

RESERVES, DEBT & UNFUNDED LIABILITIES FINANCIAL POLICY STATUS UPDATE - FYE JUNE 30, 2018

	TARGET	ACTUAL	COMMENTS	TARGET STATUS	COMPARISON to PRIOR YEAR
Unassigned Fund Balance - unreserved General Fund equity comprised primarily of Stabilization and Free Cash	Not less than 7.5% with a target range of 10.0% - 15% of actual budgetary expenditures	\$13.78MM or 20.59% of actual General Fund budgetary expenditures	Unassigned Fund Balance grew ~\$1.1MM. \$3.3MM funding of the Burrell School capital project is planned for FY '19.	✓	Improved, up 69BP
Free Cash Balance - necessary component of sound municipal financial management, providing budgetary stability when faced with revenue downturns and/or unforeseen expenditures	\$2,000,000 annual "recharge"	\$3.89MM carry forward, plus \$2.47MM annual recharge for \$6.37 million total	Local Receipts only contributed \$905K to the annual recharge vs. a plan of \$1.5MM. Balance Sheet changes drove the majority of the Recharge.	✓	Declined by \$1.96MM
General Stabilization Fund - maintained to ensure debt service payments will be made in a worst case financial scenario	5% of General Fund Operating Budget	\$3.67MM or 5.52% of General Fund Operating Budget	5% target continues to be maintained with timely supplemental additions when ever needed.	✓	Added \$300K
Capital Stabilization Fund - can be considered as part of General Stabilization, but is intended for ongoing capital asset maintenance and replacement	\$100,000 minimum	\$2.1MM or 3.15% of General Fund Operating Budget	The Town intends to use the balance to reduce borrowing costs on the Burrell School building project.	✓	Added \$1MM
Overlay Reserve - required by DOR for property tax exemptions and abatements	\$440,000, with a range of \$375K to \$1MM	\$871K	New taxable growth was certified higher than plan. \$1MM is intended to fund the Burrell School building project from Overlay Surplus.	✓	Higher by \$431K
Operating Reserve Fund - for "extraordinary or unforeseen" items	\$50K minimum, up to 1% of the previous year's tax levy	\$75,000, or 0.16% of the FY 2017 Tax Levy	\$75K for the last several FY's. Supplemented by Town Manager transfer authority and School bottom line autonomy.	✓	Unchanged
Annual OPEB Appropriation - for the OPEB unfunded liability dedicated for retiree health benefits	Annual Required Contribution (ARC), as actuarially determined to fully fund by 2038	\$964,069, funding at the ARC	The Town has cut it's OPEB liability by 57% over the last seven years- from \$62.2MM in FY09 to \$26.6MM in FY17.	✓	Stable
Annual Pension Assessment - required by NCRS to fund both current benefits & the unfunded liability	Annual assessment set by NCRS to fully fund by 2031	\$4,011,736	NCRS is funding at an aggressive rate despite State law changes, as a result of the 2008 economic meltdown, allowing less aggressive funding options.	✓	Increased 9.76%
Total General Fund Excluded & Included Debt Service - all annual General Fund principal & interest payments	Between 2% - 9% of general fund expenditures	\$3,012,753, or 4.5% of GF Expenses	No New Debt added in FY '18.	✓	Reduced by 42BP
Excluded Debt Service - paid by increasing taxes above prop 2 1/2 limits by taxpayer ballot vote	Between 2% - 7% of general fund Expenses	2,409,100 or 3.6% of GF Expenses	No new Excluded Debt borrowings expected in the near to mid-term	✓	Reduced by 30BP (redux)
Included Debt Service - paid within the limits of prop 2 1/2 , i.e., within the operating budget	Between 0% - 2% of general fund Expenses	\$603,653 or 0.90% of GF Expenses	No new Included Debt borrowings expected until FY 2021 for the Burrell School Capital Project	✓	Reduced by 12BP (redux)
Bond Maturities - the average number of years until all Town debt is fully amortized	Minimum of 50% of all principal to be retired within 10 years, with a target of 60% or greater	50.3% in 7 Years 65.6% in 10 Years	No new issuances in FY 2018	✓	Improved by 360BP
General Obligation Debt as % of Equalized Property Value	Less than 2.5%	1.46% (Debt: \$48,442,522 / EQV: \$3,309,738,100)	No new issuances in FY 2018	✓	Decreased by 31BP (redux)