

**Village of Forest Hills  
Minimum Fund Balance Policy  
Originally adopted April 1, 2014  
Amended August 1, 2017**

After careful consideration of the current and potential future needs of the Village, assessing potential risks, and considering the services provided to the taxpayers, the board unanimously voted in favor of retaining **\$100,000** as a minimum undesignated fund balance policy. This will secure and maintain investment grade credit ratings, meet cash flow requirements, and reduce susceptibility to emergency or unanticipated expenditures or to revenue shortfalls.

In the event the fund balance is greater than \$100,000 at the end of any fiscal year, the excess may be used for any expenditures pre-approved by the Council.

If at the end of a fiscal year, the fund balance falls below \$100,000, the Budget Committee shall prepare and submit a plan for expenditure reductions and/or revenue increases to the Council. The Council shall take action necessary to restore the minimum, undesignated fund balance to acceptable level within one year.

This policy shall remain in place until modified by motion of the board. A review of this policy should be done every 3 years, or before the onset of any change to the scope of the Village boundaries, budget, or services.