Policy	*Policy Number*	*Date Adopted*	*Date Revised*
Reserve Fund	RF-1	03/14/2018	

Purpose

Properly designed policies send a positive signal to the community that the Board is committed to the District's long-term financial health and viability. Prudent financial management and best practices dictate that the District maintains appropriate reserves for emergency use and capital projects. Capital facilities and additional investment in capital are essential to maintain the desired level of service for the Districts residents.

This policy provides direction for maintaining adequate reserves to ensure that there are appropriate levels of working capital in the District's funds to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses) and to ensure stable services and fees.

Policy

The Business Services Coordinator department will deposit monthly $3,000.00 from the District Operating account into the Reserve account. The Reserve account shall maintain a minimum balance of 2 months operating expenses to be review annually. After the Reserve minimum has been satisfied, the Business Services Coordinator department shall continue the $3,000.00 monthly contribution along with any one time revenues. Contributions exceeding the Reserve minimum balance of the 2 month operating expenses shall be used for funding capital improvements depreciation, or future grant matching revenues per Board Approval and/or replacement programs.

> *Operating Reserve*: Shall have a minimum balance of $135,000.00, a two (2) month operating expenses to be reviewed annually for changes and/or cost of living reflections. This balance can only be used by 4/5 majority vote of the Board.

> *Capital Reserve*: Shall have a minimum balance of $50,000.00, to be used of funding capital improvements, depreciation, future grant matching revenues, and or replacement programs upon Board Approval. This balance can be used by 4/5 majority vote of the Board.