

DETAILED REVENUE SUMMARY

GENERAL FUND	FY04	FY05	FY06	FY07	FY07 vs FY06	
	ACTUAL	ACTUAL	BUDGET	BUDGET	\$	%
Property Taxes	114,247,135	119,549,759	125,014,839	129,825,273	4,810,434	3.8%
Local Receipts	19,033,233	21,229,625	18,900,300	19,948,300	1,048,000	5.5%
Motor Vehicle Excise (MVE)	5,038,714	5,314,315	5,250,000	5,250,000	0	0.0%
Licenses & Permits	815,868	773,208	744,500	809,500	65,000	8.7%
Parking / Court Fines	4,113,413	4,127,095	4,000,000	4,000,000	0	0.0%
General Government	2,531,697	3,411,507	2,341,500	2,779,500	438,000	18.7%
Recreation	345,802	432,915	330,000	0	(330,000)	-100.0%
Interest Income	1,152,376	1,617,681	1,330,000	2,160,000	830,000	62.4%
PILOT's	1,016,388	1,009,139	738,800	679,300	(59,500)	-8.1%
Refuse Fee	2,145,678	2,164,841	2,100,000	2,100,000	0	0.0%
Departmental & Other	1,873,297	2,378,923	2,065,500	2,170,000	104,500	5.1%
State Aid	17,298,584	17,420,087	18,027,706	18,916,419	888,713	4.9%
General Government Aid	7,546,422	7,870,316	8,005,712	8,642,883	637,171	8.0%
School Aid	5,139,728	4,922,047	5,271,835	5,522,549	250,714	4.8%
School Construction Aid	3,570,791	3,442,794	3,442,794	3,442,794	0	0.0%
Tax Abatement Aid	28,082	27,693	27,078	27,191	113	0.4%
Offset Aid	1,013,561	1,157,237	1,280,287	1,281,002	715	0.1%
Other Available Funds	7,884,671	11,116,554	7,691,658	7,947,903	256,244	3.3%
Parking Meter Receipts	1,900,000	1,925,000	1,977,500	1,930,000	(47,500)	-2.4%
Walnut Hill Cemetery Fund	50,000	50,000	50,000	50,000	0	0.0%
Chapter 90	484,177	568,739	568,786	0	(568,786)	-100.0%
State Aid for Libraries	41,555	41,555	41,555	41,555	0	0.0%
Golf Enterprise Fund Reimb.	376,581	342,908	379,554	371,402	(8,152)	-2.1%
Recreation Revolving Fund Reimb.	82,886	112,781	119,737	145,601	25,864	21.6%
Water and Sewer Enterprise Fund Reimb.	4,849,472	4,750,571	4,554,526	4,995,385	440,859	9.7%
School Special Funds Reimb.	100,000	100,000	0	0	0	-
Tax Abatement Reserve Surplus	0	3,000,000	0	0	0	-
Capital Project Surplus	0	225,000	0	413,960	413,960	-
Free Cash	5,602,961	6,966,241	4,606,534	5,387,435	780,901	17.0%
Capital Improvements	4,929,348	5,675,360	3,779,809	4,491,704	711,896	18.8%
Operating Budget Reserve	0	369,076	381,105	398,444	17,339	4.5%
Strategic Reserves	673,613	921,804	445,620	497,287	51,667	11.6%
TOTAL GENERAL FUND REVENUE	164,066,583	176,282,266	174,241,037	182,025,329	7,784,291	4.5%
ENTERPRISE FUND / REVOLVING FUND REVENUE						
Water and Sewer Enterprise Fund *	15,032,758	15,735,924	16,931,770	17,985,947	1,054,177	6.2%
Golf Course Enterprise Fund *	792,396	835,051	817,970	850,726	32,756	4.0%
Recreation Revolving Fund *	637,710	752,050	956,004	1,189,655	233,651	24.4%
TOTAL ENTERPRISE / REVOLVING FUND REVENUE	16,462,864	17,323,025	18,705,744	20,026,328	1,320,585	7.1%
TOTAL REVENUES	180,529,447	193,605,290	192,946,781	202,051,657	9,104,876	4.7%

* These figures are net of Reimbursements to the General Fund, as those amounts are accounted for in the "Other Available Funds" category.

FY2007 REVENUE BY FUND

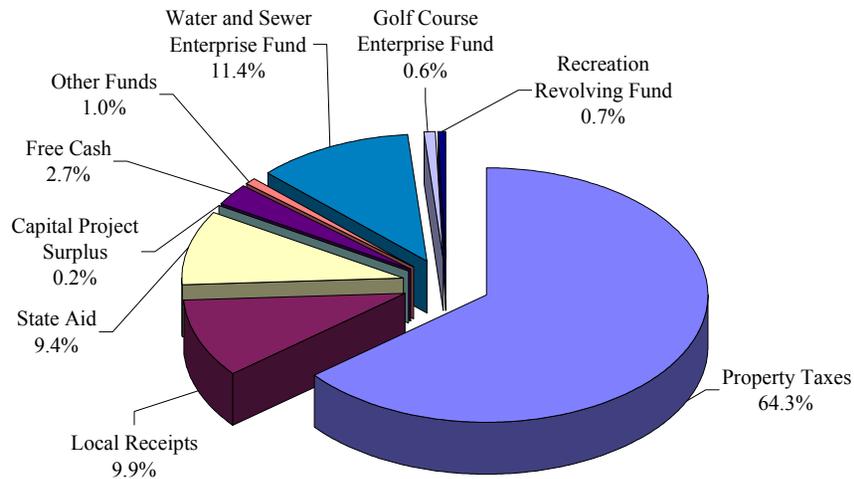
	General Fund ¹	Water & Sewer Enterprise	Golf Enterprise	Recreation Revolving Fund	Parking Meter Fund ²	Cemetery Trust ²	State Library Aid ²	TOTAL
Property Taxes	129,825,273							129,825,273
Local Receipts	19,948,300							19,948,300
State Aid	18,916,419							18,916,419
Parking Meter Receipts					1,930,000			1,930,000
Walnut Hill Cemetery Fund						50,000		50,000
State Aid for Libraries							41,555	41,555
Golf Enterprise Fund Reimbursement			371,402					371,402
Recreation Revolving Fund Reimbursement				145,601				145,601
Water and Sewer Enterprise Fund Reimbursement		4,995,385						4,995,385
Capital Project Surplus	413,960							413,960
Free Cash	5,387,435							5,387,435
TOTAL GENERAL FUND	174,491,386	4,995,385	371,402	145,601	1,930,000	50,000	41,555	182,025,329
Water and Sewer Enterprise Fund ³		17,985,947						17,985,947
Golf Course Enterprise Fund ³			850,726					850,726
Recreation Revolving Fund ³				1,189,655				1,189,655
TOTAL FINANCIAL PLAN	174,491,386	22,981,332	1,222,128	1,335,256	1,930,000	50,000	41,555	202,051,657

¹ Includes revenue from property taxes, local receipts, state aid, and Free Cash.

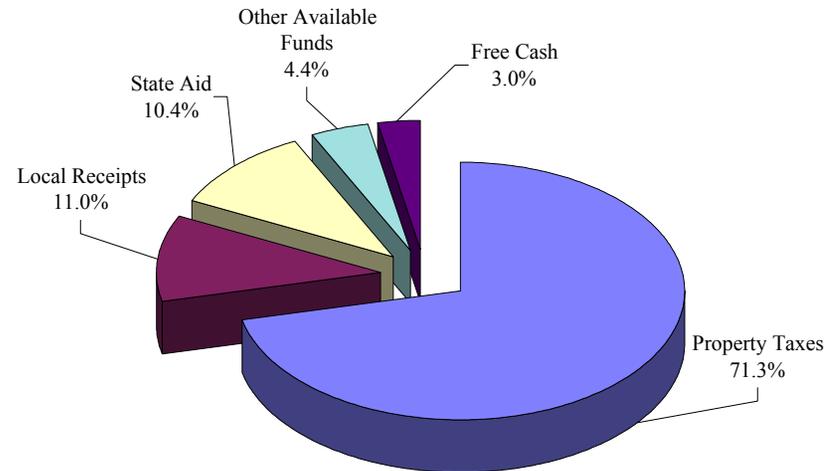
² The revenue from these funds are transferred into the General Fund.

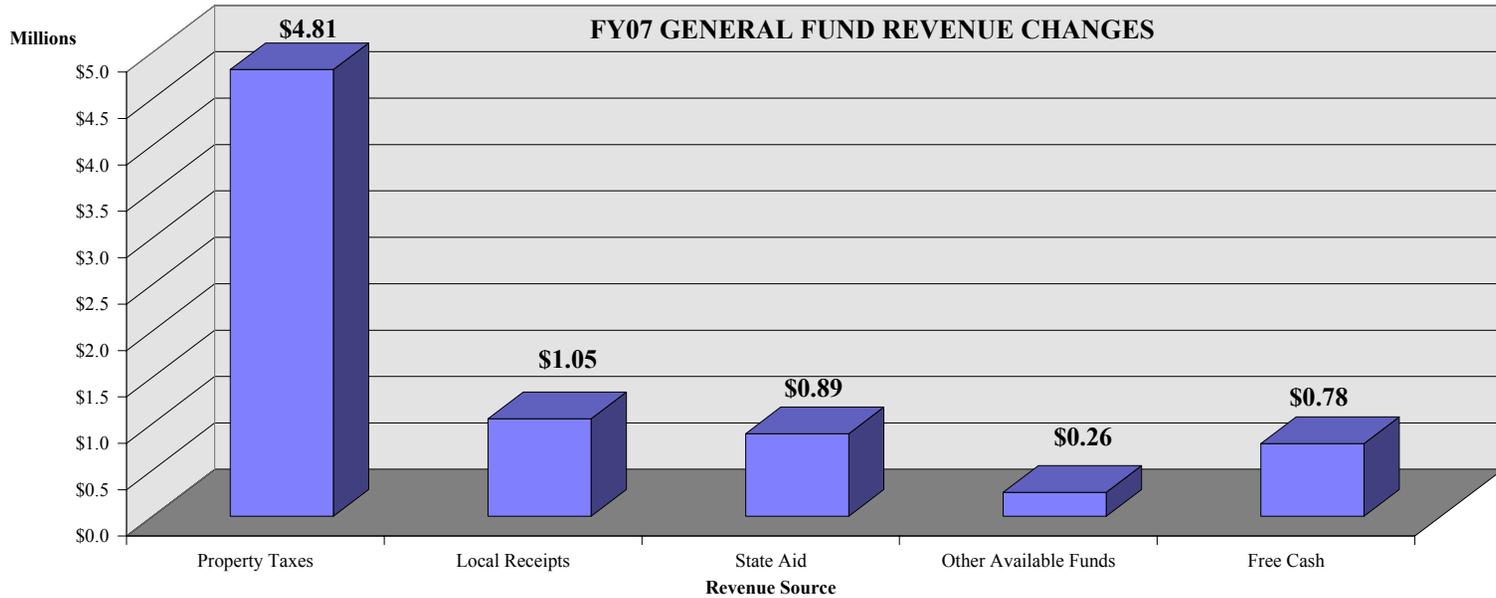
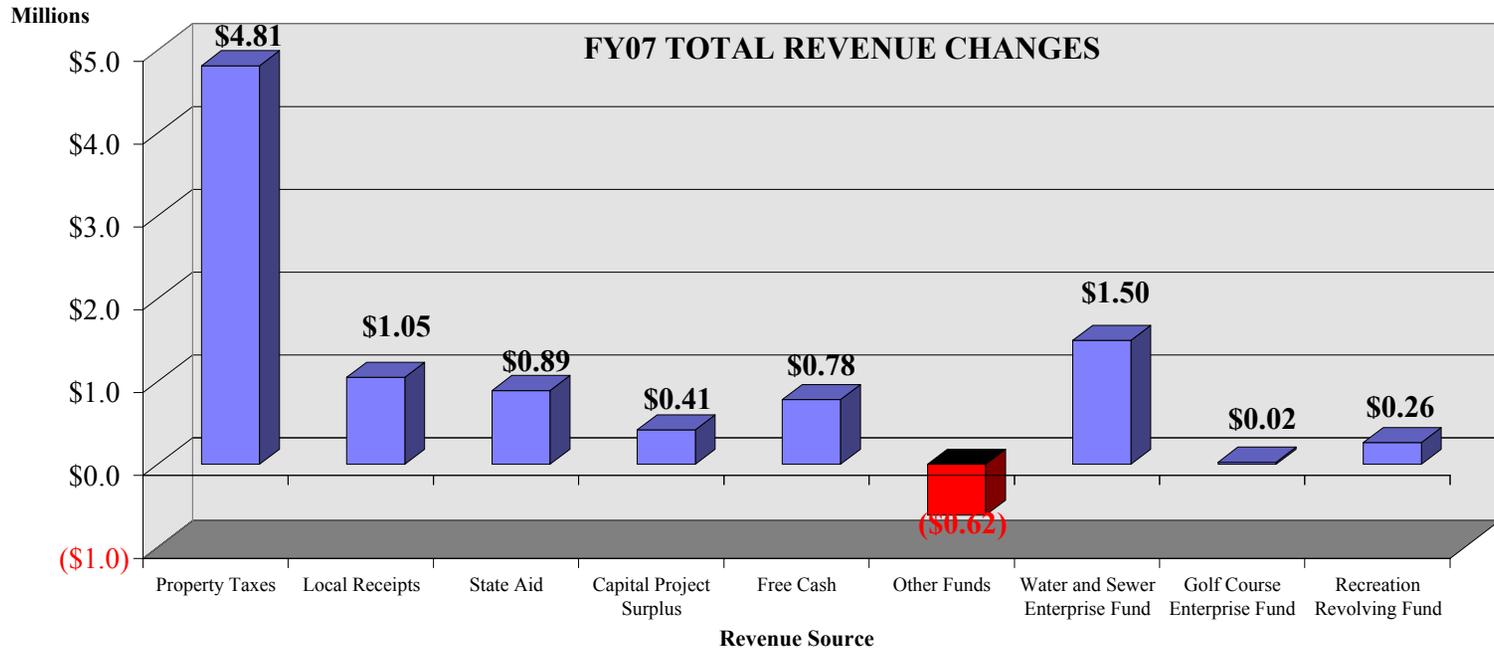
³ These are net of Reimbursements to the General Fund, as those amounts are accounted for in the "reimbursement" figures listed under the General Fund.

FY07 TOTAL REVENUE COMPOSITION



FY07 GENERAL FUND REVENUE COMPOSITION





TOTAL REVENUES

\$ (millions)
% of General Fund Budget

REVENUE SOURCE	FY81	FY82	FY98 ACT.	FY99 ACT.	FY00 ACT.	FY01 ACT.	FY02 ACT.	FY03 ACT.	FY04 ACT.	FY05 ACT.	FY06 BUD.	FY07 BUD.
PROPERTY TAX	\$45.8 76.4%	\$40.8 71.0%	\$87.7 70.8%	\$91.1 70.3%	\$96.0 67.5%	\$99.5 65.3%	\$103.7 64.2%	\$108.2 66.1%	\$114.2 69.6%	\$119.5 67.8%	\$125.0 71.7%	\$129.8 71.3%
LOCAL RECEIPTS	\$3.8 6.4%	\$5.3 9.2%	\$18.4 14.8%	\$18.9 14.6%	\$21.7 15.3%	\$22.2 14.5%	\$19.4 12.0%	\$23.0 14.0%	\$19.0 11.6%	\$21.2 12.0%	\$18.9 10.8%	\$19.9 11.0%
STATE AID	\$5.5 9.2%	\$7.2 12.5%	\$12.7 10.2%	\$13.9 10.7%	\$15.5 10.9%	\$19.3 12.7%	\$20.0 12.4%	\$19.1 11.6%	\$17.3 10.5%	\$17.4 9.9%	\$18.0 10.3%	\$18.9 10.4%
FEDERAL REVENUE SHARING	\$1.1 1.8%	\$1.0 1.7%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%
FREE CASH	\$3.4 5.7%	\$2.7 4.7%	\$2.9 2.4%	\$3.6 2.7%	\$6.6 4.6%	\$4.8 3.2%	\$11.5 7.1%	\$5.3 3.2%	\$5.6 3.4%	\$7.0 4.0%	\$4.6 2.6%	\$5.4 3.0%
OTHER AVAIL. FUNDS	\$0.3 0.5%	\$0.5 0.9%	\$2.3 1.8%	\$2.2 1.7%	\$2.3 1.6%	\$6.5 4.3%	\$6.8 4.2%	\$8.3 5.1%	\$7.9 4.8%	\$11.1 6.3%	\$7.7 4.4%	\$7.9 4.4%
GENERAL FUND BUDGET TOTAL	\$59.9	\$57.5	\$123.9	\$129.7	\$142.2	\$152.4	\$161.4	\$163.9	\$164.1	\$176.3	\$174.2	\$182.0
WATER & SEWER ENT FUND (1) (2)	\$2.1	\$2.9	\$15.6	\$16.7	\$17.9	\$17.0	\$13.3	\$14.2	\$15.0	\$15.7	\$16.9	\$18.0
GOLF COURSE ENT FUND (1)	\$0.0	\$0.0	\$0.7	\$0.7	\$0.6	\$1.0	\$0.8	\$0.6	\$0.8	\$0.8	\$0.8	\$0.9
RECREATION REVOLVING FUND (1)	\$0.0	\$0.0	\$0.3	\$0.3	\$0.4	\$0.4	\$0.5	\$0.6	\$0.6	\$0.8	\$1.0	\$1.2
TOTAL FINANCIAL PLAN	\$62.0	\$60.4	\$140.5	\$147.4	\$161.1	\$170.7	\$176.0	\$179.3	\$180.5	\$193.6	\$192.9	\$202.1

(1) These figures are net of Reimbursements to the General Fund, as those amounts are accounted for in the "Other Available Funds" category.
(2) Prior to FY02, all Water & Sewer revenue was accounted for in the General Fund.

ANNUAL REVENUE INCREASES BY SOURCE

\$ (millions)

REVENUE SOURCE	FY82	FY98 ACTUAL	FY99 ACTUAL	FY00 ACTUAL	FY01 ACTUAL	FY02 ACTUAL	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 BUDGET	FY07 BUDGET
PROPERTY TAX	(\$5.1) -11.1%	\$3.6 4.3%	\$3.5 4.0%	\$4.8 5.3%	\$3.6 3.7%	\$4.1 4.2%	\$4.5 4.4%	\$6.0 5.5%	\$5.3 4.6%	\$5.5 4.6%	\$4.8 3.8%
LOCAL RECEIPTS	\$1.5 39.1%	\$1.7 10.4%	\$0.5 2.8%	\$2.8 15.1%	\$0.4 2.0%	(\$2.8) -12.5%	\$3.6 18.4%	(\$3.9) -17.1%	\$2.2 11.5%	(\$2.3) -11.0%	\$1.0 5.5%
STATE AID	\$1.7 31.1%	\$0.9 7.3%	\$1.2 9.5%	\$1.7 12.1%	\$3.8 24.4%	\$0.7 3.4%	(\$0.9) -4.6%	(\$1.8) -9.3%	\$0.1 0.7%	\$0.6 3.5%	\$0.9 4.9%
FEDERAL REVENUE SHARING	(\$0.1) -5.5%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%	\$0.0 0.0%
FREE CASH	(\$0.6) -17.9%	\$0.7 32.8%	\$0.6 21.6%	\$3.0 85.0%	(\$1.8) -27.0%	\$6.7 139.8%	(\$6.3) -54.4%	\$0.3 6.5%	\$1.4 24.3%	(\$2.4) -33.9%	\$0.8 17.0%
OTHER AVAIL. FUNDS	\$0.2 70.8%	(\$0.0) -2.0%	(\$0.0) -1.3%	\$0.1 3.5%	\$4.2 183.4%	\$0.2 3.6%	\$1.6 22.9%	(\$0.5) -5.4%	\$3.2 41.0%	(\$3.4) -30.8%	\$0.3 3.3%
GENERAL FUND BUDGET TOTAL	(\$2.4) -4.1%	\$6.9 5.9%	\$5.8 4.7%	\$12.5 9.6%	\$10.2 7.2%	\$9.0 5.9%	\$2.5 1.5%	\$0.2 0.1%	\$12.2 7.4%	(\$2.0) -1.2%	\$7.8 4.5%
WATER & SEWER ENT FUND (1) (2)	\$0.9 41.0%	\$1.5 10.3%	\$1.1 7.2%	\$1.2 7.3%	(\$1.0) -5.5%	(\$3.7) -21.6%	\$0.9 6.8%	\$0.8 5.8%	\$0.7 4.7%	\$1.2 7.6%	\$1.1 6.2%
GOLF COURSE ENT FUND (1)	\$0.0 0.0%	(\$0.1) -17.6%	(\$0.0) -3.6%	(\$0.0) -6.4%	\$0.3 57.3%	(\$0.1) -14.3%	(\$0.2) -23.0%	\$0.2 25.3%	\$0.0 5.4%	(\$0.0) -2.0%	\$0.0 3.4%
RECREATION REVOLVING FUND (1)	\$0.0 0.0%	\$0.1 30.2%	\$0.0 3.4%	\$0.0 15.8%	(\$0.0) -1.2%	\$0.2 42.4%	\$0.1 15.4%	\$0.0 7.4%	\$0.1 17.9%	\$0.2 27.1%	\$0.2 0.1%
TOTAL FINANCIAL PLAN	(\$1.5) -2.6%	\$8.2 6.2%	\$6.9 4.9%	\$13.7 9.3%	\$9.6 6.0%	\$5.4 3.1%	\$3.3 1.9%	\$1.2 0.7%	\$13.1 7.2%	(\$0.7) -0.3%	\$9.1 4.7%

(1) These figures are net of Reimbursements to the General Fund, as those amounts are accounted for in the "Other Available Funds" category.
(2) Prior to FY02, all Water & Sewer revenue was accounted for in the General Fund.

PROPERTY TAX

Property tax is the primary source of revenue for virtually every Massachusetts municipality. In Brookline, Property taxes represent 72% of annual General Fund revenues. Property taxes are levied on real property (land and buildings) and personal property (equipment) used by Brookline's non-manufacturing business firms. State law mandates that communities update their property values every three years and obtain state certification that such values represent full and fair cash value. A comprehensive town-wide revaluation was completed in FY06, with the next one scheduled for FY09.

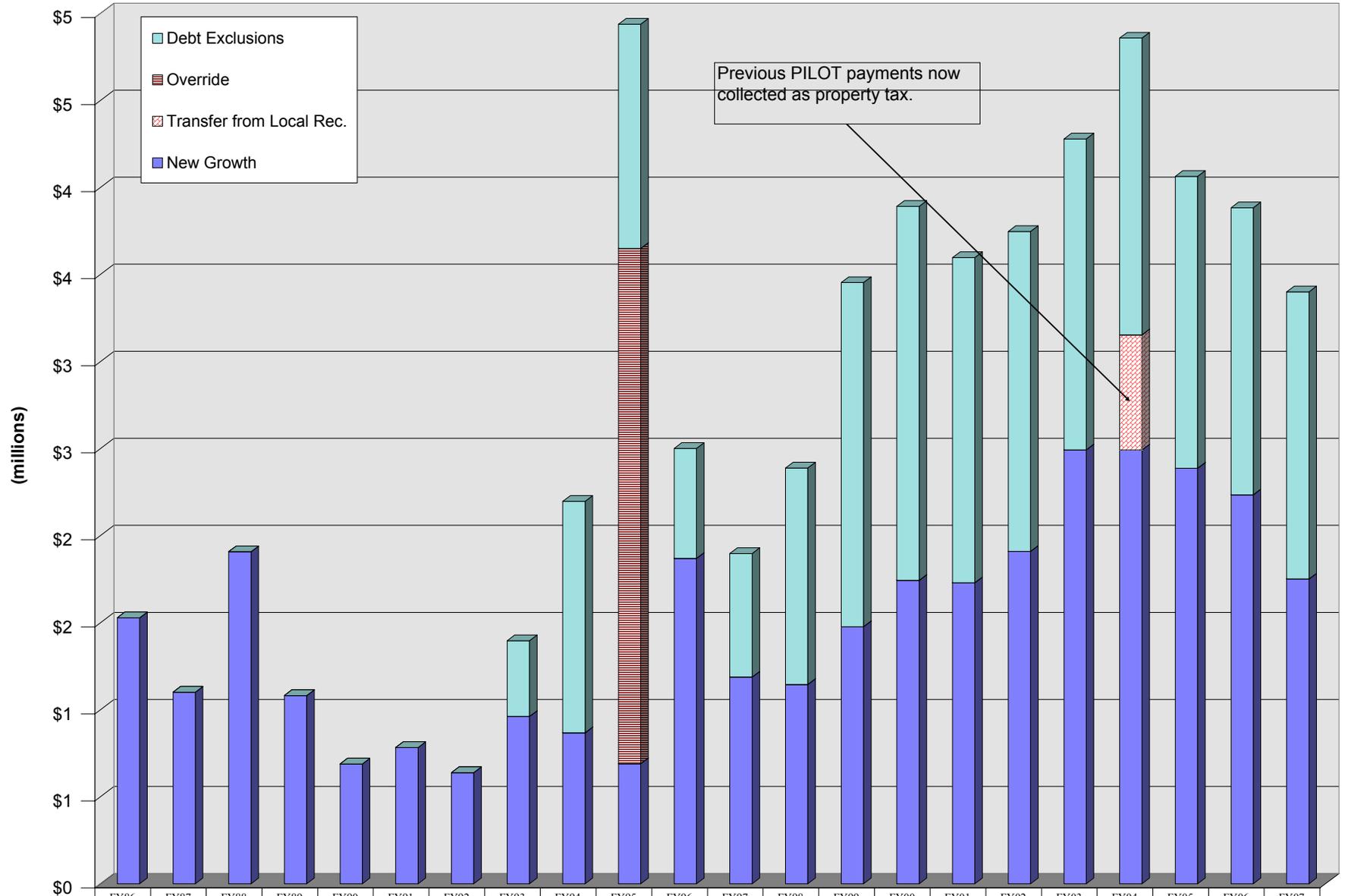
Under the provisions of Proposition 2 1/2, property taxes, in the aggregate, may not exceed 2 1/2% of their "full and fair cash value". This limit is known as the "levy ceiling". In addition, annual levy increases may not exceed 2 1/2% more than the previous year's levy plus the taxes added from any new properties, renovations to existing properties, or condominium conversions added to the tax rolls (known as "new growth"). This is known as the "levy limit". Any Proposition 2 1/2 override or debt exclusion amounts voted are added to the levy limit while all related school construction reimbursements from the State (SBAB) are similarly subtracted.

Property values and new growth for FY07 are preliminary estimates used to project the levy limit. The FY07 maximum allowable levy is projected to total \$129,825,273, representing an increase of \$4,810,434 (3.8%) over the FY06 Levy. The figures below detail how the estimated FY07 levy is calculated:

FY06 LEVY LIMIT	\$123,376,018
<u>PROP. 2 1/2 INCREASE</u>	\$3,084,400
SUB-TOTAL	\$126,460,418
<u>NEW GROWTH (est.)</u>	\$1,750,000
ESTIMATED FY07 LEVY LIMIT	\$128,210,418
DEBT EXCLUSIONS	\$4,445,657
<u>STATE SBA REIMBURSEMENTS</u>	<u>(\$2,830,803)</u>
FY07 TOTAL PROPERTY TAX LEVY	\$129,825,273

REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Property Tax Levy	114,247,135	119,549,759	125,014,839	125,014,839	129,825,273	4,810,434

NEW GROWTH, OVERRIDE, AND DEBT EXCLUSIONS FY93-FY07 (est.)

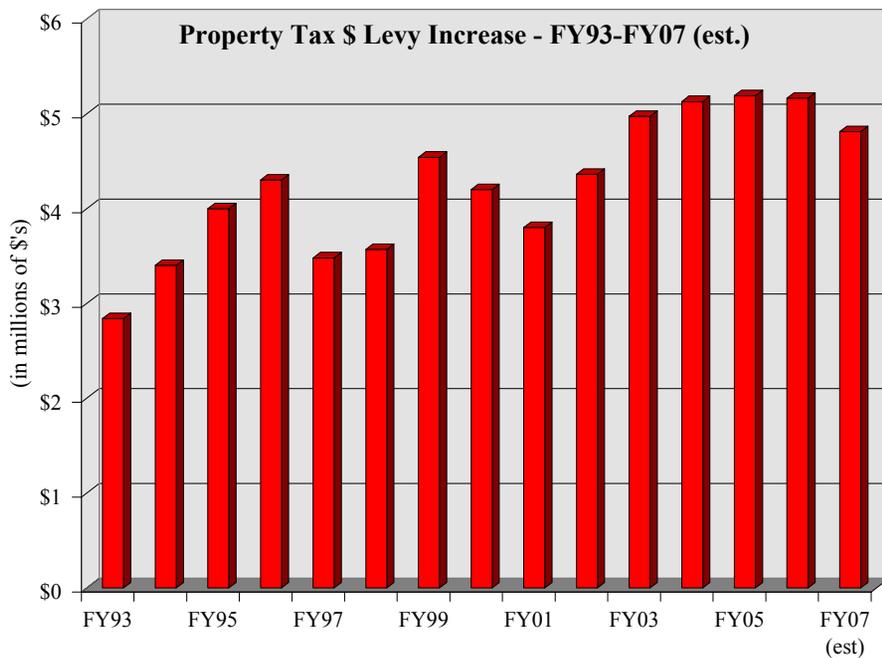
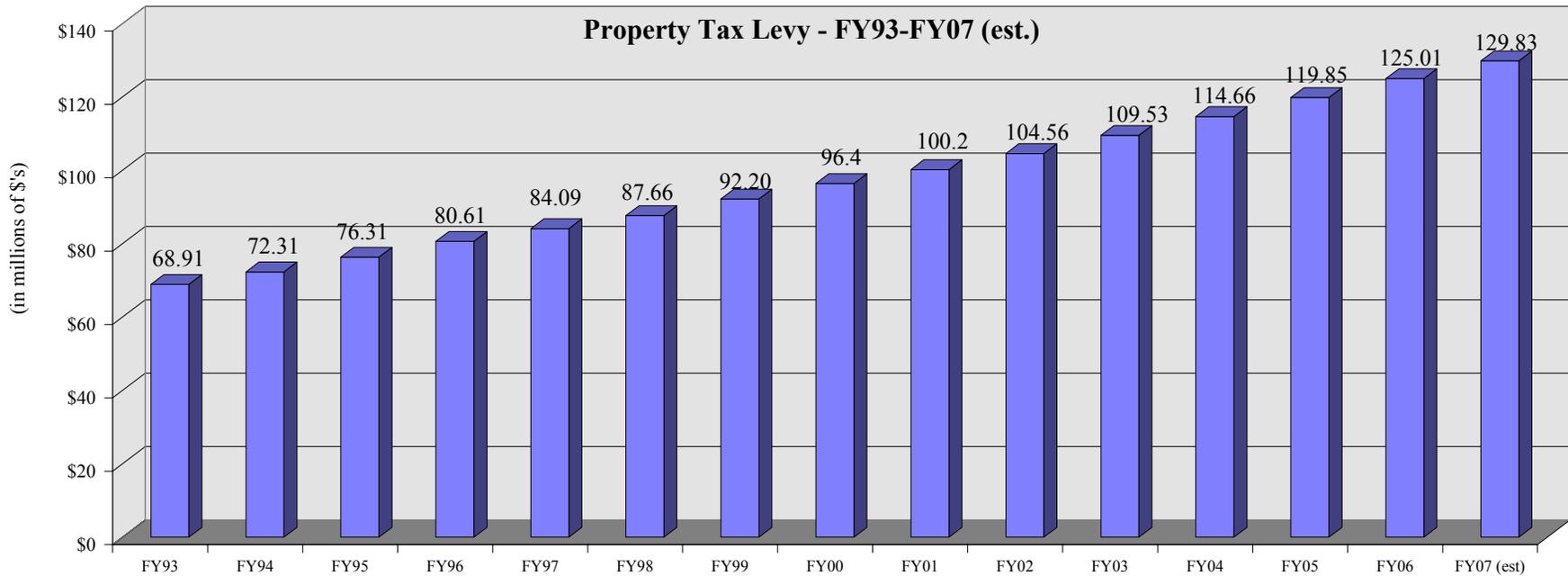


	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07
Debt Exclusions	0	0	0	0	0	0	0	0.4345	1.3294	1.2883	0.6311	0.7101	1.2438	1.977223	2.149	1.868	1.837	1.785	1.705	1.676	1.6487344	1.6487344
Override	0	0	0	0	0	0	0	0	0	2.96	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Local Rec.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.661	0	0	0
New Growth	1.5273	1.0996	1.9068	1.0803	0.6884	0.7825	0.6383	0.9605	0.867	0.6889	1.8687	1.1866	1.1443	1.475516	1.742	1.728	1.909	2.491979	2.491073	2.386251	2.232945	1.75

PROPERTY TAXES
COLLECTIONS AND UNPAID BALANCES
FOR FISCAL YEARS ENDED JUNE 30

Fiscal Year	Real Estate and Pers. Property Levy	(1) Collections As Of Base Yr End	% As Of Base Yr End	Uncollected Bal As Of Base Yr End	(2) Cumulative Pr Yr Collections Yr End As Of Dec 31, 2005	Uncollected Real Estate, Pers. Prop., & Tax Title As Of Dec 31, 200	% Collected As Of Dec 31, 2005	(3) Tax Titles / Foreclosures As of Base Yr
1991	63,858,195	58,232,551	91.2%	5,625,644	5,625,644	0	100.00%	445,450
1992	66,069,188	63,091,733	95.5%	2,977,455	2,977,455	0	100.00%	1,388,687
1993	68,820,895	67,169,184	97.6%	1,651,711	1,651,711	0	100.00%	1,521,401
1994	72,293,772	69,529,948	96.2%	2,763,824	2,763,824	0	100.00%	1,410,950
1995	77,700,314	75,817,926	97.6%	1,882,388	1,882,388	0	100.00%	1,203,962
1996	80,893,488	79,015,942	97.7%	1,877,546	1,877,546	0	100.00%	1,832,383
1997	84,086,279	82,401,669	98.0%	1,684,610	1,684,610	(0)	100.00%	861,700
1998	87,880,687	86,352,738	98.3%	1,527,949	1,527,949	0	100.00%	852,386
1999	92,203,063	91,376,684	99.1%	826,379	811,753	14,626	99.98%	384,660
2000	96,399,645	95,425,278	99.0%	974,367	974,367	0	100.00%	446,610
2001	100,217,510	99,792,628	99.6%	424,882	393,728	38,547	99.97%	437,625
2002	104,560,815	104,041,776	99.5%	519,039	386,186	123,128	99.87%	396,040
2003	109,532,058	108,596,481	99.1%	935,577	675,506	207,040	99.76%	545,592
2004	114,660,482	113,242,093	98.8%	1,418,389	1,139,008	117,303	99.76%	602,897
2005	119,871,025	118,861,627	99.2%	1,009,398	475,167	470,776	99.55%	-

1. Accounts Receivable Balance on June 30 of Base Year
2. Each year-end sum of activities is added to the previous year. This Column changes every year until the uncollected balance is \$0. Balance may equal Tax Title balance for that year.
3. Base Year Tax Title Amount



ASSESSED VALUE AND TAX BILL HISTORIES

DESCRIPTION	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Median Single Family Assessed Value	370,800	384,450	414,500	451,550	523,050	602,000	667,000	756,750	837,050	903,850	1,017,100
% Change		3.7%	7.8%	8.9%	15.8%	15.1%	10.8%	13.5%	10.6%	8.0%	12.5%
Median Two Family Assessed Value	313,000	329,050	353,750	387,800	471,200	548,650	592,800	702,000	777,900	837,200	950,000
% Change		5.1%	7.5%	9.6%	21.5%	16.4%	8.0%	18.4%	10.8%	7.6%	13.5%
Median Three Family Assessed Value	320,200	348,750	375,300	418,700	491,100	577,400	624,800	786,500	870,250	931,150	1,088,000
% Change		8.9%	7.6%	11.6%	17.3%	17.6%	8.2%	25.9%	10.6%	7.0%	16.8%
Median Condo Assessed Value	138,700	146,800	158,400	172,200	198,500	231,300	257,000	322,200	346,900	373,700	411,400
% Change		5.8%	7.9%	8.7%	15.3%	16.5%	11.1%	25.4%	7.7%	7.7%	10.1%
Average Commercial Assessed Value ¹	869,279	895,566	883,849	949,753	1,240,980	1,375,285	1,364,897	1,432,181	1,554,213	1,733,231	1,936,848
% Change		3.0%	-1.3%	7.5%	30.7%	10.8%	-0.8%	4.9%	8.5%	11.5%	11.7%
Median Single Family Tax Bill	5,755	5,861	6,121	6,432	6,522	6,809	7,247	7,057	7,412	7,716	8,137
% Change		1.8%	4.4%	5.1%	1.4%	4.4%	6.4%	-2.6%	5.0%	4.1%	5.5%
Median Two Family Tax Bill	4,691	4,857	5,055	5,354	5,753	6,091	6,290	6,443	6,783	7,034	7,497
% Change		3.5%	4.1%	5.9%	7.5%	5.9%	3.3%	2.4%	5.3%	3.7%	6.6%
Median Three Family Tax Bill	4,823	5,214	5,433	5,877	6,049	6,478	6,703	7,391	7,765	7,995	8,815
% Change		8.1%	4.2%	8.2%	2.9%	7.1%	3.5%	10.3%	5.1%	3.0%	10.2%
Median Condo Tax Bill	1,482	1,552	1,626	1,708	1,709	1,820	1,958	2,186	2,202	2,292	2,353
% Change		4.8%	4.8%	5.0%	0.1%	6.5%	7.6%	11.6%	0.7%	4.1%	2.6%
Average Commercial Tax Bill ¹	23,783	24,565	25,446	26,498	30,429	30,421	28,758	26,037	26,826	28,789	29,944
% Change		3.3%	3.6%	4.1%	14.8%	0.0%	-5.5%	-9.5%	3.0%	7.3%	4.0%
Residential Tax Rate (per \$1,000 of value)	18.41	18.13	17.55	16.91	14.83	13.46	12.90	11.21	10.63	10.23	9.55
Commercial Tax Rate (per \$1,000 of value)	27.36	27.43	28.79	27.90	24.52	22.12	21.07	18.18	17.26	16.61	15.46

¹ The average value of the CIP property is used instead of the median value because the properties are too varied, and the average produces a more consistent statistic from year to year.

LOCAL RECEIPTS SUMMARY

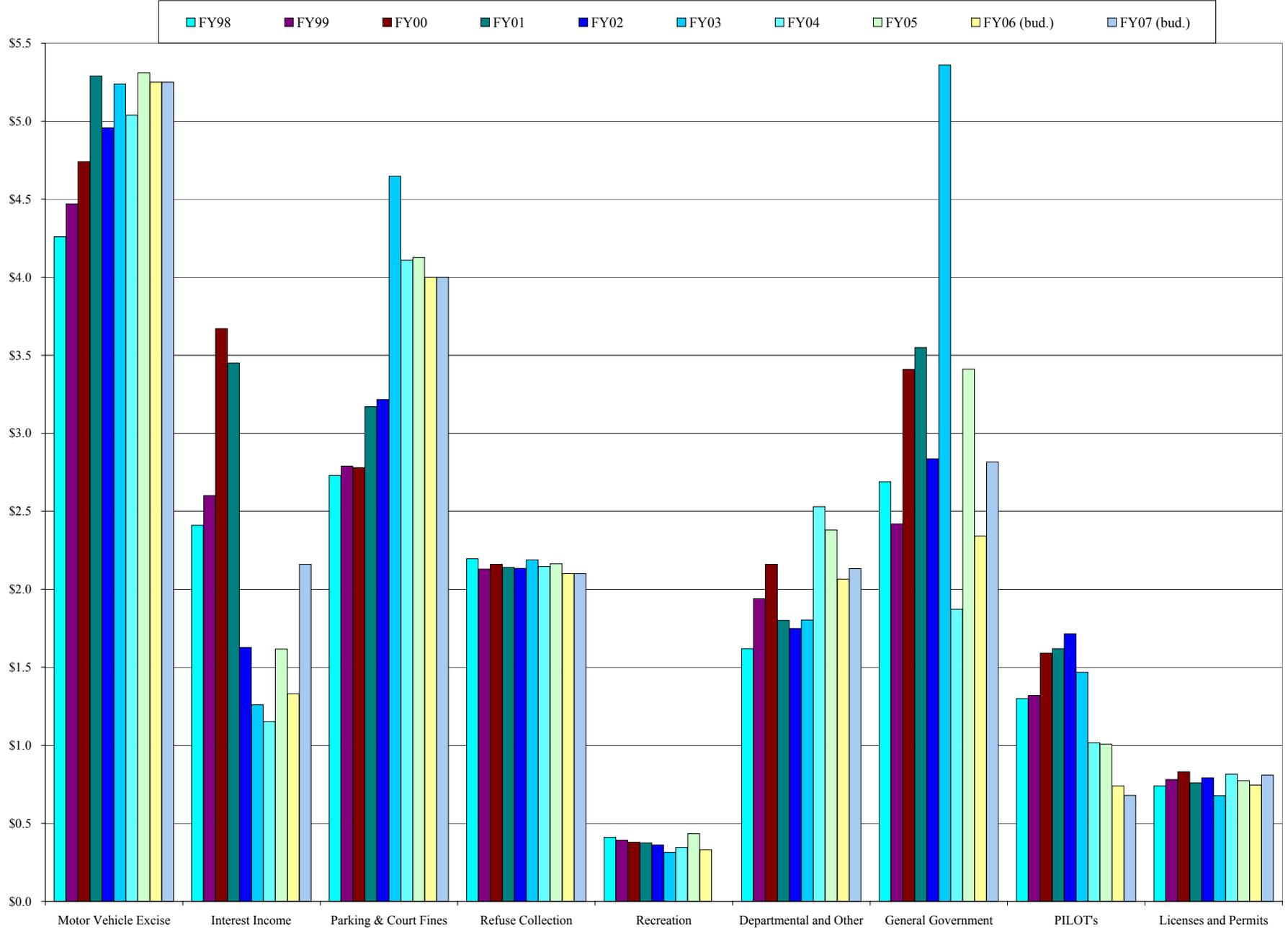
Local Receipts, estimated to add \$19.9 million to the Town's revenue stream, represent 11% of total General Fund revenues. They include motor vehicle excise, fees, fines, charges for licenses and permits, violations, investment earnings, and other similar non-tax type items. These items are reviewed by departments to ensure that they continue to cover their fair share of the related administrative costs and are in accordance with the policies adopted by the respective oversight boards and commissions. The projected increase of \$1.048 million (5.5%) over FY06 is due primarily to the following:

- 1.) **Interest Income** - as a result of 13 cuts in the interest rate between January, 2001 and June, 2003, the amount of interest the Town earned on its investments had been dramatically reduced. This trend began to change when the Federal Reserve started increasing interest rates: since June, 2004, the Federal Reserve increased rates 14 times, from 1% to 4.5%. Since the Town will be earning more, the FY07 estimate is \$2.16 million, an amount that is \$830,000 (62.4%) greater than FY06.
- 2.) **General Government** - increases \$438,000 (18.7%) due to the new Medicare Part D Subsidy (\$375,000) and Building Permits (\$100,000, 5.6%), partially offset by decreases in Collector's Fees (\$25,000, 13.5%) and Town Clerk Charges (\$12,000, 12.4%).
- 3.) **Departmental and Other** - increases \$104,500 (5.1%) to \$2.17 million because of the Cable Television Franchise Fee, which is expected to increase \$55,000 (15.3%); Public Works revenue (\$38,500, 47%), which is primarily the result of the Town's new revenue-producing recycling contract; and the Hotel / Motel Excise Tax (\$20,000, 3.1%); partially offset by a \$9,000 (16.7%) reduction in Credit Card Convenience Fees.
- 4.) **Licenses / Permits** - increase \$65,000 (8.7%) to \$809,500 due mainly to adjustments to the Fire Department's fee schedule approved by the Board of Selectmen.
- 5.) **Payment In Lieu of Taxes (PILOT) Payments** - decrease \$59,500 (8.1%) to \$679,300 as a result of the renegotiated PILOT agreement with the Brookline Housing Authority (BHA).
- 6.) **Recreation** - this departmental revenue decreases by \$330,000 (100%), as it is now fully accounted for under the Recreation Revolving Fund. An equal amount of General Fund expenditures is moved to the Revolving Fund to offset the loss of revenue. This was made possible by the passage of Chapter 79 of the Acts of 2005, which enabled the Town to have a revolving fund revenue ceiling equal to 2 1/2% of the property tax levy as opposed to the 1% ceiling imposed by Chapter 44, Sec. 53E1/2 of Massachusetts General Laws.

Further details of these and other revenue sources are discussed on the following pages.

REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Motor Vehicle Excise	5,038,714	5,314,315	5,250,000	5,250,000	5,250,000	0
Licenses and Permits	815,868	773,208	744,500	744,500	809,500	65,000
Parking and Court Fines	4,113,413	4,127,095	4,000,000	4,000,000	4,000,000	0
General Government	2,531,697	3,411,507	2,341,500	3,199,500	2,779,500	438,000
Recreation	345,802	432,915	330,000	330,000	0	(330,000)
Interest Income	1,152,376	1,617,681	1,330,000	2,210,000	2,160,000	830,000
In Lieu of Tax Payments	1,016,388	1,009,139	738,800	708,800	679,300	(59,500)
Refuse Fees	2,145,678	2,164,841	2,100,000	2,100,000	2,100,000	0
Departmental and Other	1,873,297	2,378,923	2,065,500	2,211,500	2,170,000	104,500
Total	19,033,233	21,229,625	18,900,300	20,754,300	19,948,300	1,048,000

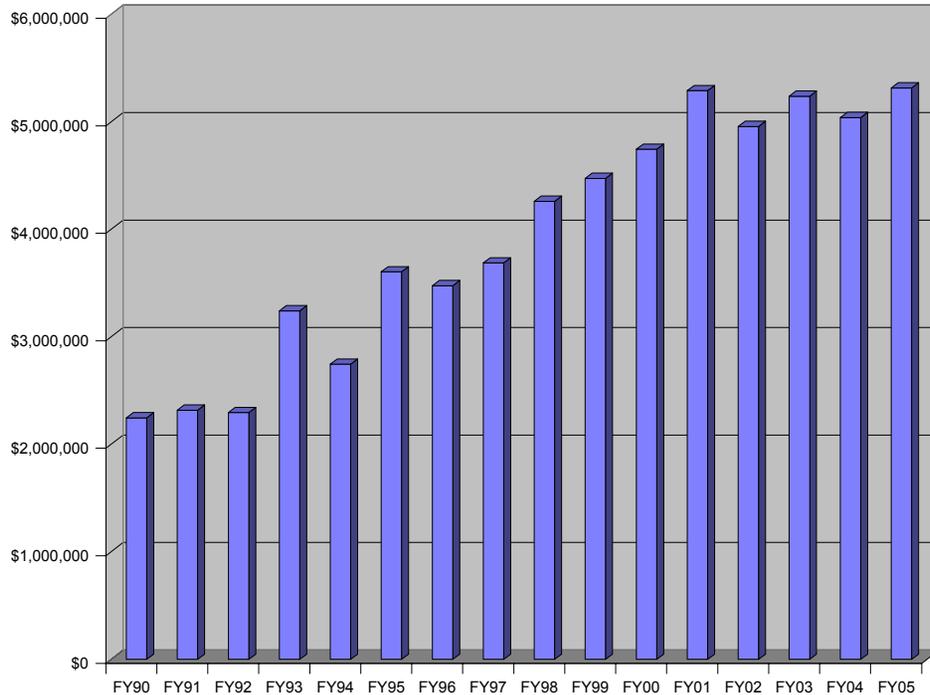
10-YEAR LOCAL RECEIPT HISTORY (in millions)



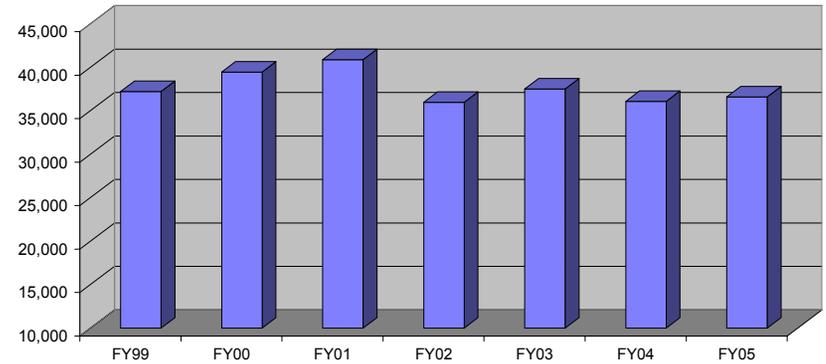
MOTOR VEHICLE EXCISE

State law establishes the Motor Vehicle Excise (MVE) tax rate. Proposition 2 1/2 set the rate of \$25 per \$1,000 in automobile value. In the first year of ownership, the rate of \$25 per \$1,000 is assessed on 90% of the value of the vehicle; in year two, it is 60%; in year three, it is 40%; in year four, it is 25%; and in year five and thereafter, it is 10%. The actual billings are prepared by the Registry of Motor Vehicles (RMV) and then turned over to the Town for printing, distribution, and collection. The MVE tax is the Town's largest local receipt source and is expected to generate \$5.25 million in FY07, an amount equal to the FY06 estimate.

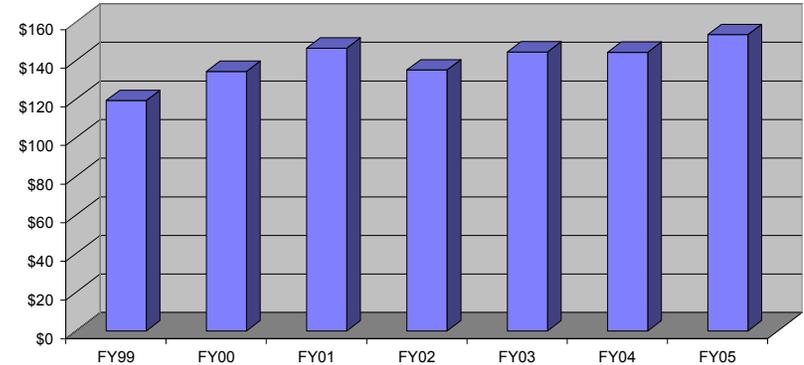
MVE COLLECTIONS



NUMBER OF MVE BILLS



AVERAGE MVE BILL



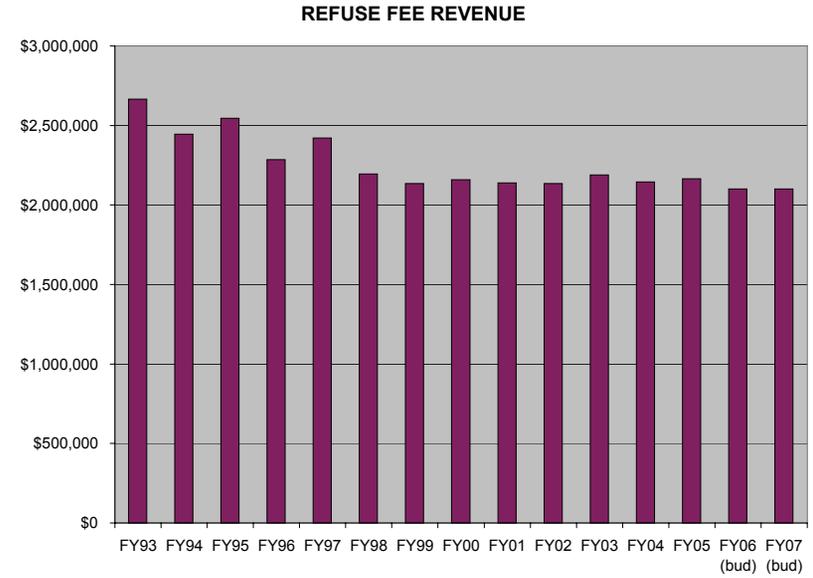
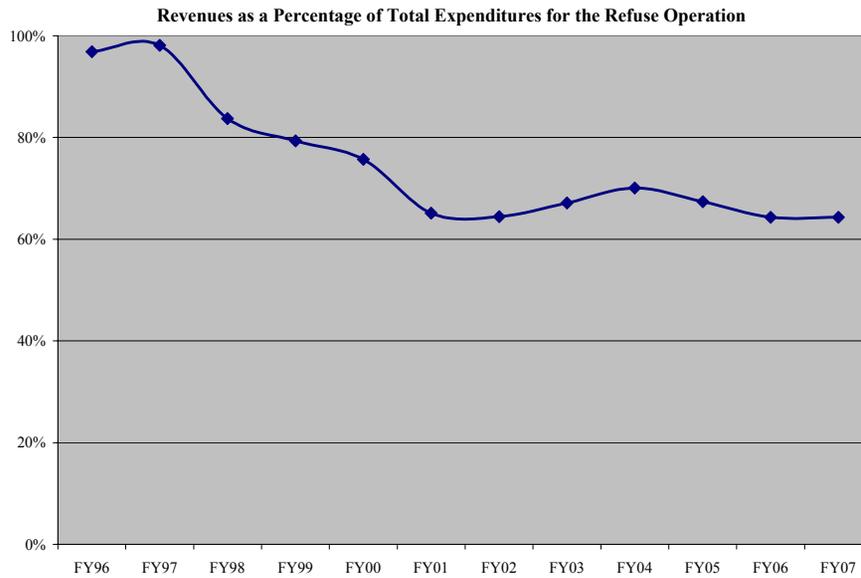
REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Motor Vehicle Excise	5,038,714	5,314,315	5,250,000	5,250,000	5,250,000	0

REFUSE FEE

For FY07, the Refuse Fee is proposed to remain level at \$165 per annum. This should generate \$2,065,000 from residential collections and \$35,000 from commercial collections, for a total of \$2.1 million. The Residential Refuse Fee was first instituted in FY89 when the Town was faced with a 300% increase in refuse disposal costs. The fee was set at \$150 per dwelling unit and has changed since then as follows:

FY89-FY91	FY92	FY93-FY94	FY95-FY06	FY07 est.
\$150	\$175	\$200	\$165	\$165

The Proposition 2 1/2 override of 1994 included restoring a portion of the fee back to the tax levy. The amount of \$460,000 was added to the override and reduced from refuse fee revenue, resulting in a fee reduction from \$200 to \$165. The fee revenue covers approximately two-thirds of the service costs. The below left graph shows how the level of expenses covered by the refuse fee has declined since 1996, meaning the property tax subsidy has increased.

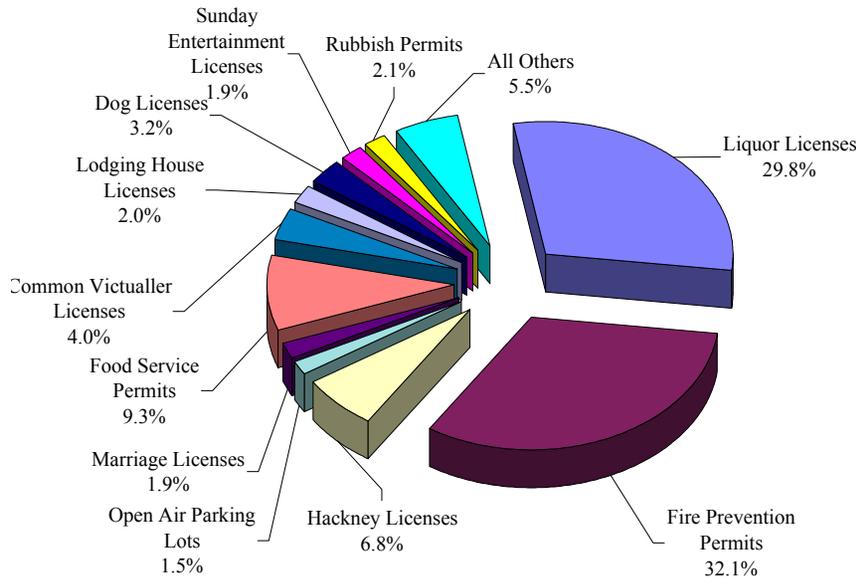


REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Refuse Fee	2,145,678	2,164,841	2,100,000	2,100,000	2,100,000	0

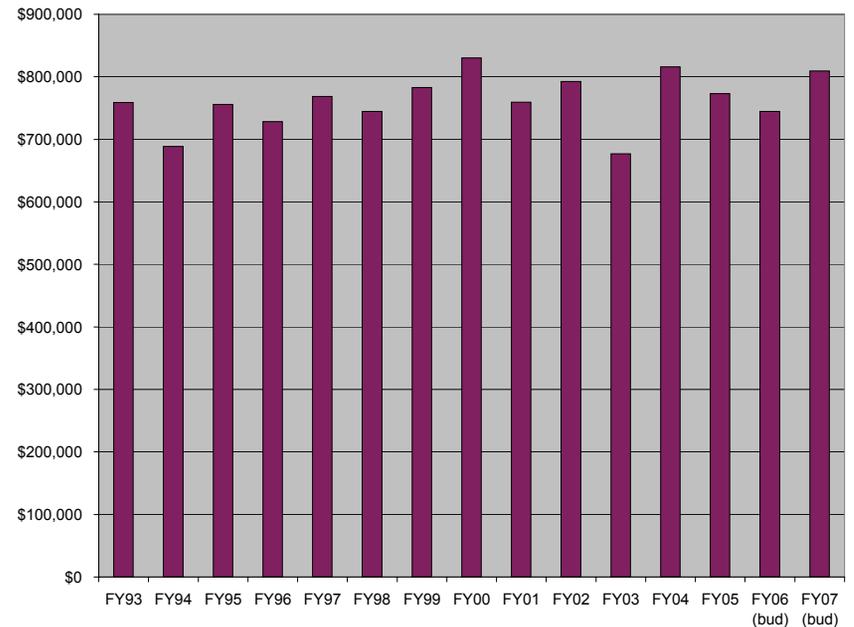
LICENSES AND PERMITS

The majority of the revenue from Licenses and Permits is derived from fire prevention permits, liquor licenses, and licenses from a variety of food establishments. For FY07, revenues from this category are expected to total \$809,500, an increase \$65,000 (8.7%) from FY06 levels. Of the increase, \$60,000 is due to the change in the Fire Department's fee schedule for inspections of multiple dwelling units - - those residential dwellings with six or more units. This change was approved by the Board of Selectmen. The remaining \$5,000 increase comes from an increase in the estimate for Hackney Licenses.

FY07 LICENSES/PERMITS REVENUE



LICENSES & PERMITS REVENUE

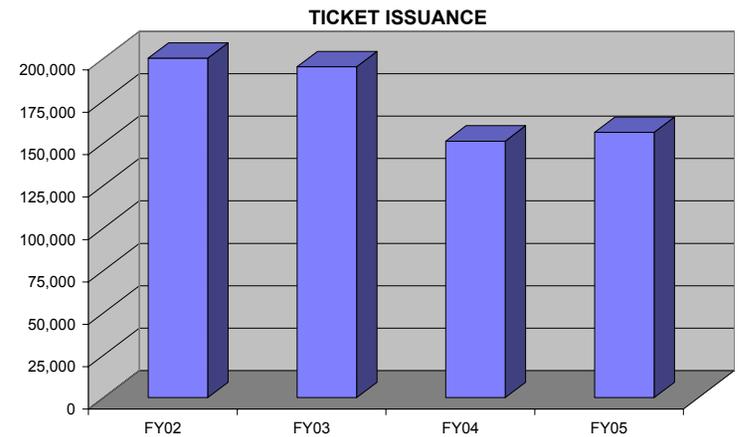
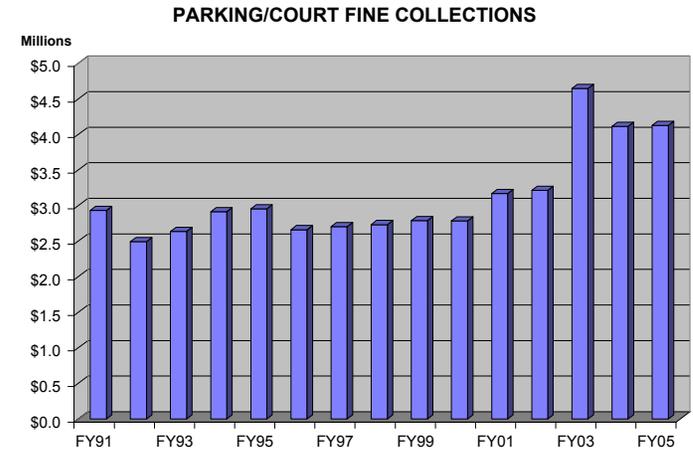


REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Liquor Licenses	255,005	249,670	241,500	241,500	241,500	0
Fire Prevention Permits	206,141	175,650	200,000	200,000	260,000	60,000
Hackney Licenses	62,103	53,082	50,000	50,000	55,000	5,000
Open Air Parking Lots	12,720	14,565	12,500	12,500	12,500	0
Marriage Licenses	20,045	19,095	15,000	15,000	15,000	0
Food Service Permits	86,228	91,752	75,000	75,000	75,000	0
Common Victualler Licenses	33,975	33,950	32,000	32,000	32,000	0
Lodging House Licenses	16,681	15,670	16,500	16,500	16,500	0
Dog Licenses	28,162	29,476	25,500	25,500	25,500	0
Sunday Entertainment Licenses	17,675	19,375	15,000	15,000	15,000	0
Rubbish Permits	17,995	17,350	17,100	17,100	17,100	0
All Others	59,137	53,573	44,400	44,400	44,400	0
Totals	815,868	773,208	744,500	744,500	809,500	65,000

PARKING AND COURT FINES

Parking and Court Fines are the second largest local receipt of the Town. Approximately two-thirds of the revenue is derived from parking tickets for expired meters and violation of the Town's overnight parking ban. In September of 2002, the Board of Selectmen increased the fines for certain parking violations. This was made possible by the passage of Home Rule legislation, approved by the 2001 Annual Town Meeting and signed into law in November, 2001 after approval by the Legislature and Governor. This legislation allowed the Board of Selectmen to raise parking violations to a maximum of \$50. The adopted fine schedule is found below.

<u>FINE</u>	<u>OLD FINE</u>	<u>AS OF SEPT. 2002</u>	<u>CHANGE</u>
Overnight Permit Parking Violation	\$25	\$30	\$5
Parking Within an Intersection	\$15	\$25	\$10
Stopping Violation	\$15	\$25	\$10
Bus or Trolley Stop	\$15	\$25	\$10
Loading Zone	\$15	\$25	\$10
No Parking/Restricted Area	\$15	\$25	\$10
Upon a Sidewalk	\$15	\$25	\$10
Crosswalk	\$15	\$25	\$10
On-Street Overnight Parking Violation	\$15	\$30	\$15
Off-Street Overnight Parking Violation	\$15	\$30	\$15
Taxi Cab Stand	\$15	\$25	\$10
Meter Overtime	\$15	\$25	\$10
Within 20 Feet of an Intersection	\$15	\$25	\$10
In Excess of Posted Time Limit	\$15	\$25	\$10
Standing Violation	\$15	\$25	\$10
Meter Fee Unpaid (5 or 10 Hour Meter)	\$15	\$25	\$10
Meter Space Violation	\$15	\$25	\$10
Meter Fee Unpaid (1, 2, or 3 Hour Meter)	\$15	\$25	\$10



While there is a significantly higher amount of parking fine revenue being collected than prior to the fine increase (the \$4 million estimate is \$1.3 million, or 48%, higher than the average annual collections prior to the fine increase), there has been a decrease since the FY03 peak. In FY04, there were 44,000 fewer tickets written, resulting in a decrease of \$533,000. In FY05, the number of tickets issued increased by 5,000 (3.5%) to 156,000. The graph to the above right shows fine revenue since FY90 while the graph immediately to the right shows the number of tickets issued annually.

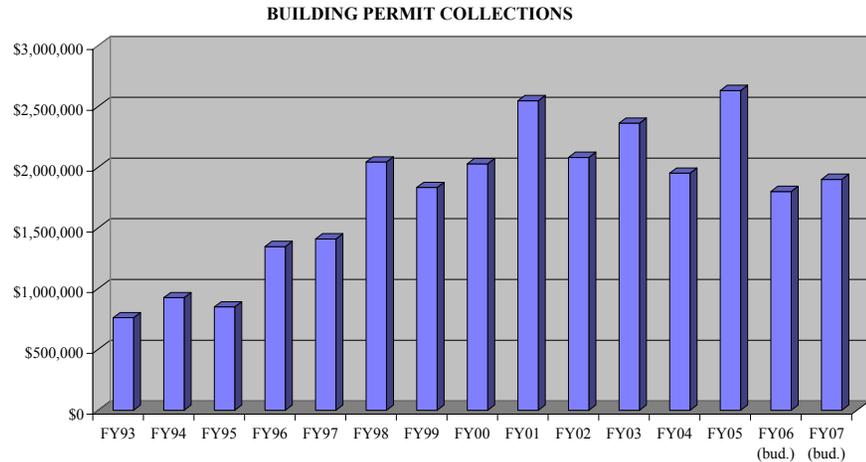
The FY07 revenue estimate is \$4 million, an amount that represents level-funding from the current fiscal year's budget.

REVENUE SOURCE	FY2004 <u>ACTUAL</u>	FY2005 <u>ACTUAL</u>	FY2006 <u>BUDGET</u>	FY2006 <u>ESTIMATE</u>	FY2007 <u>BUDGET</u>	<u>BUDGET INCREASE</u>
Parking and Court Fines	4,113,413	4,127,095	4,000,000	4,000,000	4,000,000	0

GENERAL GOVERNMENT

Revenues derived from this category are expected to increase over the amount budgeted for FY06 by \$438,000 (18.7%) due primarily to the new Medicare Part D Subsidy (\$375,000) and Building Permit revenues, which are estimated to increase \$100,000 (5.6%). The Medicare Part D Subsidy is an outcome of the Medicare Prescription Drug Improvement and Modernization Act of 2003, which added a prescription drug coverage component for seniors. The subsidy serves as an incentive for those employers that currently offer prescription drug coverage to its retirees to continue to offer the coverage. In order to qualify for the subsidy, an employer sponsored drug plan must demonstrate that it offers benefits at least as generous as the standard Part D benefits by satisfying an actuarial equivalence test. The Town met this requirement and filed for the subsidy. In effect, this new revenue source helps defray the increase in the health insurance budget.

As shown in the graph to the right, Building Permit collections remained relatively flat between FY93 and FY95 due to the economic climate. A sharp increase was realized in FY96, and construction demand continued to escalate from FY97 through FY01; therefore, the collections from this revenue source well exceeded the budgeted amounts. In FY02, a sizeable decrease was realized (\$467,000, 18%), an indication of the weakened economy. While there was an increase in FY03 (\$280,000, 14%), it proved to be a one-year blip, as the amount collected during FY04 was significantly less than in FY03 (\$410,000 less, or 17%). In FY05, it realized a sizeable increase, further proof of the volatile nature of this revenue source. The estimate for FY07 is \$1.9 million an increase of \$100,000, or 5.6%.



Collector's Fees, which consist primarily of Municipal Lien Certificates (MLC's) and Tailings, are expected to decrease \$25,000 (13.5%) while Town Clerk Fees, including fees for records and certified copies, are expected to decrease \$12,000 (12.4%).

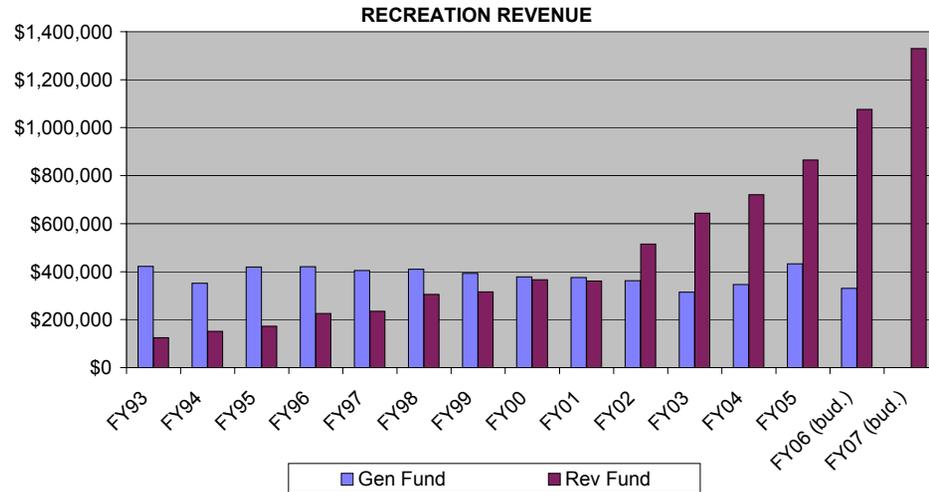
The remaining components of this revenue category are level-funded. Legal Damage Recovery revenue results from certain legal actions undertaken by the Town. The amounts collected vary greatly year to year because they are derived from unpredictable events that are the basis for the Town's recoveries. Plan Design Review fees are charged by the Building Department when a project requires approval from the Zoning Board of Appeals (ZBA). The Property Rental payments are derived from the ground lease agreement between the Town and the developer of Parcel B-2B. Lastly, the Benefits Reimbursement item consists primarily of reimbursements from the School Department for employees who have benefits and are paid from special revenue funds, in addition to COBRA fees and reimbursements for those Town employees paid for from CDBG funds. The All Others category is comprised of Board of Appeals fees, fees for copying documents of various departments, and many one-time reimbursements for miscellaneous expenditures.

REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Building Permits and Inspections	1,951,255	2,630,566	1,800,000	2,100,000	1,900,000	100,000
Legal Damage Recovery	0	0	5,000	600,000	5,000	0
Town Clerk's Fees	109,092	88,555	97,000	85,000	85,000	(12,000)
Collector's Fees	191,752	336,618	185,000	160,000	160,000	(25,000)
Plan Design Review	68,175	55,475	45,000	45,000	45,000	0
Property Rental Payments	40,000	37,000	30,000	30,000	30,000	0
Medicare Part D Subsidy	0	0	0	0	375,000	375,000
Benefits Reimbursement	46,352	61,167	137,000	137,000	137,000	0
All Others	125,072	202,126	42,500	42,500	42,500	0
Totals	2,531,697	3,411,507	2,341,500	3,199,500	2,779,500	438,000

RECREATION

The Recreation Department charges user fees for its programs in order to generate revenue and cover costs associated with those programs. Currently, the Department's revenue is either deposited in the General Fund or in the Recreation Revolving Fund. Commencing in FY07, all Recreation Department revenue will be deposited in the Revolving Fund. (An equal amount of General Fund expenditures is being moved to the Revolving Fund to offset the loss of revenue.) This was made possible by the passage of Chapter 79 of the Acts of 2005, which enabled the Town to have a revolving fund revenue ceiling equal to 2 1/2% of the property tax levy as opposed to the 1% ceiling imposed by Chapter 44, Sec. 53E1/2 of Massachusetts General Laws. See page III-36 for a description of the Recreation Department's Revolving Fund.

The Recreation Department is also responsible for the operation of the Town-owned "Brookline Golf Club at Putterham" municipal golf course. Please see the Enterprise Fund piece of this Revenue Section (page III-35), as well as the expenditure breakdown of the Enterprise Fund in the Recreation Department's budget in Section IV of this Financial Plan.



REVENUE SOURCE	FY2004 <u>ACTUAL</u>	FY2005 <u>ACTUAL</u>	FY2006 <u>BUDGET</u>	FY2006 <u>ESTIMATE</u>	FY2007 <u>BUDGET</u>	BUDGET <u>INCREASE</u>
Swimming	76,796	98,553	55,000	55,000	0	(55,000)
Summer Day Camps	195,869	243,778	198,000	198,000	0	(198,000)
Tennis	19,712	29,267	28,000	28,000	0	(28,000)
Physical Education Facility	2,972	2,546	2,000	2,000	0	(2,000)
Skating	26,060	30,266	26,060	26,060	0	(26,060)
Picnic Charges	18,563	22,395	14,640	14,640	0	(14,640)
Other	5,830	6,110	6,300	6,300	0	(6,300)
Totals	345,802	432,915	330,000	330,000	0	(330,000)

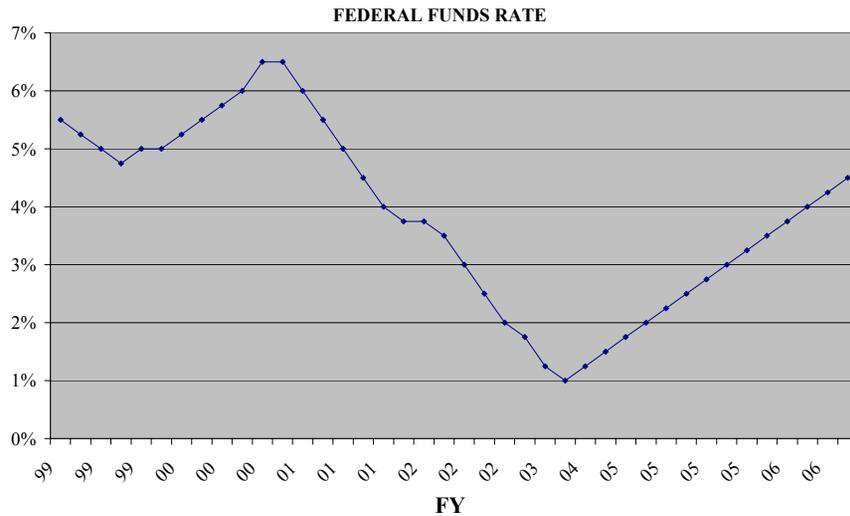
INTEREST INCOME

The Town Treasurer regularly invests any cash not required for current disbursements. The interest earned from these investments is credited to the Interest Income account. The amount of investment income earned in any given year is dependent upon a number of variables, the most important of which are:

1. Market interest rates
2. Available cash balances
3. Anticipated cash flows
4. Cash management policies and practices

Investment income accounted for more than three-quarters of the interest income earned in FY05. The other significant source of interest is from payments made by delinquent taxpayers.

The estimate for interest earned on investments for FY07 is \$1,850,000, which represents an increase of \$830,000 (81.4%). Between January, 2001 and June, 2003, the Federal Reserve lowered the Federal Funds Rate 13 times, from 6.5% to 1%. Since funds available for investment in FY04 were earning approximately 1% (compared to 5% - 6.5% in FY00; 3.75% - 6.5% in FY01; 1.75% - 3.75% in FY02; and 1% - 1.25% in FY03), actual earnings were well below the levels realized during FY's 00-02. From FY00 to FY04, there was a drop of \$2.6 million, or 78%. Since June, 2004, the Federal Reserve has increased rates 14 times, bringing the rate 4.5%. Therefore, the estimate for interest on investments for FY07 can be increased. The two graphs below show the drop and subsequent increase in the Federal Funds rate (left) and the historical Investment Income earnings (right).



The amount budgeted for interest earned from delinquent taxpayers is being level-funded at \$310,000 for FY07.

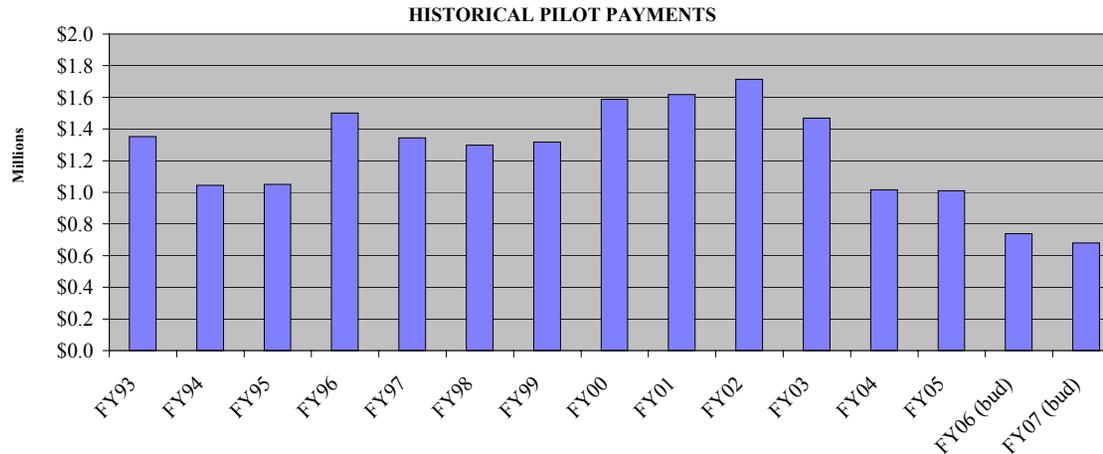
REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Interest Income	733,480	1,236,663	1,020,000	1,900,000	1,850,000	830,000
Delinquent Tax Interest	418,896	381,018	310,000	310,000	310,000	0
Totals	1,152,376	1,617,681	1,330,000	2,210,000	2,160,000	830,000

IN LIEU OF TAX PAYMENTS

In lieu of tax payments (PILOTs) are made to the Town by the Brookline Housing Authority and corporations that have entered into a State authorized agreement, known as Chapter 121A agreements. Under the provisions of Chapter 121A, a community may enter into an agreement with a developer, under certain conditions, to pay a percentage of their income from a project rather than pay property taxes. The Town has agreements on two Chapter 121A properties that call for payments of a percentage of gross income varying from 10% to 16.5%. This payment is subject to a minimum and maximum amount set by state law. The minimum payment is \$10.00 per thousand of property value, plus 5% of gross income for the project. A portion of the minimum payment is considered an excise tax and is paid to the State and then turned over to the Town. The difference between the excise tax portion and the total payment (based on 10% to 16.5% of gross income) is directly billed and collected by the Town. The Ch. 121A agreements, along with their estimated FY07 PILOT payment, are as follows: \$110,000 for 1371 Beacon St. (Beacon Park Associates) and \$410,000 for 55 Village Way, for a total of \$520,000.

Total in lieu of tax payments are estimated to yield \$679,300 for FY07, a decrease of \$59,500 (8.1%). The decline between FY07 and FY06 is the result of the renegotiated PILOT agreement with the Brookline Housing Authority (BHA). There had been a longstanding agreement with the BHA to base a major portion of the Housing Authority's payment based upon a percentage of its expenses. During FY05, the Town BHA concluded negotiations to adjust the PILOT down to the levels that other communities receive for state-subsidized housing units.

The "Other" category of PILOT payments are miscellaneous agreements the Board of Assessor's has entered into with numerous non-profits in Brookline that are tax-exempt. The PILOT agreement with these non-profits is to cover the cost of public safety services.



REVENUE SOURCE	FY2004 <u>ACTUAL</u>	FY2005 <u>ACTUAL</u>	FY2006 <u>BUDGET</u>	FY2006 <u>ESTIMATE</u>	FY2007 <u>BUDGET</u>	BUDGET <u>INCREASE</u>
Chapter 121A Projects	756,416	777,573	520,000	520,000	520,000	0
Brookline Housing Authority	185,789	176,120	193,800	163,800	133,800	(60,000)
Other	74,183	55,446	25,000	25,000	25,500	500
Totals	1,016,388	1,009,139	738,800	708,800	679,300	(59,500)

DEPARTMENTAL AND OTHER

All other local receipt sources combined are expected to total \$2.17 million, an amount that is \$104,500 (5.1%) above the FY06 budgeted amount. This is due to three revenue sources:

1. Cable Television Franchise Fee - this is a 3% tax on the gross receipts of the local cable television companies. It is estimated to increase \$55,000 (15.3%) to \$415,000 because of previous experience and the fact that the fee is based upon gross receipts of the companies.
2. Public Works Fees - these consist primarily of street cutting permits and, now, recycling revenue. The new recycling revenue is the reason for \$36,000 of the increase in this category, the result of the Town's new revenue-producing recycling contract. Entered into in September of 2005, the new contract guarantees the Town a minimum of \$10 per ton for recycled paper. Based upon the historical tonnage, the FY07 estimate is \$36,000. The remaining increase in this category (\$2,500) comes from Street Permits.
3. Hotel/Motel Excise - this revenue source is a 4% tax on gross receipts from room rentals of hotels and motels. It is estimated to increase \$20,000 (3.1%) to \$670,000, an amount that includes the excise taxes from both hotels in town.

Partially off-setting these increases is a \$9,000 (16.7%) decrease in Credit Card Convenience Fees, which is derived from the \$2 convenience fee charged to users of the On-Line Parking Ticket Payment application. (The \$2 fee is added to the fine amount in an effort to fully recover the costs of the application.)

The remaining revenue sources in this category include:

- Public Safety Fees - these include Towing Fees and Firearms licenses and are level-funded at \$95,000.
- Health and Sanitation - these fees, which include Tobacco and Asbestos fees, are collected by the Health Department. They are level-funded at \$50,000.
- Parking Fees - these fees include revenues from overnight parking permits, municipal parking space rentals, and rental vehicle lease surcharges. They are level-funded at \$329,500.
- Schools (Medicaid Reimbursement) - this is the Federal Medicaid reimbursement for medical services provided to qualified Brookline special education students. It is level-funded at \$215,000.
- Library Revenues - these consist of overdue fines and miscellaneous fees and are level-funded at \$95,000.
- Detail Surcharge - this represents the 10% surcharge imposed on private police detail rates, the maximum percentage allowed under Massachusetts General Law, Chapter 44, Section 53C. It is level-funded at \$135,000.
- Pension Reimbursement - this includes the annual reimbursement from the State for cost of living adjustments (COLA's) for Brookline's non-contributory retirees, along with reimbursements from other Massachusetts pension systems for retirees who worked in other municipalities at some time during their career. As the number of non-contributory retirees declines, so too will the reimbursement. An overpayment by the State for the past several years will result in this category being reduced to \$0 for the next few years.

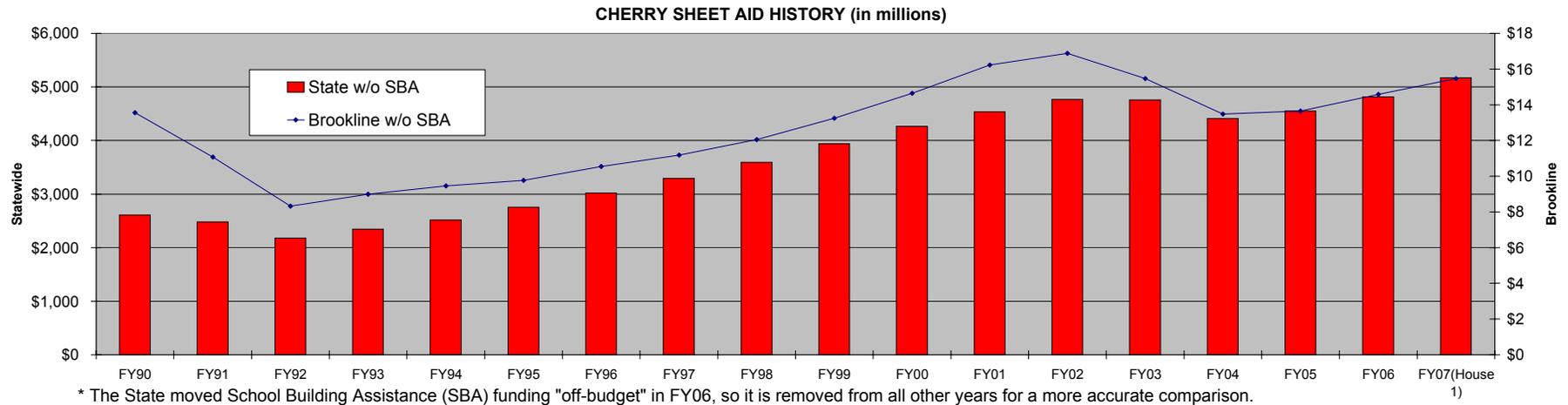
REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Public Safety	93,368	80,272	95,000	95,000	95,000	0
Health and Sanitation	43,997	57,577	50,000	50,000	50,000	0
Public Works	99,705	96,569	82,000	202,000	120,500	38,500
Parking Fees	321,881	418,872	329,500	329,500	329,500	0
Credit Card Convenience Fees	25,004	32,250	54,000	40,000	45,000	(9,000)
Schools (Medicaid Reimbursement)	93,024	321,697	215,000	215,000	215,000	0
Library	101,902	112,900	95,000	95,000	95,000	0
Detail Surcharges	118,311	126,192	135,000	135,000	135,000	0
Hotel/Motel Excise	603,576	681,127	650,000	650,000	670,000	20,000
Cable TV Franchise	361,366	433,027	360,000	400,000	415,000	55,000
Pension Reimbursement	11,162	18,441	0	0	0	0
Totals	1,873,297	2,378,923	2,065,500	2,211,500	2,170,000	104,500

STATE AID SUMMARY

Since the passage of Proposition 2 1/2, municipalities have been dependent upon the State to provide an equitable share of all growth tax revenues. (Growth taxes include income, sales, and corporate taxes.) Since the intergovernmental relationship between municipalities and the State is a vital component of service delivery for cities and towns, any reductions in local aid inevitably leads to service cuts at the local level. This is especially true in Massachusetts, where the only local tax revenue is property tax; no local sales or income taxes are allowed under current law. Therefore, it is important that the State and municipalities work toward an equitable distribution of state revenue.

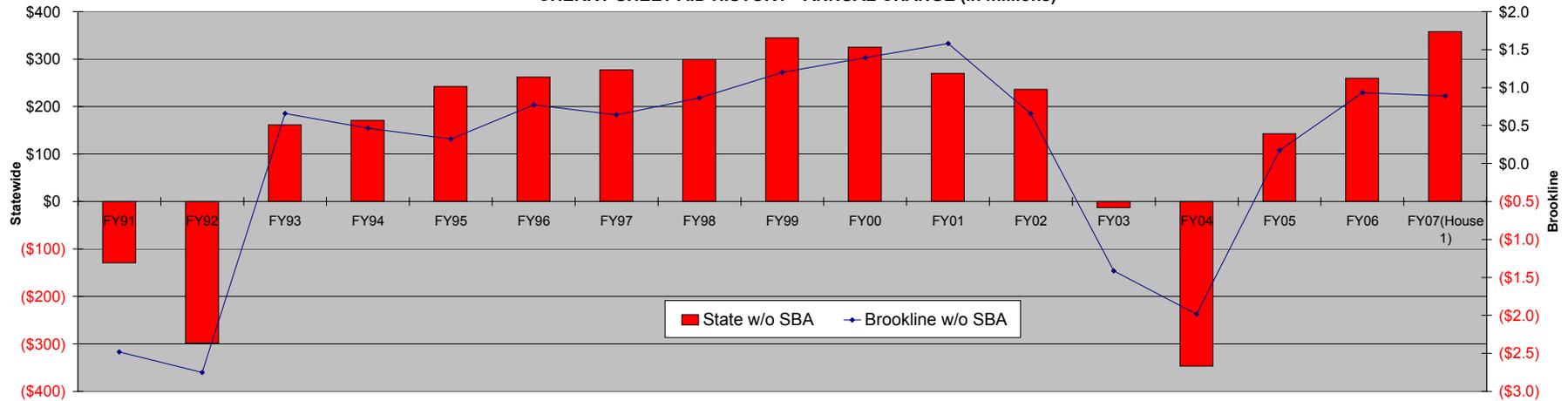
After sustaining major cuts in the early-1990's, local aid began to increase significantly in FY94 when the Legislature adopted a major Education Reform bill. Another source of the increase was Lottery revenue, which began in FY93 when the cap on disbursements back to municipalities was phased out. (The cap was put into effect in the early-1990's to help balance the State budget.) Two other significant sources of increased revenue for cities and towns from the State have been School Building Assistance (SBA) reimbursements for eligible school building projects and the Police Education Incentive (Quinn Bill) reimbursement.

Unfortunately, local aid started being reduced in FY03, both for Cherry Sheet programs (e.g., Education Aid, Additional Assistance, Lottery) and discretionary grant programs (e.g., Kindergarten Grants, MCAS Assistance, Early Literacy Grants, MWRA Debt Assistance, DARE). The cuts came as the State grappled with consecutive multi-billion dollar deficits. At the beginning of FY02, Cherry Sheet aid totaled \$5.14 billion; by FY04, it had been reduced by more than 6% (\$327.9 million) to \$4.81 billion. For Brookline, over this same period, Cherry Sheet aid was cut by 15% (\$2.9 million) to \$17.1 million. The final FY05 state budget increased state aid by \$142.3 million (3%), but Brookline's state aid increased by less than one-half of 1% (\$44,000). FY06 saw the State begin restoring some of the cuts it imposed in FY03 and FY04: statewide, local aid increased \$253 million (5.6%) and for Brookline, the increase was \$934,000 (5.5%). These figures are reflected in the graph below. The graph on the following page shows, in millions of dollars, the annual increase or decrease in gross Cherry Sheet aid since FY91.



REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
General Government Aid	7,546,422	7,870,316	8,005,712	8,005,712	8,642,883	637,171
School Aid	5,139,728	4,922,047	5,271,835	5,214,247	5,522,549	250,714
School Construction Aid	3,570,791	3,442,794	3,442,794	3,442,794	3,442,794	0
Tax Exemptions	28,082	27,693	27,078	27,078	27,191	113
Education Offset Items	1,013,561	1,157,237	1,280,287	1,280,287	1,281,002	715
Totals	17,298,584	17,420,087	18,027,706	17,970,118	18,916,419	888,713

CHERRY SHEET AID HISTORY - ANNUAL CHANGE (in millions)



* The State moved School Building Assistance (SBA) funding "off-budget" in FY06, so it is removed from all other years for a more accurate comparison.

As previously stated, the State began to cut back its allocations to municipalities due to its own budget crises, placing an added burden on municipalities and the property tax in these tight financial times. Between FY02 and FY05, the following cuts were made:

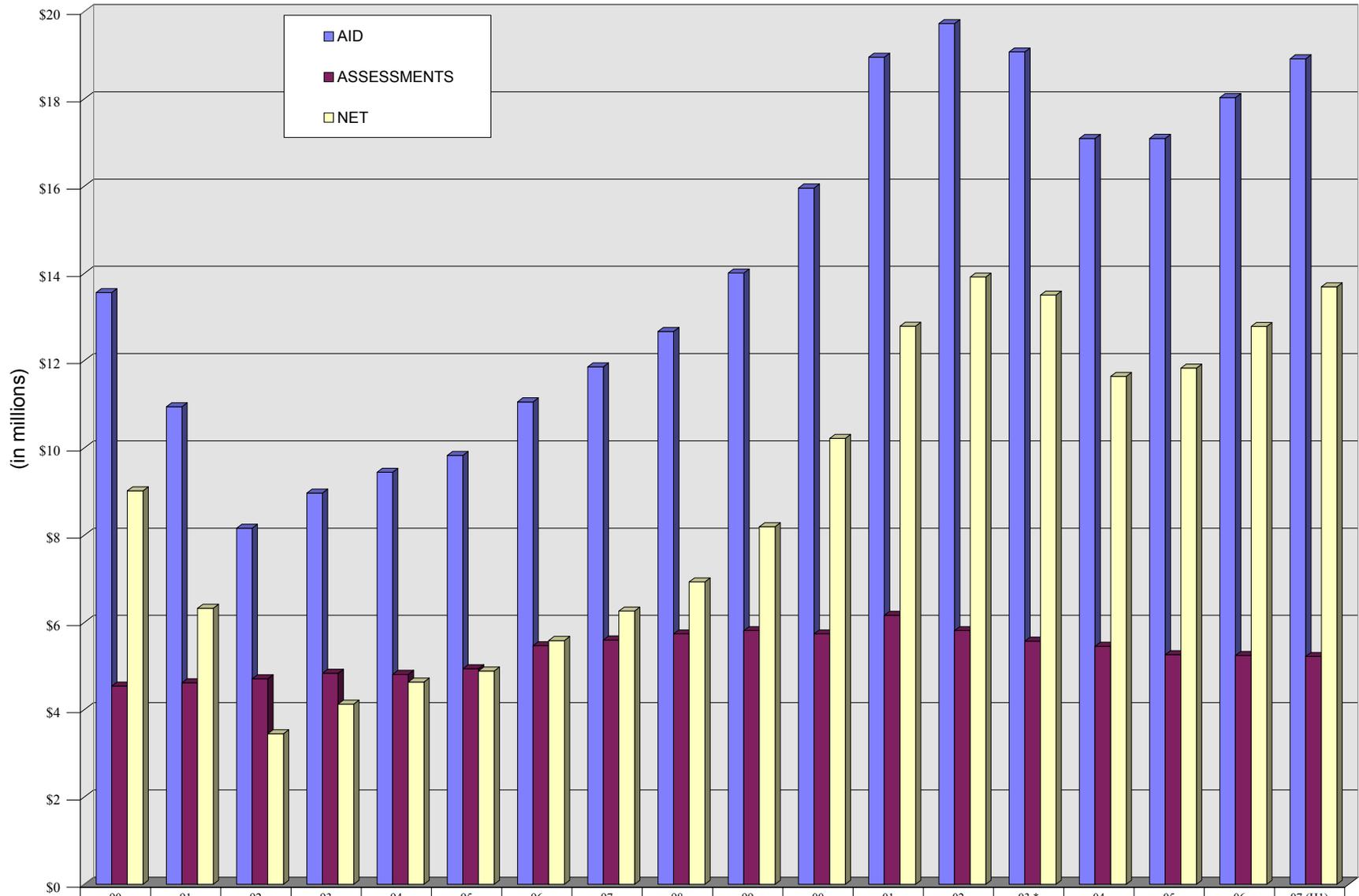
- **Lottery proceeds** -- \$116.7 million (15%)
- **Additional Assistance** -- \$97.8 million (20.5%)
- **School Transportation** -- \$57.5 million (100%)
- **Ch. 70 Education Aid** -- \$29.5 million (0.9%)
- **Class Size Reduction** -- \$18 million (100%)
- **Ch. 81 Highway Fund** -- \$10.9 million (100%). [In FY01, this account totaled \$43.5 million.]

In addition to these Cherry Sheet accounts, other local aid accounts that are not found on the Cherry Sheet (i.e., grants) realized large cuts, including tobacco tax funded programs (e.g., health education and school nurses), MCAS Support grants, Early Childhood grants, Educational Technology grants, Kindergarten Expansion grants, Early Literacy grants, Community Partnership grants, and the DARE and SAFE programs. Another large cut that had an immediate and dramatic impact on those municipalities served by the MWRA, of which Brookline is one, was the nearly \$50 million reduction in Debt Assistance for the MWRA, which provided rate relief for ratepayers. In Brookline's case, the level of cutbacks was severe: \$2.8 million, or 15%, from the "Big Three" local aid accounts (Additional Assistance, Chapter 70 Education Aid, and Lottery) alone. In addition, grants were cut, all of the Ch. 81 Highway money was lost, and all of the School Transportation funding was cut.

The Governor's FY07 budget proposal, referred to as House 1, increases total Cherry Sheet aid by \$358 million (7.4%). For Brookline, this translates into a \$888,713 (6.1%) increase. The majority of the growth comes from Lottery revenues (\$589,245, 15.7%) and Chapter 70 funding (\$308,302, 5.9%).

The chart on the next page shows Brookline's total state aid amounts since FY90, as well as state assessments and net state aid for the same period.

BROOKLINE STATE AID AND ASSESSMENTS



* The FY03 State Aid figure reflects the \$756,647 mid-year cut announced by Governor on January 30, 2003.

ADDITIONAL ASSISTANCE

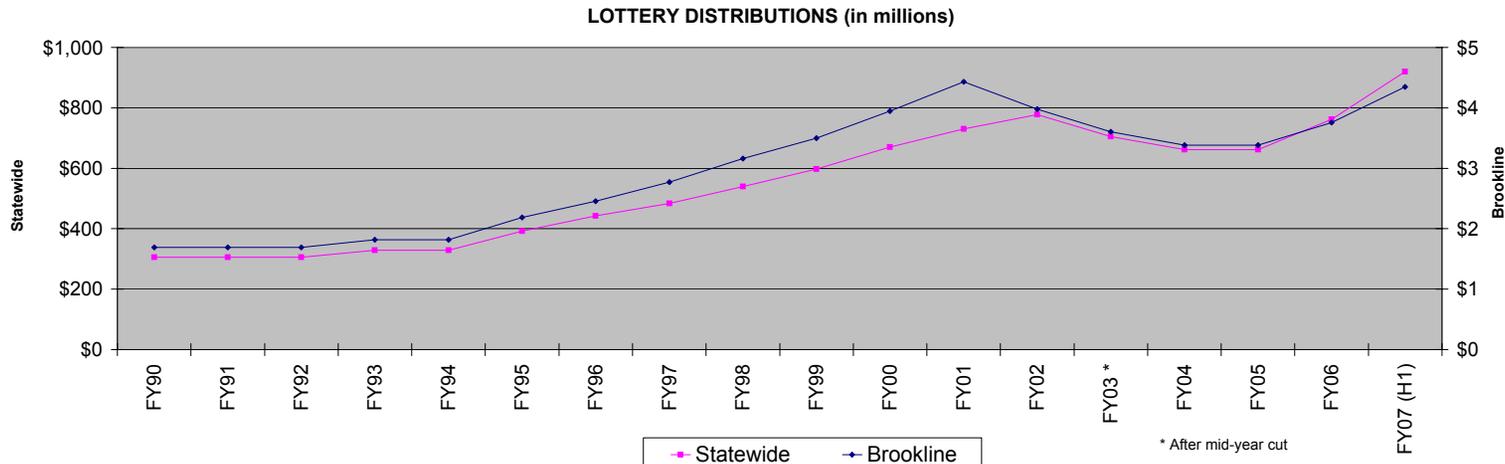
Additional Assistance is intended to provide flexible unrestricted aid to towns. In the 1980's, the Legislature adopted a needs-based formula to allocate the then-new Resolution Aid. Prior to the Education Reform Act of 1993, additional aid was the difference between School Chapter 70 aid and the needs-based Resolution Aid. After the Education Reform Act of 1993 was enacted, Additional Assistance became a static Cherry Sheet program, but nonetheless, considered a critical component of the "base aid" for the 159 eligible cities and towns.

In FY's 89 and 90, Additional Assistance was funded statewide at \$765 million. For Brookline, this meant \$6.9 million. Between FY90 and FY92, the State cut this account by \$288.7 million (37.7%) to \$476.3 million. For Brookline, the result was a reduction of \$2.5 million to \$4.4 million (36.2%). For FY's 93-02, additional assistance was level-funded at the FY92 level. This changed in FY03, when the final state budget cut Additional Assistance by \$31 million (6.5%), resulting in a loss of \$286,459 for Brookline. The mid-year state aid cuts imposed by the Governor on January 30, 2003 resulted in a further reduction in Additional Assistance of \$41.6 million statewide, resulting in an additional loss of \$384,751 for Brookline. The FY04 appropriation was further reduced by \$25.2 million statewide, or \$232,497 for Brookline. When taken together, the cuts since FY02 total \$97.8M statewide and \$903,707 for Brookline. The Governor's FY07 budget proposal level-funds Additional Assistance at \$378.5 million statewide. Therefore, \$3.5 million is budgeted.

LOTTERY

Proceeds from the State Lottery, net of prizes and expenses, are intended to be distributed to cities and towns through a formula that is meant to be "equalizing", which means that communities with lower property values receive proportionately more aid than communities with higher values. The formula is based on population and Equalized Property Valuations (EQV), shown below:

$$\text{LOTTERY AID} = (\text{State Wide EQV Per Capita} / \text{Local EQV Per Capita}) \times \$10 \text{ per Capita}$$



REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Additional Assistance	3,497,741	3,497,741	3,497,741	3,497,741	3,497,741	0
Lottery	3,380,871	3,380,871	3,756,449	3,756,449	4,345,694	589,245
One-Time Municipal Relief	0	293,731	0	0	0	0
Veteran's Benefits	64,999	53,448	70,151	70,151	44,794	(25,357)
Police Career Incentive	602,812	644,525	681,371	681,371	754,654	73,283
Totals	7,546,422	7,870,316	8,005,712	8,005,712	8,642,883	637,171

LOTTERY (con't.)

In FY90, the State placed an artificial cap on the distributions to cities and towns and used the balance of the revenues for state budgetary purposes in disregard of the original Lottery enabling legislation. In FY91 and FY92, the Legislature capped the lottery distributions at \$306 million, the FY90 level. For FY93 and FY94, the Legislature increased the distribution by \$23 million to a total of \$329 million. At that point, the "diversion" totaled \$170 million. As a result of increased pressure from local government, the Legislature authorized an additional \$42 million during FY95. They also pledged to continue to add, in the minimum, \$20 million per year for the next four years to restore the previously diverted growth proceeds. This commitment expired with the FY00 distribution, which totaled \$670 million. In FY01, the amount increased to \$730 million and in FY02 it further increased to \$778 million, which was also the FY03 amount. During this period, Brookline's share of lottery proceeds increased 73%, from \$2.3 million to \$3.98 million.

Unfortunately for cities and towns, the State began to cut the level of revenue distributed back to municipalities when the Governor issued his mid-year cuts in January, 2003. The FY04 level of \$661.4 million was \$116.7 million (15%) below the original FY03 budgeted amount. For Brookline, the 15% cut translated into \$596,624. In FY06, this account was increased \$100M (15.1%) to \$761.4 million. For Brookline, it resulted in an increase of \$376K (11.1%) to \$3.76M. This occurred because the final state budget approved a plan to phase-out the diversion over a four-year period: 45% in FY06; 65% in FY07; 85% in FY08; and 100% in FY09. The Governor's FY07 budget proposal eliminates the four year phase-in and includes full restoration of Lottery proceeds for FY07. As a result, statewide funding increases \$158.7 million, or 20.8%. For Brookline, this translates into an increase of \$589,245 (15.7%) to \$4.3 million. These changes are shown in the graph on the preceding page.

VETERANS' BENEFITS

Chapter 115, Section 6, provides for reimbursement to communities for amounts expended to assist needy veterans and/or their dependents. Benefits paid out in accordance with state guidelines and approved by the Commissioner of Veterans' Services are reimbursed 75%. Total statewide funding in FY06 was \$13.8 million, an increase of \$2.5 million, or 22.4%. Brookline's FY06 reimbursement was \$70,151. The Governor's FY07 budget proposal increases funding statewide by \$608,000 (4.4%) to \$14.4 million. Based on the Preliminary Cherry Sheets, Brookline will receive \$44,794, an increase of \$25,357 (36.1%).

POLICE CAREER INCENTIVE REIMBURSEMENT (QUINN BILL)

In 1996, Town Meeting accepted the provisions of G.L. Ch. 41, S.108L, which established a police career incentive program. The program encourages police officers to earn degrees in law enforcement and criminal justice through salary increases. Officers are eligible for 10%, 20%, or 25% base salary pay increases for associates, bachelor's, or master's degrees, respectively. The Town pays the full cost of the program and is then reimbursed by the State for 50% of the cost. The Governor's FY07 budget proposal increases funding by \$5 million (10.8%) to \$51.1 million. Based on the Preliminary Cherry Sheets, Brookline will receive \$754,654, an increase of \$73,283, or 10.8%.

SCHOOL AID - CHAPTER 70

Chapter 70 Aid was revised in FY94 as a result of the historic enactment of the Education Reform Act of 1993. Education reform was undertaken in an effort to ensure both fair and adequate funding through a universal "foundation budget" formula to establish base spending levels for all of the Commonwealth's public school systems. The law seeks to ensure a constitutionally adequate educational opportunity for all public school students regardless of the property wealth of the community in which they live. Fundamental to the goal of funding equity is the creation of a school finance structure that includes a base spending level that becomes an annual spending target known as the Foundation Budget. Over a seven-year period ending in FY00, through increased state and local funding, all communities were expected to bring their education spending up to the minimum foundation budget level.

Education reform legislation completely revised the previous Chapter 70 formula. The formula is quite complex, comprised primarily of the following components:

- | | | | |
|------------------------------------|-------------------------------|-----------------------|------------------------------------|
| 1. Foundation Budget | 2. Net School Spending | 3. Local Contribution | 4. Standard of Effort |
| 5. Municipal Revenue Growth Factor | 6. Minimum Local Contribution | 7. Aid Calculations | 8. Net School Spending Requirement |

Under the provisions of the Act, every school system must meet certain minimum levels of spending. Two key factors are the Standard of Effort, which measures the local contribution toward education, and the Foundation Budget, which measures the minimum amount necessary to provide a quality education on a per pupil basis. These two measures determine which types of aid a community is entitled. They also highlight those communities that need to increase their own contribution.

The reform legislation targeted the majority of funds to poorer communities and required them to increase school spending. Communities such as Brookline are considered to be relatively affluent and, therefore, not as needy. Minimum aid communities were originally entitled to a minimum increase of \$25 per student. The Legislature changed this to \$100 per student for FY99, \$150 per student for FY00, and \$175 per student for FY01. While the original formula expired after FY00 and a successor formula was supposed to be developed, no changes have been made to the formula since it expired.

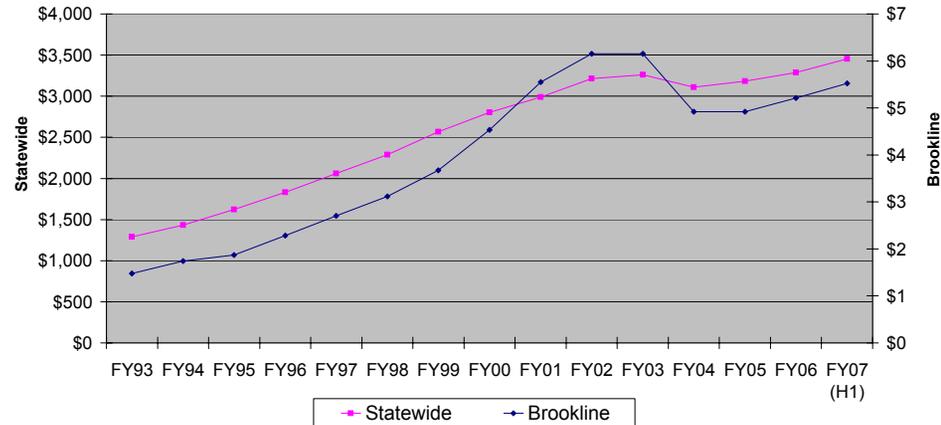
Between FY93 and FY03, the amount of Ch. 70 aid appropriated by the State increased significantly, as the chart on the following page shows. Total funding increased nearly 153%, going from \$1.29 billion in FY93 to \$3.26 billion in FY03. For Brookline, during that same period, funding increased \$4.7 million (316%), going from \$1.48 million to more than \$6 million. In FY03, statewide Ch. 70 funding increased \$45.8 million (1.4%), but only 260 of 361 school districts received any increase. The additional amount was to ensure that spending in all municipal and regional school districts at least reached the "foundation budget" amount and that no school district received less aid in FY03 than it did in FY02. In FY04, total statewide funding was reduced \$147.4 million (4.5%) and was allocated in a manner such that no community fell below "foundation" and no community was cut more than 20%. Brookline's aid was cut the maximum 20% (\$1.2 million). In FY05, it was increased \$72.2 million statewide, the amount needed to keep all communities at foundation, but Brookline received no increase.

In FY06, statewide Ch. 70 funding was increased \$105.6 million (3.3%). For Brookline, the increase was \$292,000 (5.9%), the result of \$50 per pupil being added to the final state budget. The Governor's FY07 budget proposal offers a new distribution formula, one adds residential income to the "ability to pay" determination, and would provide more money for enrollment growth and inflation. In addition to the new formula, \$163.7 million is added, an increase of 5% to \$3.5 billion. 305 school districts would see an increase in aid while 23 districts would be cut. Brookline receives an increase of \$308,302 (5.9%) to \$5.5 million.

The graph on the following page shows the above detailed funding history.

REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
School Aid Chapter 70	4,922,047	4,922,047	5,214,247	5,214,247	5,522,549	308,302
School Transportation	217,681	0	0	0	0	0
School Construction Aid	3,570,791	3,442,794	3,442,794	3,442,794	3,442,794	0
Charter Tuition Assessment Reimbursemen	0	0	53,956	0	0	(53,956)
Charter School Capital Facility Reimb.	0	0	3,632	0	0	(3,632)
Totals	8,710,519	8,364,841	8,714,629	8,657,041	8,965,343	250,714

CH. 70 FUNDING HISTORY (in millions)



SCHOOL TRANSPORTATION

Chapter 71, Section 7A, provides for reimbursement of the previous year's costs of transporting students who live more than 1.5 miles from school. Reimbursement is subject to a \$5 deductible per student and is usually pro-rated due to short funding by the State. Section 37D provides for reimbursement of the transportation costs associated with the program for eliminating racial isolation without the 1.5 miles minimum requirement. Chapter 71A, Section 8, and Chapter 71B, Sections 13 and 14, provide for reimbursement of the incremental costs of transportation for bilingual and special needs students without the 1.5 miles minimum requirement. In FY02, total municipal statewide funding was \$55.3 million. In FY03, it was cut 10%. In FY04, all funding was eliminated, resulting in a loss of \$217,681 for the Town. Since then, no funding has been restored.

SCHOOL CONSTRUCTION AID

In 2004, the State enacted a major overhaul of the School Building Assistance (SBA) program, which provides for the partial reimbursement of the costs of local school construction projects that involve the renovation or replacement of unsound or unsafe buildings. By the late-1990's, the program began to outstrip the State's ability to finance the program. In FY04, more than \$400 million was appropriated to fund the program, an amount that was more than double the amount required in FY97. (Brookline's share increased nearly \$3 million, or 479%, during the same period). Therefore, on July 1, 2003, the State put in place a moratorium that assured a.) none of the 425 approved projects on the waiting list would be funded (one of which was the Lawrence School) and b.) no new projects could be added to the waiting list.

An independent state authority was created to operate the new SBA program, which is governed by a seven-member board led by the State Treasurer. An 18-member advisory board has been established, including municipal officials, to provide advice to the new authority. The new law provides an "off budget" revenue stream for future projects after the new project moratorium expires in July, 2007. Using mainly a combination of long-term state-level borrowing and a dedicated portion of the sales tax, the revised SBA program will meet its obligations in full for projects already receiving payments and current waiting list projects. Roughly 20% of the sales tax revenues are dedicated to a new special trust fund to finance the State's share of projects. Also, \$150 million from surplus FY04 state revenues was transferred to the new fund. Lastly, \$1 billion in state bonds was authorized to help finance the new SBA program. (The State will pay the debt service on those bonds, not the Trust.) For post-moratorium projects, the state's reimbursement rate has been reduced by 10 points. This change will result in an average increase in the local contribution to future school projects of more than 30%.

The new law pays in full the State's share of projects already receiving payments and projects on the current waiting list. Projects already receiving payments will continue to receive annual reimbursement of principal and interest for the rest of the payment period for the project. Projects on the waiting list, including already-built schools and not-yet-started schools, will receive up-front payment of the full state share of principal and interest on temporary borrowing. Municipalities and school districts will borrow only for the local share of any project. Special rules will apply to the few waiting list projects for which permanent borrowing has already occurred and to other unusual situations.

SCHOOL CONSTRUCTION AID (con't.)

The new law also keeps in place the current moratorium that prohibits review or approval of new projects by the new SBA authority until after July 1, 2007. Reimbursement rates for all post-2007 major construction projects have been reduced by 10 percentage points. The reform legislation cuts the "base rate" for all projects by eight points and eliminates the two incentive points that now apply to projects when a project manager is hired. (Separate construction reform legislation signed by the Governor requires that a project manager be hired for all projects costing more than \$1.5 million.) Separate reimbursement rules apply to racial balance projects. The maximum state reimbursement rate is reduced from 90% to 80%, and the maximum local contribution is increased from 50% to 60%. The law also forbids the new SBA authority from approving new school building cost and size standards needed to design and determine the cost of a project or approve any new regulations before January 1, 2006. The authority is required to have new regulations in place by July 1, 2006.

While there is much to be desired in the restructured SBA program, including the elimination of the waiting list in 3 1/2 years versus the current 10 - 12 year time frame (which allowed the Town to receive its reimbursement for the Lawrence School in FY06), a dedicated funding stream, and no cuts in subsidy levels for current projects and current waitlist projects, the fact that there will be a reduction in reimbursement rates for future projects means that an outcome of the new law is that municipalities will have to pay more for a school project. It has also become quite evident that the dedicated sales tax will not fund many projects annually. While \$500 million (the estimate for FY08) may sound like a large funding level, based on current construction costs, that would fund a minimal number of school projects.

The fact that the number of approved projects will be based on strict statutory criteria and funding will be minimal has required to the Town to reassess its CIP assumptions for SBA funding for Runkle and Devotion Schools. The FY06 - FY11 CIP assumed 40% state funding for each project, but such a scenario now seems unlikely. Therefore, a decision has been made to base the FY07 - FY12 CIP on the assumption of no SBA funding. This has a dramatic impact on the CIP, which is detailed in Section VI of this Financial Plan.

Under the new program, the Town will continue to receive payments under the existing schedule, which totals \$3.44 million. That funding supports the following four projects:

1. Lincoln School - beginning in FY96, the Town received the first of 20 annual \$616,287 payments for the State's 61% share of the Lincoln School construction costs.
2. Heath School - beginning in FY00, the Town received the first of 20 annual \$286,161 payments for the State's 61% share of the Heath School project. There has been a change to the reimbursement schedule. For years FY05-FY19, the Town will receive \$122,095 per year. When added to the first five annual payments (FY00-FY04) of \$286,161, the total reflects the State's 61% share of the project.
3. High School - beginning in FY00, the Town received the first of 20 annual \$2,214,516 payments for the State's 61% share of the remodeling of the High School.
4. Baker School - beginning in FY03, the Town received the first of 20 annual \$489,896 payments for the State's 61% share of the Baker School project.

As for the Lawrence School, the Town received 75% of its anticipated reimbursement in FY06, which allowed the Town to pay off a \$7.9 million BAN. The remaining 25% will be received once the project goes through the normal auditing process by the state. Once received, the Town will pay off the remaining BAN and finalize its permanent financing for the project, estimated to be \$1 million.

CHARTER TUITION ASSESSMENT REIMBURSEMENT

General Laws Chapter 71, Section 89 (nn) mandates that the State assess a municipality or regional school district for the costs associated with pupils attending a Charter School district and reimburse sending districts for the tuition they pay to Commonwealth charter schools. Municipalities and school districts are reimbursed for this assessment based on the following schedule: in year one, an amount equal to 100% of the assessment; in year two, an amount equal to 60% of the assessment; in year three, an amount equal to 40% of the assessment; after year three, no reimbursement. This reimbursement is, of course, subject to appropriation. If the account is not fully-funded, then the reimbursement is pro-rated.

While the final FY06 Cherry Sheet included \$53,956 to offset the costs of the Charter School Assessment, the Town has been notified that no children from Brookline are attending the Charter School in Marlboro, so no revenue will be received. Similarly, no charges will be made against the Town.

CHARTER SCHOOL CAPITAL FACILITY REIMBURSEMENT

This revenue source is another component of the above detailed Charter School Tuition Reimbursement. This portion is to reimburse sending districts for the capital facilities tuition component they pay to Commonwealth charter schools for interest and principal payments on school buildings and land. The statewide average of what districts paid in the prior year (currently \$715 per pupil) for both principal and interest on land and buildings is applied to each pupil's tuition rate. While the final FY06 Cherry Sheet included \$3,632 to offset the costs of the Charter School Assessment, the Town has been notified that no children from Brookline are attending the Charter School in Marlboro, so no revenue will be received. Similarly, no charges will be made against the Town.

VETERANS

Chapter 59, Section 5, Clauses 22A-22E provide for tax exemptions for veterans meeting certain criteria. The amount of the exemption is no less than \$250. Chapter 58, Section 8A provides a total tax exemption to paraplegic veterans who have been certified as such by the Veterans Administration. Exemptions that qualify under these provisions are partially reimbursed by the State.

SURVIVING SPOUSES AND OTHERS

Chapter 59, Section 5, Clause 17D, which was accepted by the Town, provides a tax exemption to persons over the age of 70, to minors with a parent deceased, or to widows or widowers. The amount of the exemption is \$175. To be eligible, the person must meet certain requirements, including a provision that his/her total estate does not exceed \$40,000 exclusive of the value of the domicile except so much of the domicile as produces income and exceeds two dwelling units. At the November, 2003 Special Town Meeting, the Town adopted the state statute that allows cities and towns to increase the \$40,000 estate provision annually by a cost of living adjustment as determined by the Commissioner of the Department of Revenue (DOR). The State partially reimburses the Town for this exemption.

BLIND PERSONS

Chapter 59, Section 5, Clause 37A, which was accepted by the Town, provides for a tax exemption of \$500 for eligible blind persons. The State reimburses the Town \$87.50 for each exemption granted. Total FY06 statewide funding for the above three reimbursements was \$8.3 million. For Brookline, the total was \$25,070. In the Governor's FY07 budget proposal, these are level-funded at \$8.4 million. For Brookline, \$25,685 is estimated.

ELDERLY PERSONS

Chapter 59, Section 5, Clause 41C, provides that a person who has reached his/her 70th birthday prior to the fiscal year for which an exemption is sought, and who owns and occupies property, may qualify for a tax exemption of \$500 from the tax bill. In determining eligibility, gross income of said person for the preceding calendar year must be less than \$13,000, if single, or if married, combined income must be less than \$15,000. In addition, the whole estate, real and personal, less the value of the domicile, except so much of the domicile as produces income and exceeds two dwelling units, cannot exceed \$28,000, if single, or, if married, combined income cannot exceed \$30,000. If the applicant receives Social Security, a deduction is applied to determine income eligibility. At the November, 2003 Special Town Meeting, the Town adopted the state statute that allows cities and towns to increase the income and whole estate provisions annually by a cost of living adjustment as determined by the Commissioner of the Department of Revenue (DOR).

The State determines its reimbursement by dividing the total number of exemptions throughout the State into the total appropriation, which was \$9.9 million in FY06. Brookline's reimbursement entitlement is calculated by multiplying the statewide unit reimbursement by the number of exemptions granted by the Town. In FY06, the reimbursement was \$2,008. In the Governor's FY07 budget proposal, total statewide funding is level-funded at \$9.9 million. For Brookline, the reimbursement is estimated at \$1,506.

All of the above exemptions have been doubled annually by Town Meeting in accordance with Chapter 73, Section 4 of the Acts of 1986, as amended by Chapter 126 of the Acts of 1988.

REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Veterans	10,275	19,758	20,209	20,209	20,209	0
Surviving Spouses and Others	1,464	1,464	2,296	2,296	2,571	275
Blind Taxpayer	4,200	4,463	2,565	2,565	2,905	340
Elderly Taxpayer	12,143	2,008	2,008	2,008	1,506	(502)
Totals	28,082	27,693	27,078	27,078	27,191	113

CHERRY SHEET OFFSETS

Cherry Sheet Offsets are amounts that constitute categorical aid and must be spent for specific municipal and regional school district programs. Funds received under programs designated as Offset items may be spent without appropriation in the local budget. The School Department reserves the Racial Imbalance (METCO) and Lunch Program funds for direct expenditure. The Library does the same with the Public Libraries appropriation. The School Department expends the METCO and Lunch Programs monies above and beyond the appropriated budget while the Library uses the funds to augment the Town's appropriation. Statewide FY06 funding totaled \$32.1 million. The Governor's FY07 budget proposal totals \$32.2 million, an increase of \$150,000 (0.5%). For Brookline, the FY07 funding is estimated at \$1.3 million, an increase of \$715 (0.1%).

RACIAL IMBALANCE (METCO)

Chapter 76, Section 12A, provides financial assistance to communities that educate children who reside in other towns where a racial imbalance exists. Each school system must submit a plan to the Board of Education that shall include an estimate of the costs associated with its implementation. If the plan is approved by the Board of Education, it enters into an agreement for reimbursement with the school system. Statewide FY06 funding totaled \$17.6 million. The Governor's FY07 budget proposal level funds METCO. For Brookline, funding is estimated at \$1.2 million.

LUNCH PROGRAMS

Under Chapter 871 of the Acts of 1970, the State reimburses cities and towns a small portion of the costs of providing breakfasts and lunches to school children. The majority of funding for the lunch programs comes from the federal government and fees paid by the diners. Commencing in FY93, elderly lunch reimbursements were no longer included on the Cherry Sheet. Statewide FY06 funding totaled \$5.4 million. The Governor's FY07 budget proposal level funds the account \$5.4 million. For Brookline, funding is estimated at \$19,993, a decrease of \$1,749 (8%).

PUBLIC LIBRARIES

Public Libraries include three programs: the Library Incentive Grant (LIG), the Municipal Equalization Grant (MEG), and the Non-resident Circulation Offset. The LIG is intended to maintain and promote improved services. The MEG is meant to provide for some equalization amongst communities based upon their relative revenue raising capacities. Non-resident Circulation helps offset costs incurred through permitting non-residents access to the Community's library facilities.

Three different funding formulas are used to distribute these funds. The LIG formula provides for \$.50 per capita to communities who have populations over 2,500 and who have appropriated at least \$1,250 for public library services during the preceding year. The MEG formula is the same as the lottery formula, which is related to a community's comparative wealth and can be found on page III-25. The Non-resident Circulation Offset is determined annually by the (State) Board of Library Commissioners, based upon each community's share of the total statewide-circulated items. Statewide FY06 funding totaled \$9 million. The Governor's FY07 budget proposal increases the account by \$150,000 (1.7%) to \$9.2 million. For Brookline, funding is estimated at \$96,123, an increase of \$2,464 (2.6%).

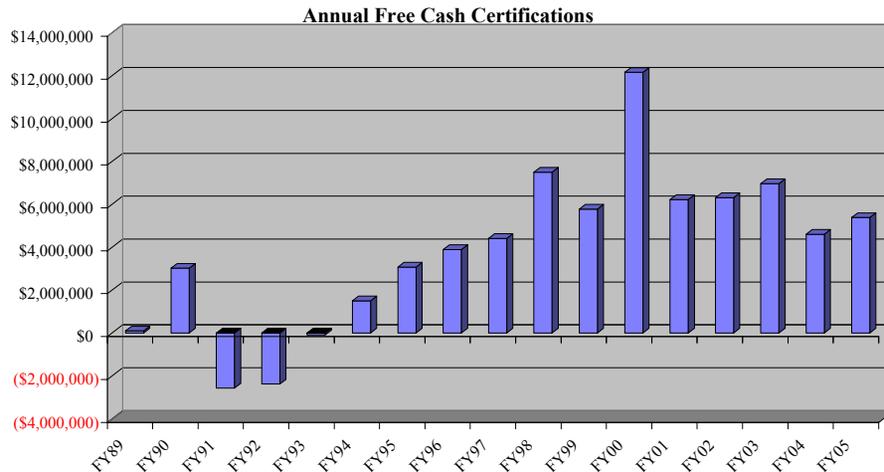
REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Racial Imbalance	921,103	1,056,407	1,164,886	1,164,886	1,164,886	0
Lunch Programs	21,358	17,721	21,742	21,742	19,993	(1,749)
Public Libraries	71,100	83,109	93,659	93,659	96,123	2,464
Totals	1,013,561	1,157,237	1,280,287	1,280,287	1,281,002	715

FREE CASH

Free Cash, which is certified as of July 1 each year by the Commonwealth's Department of Revenue (DOR), represents the portion of General Fund surplus revenue that is unrestricted and available for appropriation. These funds, once certified, may be used to support supplemental appropriations during the year, to support the ensuing fiscal year's budget, or to reduce the tax levy. The Town's Free Cash Policy, which can be found in its entirety in the Appendix of this Financial Plan, states that all Free Cash, after funding reserves at target levels, goes to support the Town's Capital Improvement Program (CIP).

Free Cash is generated when the actual operating results compare favorably with the budget, such as when actual revenues exceed the original estimates and/or when actual expenditures are less than appropriated. It is also affected by increases or decreases in uncollected property taxes, non-General Fund deficit balances, and any other legally incurred operating deficits. Massachusetts General Law permits an updated Free Cash determination during the fiscal year. Any community may request the DOR to compute an Adjusted Free Cash based upon their collections, net of refunds, of the previous years' property taxes. The collection period, under normal circumstances, begins July 1, the first day of the new fiscal year, and may not go beyond March 31, or nine months later, except in years when bills are late. Special rules apply to those unusual years.

From FY91 through FY93, Free Cash was certified with negative balances, as can be seen in the graph below. Very tight budgeting and unusually large delinquent tax balances created this situation. This condition began to improve in FY94. Since then, the combination of adopting prudent fiscal policies, more conservative revenue estimates, and the strong economy of the late-1990's have contributed to the favorable levels of Free Cash. The Free Cash certification for funds available for use in FY07 (i.e., Free Cash as of 7/1/05) increased \$780,901 (17%) to \$5.4 million.



Due to the difficulty in predicting Free Cash and the need to provide some reserve for potential unforeseen or extraordinary expenses, especially in a tight budgeting environment, the Selectmen have adopted a formal Free Cash appropriation policy. An amount equivalent to 0.25% of the prior year's net revenue (approximately \$400,000) is appropriated for use as part of the Town's operating budget. When combined with the tax supported portion of the budget reserve, which is an amount equivalent to 0.75% of the prior year's net revenue, the result is a total budget reserve equivalent to 1% of the prior year's net revenue.

The Free Cash balance as of the close of FY05 has been certified at \$5,387,435. After making the following appropriations, \$4,491,704 million is available for capital improvements:

- \$398,444 to the Operating Budget Reserve Fund
- \$22,248 to the Stabilization Fund ("Rainy Day" fund)
- \$250,000 to the Worker's Compensation Trust Fund
- \$225,039 to the Liability/Catastrophe Fund

REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Free Cash appropriated for:						
Capital Improvements	4,929,348	5,675,360	3,779,809	3,779,809	4,491,704	711,896
Operating Budget Reserve Fund	0	369,076	381,105	381,105	398,444	17,339
Stabilization Fund	0	246,892	39,005	39,005	22,248	(16,757)
Affordable Housing Trust Fund	316,455	348,312	0	0	0	0
Retiree Group Health Trust Fund	357,158	0	0	0	0	0
Worker's Compensation Trust Fund	0	153,704	0	0	250,000	250,000
Liability Reserve	0	172,896	406,616	406,616	225,039	(181,577)
Totals	5,602,961	6,966,241	4,606,534	4,606,534	5,387,435	780,901

OTHER AVAILABLE FUNDS

Other Available Funds are derived from legally restricted funds or grants and can only be used to offset related appropriations. The anticipated amount available to defray FY07 appropriations is \$7.9 million, an increase of \$256,244 (3.3%) from the amount available in FY06. The increase is the result of the following changes:

1. **Parking Meter Receipts** - a decrease of \$47,500 (2.4%) is anticipated due to the reconstruction of Beacon St. During construction, some parking will become unavailable, thereby reducing meter receipts.
2. **Chapter 90** - Chapter 90 is a State reimbursement-type grant for eligible road repairs and maintenance. These funds are earmarked for approved road and related State Highway Department approved projects. They are reimbursed to the Town after local funds are expended. The projects covered by this grant are included within the annual CIP and the level of appropriation is limited to the amount authorized by the State. Upon the recommendation of the Town's independent auditor, expenditures will be charged directly to the Special Revenue Fund instead of transferring the money into the General Fund. Therefore, \$0 is included in the Financial Plan.
3. **Golf Enterprise Fund Reimbursement** - this reimbursement to the General Fund consists of debt service, the fringe benefit costs associated with those employees whose salaries are charged to the Enterprise Fund, supervision/overhead, re-payment of the FY01 loan from the Town, the Town Fee (i.e., year-end surplus), and property insurance. The \$8,152 (2.1%) decrease in the FY07 reimbursement is due to a combination of decreases in debt service (\$6,654) and the Town Fee (\$11,613) and increases in fringe benefits and other charges (\$10,116).
4. **Recreation Revolving Fund Reimbursement** - this reimbursement to the General Fund represents the fringe benefit costs associated with those employees whose salaries are funded in the Revolving Fund. Massachusetts General Law, Chapter 44, Section 53E1/2, the statute under which the Recreation Revolving Fund was established, mandates that "[N]o revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees unless such revolving fund is also charged for the costs of fringe benefits associated with the wages or salaries so paid." Therefore, with full-time employees being charged to the fund, fringe benefits must be charged. The FY07 reimbursement increases \$25,864 (21.6%).
5. **Water and Sewer Enterprise Fund Reimbursement** - this reimbursement to the General Fund consists of debt service, fringe benefits, and interdepartmental expenses. The 9.7% (\$440,859) increase is due primarily to an increase in debt service (\$371,819), along with an increase in fringe benefits (\$69,039).
6. **Capital Project Surplus** - \$413,960 of remaining balances from existing capital projects is being re-appropriated to support the CIP.

The Walnut Hills Cemetery Fund includes receipts from the sale of lots, as well as income from the perpetual care fund. Due to increasing space needs, the Trustees have begun to expend a portion of these revenues directly. Therefore, the Town's share of the revenue was reduced to \$50,000 in FY99. FY07 will remain at this reduced level in order to permit the Trustees to continue with their much needed expansion project. The State Aid for Libraries account is the portion of the Cherry Sheet Offset aid, previously described under the "Cherry Sheet Offsets" section, that is used as a direct offset to the Library. It is level-funded in FY07.

REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Parking Meter Receipts	1,900,000	1,925,000	1,977,500	1,977,500	1,930,000	(47,500)
Walnut Hill Cemetery Fund	50,000	50,000	50,000	50,000	50,000	0
Chapter 90	484,177	568,739	568,786	568,786	0	(568,786)
State Aid for Libraries	41,555	41,555	41,555	41,555	41,555	0
Golf Enterprise Fund Reimbursement	376,581	342,908	379,554	379,554	371,402	(8,152)
Recreation Revolving Fund Reimbursement	82,886	112,781	119,737	119,737	145,601	25,864
Water and Sewer Enterprise Fund Reimb.	4,849,472	4,750,571	4,554,526	4,554,526	4,995,385	440,859
School Special Funds Reimbursement	100,000	100,000	0	0	0	0
Tax Abatement Reserve Surplus	0	3,000,000	0	0	0	0
Capital Project Surplus	0	225,000	0	0	413,960	413,960
Totals	7,884,671	11,116,554	7,691,658	7,691,658	7,947,903	256,244

WATER AND SEWER ENTERPRISE

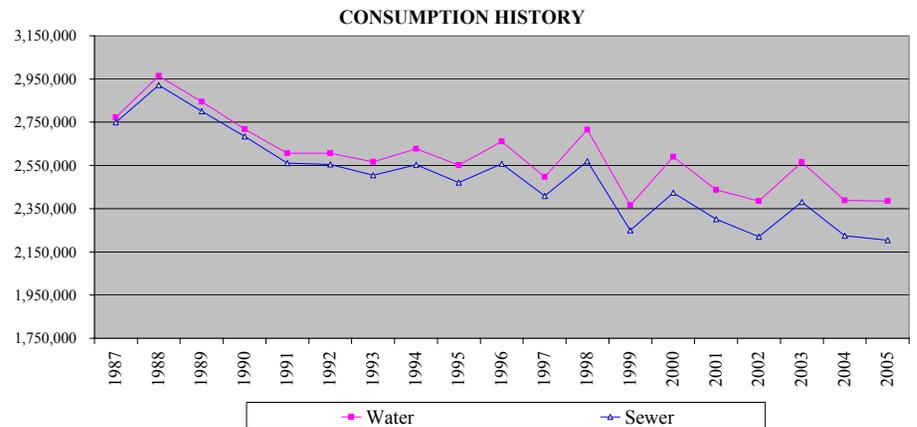
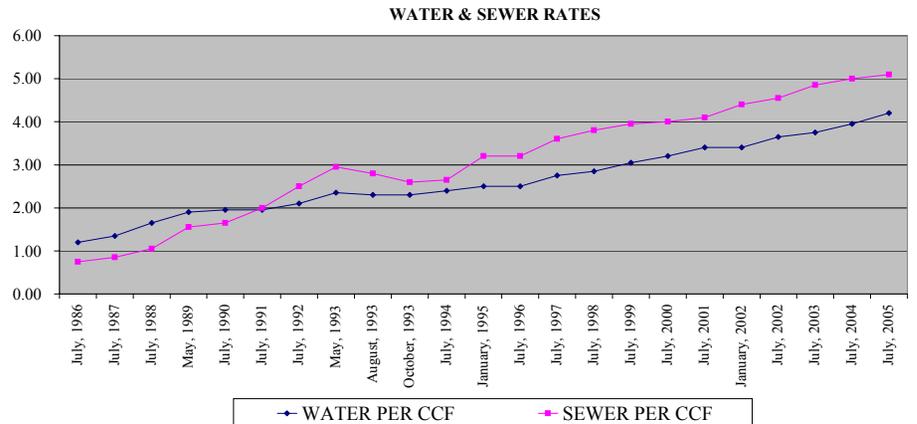
The Department of Public Works is responsible for the operation of the Water and Sewer Division. The Division is responsible for maintaining and operating the municipal water distribution system in accordance with industry standards promulgated by the American Water Works Association and all applicable state and federal regulations, as well as for maintaining and operating the municipal sewer and surface water drain systems in accordance with all applicable state, federal, and MWRA regulations for the collection and discharge of wastewater.

The operation is treated as an enterprise fund under Massachusetts General Laws, Ch. 44, Sec. 53F1/2. The Enterprise Fund was established by Town Meeting in 2001. Prior to that vote, the Water and Sewer operation was accounted for in the General Fund. Treating the Water and Sewer operation as an enterprise fund allows for the use of the full accrual basis of accounting, a requirement of the Government Accounting Standards Board's (GASB) financial reporting standard GASB statement #34. The Enterprise Fund fully reimburses the General Fund for expenses incurred on behalf of the water and sewer operation, including debt service and fringe benefits. The Fund covers 100% of its expenses.

Early indications are that the costs for water and sewer services for FY07 will increase by \$1,495,036 (7%) over FY06. Since the Enterprise Fund is 100% cost recovery, this amount of additional revenue must be generated. The increase is driven by the MWRA Assessment (\$813,179), Debt Service (\$371,819), Fringe Benefits (\$69,039), Personnel (\$64,409), Utilities (\$40,429), Capital (\$47,700), and disposal of catch basin sediment (\$40,000).

The financial condition of the enterprise fund has improved greatly over the past few years. After budgetary deficits were realized in three consecutive years (FY01-FY03), the past two years have produced surpluses, reducing the overall negative fund balance. It is projected that at the end of FY06, there will be a positive fund balance. A key factor in the improved financial condition has been the reduction in the estimate for annual consumption. When consumption estimates (i.e., sales estimates) are not met, revenue is not generated at the estimated levels and a deficit occurs. As the chart to the right shows, there has been a gradual decrease in consumption since FY88. The consumption estimates for FY07 more accurately reflect the historical experience.

Please see the Enterprise Fund section of the Department of Public Works' budget in Section IV of this Financial Plan for a breakdown of the expenditures associated with the Water and Sewer Division.



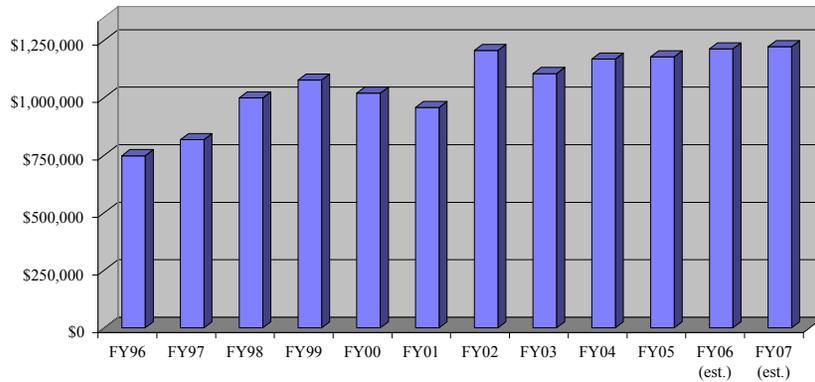
REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Water and Sewer Charges	19,310,216	20,228,691	21,216,296	21,216,296	22,711,332	1,495,036
Late Payment Fees	105,165	114,604	150,000	150,000	150,000	0
Service Fees	125,070	105,009	120,000	120,000	120,000	0
Transfers In	341,779	38,191	0	0	0	0
Gross Total	19,882,230	20,486,495	21,486,296	21,486,296	22,981,332	1,495,036
less Reimbursement to the General Fund	4,849,472	4,750,571	4,554,526	4,554,526	4,995,385	440,859
Net Total	15,032,758	15,735,924	16,931,770	16,931,770	17,985,947	1,054,177

GOLF COURSE ENTERPRISE

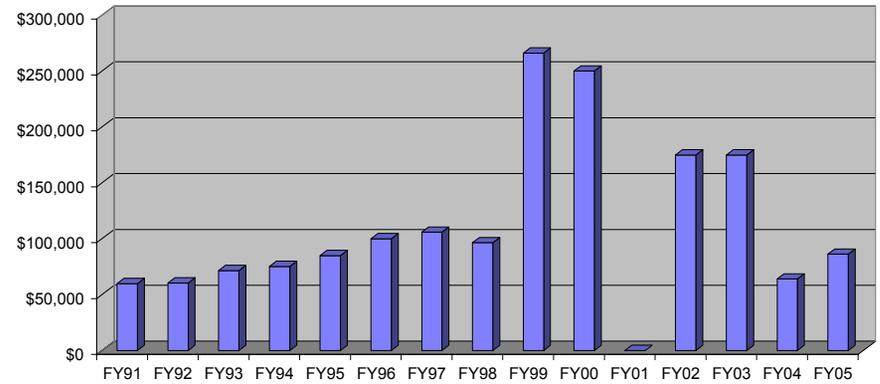
The Recreation Department is responsible for the operation of the Town-owned "Brookline Golf Club at Putterham" municipal golf course. In doing so, the Department collects golf course-related revenues for green fees, season passes, golf cart rentals, and Pro Shop sales that are deposited into the Golf Course Enterprise Fund, as allowed for under Massachusetts General Laws, Ch. 44, Sec. 53F1/2. The golf course operation has been treated as an enterprise fund since FY91. Treating the operation as an enterprise fund allows for the use of the full accrual basis of accounting, a requirement of the Government Accounting Standards Board's (GASB) financial reporting standard GASB statement #34. The Enterprise Fund fully reimburses the General Fund for expenses incurred on behalf of the golf operation, including debt service and fringe benefits. In addition, the Enterprise Fund sends to the General Fund its year-end operating surplus, thereby supplying the General Fund with an annual source of revenue to support other operations. The history of this so-called "Town Fee" is shown in the bottom-right graph.

In FY07, collections are estimated to total \$1.2 million, an increase of \$24,6040 (2.1%) from the budgeted FY06 figure and will cover increases in agricultural supplies (\$22,000) and utilities (\$12,899), which are offset by reductions in personnel (\$11,877), the reimbursement to the General Fund (\$11,613), and the reserve (\$3,866). Please see the Enterprise Fund section of the Recreation Department's budget in Section IV of this Financial Plan for a breakdown of the expenditures associated with the Golf Course.

GOLF COURSE ENTERPRISE FUND REVENUE



GOLF COURSE ENTERPRISE FUND "TOWN FEE" PAYMENTS



REVENUE SOURCE	FY2004 ACTUAL	FY2005 ACTUAL	FY2006 BUDGET	FY2006 ESTIMATE	FY2007 BUDGET	BUDGET INCREASE
Green Fees / Permits	964,554	984,684	966,559	966,559	986,000	19,441
Cart Rentals	110,126	86,923	110,000	110,000	110,000	0
Pro Shop	92,742	90,387	90,000	90,000	95,000	5,000
Concessions	0	0	15,000	15,000	15,000	0
Other	1,555	15,965	15,965	15,965	16,128	163
Gross Total	1,168,977	1,177,959	1,197,524	1,197,524	1,222,128	24,604
less Reimbursement to the General Fund	376,581	342,908	379,554	379,554	371,402	(8,152)
Net Total	792,396	835,051	817,970	817,970	850,726	32,756

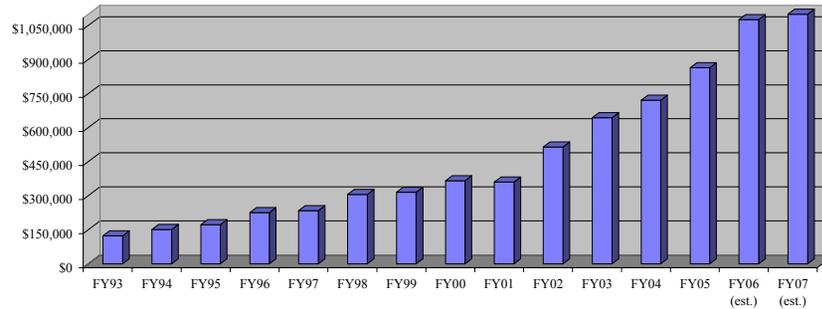
RECREATION REVOLVING FUND

Established by Town Meeting in 1992 per the provisions of Massachusetts General Laws Chapter 44, Section 53E1/2, the Recreation Revolving Fund holds the fees collected for the programs the Recreation Department sponsors. Currently, the Department's revenue is either deposited in the General Fund or in the Recreation Revolving Fund. Commencing in FY07, all Recreation Department revenue will be deposited in the Revolving Fund. (An equal amount of General Fund expenditures is moved to the Revolving Fund to offset the loss of revenue.) This was made possible by the passage of Chapter 79 of the Acts of 2005, which enabled the Town to have a revolving fund revenue ceiling equal to 2 1/2% of the property tax levy as opposed to the 1% ceiling imposed by the state statute.

Approved every year by Town Meeting as part of the annual appropriations article, the FY07 estimate for the Revolving Fund is \$1.33 million, an increase of \$257,936 (24%). Two major factors impact the FY07 revenue estimate: 1.) as previously mentioned, all Recreation Department revenue will be accounted for in the Revolving Fund, which moves \$350,000 of General Fund revenue into the Revolving Fund, and 2.) the swimming pool will be closed for renovations during FY07, so no programs can be offered, thereby necessitating the elimination of all Aquatic revenue.

Please see the Revolving Fund section of the Recreation Department's budget in Section IV of this Financial Plan for a breakdown of the expenditures associated with the programs accounted for under the Revolving Fund.

RECREATION REVOLVING FUND REVENUE



REVENUE SOURCE	FY2004 <u>ACTUAL</u>	FY2005 <u>ACTUAL</u>	FY2006 <u>BUDGET</u>	FY2006 <u>ESTIMATE</u>	FY2007 <u>BUDGET</u>	BUDGET <u>INCREASE</u>
After School Activities	212,854	316,971	418,248	418,248	418,248	0
Amory & Main Gym	9,668	0	22,800	22,800	37,000	14,200
Aquatic	194,338	218,828	203,767	203,767	0	(203,767)
Environmental Programs	0	0	5,000	5,000	30,000	25,000
Facility Program	34,549	47,247	42,336	42,336	86,336	44,000
Ice Skating	40,857	34,492	53,697	53,697	84,422	30,725
Reimb. from Schools	0	0	12,118	12,118	0	(12,118)
Retained Earnings	0	0	0	0	25,500	25,500
Ski Programs and Trips	11,405	14,898	20,015	20,015	24,895	4,880
Summer Camp	8,910	11,960	11,950	11,950	325,145	313,195
Teen Programs	17,962	15,140	38,907	38,907	38,907	0
Youth Soccer	118,383	117,060	161,000	161,000	171,100	10,100
Youth Sports Leagues	71,397	87,194	85,903	85,903	93,703	7,800
Misc.	273	1,041	0	0	0	0
Gross Total	720,596	864,831	1,075,741	1,075,741	1,335,256	259,515
less Reimbursement to the General Fund	82,886	112,781	119,737	119,737	145,601	25,864
Net Total	637,710	752,050	956,004	956,004	1,189,655	233,651

FUND ACCOUNTING

The financial operations of the Town are organized into funds and account groups, each of which is a separate fiscal and accounting entity. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

1. GOVERNMENTAL FUNDS - most Town functions are financed through what are called governmental funds. There are three types of governmental funds maintained by the Town: the General Fund, Special Revenue Funds, and the Capital Projects Fund.

A. General Fund - this is the major operating fund of the Town and it accounts for the vast majority of Town operations. The General Fund is supported by revenues from real estate and personnel property taxes, state and federal aid, excise taxes, investment income, fines and forfeitures, and fees, fines and charges. Most of the Town's departments, including the Schools, are supported in whole or in part by the General Fund.

B. Special Revenue Funds - these are used to account for those types of revenues that are legally restricted to being spent for a specific purpose (except for expendable trusts or major capital projects). These revenues must be accounted for separately from the General Fund for a variety of reasons. The Town's Special Revenue Funds are grouped into five categories:

1. *Revolving Funds* - these allow the Town to raise revenues from a specific service and use those revenues to support the service. Revolving Funds are established by state statute and may require reauthorization each year at Town Meeting. There are four revolving funds on the Town side that require annual reauthorization: the Recreation Revolving Fund, the Sidewalk Betterment Fund, the Facade Improvement Loan Fund, and the Rental of Town Property Fund. Examples of revolving funds on the School side include the School Lunch Fund, the School Athletics Fund, and Summer School Fund.

2. *Receipts Reserved for Appropriation* - these are restricted to a specific use but also require appropriation by Town Meeting such as Parking Meter Receipts and the Sale of Town-owned real estate.

3. *School Grants* - these are state and federal grants for School programs including smoking cessation, drug free school programs, community partnership, education technology, health services, Title I, and special education.

4. *Other Intergovernmental Funds* - these are state and federal grants for Town programs, such as community policing, Chapter 90 (road repairs), state elections, Council on Aging programs, and library aid.

5. *Other Special Revenue Funds* - these account for miscellaneous special revenues often including private donations for a specific purpose, such as gifts for Police and Fire equipment, numerous Health Department sponsored programs, and Senior Center programs.

C. Capital Projects Fund - this is used to account for monies used for the acquisition or construction of major capital facilities. It is funded primarily by the receipts of bond proceeds resulting from the Town's issuance of bonds for a specific project. Other funding sources include private donations and grants.

2. PROPRIETARY FUNDS - these are used to account for a government's business-type activities. There are two types of proprietary funds - enterprise funds and internal service funds. Both fund types use the same generally accepted accounting principles (GAAP) as similar to businesses in the private sector. Both enterprise and internal service funds recover the full cost of providing services (including capital costs) through fees and charges on those who use their services.

A. Enterprise Funds - these allow for a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. The Town has two enterprise funds: the Water and Sewer Enterprise Fund and the Golf Course Enterprise Fund. Both were established per the provisions of Ch. 44, Sec. 53F1/2.

B. Internal Service Funds - these are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities, worker's compensation benefits, and municipal insurance.

3. FIDUCIARY FUNDS - these are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. Fiduciary Funds include expendable trusts, non-expendable trusts, and agency funds.

A. Expendable Trusts - these are used to account for monies received by the Town in a trustee capacity where both the principal and earnings of the fund may be expended. Examples include the Town's Stabilization Fund, the BAA Trust Fund, and the Friends of Brookline Health.

B. Non-Expendable Trusts - these are used to account for trusts where the principal must remain intact. Generally, income earned on the non-expendable trust principal may be expended in accordance with the conditions of the trust. Examples include the Cemetery Perpetual Trust, the Ben Alper Tree Trust, and the Abbie Deanne School Trust.

C. Agency Funds - these are used to account for funds that are custodial in nature and do not involve the measurement of operations. An example is the private details fund.

The table on the following page shows the Combined Summary of Revenues and Expenditures, on a budgetary basis, for the Town. It shows the beginning and year-end fund balances for the Town's funds.

**TOWN OF BROOKLINE
FY2007 FINANCING PLAN**

FUND ACCOUNTING: Actual FY05 Consolidated Summary

COMBINED SUMMARY OF REVENUES AND EXPENDITURES (Budgetary basis) - FY05

	Governmental General Fund	Special Revenue - Recreation Revolving Fund	Other Special Revenue	Enterprise - Water & Sewer	Enterprise - Golf	Capital Projects	Trust & Agency Funds	Private Purpose Trust Funds	Internal Service Funds	Total All Funds
Revenues										
Real & Personal Property Taxes, net of refunds	119,237,585									119,237,585.00
Motor Vehicle & other Excise Taxes	5,655,183									5,655,183.00
Hotel/Motel Tax	681,126									681,126.00
Charges for Services	2,597,760	863,788	6,449,829	20,448,304	1,177,959					31,537,640.00
Penalties & Interest on Taxes	351,349									351,349.00
PILOT	1,009,139									1,009,139.00
Licenses and Permits	3,386,847									3,386,847.00
Fines & forfeitures	4,028,995									4,028,995.00
Intergovernmental	16,818,073		11,499,367							28,317,440.00
Departmental & other	1,607,511		1,934,319			80,000	1,651,358			5,273,188.13
Contributions	-						2,253,902	86,423	1,653,803	3,994,127.80
Other Revenue	395,498								2,184,168	2,579,666.00
Investment Income	1,236,663	1,041	30,097				255,253	242,776	183,778	1,949,608.00
Total Revenues	157,005,729	864,829	19,913,612	20,448,304	1,177,959	80,000	4,160,513	329,199	4,021,749	\$ 208,001,894
Expenditures:										
Current:										
General Government	8,463,895		1,201,705			247,471	1,726,530		528,169	12,167,770.00
Public Safety	33,493,825		647,992			65,492	1,763,126			35,970,435.00
Education	54,464,861		11,151,301			5,722,298		210,592		71,549,052.00
Public Works	16,936,473		593,163	16,618,970		40,758	32,533			34,221,897.00
CDBG	-		2,627,791							2,627,791.00
Human Services	1,903,444		277,867			12,225	14,258			2,207,794.00
Leisure Services	4,211,930	826,644	125,100		775,326	10,554	166,642			6,116,196.00
Pension benefits	9,514,422									9,514,422.00
Fringe Benefits	15,558,809			38,191				5,819,215		21,416,215.00
State and county charges	5,352,984									5,352,984.00
Debt Service:										
Principal	8,616,659					4,428				8,621,087.00
Interest	4,630,757			693,795	48,876					5,373,428.00
Total Expenditures	163,148,059	826,644	16,624,919	17,350,956	824,202	6,103,226	3,703,089	210,592	6,347,384	\$ 215,139,071
Excess (deficiency) of Revenues over Expenditures	(6,142,330)	38,185	3,288,693	3,097,348	353,757	(6,023,226)	457,424	118,607	(2,325,635)	\$ (7,137,177)
Other Financing Sources (Uses):										
Proceeds from bonds & notes										-
Premium from issuance of bonds	44,633					10,490,000				10,534,633
Overlay Transfer	3,000,000									-
Insurance recovery										-
Transfers in	7,884,354		6,601				595,204	3,700,778		12,186,937
Transfers out	(4,295,982)		(2,787,476)	(4,750,571)	(342,908)		(10,000)			(12,186,937)
Total Other Financing Sources (Uses):	6,633,005	-	(2,780,875)	(4,750,571)	(342,908)	10,490,000	585,204	-	3,700,778	\$ 13,534,633
Net Change in Fund Balances	490,675	38,185	507,818	(1,653,223)	10,849	4,466,774	1,042,628	118,607	1,375,143	\$ 6,397,456
Fund Balance at Beginning of Year	36,830,890	149,497	9,054,585	(1,236,782)	(9,609)	7,341,140	11,873,789	4,509,697	7,667,944	\$ 76,181,151
Fund Balance at End of Year	\$ 37,321,565	\$ 111,312	\$ 8,546,767	\$ 416,441	\$ 1,240	\$ 2,874,366	\$ 10,831,161	\$ 4,391,090	\$ 6,292,801	\$ 70,786,744