
*Consolidated
Summary Financial Statements
Province of British Columbia*

*For the Fiscal Year Ended
March 31, 2022*



This page intentionally left blank

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

This page intentionally left blank



INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly 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 comprise the consolidated statement of financial position as at March 31, 2022, 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 Government as at March 31, 2022, 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 to correct for this departure in the current year, the liability for deferred revenue as at March 31, 2022 would have been lower by \$6.48 billion, contribution revenue, surplus for the year and accumulated surplus would have been higher by \$6.48 billion, and net liabilities would have been lower by \$6.48 billion.

Incomplete Contractual Obligations Disclosure

Under Canadian Public Sector Accounting Standards, contractual obligations that commit Government to make certain expenditures, for a considerable period into the future, are required to be disclosed so that financial statement users understand the nature and extent to which Government's resources are already committed to meet its future obligations. The summary financial statements do not provide the required disclosures in relation to certain contracts, such as many contracts below the \$50 million threshold noted in Note 28 – Contingent Liabilities and Contractual Obligations as well as larger contracts such as the obligation to the BC First Nations Gaming Revenue Sharing Limited Partnership (see following qualification). In my opinion this represents a departure from Canadian Public Sector Accounting Standards. The following table, derived from historical information and management's records, sets out the estimated effect of this departure on Note 28 - Contingent Liabilities and Contractual Obligations.

Understatement of Contractual Obligations	In Millions						
	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028 and beyond \$	Total \$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies	708	315	203	171	144	1,910	3,451

BC First Nations Gaming Revenue Sharing Agreement Accounting Treatment

On October 31, 2019, amendments to the *Gaming Control Act* (the Act) added Division 4 – First Nations Revenue Sharing. On September 16, 2020, the Province of British Columbia entered into the Long-Term BC First Nations Gaming Revenue Sharing and Financial Agreement (the Agreement) which sets out the administrative mechanism for implementing the amendments to the Act. Both the amendments and the Agreement set out the direction to pay 7% of the net income of British Columbia Lottery Corporation (BCLC) to the BC First Nations Gaming Revenue Sharing Limited Partnership (the Partnership) each year for 23 years commencing in 2022.

Under Canadian Public Sector Accounting Standards, this arrangement should be accounted for on a gross basis, whereby, the net income of BCLC should be included in the revenue of the Government and the transfer of 7% of the BCLC net income made to the Partnership should be recorded as a government transfer expense. Note disclosures associated with this transaction should reflect this accounting treatment. Government's summary financial statements have accounted for this transaction on a net basis. As a result, neither the revenues nor the expenses have been reflected on the income statement. Note 39 – Dedicated Revenues describes the transaction as a "flow-through" arrangement. In my opinion, Government's method of accounting for the Agreement, and the disclosure in Note 39 – Dedicated Revenues, represents a departure from Canadian Public Sector Accounting Standards.

The effect of this departure is an understatement of both revenues and expenses on the statement of operations in the current year of \$91 million, and an inaccurate characterization of this transaction as a “flow-through” arrangement in Note 39. Additionally, the Agreement represents a contractual obligation that should be included in Note 28 – Contingent Liabilities and Contractual Obligations (see previous qualification).

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 matters 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.

Personal Income Taxation Revenue

Personal income tax is Government's largest taxation revenue stream, providing over \$13.7 billion in revenue in fiscal 2022. Personal income tax revenue is included in Note 29 – Taxation Revenue. Note 2 - Measurement Uncertainty provides disclosure on measurement uncertainty related to personal income tax revenue and provides a range for uncertainty of +\$800 million/- \$400 million. This means revenue could be \$800 million more or \$400 million less than is currently reported. Personal income tax revenue in a fiscal year is derived from management's estimates of personal income tax for two separate calendar years. For the fiscal year ending March 31, 2022, Government records nine months of revenue for the calendar year 2021 and the first three months of revenue for calendar year 2022. However, tax assessments for the 2021 calendar year will not be finalized until December 2022, and the 2022 tax assessments won't be available until one year later. This means precise personal income tax revenue figures 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, as required, as a result of significant events.

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 taxation revenue from personal income.

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's estimate is correct, testing the accuracy of management's calculations supporting the estimate and developing a range estimate to assess management's 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 obtaining management representation related to estimates.

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

Valuation of Plan Assets and Pension Benefits for Pension Plans

The Government participates in four jointly trustee pension plans that include a joint defined benefit component for the majority of British Columbia public servants. The estimated plan assets and accrued benefit obligations of these plans both exceed \$85 billion.

Pension plan accounting values plan assets at market-related value for funded plans. Market-related value is based on the fair value of plan assets reported in the pension plan financial statements. When observable market data is not available for investments, estimates of fair value are required. Fair value estimates require significant management judgment.

The Government relies on a third-party actuarial specialist to estimate the accrued benefit obligation and other information for financial statement note disclosures. These calculations rely on management's best estimate assumptions for significant economic and demographic assumptions.

Valuing pension benefits is a complex area requiring significant judgement and estimates. Given the magnitude of the accrued benefit obligation, small changes to the long-term assumptions can have a material impact on the liability, or asset, and expenses. As a result, pension accounting has been determined to be a key audit matter.

Audit work to address this key audit matter included assessing the pension plan auditor's work over the reliability of the market-related value of plan assets used in the estimate, as well as their work over the data provided by management to the actuary for making the estimate. Our audit work also included assessing the qualifications of management's actuarial expert, gaining an understanding of the assumptions and methods used by the actuary in determining the accrued benefit obligation for pension benefits, obtaining the actuarial report, audited pension plan financial statements and other supporting documentation to test management's assumptions, calculations and journal entries for pension accounting and assessing financial statement disclosure and presentation for compliance with Canadian Public Sector Accounting Standards.

Estimate of Government's Contaminated Sites Liability

Various natural resource sector activities may lead to levels of contamination of sites that exceed environmental standards. Clean up of these sites is the responsibility of mine or other facility operators that created the contamination. However, there are a number of former mine and resource extraction sites in the province where the facility operator is no longer in business and no successor organization can be found to take responsibility to clean up and maintain/monitor site contamination levels. In these instances, or where Government is directly responsible for the contamination itself, an estimate of the expected costs is prepared by Government and recorded as a liability on the statement of financial position. At March 31, 2022, this liability was estimated to be \$522 million.

The nature of this liability and the challenges around its estimation are discussed in Note 28 – Contingent Liabilities and Contractual Obligations and Note 2 – Measurement Uncertainty.

The estimation of site clean-up and monitoring and maintenance costs is complex and includes several inputs and assumptions, and as a result this has been identified as a key audit matter.

The contaminated sites estimated liability requires professional judgements throughout the process including: the expected costs to clean up a specific site, how long that site will need to be monitored and maintained, the impact of evolving technology on future clean up and monitoring/maintenance costs and other key assumptions. Government engages a range of experts, such as site engineers and others to assess the sites it is responsible for and assist in various parts of its estimation process.

Audit work to address this key audit matter included assessing the completeness of sites for which Government has accepted responsibility and verifying the completeness and accuracy of information considered in the estimation process. We performed a retrospective verification of previous estimates made by management and an assessment of the appropriateness of assumptions made in the current year. In addition, we confirmed the accuracy of management's liability calculation and developed a range estimate to assess the impact of key assumptions underlying the estimate. We also engaged an independent environmental firm with expertise in environmental contamination to assess the reasonability of Government's approach in developing this estimate.

Other Accompanying Information

Government is responsible for the other information they include in the annual Public Accounts. My opinion on the summary financial statements does not cover other information included in the Public Accounts that accompanies the summary financial statements and, except for my independent auditor's report 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.

Prior to the date of my auditor's report I obtained a copy of the Public Accounts. 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*, 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:

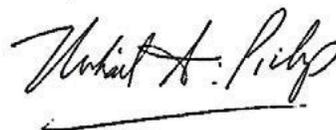
- Identify and assess the risks of material misstatement of the summary financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 28, 2022

Michael A. Pickup, FCPA, FCA
Auditor General

This page intentionally left blank

Summary Financial Statements

Consolidated Statement of Financial Position as at March 31, 2022

	Note	In Millions	
		2022	2021
		\$	\$
Financial Assets			
Cash and cash equivalents.....		6,827	6,163
Temporary investments.....		315	397
Accounts receivable.....	3	6,779	5,971
Inventories for resale.....	4	74	71
Due from other governments.....	5	1,778	1,711
Due from self-supported Crown corporations and agencies.....	6	331	282
Equity in self-supported Crown corporations and agencies.....	7	12,223	9,632
Loans, advances and mortgages receivable.....	8	4,199	4,032
Other investments.....	9	3,944	3,343
Sinking fund investments.....	10	510	492
Loans for purchase of assets, recoverable from agencies.....	11	27,218	26,301
		<u>64,198</u>	<u>58,395</u>
Liabilities			
Accounts payable and accrued liabilities.....	12	12,380	8,893
Employee future benefits.....	13	3,075	2,865
Due to other governments.....	14	673	623
Due to Crown corporations, agencies and trust funds.....	15	701	710
Deferred revenue.....	16	13,379	12,211
Employee pension plans.....	17	0	1
Taxpayer-supported debt.....	18	62,565	59,982
Self-supported debt.....	19	27,209	26,275
		<u>119,982</u>	<u>111,560</u>
Net assets (liabilities).....	21	<u>(55,784)</u>	<u>(53,165)</u>
Non-financial Assets			
Tangible capital assets.....	22	56,001	52,716
Restricted assets.....	23	2,147	2,003
Prepaid program costs.....	24	1,347	1,264
Other assets.....	25	444	318
		<u>59,939</u>	<u>56,301</u>
Accumulated surplus (deficit).....	26	<u>4,155</u>	<u>3,136</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, 2022

	In Millions		
	2022	2021	
	Estimates (Note 34) \$	Actual \$	Actual \$
Revenue			
Taxation (Note 29).....	33,782	40,717	34,166
Contributions from the federal government.....	10,530	11,980	12,894
Fees and licences.....	4,637	4,584	4,329
Miscellaneous.....	3,409	3,910	3,136
Net earnings of self-supported Crown corporations and agencies (Note 7).....	2,865	5,424	3,964
Natural resources (Note 30).....	2,532	4,471	2,403
Investment income.....	1,174	1,306	1,264
	<u>58,929</u>	<u>72,392</u>	<u>62,156</u>
Expense (Note 31)			
Health	26,106	27,584	25,605
Education	15,805	15,795	14,943
Social services.....	7,172	7,268	7,789
Other.....	6,323	3,058	2,841
Natural resources and economic development	3,612	5,213	4,191
Interest.....	2,807	2,742	2,722
Transportation	2,336	4,453	3,360
Protection of persons and property.....	1,935	2,937	2,258
General government.....	1,531	2,036	3,915
	<u>67,627</u>	<u>71,086</u>	<u>67,624</u>
Surplus (deficit) for the year before forecast allowance.....	(8,698)	1,306	(5,468)
Forecast allowance.....	(1,000)		
Surplus (deficit) for the year.....	<u>(9,698)</u>	1,306	<u>(5,468)</u>
Accumulated surplus (deficit)—beginning of year as restated (Note 26).....		<u>2,453</u>	<u>7,921</u>
Accumulated surplus (deficit)—before other comprehensive income.....		3,759	2,453
Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 103)—beginning of year.....		683	(224)
Other comprehensive income from self-supported Crown corporations and agencies (see page 103).....		<u>(287)</u>	<u>907</u>
Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 103)—end of year.....		396	683
Accumulated surplus (deficit)—end of year.....		<u>4,155</u>	<u>3,136</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, 2022

	In Millions		
	2022		2021
	Estimates ¹	Actual	Actual
	\$	\$	\$
Surplus (deficit) for the year.....	(9,698)	1,306	(5,468)
Effect of change in tangible capital assets:			
Acquisition of tangible capital assets.....	(8,479)	(6,002)	(5,428)
(Gain) or loss on sale of tangible capital assets.....	(66)	(18)	(7)
Amortization of tangible capital assets.....	2,363	2,658	2,547
Disposals and valuation adjustments.....	336	77	130
	<u>(5,846)</u>	<u>(3,285)</u>	<u>(2,758)</u>
Effect of change in:			
Restricted assets.....	(64)	(144)	(72)
Prepaid program costs.....	244	(83)	(372)
Other assets.....	60	(126)	(110)
	<u>240</u>	<u>(353)</u>	<u>(554)</u>
Effect of self-supported Crown corporations' and agencies' other comprehensive income.....	(1,081)	(287)	907
(Increase) in net liabilities.....	(16,385)	(2,619)	(7,873)
Net (liabilities)—beginning of year.....	(55,537)	(53,165)	(45,292)
Net (liabilities)—end of year (Note 21).....	<u>(71,922)</u>	<u>(55,784)</u>	<u>(53,165)</u>

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

¹The estimates amounts are from page 169 of the Budget and Fiscal Plan 2021/22–2023/24.

Summary Financial Statements

Consolidated Statement of Cash Flow

for the Fiscal Year Ended March 31, 2022

	In Millions			2021
	2022		Net	
	Receipts	Disbursements	\$	\$
	\$	\$	\$	\$
Operating Transactions				
Surplus (deficit) for the year ¹			1,306	(5,468)
Non-cash items included in surplus (deficit):				
Amortization of tangible capital assets.....			2,658	2,547
Amortization of public debt deferred revenue and deferred charges...			(57)	(202)
Concessionary loan adjustments increase (decrease).....			5	(6)
(Gain) or loss on sale of tangible capital assets.....			(18)	(7)
Valuation adjustment.....			118	189
Net earnings of self-supported Crown corporations and agencies.....			(5,424)	(3,964)
Temporary investments decrease (increase).....			82	(2)
Accounts receivable (increase).....			(892)	(864)
Due from other governments (increase).....			(67)	(779)
Due from self-supported Crown corporations and agencies (increase) decrease.....			(49)	34
Accounts payable and accrued liabilities increase.....			3,487	1,209
Employee future benefits increase.....			210	210
Due to other governments increase.....			50	187
Due to Crown corporations, agencies and funds (decrease).....			(9)	(12)
Employee pension plan (decrease).....			(1)	
Items applicable to future operations increase.....			925	969
Dividends from self-supported Crown corporations and agencies			2,546	1,763
Cash derived from (used for) operations.....			<u>4,870</u>	<u>(4,196)</u>
Capital Transactions				
Tangible capital assets dispositions (acquisitions).....	68	(6,002)	(5,934)	(5,305)
Cash (used for) capital.....	<u>68</u>	<u>(6,002)</u>	<u>(5,934)</u>	<u>(5,305)</u>
Investment Transactions				
Loans, advances and mortgages receivable (issues).....	382	(569)	(187)	(1,104)
Other investments—net (increase).....		(601)	(601)	(372)
Restricted assets—net (increase).....		(144)	(144)	(72)
Sinking fund investments—net (increase) decrease.....	1	(31)	(30)	171
Cash (used for) investments.....	<u>383</u>	<u>(1,345)</u>	<u>(962)</u>	<u>(1,377)</u>
Sub-total cash (requirements).....			<u>(2,026)</u>	<u>(10,878)</u>

Summary Financial Statements

Consolidated Statement of Cash Flow—Continued for the Fiscal Year Ended March 31, 2022

	In Millions			2021 Net \$
	2022		Net \$	
	Receipts \$	Disbursements \$		
Sub-total cash (requirements) carried forward from previous page.....			(2,026)	(10,878)
Financing Transactions²				
Public debt increase.....	33,546	(29,948)	3,598	14,858
(Used for) purchase of assets, recoverable from agencies.....	10,883	(11,791)	(908)	(1,407)
Cash derived from financing.....	44,429	(41,739)	2,690	13,451
Increase in cash and cash equivalents.....			664	2,573
Cash and cash equivalents—beginning of year.....			6,163	3,590
Cash and cash equivalents—end of year			6,827	6,163
Cash and cash equivalents are made up of:				
Cash.....			5,843	5,248
Cash equivalents.....			984	915
			6,827	6,163

¹Interest received during the year was \$1,302 million (2021: \$1,244 million). Interest paid during the year was \$2,725 million (2021: \$2,677 million). Interest received includes interest income from the Statement of Operations in the amount of \$1,306 million (2021: \$1,264 million) plus the change in accrued interest receivable in the amount of \$(4) million (2021: \$(20) million). Interest paid includes interest expense from the Statement of Operations in the amount of \$2,742 million (2021: \$2,722 million) plus the change in accrued interest payable in the amount of \$(17) million (2021: \$(45) 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, 2022

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 89 – 91. 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 all school districts (June 30).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—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 92 – 99. 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 with 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, 2022—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, 2022—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, 2022—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, 2022—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, liabilities 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, 2022—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. 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 Amount Recorded	Measurement Minimum	Uncertainty Maximum	Range	
	\$	\$	\$	Minimum \$	Maximum \$
Liabilities					
<i>Accounts Payable and Accrued Liabilities</i>					
Litigation and Arbitration	169	143	218	(26)	49
Crime Victim Assistance Program	232	230	288	(2)	56
Silviculture Liability.....	194	174	213	(20)	19
Employee Leave Entitlements.....	454	439	471	(15)	17
Long-Term Disability Special Account...	458	412	458	(46)	0
Variability arises from uncertainty of the outcomes or the use of estimates.					
Revenue					
<i>Taxation</i>					
Personal Income Tax.....	13,704	13,304	14,504	(400)	800
Employer Health Tax.....	2,443	2,399	2,487	(44)	44
Speculation and Vacancy Tax.....	97	90	104	(7)	7
Provincial Sales Tax Rebate.....	95	67	123	(28)	28
<i>Natural Resources</i>					
Logging Tax.....	154	141	167	(13)	13
Mineral and Mining Tax.....	660	585	735	(75)	75
<i>Contributions from the Federal Government</i>					
Canada Health Transfer payments ²	5,875	5,832	5,918	(43)	43
Canada Social Transfer payments ²	2,108	2,092	2,124	(16)	16

Expense (Note 31)

Government Transfers

Tax Transfers	1,837	1,637	2,037	(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, 2022—Continued

3. Accounts Receivable

	In Millions	
	2022	2021
	\$	\$
Accounts receivable.....	4,049	3,679
Taxes receivable.....	3,169	2,734
Accrued interest.....	361	357
	7,579	6,770
Provision for doubtful accounts.....	(800)	(799)
	<u>6,779</u>	<u>5,971</u>

4. Inventories for Resale

	In Millions	
	2022	2021
	\$	\$
Properties.....	13	13
Miscellaneous.....	61	58
	<u>74</u>	<u>71</u>

Inventories for resale are charged to the statement of operations when sold. During the year, the total cost of sales was \$113 million (2021: \$94 million) including the effect of write-downs of \$1 million (2021: \$2 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	
	2022	2021
	\$	\$
Government of Canada:		
Current.....	1,692	1,632
Provincial governments:		
Current.....	24	21
Local governments: ¹		
Current.....	58	55
Long-term.....	4	3
	<u>1,778</u>	<u>1,711</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, 2022—Continued

6. Due from Self-supported Crown Corporations and Agencies

	In Millions	
	2022	2021
	\$	\$
British Columbia Lottery Corporation.....	168	48
UBC Properties Investments Ltd.....	49	71
Columbia Power Corporation.....	47	47
British Columbia Liquor Distribution Branch.....	43	94
British Columbia Hydro and Power Authority.....	13	10
Vancouver Island Technology Park Trust.....	7	7
Heritage Realty Properties Ltd.....	4	4
Great Northern Way Campus Trust.....	—	1
	331	282

See Statement of Financial Position for Self-supported Crown Corporations and Agencies on pages 100 – 101 for details.

7. Equity in Self-supported Crown Corporations and Agencies

	In Millions				2021	
	2022			Total		Total
	Investments	Unremitted Earnings	Other Comprehensive Income			
	\$	\$	\$	\$	\$	
British Columbia Hydro and Power Authority.....	20	6,968	(8)	6,980	6,301	
Insurance Corporation of British Columbia.....	—	3,348	361	3,709	1,862	
Columbia Power Corporation.....	26	171	—	197	186	
British Columbia Lottery Corporation.....	—	(17)	49	32	(40)	
	46	10,470	402	10,918	8,309	
Self-Supported Subsidiaries¹						
Columbia Basin Trust joint ventures ²	941	25	—	966	971	
British Columbia Railway Company ³	107	137	(6)	238	226	
Great Northern Way Campus Trust ⁴	72	(17)	—	55	53	
Real Estate Errors and Omissions Insurance Corporation ⁵	—	—	—	—	31	
UBC Properties Investments Ltd.....	—	33	—	33	30	
SFU Community Trust.....	—	8	—	8	7	
Vancouver Island Technology Park Trust ⁶	1	—	—	1	2	
Miscellaneous.....	—	4	—	4	3	
	1,121	190	(6)	1,305	1,323	
	1,167	10,660	396	12,223	9,632	

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

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

	In Millions			2021	
	2022				
	Investments	Unremitted Earnings	Other Comprehensive Income	Total	Total
	\$	\$	\$	\$	\$
Change in Equity in Self-supported Crown Corporations and Agencies					
Balance—beginning of year.....	46	7,567	688	8,301	5,172
Prior period adjustments.....		8		8	8
Balance—beginning of year restated.....	46	7,575	688	8,309	5,180
Increase (decrease) in other comprehensive income.....			(286)	(286)	904
Net earnings of self-supported Crown corporations and agencies.....		5,342		5,342	3,853
Dividends.....		(2,230)		(2,230)	(1,484)
Adjustments to dividends.....		(217)		(217)	(144)
Balance—end of year.....	46	10,470	402	10,918	8,309
Self-Supported Subsidiaries¹					
Balance—beginning of year.....	1,121	207	(5)	1,323	1,343
Increase (decrease) in investment.....					1
Increase (decrease) in other comprehensive income.....			(1)	(1)	3
Net earnings of self-supported Crown corporations and agencies.....		82		82	111
Dividends.....		(102)		(102)	(111)
Transfers (to) from deferred revenue.....		3		3	(24)
Balance—end of year.....	1,121	190	(6)	1,305	1,323
	1,167	10,660	396	12,223	9,632

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. The Real Estate Errors and Omissions Insurance Corporation became an independent entity during the fiscal year.

⁶A subsidiary 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 100 – 103 for details.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

8. Loans, Advances and Mortgages Receivable

	In Millions	
	2022	2021
	\$	\$
Loans and Advances		
Land tax deferment loans.....	1,669	1,503
BC student loans.....	1,094	1,064
Construction loans to social housing projects.....	927	938
Note receivable.....	610	678
Miscellaneous.....	189	151
	4,489	4,334
Provision for doubtful accounts.....	(303)	(321)
	<u>4,186</u>	<u>4,013</u>
Mortgages Receivable		
Reconstruction Program.....	18	20
Provision for doubtful accounts.....	(5)	(1)
	<u>13</u>	<u>19</u>
	<u>4,199</u>	<u>4,032</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 that amortization 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 include housing and other loans receivable issued by The University of British Columbia of \$42 million (2021: \$36 million) in accordance with the University's Housing Action Plan, bearing interest of nil or at the Canada Revenue Agency's prescribed interest rate, with maturities up to 30 years, commercial loans of \$25 million (2021: \$26 million) issued by Columbia Basin Trust bearing interest of nil to 7.50% maturing by 2047 and loans of \$20 million (2021: \$20 million) issued by University of Victoria to subsidiary government business enterprises bearing interest of 4.45% to 6.13% maturing by 2030.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—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	
	2022	2021
	\$	\$
Pooled investment portfolios.....	2,622	2,006
Equity investments.....	459	385
Municipal, corporate and other bonds.....	132	227
Provincial government bonds.....	86	80
British Columbia Ferry Services Inc.....	75	75
Commercial loans and investments.....	11	11
Government of Canada bonds.....	7	8
Miscellaneous.....	552	551
	<u>3,944</u>	<u>3,343</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 \$2,748 million (2021: \$2,426 million).

Equity investments have a market value of \$754 million (2021: \$766 million). They include investments in Canadian, United States (U.S.) and international equity markets.

Municipal, corporate and other bonds have a market value of \$127 million (2021: \$266 million) with yields ranging from 0.00% to 8.90%. Maturity dates range from June 2, 2022 to November 26, 2080.

Provincial bonds of various provinces have a market value of \$83 million (2021: \$83 million), with yields ranging from 1.01% to 7.60%. Maturity dates range from August 18, 2022 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 (2021: \$11 million) investment in power developments and other investments.

Government of Canada bonds have a market value of \$7 million (2021: \$7 million), with yields ranging from 0.50% to 5.75%. Maturity dates range from September 15, 2023 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 \$676 million (2021: \$587 million).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

10. Sinking Fund Investments

	In Millions	
	2022	2021
	\$	\$
Sinking fund investments related to taxpayer-supported debt.....	230	236
Sinking fund investments related to self-supported debt.....	280	256
	510	492

	In Millions	
	2022	2021
	\$	\$
Provincial government bonds.....	490	463
Pooled investment portfolios.....	15	24
Local government bonds.....	5	5
	510	492

Provincial bonds of various provinces have a market value of \$533 million (2021: \$545 million), with yields ranging from 0.57% to 3.84%. Maturity dates range from June 1, 2022 to June 2, 2050.

Pooled investment portfolios have a market value of \$15 million (2021: \$24 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 \$5 million (2021: \$6 million), with yields of 2.51%. Maturity date is November 30, 2023. Local government bonds mainly consist of debt issued by the Municipal Finance Authority of British Columbia.

Sinking fund investments related to self-supported debt include Province of British Columbia bonds with a carrying value of \$103 million (2021: \$102 million).

11. Loans for Purchase of Assets, Recoverable from Agencies

	In Millions	
	2022	2021
	\$	\$
British Columbia Hydro and Power Authority.....	25,850	24,876
Columbia Basin Trust joint ventures ¹	958	969
Columbia Power Corporation.....	266	271
British Columbia Lottery Corporation.....	140	180
Improvement districts.....	4	5
	27,218	26,301

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, 2022—Continued

12. Accounts Payable and Accrued Liabilities

	In Millions	
	2022	2021
	\$	\$
Accounts payable.....	7,675	4,670
Other accrued estimated liabilities ¹	3,974	3,510
Accrued interest on debt.....	731	713
	<u>12,380</u>	<u>8,893</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	
	2022	2021
	\$	\$
Vacation, compensatory time off, sick bank.....	1,425	1,388
Retirement allowance.....	804	773
Long-term disability.....	420	345
Post-retirement benefits.....	239	238
Worker compensation benefits.....	187	121
	<u>3,075</u>	<u>2,865</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, 2022, unamortized actuarial losses (gains) from actuarial estimates performed every three years were \$22 million (2021: \$(11) million). During the year, the amount of benefits paid was \$67 million (2021: \$48 million).

Amounts recorded in the financial statements relating to long-term disability benefits represents the actuarial estimate for future payments based on claims ongoing at year-end.

Post-retirement benefits include amounts accrued for non-pension retiree and early retirement benefits.

Worker compensation benefits represent the actual premiums and claims costs accruing to WorkSafeBC for the year.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

14. Due to Other Governments

	In Millions	
	2022	2021
	\$	\$
Government of Canada:		
Current.....	577	520
Provincial governments:		
Current.....	26	20
Local governments: ¹		
Current.....	70	83
	673	623

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	
	2022	2021
	\$	\$
Columbia Basin Trust joint ventures ¹	627	634
Great Northern Way Campus Trust.....	9	9
Trust funds.....	65	67
	701	710

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	
	2022	2021
	\$	\$
Deferred restricted contributions (see table).....	10,342	9,327
Unearned lease revenue.....	1,265	1,197
Tuition.....	603	506
Motor vehicle licences and permits.....	301	291
Petroleum, natural gas and minerals, leases and fees.....	249	337
Water rentals and recording fees.....	124	123
Derivative debt instruments.....	64	71
Miscellaneous.....	431	359
	13,379	12,211

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, 2022—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	
		2022 \$	2021 \$
Restricted Contributions from the Federal Government			
Build Canada fund for highway and transportation infrastructure.....	3–100	2,037	1,637
Regional services and facilities in the health sector.....	3–40	704	7
Infrastructure and economic diversification.....	20–50	691	559
Operating contributions for other sectors.....	1–12	589	180
Operating contributions for the education sector.....	1–12	560	584
Strategic infrastructure fund investments in post–secondary institutions.....	3–40	362	335
Miscellaneous contributions for transportation infrastructure.....	1–40	81	178
Miscellaneous contributions for post–secondary institutions.....	1–40	83	352
Other.....	1–40	83	116
Restricted Contributions from Municipal Sources			
Regional hospital districts for equipment and facilities.....	3–40	1,096	1,028
Bylaw capital funding for schools.....	3–40	144	128
Operating contributions for the transportation sector.....	1–12	114	177
Municipal transportation infrastructure funding.....	3–77	67	59
Restricted Contributions from Other Sources			
Health endowments and other contributions.....	5–50	1,537	2,115
Education endowments.....	30	1,290	1,078
Operating contributions for the education sector.....	1–12	587	489
Operating contributions for the health sector.....	1–12	125	119
Operating contributions for the other sector.....	1–12	16	16
Miscellaneous contributions from other sources.....	5–50	176	170
		<u>10,342</u>	<u>9,327</u>

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

	In Millions
	\$
2023.....	1,671
2024.....	926
2025.....	594
2026.....	570
2027.....	570
Thereafter.....	6,011
Total deferred restricted contributions.....	<u>10,342</u>

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

17. Employee Pension Plans

	In Millions	
	2022	2021
	\$	\$
Members of the Legislative Assembly Superannuation Account.....	<u>0</u>	<u>1</u>

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 \$774 million (2021: \$841 million), with estimated pension fund assets of \$947 million (2021: \$988 million), and an unamortized actuarial gain (loss) of \$56 million (2021: \$36 million). The accrued net obligation (asset) is \$(117) million (2021: \$(111) million) and is included in other investments in Note 9.

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 \$8,308 million (2021: \$9,061 million), with estimated pension fund assets of \$7,800 million (2021: \$7,490 million). The accrued net obligation (asset) is \$508 million (2021: \$1,571 million).

Joint trustee plans

The province contributes to four pension plans for substantially all of its employees. The four pension plans are the Public Service Pension Plan, the Municipal Pension Plan, the Teachers' Pension Plan and College 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, 2022—Continued

17. Employee Pension Plans—Continued

The Public Service, Municipal, Teachers' and College 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.

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 2021/22 are based on extrapolations of the most recent actuarial valuations as shown below. Fund assets are based on market-related 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, data 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 31/20	Aug 31/21
Date of audited financial statements.....	Mar 31/21	Dec 31/20	Dec 31/20	Aug 31/21
Expected long-term rate of return used as discount rate.....	6.00%	6.25%	5.75%	6.00%
Expected average remaining service life of employee group.....	9.9 years	10.1 years	12.1 years	8.7 years
Normal actuarial cost used in extrapolations.....	14.98%	16.37%	17.24%	17.39%
Basic benefits paid during the plan's fiscal year (in millions).....	\$1,196	\$2,087	\$1,287	\$225
Total contribution rate for basic benefits (members and employers).....	14.20%	18.46%	16.34%	16.88%
Assumed rate of salary escalation.....	3.25%	3.50%	3.25%	3.25%
Current benefit accrual rate.....	1.85%	1.90–2.12%	1.85%	2.00%
Entry-age normal cost rate – basic account.....	15.26%	16.03%	17.01%	16.83%
Market value of plan net assets at latest financial statement date (in millions).....	\$29,319	\$38,585	\$27,796	\$5,348

Actuarial assumptions are decisions of the individual pension boards and have been collected from the latest audited financial statements and actuarial valuation of each pension plan. The audited financial statements and actuarial valuations 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, 2022—Continued

17. Employee Pension Plans—Continued

Accrued net obligation (asset) table:

The estimated financial position as at March 31, 2022, 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.....	23,599	32,737	23,610	4,587	84,533
Pension fund assets.....	27,256	37,757	26,896	5,081	96,990
	(3,657)	(5,020)	(3,286)	(494)	(12,457)
Unamortized actuarial gain (loss).....	932	1,883	2,696	213	5,724
Accrued net obligation (asset).....	<u>(2,725)</u>	<u>(3,137)</u>	<u>(590)</u>	<u>(281)</u>	<u>(6,733)</u>
Attributable to the province.....	(1,363)	(1,569)	(295)	(141)	(3,368)
Valuation adjustment	1,363	1,569	295	141	3,368
Province's reported net obligation.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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. 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, 2021 for each plan are: the Public Service Pension Plan 12.3% (2021: 12.1%), the Municipal Pension Plan 11.5% (2021: 11.6%), the Teachers' Pension Plan 11.7% (2021: 10.6%), and the College Pension Plan 12.8% (2021: 11.2%).

The province's share includes contributions for all participants in the government reporting entity. When the plans are in an accrued net asset position for accounting purposes, pension expense for the period is equal to employer contributions. Total employer contributions this year for each plan are: the Public Service Pension Plan \$478 million (2021: \$455 million), the Municipal Pension Plan \$938 million (2021: \$894 million), the Teachers' Pension Plan \$406 million (2021: \$394 million), and the College Pension Plan \$121 million (2021: \$100 million).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

18. Taxpayer-supported Debt¹

	Year of Maturity	Canadian Dollar	In Millions		2022	2021
			US Dollar ²	Other Currencies ²		
		\$	\$	\$	\$	\$
Short-term promissory notes.....	2022				0	7,630
	2023	3,052	1,856		4,908	0
Notes, bonds and debentures ³	2022				0	3,360
	2023	2,476	1,233		3,709	3,689
	2024	3,325			3,325	3,319
	2025	1,523	1,663	712	3,898	3,824
	2026	3,769		350	4,119	3,827
	2027	1,088	4,110	169	5,367	2,214
	2028–2032	13,038	2,224	96	15,358	12,763
	2033–2037	1,390		506	1,896	1,789
	2038–2042	4,823		169	4,992	4,884
	2043–2047	4,052		536	4,588	4,385
	2048–2052	5,682		1,245	6,927	6,918
	2053–2057	2,555			2,555	130
	2058–2062				0	0
	2063–2067	181			181	181
Capital leases.....	2022–2048	264			264	280
Total debt issued at face value.....		47,218	11,086	3,783	62,087	59,193
Unamortized premium.....					478	789
Total taxpayer-supported debt.....					62,565	59,982
The effective interest rates (weighted average) as at March 31 on the above debt are:						
	2022.....				3.13%	
	2021.....					3.15%

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, 2022 includes USD\$8,973 million which was fully hedged to CAD\$11,086 million; 100 million Swiss Francs was fully hedged into CAD\$96 million; 1,808 million EURO was fully hedged to CAD\$2,670 million, \$1,018 million AUD was fully hedged to CAD\$1,017 million.

³Notes, bonds, and debentures includes \$26 million (2021: \$27 million) in other loans.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

18. Taxpayer-supported Debt—Continued

Notes, bonds and debentures

Redeemable by the province

Balances include debentures issued to the Canada Pension Plan totalling \$2,823 million (2021: \$3,131 million) at a weighted average interest rate of 4.49% (2021: 4.71%). These debentures mature at various dates from April 8, 2022 to July 12, 2049 with interest rates varying between 1.98% and 6.41%. 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, \$103 million (2021: \$109 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 \$3,400 million (2021: \$3,096 million).

Mortgages

Balances include mortgages totalling \$191 million (2021: \$171 million) secured by land and buildings. The carrying value is \$273 million (2021: \$253 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:

	In Millions
	\$
2023.....	4,110
2024.....	3,734
2025.....	3,916
2026.....	3,678
2027.....	5,333
2028–2067.....	<u>36,437</u>
Total of stated minimum payments.....	<u>57,208</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 1 year and 42 years, with interest rates ranging between nil and 13.00%.

Major leases include: Vancouver Coastal Health Authority capital lease obligation for the Gordon and Leslie Diamond Health Care Centre of \$95 million (2021: \$98 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 \$91 million (2021: \$95 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 (2021: \$35 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 \$15 million (2021: \$18 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, 2022—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
	\$
2023.....	31
2024.....	27
2025.....	24
2026.....	22
2027.....	21
2028–2048.....	249
Total minimum lease payments.....	374
Less imputed interest.....	(110)
Total capital lease liability.....	<u>264</u>

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

19. Self-supported Debt¹

	Year of Maturity	Canadian Dollar	In Millions		2022	2021
			US Dollar ²	Other Currencies ²		
		\$	\$	\$	\$	\$
Short-term promissory notes.....	2022				0	3,019
	2023	1,951	988		2,939	0
Notes, bonds and debentures.....	2022				0	526
	2023	500			500	500
	2024	200			200	200
	2025				0	0
	2026	900	632	391	1,923	1,924
	2027	850			850	850
	2028–2032	6,535			6,535	5,835
	2033–2037		370	200	570	571
	2038–2042	1,250			1,250	1,250
	2043–2047	4,923			4,923	4,923
	2048–2052	6,481			6,481	6,481
	2053–2057	935			935	60
	2058–2062				0	0
	2063–2064	50			50	50
Total debt issued at face value.....		24,575	1,990	591	27,156	26,189
Unamortized premium (discount).....					46	80
Unrealized foreign exchange gain (loss).....					7	6
Total self-supported debt.....					27,209	26,275

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

2022.....	3.12%
2021.....	3.23%

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, 2022 includes USD\$1,585 million (CAD\$1,990 million), of which USD\$1,358 million was fully hedged to CAD\$1,706 million and USD\$227 million was unhedged (CAD\$284 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 (2021: \$223 million) at a weighted average interest rate of 3.34% (2021: 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 (2021: nil).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—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
	\$
2023.....	500
2024.....	200
2025.....	0
2026.....	1,923
2027.....	850
2028–2064.....	20,744
Total of stated minimum payments.....	24,217

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—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	
	\$	\$	\$	\$
2023	1,267	1,094	1,855	4,216
2024		95		95
2025	2,375	3		2,378
2026	350	100		450
2027	4,279	320		4,599
2028–2032	2,320	575		2,895
2033–2037	506	27		533
2038–2042	169	199		368
2043–2047	536	200		736
2048–2052	1,245	400		1,645
2053–2057		195		195
Total	13,047	3,208	1,855	18,110

¹At March 31, 2022, fair market valuation was an unrealized loss of \$117 million (2021: \$710 million gain) on cross-currency swaps, and an unrealized gain of \$117 million (2021: \$238 million gain) on interest rate swaps, and an unrealized loss of \$15 million (2021: \$43 million loss) on forward foreign exchange contracts. These unrealized gains and losses are incurred on derivatives held in matched hedging arrangements with related debt instruments. 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, 2022—Continued

20. Risk Management and Derivative Financial Instruments—Continued

Self-supported Portfolios (Notional Values)

Year of Maturity	Cross- Currency Swaps ²	In Millions			Total
		Interest Rate Swaps ²	Advanced Rate Setting Agreements ²	Forward Foreign Exchange Contracts ²	
	\$	\$	\$	\$	\$
2023			575	988	1,563
2024					0
2025					0
2026	391				391
2027					0
2028–2032				436	436
2033–2037	200	1,450			1,650
2038–2042				283	283
2043–2047					0
2048–2052					0
2053–2057		1,700			1,700
Total	591	3,150	575	1,707	6,023

²At March 31, 2022, fair market valuation was an unrealized loss of \$27 million (2021: \$19 million gain) on cross currency swaps, an unrealized gain of \$130 million (2021: \$121 million loss) on interest rate swaps, an unrealized gain of \$50 million (2021: nil) on advanced rate setting agreements, and an unrealized gain of \$6 million (2021: \$24 million loss) 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 \$43,533 million (2021: \$42,432 million), allow floating rate exposure up to 45.00% (2021: 45.00%) of this portion of the taxpayer-supported debt. At March 31, 2022, floating rate debt exposure was 16.08% (2021: 22.33%) 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% (2021: 25.00%) of their debt which totals \$25,569 million (2021: \$24,602 million). At March 31, 2022, floating rate debt exposure for BC Hydro was 12.7% (2021: 13.60%) of their debt.

Based on the taxpayer-supported and self-supported debt portfolios at March 31, 2022, a one percent change in interest rates would impact the annual debt servicing expense by \$87 million (2021: \$116 million) for the taxpayer-supported debt portfolio and \$29 million (2021: \$30 million) for the self-supported debt portfolio.

At March 31, 2022, swap agreements relating to investments held by taxpayer-supported portfolios included interest rate swaps totalling \$44 million (2021: \$44 million).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—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 \$43,533 million (2021: \$42,432 million), allow unhedged foreign debt exposure up to 10.00% (2021: 10.00%) of this portion of the taxpayer-supported debt. At March 31, 2022, there was no unhedged foreign debt exposure of the government direct debt portfolio (2021: nil).

Under current policy guidelines for BC Hydro, the maximum unhedged foreign debt exposure is 5.00% (2021: 5.00%) of its debt, which totals \$25,569 million (2021: \$24,602 million). At March 31, 2022, 0.00% (2021: 0.20%) 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, 2022, a one cent change in the Canadian dollar versus the US dollar would not impact the annual debt servicing cost (2021: nil) for the taxpayer-supported debt portfolio; however, the self-supported debt portfolio would increase by \$2 million (2021: \$1 million).

At March 31, 2022, swap agreements relating to investments held by taxpayer-supported portfolios included cross-currency swaps totalling \$34 million (2021: \$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, 2022, gross counterparty exposure was valued at \$154 million (2021: \$781 million), and collateral held was \$529 million (2021: \$374 million), for a nil net exposure (2021: \$407 million). Collateral held consists of \$104 million cash received which is included in accounts payable (see Note 12) (2021: \$91 million), and \$425 million (2021: \$283 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 45) 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, 2022—Continued

22. Tangible Capital Assets

	In Millions	
	2022	2021
	\$	\$
Land and land improvements.....	6,129	5,829
Buildings (including tenant improvements).....	27,974	26,018
Highway infrastructure.....	14,267	13,702
Transportation equipment.....	3,120	2,894
Computer hardware and software.....	2,191	2,036
Other.....	2,320	2,237
	<u>56,001</u>	<u>52,716</u>

See Consolidated Statement of Tangible Capital Assets on page 104.

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 (2–50 years) are amortized 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 2023 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 \$2,266 million (2021: \$2,316 million).

The province received donations of tangible capital assets during the year of \$3 million (2021: \$2 million).

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

23. Restricted Assets

	In Millions	
	2022	2021
	\$	\$
Endowment funds.....	<u>2,147</u>	<u>2,003</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. Endowment agreements may also require that a portion of investment income be used to offset the eroding effect of inflation or preserve the original value.

24. Prepaid Program Costs

	In Millions	
	2022	2021
	\$	\$
Prepaid program costs.....	<u>1,347</u>	<u>1,264</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, 2022, the total inventories held for use or consumption was \$800 million (2021: \$576 million). During the year, the total expense due to the consumption of inventories was \$1,626 million (2021: \$1,510 million) including the effect of write-downs of \$10 million (2021: \$65 million).

25. Other Assets

	In Millions	
	2022	2021
	\$	\$
Deferred debt instrument costs.....	137	124
Other deferred costs.....	307	194
	<u>444</u>	<u>318</u>

Other deferred costs include funds held by a service provider to provide group health and welfare benefits on behalf of health authorities, affiliates and community social service organizations.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

26. Accumulated Surplus (Deficit)

	In Millions	
	2022	2021
	\$	\$
Accumulated surplus (deficit)—before other comprehensive income—beginning of year as previously reported ¹	2,525	7,993
Adjustments to accumulated surplus (deficit) ^{2,3}	(72)	(72)
Accumulated surplus (deficit)—beginning of year as restated.....	2,453	7,921
Surplus (deficit) for the year.....	1,306	(5,468)
Accumulated surplus (deficit)—before other comprehensive income.....	3,759	2,453
Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 103)—beginning of year as restated.....	683	(224)
Other comprehensive income from self-supported Crown corporations and agencies (see page 103).....	(287)	907
Accumulated other comprehensive income from self-supported Crown corporations and agencies (see page 103)—end of year.....	396	683
Accumulated surplus (deficit)—end of year.....	4,155	3,136

¹The opening accumulated surplus (deficit) figures for April 1, 2021 and April 1, 2020 are reported before accumulated other comprehensive income.

²During 2021/22, adjustments were made to the opening accumulated surplus for 2020/21 for the following items:

School district amortization policy adjustment.....	(65)
Simon Fraser University deferred tuition revenue adjustment.....	(26)
Recognition of concessionary adjustment on land tax deferment loans.....	11
British Columbia Lottery Corporation accrued post-retirement benefits recognition.....	8
Total.....	(72)

³During 2021/22, adjustments were made to the opening accumulated surplus for 2021/22 for the following items:

School district amortization policy adjustment.....	(65)
Simon Fraser University deferred tuition revenue adjustment.....	(26)
Recognition of concessionary adjustment on land tax deferment loans.....	11
British Columbia Lottery Corporation accrued post-retirement benefits recognition.....	8
Total.....	(72)

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—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						
	2023	2024	2025	2026	2027	2028 and beyond	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Education.....	42	35	22	18	17	20	154
Natural resources and economic development.....	440	440	409	395	390	5,214	7,288
Other.....	144	149	153	52	37	50	585
Transportation.....	443	424	348	190	41	1,241	2,687
	<u>1,069</u>	<u>1,048</u>	<u>932</u>	<u>655</u>	<u>485</u>	<u>6,525</u>	<u>10,714</u>
Self-supported Crown corporations and agencies							
Natural resources and economic development.....	392	299	242	222	225	4,488	5,868
Protection of persons and property.....	23	19	14	12	10	25	103
	<u>415</u>	<u>318</u>	<u>256</u>	<u>234</u>	<u>235</u>	<u>4,513</u>	<u>5,971</u>
Total.....	<u>1,484</u>	<u>1,366</u>	<u>1,188</u>	<u>889</u>	<u>720</u>	<u>11,038</u>	<u>16,685</u>

The following table presents amounts provided in multi-year government transfer agreements that are greater than \$50 million, by sector, by year. These government transfers may be authorized by the federal government in the future.

	In Millions						
	2023	2024	2025	2026	2027	2028 and beyond	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Education.....	125						125
Social services.....	974	759	871	940			3,544
Total.....	<u>1,099</u>	<u>759</u>	<u>871</u>	<u>940</u>	<u>0</u>	<u>0</u>	<u>3,669</u>

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

28. Contingent Liabilities and Contractual Obligations

(a) GUARANTEED DEBT

The authorized limit for loans guaranteed by the province as at March 31, 2022 was \$398 million (2021: \$398 million). These guarantees include amounts where indemnities have been made for explicit quantifiable loans. Guaranteed debt as at March 31, 2022 totalled \$16 million (2021: \$14 million). See Consolidated Statement of Guaranteed Debt on page 105 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	
	2022	2021
	\$	\$
Tax disputes.....	49	50
Property access disputes.....	27	281
Contract disputes.....	16	17
Damage to persons or property.....	2	2
Negligence and miscellaneous.....	345	330
	<u>439</u>	<u>680</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, 2022 was \$116 million (2021: \$123 million).

Tax Appeals

The province has received appeals under various tax statutes totalling \$147 million (2021: \$125 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, 2022—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	
	2022	2021
	\$	\$
Mine sites.....	350	320
Transportation infrastructure.....	33	32
Industrial sites.....	26	25
Salt sheds.....	5	4
Pulp mills.....	4	5
Maintenance yards.....	3	4
Miscellaneous.....	101	95
	<u>522</u>	<u>485</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, 2022, the weighted average cost of capital is 3.13% (2021: 3.15%).

As at the reporting date, 27 sites where historical industrial activity has occurred have been identified for monitoring purposes. Remediation activities are unlikely to be performed on these sites and a liability may be recorded at a later date.

Additional environmental liabilities of government business enterprises include \$296 million (2021: \$326 million) accrued by British Columbia Hydro and Power Authority, and \$96 million (2021: \$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.

Treaty Negotiations

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, 2022, there were 72 First Nations in various stages of negotiation, including 39 First Nations in active or completed negotiations.

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 Yale First Nation in March 2011, by the provincial government on June 2, 2011 and by the Parliament of Canada on June 19, 2013. 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.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

28. Contingent Liabilities and Contractual Obligations—Continued

It is expected the capital transfer components for 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), 3,656 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 those 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.

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

- (i) The BC Transportation Financing Authority has unrecorded contingent liabilities of \$103 million (2021: \$42 million), including \$17 million (2021: \$2 million) for expropriation claims and \$27 million (2021: \$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.

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

28. Contingent Liabilities and Contractual Obligations—Continued

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
	2023	2024	2025	2026	2027	2028 and beyond	
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Health.....	3,965	1,907	1,503	1,119	821	5,982	15,297
Education.....	908	393	153	84	41	159	1,738
Social services.....	136						136
Other.....	578	371	243	211	189	4,826	6,418
Natural resources and economic development.....	39	39	28	27	28	102	263
Transportation.....	2,387	1,799	1,308	919	805	10,505	17,723
Protection of persons and property.....	559	533	492	478	479	2,608	5,149
General government.....	551	464	367	92	68	245	1,787
	<u>9,123</u>	<u>5,506</u>	<u>4,094</u>	<u>2,930</u>	<u>2,431</u>	<u>24,427</u>	<u>48,511</u>
Self-supported Crown corporations and agencies							
Natural resources and economic development.....	3,763	2,899	2,127	1,728	1,675	37,328	49,520
General government.....	87	23	7				117
	<u>3,850</u>	<u>2,922</u>	<u>2,134</u>	<u>1,728</u>	<u>1,675</u>	<u>37,328</u>	<u>49,637</u>
Total.....	<u>12,973</u>	<u>8,428</u>	<u>6,228</u>	<u>4,658</u>	<u>4,106</u>	<u>61,755</u>	<u>98,148</u>

The following table presents the amounts provided in multiple-year government transfer agreements that are greater than \$50 million, by sector, by year. While there is no current obligation for these amounts, these government transfers may be authorized by government in a future year.

	In Millions						Total
	2023	2024	2025	2026	2027	2028 and beyond	
	\$	\$	\$	\$	\$	\$	\$
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies							
Social services.....	502	272					774
Other.....	53	54	55	56	58	503	779
Natural resources and economic development.....	12	11	11	11	11	12	68
Total.....	<u>567</u>	<u>337</u>	<u>66</u>	<u>67</u>	<u>69</u>	<u>515</u>	<u>1,621</u>

Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2022—Continued

29. Taxation Revenue

	In Millions	
	2022	2021
	\$	\$
Personal income.....	13,704	11,118
Provincial sales.....	8,731	7,694
Corporate income.....	5,053	4,805
Property transfer.....	3,327	2,098
Property.....	3,012	2,313
Employer health.....	2,443	2,156
Carbon.....	2,011	1,683
Fuel.....	1,022	936
Tobacco.....	708	711
Other.....	706	652
	<u>40,717</u>	<u>34,166</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 \$110 million (2021: \$107 million) and corporate income tax were \$127 million (2021: \$97 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 \$191 million (2021: \$189 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 \$10 million (2021: \$2 million).

Property tax revenue was recorded net of home owner grants of \$878 million (2021: \$857 million).

30. Natural Resource Revenue

	In Millions	
	2022	2021
	\$	\$
Forests.....	1,893	1,304
Petroleum, natural gas and minerals.....	1,848	550
Water and other.....	730	549
	<u>4,471</u>	<u>2,403</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 \$1,517 million (2021: \$654 million). Natural resource revenue includes mining taxes of \$660 million (2021: \$75 million) and logging taxes of \$154 million (2021: \$56 million).

The province offers credits for certain costs incurred by producers including the deep well, road and summer drilling programs. Deep well credits of \$2,838 million (2021: \$3,223 million), road credits of \$14 million (2021: \$25 million) and summer drilling credits of \$3 million (2021: \$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, 2022—Continued

31. Expense

	In Millions	
	2022	2021
	\$	\$
Total Expense by Group Account Classification		
Salaries and benefits.....	26,124	24,558
Government transfers.....	22,425	22,463
Operating costs.....	16,322	14,470
Interest ¹	2,742	2,722
Amortization.....	2,658	2,547
Other.....	815	864
	71,086	67,624

¹Includes foreign exchange gain amortization of \$1 million (2021: loss amortization of \$1 million).

32. Valuation Allowances

	In Millions	
	2022	2021
	\$	\$
Accounts receivable.....	84	58
Loans, advances and mortgages receivable.....	15	29
Inventories for resale.....	10	92
Tangible capital assets.....	9	7
Other investments.....		2
Other assets.....		1
	118	189

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, 2022—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	2022	2021
	\$	\$	\$	\$
Public Guardian and Trustee of British Columbia ¹				
—administered by government officials.....	1,312	(47)	1,265	1,173
Credit Union Deposit Insurance Corporation of British Columbia ¹				
—administered by various government officials and a non-government investment corporation.....	811	(1)	810	792
Supreme and provincial court (Suitors' Funds)				
—administered by the Courts.....	223		223	184
Other trust funds				
—administered by various government officials.....	211	(67)	144	164
	<u>2,557</u>	<u>(115)</u>	<u>2,442</u>	<u>2,313</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, 2022*, presented to the Legislative Assembly April 20, 2021.

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, 2022—Continued

36. Asset Retirement Obligations¹

	In Millions	
	2022	2021
Consolidated Revenue Fund and Taxpayer-supported Crown corporations and agencies	\$	\$
Education.....	23	23
Natural resources and economic development.....	19	10
Health.....	3	5
	45	38
Self-supported Crown corporations and agencies		
Transportation.....	191	206
Natural resources and economic development.....	80	87
General government.....	1	1
	272	294
	317	332

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, 2022—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	
	2022	2021
	\$	\$
Financial assets.....	99	100
Liabilities.....	128	130
Net liabilities.....	(29)	(30)
Non-financial assets.....	79	73
Accumulated surplus (deficit).....	50	43

Consolidated Statement of Operations	In Millions	
	2022	2021
	\$	\$
Revenue.....	197	182
Expenses.....	190	178
Surplus (deficit) for the year.....	7	4
Accumulated surplus (deficit)—beginning of year.....	43	39
Accumulated surplus (deficit)—end of year.....	50	43

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, 2022 of \$2,911 million (2021: \$4,277 million). Regulatory accounting resulted in a decrease to net income for BC Hydro for the year ended March 31, 2022 of \$608 million (2021: \$604 million decrease). 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, 2022—Continued

39. Dedicated Revenue

Legislation establishes the right of other governments and organizations to revenues under various enactments. The province acts as an administrative agent for revenues collected on behalf of, and transferred to, other governments and organizations. These revenues are not included in the provincial operating results because the province has no discretion to direct the use of, or cease, the flow-through.

	In Millions	
	2022	2021
	\$	\$
Rural areas.....	423	411
South Coast British Columbia Transportation Authority.....	400	349
British Columbia First Nations Gaming Revenue Sharing Limited Partnership.....	91	
Municipalities or eligible entities.....	63	34
Habitat Conservation Trust.....	5	5
Cowichan Tribes.....	4	4
	<u>986</u>	<u>803</u>

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.

Contingency spending of \$3.25 billion was authorized for fiscal year 2021/22 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, 2022**
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 Society
Canadian Blood Services²
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, 2022—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.
Infrastructure BC Inc.
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 Columbia³
Real Estate Foundation of British Columbia

**Supplementary Statement to the
Consolidated Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2022—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 Authority⁴
British Columbia Liquor Distribution Branch⁵
British Columbia Lottery Corporation⁵
Columbia Power Corporation⁴
Insurance Corporation of British Columbia⁶

¹The Consolidated Revenue Fund has been allocated to the appropriate sector on the Consolidated Statement of Financial Position by Sector (page 92) and on the Consolidated Statement of Operations by Sector (page 96).

²This 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.

³This organization was wound down and combined with BC Financial Services Authority during the year.

⁴These organizations were included in the Natural Resources and Economic Development Sector results.

⁵These organizations were included in the General Government Sector results.

⁶This 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, 2022**

	In Millions									
	Health		Education		Social Services		Other		Natural Resources and Economic Development ¹	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents.....	2,735	2,177	3,302	3,169	36	22	134	109	165	186
Temporary investments.....	1	2	73	94			105	101	104	200
Accounts receivable.....	947	877	472	363	58	50	280	294	901	688
Inventories for resale.....	3	3	19	21			2	2	41	38
Due from Crown corporations and agencies.....	14	9	44	66	1	1	51	25	11	11
Due from other governments.....	156	79	60	59	55	45	67	95	195	207
Due from self-supported Crown corporations and agencies.			60	83					60	57
Equity in self-supported Crown corporations and agencies.			100	95					8,145	7,458
Loans, advances and mortgages receivable.....	614	682	889	794	1	1	979	1,007	58	61
Other investments.....	80	76	3,203	2,675			192	191	289	214
Sinking fund investments.....			64	58						
Loans for purchase of assets, recoverable from agencies.....										
	<u>4,550</u>	<u>3,905</u>	<u>8,286</u>	<u>7,477</u>	<u>151</u>	<u>119</u>	<u>1,810</u>	<u>1,824</u>	<u>9,969</u>	<u>9,120</u>

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2022—Continued

In Millions

	Debt Servicing ²		Transportation		Protection of Persons and Property ³		General Government		Adjustments ⁴		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Financial Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents.....	2,424	2,519	76	77	28	54	540	321	(2,613)	(2,471)	6,827	6,163
Temporary investments.....					32						315	397
Accounts receivable.....	389	378	67	44	93	98	3,717	3,312	(145)	(133)	6,779	5,971
Inventories for resale.....			4	3	2	2	3	2			74	71
Due from Crown corporations and agencies.....			3	39					(124)	(151)	0	0
Due from other governments.....			116	124	961	327	168	775			1,778	1,711
Due from self-supported Crown corporations and agencies.							211	142			331	282
Equity in self-supported Crown corporations and agencies.			238	226	3,709	1,893	31	(40)			12,223	9,632
Loans, advances and mortgages receivable.....					1	1	1,667	1,501	(10)	(15)	4,199	4,032
Other investments.....	9	9	76	76	95	102					3,944	3,343
Sinking fund investments.....	510	492	76	88					(140)	(146)	510	492
Loans for purchase of assets, recoverable from agencies.....	42,356	40,108							(15,138)	(13,807)	27,218	26,301
	<u>45,688</u>	<u>43,506</u>	<u>656</u>	<u>677</u>	<u>4,921</u>	<u>2,477</u>	<u>6,337</u>	<u>6,013</u>	<u>(18,170)</u>	<u>(16,723)</u>	<u>64,198</u>	<u>58,395</u>

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2022—Continued

	In Millions									
	Health		Education		Social Services		Other		Natural Resources and Economic Development ¹	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities.....	2,600	2,158	1,587	1,532	388	217	801	700	1,802	1,484
Employee future benefits.....	1,438	1,362	754	735	35	34	17	17	44	42
Due to other governments.....	102	90	95	94	2		27	55	11	13
Due to Crown corporations, agencies and trust funds.....	54	59	15	8	6	6	66	68	643	642
Due to the Province of British Columbia.....				4	6	6	8	4	10	10
Deferred revenue.....	3,580	3,382	5,270	4,752	319	6	230	202	852	971
Employee pension plans.....										
Taxpayer-supported debt.....	1,840	1,876	1,026	979			977	770	164	176
Self-supported debt.....										
	<u>9,614</u>	<u>8,927</u>	<u>8,747</u>	<u>8,104</u>	<u>756</u>	<u>269</u>	<u>2,126</u>	<u>1,816</u>	<u>3,526</u>	<u>3,338</u>
Net assets (liabilities).....	<u>(5,064)</u>	<u>(5,022)</u>	<u>(461)</u>	<u>(627)</u>	<u>(605)</u>	<u>(150)</u>	<u>(316)</u>	<u>8</u>	<u>6,443</u>	<u>5,782</u>
Non-financial Assets										
Tangible capital assets.....	10,100	9,135	19,153	18,211	140	154	3,397	2,840	2,272	2,284
Restricted assets.....	5	5	2,142	1,998						
Prepaid program costs.....	801	695	113	104	22	23	60	58	239	267
Other assets.....	305	190	3	4						
	<u>11,211</u>	<u>10,025</u>	<u>21,411</u>	<u>20,317</u>	<u>162</u>	<u>177</u>	<u>3,457</u>	<u>2,898</u>	<u>2,511</u>	<u>2,551</u>
Accumulated surplus (deficit).....	<u><u>6,147</u></u>	<u><u>5,003</u></u>	<u><u>20,950</u></u>	<u><u>19,690</u></u>	<u><u>(443)</u></u>	<u><u>27</u></u>	<u><u>3,141</u></u>	<u><u>2,906</u></u>	<u><u>8,954</u></u>	<u><u>8,333</u></u>

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Financial Position by Sector
as at March 31, 2022—Continued**

In Millions

	Debt Servicing ²		Transportation		Protection of Persons and Property ³		General Government		Adjustments ⁴		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Liabilities	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities.....	841	810	2,822	692	545	388	1,137	1,079	(143)	(167)	12,380	8,893
Employee future benefits.....			35	36	67	64	685	575			3,075	2,865
Due to other governments.....			1	2	337	171	98	198			673	623
Due to Crown corporations, agencies and trust funds.....	2,621	2,480	7	9	2	1			(2,713)	(2,563)	701	710
Due to the Province of British Columbia.....			1	2					(25)	(26)	0	0
Deferred revenue.....	64	71	2,717	2,489	334	323	13	15			13,379	12,211
Employee pension plans.....								1			0	1
Taxpayer-supported debt.....	58,293	56,021	15,235	13,801			319	326	(15,289)	(13,967)	62,565	59,982
Self-supported debt.....	27,209	26,275									27,209	26,275
	<u>89,028</u>	<u>85,657</u>	<u>20,818</u>	<u>17,031</u>	<u>1,285</u>	<u>947</u>	<u>2,252</u>	<u>2,194</u>	<u>(18,170)</u>	<u>(16,723)</u>	<u>119,982</u>	<u>111,560</u>
Net assets (liabilities).....	<u>(43,340)</u>	<u>(42,151)</u>	<u>(20,162)</u>	<u>(16,354)</u>	<u>3,636</u>	<u>1,530</u>	<u>4,085</u>	<u>3,819</u>	<u>0</u>	<u>0</u>	<u>(55,784)</u>	<u>(53,165)</u>
Non-financial Assets												
Tangible capital assets.....			19,130	18,333	144	127	1,682	1,649	(17)	(17)	56,001	52,716
Restricted assets.....											2,147	2,003
Prepaid program costs.....			31	28	6	5	75	84			1,347	1,264
Other assets.....	80	68	56	56							444	318
	<u>80</u>	<u>68</u>	<u>19,217</u>	<u>18,417</u>	<u>150</u>	<u>132</u>	<u>1,757</u>	<u>1,733</u>	<u>(17)</u>	<u>(17)</u>	<u>59,939</u>	<u>56,301</u>
Accumulated surplus (deficit).....	<u>(43,260)</u>	<u>(42,083)</u>	<u>(945)</u>	<u>2,063</u>	<u>3,786</u>	<u>1,662</u>	<u>5,842</u>	<u>5,552</u>	<u>(17)</u>	<u>(17)</u>	<u>4,155</u>	<u>3,136</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, 2022**

	In Millions								Natural Resources and Economic Development ¹	
	Health		Education		Social Services		Other		2022	2021
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Taxation.....							101	100		
Contributions from the federal government.....	334	201	1,347	1,530	243	169	222	546	177	174
Fees and licenses.....	499	482	2,752	2,624	3	3	41	32	139	141
Miscellaneous.....	1,390	1,150	1,491	1,054	28	16	97	67	193	162
Contributions from the provincial government / net earnings of self-supported Crown corporations and agencies.....	81	83	304	282	20	20	101	69	835	850
Natural resources.....									4,471	2,403
Investment income.....	17	12	315	256	2	1	17	6	25	25
Total revenue.....	2,321	1,928	6,209	5,746	296	209	579	820	5,840	3,755

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2022—Continued**

In Millions

	Debt Servicing ²		Transportation		Protection of Persons and Property ³		General Government		Adjustments ⁴		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Taxation.....			575	479			40,041	33,587			40,717	34,166
Contributions from the federal government.....			164	716	726	224	8,767	9,334			11,980	12,894
Fees and licenses.....			63	41	1,052	971	35	35			4,584	4,329
Miscellaneous.....	1		158	177	226	216	419	418	(93)	(124)	3,910	3,136
Contributions from the provincial government / net earnings of self-supported Crown corporations and agencies.....			25	24	2,199	1,570	2,401	1,580	(542)	(514)	5,424	3,964
Natural resources.....											4,471	2,403
Investment income.....	1,273	1,302	9	10	4	4	60	63	(416)	(415)	1,306	1,264
Total revenue.....	1,274	1,302	994	1,447	4,207	2,985	51,723	45,017	(1,051)	(1,053)	72,392	62,156

Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2022—Continued

	In Millions									
	Health		Education		Social Services		Other		Natural Resources and Economic Development ¹	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries and benefits.....	11,253	10,519	11,080	10,577	551	559	236	228	908	775
Government transfers.....	6,636	6,243	1,520	1,456	5,336	5,905	2,457	2,307	2,748	2,396
Operating costs.....	9,252	8,354	2,113	1,883	1,389	1,299	241	196	1,171	660
Interest.....	119	121	43	43			10	11	22	22
Amortization.....	649	617	943	898	23	22	109	99	134	128
Other.....	147	253	212	202	71	67	30	27	283	284
Operating expense.....	28,056	26,107	15,911	15,059	7,370	7,852	3,083	2,868	5,266	4,265
Surplus (deficit) for the Fiscal Year ended March 31.....	(25,735)	(24,179)	(9,702)	(9,313)	(7,074)	(7,643)	(2,504)	(2,048)	574	(510)

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2022—Continued**

In Millions

Expense	Debt Servicing ²		Transportation		Protection of Persons and Property ³		General Government		Adjustments ⁴		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries and benefits.....			239	219	1,108	1,083	749	598			26,124	24,558
Government transfers.....			2,345	1,268	1,333	820	411	2,419	(361)	(351)	22,425	22,463
Operating costs.....			1,238	1,248	452	313	471	521	(5)	(4)	16,322	14,470
Interest.....	2,525	2,508	421	417			17	15	(415)	(415)	2,742	2,722
Amortization.....			633	624	31	29	136	130			2,658	2,547
Other.....			22	13	34	34	286	267	(270)	(283)	815	864
Operating expense.....	2,525	2,508	4,898	3,789	2,958	2,279	2,070	3,950	(1,051)	(1,053)	71,086	67,624
Surplus (deficit) for the Fiscal Year ended March 31.....	(1,251)	(1,206)	(3,904)	(2,342)	1,249	706	49,653	41,067	0	0	1,306	(5,468)

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, 2022

In Millions

	Natural Resources and Economic Development ²	Protection of Persons and Property ³	General Government ⁴	2022 Sub-Total	2021 Sub-Total
	\$	\$	\$	\$	\$
Assets					
Cash and cash equivalents.....	171	30	70	271	188
Accounts receivable.....	936	2,108	83	3,127	3,076
Inventories.....	199		218	417	422
Other investments.....	1,579	20,482	80	22,141	22,282
Tangible capital assets.....	35,926	463	687	37,076	34,811
Other assets.....	4,742	576	80	5,398	5,691
Total Assets.....	43,553	23,659	1,218	68,430	66,470
Liabilities					
Accounts payable and accrued liabilities.....	4,688	17,394	509	22,591	25,371
Deferred revenue.....	3,997	2,502	41	6,540	5,354
Due to Province of British Columbia.....	60		211	271	199
Debt due to Province of British Columbia.....	26,255		140	26,395	25,463
Other debt.....	1,376	54	285	1,715	1,774
	36,376	19,950	1,186	57,512	58,161
Equity					
Investment by Province of British Columbia.....	46			46	46
Other comprehensive income.....	(8)	361	49	402	688
Unremitted earnings—end of year.....	7,139	3,348	(17)	10,470	7,575
	7,177	3,709	32	10,918	8,309
Total Liabilities and Equity.....	43,553	23,659	1,218	68,430	66,470

Supplementary Statement to the Summary Financial Statements
Statement of Financial Position
for Self-supported Crown Corporations and Agencies¹
as at March 31, 2022—Continued

	In Millions				2022	2021
	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.....	61	23	123		478	396
Accounts receivable.....	85	496	3		3,711	3,650
Inventories.....	77				494	491
Other investments.....	37	15	256		22,449	22,632
Tangible capital assets.....	653	856	170		38,755	36,484
Other assets.....	2	262	3		5,665	5,957
Total Assets.....	915	1,652	555	0	71,552	69,610
Liabilities						
Accounts payable and accrued liabilities.....	72	17	292		22,972	25,798
Deferred revenue.....	30	1	25		6,596	5,425
Due to Province of British Columbia.....	60				331	282
Debt due to Province of British Columbia.....	37				26,432	25,499
Other debt.....	615	668			2,998	2,974
	814	686	317	0	59,329	59,978
Equity						
Investment by Province of British Columbia.....	73	941	107		1,167	1,167
Other comprehensive income.....			(6)		396	683
Unremitted earnings—end of year.....	28	25	137		10,660	7,782
	101	966	238	0	12,223	9,632
Total Liabilities and Equity.....	915	1,652	555	0	71,552	69,610

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 government's proportionate share of 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, became an independent entity during the fiscal year.

**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, 2022**

In Millions

	Natural Resources and Economic Development ²	Protection of Persons and Property ³	General Government ⁴	2022 Sub-Total	2021 Sub-Total
	\$	\$	\$	\$	\$
Revenue.....	7,675	6,322	6,569	20,566	18,149
Expense.....	6,949	4,106	4,169	15,224	14,296
Net earnings of self-supported Crown corporations and agencies	726	2,216	2,400	5,342	3,853
Dividends.....	(47)		(2,183)	(2,230)	(1,484)
Adjustments to dividends.....			(217)	(217)	(144)
Transfers (to) from deferred revenue.....				0	0
Increase(decrease) in unremitted earnings in self-supported Crown corporations and agencies.....	679	2,216	0	2,895	2,225
Unremitted earnings—beginning of year.....	6,460	1,132	(25)	7,567	5,342
Adjustments to unremitted earnings.....			8	8	8
Unremitted earnings—end of year.....	7,139	3,348	(17)	10,470	7,575
Accumulated other comprehensive income—beginning of year	(19)	730	(23)	688	(216)
Adjustments to accumulated other comprehensive income.....				0	1
Other comprehensive income.....	11	(369)	72	(286)	903
Accumulated other comprehensive income—end of year.....	(8)	361	49	402	688
Investment by Province of British Columbia.....	46			46	46
Equity in self-supported Crown corporations and agencies for the year.....	7,177	3,709	32	10,918	8,309

**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, 2022—Continued**

In Millions

	Education subsidiaries ⁵	Natural Resources subsidiaries ⁶	Transportation subsidiaries ⁷	Protection of Persons and Property subsidiaries ⁸	2022 Grand Total	2021 Grand Total
	\$	\$	\$	\$	\$	\$
Revenue.....	51	145	28	4	20,794	18,397
Expense.....	27	69	17	33	15,370	14,433
Net earnings of self-supported Crown corporations and agencies	24	76	11	(29)	5,424	3,964
Dividends.....	(21)	(81)			(2,332)	(1,595)
Adjustments to dividends.....					(217)	(144)
Transfers (to) from deferred revenue.....	3				3	(24)
Increase(decrease) in unremitted earnings in self-supported Crown corporations and agencies.....	6	(5)	11	(29)	2,878	2,201
Unremitted earnings—beginning of year.....	22	30	126	29	7,774	5,573
Adjustments to unremitted earnings.....					8	8
Unremitted earnings—end of year.....	28	25	137	0	10,660	7,782
Accumulated other comprehensive income—beginning of year			(7)	2	683	(224)
Adjustments to accumulated other comprehensive income.....				(2)	(2)	1
Other comprehensive income.....			1		(285)	906
Accumulated other comprehensive income—end of year.....	0	0	(6)	0	396	683
Investment by Province of British Columbia.....	73	941	107		1,167	1,167
Equity in self-supported Crown corporations and agencies for the year.....	101	966	238	0	12,223	9,632

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 government's proportionate share of 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, became an independent entity during the fiscal year.

**Supplementary Statement to the Summary Financial Statements
Consolidated Statement of Tangible Capital Assets¹
for the Fiscal Year Ended March 31, 2022**

	In Millions						2022 Total	2021 Total
	Land and Land Improvements	Building	Highway Infrastruc- ture	Transport – ation Equipment	Computer Hardware/ Software	Other ³		
	\$	\$	\$	\$	\$	\$	\$	
Historical Cost²								
Opening Cost.....	6,188	42,275	25,525	4,512	5,260	7,246	91,006	
Additions.....	336	3,095	1,119	337	525	590	6,002	
Disposals and valuation adjustments.....	(10)	(128)	(10)	(27)	(109)	(283)	(1,006)	
	<u>6,514</u>	<u>45,242</u>	<u>26,634</u>	<u>4,822</u>	<u>5,676</u>	<u>7,553</u>	<u>96,441</u>	
Accumulated Amortization								
Opening balance.....	(359)	(16,257)	(11,823)	(1,618)	(3,224)	(5,009)	(38,290)	
Amortization expense.....	(27)	(1,103)	(555)	(109)	(364)	(500)	(2,658)	
Effect of disposals and valuation adjustments.....	1	92	11	25	103	276	508	
	<u>(385)</u>	<u>(17,268)</u>	<u>(12,367)</u>	<u>(1,702)</u>	<u>(3,485)</u>	<u>(5,233)</u>	<u>(40,440)</u>	
Net book value for the year ended								
March 31, 2022.....	<u>6,129</u>	<u>27,974</u>	<u>14,267</u>	<u>3,120</u>	<u>2,191</u>	<u>2,320</u>	<u>56,001</u>	
Net book value for the year ended								
March 31, 2021.....	<u>5,829</u>	<u>26,018</u>	<u>13,702</u>	<u>2,894</u>	<u>2,036</u>	<u>2,237</u>	<u>52,716</u>	

¹This statement includes assets that are held on capital leases at March 31, 2022 at a gross value of \$387 million less accumulated amortization of \$(118) million for a net book value totalling \$269 million (2021: gross value of \$330 million less accumulated amortization of \$(115) million for a net book value of \$215 million) comprised of: heavy equipment gross \$2 million less accumulated amortization \$(2) million for a net book value of nil (2021: gross \$2 million less accumulated amortization \$(2) million for a net book value of nil); computer hardware/software gross \$67 million less accumulated amortization \$(36) million for a net book value of \$31 million (2021: gross \$61 million less accumulated amortization \$(29) million for a net book value of \$32 million); buildings gross \$310 million less accumulated amortization \$(74) million for a net book value of \$236 million (2021: gross \$249 million less accumulated amortization \$(68) million for a net book value of \$181 million); and other assets gross \$8 million less accumulated amortization \$(6) million for a net book value of \$2 million (2021: gross \$18 million less accumulated amortization \$(16) million for a net book value of \$2 million).

²Historical cost includes work-in-progress at March 31, 2022 totalling \$6,820 million (2021: \$5,548 million) comprised of: buildings \$3,334 million (2021: \$2,884 million); land improvements \$84 million (2021: \$69 million); highway infrastructure \$1,385 million (2021: \$913 million); transportation equipment \$659 million (2021: \$485 million); computer hardware/software \$1,187 million (2021: \$1,024 million); and specialized equipment \$171 million (2021: \$173 million). Work-in-progress is not amortized. Work-in-progress includes capitalized interest expense at March 31, 2022 totalling \$13 million (2021: \$8 million).

³Other³ at net book value includes office furniture and equipment \$884 million (2021: \$830 million), vehicles \$100 million (2021: \$102 million), machinery \$1,165 million (2021: \$1,139 million) and miscellaneous \$171 million (2021: \$166 million).

Supplementary Statement to the Summary Financial Statements Consolidated Statement of Guaranteed Debt as at March 31, 2022

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			
	2022		2021	
	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	6	13	4
Subtotal, natural resources and economic development.....	13	6	13	4
Total taxpayer-supported guaranteed debt.....	388	6	388	4
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	16	398	14
Provision for probable payout.....		(1)		(1)
Net total, all guaranteed debt.....	398	15	398	13

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 (2021: \$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%.

This page intentionally left blank