

Fund Balance Retention

Enterprise Funds and Current Year Bonds

\$0

General Fund Operating Expenses

\$16,529,564

Final Overlay

MUNICIPALITY'S STABILIZATION FUND POLICY

\$35,901

LONG TERM FORECASTS & SPECIAL CIRCUMSTANCES:

DRA has provided a reference range of fund balance retention amounts below. Please utilize these ranges in the determination of the adequacy of your municipality's unrestricted fund balance, as currently defined in GASB Statement 54. Retention amounts, as part of the municipality's stabilization fund policy [1], should be assessed dependent upon your governments own long-term forecasts and special circumstances. Please note that current best practices published by GFOA recommend, at a minimum, that "...general purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures." [2],[3]

[1] The National Advisory Council on State and Local Budgeting (NACSLB), (1998), *Framework for Improved State and Local Government Budgeting: Recommended Budget Practices* (4.1), pg. 17.
 [2] Government Finance Officers Association (GFOA), (2009), *Best Practice: Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund*.
 [3] Government Finance Officers Association (GFOA), (2011), *Best Practice: Replenishing General Fund Balance*.

2016 Fund Balance Retention Guidelines: Henniker

Description	Amount
Current Amount Retained (2.40%)	\$397,242
17% Retained (<i>Maximum Recommended</i>)	\$2,810,026
10% Retained	\$1,652,956
8% Retained	\$1,322,365
5% Retained (<i>Minimum Recommended</i>)	\$826,478

NOTICE: The current fund balance retained amount is below the minimum recommended threshold.

2016 RSA 198:4-b II School Fund Balance Retention Guidelines: Henniker

If a school district has adopted RSA 198:4-b II by a vote of the legislative body, the school district may retain year-end unassigned general funds in an amount not to exceed, in any fiscal year, 2.5 percent of the current fiscal year's net assessment pursuant to RSA 198:5, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and overexpenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate. This retained fund balance is not cumulative. The maximum allowed fund balance retention has been calculated as:

	Net Assessment	2.5% of Net Assessment
Local School	\$8,449,236	\$211,231
John Stark Regional School District	\$12,067,564	\$301,689