

2/26/14

### Budget Terminology

**Free Cash** is an amount calculated annually by the Accountant and certified by the State Bureau of Accounts. The amount is determined by subtracting uncollected taxes and certain deficits from Surplus Revenue.

**Surplus Revenue** is the amount by which the Cash, Accounts Receivable and Other Assets exceeds Liabilities and Reserves.

**Town of Dover  
Revenue Sources and Expenditures**

	Recap		Projected		% Change FY13/FY14	%Change FY14/FY15
	FY13	FY14	FY15			
<b>Expenditures</b>						
Article 4	\$ 30,681,087	\$ 31,751,674	\$ -		3.49%	-100.00%
Additions to the Overlay - Assessors	\$ 250,489	\$ 232,496	\$ -		-7.18%	-100.00%
Article 5	\$ 417,152	\$ 646,534	\$ -		54.99%	-100.00%
Special Articles	\$ 819,617	\$ 30,000	\$ -		-96.34%	-100.00%
Special Articles - Other	\$ 46,828	\$ -	\$ -		-100.00%	#DIV/0!
Reserve Fund	\$ 250,000	\$ 250,000	\$ -		0.00%	-100.00%
State Charges	\$ 290,402	\$ 293,925	\$ 300,553 (a)		1.21%	2.25%
Recap Appropriations / Tax Title-Fees	\$ 24,636	\$ 74,943	\$ 24,000		204.20%	-67.98%
Prior Year Snow & Ice Deficit	\$ -	\$ 161,163	\$ -		NA	-100.00%
	\$ 32,780,211	\$ 33,440,735	\$ 324,553		2.02%	-99.03%
<b>Revenue Sources</b>						
Tax Levy, excluding New Growth	\$ 25,678,414	\$ 26,664,674	\$ 27,758,843		3.84%	4.10%
Debt Service Exclusions						
Dover	\$ 1,028,650	\$ 930,017	\$ -		-9.59%	-100.00%
Regional School	\$ 650,284	\$ 701,139	\$ -		7.82%	-100.00%
New Growth	\$ 335,902	\$ 417,124	\$ -		24.18%	-100.00%
State Aid receipts	\$ 859,555	\$ 876,784	\$ 942,349 (a)		2.00%	7.48%
SBA Reimbursements (c)	\$ 531,983	\$ 531,983	\$ 531,983		0.00%	0.00%
Local receipts (Excise Taxes, etc.)	\$ 1,971,050	\$ 2,025,691	\$ -		2.77%	-100.00%
Overlay Surplus	\$ 50,000	\$ 50,000	\$ -		0.00%	-100.00%
Other (MMWPAT Septic Betterments)	\$ 10,400	\$ 10,400	\$ 10,400		0.00%	0.00%
Capital Exclusion Override	\$ -	\$ -	\$ -		NA	NA
Free Cash	\$ 1,997,933	\$ 1,597,973	\$ -		-20.02%	-100.00%
	\$ 33,114,171	\$ 33,805,785	\$ 29,243,575			
Excess Levy Capacity	\$ 333,960	\$ 365,050	\$ 28,919,022			

**Notes**

A key element to understanding the inter-relationship between Expense and Revenues is the difference in time frames.

A majority of the expenses are known in connection with the Town Meeting and Vote, whereas the Tax Levy is not confirmed by the State Treasurer until after January 1st of the following calendar year.

- (a) State Aid & Charges based upon the Governor's proposal (H1) dated January 22, 2014
- (c) SBA (State Reimbursement for Chickering after Refunding)

For the period of 2009 - 2013

Town of Dover  
Free Cash Calculations

	2009	2010	2011	2012	2013
Free Cash - Certified for 07/01 - beginning of fiscal year	\$ 3,284,921	\$ 3,803,191	\$ 4,433,983	\$ 4,734,060	\$ 5,273,685
Budget Appropriations for Fiscal Years	\$ 1,282,908 (TR)	\$ (1,597,139)	\$ (1,375,002)	\$ (1,951,105)	\$ (1,597,973)
Reduce Tax Rate	\$ 1,537,608 (BS)	\$ (7,500)	\$ -	\$ -	\$ -
Trees / Chickering School		\$ (550)	\$ -	\$ (46,828)	\$ -
Unpaid Bills		\$ -	\$ -	\$ -	\$ -
Supplemental Budget Appropriation - 2012		\$ (178,867)	\$ -	\$ -	\$ -
Post Retirement Benefits Liability		\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Warrant Committee (Reserve Fund)		\$ (1,834,056)	\$ (1,425,002)	\$ (2,047,933)	\$ (1,647,973)
Current Fiscal Year Elements					
Transfers In & Out to General Fund		\$ (444,470)	\$ (492,337)	\$ (308,326)	\$ (1,119,823)
Operating Budget Turnbacks		\$ 1,786,168	\$ 1,453,113	\$ 1,786,572	\$ 1,831,975
Recap - Raised for Snow & Ice Deficit		\$ 400,758	\$ 148,257	\$ -	\$ -
Recap - Raised for Overlay Deficit		\$ -	\$ -	\$ -	\$ -
Actual - Revenues over Expenses		\$ 1,658,296	\$ -	\$ 454,503	\$ 1,758
Balance Reserved for Encumbrances		\$ (490,782)	\$ (510,348)	\$ (632,302)	\$ 8,214
Balance Reserved for Snow & Ice & Overlay Deficits		\$ (148,257)	\$ (189,253)	\$ (8,214)	\$ (599,781)
Overlay Reserve Funding released		\$ 50,000	\$ 50,000	\$ 50,000	\$ (219,938)
Article - Transfer to Unemployment Trust		\$ (10,000)	\$ (78,000)	\$ (30,000)	\$ (20,000)
Free Cash Adjustments		\$ (336,865)	\$ 189,543	\$ (303,233)	\$ 1,067,033
		\$ 2,464,848	\$ 1,725,079	\$ 2,587,558	\$ 2,054,759
Free Cash - Certified for 07/01 - calculated	\$ 3,803,191	\$ 4,433,983	\$ 4,734,060	\$ 5,273,685	\$ 5,680,471
Free Cash - Certified for 07/01 - Noted in report		\$ 4,433,983	\$ 4,734,060	\$ 5,273,685	\$ 5,680,471
Variance		\$ -	\$ -	\$ -	\$ -
Yearly Change		16.59%	6.77%	11.40%	7.71%
Town Population	6,049	6,034	5,980	6,081	6,082
% change Year to Year	1.036%	-0.248%	-0.895%	1.689%	0.016%
Fiscal Year Tax Rate (per \$1,000)	9.86	10.92	11.70	11.92	12.80
Fiscal Year Tax Rate - Percentage Change	1.13%	10.75%	7.14%	1.88%	7.38%
Total Assessed Value of Town (\$MM)	\$ 2,415.41	\$ 2,291.62	\$ 2,203.96	\$ 2,221.50	\$ 2,137.44
Ratio of Free Cash to Assessed Value (%)	0.149%	0.17%	0.20%	0.21%	0.25%
Assessed Value % change Year to Year	2.85%	-5.12%	-3.83%	0.80%	-3.78%
Treasurer's Cash Including Trust Funds	\$ 12,423,510	\$ 13,737,397	\$ 14,402,647	\$ 16,247,875	\$ 16,985,871
% Change Year to year	28.04%	10.58%	4.84%	12.81%	4.54%
Trust Funds	\$ 2,505,791	\$ 4,373,077	\$ 4,998,845	\$ 5,334,027	\$ 5,854,094
Cash excluding Trust Funds - General Fund	\$ 9,917,719	\$ 9,364,320	\$ 9,403,802	\$ 10,913,848	\$ 11,131,777
% Change year to year	35.32%	-5.58%	0.42%	16.06%	2.00%
Appropriation (7/1)	\$ 27,993,250	\$ 30,958,312	\$ 30,049,904	\$ 30,445,294	\$ 32,214,684
Free Cash Used to reduce tax rate	\$ 1,623,000	\$ 1,282,908	\$ 1,597,139	\$ 1,375,002	\$ 1,951,105
Free Cash Used as % of Appropriation	5.80%	4.14%	5.31%	4.52%	6.06%
Free Cash Used as % of Free Cash as of 7/1	49.41%	33.73%	36.02%	29.04%	37.00%
Total Free Cash to Appropriation (%)	11.73%	12.28%	14.76%	15.55%	16.37%