

# Revenue Division

## Revenue Solutions Branch

### Fast Facts

#### Student Loan Statistics (in \$M's)

The financial information presented includes all significant program related costs except administrative costs. Loans presented include loans provided to students directly by government. Prior to 2001, loans were provided to students via financial institutions.

Accounts receivable categories (Includes: Principal and Interest)	As at 03/31/18	As at 03/31/17
In study or in grace period	\$416	\$418
In repayment	\$686	\$675
In default	<u>\$162</u>	<u>\$169</u>
Gross receivables	<b>1,264</b>	<b>\$1,262</b>
Less: Allowance for Doubtful Accounts (Note1)	<u>(\$296)</u>	<u>(\$324)</u>
<b>Total net receivables</b>	<b>\$968</b>	<b>\$938</b>

	Year ended 03/31/18	Year ended 03/31/17
Interest income (Note 2)	<u>\$26.0</u>	<u>\$34.6</u>
<b>Total revenues</b>	<b>\$26.0</b>	<b>\$34.6</b>
Expenses		
Bad Debt Expense (Note 3)	-	\$24.0
Prior year over-accrual (Note 3)	(\$2.0)	-

**Note 1:** Each year the Office of the Chief Actuary of Canada estimates the Allowance for Doubtful Accounts based on the value of loans (principal and interest) that will become uncollectable and written-off and the value of loans (principal only) that will be paid by the provincial government under the Repayment Assistance Plan.

The Allowance for Doubtful Accounts decreased by \$28 million from \$324 million as at March 31, 2017 to \$296 million as at March 31, 2018 due to the following: Half of this reduction is attributed to lower than expected defaults in the current fiscal year as more students enter the Repayment Assistance Plan rather than defaulting on their loans; The other half of this reduction is attributed to higher recoveries as a larger portion of total

payments made by borrowers in default will now apply to the principal balance since the student loan interest rate is now lower (see Note 2).

**Note 2:** Effective August 1, 2017 the province reduced the interest charged on student loans from prime+2.5% to the prime rate only and eliminated the fixed rate option. The interest income accrued from April 1<sup>st</sup> 2017 to July 31<sup>st</sup> 2017 is based on the old interest rate of prime+2.5% and the interest income accrued from August 1<sup>st</sup> 2017 to March 31<sup>st</sup> 2018 is based on the reduced interest rate of prime only. The prime rate is variable. As at March 31 2018 the prime rate was 3.45%.

**Note 3:** The annual bad debt expense is equal to the difference between the estimated Allowance for Doubtful Accounts (AFDA) at the end of a year and the previous year's Allowance for Doubtful Accounts estimate net of write-offs occurred during the year. For fiscal 17/18 the amounts are as follows: AFDA ending of \$296 million less AFDA prior year reported of \$324 million net of annual write-off of \$26 million equals bad debt expense of nil and Prior year over-accrual of (\$2) million.

## Notes to Consolidated Summary Financial Statements for the Fiscal Year Ended March 31, 2018—Continued

### 8. Loans, Advances and Mortgages Receivable

	In Millions	
	2018	2017
	\$	\$
<b>Loans and Advances</b>		
BC student loans.....	1,245	1,242
Land tax deferment loans.....	974	828
Construction loans to social housing projects.....	241	277
Miscellaneous.....	106	92
	2,566	2,439
Provision for doubtful accounts.....	(302)	(329)
	2,264	2,110
<b>Mortgages Receivable</b>		
Reconstruction Program.....	29	31
Provision for doubtful accounts.....	(1)	(1)
	28	30
	2,292	2,140

The BC Student Loan Program provides loans to borrowers for post-secondary education. Effective August 1, 2017 the province reduced the interest charged on all provincial student loans to prime. Amortization of the loans is usually set at 114 months, 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.

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.

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.

Miscellaneous loans include commercial loans of \$36 million (2017: \$38 million) issued by Columbia Basin Trust bearing interest of 3.85% to 7.50% maturing by 2034, and loans of \$22 million (2017: \$23 million) issued by University of Victoria to subsidiary government business enterprises bearing interest of 5.13% to 8.45% maturing by 2030.

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.

**Consolidated Revenue Fund**  
**Schedule of Other Financing Transactions by Ministry**  
**for the Fiscal Year Ended March 31, 2018**  
(In Thousands—Unaudited)

	Estimated	Other Authoriz- ations	Total Approp- iation	Actual	Variance Actual to Approp- iation
	\$	\$	\$	\$	\$
<b>Loans, Investments and Other Requirements</b>					
All Ministries					
Goods and Services Tax Paid.....		183,650	183,650	183,650	
Ministry of Attorney General					
Interest on Trusts and Deposits.....	2,900		2,900		(2,900)
Ministry of Citizens' Services					
Release of Assets for Economic Generation.....	4,500		4,500	2,500	(2,000)
Ministry of Environment and Climate Change Strategy					
Greenhouse Gas Emissions Offsets.....	10,000		10,000	10,000	
Ministry of Finance					
International Fuel Tax Agreement <i>Motor Fuel</i>					
Tax Act.....	3,000	155	3,155	3,155	
Land Tax Deferment Act.....	132,000	76,808	208,808	208,808	
Local Government Act.....	2,000		2,000	385	(1,615)
Reconstruction Loan Portfolio.....	20		20		(20)
StudentAid BC Loan Program.....	224,000		224,000	195,839	(28,161)
Ministry of Forests, Lands, Natural Resource Operations and Rural Development					
BC Timber Sales Account Special Account.....	94,876		94,876	86,342	(8,534)
Crown Land Administration.....	6,382		6,382	718	(5,664)
Tourism Development.....	600		600	183	(417)
	<u>480,278</u>	<u>260,613</u>	<u>740,891</u>	<u>691,580</u>	<u>(49,311)</u>
 <b>Revenue Collected for and Transferred to Crown Corporations, Agencies and Other Entities</b>					
Ministry of Advanced Education, Skills and Training					
Post-secondary Institutions.....	128,031		128,031	93,065	(34,966)
Ministry of Energy, Mines and Petroleum Resources					
Oil and Gas Commission.....	35,226	1,316	36,542	36,542	
Ministry of Finance					
British Columbia Transit.....	12,000	597	12,597	12,597	
BC Transportation Financing Authority.....	467,000	2,258	469,258	469,258	
Cowichan Tribes.....	3,000	82	3,082	3,082	
Municipalities or Eligible Entities.....	56,000	8,718	64,718	64,718	
Rural Areas.....	352,000	3,038	355,038	355,038	
South Coast British Columbia Transportation Authority.....	386,000		386,000	362,242	(23,758)
Ministry of Forests, Lands, Natural Resource Operations and Rural Development					
Habitat Conservation Trust.....	6,500		6,500	6,397	(103)
<b>Total.....</b>	<u>1,445,757</u>	<u>16,009</u>	<u>1,461,766</u>	<u>1,402,939</u>	<u>(58,827)</u>

Government Transfers – Continued

	Ministry \$	Total \$		Ministry \$	Total \$
B C SENIORS GAMES SOCIETY-ZONE 8		38,000	B.C. ASSOCIATION OF FAMILY RESOURCE PROGRAMS		120,050
Finance	38,000		Attorney General	15,500	
B C SHELLFISH GROWERS ASSOCIATION-IAS COMMITTEE		105,000	Children & Family Development	78,550	
Agriculture	105,000		Finance	26,000	
B C SPECIAL OLYMPICS-ABBOTSFORD		28,500	B.C. FAMILY HEARING RESOURCE SOCIETY		2,096,808
Finance	28,500		Attorney General	93,500	
B C SPECIAL OLYMPICS-BURNABY		140,625	Children & Family Development	2,003,308	
Attorney General	140,625		B.C. FEDERATION OF FOSTER PARENT ASSOCIATIONS		703,975
B C SPECIAL OLYMPICS-SURREY		28,000	Children & Family Development	703,975	
Finance	28,000		B.C. FOOD PROCESSORS ASSOCIATION		125,636
B C STUDENT LOANS		109,834	Agriculture	125,636	
Adv Education, Skills & Train	40,710		B.C. FREEDOM OF INFORMATION AND PRIVACY ASSOCIATION		62,496
Finance	69,124		Officers of the Legislature	2,496	
B C TRANSIT		163,133,718	Attorney General	60,000	
Children & Family Development	241,323		B.C. HORSE RACING ADMINISTRATION LTD.		2,330,412
Public Safety & Solicitor General	14,155		Attorney General	1,239,302	
Social Dev & Poverty Reduction	8,861,108		Finance	1,091,110	
Transportation & Infrastructure	154,017,132		B.C. HOSPICE/PALLIATIVE CARE ASSOCIATION		120,500
B C TREATY COMMISSION		4,017,946	Attorney General	120,500	
Indigenous Relations & Rec	4,017,946		B.C. INVESTMENT AGRICULTURE FOUNDATION		8,698,610
B C TURKEY MARKETING BOARD		52,723	Agriculture	8,698,610	
Agriculture	52,723		B.C. KHALSA DARBAR SOCIETY		25,000
B C YOUTH SOCCER ASSOCIATION		261,625	Attorney General	25,000	
Finance	261,625		B.C. LUPUS SOCIETY		50,000
B&K CHILDCARE INC.		76,082	Attorney General	50,000	
Children & Family Development	76,082		B.C. MEDEQUIP HOME HEALTH CARE LTD.		79,104
B. C. ABORIGINAL CHILD CARE SOCIETY		635,796	Children & Family Development	690	
Children & Family Development	635,796		Social Dev & Poverty Reduction	78,414	
B.C. 4-H PROVINCIAL COUNCIL		91,180	B.C. PAVILION CORPORATION		4,599,500
Agriculture	91,180		Tourism, Arts & Culture	4,599,500	
B.C. ABORIGINAL NETWORK ON DISABILITY SOCIETY		144,000	B.C. PRINCIPALS' & VICE-PRINCIPALS' ASSOCIATION		195,500
Social Dev & Poverty Reduction	144,000		Education	195,500	
B.C. AGRICULTURAL RESEARCH & DEVELOPMENT CORPORATION		3,149,315	B.C. RINGETTE ASSOCIATION		49,900
Agriculture	3,149,315		Finance	49,900	
B.C. AMATEUR BASEBALL ASSOCIATION		209,875	B.C. SENIORS GAMES SOCIETY		270,700
Finance	209,875		Finance	142,200	
B.C. ASSOCIATION OF ABORIGINAL FRIENDSHIP CENTRES		5,149,446	Municipal Affairs & Housing	128,500	
Adv Education, Skills & Train	26,634		B.C. WATER & WASTE ASSOCIATION		305,500
Attorney General	250,000		Health	250,000	
Children & Family Development	370,116		Jobs, Trade & Tech	40,500	
Health	961,250		Municipal Affairs & Housing	15,000	
Indigenous Relations & Rec	1,896,200		B.C. WOOD SPECIALTIES GROUP ASSOCIATION		42,980
Jobs, Trade & Tech	245,246		Jobs, Trade & Tech	42,980	
Municipal Affairs & Housing	900,000				
Tourism, Arts & Culture	500,000				

**Consolidated Revenue Fund**  
**Schedule of Other Financing Transactions by Ministry**  
**for the Fiscal Year Ended March 31, 2017**  
**(In Thousands—Unaudited)**

	Estimated	Other Authoriz- ations	Total Approp- iation	Actual	Variance Actual to Approp- iation
	\$	\$	\$	\$	\$
<b>Loans, Investments and Other Requirements</b>					
All Ministries					
Goods and Services Tax Paid.....		181,039	181,039	181,039	
Ministry of Environment					
Greenhouse Gas Emissions Offsets.....	13,000		13,000	13,000	
Ministry of Finance					
International Fuel Tax Agreement <i>Motor Fuel</i>					
<i>Tax Act</i> .....	2,650	554	3,204	3,204	
<i>Land Tax Deferment Act</i> .....	132,000	27,406	159,406	159,406	
Reconstruction Loan Portfolio.....	75		75		(75)
StudentAid BC Loan Program.....	230,000		230,000	186,663	(43,337)
Ministry of Forests, Lands and Natural Resource Operations					
BC Timber Sales Account Special Account.....	87,582	3,256	90,838	90,838	
Crown Land Administration.....	6,382		6,382	427	(5,955)
Tourism Development.....	600		600	375	(225)
Ministry of Justice					
Interest on Trusts and Deposits.....	2,900		2,900		(2,900)
Ministry of Technology, Innovation and Citizens' Services					
Release of Assets for Economic Generation.....	4,500		4,500	2,520	(1,980)
	<u>479,689</u>	<u>212,255</u>	<u>691,944</u>	<u>637,472</u>	<u>(54,472)</u>
<b>Revenue Collected for and Transferred to     Crown Corporations, Agencies and Other     Entities</b>					
Ministry of Finance					
British Columbia Transit.....	12,000	307	12,307	12,307	
BC Transportation Financing Authority.....	430,000	32,403	462,403	462,403	
Cowichan Tribes.....	3,000		3,000	2,988	(12)
Municipalities or Eligible Entities.....	41,000	12,927	53,927	53,927	
Rural Areas.....	338,000	4,725	342,725	342,725	
South Coast British Columbia Transportation Authority.....	356,000	28,770	384,770	384,770	
Ministry of Forests, Lands and Natural Resource Operations					
Habitat Conservation Trust.....	6,380	206	6,586	6,586	
Ministry of Natural Gas Development					
Oil and Gas Commission.....	32,617	2,954	35,571	35,571	
<b>Total.....</b>	<u>1,218,997</u>	<u>82,292</u>	<u>1,301,289</u>	<u>1,301,277</u>	<u>(12)</u>

## Government Transfers – Continued

	Ministry \$	Total \$		Ministry \$	Total \$
B C LIONS ALUMNI ASSOCIATION FOUNDATION		175,000	B.C. ASSOCIATION OF ABORIGINAL FRIENDSHIP CENTRES		6,926,125
Finance	175,000		Aboriginal Rel & Reconciliation	3,053,200	
B C ORIGINAL MINDS ASSOCIATION		200,000	Children & Family Development	757,825	
Finance	200,000		Community, Sport & Cultural Dev	859,830	
B C PLACE STADIUM		2,274,750	Finance	750,000	
Transportation & Infrastructure	2,274,750		Health	880,000	
B C POULTRY ASSOCIATION		44,950	Jobs, Tourism & Skills Training	620,270	
Agriculture	44,950		Social Dev & Social Innovation	5,000	
B C SENIORS GAMES SOCIETY-ZONE 1		45,000	B.C. ASSOCIATION OF FAMILY RESOURCE PROGRAMS		210,678
Finance	45,000		Children & Family Development	121,678	
B C SENIORS GAMES SOCIETY-ZONE 8		45,000	Finance	89,000	
Finance	45,000		B.C. CARE PROVIDERS ASSOCIATION		10,000,000
B C SPECIAL OLYMPICS-ABBOTSFORD		38,000	Health	10,000,000	
Finance	38,000		B.C. CHINESE MUSIC ASSOCIATION		30,000
B C SPECIAL OLYMPICS-BURNABY		187,500	Community, Sport & Cultural Dev	16,000	
Finance	187,500		Finance	14,000	
B C SPECIAL OLYMPICS-SURREY		28,000	B.C. FAMILY HEARING RESOURCE SOCIETY		2,042,013
Finance	28,000		Children & Family Development	1,957,013	
B C STUDENT LOANS		135,319	Finance	85,000	
Advanced Education	38,021		B.C. FEDERATION OF FOSTER PARENT ASSOCIATIONS		909,646
Finance	97,298		Children & Family Development	909,646	
B C TRANSIT		116,887,686	B.C. FOOD PROCESSORS ASSOCIATION		69,128
Children & Family Development	210,363		Agriculture	69,128	
Social Dev & Social Innovation	9,259,906		B.C. FREEDOM OF INFORMATION AND PRIVACY ASSOCIATION		56,703
Transportation & Infrastructure	107,417,417		Officers of the Legislature	1,703	
B C TREATY COMMISSION		4,018,140	Finance	55,000	
Aboriginal Rel & Reconciliation	4,018,140		B.C. HORSE RACING ADMINISTRATION LTD.		2,320,515
B C WOMEN'S HOSPITAL & HEALTH CENTRE		47,412	Finance	2,320,515	
Public Safety & Solicitor General	47,412		B.C. HOSPICE/PALLIATIVE CARE ASSOCIATION		140,000
B C YOUTH SOCCER ASSOCIATION		250,000	Finance	140,000	
Finance	250,000		B.C. INVESTMENT AGRICULTURE FOUNDATION		5,671,940
B&K CHILDCARE INC.		73,213	Agriculture	5,671,940	
Children & Family Development	73,213		B.C. KHALSA DARBAR SOCIETY		25,000
B. C. ABORIGINAL CHILD CARE SOCIETY		352,266	Finance	25,000	
Children & Family Development	352,266		B.C. LIONS FOOTBALL CLUB INC.		115,000
B. C. TRAPPERS ASSOCIATION		25,000	Community, Sport & Cultural Dev	115,000	
Forests, Lands and Nat Res Op	25,000		B.C. LUPUS SOCIETY		50,000
B.C. 4-H PROVINCIAL COUNCIL		87,000	Finance	50,000	
Agriculture	87,000		B.C. MEDEQUIP HOME HEALTH CARE LTD.		66,432
B.C. AGRICULTURAL RESEARCH & DEVELOPMENT CORPORATION		2,251,494	Children & Family Development	450	
Agriculture	2,251,494		Public Safety & Solicitor General	1,851	
B.C. AMATEUR BASEBALL ASSOCIATION		203,000	Social Dev & Social Innovation	64,131	
Finance	203,000				
B.C. ARTSCAPE SOCIETY		25,000			
Community, Sport & Cultural Dev	25,000				