**§ 55-c. Deposit and investment of and accounting for moneys in reserve funds.** 1. The money in each reserve fund established pursuant to this article shall be deposited and secured in the manner provided by section ten of the general municipal law.

2. The town board or the chief fiscal officer of the town, if the town board shall delegate such duty to him, may invest the moneys in each such reserve fund or, in two or more such funds, in the manner provided in section eleven of the general municipal law. Any interest earned or capital gains realized on the money so deposited or invested shall accrue to and become a part of each such fund. Where the money in two or more such reserve funds are invested together, the interest earned or capital gains realized shall be apportioned to each separate fund in the same proportion as the amount of each fund bears to the aggregate amount of the several funds.

3. The chief fiscal officer shall keep a separate account for each such fund. Such account shall show:

(a) The date and amount of each sum paid into the fund.

(b) The interest earned by such fund.

(c) The capital gains or losses resulting from the sale of investments of the fund.

(d) The interest or capital gains which have accrued to the fund.

(e) The amount and date of each expenditure from the fund.

(f) The assets of the fund, indicating the cash balance therein and the schedule of the amounts invested.

The chief fiscal officer, at the termination of each fiscal year, shall render a detailed report of the operation and condition of each such fund to the town board.

4. The members of the town board are hereby declared trustees of each such fund and shall be subject to all the duties and responsibilities imposed by law on trustees, and such duties and responsibilities may be enforced by the town, or by any board, commission, agency, officer or taxpayer thereof.

5. The members of the town board shall not:

(a) Authorize an expenditure or withdrawal from any such fund for any purpose other than for the financing of an object or purpose which has been authorized to be financed in whole or in part from such fund; or

(b) Expend any money withdrawn from any such fund for a purpose other than that for which it was authorized to be withdrawn.

Any violation of this subdivision shall be an offense punishable by a civil penalty of not more than one hundred dollars. The provisions of this subdivision shall be considered to be in addition to any other penalties provided by law.