



## City of Murrieta City Council Policy

POLICY: Operating Reserve Policy

POLICY NO.: 100-11

DATE: June 21, 2011

### ***PURPOSE***

This policy is being instituted in order to provide a measure of protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54 for the general fund. This will provide clarity to the reader of the City of Murrieta's Comprehensive Annual Financial Report (CAFR) that these funds are committed and not available for current expenditures.

### ***POLICY***

This Operating Reserve Policy establishes operating reserves of 25% of operating expenditures of the general fund, fire fund, and library fund. These funds are required to provide sufficient cash flow and allow for resources should a catastrophic event occur such as a natural disaster.

### ***PROCEDURES***

The amount of the Operating Reserve will be adjusted upon adoption of the annual operating budget.

No other policy or procedure supersedes the authority and provisions of this policy.

Adopted

A handwritten signature in black ink, appearing to read "Randon K. Lane", written over a horizontal line.

Randon K. Lane  
Mayor