

FUND BALANCES

RSA 198:4-b, II allows a school district to retain any unused portion of the year-end unassigned general funds, from the preceding fiscal year in subsequent fiscal years, provided that the total amount of year-end unassigned general funds does not exceed, in any fiscal year, 5 percent of the current fiscal year's net assessment under RSA 198:5.

The Merrimack School District voted to accept RSA 198:4-b, II at the April 12, 2022 meeting, as follows:

ARTICLE 7 Shall the District vote to authorize the School Board indefinitely, until specific rescission of such authority, to retain year-end unassigned general funds in any fiscal year, in an amount not to exceed 5% of the current fiscal year's net assessment, in accordance with RSA 198:4-b, II?

Therefore, the Board has the authority to retain from the year-end unassigned fund balance up to 5 percent of the District net assessment from the preceding fiscal year.

Prior to expending retained general funds, the Board shall hold a prior public hearing on the action to be taken with such funds. Notice of the time, place, and subject of such hearing shall be published in a newspaper of general circulation in the relevant municipality at least 7 days before the meeting is held. An annual accounting and report of the activities of the retained general funds shall be presented to the Board of the district and published in the annual report.

Any year-end unassigned fund balance shall only be used or returned to the Town to reduce the school portion of the tax rate in accordance with applicable New Hampshire law and/or Governmental Standards Board Statement 54 (GASB 54).

Legal References:

RSA 32, Municipal Budget Law
RSA 33, Municipal Finance Act
RSA 35, Capital Reserve Funds
RSA 198:4-b Contingency Fund
Governmental Standards Board Statement 54 (GASB 54)

1st Reading: June 5, 2023

2nd Review: June 19, 2023

Adoption: July 10, 2023