

# Hopkins County-Madisonville Public Library

## RESERVE FUND

Adopted: 11/17/2022

### Operational Reserve:

The Board of Trustees will ensure that this fund contains an operational reserve at the end of each fiscal year in an amount capable of sustaining at least 6 months of operating expenditures. This reserve will provide funds to operate the library for a period of time in the absence of or reductions to appropriations from the City of Madisonville, the City of Dawson Springs or Hopkins County.

- **Fund Balance:** \$275,000

### Emergency Reserve:

The Emergency Reserve may be used for unforeseen emergencies such as unusually late appropriations from the cities of Madisonville and Dawson Springs or Hopkins County, replacement or major repair to systems such as roof or HVAC, or any other circumstance that would hinder normal operation of the library. The Board of Trustees will keep \$100,000 in this fund. This fund amount should be evaluated annually to confirm that it is still adequate to deal with foreseeable emergencies.

- **Fund Balance:** \$100,000

### Capital Facility Reserve:

The Capital Facility Reserve will be used to support long-term capital improvements including major furniture replacement, vehicle purchase or replacement, or construction projects forecasted to occur over the next ten years. The Board of Trustees may consult with financial advisors, architects, or other consultants to determine capital needs over the ten-year period. This fund may also be used to provide for early retirement of debt such as bonds or loans related to prior construction and land acquisition projects or potential obligations related to pension and OPEB (Other Post-Employment Benefits). Money will be added to this fund as they are available after the other funds have met the targeted goals listed above.

- **Fund Balance:** \$725,000