

Draft 2015 Annual Operating Surplus for Tax Purposes and Recommended Allocations**Report Purpose**

To inform Council of the draft 2015 annual operating surplus for tax purposes and to seek approval of the recommended additional surplus allocations.

Recommendation

THAT the additional recommended allocations of the 2015 Municipal operating surplus, as set out in Enclosure 3 to the February 23, 2016, Financial Services report, be approved.

Council History

December 9, 2014 – Council approved the 2015 Operating and Capital Budgets.

December 8, 2015 – Council approved the 2016 Operating and Capital Budgets.

Strategic Plan Priority Areas

Economy: Strategic allocation of the annual operating surplus for tax purposes supports investment in infrastructure and the provision of quality programs and services.

Governance: Informing Council of the annual operating surplus for tax purposes supports governance through strong fiscal management, stewardship, and accountability.

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: FIN-001-008: Allocation of Year-End Operating Surplus for Tax Purposes; Policy

FIN-001-024: Financial Reserves

Legislative/Legal: n/a

Interdepartmental: All departments

Summary

Policy FIN-001-008: Allocation of Year-End Operating Surplus for Tax Purposes (Enclosure 1) contains principles and guidelines for the allocation of year-end operating surplus for tax purposes to contribute to the economic sustainability of Strathcona County.

The draft consolidated County operating surplus for tax purposes totals \$21.1 million. The consolidated County operating surplus will be draft until the 2015 Audited Financial Statements are approved by Council. A complete analysis of the 2015 operating results will be provided in the annual management report (2015 Q4).

On December 8, 2015, Council approved the 2016 Operating and Capital Budgets, including a partial allocation of the 2015 annual operating surplus for tax purposes in the amount of \$5.4 million. As of December 31, 2015, a further \$15.7 million operating surplus (draft) requires allocation.

2015 Unaudited County Annual Operating Surplus for Tax Purposes (Draft)

		(Millions)
2015 Annual Operating Surplus for Tax Purposes (Draft)	\$	21.1
Less Approved 2016 Budget Allocation(One-time Items)		(5.4)
Additional Unallocated Operating Surplus (Draft)	\$	15.7

2015 Unaudited County Annual Operating Surplus for Tax Purposes – Segmented

	Municipal	Utility	Library	Pioneer Housing Foundation	Total (Millions)
2015 Annual Operating Surplus (Draft)	\$ 17.9	\$ 3.1	\$ 0.1	\$ -	\$ 21.1
Less Approved 2015 Surplus Allocations	(5.4)			-	(5.4)
Net Unallocated	\$ 12.5	\$ 3.1	\$ 0.1	\$ -	\$ 15.7

The recommended allocations of the additional 2015 annual operating surplus, provided in Enclosures 2 and 3 includes balancing the self-sustaining entities (Utilities and Library), emergent projects, and cost matching allocations. Please note the corresponding 2015 reserve transactions and report will be presented on March 1, 2016 for approval.

Enclosure

- 1 Policy FIN-001-008 Allocation of Year-End Operating Surplus for Tax Purposes (Document: 8314658)
- 2 Recommended Allocations of the Draft 2015 Operating Surplus of Self-Sustaining Operations (Document: 8370244)
- 3 Recommended Allocations of the Draft 2015 Municipal Operating Surplus (Document: 8374120)
- 4 Presentation: Draft 2015 Annual Operating Surplus for Tax Purposes (Document: 8311084)