

EXPLANATORY NOTES ON ACCOUNT CLASSIFICATIONS

OPERATING EXPENSES

Consolidated Revenue Fund operating expenses are presented in the Estimates and the *Supplement to the Estimates* on the basis of a group account classification system. Each group account represents a broad category of expenses and is comprised of several specific components termed standard objects of expense. These specific components are presented in the *Supplement to the Estimates*, and are then aggregated into the group account classification totals shown in the Estimates. This group account classification system is described below.

SALARIES AND BENEFITS

- 50 *Base Salaries* – includes the cost of the base salaries, overtime pay and lump sum payments for all permanent and temporary direct employees of the government.
- 51 *Supplementary Salary Costs* – includes the cost of extra pay for certain types of work such as shift differentials, premiums and allowances.
- 52 *Employee Benefits* – includes the cost of employer contributions to employee benefit plans and pensions. Other benefits paid by the employer such as relocation and transfer expenses are also included.
- 54 *Legislative Salaries and Indemnities* – includes the cost of the annual M.L.A. indemnity and supplementary salaries as authorized under Section 4 of the *Legislative Assembly Allowances and Pension Act*. Salaries for the Officers of the Legislature are also included.

OPERATING COSTS

- 55 *Boards, Commissions and Courts – Fees and Expenses* – includes fees paid to board and commission members, juries and witnesses, and related travel and out-of-pocket expenses.
- 57 *Public Servant Travel* – includes travel expenses of government employees and officials on government business including prescribed allowances.
- 59 *Centralized Management Support Services* – includes central agency charges to ministries for services such as human resources, legal services, internal audit, payroll, corporate accounting system, procurement services, and common information technology services.
- 60 *Professional Services* – includes fees and expenses for professional services rendered directly to government for the provision of goods and services in the delivery of government programs, the provision of goods or services that are required by statute or legislation and are billed directly to the government, and the provision of goods or services that will assist in the development of policy and/or programs or improve/change the delivery of programs, such as management consulting services.
- 63 *Information Systems – Operating* – includes all contract fees and costs related to data, voice, image and text processing operations and services such as data and word processing, data communications charges, supplies, repairs, maintenance and short-term rentals of information processing equipment.
- 65 *Office and Business Expenses* – includes supplies and services required for the operation of offices.
- 67 *Informational Advertising and Publications* – includes costs associated with non-statutory advertising and general publications.
- 68 *Statutory Advertising and Publications* – includes costs associated with special notices and publications required by statute and regulations.
- 69 *Utilities, Materials, and Supplies* – includes the cost of services such as the supply of water and electricity, materials and supplies required for normal operation of government services and food for institutions.
- 70 *Operating Equipment and Vehicles* – includes the costs associated with the repair and maintenance of government vehicles, and operating machinery and equipment.
- 72 *Non-Capital Roads and Bridges* – includes highway costs recovered from the BC Transportation Financing Authority, costs for minor enhancements to capitalized infrastructure, as well as non-highway road costs.
- 73 *Amortization* – includes the amortization of the cost of capital assets and prepaid capital advances over their useful lives.
- 75 *Building Occupancy Charges* – includes payments to the British Columbia Buildings Corporation or the private sector, for the rental and/or maintenance of buildings and office accommodation, including tenant improvements that do not meet the criteria for capitalization.

EXPLANATORY NOTES ON ACCOUNT CLASSIFICATIONS — *Continued*

GOVERNMENT TRANSFERS

- 77 *Transfers – Grants* – includes discretionary grants to individuals, businesses, non-profit associations and others, where there are no contractual requirements.
- 79 *Transfers – Entitlements* – includes non-discretionary payments to individuals, businesses or other entities, where eligible recipients must be paid under statute, formula or regulation, and where there are no ongoing contractual requirements.
- 80 *Transfers – Agreements* – includes payments and reimbursements under contract, formal agreement, or shared cost agreement to individuals, businesses, or other entities for purposes specified in an agreement.

OTHER EXPENSES

- 81 *Transfers Between Votes and Special Accounts* – includes transfers (payments) between a vote and a special account.
- 83 *Interest on the Public Debt* – includes only interest payments on the direct provincial debt borrowed for government purposes.
- 85 *Other Expenses* – includes expenses such as financing costs and valuation allowances and other expenses which cannot be reasonably allocated to another standard object of expense.

INTERNAL RECOVERIES

- 86 *Recoveries Between Votes and Special Accounts* – includes recoveries between a vote and a special account.
- 88 *Recoveries Within the Consolidated Revenue Fund* – includes recoveries for the use of equipment or the provision of goods and services between ministries of the provincial government.

EXTERNAL RECOVERIES

- 89 *Recoveries Within the Government Reporting Entity* – includes costs and amounts recovered from government corporations, organizations and agencies, the offset for commissions paid for the collection of government revenues and accounts, and the write-off of uncollectible revenue related accounts.
- 90 *Recoveries External to the Government Reporting Entity* – includes costs and amounts recovered from other governments and non-government organizations.

CAPITAL EXPENDITURES

Consolidated Revenue Fund capital expenditures are presented on the basis of the category of asset acquired. The categorization of assets is described below.

Land	<i>Land</i> – includes the purchased or acquired value for parks and other recreation land and land directly associated with capitalized infrastructure (buildings, ferries and bridges) but does not include land held for resale.
LI	<i>Land Improvements</i> – includes the capital cost of improvements to dams and water management systems and recreation areas.
Bldg	<i>Buildings</i> – includes the purchase, construction or major improvement of buildings owned by the Consolidated Revenue Fund.
SpE	<i>Specialized Equipment</i> – includes the purchase or capital lease cost of heavy equipment such as tractors, trailers and ambulances, as well as telecommunications relay towers and switching equipment.
FE	<i>Office Furniture and Equipment</i> – includes the cost or capital lease cost of office furniture and equipment.
Veh	<i>Vehicles</i> – includes the purchase or capital lease cost of passenger, light truck and utility vehicles.
Info	<i>Information Systems</i> – includes the purchase or capital lease cost of mainframe and other systems hardware, software and related equipment.
TI	<i>Tenant Improvements</i> – includes the cost or capital lease cost of improvements to leased space.
Roads	<i>Roads</i> – includes the capital costs for construction or major improvements of roads, highways, bridges and ferries.
Other	<i>Other</i> – includes capital expenditures which cannot be reasonably allocated to another standard object of expense.