

Appendix C Instructions

Crowns and Post Secondary Institutions

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INSTRUCTIONS TO COMPLETING APP C

The information contained in this report is used by the Office of the Comptroller General (OCG) to prepare the Province's financial reports, such as the Public Accounts and the quarterly actual results. The financial information you input on the various statements and schedules is linked to a worksheet containing our chart of accounts. The data is then imported into our accounting working paper program, for consolidation into the government reporting entity (GRE). A description of the consolidation methods can be found in the *Definitions* contained in the Public Accounts (<https://www2.gov.bc.ca/gov/content/governments/finances/public-accounts>).

BEFORE STARTING

Please ensure that you complete the Cover Sheet. The Cover Sheet is linked to all the Schedules and Statements and will ensure your organization's name and the period covered is shown on each of the pages of the report.

The audit firm information is only required at year end.

INPUT OF DATA

OCG will create a file to import the information contained in this report directly into its accounting working paper consolidation program. The information you complete on the Statements and Schedules is linked to the OCG Use Only worksheet, which in turn is linked to OCG's Chart of Accounts. To ensure that data is imported correctly:

- a) **Report all debits as positive numbers and credits as negative numbers.** Fields in blue are normally a debit (positive) balance and fields in yellow are normally a credit (negative) balance.
- b) **Fields in gray are protected** as they are linked to another schedule or contain a formula.
- c) Report all items in **thousands** of dollars.
- d) Report all figures on a **gross** basis
- e) All statements must be **balanced**, equity on the Statement of Financial Position **must agree to** equity reported on the Statement of Operations; and the debt schedule is to be reconciled to the debt maturity schedule (including in the Note Disclosure Requirements tab) at year end.
- f) At the bottom of the Cover tab there are various questions to ensure that information in the App C is reconciled and balanced. The reconciliations contain various formulas which will indicate whether the App C is balanced ("Yes") or not ("No"). After

completion of the report, you must check the Cover Sheet to ensure that all questions have been answered "Yes". If any are "No", you will need to review and revise prior to submission.

- g) Do not use decimal points or input amounts by calculating as a percentage. This will result in an out-of-balance notification on the Cover sheet, even though the statements or schedules may appear balanced. We cannot import your information if there is an out-of-balance notification.

COMPLETION OF SUPPLEMENTARY SCHEDULES

Complete all the Supplementary Schedules prior to preparing the Statement of Financial Position and the Statement of Operations. Most of the Schedules are linked to these two statements and this will allow you to easily identify those areas of the Statements where you will be directly entering financial information.

NOTES AND COMMENTS

This section is used for further explanations and information to OCG that was either not specifically asked in the Appendix C or you require more space to go into further detail. If you would like to draw our attention to an area or reconcile an account balance, this tab is a good place to do so. This area can also be used to provide variance explanations as the room is limited on the Schedule 5 Variance Analysis.

NOTE REPORTING REQUIREMENTS

The Note Reporting Requirements sheet **must be** completed. Certain reporting requirements are only required at the Province's fiscal year-end (March 31) and this has been indicated. All other information is required for quarterly reporting purposes.

The information requested in the Note Reporting Requirements is necessary for note disclosure purposes, or to complete debt and other schedules in the Province's financial reports.

- Please answer all questions on the note reporting requirements tab by selecting "Yes" or "No" on the drop down.
- When completing the FINAL App C, please answer the question "Has this changed from DRAFT to FINAL" by selecting "Yes" or "No" on the drop down.
- If applicable, your organization might also need most of this information for your own note disclosure.

- The Office of the Comptroller General may not obtain complete notes to your financial statements until your organization's year-end audited statements are received, which does not provide us with the information we need on a timely basis for provincial note disclosure.
- Please visit the following link for guidance on specific Note Reporting Requirements:
https://www2.gov.bc.ca/assets/download/7C12D23A76B54CB389C9E67B02DB9E_Cf

STATEMENT OF FINANCIAL POSITION

This statement includes information required to consolidate your organization's Statement of Financial Position with the Province's for inclusion in the Public Accounts and quarterly reports. This will enable OCG to identify balances that will be eliminated in the consolidation of the GRE and provide detail required for any accounting policy adjustments. Accounting policy adjustments are journal entries entered into the Province's books to conform your organization's accounting policies with those of the Province. Differences may arise as a result of differences in accounting policies between your organization and the Province, based on the application of the general guideline(s) from the Public Sector Accounting Board (PSAB) Handbook, Generally Accepted Accounting Principles (GAAP) and Treasury Board's directive.

Where a schedule number is indicated in the "Schedule" column, the information for that item will link automatically from the indicated schedule.

Refer to the "OCG Comments" column (column F) for additional instructions or definitions regarding specific line items.

STATEMENT OF OPERATIONS

As with the Statement of Financial Position, this statement will be consolidated with the Province's operating results and provides OCG with the information required to properly complete this consolidation.

This statement also includes a section called "Explanation of adjustments to Equity" which must be completed if there have been Prior Period Adjustments or Other Adjustments to equity reported on the Statement of Operations. Explanations are necessary as OCG must disclose these items in notes to the Province's financial statements. As well, there may be differences in accounting policies between your organization and the Province due to the different application of PSAB and GAAP and these equity adjustments may require that OCG enter an accounting policy adjustment in the Province's statements.

This statement also includes an expense section: "Expense due to valuation allowance". The OCG Comments column provides a short description of the type of valuation allowance to be reported.

Refer to the "OCG Comments" column (column F) for additional instructions or definitions regarding specific line items.

REMEASUREMENT GAINS AND LOSSES

The Statement of Remeasurement Gains and Losses is used to record transactions that have fluctuations in the Statement of Financial Position but not the Statement of Operations. These are items such as investments that are recorded at fair market value. Any unrealized gains and losses are to be recorded on the Statement of Remeasurement Gains and Losses until the investment is sold and the gain/loss is realized.

The Statement of Remeasurement Gains and Losses also includes Other Comprehensive Income which takes into account unrealized gains/losses on hedge/derivative financial instruments, foreign currency translation adjustments and unrealized gains/losses on post-retirement benefit plans.

Once the transactions have been realized, they move off the Statement of Remeasurement Gains and Losses and are reported in the Statement of Operations.

SCHEDULE 1 – Inter-Entity Transactions

This schedule allows you to report inter-entity asset, liability, revenue and expense transactions (excluding transactions directly with the Province). Data input into this schedule will automatically link to the relevant statement. The materiality level for transactions to be reported is noted on the schedule as \$100,000.

A complete listing of Crown corporations and Health Authorities that are included in the GRE is provided. This listing is subject to change as entities are added and removed. If you are in any doubt as to whether to report a transaction, please contact OCG at the email address noted below.

There is a restricted grants/contributions column that is to be used to input deferred restricted grants/contributions with other GRE entities. The total in column H is linked to Schedule 3 - Deferred Contributions.

Transactions with the colleges, universities, school districts and hospital societies are summarized on this schedule. The summarized information is linked from Schedule 1a. If you have transactions with any of these organizations, please complete Schedule 1a.

SCHEDULE 1a – Inter Entity SUCH Accounts

This schedule provides a listing of the colleges, universities, school districts and hospital societies.

- If you have transactions with school districts to report, please complete the School District name or number where indicated. Due to the number of school districts, we have not listed them individually to keep the schedule as short as possible.

SCHEDULE 2 – Capital Assets

Capital Assets must be reported in the categories shown on Schedule 2.

Ensure any information regarding additions, disposals and valuation adjustments is entered in the applicable columns. The total of the valuation adjustments will automatically link to the Expense due to Valuation Allowance section of the Statement of Operations. Transfers to/(from) WIP must equal zero - an ERROR message will show if they do not.

Work-in-progress and capital leases must be reported separately on this Schedule. This information is required to complete a note disclosure in the Public Accounts and is included in the footnotes on the Statement of Tangible Capital Assets.

Transfers to/(from) the GRE must be reported separately on this Schedule. A note must be added under Notes and Comments indicating which GRE entity the transferee and transferor were, and the journal entry to record the transaction. For example:

Journal entry for the transfer out:

Debit Cash XXXX

Debit Accumulated Amortization XXXX

Credit Buildings XXXX

Debit/Credit Gain/Loss on Sale of TCAs XXXX

Journal entry for the transfer in:

Debit Buildings XXXX

Credit Cash XXXX

This detailed information is required to ensure that the transaction is properly recorded by both entities involved and OCG at the Summary level.

SCHEDULE 3 – Deferred Contributions

This schedule provides the breakdown of Deferred Contributions from the Province and Deferred Contributions from non-Provincial sources.

When consolidating your report with the Province's statements, OCG must eliminate Deferred Contributions from the Province and Government Reporting Entities against the related transactions in the Province's general ledger. It is important that information provided be accurate and complete to allow a reconciliation of the Province's and Government Reporting Entities' transactions with your records. It is also important that this section contain ONLY deferred contributions from the Province.

As indicated on the schedule in the Deferred Contributions - Non-provincial sources section, if you have included any funds whose use was not restricted by the provider of the funds, please provide a short description of the source, purpose and amounts of these funds. A policy adjustment may need to be done by OCG, as GAAP only allows the reporting of externally restricted deferred contributions.

Unearned lease revenue and other miscellaneous deferred revenue should be reported directly on the Statement of Financial Position in the Deferred revenue section. We do not need a breakdown of the Contributions Received and Transfers to revenue for these categories. You should include the transfers to revenue in the appropriate revenue category on the Statement of Operations.

SCHEDULE 4 – Debt

This schedule allows you to report your organization's debt in the categories required by Provincial Treasury. The OCG will forward this report to Provincial Treasury for their use in preparing their debt reports.

Direct debt with the Province is reported as a separate category. Complete this category as accurately as possible, as OCG must reconcile this information with the Province's reported loan to you. On consolidation, direct debt to the Province reported by your organization must be eliminated against the Province's loan to your organization, therefore the amounts must match.

Closing net debt will automatically link to the Statement of Financial Position.

Earnings on sinking funds and premiums on debt issues amortized will automatically link to the revenue section of the Statement of Operations.

Interest expense for the year and Other Adjustments to interest expense will automatically link to the expense section of the Statement of Operations. Other Adjustments to interest expense are infrequent, and a description of the adjustment should be included on the schedule.

The final section of this report calculates debt servicing costs as reported according to provincial debt accounting policies. Provincial debt servicing cost is calculated as interest expense plus debt discount amortization, less debt premium amortization and less sinking fund earnings. Other Adjustments to interest, if any, will be reviewed to determine how they should be included in the Province's financial statements.

SCHEDULE 5 – Variance Analysis

Please provide a brief description of any material variances. Detailed analysis is not required. Materiality should be assessed in relation to your organization's reported financial information. If material variances are not provided, OCG will be contacting you to provide explanations when required.

SCHEDULE 6 – Deferred Funds

This schedule is used to obtain information regarding your organization's deferred capital and operating contributions to provide a more detailed note disclosure in the Public Accounts. This disclosure is required by the Office of the Auditor General (OAG) to assist in removing the deferred revenue qualification that has been outstanding on the Province's Summary Financial Statements for several years. The inputs and the attention to detail provided by you for this schedule is critical for the Province's overall audit opinion. The total balance of the contributions in this schedule must agree to the deferred contributions as reported in your financial statements.

Deferred Capital Contributions:

To produce the detailed note disclosure for Deferred Revenue, OCG requires details regarding the source of funding (i.e. Provincial, Federal, or Non-Provincial) as well as the specific program it relates to. For Deferred Capital Contributions, the source and program area must also be tied to a specific asset class.

Federal and Municipal programs have been restricted via a drop-down selection to major contribution program areas. These broad categories have large enough contributions that warrant them being grouped together for note disclosure. Any deferred contributions that do not fit into the categories listed can be labelled as other. Please see Exhibit A for a list of major programs for deferred contributions that fall into these broad categories. For Provincial programs and Non-Provincial Other programs, please manually input the program area.

The asset classes have been prepopulated to the standard classes found in the Summary Financial Statements. All assets related to deferred funds must fall into one of the classes listed. The revenue recognition period is also pre-set based on the Province's normal amortization range of the respective asset class.

Deferred Operating Contributions:

To produce the detailed note disclosure for Deferred Revenue, OCG requires details regarding the source of funding (i.e. Provincial, Federal, or Non-Provincial) as well as the specific program it relates to. There are no restrictions on the program area input for deferred operating contributions, therefore, please provide a description/details of the program in the space provided.

Five-Year Impact to Revenue

A five-year impact to revenue is required for both capital and operating contributions in the detailed note disclosure. Please use a reasonable estimate based on the expected amortization schedule of the asset or another period that is supported by the funding agreement.

Input of Data

In order for the program areas to be displayed in the same column for the prior year and the current year, you must fill out the prior year details first. The current year program area cells have been linked to the prior year so that the table is consistent. The current year program areas have not been locked down as there may be situations where there is a new deferred contribution in the current fiscal year related to a new program.

As this is the first year that OCG will be producing the detailed note disclosure in the Public Accounts, we have requested that you provide the prior year and current year deferred contribution information. Please note, going forward, only the current year deferred contributions will be required.

The template has been set up with only two program areas for Provincial sources, three program areas for Federal sources, three program areas for Municipal sources and one program area for Non-Provincial Other sources. If you require more program areas to disclose to OCG, please email your Deferred Funds tab to summary@gov.bc.ca and let us know the additions required. OCG will reformat and send back to you for completion.

Please contact Amar Gill at amar.gill@gov.bc.ca for questions.

SCHEDULE 7 – RAEG Program

The Release of Assets for Economic Generation (RAEG) Program was formed to dispose of surplus assets owned by the BC government, to help meet its commitment to balance the provincial budget and to generate economic activity in communities throughout BC.

If your entity disposed of a surplus asset during the fiscal year, OCG requires that information to ensure the Ministry records agree to your organization's.

SUBMISSION OF REPORTS

Once completed, submit this report to the appropriate email box:

Crowns - OCG at Summary@gov.bc.ca.

For PSIs, once completed, please upload to AEST Financial Reporting Sharepoint site.

A calendar of due dates is provided to all organizations each year. The calendar can be found at the following link:

<https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/public-sector-management/cabro/information-requirements-calendar.docx>

If you are uncertain as to reporting dates, or have not received a copy of the calendar, please contact OCG.

For OCG to meet the statutory requirements for release of quarterly reports and the Public Accounts, it is important that this report be submitted, as completely and accurately as possible, on or before the due date. If you have experienced unusual circumstances which might result in a **delay in submission** of this report, please contact OCG in advance of the due date.

As the Cover sheet indicates, submission of this report to OCG will be taken as evidence that the senior financial officer of your organization has approved the report.

Prior to submission, please check the Cover tab to ensure that "Yes" is answered to all questions referring to whether the App C is reconciled and balanced. If "No" is answered for any of the questions, you will need to review and revise your data input prior to submission.

Questions? Comments? Suggestions?

Please contact OCG at Summary@gov.bc.ca

EXHIBIT A – Deferred Funds Additional Guidance and Program Examples

Note: This list is not exhaustive and only represents major programs for deferred contributions. Some of the contributions may include both an operating and capital component, therefore, please classify appropriately.

Restricted Contributions from the Federal Government	Examples of Programs:
Build Canada fund for highway and transportation infrastructure:	<ul style="list-style-type: none"> New Building Canada Fund - National Infrastructure New Building Canada Fund - Provincial-Territorial Infrastructure - National and Regional Projects New Building Canada Fund - Provincial-Territorial Infrastructure - Small Communities Fund Building Canada Fund - Major Infrastructure
Infrastructure and economic diversification:	<ul style="list-style-type: none"> Land Management and Economic Development Low Carbon Economy Fund Regional Economic Growth through Innovation Western Economic Diversification Program Energy Efficiency Energy Innovation Program Clean Growth in Natural Resource Sectors Innovation Program Climate Change Adaptation Expanding Market Opportunities Forest Innovation Program Green Construction through Wood Program Industrial Research Assistance Program Canada Economic Infrastructure Sustainable Development Goals Funding
Strategic infrastructure fund investments in post secondary institutions:	<ul style="list-style-type: none"> Digital Research Infrastructure Strategy Institute support grants Networks of Centres of Excellence
Regional services and facilities in the health sector:	<ul style="list-style-type: none"> Health Care Policy and Strategies Program Any other contribution directly related to regional health services or facilities/infrastructure
Restricted contributions from the Federal Government - Other	
Miscellaneous contributions for transportation infrastructure:	<ul style="list-style-type: none"> Road Safety Transfer Payment Electric Vehicle and Alternative Fuel Infrastructure Deployment Investing in Canada Infrastructure Program Public Transit Infrastructure Fund Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund Clean Transportation Program ferry and coastal freight and passenger services
Miscellaneous contributions for post secondary institutions:	<ul style="list-style-type: none"> Generally Operating Funds (for capital see SIF Post Secondary above) Endowments Canada 150 Research Chairs Canada Excellence Research Chairs Canada First Research Excellence Fund New Frontiers in Research Fund research projects and personnel support Research Support Fund Research, Awareness and Learning in Space Science and Technology Vanier Canada Graduate Scholarships Protect Canada's Coastlines and Waterways Ocean and Freshwater Science Contribution Grants and scholarships College and Community Innovation Program Collaborative Science, Technology and Innovation Program Collaborative Science, Technology and Innovation Program Canada Graduate Scholarships
Miscellaneous contributions for all other sectors:	All other restricted federal contributions

EXHIBIT A - Deferred Funds Additional Guidance and Program Examples

Restricted Contributions from Municipal Sources:	Examples of Programs:
Bylaw capital funding for schools	School Districts, Colleges and Universities use only
Municipal transportation infrastructure funding	BC Transit and BC Transportation Financing Authority use only
Regional hospital districts for equipment and facilities	Health Authorities and Hospital Societies use only
Power generation and transmission	Columbia Basin Trust, Columbia Power Corporation and BC Hydro use only
Other	Miscellaneous contributions from municipal sources

Restricted Contributions from Other Sources	Examples of Programs:
	Health endowments and other contributions
	Education endowments
	Operating contributions for the education sector
	Operating contributions for the health sector
	Operating contributions for the other sector
	Miscellaneous contributions/endowments from other sources