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

Date of Council Adoption: September 28, 2015	*Date of Last Amendment: November 4, 2013*
Council Resolution Number: 2005-336; 2013-346, 2015-336	
Originating Department: Finance	*Date last reviewed by Finance and Audit Committee: October 7, 2013*

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%, 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.