

Long-Term Financial Sustainability Framework (LTFSF)

SUMMARY OF INTENT:

What is the LTFSF, who will be directly impacted, and how will it be used?

What is the LTFSF and why do we need it?

Overall, the framework formalizes Strathcona County's approach to financial decision making and continuous long-term financial planning. A commitment to long-term financial planning helps ensure we have the financial capability to meet our strategic goals and continue to deliver services into the future.

The framework provides the highest level of financial guidance for the County by setting out financial principles, strategies and process.

What does the LTFSF do?	Why do we need this?
Establish financial sustainability principles	<ul style="list-style-type: none"> Have common understanding of the most valued financial standards, goals and considerations <ul style="list-style-type: none"> Identify key financial questions to be considered and analyzed <ul style="list-style-type: none"> To use and reference in decision making
Consolidate all of our existing financial strategies (practices) in one document	<ul style="list-style-type: none"> Have a reference of our financial practices <ul style="list-style-type: none"> Ensure awareness and consistency in applying them Demonstrate there are financial strategies in place that contribute to long-term planning and decision making (not starting from scratch)
Identify future strategy areas (practices) based on current knowledge	<ul style="list-style-type: none"> Acknowledge further work is required to refine current financial practices or create new practices
Launch and discuss the long-term financial planning process	<ul style="list-style-type: none"> Create longer term (10-30 year) forecasts and various analyses to: <ul style="list-style-type: none"> Identify future financial challenges Identify areas of focus to address challenges Address challenges by modifying existing practices or creating new ones Repeat process every 4 years to: <ul style="list-style-type: none"> Update longer term forecasts Identify next areas of focus Update LTFSF document every 4 years to reflect: <ul style="list-style-type: none"> Modifications to existing practices New practices Potential updates to principles

Who will the LTFSF impact and how will it be used?

The component of the LTFSF that will primarily be used by most stakeholders in the organization is the ***principles*** component. The LTFSF principles create financial questions and considerations to apply to issues and initiatives. They are not necessarily meant to restrict decisions and operations; rather the intent is to ensure sufficient financial considerations have been made, and stakeholders are aware of these in planning and decision-making.

WHO THE LTFSF DIRECTLY IMPACTS	ROLE AND HOW IT WILL BE USED
Council	<ul style="list-style-type: none"> • Approval of, and ongoing support for the use of LTFSF • Aware of LTFSF document • General understanding of the LTFSF principles <ul style="list-style-type: none"> ◦ Awareness of the high-level immediate and longer term financial impacts on the organization of the financial decision at hand
CFO	<ul style="list-style-type: none"> • The Chief Financial Officer is the administrative lead of the LTFSF
Executive Team	<ul style="list-style-type: none"> • Endorsement of, and ongoing support for the use of LTFSF • Good understanding of the LTFSF principles <ul style="list-style-type: none"> ◦ Apply principles when discussing issues that have a financial impact ◦ Understand immediate and longer term financial impacts on the organization of the financial decision at hand • Provide support to address issues and decisions that may arise from the process discussed in the framework, where applicable
Corporate Planning (CP) Corporate Finance (CFIN)	<ul style="list-style-type: none"> • Primary users of the LTFSF on a day-to-day basis • Consider LTFSF principles in financial decision-making • Integrate relevant and applicable questions from the LTFSF principles into the new business case templates • Reference and use the strategies in place when they are relevant for decisions and financial matters at hand (for example capital funding strategies, reserves etc.) • Communicate LTFSF document and principles to other stakeholders in the organization
Senior Leadership Team Department managers Divisional coordinators Department accountants	<ul style="list-style-type: none"> • Aware of LTFSF document • Good understanding of the LTFSF principles <ul style="list-style-type: none"> ◦ Apply principles when discussing issues that have a financial impact ◦ Understand immediate and longer term financial impacts on the organization of the financial decision at hand • Involvement required after the LTFSF is approved for participation in the process discussed in the framework <ul style="list-style-type: none"> ◦ Levels and extent of participation from each group will vary depending on analysis conducted and issues investigated