

Schedule H

**RECONCILIATION OF SURPLUS/(DEFICIT) TO CHANGE IN TAXPAYER-SUPPORTED DEBT
AND STATEMENT OF TOTAL DEBT^{1,2}**
(\$000)

Estimates ³ 2004/05	Actual ³ 2004/05		Estimates 2005/06
TAXPAYER-SUPPORTED DEBT			
(100,000)	(2,575,000)	(Surplus)/Deficit ⁴	(1,300,000)
110,000	149,000	Self-Supported Crown Corporation and Agency Income in Excess of Contributions to the Consolidated Revenue Fund ⁵	299,000
(1,550,000)	(1,547,000)	Adjustment for Expenses Not Requiring Working Capital or Other Borrowing ⁶	(1,667,000)
(180,000)	(49,000)	Change in sinking fund balances	(532,000)
684,000	611,000	Working Capital Changes	(755,000)
<u>(1,036,000)</u>	<u>(3,411,000)</u>	Operating Requirement (Source)	<u>(3,955,000)</u>
1,943,000	2,322,000	Tangible Capital Asset Expenditures (Schedule D1)	3,038,000
<u>1,943,000</u>	<u>2,322,000</u>	Capital Requirement	<u>3,038,000</u>
685,000	(282,000)	Loan, Investment and Other Requirements (Schedule E)	534,000
1,592,000	(1,371,000)	Net Increase/(Decrease) in Taxpayer-Supported Debt	(383,000)
30,523,000	30,028,000	Taxpayer-Supported Debt, Beginning of Year (including guarantees) ⁷	28,657,000
<u>32,115,000</u>	<u>28,657,000</u>	Taxpayer-Supported Debt, End of Year (including guarantees) ⁷	<u>28,274,000</u>
3,345,000	3,523,000	Add: Debt offset by sinking funds	3,171,000
(387,000)	(148,000)	Less: Taxpayer-supported third party guarantees and non-guaranteed debt	(151,000)
<u>35,073,000</u>	<u>32,032,000</u>	Taxpayer-Supported Debt, End of Year, as reported in the Financial Statements ⁷	<u>31,294,000</u>
SELF-SUPPORTED DEBT			
Self-Supported Crown Corporation Debt:			
7,174,000	6,906,000	British Columbia Hydro and Power Authority	7,021,000
—	257,000	Columbia River power projects ⁸	247,000
6,000	6,000	Other Crown Corporation Debt	68,000
<u>7,180,000</u>	<u>7,169,000</u>	Self-Supported Crown Corporation Debt (including guarantees and non-guaranteed debt) ⁷ ..	<u>7,336,000</u>
986,000	993,000	Add: Debt offset by sinking funds	813,000
(6,000)	(273,000)	Less: Debt guarantees and non-guaranteed debt	(268,000)
<u>8,160,000</u>	<u>7,889,000</u>	Self-Supported Debt as reported in the Financial Statements ⁷	<u>7,881,000</u>
100,000		Forecast Allowance	300,000
<u>43,333,000</u>	<u>39,921,000</u>	Total Financial Statement Debt ⁷	<u>39,475,000</u>

¹ Figures have been rounded to the nearest million.

² Further details on debt are provided in Appendix Table A15 in the Budget and Fiscal Plan - 2005/06 to 2007/08.

³ The 2004/05 Estimates and Actual amounts have been restated to conform with the 2005/06 *Estimates* presentation. See Significant Presentation Changes (Note 1) for details.

⁴ For purposes of the debt reconciliation a surplus is shown as a negative amount as it reduces government debt. Conversely, a deficit is shown as a positive amount as it increases government debt.

⁵ Represents the elimination of self-supported Crown corporation/agency income which is included in the Summary Accounts deficit but has not been transferred to the Consolidated Revenue Fund. The excess earnings remain in the Crown corporation/agency and reduce self-supported Crown corporation/agency debt.

⁶ These adjustments include, primarily, the amortization of capital assets and the forecast allowance.

⁷ Generally accepted accounting principles (GAAP) require that debt disclosure includes debt offset by sinking funds (with the related sinking funds shown as assets) and excludes guarantees (which are disclosed separately in the notes to the financial statements). For rating agency and debt statistics purposes, the province reports its debt net of sinking funds, but includes debt guarantees and non-guaranteed debt of the commercial Crown corporations.

⁸ Columbia Basin Trust's planned acquisition of Columbia Power Corporation had not occurred by the end of 2004/05, therefore in the 2004/05 *Public Accounts* the debt related to the Columbia River power projects remained being classified as commercial. The 2005/06 *Estimates* follow the Public Accounts treatment.