

THE CORPORATION OF THE  
**CITY OF WHITE ROCK**  
15322 BUENA VISTA AVENUE, WHITE ROCK, B.C. V4B 1Y6



**POLICY TITLE: ACCUMULATED SURPLUS FUND**

**POLICY NUMBER: FINANCE - 307**

<i>Date of Council Adoption: September 28, 2015</i>	<i>Date of Last Amendment: October 5, 2020</i>
<i>Council Resolution Number: 2005-336; 2013-346, 2015-336; 2020-492</i>	
<i>Originating Department: Finance</i>	<i>Date last reviewed by Finance and Audit Committee: September 28, 2020</i>

**Policy:**

1. The City will maintain a General Operating Fund accumulated surplus at 10% to 15% of general operating financial plan expenditures for the purpose of:
  - (i) Ensuring the City's General Operating Fund is never in a deficit position;
  - (ii) Interim financing to reduce the debt incurred to borrow for operations until the City's taxation due date;
  - (iii) Finance internal borrowing to reduce the cost of debt; and
  - (iv) A buffer against annual variations in anticipated revenues
2. At the conclusion of the annual audit, if the General Operating Fund accumulated surplus balance exceeds 15% of the year's planned expenditures, the excess is to be either transferred to operations or to a capital reserve.

The transfer of a portion of the General Operating Fund accumulated surplus balance to current year operations can be used only for emergencies, non-recurring operating expenditures, or early debt repayment expenditures.

If a transfer of a portion of the General Operating Fund accumulated surplus balance results in a balance below the level established as the objective of the fund, a restoration strategy is required as part of the recommendations to utilize the fund.

**Rationale:**

To ensure the City has funding available to use for emergencies and to ensure the general operating fund is never in a deficit position.