

# Unreserved Fund Balance (Free Cash)

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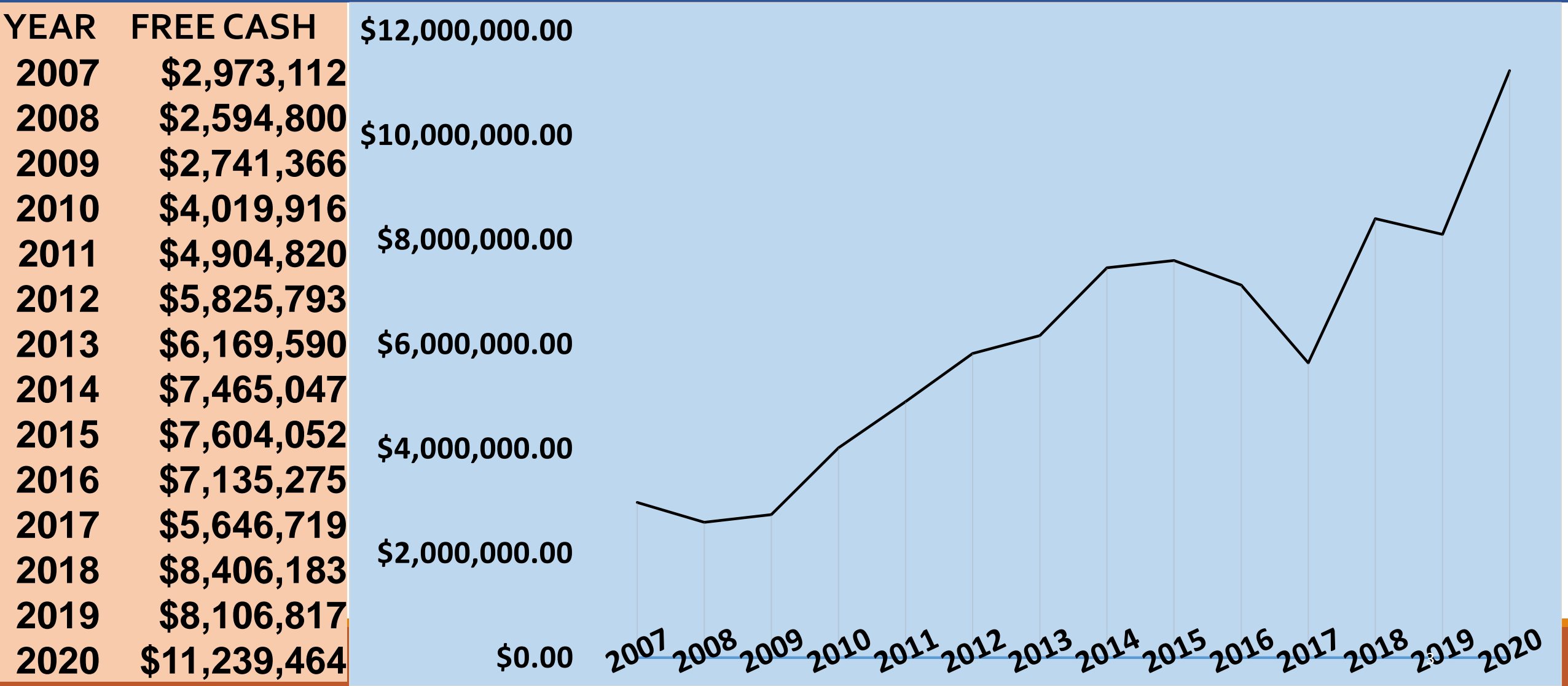
# TOPICS

- Overview of reasons for FY20 certified Unreserved Fund Balance (Free Cash) of \$11.2M
- Summaries of Free Cash FY07–FY20 and uses of Free Cash
- Details of FY20 Free Cash Calculation
- Next Steps

# WHY IS FY20 FREE CASH SO HIGH

- Proactive Management of Town and School hiring and spending freezes
- COVID-19 slowdown in spending
- Federal Assistance for COVID-19
- One-time accounting adjustments

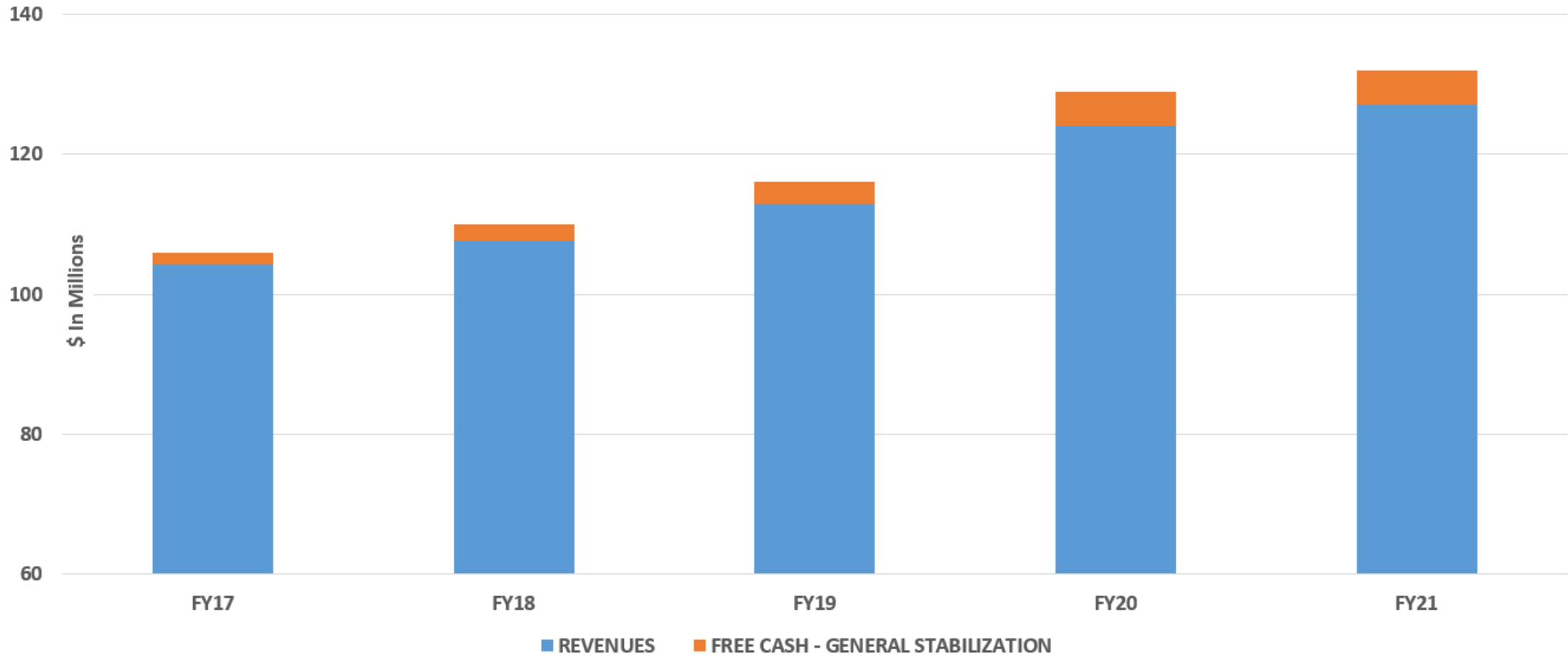
# CERTIFIED FREE CASH



# USES OF FREE CASH FY17–FY21

Fiscal Year (\$ million)	2017	2018	2019	2020	2021
Certified Free Cash by DOR	\$7.1M	\$5.6M	\$8.4M	\$8.1M	\$11.2M
<b>Less Amount Appropriated:</b>					
Operating Budget	\$(2.3)M	\$(1.6)M	\$(2.3)M	\$(3.8)M	
General Stabilization Fund	\$(1.0)M	-	-	\$(1.5)M	
OPEB - Formula	\$(0.3)M	\$(0.4)M	\$(0.5)M	\$(0.1)M	
Fire Station - one-time capital appropriation	-	\$(0.6)M	-	-	
Fire Pumper - one-time capital appropriation	-	-	-	\$(0.3)M	
Chenery Middle School Modulares	\$(1.5)M	-	-	-	
<b>Net Free Cash after Appropriations</b>	<b>\$2.0M</b>	<b>\$3.0M</b>	<b>\$5.6M</b>	<b>\$2.4M</b>	

# SOURCES OF FUNDS FOR OPERATING BUDGETS FY17 – FY21



# FY20 FREE CASH BREAKDOWN

Free Cash Certified FY19		\$ 8,106,817
Less: FY20 votes to use free cash		
	11/13/19 STM for Gen Stab & Fire Pumper	\$ (1,847,700)
	06/16/20 ATM for FY21 GF Operations	\$ (3,792,665)
	06/16/20 ATM for FY21 OPEB	\$ (50,000)
	<b>Subtotal A</b>	<b>\$ 2,416,452</b>
Less: FY20 Reductions		
	Reclassification of water and sewer estimated revenues	\$ (1,038,000)
	Decrease in reserve for abatements	\$ (215,870)
	Property tax revenue less than estimated budget	\$ (364,298)
	Financing sources less than estimated	\$ (46,817)
	Cherry sheet deficits	\$ (17,249)
	Current year fund deficits	\$ (74,278)
	Overlay surplus used to fund operating budget	\$ (235,000)
	<b>Subtotal B</b>	<b>\$ (1,991,512)</b>

# FY20 FREE CASH BREAKDOWN

Plus: FY20 Additions to Free Cash		
	Prepaid taxes	\$ 2,151,248
	Bond premium	\$ 18,000
	Continuing appropriation	\$ 1,711
	Tax deferral redeemed	\$ 274,899
	Tax title redeemed	\$ 489,100
	Estimated receipts surplus	\$ 1,430,258
	Department turnbacks (Detail Follows)	\$ 6,405,517
	Prior year fund deficits/etc.	\$ 43,567
	<b>Subtotal C</b>	<b>\$ 10,814,299</b>
<b>Free Cash Calculation (Subtotals A+B+C)</b>		<b>\$ 11,239,239</b>



# FY20 DEPARTMENT TURNBACKS DETAIL

<u>DEPARTMENT</u>		<u>FY20</u>
Police		\$ 667,000
Fire		\$ 276,000
Facilities		\$ 681,000
Library		\$ 248,000
Public Works		\$ 333,000
Recreation		\$ 231,000
Schools		\$ 817,000
Insurance & Benefits		\$ 535,000
Other*		\$ 2,600,000
<b>Total</b>		<b>\$ 6,388,000</b>

*\* Abatement & Exemptions; Misc.  
Town Departments; Warrant Reserve*

# NEXT STEPS

- Determine Override Request
- Use of Free Cash & Management of Structural Deficit
- Financial Plan for 3 Years

**QUESTIONS?**