



Ministry of Municipal
Affairs

Local Government Infrastructure
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CIRCULAR

Circular No. 24:12

April 2, 2024

To: All Regional District Financial Administrators

Re: Statutory Deadlines for Regional District Submissions to the Ministry

The latest version of Local Government Data Entry Financial (LGDE) is now available for your annual input. Several changes have been made to the 2023 LGDE Financial Forms for this year's reporting, please see Attachment 1 for more information on these changes.

You can access these forms on the Local Government Information System (LGIS) at <https://www.localgovernmentinformationsystem.gov.bc.ca/LGIS>. This site requires you to have an active BCeID for your organization that has been granted access to LGIS. If you do not currently have a BCeID set up with access to LGIS, please contact us for further instruction. Please note Chrome works best with LGDE.

In preparation for the upcoming busy season and to assist you in clarifying the elements and timelines of the statutory requirements, please reference the checklist in Attachment 2 listing deadlines for submissions. Please post the list and share it with others in your regional district that may be responsible for different aspects of the statutory requirements. All current year submissions should be uploaded under the year **2024 Document Submission** including the 2023 Audited Financial Statements and the 2023 SOFI Report.

Lastly, during review of the 2022 Audited Financial Statements, we noted some areas that were not consistent with Public Sector Accounting Standards (PSAS). A list of common issues has been provided in Attachment 3. We encourage all local governments to review the list and consult with your auditor to ensure your government's audited financial statements are consistent with PSAS.

If you have any questions or need any further information, please contact the Ministry at LGDE@gov.bc.ca or call 250 387-4060.

for Joshua Craig, CPA
Director
Local Government Finance

3 Attachments

Attachment 1

Changes to the 2023 LGDE Financial Forms

The Ministry of Municipal Affairs has implemented several changes to the 2023 LGDE Financial forms for both municipalities and regional districts. A detailed listing of changes by schedule is included below. These changes were made to achieve the following objectives:

- Ensure the LGDE forms accommodate changes to Public Sector Accounting Standards.
- Streamline information that was outdated/underutilized and improve data accuracy.
- Help identify the level of diversification of local government investments.
- Enhance clarity surrounding the source of local government indebtedness.

The LGDE Help Manuals have been updated to provide details and instructions on what to include in the newly added fields on the 2023 LGDE Financial Forms. The LGDE Help Manuals can be found at the bottom of this page: <https://www2.gov.bc.ca/gov/content/governments/local-governments/finance/financial-reporting/financial-reporting-forms>.

If you have any questions or need any further information, please contact the Ministry at LGDE@gov.bc.ca or call 250 387-4060.

List of Changes by Schedule

Schedule A2:

- *Cash and Investments* has been broken down into the following new sub-fields:
 - *MFA Pooled Investments*
 - *Securities of the Federal Government/Agencies*
 - *Securities of a Provincial Government/Agencies*
 - *Securities of/Deposits in a Chartered Bank*
 - *Deposits in BC-Based Credit Unions*
 - *Deposits in Credit Unions Based Outside of BC*
 - *Other Cash and Investments* (includes text description box if an amount is entered)
- *Other Financial Investments* field has been removed
- *Asset Retirement Obligation* replaces the archived *Landfill Closure/Post Closure Liability* field
- *Other Non-Financial Assets* is a new field
- *Operating Fund* has been renamed *Operating/Capital Surplus* has the following new sub-fields:
 - *Unappropriated Surplus*
 - *Appropriated Surplus*
 - *Accumulated Remeasurement of Gains/(Losses)*
- *Capital Fund* field has been removed

Schedule A3:

- *Accretion Expense* is a new field added for every Expense category in Section 2

Schedule A4 (Municipalities only):

- *Business Tax* field has been removed
- *Accounts Receivable Transferred to Taxes* is a new field
- *Total Collections* replaces the archived *Taxes Collected* field and will now include penalties and interest collected
- *Penalties Collected* field has been removed
- *Interest Collected* field has been removed

Schedule A5:

- *Other Adjustments* will now have a text box pop up if an amount is entered in this field. Please provide a detailed breakdown of amounts included in this field.

Schedule B1:

- *Long Term Debt Issued by the Local Government* has been renamed *Long Term Debt Not Sourced from MFA* and has the following new sub-fields:
 - o *Debt from Public Private Partnerships*
 - o *Debt from Financial Institutions* (includes text description box if an amount is entered)
 - o *Other Non-MFA Sourced Debt* (includes text description box if an amount is entered)

Schedule B3

- *Approval Free Zone Servicing Capacity Available* is a new field that will be auto calculated

Attachment 2

Financial Data/LGDE (Section 167 of the Community Charter)

Due: Wednesday, May 15, 2024

Requirements:

- 2023 LGDE Financial Form
- 2023 Audited Financial Statements (1 copy)

Financial Information Act/Statement of Financial Information (SOFI) (Section 2 of the Financial Information Act)

Due: Tuesday, July 2, 2024

Requirements (for more information visit: <http://www.fin.gov.bc.ca/ocg/fmb/fia/fia.htm>):

- Checklist:** <https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/public-sector-management/financial-information-act-administration/fia-compliance-checklist.pdf>
 - **Please remember to submit a completed SOFI checklist on the Local Government Information System (LGIS) using Document Submission.**
- 2023 Audited Financial Statements (1 copy)
- Schedule of Employee Remuneration
- Schedule of Board Remuneration
- Schedule of Payments to Suppliers
- Schedule of Severance Agreements
- Approval by Board of Directors
- Management Letter
- Schedule of Guarantee and Indemnity agreements

Please upload submissions on the Local Government Information System (LGIS):
<https://www.localgovernmentinformationsystem.gov.bc.ca/LGIS>

Attachment 3

Issues Noted in 2022 Local Government Audited Financial Statements*

**Please consult with your auditors to ensure the financial statements are following Public Sector Accounting Standards.*

- Classification of financial statement line items should comply with PS 1201:
 - Financial assets should be segregated as per PS 1201.045
 - Liabilities should be segregated as per PS 1201.050
 - Non-financial assets should be segregated as per PS 1201.057
 - Revenues and expenses should be segregated as per PS 1201.078
- The reporting entity should comply with PS 1300:
 - Government Business Enterprises should be reported in accordance with PS 1300.35
 - Trusts under administration should be excluded from the reporting entity in accordance with PS 1300.40-.46. PS 1300.42 - .43 defines what constitutes a trust under administration. A Cemetery Perpetual Care Fund established under the *Cremation, Interment and Funeral Services Act* is a trust under administration. As such, under PS 1300.40 it should not be included in the consolidated financial statements but should receive note disclosure as required by PS 1300.44.
- PS 2500.06 requires that governmental units be consolidated on a line-by-line basis into the consolidated financial statements.
- Portfolio investments should be reported in accordance with PS 3041. Term deposits and pooled investment funds do not constitute portfolio investments within the meaning of PS 3041.
- Segmented information should be disclosed in accordance with PS 2700.26
- Expenses should be separately disclosed by object in accordance with PS 1201.086.
- The gross amount of revenues and expenses should be reported, in accordance with PS 1201.083 – 085. Revenues should not be netted against or reported with expenses on the Statement of Operations. Actuarial adjustment on long term debt and gains on disposal of assets should be reported with revenues, while losses on disposal of assets should be reported with expenses.
- Conceptual Framework 5.30 requires that financial statements be prepared on an accrual basis. Unpaid interest on debt should be accrued. The Statement of Operations should label expenses as expenses, rather than as expenditures. Debt principal payments should not be expensed.
- PS 1201.108 requires that the Statement of Cash Flows include a separate section for Capital Activities.