



Clear Hills County

Effective Date: **June 12, 2012**

Policy Number: **1204**

Title: **RESERVES**

1. Policy Statement

- 1.1. Clear Hills County shall provide guidelines for the establishment and transfer of reserves that will enhance Clear Hills County's financial strength, flexibility and cash flow management.
- 1.2. The purpose of this policy is to establish consistent standards and guidelines for the management of existing reserves and the establishment of new reserves.
- 1.3. A Reserve Policy is required to establish, maintain and manage reserve funds that maintain and improve working capital requirements, provide for future operating and capital requirements, provide for unanticipated fluctuations in operating and capital activities and address the overall current and future initiatives of Clear Hills County.
- 1.4. Accounting policies adopted in respect of reserves will be in accordance with Canadian generally accepted accounting principles.

2. Definitions

- 2.1 Schedule "A" outlines the purpose of each reserve fund held by Clear Hills County.

3. Approvals

- 3.1. Establishment and re-designation of reserves will be approved by a resolution of Council, on an individual basis stating the purpose.
- 3.2. A Council resolution is required to transfer amounts from surplus to reserves.
- 3.3. Transfers to or from a reserve, with the exception of interest earned, will be authorized through the capital and/or operating budget or by a resolution of Council.
- 3.4. Council will approve reserve activity annually in the year-end financial statements.

- 3.5. Council will not approve any expenditure(s) that will cause the reserves balance to fall below the minimum allowable balance of \$10,000,000.

4. Accounting

- 4.1. Reserves will earn interest equal to the actual interest earned on investments. This interest should be determined and allocated to the reserve based on the Reserve balances on a monthly basis.
- 4.2. Funds allocated in the capital and/or operating budget for specific projects that were not expended in that year may be transferred to reserves in anticipation of project completion.
- 4.3. Transfers in, transfers out and interest earned on reserves should be calculated and reported to Council on a regular basis.
- 4.4. The minimum allowable Reserves balance is \$10,000,000.

5. End of Policy

ADOPTED

Resolution #C194-03

Date: March 25, 2003

AMENDED

Resolution #C876-03

Date: November 25, 2003

AMENDED

Resolution #C213(04/10/07)

Date: April 10, 2007

AMENDED

Resolution #C693(09/28/10)

Date: September 28, 2010

AMENDED

Resolution #C559(06/12/12)

Date: June 12, 2012

Clear HillsCounty

Reserve Definitions

6-12-30-00-712	Rate Stabilization Reserve	Provides funding for any operating deficit and enables the County to maintain stable tax rates for residential, commercial, farmland and machinery & equipment property taxes.
6-12-02-02-760	Administration Reserve	Provides funding for the support of Administrative and mapping activities including office & IT equipment.
6-23-00-00-760	Fire Reserve	Provides funding for fire protection vehicles, equipment and specific fire protection purchases.
6-31-61-03-760	Office & Shop Building Reserve	Provides funding for major repairs and/or replacement of the County office and shop.
6-31-61-04-760	Staff Housing Reserve	Provides funding for major repairs and/or replacement of the staff house.
6-31-61-05-760	Worsley Fire/Community Hall Building Reserve	Provides funding for major repairs and/or replacement of the Worsley Fire/Community Hall building.
6-31-61-07-760	Nursing Residence Housing Reserve	Provides funding for major repairs and/or replacement of the Nursing Residence.
6-32-00-01-760	Road Construction & Upgrades Reserve	Provides funding for various roads capital projects and the maintenance of the roads in the County.
6-32-00-02-760	Gravel Pits Reserve	Provides funding for acquiring gravel sites or securing gravel supply contracts as well as funding the future costs of long term, post-closure care of gravel sites.
6-32-00-03-760	Bridges Reserve	Provides funding for the construction and maintenance of bridge infrastructure.
6-32-02-02-760	Vehicles & Equipment Reserve	Provides funding to acquire any common services vehicles and equipment.
6-41-00-00-760	Water Reserve	Provides funding for water infrastructure.
6-42-00-00-760	Sewer Reserve	Provides funding for waste water infrastructure.
6-56-00-00-760	Cemetery Reserve	Provides funding for grants to non-profit organizations for major cemetery maintenance costs such as fences, road construction, landscaping etc. as well as the acquisition of land for future cemetery sites.
6-61-02-02-760	Development Reserve	Provides funding for the acquisition of land and engineering design costs for new development.
6-62-00-00-760	Seniors Reserve	Provides funding for the purchases of seniors handi buses.

6-62-10-00-760	Affordable Housing/Community Reserve	Provides funding to non-profit organizations for capital costs of affordable housing. Monies are to be applied to proposal development funding for affordable housing projects, project development assistance, project financing and other activities related to improving the quality/quantity of affordable housing supply in the County.
6-63-02-02-760	Ag Services Reserve	Provides funding to acquire any agricultural services buildings, vehicles and equipment (including rental equipment).
6-72-20-00-760	Rec Board Reserve	Provides funding for grants to non-profit organizations for construction and major maintenance costs of recreational sites and facilities.