



Surplus Policy

Effective Date: September 19, 2017
Reaffirmed Date: July 25, 2023

1. Policy Statement

To provide guidance on the development of the General Fund Accumulated Surplus.

2. Purpose

To maintain a level of financial resources sufficient to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.

3. Policy Statements

3.1. Definitions

Annual Surplus means the accumulated excess of revenues over expenditures for the current year.

Accumulated Surplus means the accumulated excess of revenues over expenditures from prior years which has not been set aside for specific purposes.

Operating Reserve Fund means the reserve fund that has been established under the provisions of section 188(1) of the *Community Charter* via City bylaw at the discretion of Council.

3.2. Roles and Responsibilities

The City's Financial Officer shall be responsible for:

- Recommending the necessary contributions and transfers so that the City's Operating Reserve Fund is maintained in accordance with this Policy;



- Conducting an annual review of the Operating Reserve Fund and reporting the results of such a review to Council;
- Recommending any revisions or amendments to this Policy, as may be required from time to time, as a result of changes in applicable statutes, accounting standards, economic conditions.

3.3. Procedures and Guidelines

Any excess general operating fund revenues over expenditures and transfers at the end of each fiscal year are transferred to the Operating Reserve Fund.

The targeted minimum Accumulated Surplus within the Operating Reserve Fund is 5% of regular general fund net operating expenditures.

Annual and/or periodic transfers or allocations of the Accumulated Surplus balance in the Operating Reserve Fund shall be as approved by Council through the City's annual financial planning and budgeting process.

4. Related Policies/Bylaws

- (a) Operating Reserve Fund Bylaw No. 2237, 2005