



Raymond School District Retention of Surplus

Article 6



Retained Surplus

- RSA 198:4-B allows school districts to retain some year-end surplus with specific limits and restrictions
 - Amount retained can not exceed 2.5% of net property tax assessment
 - Retained funds can only be used as:
 - Revenue source for emergency expenditures and over-expenditures under RSA32:11 or
 - Revenue source to reduce tax rate



Benefits of having Retained Surplus

- Can reduce future bond borrowing interest rates
- Alleviates cash flow concerns
- Reduces the impact of unanticipated revenue shortfalls
- Available for contingencies and emergencies

Note: Retained Funds can not be used to spend more than the amount appropriated by District voters unless both the Budget Committee and the Commissioner of Education have approved the expenditure

Maximum Retention Amount

Example (based on 2012-2013 Budget)

School District Appropriation	\$21,899,316
Less: School District Revenues	<u>(\$8,435,158)</u>
Net Property Tax Assessment	\$13,464,158
Multiply by 2.5%	<u>.025</u>
Maximum Retention Amount	\$336,603

Note: The Maximum Retention Amount is not cumulative and is recalculated each year.