

Lac La Biche County *Policy*

TITLE: Allocation of Year-End Accumulated Surplus

POLICY NO: FIN-10-022

RESOLUTION: 22.262

EFFECTIVE DATE: April 5, 2022

DEPARTMENT RESPONSIBLE: Finance

NEXT REVIEW DATE: April 5, 2023

POLICY STATEMENT:

Lac La Biche County will manage strive towards minimizing the accumulated surplus and manage the allocation of the Annual Accumulated Surplus in a fiscally responsible manner. This policy provides the guidelines for the allocation of the funds.

DEFINITIONS:

Annual Accumulated Surplus refers to the excess of revenues over expenditures net of Budget Carryover Items, including capital and non-operational items, such as reserve transfers and debt payments.

Budget Carryforward Items are items that have been approved in the current year budget but have not been completed at year-end and are intended to be completed in the following year. Budget Carryover Items are allocated to Designated Reserves at year-end and are not considered part of the year-end surplus.

Designated Reserves are established and approved by Council in accordance with the Reserve Fund Policy.

PRINCIPLES:

The allocation of Annual Accumulated Surplus will be consistent with achieving Council's vision and the areas of strategic priority.

Annual Accumulated Surplus represents one-time funding that, by its nature, cannot be relied on to recur on an ongoing basis. Therefore, Annual Accumulated Surplus should be allocated to fund one-time, generally non-recurring expenditures (i.e. capital, replenishment of designated reserves, etc.), to contribute to the economic health and sustainability of Lac La Biche County.

The broad guidance for the allocation of the current year's Annual Accumulated Surplus will be in the following priority.

- Administration will allocate any remaining surplus to replenish;
 - o Stabilization and Contingency Reserves
 - o Special Purpose Reserves – Resident Response Fund
- Administration will make a recommendation to Council if any other reserve category should be funded by accumulated surplus.
- Administration will seek Council's direction if Council wishes to use the accumulated surplus for unbudgeted items.

Administration will bring forward information to Council annually as part of the yearend process outlining the allocation of accumulated surplus.

"Original Signed"
Chief Administrative Officer

April 7, 2022
Date

"Original Signed"
Mayor

April 8, 2022
Date

SPECIAL NOTES/CROSS REFERENCE:

AMENDMENT DATE: