

## No. 3: ConVal Trust Funds

There are six (6) separate Warrant Articles included on the March 14, 2023 ballot that are related to this subject:

2. [Appropriate to Building Capital Reserve Fund from Fund Balance](#)
3. [Appropriate to Energy Trust Fund from Fund Balance](#)
4. [Appropriate to Technology Trust Fund from Fund Balance](#)
5. [Appropriate to Equipment Trust Fund from Fun Balance](#)
6. [Appropriate to Building Capital Reserve Fund from Fund Balance](#)
7. [Appropriate to Health Maintenance Trust Fund from Fund Balance](#)

### District Trust Funds

ConVal voters have approved the establishment and funding of seven “trust funds”.

- Athletic Trust Fund
- Building Capital Reserve Fund
- Energy & Efficiency Trust Fund
- Equipment Trust Fund
- Health Trust Fund
- Special Education Reserve Trust Fund
- Technology Trust Fund

Each has a specific purpose that limits how funds in each trust may be spent, but there are two general purposes:

- Emergency or unanticipated expenses (e.g. replacement of failed equipment)
- Levelize the budget (e.g. accumulate funds over several years for a high cost project)

The Budget & Property Committee maintains a running summary of the current and projected funding and expenditures and a “target balance” for each fund. The School Board has the authority to approve expenditures from the funds but only after a Public Hearing that must be held prior to Board approval of any expenditure. Finally, an independent Board of Trustees manages investment of all funds. Taken together, these ensure prudent management of the District Trust Funds.

### Funding of the Trust Funds

There are two ways to fund the funds – both of which require voter approval (by simple majority)

- Utilize end of year “Fund Balance”
- Direct appropriation “raise and appropriate”

Fund Balance - Once the “surplus” at the end of each school year is determined, \$\$ can be transferred to the various Trust Funds, provided the specific warrant article(s) for that fund has been approved.

Each Trust Fund Warrant Article defines: the amount to be transferred, the fund to be transferred to, and that the \$\$ come from the prior year fund balance. The order of listing of these Warrant Articles

establishes the funding priority in the event the total “surplus” is insufficient to fund all the approved transfers.

Here’s a typical Warrant Article.

Shall the Contoocook Valley School District vote to raise and appropriate the sum of \$XXX,000 to be added to the \_\_\_\_ Trust Fund as previously established? This sum to come from June 30, 2023 fund balance available for transfer on July 1, 2023 **with no amount to be raised from taxation.**

Note the inclusion of the highlighted clause. If this was not included, then the warrant article would be considered a direct appropriation – and approval would mean additional taxes would be raised.

Direct Appropriation – There aren’t any such Warrant Articles this year, but last March voters approved the new Technology Trust Fund that was established using this funding approach:

**Article 05: Establish and Appropriate to Technology Trust Fund (March 2022 Warrant Article)**

Shall the Contoocook Valley School District vote to **establish** an expendable trust fund under the provisions of RSA 198:20-c, to be known as the Technology Trust Fund, **for the purpose of acquiring and maintaining hardware, software, and services as necessary to support the use of digital equipment and technology throughout the District, and shall it raise and appropriate the sum of \$100,000 to be placed in the fund;** further to **name the school board as agents to expend from this fund.**

Note that this warrant article (1) established the new fund, (2) defined the purpose of the fund, (3) raised and appropriated monies for the fund, and (4) gave the School Board authority to expend from the fund.

**Trust Fund Warrant Articles**

The following is a summary of the Warrant Articles on the ballot this year along with those that have been on the ballot (all were approved by voters) for the past several years. Note that the “raise and appropriate” funding strategy was used when the Technology Trust Fund (March ’22) and the Energy & Efficiency Trust Funds (March ’20) were established.

Trust Fund Warrant Articles											
March '23			March '22		March '21		March '20				
No.	Fund	Amount	No.	Fund	Amount	No.	Fund	Amount	No.	Fund	Amount
2	Building	\$ 500,000	5	Technology	\$ 100,000	4	Special Ed	\$100,000	2	Building	\$550,000
3	Energy	\$ 125,000	6	Energy	\$ 100,000	5	Building	\$300,000	3	Athletics	\$25,000
4	Technology	\$ 75,000	7	Building	\$ 500,000	6	Energy	\$ 25,000	4	Health	\$25,000
5	Equipment	\$ 25,000	8	Health	\$ 50,000	7	Equipment	\$ 50,000	6	Energy	\$70,000
6	Building	\$ 250,000	9	Building	\$ 250,000	8	Athletics	\$ 25,000			
7	Health	\$ 25,000				9	Building	\$200,000			
	<b>Total</b>	<b>\$1,000,000</b>		<b>Total</b>	<b>\$1,000,000</b>		<b>Total</b>	<b>\$700,000</b>		<b>Total</b>	<b>\$670,000</b>

If both Warrant Articles 2 and 6 are approved and subsequently funded this year, the Capital Reserve Trust Fund will most likely be used for the long overdue repair and repaving of the high school parking lot and possibly lots at several other schools.

The Energy Trust Fund is being built up to “buyout” the CVHS solar system after it has been in service for five years. This will increase the annual savings from this system.

The Technology Trust Fund was approved by voters last year. This new fund will be utilized “for the purpose of acquiring and maintaining hardware, software, and services as necessary to support the use of digital equipment and technology throughout the District”.

The Special Education Fund is typically used when an unplanned expenditure is required.

The Equipment Fund has been used several times recently to replace aging vehicles and equipment.

The Health Fund is available to offset costs associated with the difference between budgeted health insurance premiums and actual costs once the final rates are established. For FY24, the Board chose not to budget to the “maximum” plan rate quoted by our insurance provider.

***Your School Board unanimously recommends approval of the proposed Trust Fund Warrant Articles.***



***The next (and final) article in this series will discuss how the ConVal budgets impact your property tax bills.***