

**RESTRICTED RESERVE FUNDS:****Introduction:**

Sisters-Camp Sherman Fire District has set aside three (3) Reserve Funds for unanticipated costs and one (1) Reserve Fund for Debt Service. Maintaining a “restricted reserve” line item in the annual budget is an appropriate way to provide the District with financial liquidity in the event of unanticipated expenses.

The Employment Reserve Fund is for unanticipated labor expenses, separation of service, vacation and retirement payouts along with saving for PERS unfunded liabilities.

The Building Reserve Fund is for unanticipated large repairs and maintenance costs related to the buildings.

The Equipment Reserve Fund is used to fund large vehicle replacements i.e. ambulance, fire engines, staff vehicles, EMS equipment. The District maintains a comprehensive equipment replacement schedule which identifies when equipment should be replaced to meet manufacturer and industry recommendations.

The Debt Service Fund is used solely for the acceptance of Bond tax revenue and interest and repayment of the Bond.

**Authority:**

The board of directors shall vote as a Board Resolution to expend monies from these funds and transfer monies to these funds upon recommendation from the Fire Chief as the custodial officer.

**Goals:**

The goal of the restricted funds is to provide liquidity of capital in the event of an unanticipated expense.