

	<p align="center"><b>City of Lloydminster Request for Decision (RFD)</b></p>
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<b>Subject Matter: 2024 Year End Surplus Allocation</b>
<b>Department: Corporate Services</b>
Presented By: Ryan Hill
<b>Council Meeting Date: March 10, 2025</b>

**Recommendation:**

That Council approve the overall operating surplus of \$6,743,997 and capital surplus of \$3,900,220 to be allocated as outlined in Appendix "A". Additionally, that Council authorizes the City Manager and/or delegate to amend the amounts subject to audit adjustments.

**Issue:** For the year ending December 31, 2024, there is an operating and capital surplus that needs to be allocated to reserves. These allocations need to be approved before they can be recorded and their completion will assist with the audit for the year ending December 31, 2024, which is currently underway.

**Background:**

In conjunction with the annual financial audit, Administration calculates the City's annual operating and capital surplus, if any. Operating surpluses could arise due to higher revenues, lower expenses, or a combination of both. Capital surpluses arise when previously approved capital projects no longer require all or some of the funds originally approved.

In accordance with the City of Lloydminster Reserves Policy No. 134-04, the annual year-end surplus allocation proposal shall be presented for approval based on the following:

*7.2. Any remaining surplus balances shall be forwarded to the related departments' operating or capital Reserve unless otherwise allocated by Executive Leadership Team or by Council;*

In accordance with the City of Lloydminster Public Art Policy No. 770-01 the City will allocate funds based on the following:

*6.1 The City shall allocate a minimum of 1% of the annual capital surplus to the Public Arts Reserve.*

In accordance with the City of Lloydminster Automated Photo Enforcement Policy No. 250-05 the City will allocate funds based on the following:

*5.6 Annually, fifty percent of Automated Photo Enforcement net revenue will be placed into a reserve fund.*

Appendix "B" summarizes the total operating surplus available for transfer by fund. These surpluses are adjusted for non-cash transactions as those transactions are not representative of funds that can be used in the future. Both Land and Utilities funds are self-sufficient, which means any potential surpluses are already allocated to their respective reserves.

Appendix "A" details which reserves Administration recommends the operating and capital reserve be allocated. The operating surplus is allocated based on previously approved operating carryforwards, previously approved budgets, and in consideration of future needs for the City. The capital surplus is allocated based on where these funds were originally budgeted from.

**Options:**

1. That Council approve the overall operating surplus of \$6,743,997 and capital surplus of \$3,900,220 to be allocated as outlined in Appendix "A". Additionally, that Council authorizes the City Manager and/or delegate to amend the amounts subject to audit adjustments.
2. That Council request further information and that the item be brought forward to a future Regular Council Meeting for decision.

**Alignment with Strategic Plan:** This item is in alignment with the following strategic area: Delivering Good Governance. Proposing a year-end allocation that complies with the Reserves Policy No. 134-04 demonstrates a commitment to good governance. This allocation demonstrates the City of Lloydminster's commitment to ensure long-term financial stability, maintain a viable and sustainable community and public transparency.

**Legal Review:** N/A

**Governance Implications:** N/A

**Budget/Financial Implications:** The overall operating surplus of \$6,743,997 and reallocating unspent capital revenue allocation of \$3,900,220 is being proposed to be allocated to Operating and Capital Reserves subject to the 2024 year-end audit adjustments.

**Environmental Implications:** N/A

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## Report Approval Details

Document Title:	2024 Year End Surplus Allocation.docx
Attachments:	- Appendix A - Year End Surplus Allocation - 2024.pdf - Appendix B - Year End Operating Surplus - 2024.pdf
Final Approval Date:	Feb 27, 2025

This report and all of its attachments were approved and signed as outlined below:

Adele Wakaruk

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Dion Pollard