



**ADMINISTRATION & FINANCE DIVISION  
TREASURY REPORT 2016/119**

**TO:** Administration & Finance Executive Committee  
**FROM:** Laurie Lindberg, Treasurer  
**DATE:** December 1, 2016  
**SUBJECT:** Reserves for Working Capital

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**BACKGROUND**

During the Auditor's report to Council for the 2015 fiscal year-end, Jon Evans noted that the Town had a negative bank balance at December 31, 2015 and that consideration could be given to increasing the Reserves for Working Capital. Even though we did not experience a bank overdraft situation and there was a surplus of \$117,932, the payables transacted for year-end exceeded the outstanding receivables, which resulted in a negative cash flow position at year end.

One way to increase our Reserves for Working Capital, which has remained at \$735,905.05 since 2005, would be to allocate all or a portion of the 2015 surplus (\$117,932.01) to the Reserves for Working Capital Reserve.