

## INTRODUCTION TO THE ESTIMATES

The Estimates for each fiscal year is presented to the Legislative Assembly by the Minister of Finance.

The 2005/06 *Estimates* is presented on a consolidated basis, which combines the Consolidated Revenue Fund, Crown corporations and agencies, the SUCH sector (school districts, post-secondary institutes, regional health authorities and hospital societies) and Children and Family Development regional authorities. The Estimates provide pro forma statements of financial position and operations, and schedules of non-operating financial requirements (financing transactions) of the government entity for the coming fiscal year. The Estimates also include budget information and actual results for the 2004/05 fiscal year for comparative purposes.

In addition to disclosing the pro forma financial statements and financing transactions of government, the Estimates form the basis for annual Consolidated Revenue Fund appropriations approved by the Legislative Assembly. All expenditures from the Consolidated Revenue Fund must be authorized by an appropriation, either through a *Supply Act* or through a specific provision in another statute. The General Fund is the main operating account of government and includes a number of Special Accounts that provide statutory authority for specific expenditures.

The Votes detailed in the Estimates, and reflected in the *Supply Act*, provide the framework for legislative control of government spending, since funds can only be expended for purposes stated in the Estimates. Expenses cannot exceed individual vote totals without additional legislative authority. The Vote details in Estimates include breakdowns by sub-votes and group account classification.

Voted and Special Account expenses are detailed by standard object of expense in the *Supplement to the Estimates*. This more detailed presentation provides additional information and establishes a framework for administrative control by Treasury Board. The *Supplement to the Estimates* can be found on the Government of British Columbia's Budget web site at <http://www.gov.bc.ca/bcbudget>.

The 2005/06 *Estimates* is comprised of three separate sections.

1. **Summary Information** — this section of the Estimates provides an overview of the government's financial plan for the 2005/06 fiscal year and also presents an outline of the accounting policies on which the Estimates have been prepared and significant presentation changes in the Estimates from the previous year.
2. **Estimates of Special Offices, Ministries and Other Appropriations** — this section presents detailed information on Consolidated Revenue Fund operating expense, capital and other financing transactions. The Legislative Assembly will be asked to approve Consolidated Revenue Fund expenses through a *Supply Act* based on the detailed information provided in this section. The *Supply Act* will provide the legislative authority for voted appropriations and financial requirements. Expenses from Special Accounts are disclosed in the Estimates, however they are not included in *Supply Act* totals as these accounts have existing statutory authority.

Each special office and ministry is presented on a similar basis.

1. **Summary** — summarizes total voted and statutory (Special Account) expense, capital and other financing transactions that are the responsibility of the special office or ministry. Also included is the estimated fulltime equivalent (FTE) employment for the fiscal year.
  2. **Core Business Summary** — discloses operating expense, capital and other financing transactions by core business on both the gross (before deducting external recoveries) and net (after deducting external recoveries) basis. A core business includes programs and/or functions grouped together based on common roles and/or purposes. Where core businesses are not required (Special Offices and Other Appropriations), the voted and statutory (Special Account) expense and capital expenditures are disclosed by vote.
  3. **Operating Expense by Core Business** — includes a description of the purpose for each vote and operating expense details by voted and statutory appropriations. Where core businesses are not required (Special Offices and Other Appropriations), the operating expense, capital expenditures and FTE employment are disclosed by vote.
  4. **Special Accounts** — discloses revenue, expense, capital, other financing transactions and projected spending authority available for all special accounts.
  5. **Financing Transactions** — discloses financing transactions that are the responsibility of the special office or ministry.
3. **Schedules** — this section of the Estimates consists of supporting schedules that include the following: a detailed Consolidated Revenue Fund operating expense, capital expenditure and FTE reconciliation to restate the 2004/05 Estimates to be consistent with the 2005/06 *Estimates* presentation; summaries of operating and financial requirements and opening and closing balances for all Special Accounts; summaries of major ministry, taxpayer-supported Crown agency, SUCH sector and regional authority related financing transactions; a summary of FTE staff utilization by special office, ministry, and Crown agencies; a summary of ministerial accountability for operating expenses; a reconciliation of the surplus/(deficit) to the change in taxpayer-supported debt and disclosure of total debt; summaries of Crown corporation/agency, SUCH sector and regional authority revenues and expenses; and, a detailed reconciliation of revenue by source and expense by function.