



POLICY NAME:	Financial Reserve Policy
Effective Date:	April 23, 2025
Policies Rescinded:	1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515
Document Owner:	Finance
Required Review Date:	April 1, 2029
References:	

PURPOSE

The County recognizes the importance of sound financial management practices to maintain long-term fiscal stability. This Reserve Policy ensures financial flexibility, effective cash flow management, and the ability to support Council’s strategic priorities. It also helps stabilize property taxes, sustain consistent service levels, and reduce reliance on debt financing.

POLICY STATEMENT

The County is committed to responsible financial management through the establishment and maintenance of reserve funds. Reserves provide financial stability, flexibility, and long-term sustainability by ensuring funds are available for infrastructure renewal, unforeseen expenditures, and strategic priorities. This policy establishes guidelines for the creation, management, and use of reserves to support service continuity, mitigate financial risk, and reduce reliance on debt and taxation.

DEFINITIONS

CAO - Chief Administrative Officer of the County or their designate.

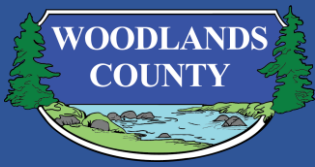
County - Refers to the County of Woodlands.

Committed – Funds approved by Council for a specific expenditure.

Council – The elected officials of the County, including the Reeve.

Funding Source – To ensure sustainability, each reserve must identify a funding source, which may include but is not limited to:

- Approved budget contributions
- Year-end surpluses
- Interest earnings
- Government grants
- Donations
- Development levies
- Contributions from other reserves



Interest-Bearing – If a reserve is designated as interest-bearing under this policy, any interest earned on its balance must be retained within the reserve.

Optimal Balance – The recommended balance required to ensure reserves are not depleted to a level where they can no longer serve their intended purpose.

Perpetual Care – The ongoing preservation, improvement, embellishment, and maintenance of cemetery-related spaces, including gravestones, grave markers, monuments, plots, compartments, crypts, or columbarium/mausoleum compartments.

Reallocation – The process of transferring funds from one reserve to another for a different purpose.

Reserves – Funds set aside for future use, with restrictions on how they can be applied, as defined in the Reserve Description.

Uncommitted – Funds that have not yet been approved by Council for a specific expenditure

ADMINISTRATIVE RESPONSIBILITY

Council – Reviews and approves any revisions to this policy.

Chief Administrative Officer (CAO) – Reviews and approves any procedures related to this policy.

County Administration – Implements and administers the policy in accordance with established procedures.

GUIDELINES

Purpose of Reserves

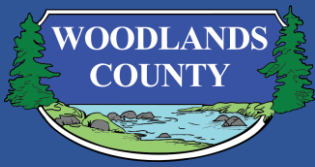
Reserves are essential for maintaining the County’s financial stability and long-term sustainability. They provide funding for capital asset replacement, support emerging needs, and assist in managing current and future debt repayments.

Additionally, reserves help stabilize tax rates and user fees, ensure adequate working capital, and maintain service levels during economic downturns.

Reserve Categories

Reserves are classified into the following categories to ensure financial planning and fiscal responsibility:

- **Stabilization and Contingency Reserves** – Provide uncommitted funds to stabilize the temporary impact of unforeseen, non-recurring, emergent, one-time expenditures, or revenue losses. These reserves help maintain service levels and minimize tax fluctuations.
- **Project Reserves** – Fund both operating and capital projects to ensure planned initiatives have designated financial backing.
- **Infrastructure Lifecycle Maintenance and Replacement Reserves** – Fund the repair, lifecycle replacement, or upgrade of County infrastructure, equipment, or vehicles. These reserves also support the expansion, refurbishment, and maintenance of utility assets and infrastructure to meet service delivery objectives.



- **Specific Purpose Reserves** – Designated for a particular purpose, as outlined in the reserve’s description.
- **Restricted Reserves** – Subject to external restrictions, including legislative requirements, third-party agreements, or designated funding conditions that dictate their use.

Reserve Approval and Transactions

All reserve transactions must be approved by Council prior to execution. Funding allocations to and from reserves may be approved through:

- Existing municipal policies
- The annual budget process
- The year-end reserve request and approval process
- The approved Reserve Description
- A Council resolution
-

Use of Innovation Reserve Municipal Benefits Reserve, Corporate Risk Reserve by CAO

Notwithstanding the above, the CAO is authorized to utilize up to 20% of the Innovation Reserve or a maximum of \$30,000, whichever is less annually, to implement projects in accordance with the intent of the reserve, without requiring prior Council approval. Any such use shall be reported to Council as part of the regular reserve reporting process.

The Municipal Benefits Reserve shall be utilized as needed to pay benefits claims, as outlined in Schedule A. However, the reserve balance shall not be allowed to fall below the minimum threshold specified in Schedule B. Any expenditures from this reserve must comply with the terms set forth in the reserve’s approved guidelines.

Use of Corporate Risk Reserve:

The CAO is authorized to approve expenditures of up to \$75,000 per occurrence from the Corporate Risk Reserve, as described in Schedule A. Any use of this reserve by the CAO shall be reported to Council in writing within 30 days of the expenditure being incurred or committed.

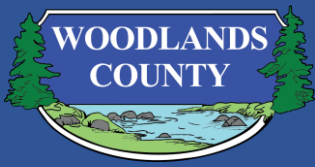
Any expenditure exceeding \$75,000 requires prior approval by Council.

Reserve Fund Usage and Maintenance

Reserve funds are considered permanent unless otherwise specified in Schedule "A."

All reserve funds listed in Schedule "A" must include the following details:

- Purpose
- Funding source
- Recommended reserve fund level
- Application criteria



- Duration
- Interest-bearing status
- Relevant statutes, master plans, or County documents

Year-End Surplus and Deficit Allocations

Surpluses – Where an applicable Reserve exists 50% of Year-end surpluses will be allocated to the appropriate department specific reserves, based on Council-approved financial strategies. The Remainder will be assigned as per determined by Council annually.

Deficits – Any year-end deficits will be funded through available reserves, in accordance with the Reserve Policy and Council approval.

Council will receive a report outlining the year-end surplus and deficit allocations as part of the annual reserve reporting process.

Perpetual Care Reserves

The County will maintain perpetual care reserves to provide ongoing funding for the preservation, maintenance, and improvement of cemetery-related spaces.

Funds in these reserves shall be used solely for their designated purpose and remain protected under legislative requirements.

REPORTING AND OVERSIGHT

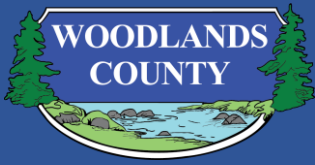
Annual Reserve Reporting – The Chief Administrative Officer will prepare an annual reserve report containing:

- Reserve name
- Reserve category
- Overall purpose of the reserve
- Source(s) of funding
- Specific use of funds
- Optimal balance formula, if applicable
- Duration of the reserve
- Maximum Value the Reserve Can Reach if applicable
- Interest-bearing status

Multi-Year Financial Planning – Where appropriate, reserves will be supported by multi-year projections for fund receipts and disbursements. These projections will be updated annually as part of the budget process.

Reserve Fund Transactions Reporting – Reserve fund transactions will be reported in the County’s quarterly and annual financial statements, with significant transactions highlighted.

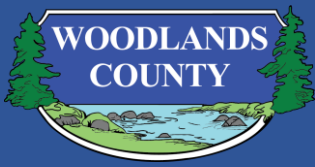
Interest Allocation for Interest-Bearing Reserves – Interest-bearing reserves will receive a portion of the County’s annual investment income, calculated quarterly using the monthly



interest rate used by the County's Financial Institution (Prime - %). Changes in rates during a month will be allocated based on the number of days.

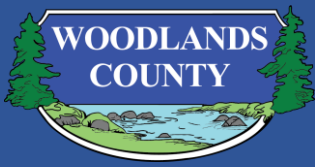
If a reserve is designated as interest-bearing, any earned interest will be credited to that reserve.

If a reserve is not interest-bearing, interest will be allocated to general operations.



SCHEDULE A: RESERVES & DESCRIPTION

Internally Restricted Reserves	
Stabilization and Contingency Reserves	Airport Operating Reserve Carry forward Reserve (Formally Infrastructure Reserve) Fire Operating Reserve General Operating Reserve Property Tax Stabilization Sewer Operating Reserve Water Operating Reserve Working Capital Operating Reserve
Infrastructure, Lifecycle Maintenance, and Replacement Reserves	Airport Capital Reserve Bridge Capital Reserve Fleet and Equipment Replacement Reserve General Capital Reserve Recreation Capital Reserve Roads Reserve Sewer Capital Reserve Water Capital Reserve
Specific Purpose Reserve	Intermunicipal Reserve Innovation Reserve Municipal Benefits Reserve Corporate Risk Reserve
Externally Restricted Reserves	
Restricted Reserves	Cash-in-lieu of Reserves Perpetual Care Reserve - Cemetery



SCHEDULE B - RESERVE AND DESCRIPTIONS

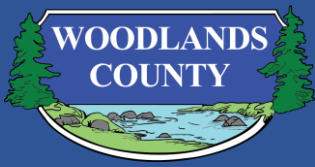
Stabilization and Contingency Reserves

Financial Reserves - Description	
Reserve Name	Airport Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures, or loss of revenue in the Airport Department.
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of a portion of the annual operating budget surplus 2. If deemed appropriate, annual contribution from operations 3. Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the County against any unforeseen operating costs within the Airport Department that will cause the County to incur an operating deficit.
Optimal Balance	\$ 250,000
Duration	Ongoing
Interest Bearing	No
Max Value	\$ 500,000
Financial Reserves - Description	
Reserve Name	Carryforward Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for any operating or Capital Projects from the last Budget year. To provide funds for ongoing projects from the previous year to ensure completion.
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of annual budget surplus for current noncompleted projects 2. Other sources as approved by Council
Use of Funds	These funds are Committed and can only be used to complete existing projects. Funds may only be utilized for up to 24 months from the original approved Budget Date. After which point the project will be deemed closed unless directed by Council via motion at which point the remaining funds will be transferred to either the General Operating Reserve or the General Capital Reserve.
Optimal Balance	Dependent upon Carry Forward Amounts
Duration	24 months
Interest Bearing	No
Max Value	N/A

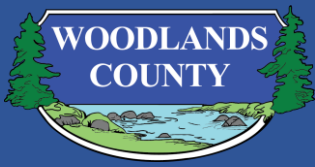


Financial Reserves - Description	
Reserve Name	Fire Operating Reserve
Reserve Category	Restricted Reserve
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures, or loss of revenue in Fire Services.
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of a portion of the annual operating budget surplus 2. If deemed appropriate, annual contribution from operations 3. Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the County against any unforeseen operating costs within the Fire Department that will cause the County to incur an operating deficit or to write off Fire Service invoices to Ratepayers.
Optimal Balance	\$ 450,000
Duration	Ongoing
Interest Bearing	No
Max Value	\$ 1,000,000

Financial Reserves - Description	
Reserve Name	General Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures or loss of revenue that will not be built into the operating budget in future years.
Source of Funding	<ol style="list-style-type: none"> 1) Allocation of a portion of the annual operating budget surplus 2) If deemed appropriate, annual contribution from operations 3) Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the County against any unforeseen costs that will cause the County to incur an operating deficit. Funds will be used for stabilizing unbudgeted impacts because of unanticipated events. Examples are losses incurred due to increased emergency response costs, unforeseen climactic events, declines in revenues, special projects, or other items that would result in an overall deficit.
Optimal Balance	1% of the prior year's Municipal Tax Revenue
Duration	Ongoing
Interest Bearing	No
Max Value	\$5,000,000

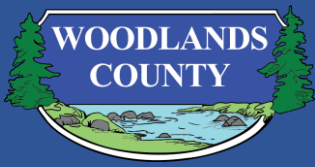


Financial Reserves - Description	
Reserve Name	Property Tax Stabilization
Reserve Category	Stabilization and Contingency Reserves
Purpose	<p>A reserve fund established to provide funds to smooth future property tax increases during periods of high inflation, revenue, or expense volatility, and to stabilize fluctuations in operating activities</p> <p>The fund will mitigate significant fluctuations in property tax rates by providing a financial buffer against unexpected revenue shortfalls, economic downturns, unforeseen expenditure increases or significant changes because of tax appeals.</p> <p>This reserve ensures a stable and predictable tax environment for residents and businesses while allowing the County to maintain service levels without abrupt tax increases. Funds may be allocated to offset revenue losses, stabilize annual budgetary requirements, or smooth the financial impact of assessment changes or legislative shifts affecting property taxation.</p>
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of a portion of the annual operating budget surplus 2. If deemed appropriate, annual contribution from operations 3. Other sources as approved by Council
Use of Funds	<p>These funds are not Committed and can be used to protect the County against any unforeseen costs that will cause the County to incur an operating deficit. Funds will be used for stabilizing unbudgeted impacts because of unanticipated events. Examples are losses incurred due to increased emergency response costs, unforeseen climactic events, declines in revenues, special projects, or other items that would result in an overall deficit.</p>
Optimal Balance	10% of the prior year's Municipal Tax Revenue
Duration	Ongoing
Interest Bearing	No
Maximum	\$ 5,000,000

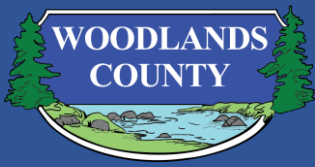


Financial Reserves - Description	
Reserve Name	Sewer Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures, or loss of revenue in the Wastewater Departments.
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of a portion of the annual operating budget surplus 2. If deemed appropriate, annual contribution from operations 3. Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the County against any unforeseen operating costs within the Utility Departments that will cause the County to incur an operating deficit.
Optimal Balance	5% of prior year's Utility operating expenses (Wastewater).
Duration	Ongoing
Interest Bearing	No
Max Value	\$ 250,000

Financial Reserves - Description	
Reserve Name	Water Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	A contingency fund for emergent, non-recurring, one-time expenditures, or loss of revenue in the Utility (Water,) Departments.
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of a portion of the annual operating budget surplus 2. If deemed appropriate, annual contribution from operations 3. Other sources as approved by Council
Use of Funds	These funds are not Committed and can be used to protect the County against any unforeseen operating costs within the Utility Departments that will cause the County to incur an operating deficit.
Optimal Balance	5% of prior year's Utility operating expenses (Water).
Duration	Ongoing
Interest Bearing	No
Max Value	\$ 250,000



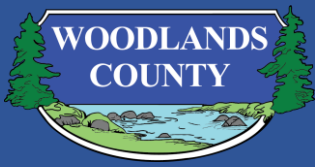
Financial Reserves - Description	
Reserve Name	Working Capital Operating Reserve
Reserve Category	Stabilization and Contingency Reserves
Purpose	<p>A reserve fund established to ensure the County maintains sufficient cash flow to meet its operational obligations without the need for short-term borrowing or reliance on external credit lines. This reserve is intended to provide financial flexibility by covering timing differences between revenue collection and expenditure requirements, particularly during periods of reduced revenue inflow, such as the first half of the fiscal year.</p> <p>The reserve’s optimal balance is calculated based on the total of all operational and capital reserve optimal balances, with an additional amount determined to cover anticipated cash flow needs. It serves as a safeguard to prevent situations where the County may technically hold reserve funds but lacks accessible working capital, ensuring continuous and stable financial operations even during unexpected revenue shortfalls or economic disruptions.</p>
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of a portion of the annual operating budget surplus 2. If deemed appropriate, annual contribution from operations 3. Other sources as approved by Council
Use of Funds	<p>The Working Operating Capital Reserve may be utilized to fund day-to-day operating expenses in order to manage cash flow requirements throughout the fiscal year. Specifically, this reserve is intended to cover operational expenditures during periods where cash inflows, such as property tax revenues and grant funding, have not yet been received.</p> <p>Use of the reserve ensures that the County can maintain consistent service delivery, meet payroll obligations, and pay vendors without relying on short-term borrowing or lines of credit. The reserve acts as a financial bridge to stabilize cash flow and will be replenished once sufficient revenues are collected.</p> <p>Access to the reserve for this purpose does not require additional Council approval, provided the reserve balance remains above the minimum threshold as defined below.</p>
Optimal Balance	\$ 1,000,000 to \$ 2,500,000
Duration	Ongoing – amount required is dependent upon working capital levels
Interest Bearing	No
Max Value	\$ 10,000,000



Infrastructure, Lifecycle Maintenance, and Replacement Reserves

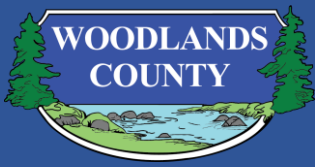
Financial Reserves - Description	
Reserve Name	Airport Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund capital multi-year projects that will be undertaken in the future for the maintenance, improvement, or replacement of Whitecourt Airport.
Source of Funding	<ol style="list-style-type: none"> 1. Annual budget transfers as approved by Council 2. Other sources as approved by Council
Use of Funds	This Reserve will be used to fund expenditures relating to specific projects as originally presented to the Council or approved through the budget.
Optimal Balance	Annual average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$ 3,000,000

Financial Reserves - Description	
Reserve Name	Bridge Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund capital multi-year projects that will be undertaken in the future for the maintenance, improvement, or replacement of the 74 bridges located across the County.
Source of Funding	<ol style="list-style-type: none"> 1. Annual budget transfers as approved by Council 2. Other sources as approved by Council
Use of Funds	This Reserve will be used to fund expenditures relating to specific projects as originally presented to the Council or approved through the budget.
Optimal Balance	Annual average of 10-year Bridge Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$ 3,000,000



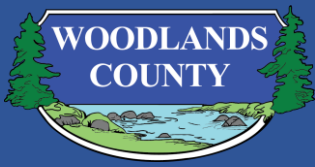
Financial Reserves - Description	
Reserve Name	Fleet and Equipment Replacement Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement of municipal vehicles and equipment included in the County's fleet.
Source of Funding	<ol style="list-style-type: none"> 1. Annual contribution from operations 2. Proceeds from the sale of fleet vehicles and equipment
Use of Funds	To purchase vehicles and equipment included in the County's fleet.
Optimal Balance	Annual 10-year rolling average of fleet and equipment replacement.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$ 8,000,000

Financial Reserves - Description	
Reserve Name	General Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund capital multi-year projects that will be undertaken in the future, to build funding for non-annual programs, and assist in meeting future funding requirements for projects.
Source of Funding	<ol style="list-style-type: none"> 1. Annual budget transfers as approved by Council 2. Allocation of a portion of the annual operating budget surplus 3. Proceeds from sale of disposed assets 4. Other sources as approved by Council 5. If deemed appropriate, annual contribution from operations
Use of Funds	This Reserve will be used to fund expenditures relating to specific projects as originally presented to the Council or approved through the budget.
Optimal Balance	Annual average of 10-Year Capital Plan Funding Requirements for projects not already categorized in other Capital Reserves.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$5,000,000



Financial Reserves - Description	
Reserve Name	Recreation Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the replacement and construction of recreation infrastructure within the County, including indoor and outdoor facilities that support sport, physical activity, and community wellness. This reserve is strictly limited to recreation-focused infrastructure and is not intended to support arts, culture, or heritage-based capital projects.
Source of Funding	<ol style="list-style-type: none"> 1. Annual budget transfers as approved by Council 2. Proceeds from sale of disposed assets 3. Other sources as approved by Council.
Use of Funds	To replace or build new recreation facilities
Optimal Balance	Annual average of 10-Year Recreation Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$3,000,000

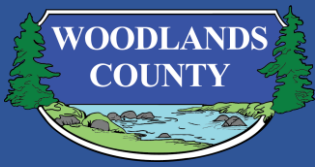
Financial Reserves - Description	
Reserve Name	Roads Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To fund the rehabilitation, replacement, refurbishment, and construction of municipal road infrastructure that supports the broader transportation network and public access within Woodland’s County. Construction of new roads must demonstrate alignment with municipal growth plans, subdivision approvals, or strategic infrastructure priorities as approved by Council.
Source of Funding	<ol style="list-style-type: none"> 1. Annual contributions from the operating budget 2. Special Paving Tax 3. Local Improvement Tax 4. Other sources as approved by Council
Use of Funds	Road and pavement rehabilitation, repairing/replacing sidewalks, and traffic signs.
Optimal Balance	Annual average of 10-year Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$5,000,000



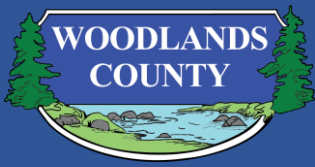
Financial Reserves - Description	
Reserve Name	Wastewater Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To provide funding for the expansion, replacement, refurbishment, and maintenance of the County's wastewater infrastructure, or to fund studies required for future planning purposes.
Source of Funding	1. Annual contributions from the wastewater utility operating budget 2. Allocation of a portion of the annual operating budget surplus 3. Other sources as approve by Council
Use of Funds	Replacement of the County's utility infrastructure and related equipment based on the long-term capital plan. Including but not limited to wastewater collection and transmission systems.
Optimal Balance	Average of 10-year Wastewater Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$ 2,500,000

Financial Reserves - Description	
Reserve Name	Water Capital Reserve
Reserve Category	Infrastructure, Lifecycle Maintenance and Replacement Reserves
Purpose	To provide funding for the expansion, replacement, refurbishment, and maintenance of the County's water infrastructure or to fund studies required for future planning purposes.
Source of Funding	1. Annual contributions from the water utility operating budget 2. Allocation of a portion of the annual operating budget surplus 3. Other sources as approved by Council
Use of Funds	Replacement of the County's utility infrastructure and related equipment based on the long-term capital plan. Including but not limited to water transmission and distribution systems.
Optimal Balance	Annual average of 10-year Water Capital Plan Funding Requirements.
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$ 2,500,000

Specific Purpose Reserves



Financial Reserves - Description	
Reserve Name	Intermunicipal Reserve
Reserve Category	Specific Purpose Reserve
Purpose	Intermunicipal Reserve – A reserve fund established to support shared services, programs, and initiatives in collaboration with neighboring municipalities, including but not limited to Barrhead, Mayerthorpe, and Whitecourt. This reserve ensures the County’s ability to meet financial commitments outlined in intermunicipal agreements, promoting regional cooperation, and enhancing service delivery across municipal boundaries.
Source of Funding	1. Allocation of a portion of the annual operating budget surplus 2. Other sources as approved by Council
Use of Funds	Funds may be utilized for joint infrastructure projects, community programming, recreation services, emergency services, or other initiatives that align with the terms of intermunicipal partnerships. The reserve provides financial stability for long-term regional collaboration while ensuring equitable contributions and benefits for all participating communities.
Optimal Balance	\$2,500,000
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$ 5,000,000

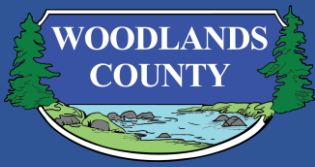


Financial Reserves - Description	
Reserve Name	Innovation Reserve
Reserve Category	Specific Purpose Reserve
Purpose	Innovation Reserve – A reserve fund established to support the development, testing, and implementation of new initiatives, technologies, and operational improvements aimed at increasing government efficiency, reducing duplication, and optimizing service delivery. This reserve allows the County to explore innovative solutions while minimizing financial risk to taxpayers.
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of a portion of the annual operating budget surplus 2. Other sources as approved by Council
Use of Funds	Funds may be used for pilot projects, process improvements, technology adoption, and other initiatives that enhance effectiveness, streamline operations, and generate long-term cost savings. The reserve ensures that investments in innovation are strategically managed and aligned with the County’s commitment to continuous improvement and fiscal responsibility.
Optimal Balance	\$ 250,000
Duration	Ongoing
Interest Bearing	Yes
Max Value	\$ 500,000

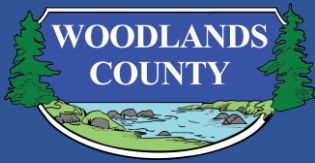


Financial Reserves - Description	
Reserve Name	Corporate Risk Reserve
Reserve Category	Specific Purpose Reserve
Purpose	A contingency fund to address unforeseen, sensitive, or exceptional organizational matters including legal, regulatory, governance, or labour-related issues that cannot be reasonably anticipated within the annual budget.
Source of Funding	<ol style="list-style-type: none"> 1. Allocation of unspent legal operating budgets at year-end 2. If deemed appropriate, annual contribution from operations 3. Other sources as approved by Council
Use of Funds	<p>These funds are Uncommitted and may be used to respond to unforeseen or exceptional organizational requirements that cannot be reasonably addressed within the approved annual budget. Appropriate uses may include:</p> <ul style="list-style-type: none"> • Specialized external services to address emerging governance, compliance, or legal risks; • Professional advisory support related to internal operations or organizational matters; • Response to complex regulatory, intergovernmental, or legal proceedings requiring expedited attention; • Labour relations activities, including third-party facilitation or resolution processes; • Discretionary support for confidential personnel-related matters that serve to protect the interests of the organization and ensure operational stability. <p>Use of this reserve is subject to the authority and conditions outlined in Section 5.3 of the Financial Reserve Policy.</p>
Optimal Balance	\$ 30,000
Duration	Ongoing
Interest Bearing	NA
Max Value	\$ 500,000

Restricted Reserves



Financial Reserves - Description	
Reserve Name	Cash in Lieu Reserve
Reserve Category	Restricted Reserve
Purpose	To hold funds received by developers in place of required municipal land dedications (municipal reserve land, school reserve land) the interest earned on that money as per Municipal Government Act
Source of Funding	<ol style="list-style-type: none"> 1. Developer payments in lieu of providing municipal reserve land 2. Sale proceeds from the disposal of any municipal or school reserve land
Use of Funds	May only be used for purposes referred to in the MGA; a public park, a public recreation area, school board purposes, and separate areas of land that are used for different purposes.
Optimal Balance	Not Applicable
Duration	Ongoing
Interest Bearing	Yes

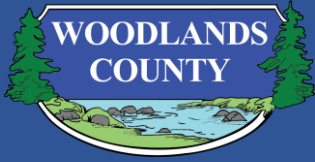


Financial Reserves - Description	
Reserve Name	Perpetual Care Reserve - Cemetery
Reserve Category	Restricted Reserve
Purpose	This fund provides the primary means for the detailed care and maintenance of the cemetery grounds, as required by the Alberta Cemetery Act.
Source of Funding	1. Perpetual Care Fees for cemetery lot and columbarium purchases. 2. Other sources as approved by Council.
Use of Funds	The principle should remain in the fund and interest earned can be utilized for maintenance, as recommended for specific expenditures, as part of the budget process.
Optimal Balance	No maximum limit
Duration	Ongoing
Interest Bearing	Yes

ORIGINAL SIGNED

CAO Signature

END OF DOCUMENT



Version Control

This section tracks all revisions to the policy. Administrative changes made under CAO authority must not alter the original intent of the policy and are logged accordingly. Council-approved revisions are noted with corresponding resolution numbers.

Version	Date	Approved by	Type of Change	Summary of Change	Reference
1.0	April 23 2025	Council	Original Policy	Initial Policy Adopted by Council	Resolution # C-15-134-2025
1.1	May 21 2025	Council	Revision	Establishment of Corporate Risk Reserve and expanding CAO Authorization	C-15-189-2025