (11,282) | (1,568) | (3,034) | (4,850) | (36,561) | |
| Amortization expense..... | (26) | (1,037) | (552) | (101) | (349) | (482) | (2,547) | |
| Effect of disposals and valuation adjustments..... | 1 | 320 | 11 | 51 | 170 | 330 | 883 | |
| | <u>(359)</u> | <u>(16,210)</u> | <u>(11,823)</u> | <u>(1,618)</u> | <u>(3,213)</u> | <u>(5,002)</u> | <u>(38,225)</u> | |
| Net book value for the year ended | | | | | | | | |
| March 31, 2021..... | <u>5,829</u> | <u>26,065</u> | <u>13,702</u> | <u>2,894</u> | <u>2,047</u> | <u>2,244</u> | <u>52,781</u> | |
| Net book value for the year ended | | | | | | | | |
| March 31, 2020..... | <u>5,531</u> | <u>24,547</u> | <u>13,275</u> | <u>2,604</u> | <u>1,908</u> | <u>2,158</u> | <u>50,023</u> | |

¹This statement includes assets that are held on capital leases at March 31, 2021 at a gross value of \$330 million less accumulated amortization of \$(115) million for a net book value totalling \$215 million (2020: gross value of \$383 million less accumulated amortization of \$(165) million for a net book value of \$218 million) comprised of: heavy equipment gross \$2 million less accumulated amortization \$(2) million for a net book value of nil (2020: gross \$2 million less accumulated amortization \$(2) million for a net book value of nil; computer hardware/software gross \$61 million less accumulated amortization \$(29) million for a net book value of \$32 million (2020: gross \$105 million less accumulated amortization \$(79) million for a net book value of \$26 million); buildings gross \$249 million less accumulated amortization \$(68) million for a net book value of \$181 million (2020: gross \$251 million less accumulated amortization \$(60) million for a net book value \$191 million); and other assets gross \$18 million less accumulated amortization \$(16) million for a net book value of \$2 million) (2020: gross \$26 million less accumulated amortization \$(24) million for a net book value of \$2 million).

²Historical cost includes work-in-progress at March 31, 2021 totalling \$5,548 million (2020: \$4,584 million) comprised of: buildings \$2,884 million (2020: \$2,490 million); land improvements \$69 million (2020: \$63 million); highway infrastructure \$913 million (2020: \$785 million); transportation equipment \$485 million (2020: \$251 million); computer hardware/software \$1,024 million (2020: \$888 million); and specialized equipment \$173 million (2020: \$107 million). Work-in-progress is not amortized. Work-in-progress includes capitalized interest expense at March 31, 2021 totalling \$8 million (2020: \$12 million).

³Other³ at net book value includes office furniture and equipment \$833 million (2020: \$872 million), vehicles \$102 million (2020: \$98 million), machinery \$1,142 million (2020: \$1,078 million) and miscellaneous \$166 million (2020: \$110 million).

Supplementary Statement to the Summary Financial Statements Consolidated Statement of Guaranteed Debt as at March 31, 2021

Guaranteed debt represents the debt of organizations that has been explicitly guaranteed or indemnified by the government under the authority of a statute as to net principal or redemption provisions. These organizations may include municipalities and other governments, private enterprises and individuals, minority interests of provincial Crown corporations and agencies, and SUCH¹ sector entities.

| | In Millions | | | |
|--|--|--------------------------|--|--------------------------|
| | 2021 | | 2020 | |
| | Maximum Guarantee Authorized \$ | Net Outstanding \$ | Maximum Guarantee Authorized \$ | Net Outstanding \$ |
| Taxpayer-supported Guaranteed Debt | | | | |
| General government: | | | | |
| <i>Homeowner Protection Act</i> loan guarantees ² | 375 | | 375 | |
| Subtotal, general government..... | 375 | 0 | 375 | 0 |
| Natural resources and economic development: | | | | |
| <i>Financial Administration Act</i> : | | | | |
| Feeder's Association Loan Guarantee..... | 13 | 4 | 13 | 5 |
| Subtotal, natural resources and economic development..... | 13 | 4 | 13 | 5 |
| Total taxpayer-supported guaranteed debt..... | 388 | 4 | 388 | 5 |
| Self-supported Guaranteed Debt | | | | |
| <i>Hydro and Power Authority Act</i> bonds and debentures ³ | 10 | 10 | 10 | 10 |
| Total self-supported guaranteed debt..... | 10 | 10 | 10 | 10 |
| Grand total, all guaranteed debt..... | 398 | 14 | 398 | 15 |
| Provision for probable payout..... | | (1) | | (1) |
| Net total, all guaranteed debt..... | 398 | 13 | 398 | 14 |

¹School districts, universities, colleges and health authorities/hospital societies.

²*Homeowner Protection Act* loan guarantees include indemnities provided to Canada Mortgage and Housing Corporation for any claims made on reconstruction loans made to homeowners for repairs to homes with premature building envelope failure.

³The government has unconditionally guaranteed the payment of principal and interest for \$10 million (2020: \$10 million) of debentures issued to the Canada Pension Plan Investment Fund that matures on August 9, 2024 with a coupon rate of 5.54%.

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