

VILLAGE OF CLARENDON HILLS, ILLINOIS

FUND BALANCE POLICY

This policy shall apply to the Village's General Fund, which includes the Insurance and Pension Fund for financial reporting purposes. The policy shall address the minimum amount of fund balance, which shall be set aside for reserve. For financial reporting purposes, the General Fund set aside shall be designated as Un-Reserved Designated Fund Balance. The minimum fund balance shall be forty percent of the current annual budgeted expenditures for the combined General Fund. The fund balance shall be determined based upon the most recently audited Comprehensive Annual Financial Report (CAFR). Upon determining the fund balance any excess over the forty percent minimum shall be transferred to the Capital Projects Fund. The transfer shall occur upon the publishing of the CAFR and a budget transfer shall be prepared in the amount of the excess fund balance, transferring the funds from the General Fund to the Capital Projects Fund. The forty percent minimum fund balance must be represented by cash or investments, other assets are not permitted to be included in the minimum calculation.