

New policy establishes consistent approach for addressing future surpluses

(Penticton BC – February 22, 2018) – The challenge of determining where to direct funds originating from occurrences of annual budget surpluses will now be addressed with the introduction of a new Year-end Surplus Policy.

Approved by Council during its February 20, 2018 Regular Council Meeting, the new policy establishes how general surpluses in one of two categories – those totaling less than \$500,000 or those totaling more than \$500,000 - will be administered. Following a set process, staff will direct specific surplus amounts into either a variety of identified statutory and non statutory reserves or the accumulated surplus fund. Prior to this policy's creation, how surpluses were administered varied from one surplus to another.

The policy's creation also reflects recommendations of the Government Finance Officers Association (GFOA) which encourages local governments to establish a formal policy on the level of unrestricted fund balances that should be maintained in the general fund for accounting and budgetary purposes.

"The Year-end Surplus Policy enables us to continue to adopt financial best practices that ensure the fiscal sustainability of the City", said Chief Financial Officer, Jim Bauer. "The approved policy provides clarity and certainty for Council and staff in how to deal with unplanned surpluses, should they occur."

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