

# **City of Coppell, Texas**

## **Audited Excess Revenue Allocation Guideline**

### **I. Purpose:**

The purpose of this guideline is to establish parameters and provide guidance governing the allocation of annual audited excess revenues of the General Fund, and to provide for monitoring for compliance and conformity with the guidelines and procedures presented below.

### **II. Procedures**

- After acceptance of the audited annual financial report in late February or early March, the amount of excess revenues over expenditures will be determined.
- During the Five-Year Forecast process, staff will identify trends and strategies to address those trends.
- The amount of fund balance over the 10% charter required, the 15% policy required, and the 50% of budgeted expenditures required to remain in undesignated fund balance will be used to address trends and provided for in the assigned fund balance of the General Fund.
- The amount to be allocated to assigned fund balance will be the excess revenues over expenditures from the audited report less:
  - Any one-time revenues such as sale of land or insurance reimbursements
  - Any changes in designated fund balance items such as the increase/decrease in the charter required 10% and the 15% as adopted in the fund balance policy
  - An amount that creates an undesignated fund balance that is equal to at least 50% of next year's budgeted expenditures (Floor).
- The available to allocate will be designated in fund balance for one-time expenditures such as:
  - 2040 one-time projects
  - Infrastructure projects
  - Economic Development Programs
  - Strategic Reserve

### **III. Monitoring and Reporting**

- Annually, a detailed accounting of the sources and uses of funds allocated will be presented during a Council budget workshop.
- The adopted annual budget for the following fiscal year will include the items included in the assigned fund balance.
- Each year, during the budget workshop process, the guidelines will be revisited to determine if adjustments to the guidelines need to be incorporated.