

6. Statement of Estimates Requirements

6.1 Statement of Estimates

In addition to submitting financial statement information, the Statement of Estimates form is required to be submitted by municipalities pursuant to Section 451(1) of the *Municipal Government Act*.

Appendix C contains a template for the Statements of Estimates. This form is to be used to calculate the standard expenditures as defined in Section 12 (1) of the *Municipal Grants Act*, and to calculate the estimated requirements of the municipality as defined in Section 72 of the *Municipal Government Act*. The completed Statement of Estimates must be submitted by each municipality by September 1.

6.2 Definition of Standard Expenditures and the Change in Accounting Policy

Standard expenditures means the average estimated operating costs of providing a standard or core set of services. The Department and municipalities are in agreement that the calculation of the standard expenditures should not change merely due to a change in accounting policy.

Schedule G of the Statement of Estimates form has been designed so that the information to be used for calculating standard expenditures for purposes of the *Municipal Grants Act* will be the same information that would have been used previously. The figures for calculating the standard expenditures calculation will appear in Column C of Schedule G of the Statement of Estimates.

Therefore, for purposes of the *Municipal Grants Act* standard expenditures calculation, the following information must be provided and the following definitions apply:

“police protection” means the information required to be included in Line 1022210 Police Protection and Line 1022998 Transitional Expenditures related to Protective Services, both in Schedule G of Appendix C;

“fire protection” means the information required to be included in Line 1022400 Fire Protection in Schedule G of Appendix C;

“transportation services, excluding public transit and operating grants from the Department of Transportation and Public Works” means the information required to be included in Line 1023999 Other Transportation Services and Line 1023998 Transitional Expenditures related to Transportation Services, both in Schedule G of Appendix C; and

“environmental services” means the information required to be included in Line 1024331 Transfer to the Capital Reserve for Solid Waste Landfill Closure/Post-Closure Costs, Line 1024332 Other Current Expenditure for Solid Waste Landfill Costs, Line 1024999 Other Environmental Health Services and Line 1024998 Transitional Expenditures related to Environmental Health Services, both in Schedule G of Appendix C.

6.3 Format of the Statement of Estimates

The Statement of Estimates template is available for completion in Excel or Lotus spreadsheet format, or it can be printed and completed manually.

If completing the reporting templates in Excel or Lotus spreadsheet format, *only those cells that are highlighted should be completed*. All other cells are automatically calculated.

In addition to submitting the electronic version of the Statement of Estimates, municipalities will be required to submit a printed version of the first page of the Statement of Estimates, which is certified by the Treasurer to indicate that the Statement of Estimates has been completed in accordance with this manual and is consistent with the budget approved by council.

In Schedules E, F and G of the Statements of Estimates, there are 3 columns:

- Column A is used to report the full approved budget for the general operating fund of the municipality. The totals in this column should reconcile to the approved budget for the municipality.
- Column B is used to report the information used to calculate tax rates. The template has been designed to “bring forward” information from the budget that is included in the calculation of tax rates and/or (for Schedule G only) to allow the municipality to enter this information directly.
- Column C is used to report the information used to calculate standard expenditures. The template has been designed to “bring forward” information from the budget that is included in the calculation of standard expenditures.

While every effort has been made to ensure the accuracy of the Statement of Estimates templates, the municipality maintains sole responsibility for the accuracy of the contents of the Statement of Estimates as prepared and submitted to the Minister.

6.4 Directions for Completing the Statement of Estimates

The following sections provide guidance on the completion of the various schedules in the Statement of Estimates. Specific guidance on the amounts to be included in specific lines on the Statement of Estimates can be found in the Line Item Dictionary for Reporting to SNSMR in Appendix A of this manual.

6.4.1 Certification

The Statement of Estimates form must be certified by the Treasurer of the Municipality as having been prepared in accordance with this regulation and as being consistent with the budget approved by council.

6.4.2 Schedule A – Calculation of Tax Rates

Schedule A should be used to calculate and report tax rates as provided in Section 72 of the *Municipal Government Act*. The only cells required to be completed on Schedule A are:

- Commercial tax rate
- Residential tax rate

6.4.3 Schedule B – Assessment Roll Summary

Schedule B should be used to report select assessment information.

Column A should be used to report the amounts reported on the Assessment Roll Summary attached to the Certified Roll.

Column B should be used to report Section 84 changes, known appeal court changes, etc.

Column C should be used to report properties subject to special tax agreements or legislation (which is automatically linked from Schedule C).

Column D should be used to report any allowances or losses arising on appeal.

Column E is a subtotal of Columns A to D and is automatically calculated.

Column F should be used to report properties whose tax or grant varies with the tax rates (which is automatically linked from Schedule D).

Column G is a total of Columns E and F, and is automatically calculated.

6.4.4 Schedule C – Properties Subject to Special Tax Agreements or Legislation

Schedule C should be used to report properties subject to special tax agreements or legislation and should include any properties whose *taxes are reduced by special tax agreements or legislation*.

The assessed value shown on the roll should be shown in Column C. Any fixed payment made pursuant to the agreements, except full taxes, should be shown in Column E. (If any part of the property is subject to taxation at the regular tax rate, the relevant assessed value should be shown on Schedule D, in addition to showing the full-assessed value on Schedule C.)

6.4.5 Schedule D – Properties Whose Tax or Grant Varies with Tax Rate

Schedule D should be used to report the following:

- i) all Provincial Properties, Property of Supported Institutions and Provincially Occupied Federal Property in respect of which taxes or grants in lieu of taxes are paid equal to the full tax rate times the full assessed value or a fixed assessed value;
- ii) for properties that are subject to special tax agreements or legislation, any portion of the property that is subject to taxation at the full tax rate;
- iii) properties for which Federal grants in lieu of taxes and some tax concessions are granted, which are based on a fixed value that differs from the assessed value times full tax rate.

In completing Schedule D, use only the assessed value to which the full tax rate applies (with the exception of iii, above). If the property is shown on the tax rolls as taxable at the full assessed value, but the tax rate applies only to a lesser value, show the lesser value on Schedule D. [The full assessed value should be shown on Column C of Schedule C, with any payment made pursuant to the agreement (other than full taxes shown on Schedule D) entered in Column E of Schedule C.]

6.4.6 Schedule E – Non-Consolidated General Operating Fund Estimates

Schedule E should be used to calculate and report the estimates related to calculating tax rates and standard expenditures. Schedule E is intended to accumulate estimates of revenues, expenditures and changes to the general operating fund balance prepared by the municipality, as they would appear on the non-consolidated general operating fund statement.

- Column A is used to report the full approved budget for the general operating fund of the municipality. The totals in this column should reconcile to the approved budget for the municipality.
- Column B is used to report the information used to calculate tax rates. The template has been designed to “bring forward” information from the budget that is included in the calculation of tax rates and/or to allow the municipality to enter this information directly.
- Column C is used to report the information used to calculate standard expenditures. The template has been designed to “bring forward” information from the budget that is included in the calculation of standard expenditures.

6.4.7 Schedule F - Non-Consolidated General Operating Fund Revenues

Schedule F is intended to accumulate estimates of revenues prepared by the municipality, as they would appear on the non-consolidated general operating fund statement.

- Column A is used to report the full approved budget for the general operating fund of the municipality. The totals in this column should reconcile to the approved budget for the municipality.
- Column B is used to report the information used to calculate tax rates. The template has been designed to “bring forward” information from the budget that is included in the calculation of tax rates and/or to allow the municipality to enter this information directly.
- Column C is used to report the information used to calculate standard expenditures. The template has been designed to “bring forward” information from the budget that is included in the calculation of standard expenditures.

6.4.8 Schedule G - Non-Consolidated General Operating Fund Expenditures

Schedule G is intended to accumulate estimates of expenditures prepared by the municipality as they would appear on the non-consolidated general operating fund statement and any additional information required to calculate the municipality's estimated requirements or standard expenditures.

- Column A is used to report the full approved budget for the general operating fund of the municipality. The totals in this column should reconcile to the approved budget for the municipality.
- Column B is used to report the information used to calculate tax rates. The template has been designed to “bring forward” information from the budget that is included in the calculation of tax rates and/or to allow the municipality to enter this information directly.
- Column C is used to report the information used to calculate standard expenditures. The template has been designed to “bring forward” information from the budget that is included in the calculation of standard expenditures.

6.4.9 Schedule H – Transitional Schedule for Accounting Policy Changes

Schedule H should be used to record and calculate the transitional provisions permitted by Service Nova Scotia for the purposes of calculating the municipality's estimated requirements for the purposes of calculating taxes. These transitional provisions apply specifically to:

- post-employment benefit accrual;
- retirement benefit accrual;
- pension valuation accrual; and
- landfill closure and post-closure costs.

If the municipality elects to recognize the costs related to these accruals over a period of no more than five years ending March 31, 2012, Schedule H should be used to record:

- the original amount of the accrual and the year in which the accrual was recognized;
- the allocation to each functional area of the amount to be recognized in the current year's estimated requirements;
- the amount of the total accrual that has been included in the prior year's estimated requirements; and
- the amount of the total accrual that is to be funded in future years.