



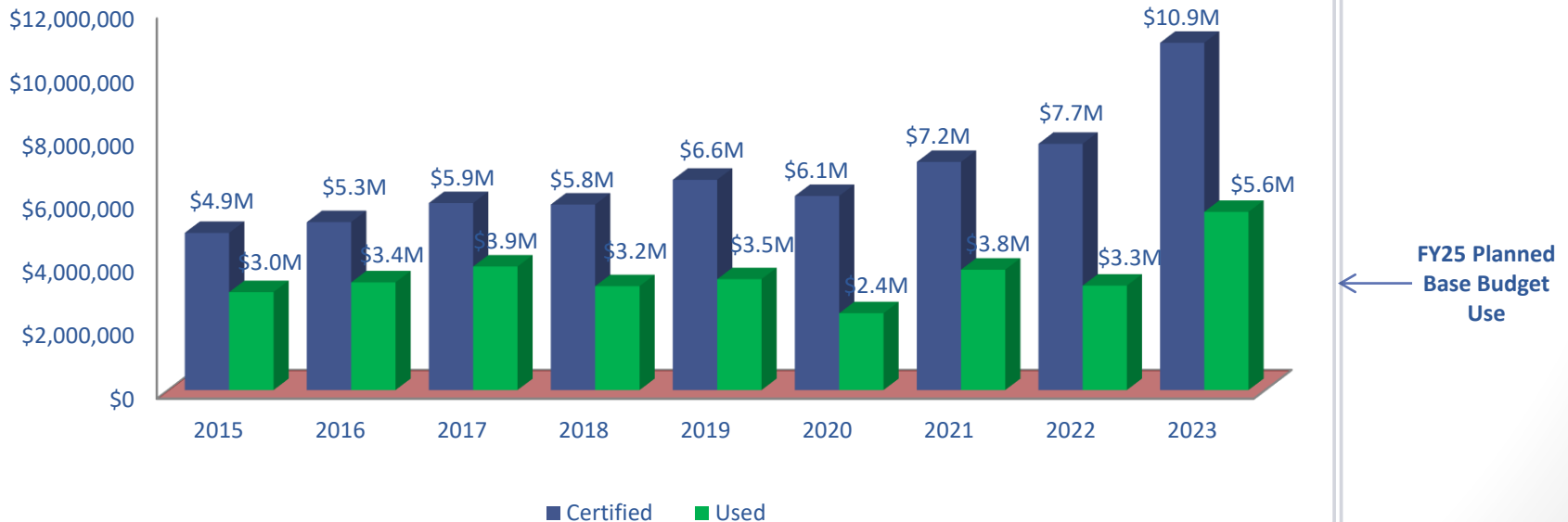
# Free Cash Certification

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# Free Cash - Strong Position

- DOR Certified Free Cash as of July 1, 2023 is \$10,959,301.
- Disciplined use of free cash balance.
  - Not used to fund ongoing operating expenditures or budget shortfalls.
  - Keep available fund balance by not using full amount.
  - Adhering to Financial Policies, the available amount continues to be used for capital needs, not operating budgets.
  - Positive FY23 budget to actual results, appropriate amount for year end operating budget turn back.
- FY24 current budget was funded by \$3,833,250 of free cash :
  - \$2.3M for school and municipal capital
  - \$125K for Stabilization
  - 405K for Fincom Reserve Fund
  - \$393K for Town Meeting Article 2 Transfers

Certified/Used Free Cash



- Financial policy target approximately \$4M unallocated

# History of Free Cash Use

Certified Date	July 2023		July 2022	July 2021	July 2020	July 2019	July 2018
Amount	\$ 10,959,301		\$7,772,702	\$7,264,563	\$6,124,816	\$6,637,200	\$5,854,683
Planned Use:							
Fincom Reserve	\$ 405,000		\$405,000				
Stabilization	\$ 125,000		\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Capital	\$ 3,000,000		\$2,372,500	\$2,373,250	\$2,321,650	\$3,383,900	\$3,163,500
Articles	\$ 2,500,000		\$393,000	\$1,335,000	\$181,000	\$350,000	\$0
<b>Total Used</b>	<b>\$ 5,625,000</b>		<b>\$3,295,500</b>	<b>\$3,833,250</b>	<b>\$2,627,650</b>	<b>\$3,858,900</b>	<b>\$3,288,500</b>
<b>Unallocated</b>	<b>\$ 5,334,301</b>		<b>\$4,477,202</b>	<b>\$3,431,313</b>	<b>\$3,497,166</b>	<b>\$2,778,300</b>	<b>\$2,566,183</b>

- Unallocated free cash target per financial policies is approximately \$4M.
  - This is an important component of the credit rating.
- Additional free cash beyond target has been used for
  - Base school and municipal capital
  - Extra capital, snow and ice, one time needs
- Unallocated balance provides protection for the Town.

# Positive and Unique Results

- This year's increased free cash certification balance is due to a few unique factors
  - The high cash balance/interest rates
  - Utilization of other revenue sources for this year's additional capital projects
    - Meals and Hotels Tax Revenue
- It is important to note that the higher amount is not an indication of ongoing budget issues but just due to unique combination of conditions
- The combination of these factors created a unique situation for the Town
  - Can not be relied upon to continue in future years