

# Northern Capital Grants Program

## Five-Year Capital Works Plan Guide

This document outlines how to complete the Capital Works Plan (NCG-1) that is required as part of the application for the Northern Capital Grants program.

### **What are capital works?**

Capital works are projects that lead to the acquiring, constructing, or equipping of physical (capital) assets.

### **What are capital assets?**

Capital assets are used to support municipal operations and drive future economic benefit, and are defined as physical assets that:

1. Are held for use in the production or supply of goods and services for:
  - a. rental to others,
  - b. administrative purposes,
  - c. the development, construction, maintenance, or repair of other capital assets.
2. Have useful economic lives extending beyond one year.
3. Are to be used on a continuing basis.
4. Are not for sale in the ordinary course of operations.

Capital assets encompass a wide range of municipal infrastructure and equipment, including:

1. Facilities, such as public works shops, administration offices, town halls, recreation centres, and libraries.
2. Equipment and machinery, such as graders, payloaders, vehicles and computers.
3. Engineering structures, such as roads, bridges, and utility infrastructure.

### **What is a five-year capital works plan?**

The capital works plan outlines a municipality's long-term capital goals. It is the financial plan for how the municipality will acquire, equip, or construct new capital assets that benefit the community and its residents.

### **Why is a five-year capital works plan required?**

Developing a five-year capital works plan helps to identify projects and benefits to the community, project costs, and potential sources of funding available to the municipality.

Instructions on how to complete the NCG-1 form.

1. On the capital works form, please highlight all projects that you will be applying for over the next five-year program period (October 1, 2023, to September 30, 2028) utilizing the Northern Capital Grants program. This is indicated under the Provincial Assistance column using the code "01".
2. In addition, please highlight all capital projects and purchases that your municipality is planning within this same five-year period that will be funded through other grant programs, municipal reserves, and other sources of funding.

3. Complete the capital works plan columns as follows:

Year	<p>Enter the year that you are expecting to pay out those funds. Note – for multiple-year projects, you would enter the project into multiple lines and change the year.</p> <p>For example: You have a yearly deduction from 2023-2026 off your Northern Municipal Revenue Sharing grant to pay for water and sewer upgrades. You would enter 2023, 2024, 2025, and 2026 on four separate lines with the same description of the project and put in the expected deduction amount.</p>
Description of purchase or project	<p>Add description of project if it's a longer-term project such as a new build or upgrades or add title of asset to be purchased such as desk or lawn mower. Project descriptions should be detailed enough to identify exactly which project is being referenced (for future reference).</p>
Expenditure code	<p>Enter code as per the code listings on the last page of the NCG-1 form. This lets viewers of the capital budget know the area for which the asset is being purchased.</p>
Total estimated cost	<p>Put the total estimated cost for that capital purchase or project for one year only. This should include costs that are being funded by the municipality as well as any grant funding.</p>
Estimated sources of funding	<p>These columns show how you plan on paying for the cost of the asset. These columns should all add up to the total estimated amount stated for the purchase/project.</p>
Source of financing codes	<p>Specify what type of financing you will use to cover the cost of the project or purchase. Utilize the codes provided on the NCG-1 form under "Source of Financing Codes".</p>
Long-term borrowing (Code 21)	<p>Examples of how to use this code:</p> <ul style="list-style-type: none"> <li>• Long-term loans that help support the purchase or project (long-term debt is debt that matures in more than one year).</li> <li>• To account for any repayments to NMTA or deductions from Northern Municipal Revenue Sharing grant revenue for existing capital projects that are funded through another program.</li> </ul>
Capital trust fund withdrawals (Code 22)	<p>Examples of how to use this code:</p> <ul style="list-style-type: none"> <li>• To apply reserves from prior years surplus to fund a capital purchase or project. The municipality must have these funds available in a bank account or short-term investment.</li> </ul>
Disposal of land or assets (Code 23)	<p>Examples of how to use this code:</p> <ul style="list-style-type: none"> <li>• To account for any revenues from the sale of land or assets that will be utilized to fund the capital purchase or project.</li> </ul>

Charges for local improvements (Code 24)	<p>Examples of when to use this code:</p> <ul style="list-style-type: none"> <li>Some capital projects may be undertaken as local improvements. For example, installing streetlights, constructing sidewalks/curbs, roadway construction, installing water/sewer infrastructure, etc. Municipalities may be able to recover all or part of the cost of these projects through local improvement charges on properties that benefit from the work. This should be reflected utilizing code 24.</li> </ul>
Balance check	<p>After each purchase or project is added to the plan, do a balance check.</p> <ul style="list-style-type: none"> <li>Add all the sources of financing for the purchase or project. This total amount should equal the total estimated cost of the purchase or project.</li> <li>If the amounts are not equal then double check the calculation, and double check that all the sources of financing for the purchase or project are reflected.</li> </ul>

**Final step: complete a balance check for entire capital works plan.**

Once all the projects and purchases planned for the five-year period are reflected in the plan, check that the total amount of all sources of financing matches the combined total estimated costs for each purchase and project.

1. Add all the sources of financing stated to get the total amount.
2. Add all the total estimated costs for each purchase and project to get the total amount.
3. Both totals should be equal. If they are not, double-check the calculation and double-check that all the sources of financing for each purchase and project are reflected.

**Capital Budget Examples:**

**1) Capital Asset Purchase – Office Equipment:**

In 2024, desks for \$5,000 are being purchased for the main municipal office and will be paid directly from the municipal bank using surplus from prior years and revenue from the sale of equipment. Fill in the columns as follows:

- Year = 2024
- Description of purchase or project = Office equipment – desks
- Expenditure code = 102
- Total estimated cost = \$5,000
- Estimated sources of financing:
  - Municipal sources (codes 21-24 & 28):
    - \$3,000 financing code 22 (capital trust fund withdrawals) – using this code shows use of prior years’ revenue or surplus.
    - \$2,000 financing code 23 (disposal of land or assets) – using this code shows revenue from sales of existing furniture.

## 2) Water and Sewer Project:

The municipality has a water and sewer project for lagoon upgrades that has been approved in the Northern Water and Sewer (NWS) grant program. The total estimated cost of the project is \$240,000, subject to a municipal contribution of 1/12<sup>th</sup> (\$20,000) and the remainder of \$220,000 from the NWS grant program. The municipality opts to pay their contribution via deductions from their Northern Municipal Revenue Sharing grants over the next five years, in the amount of \$4,000 each year starting in 2024 and ending in 2028. They are using revenues from water billing to finance their annual contribution of \$4,000.

This project will be entered into the capital budget five times, once for each year. The annual deduction of \$4,000 will be reflected each year from 2024-2028.

The total estimated cost entered per year depends on if a breakdown of the project cost per year is known:

- If the breakdown of the total estimated cost is known, then enter the estimated project cost for each year (example: total is \$240,000, and breakdown is \$60,000 in 2024; \$40,000 in 2025, 2026 and 2027; and \$80,000 in 2028).
- If the breakdown of the total estimated cost is unknown, then enter the total estimated cost and the grant amount in the first year of the project only.

With the following scenario, the breakdown of the total estimated cost of the project is unknown.

Entry for the first year of the project is as follows:

- Year = 2024
- Description of purchase or project = Lagoon Upgrades Project
- Expenditure code = 813 (sewage lagoons)
- Total estimated cost = \$240,000
- Estimated sources of financing:
  - Current operations (codes 25-27)
    - \$4,000 financing code 27 (current operations – utilities)
    - \$220,000 financing Code = 06 (Other (NMTA))

Entry for each subsequent year of the project where deductions will occur:

- Year = 2025, 2026, 2027, 2028 (complete a line for each year separately)
- Description of purchase or project = Lagoon Upgrades Project
- Expenditure code = 813
- Estimated sources of financing:
  - Current operations (codes 25-27)
    - \$4,000 financing code 27 (current operations -utilities)

### 3) Upgrades to Community Rink:

Upgrades to the community rink building are planned for 2024. The total estimated cost is \$225,000. The community received a federal grant of \$25,000 towards these upgrades.

- Year = 2024
- Description of purchase or project = Upgrades to community rink building
- Expenditure code = 711 (Skating Rinks – Arenas-Facilities)
- total estimated cost = \$225,000
- Estimated sources of financing:
  - Municipal sources:
    - \$150,000 financing code 22 (capital trust fund withdrawals) – this code is used because reserves from prior years' had been set aside for these upgrades.
  - Federal assistance:
    - \$25,000 financing code 12 (Indian and Northern Affairs) – this code is used because of the federal grant received.
  - Other sources:
    - \$50,000 financing code 34 (Fund Raising) – this code is used as the community is planning on fundraising this amount.

### 4) Capital Asset Purchase – Grader:

In 2024 a grader is being purchased to help maintain roads in the municipality. The municipality will be using reserves from prior years surplus, an allocation from their current budget, and will be applying for the Northern Capital Grants program to cover up to 90 per cent of the net total estimated cost. The total estimated cost of the grader is \$120,000. The municipality will be using \$12,000 from reserves from prior years' surplus and revenue. The net total estimated cost is \$108,000, and the municipality will be applying for \$97,200 (90 per cent of net total estimated cost) through the Northern Capital Grants program. The remaining \$10,800 will be from the current budget. Fill in the columns on the capital work plan as follows:

- Year = 2024
- Description of purchase or project = Grader purchase (include year/make/model)
- Expenditure code = 301
- Net total estimated cost = \$120,000
- Estimated sources of financing:
  - Municipal sources (codes 21-24 & 28):
    - \$12,000 financing code 22 (capital trust fund withdrawals)
    - \$10,800 financing code 25 (current budget)
  - Provincial assistance:
    - \$97,200 financing code 01 (Northern Capital Grants program)

# Northern Capital Grants program Form NCG-1 Example

<p><b>Instructions:</b> When completing this form list each of your municipality's planned capital purchases &amp; projects by year for the next five years. Provide a description, expenditure code, estimated project cost and a breakdown of the sources of funding for each project as well as source of financing codes where applicable. When making a contribution toward the project of another municipality or organization, your estimated project cost should be the amount of your municipality's total contribution to the project. When completed total all the columns on each page. The total estimated costs balance should be the same as the total estimated sources of financing balance.</p>	<p><b>Expenditure Codes:</b> Select one three-digit expenditure code that most accurately describes each purchase or project. Expenditure codes are listed on the last page of this form.</p>	<p><b>Source of Financing Codes:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top;"> <p><b>Municipal Sources</b></p> <ul style="list-style-type: none"> <li>21 Long term borrowing</li> <li>22 Capital trust fund withdrawals</li> <li>23 Disposal of land or assets</li> <li>24 Charges for local improvements</li> <li>28 Other municipal sources (specify)</li> </ul> <p><b>Current Operations</b></p> <ul style="list-style-type: none"> <li>25 Current operations - general</li> <li>26 Current operations - surpluses/reserves</li> <li>27 Current operations - utilities</li> </ul> </td> <td style="vertical-align: top;"> <p><b>Provincial Assistance</b></p> <ul style="list-style-type: none"> <li>01 Northern Capital Grants program</li> <li>02 Municipal Water Assistance</li> <li>03 Sk Highways &amp; Infrastructure</li> <li>04 Sk Social Services (Housing)</li> <li>05 Sk Education</li> <li>06 Other (NMTA)</li> </ul> </td> <td style="vertical-align: top;"> <p><b>Federal Assistance</b></p> <ul style="list-style-type: none"> <li>11 CMHC</li> <li>12 Indian &amp; Northern Affairs</li> <li>13 Other (Specify)</li> </ul> <p><b>Other Sources</b></p> <ul style="list-style-type: none"> <li>31 Donations from organizations</li> <li>32 Donations from individuals</li> <li>33 Contributions from other municipalities</li> <li>34 Fund Raising</li> </ul> </td> </tr> </table>	<p><b>Municipal Sources</b></p> <ul style="list-style-type: none"> <li>21 Long term borrowing</li> <li>22 Capital trust fund withdrawals</li> <li>23 Disposal of land or assets</li> <li>24 Charges for local improvements</li> <li>28 Other municipal sources (specify)</li> </ul> <p><b>Current Operations</b></p> <ul style="list-style-type: none"> <li>25 Current operations - general</li> <li>26 Current operations - surpluses/reserves</li> <li>27 Current operations - utilities</li> </ul>	<p><b>Provincial Assistance</b></p> <ul style="list-style-type: none"> <li>01 Northern Capital Grants program</li> <li>02 Municipal Water Assistance</li> <li>03 Sk Highways &amp; Infrastructure</li> <li>04 Sk Social Services (Housing)</li> <li>05 Sk Education</li> <li>06 Other (NMTA)</li> </ul>	<p><b>Federal Assistance</b></p> <ul style="list-style-type: none"> <li>11 CMHC</li> <li>12 Indian &amp; Northern Affairs</li> <li>13 Other (Specify)</li> </ul> <p><b>Other Sources</b></p> <ul style="list-style-type: none"> <li>31 Donations from organizations</li> <li>32 Donations from individuals</li> <li>33 Contributions from other municipalities</li> <li>34 Fund Raising</li> </ul>
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Year	Description of Purchase or Project	Expenditure	Total Estimated Cost (\$)	Estimated Sources of Financing																
				Municipal Sources (\$)	Codes 21-24	Current Operations (\$)	Codes 25-27	Other Municipal Sources (\$)	Code 28	Provincial Assistance (\$)	Codes 01-06	Federal Assistance (\$)	Codes 11-13	Other Sources (\$)	Codes 31-34					
2024	Office furniture for head office	102	5,000	3,000	22															
2024	Lagoon upgrades project UG123456	813	240,000	2,000	23	4,000	27			220,000	06									
2025	Lagoon upgrades project UG123456	813				4,000	27													
2026	Lagoon upgrades project UG123456	813				4,000	27													
2027	Lagoon upgrades project UG123456	813				4,000	27													
2028	Lagoon upgrades project UG123456	813				4,000	27													
2024	Upgrades to community rink building	711	225,000	150,000	22							25,000	12			50,000				34
2024	Grader	301	120,000	12,000	22	10,800	25			97,200	01									
<b>Totals:</b>			590,000	167,000		30,800				317,200		25,000				50,000				
<b>Estimated Sources of Financing Total:</b>			590,000																	
<b>Estimated Sources of Municipal Financing Total (total of codes 21-28):</b>			197,800																	

## Expenditure Codes

### General Government

101	Municipal Offices
102	Office Equipment
103	General Municipal Property
104	Computer Systems for Municipal Office
105	Council Chambers
106	Multipurpose Buildings
107	Other Municipal Property

### Protective

201	Police Buildings
202	Police Vehicles
203	Police Equipment
204	Detention Facilities
205	Court Facilities
211	Fire Stations / Buildings
212	Fire Engine / Other Vehicles
213	Fire Fighting Equipment
214	Fire Alarm Systems
215	Communication Equipment for Police, Fire, <u>Ambulance</u>
221	Ambulance Vehicles
222	Ambulance Equipment
223	Emergency Measures Facilities / Equipment
224	Animal/ Pest Control Facilities / Equipment
231	Other Protective Services

### Transportation

301	Transportation Machinery / Equipment
302	Garages / Workshops / Yards for Equipment / Vehicles / Construction
303	Related Tools
304	Related Vehicles
311	Airport / Airfields-Facilities
312	Airport / Airfields-Equipment
321	Roads / Streets-Paving
322	Roads / Streets-Oil Surface
323	Roads / Streets-Grade & Gravel
324	Roads / Streets-General Construction
325	Sidewalks / Curbs / Gutters
326	Bridges / Viaducts / Culverts
327	Subways / Overpasses
328	Railway Grade Crossings / Separations
329	Road Traffic Signs / Signals
331	Streetlights
332	Parking-Facilities
333	Parking-Equipment
341	Storm Sewers
342	Drainage Ditches and Other Drainage Projects
361	Other Transportation Services / Facilities

### Environmental Health

401	Garbage Disposal Sites (landfill)
402	Garbage Disposal Equipment
403	Incinerators
411	Water Pollution Control Equipment
412	Air Pollution Control Equipment
413	Noise Abatement Facilities
421	Other Environmental Health Services

### Public Health and Welfare

501	Hospital Facilities
502	Hospital Equipment
503	Health Clinics / Centres
504	Cemeteries / Crematoriums
511	Other Public Health / Welfare Services / Facilities

### Environmental Development

601	Shopping malls
602	Tourist Camps / Trailer Parks / Facilities
603	Convention Facilities
611	Housing-Low Rental
612	Housing-Senior Citizens
613	Housing-Other
621	Industrial Development
622	Community Development
623	Residential Land Development
631	Other Environmental Development Services

### Recreation and Culture

701	Museums / Historic Sites-Facilities
702	Museums / Historic Sites-Equipment
703	Art Galleries
704	Libraries-Facilities
705	Libraries-Equipment
706	Libraries-Books
707	Conservatory
708	Community Centres / Halls-Facilities
709	Community Centres / Halls-Equipment
711	Skating Rinks / Arenas-Facilities
712	Skating Rinks / Arenas-Equipment
713	Recreation Complexes-Facilities
714	Recreation Complexes-Equipment
715	Parks / Playgrounds-Facilities
716	Parks / Playgrounds-Equipment
717	Swimming Pools-Facilities
718	Swimming Pools-Equipment
721	Golf Courses-Facilities
722	Golf Courses-Equipment

723	Tennis / Racquet Courts-Facilities
724	Tennis / Racquet Courts-Equipment
725	Curling Rinks-Facilities
726	Curling Rinks-Equipment
731	Exhibition Grounds / Facilities
741	Day Care Facilities
751	Other Educational Facilities
761	Other Recreational / Cultural Services

### Water and Sewer Security

801	Reservoirs / Dugouts
802	Water Supply Wells
803	Water Supply Pipelines
804	Water Supply Treatment Facilities
805	Water Supply Treatment Equipment
806	Water Storage
807	Water Distribution Systems
808	Water Distribution / Supply Pumps
811	Sewage Collection Systems
812	Sewage Lift Stations and Force Mains
813	Sewage Lagoons
814	Sewage Treatment and Disposal Facilities / Equipment
815	Sewage Outfall Lines

### Transit Utility

821	Transit Garages / Offices / Buildings
822	Transit Equipment
823	Transit Buses
824	Transit for the Disabled Buses / Handi-van
825	Transit Shelters / Terminals

### Electric Light Utility

831	Electrical Generating Equipment / Facilities
832	Electrical Distribution Systems

### Other Utilities

841	Community Cable Television Systems
851	Other Utilities