

RESERVES, DEBT & UNFUNDED LIABILITIES FINANCIAL POLICY STATUS UPDATE - FYE JUNE 30, 2015

	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	\$9,549,396 or 15.19% of actual budgetary expenditures	Expenditures grew 43BP more than Unassigned Fund Balance		Stable, but down 6BP
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"	\$5,786,582	This is the Town's third highest ever Free Cash balance; Estimated to increase in FY16.		Improved by \$598K
General Stabilization Fund - maintained to ensure debt service payments will be made in a worst case financial scenario	5% of General Fund Operating Budget	\$3,070,708 or 5.31% of General Fund Operating Budget	5% target continues to be maintained with timely supplemental additions when ever needed.		Stable
Capital Stabilization Fund - can be considered as part of General Stabilization, but is intended for ongoing capital asset maintenance and replacement	\$100,000 minimum	\$551,190, or 0.95% of General Fund Operating Budget	The Town may prefer to use this fund to reduce borrowing costs on major building projects		Slightly Improved
Overlay Reserve - required by DOR for property tax exemptions and abatements	\$440,000, with a range of \$375K to \$1MM	\$557,399	New taxable growth was certified higher than plan.		Stable, \$6.2K less
Operating Reserve Fund - for "extraordinary or unforeseen" items	\$50K minimum, up to 1% of the previous year's tax levy	\$75,000, or 0.19% of the FY 2014 Tax Levy	\$75K for the last four 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	\$764,069, or 107% of the ARC	The Town has cut it's OPEB liability by 64% over the last six years- from \$62.2M in FY09 to \$22.7M in FY15.		Significantly Improved
Annual Pension Assessment - required by NCRS to fund both current benefits & the unfunded liability	Annual assessment set by NCRS to fully fund by 2031	\$3,028,356	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 16.7%
Total General Fund Excluded & Included Debt Service - all annual General Fund principal & interest payments	Between 2% - 9% of general fund expenditures	\$3,031,654, or 5.24% of GF Expenses	No new borrowing expected until late FY16.		Slightly Reduced (37BP redux)
Excluded Debt Service - paid by increasing taxes above prop 2 1/2 limits by taxpayer ballot vote	Between 2% - 7% of general fund Expenses	2,798,652, or 4.84% of GF Expenses	No new Excluded Debt borrowings expected until FY '18 or '19.		Slightly Reduced (33BP 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	\$233,002, or 0.40% of GF Expenses	No new Included Debt borrowings expected until late FY16.		Slightly Reduced (5BP 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	51.8% in 7 Years 71.7% in 10 Years	No new debt issued in FY 2015		Increased by 3.6% from 68.1% in 10 Years
General Obligation Debt as % of Equalized Property Value	Less than 2.5%	0.99% (Debt: \$26,640,000 / EQV: \$2,702,432,200)	No new debt issued in FY 2015		Reduced by 8BP from 1.06%