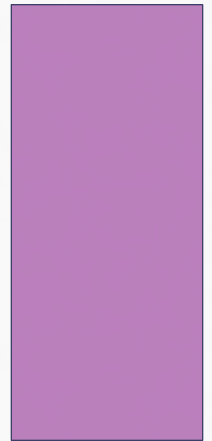


# SUMMARY REPORT OF FINANCIAL CONDITION

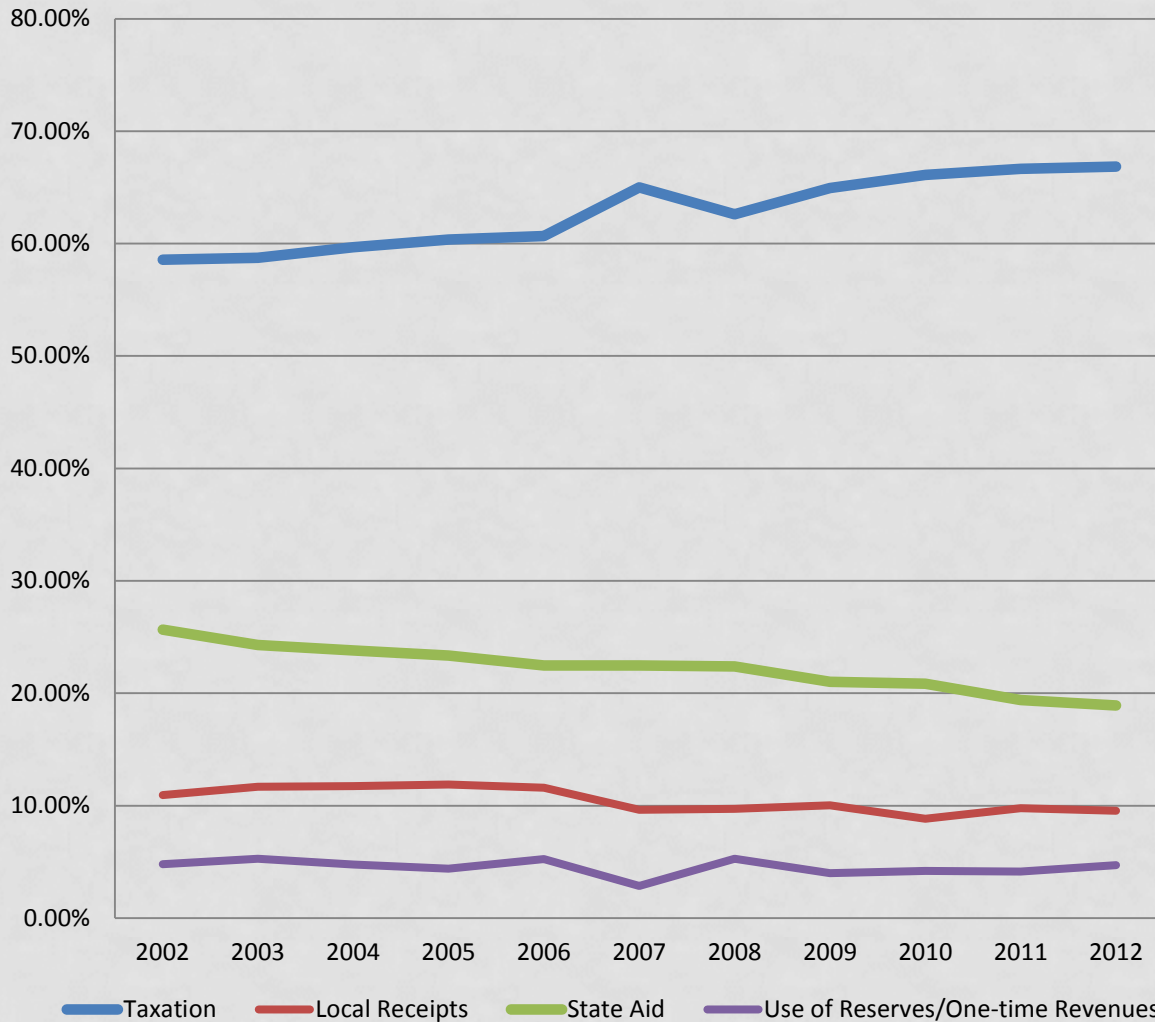
FISCAL YEAR 2012



# OVERVIEW

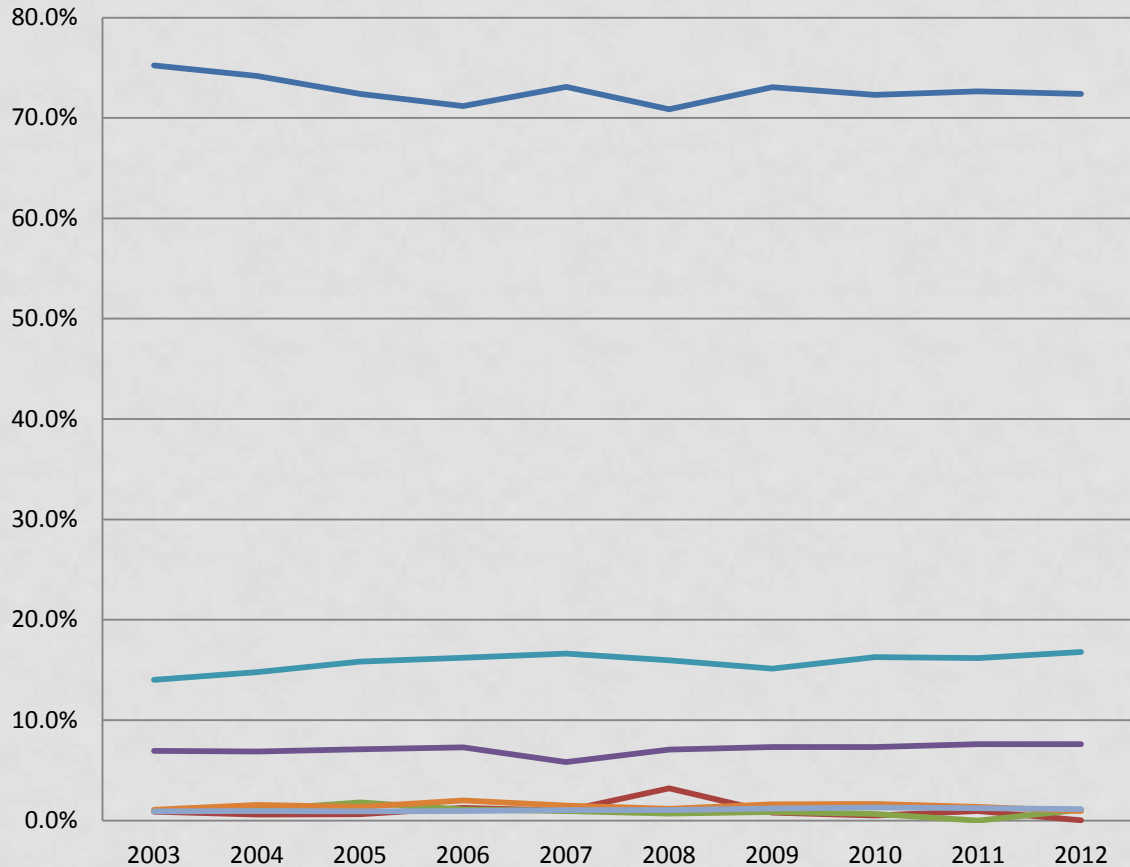
- This is the second annual summary report of financial condition.
- This presentation seeks to provide useful information regarding Easton's financial condition to aid the Board of Selectmen and the Finance Committee as they navigate the budget process.
- Five key areas will be discussed: Revenue and Expenditures, Tax Levy, Reserves, Debt, and Pension Liability.

# GENERAL FUND REVENUE HISTORIC TRENDS

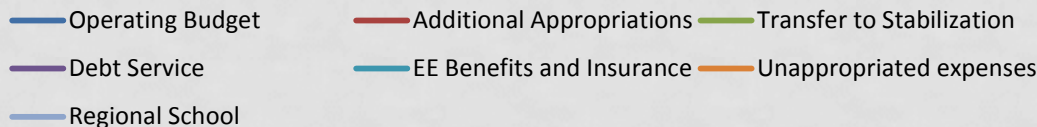


- State aid has continues to decline.
- Taxation has filled this gap and become an increasing portion of our general fund revenue.

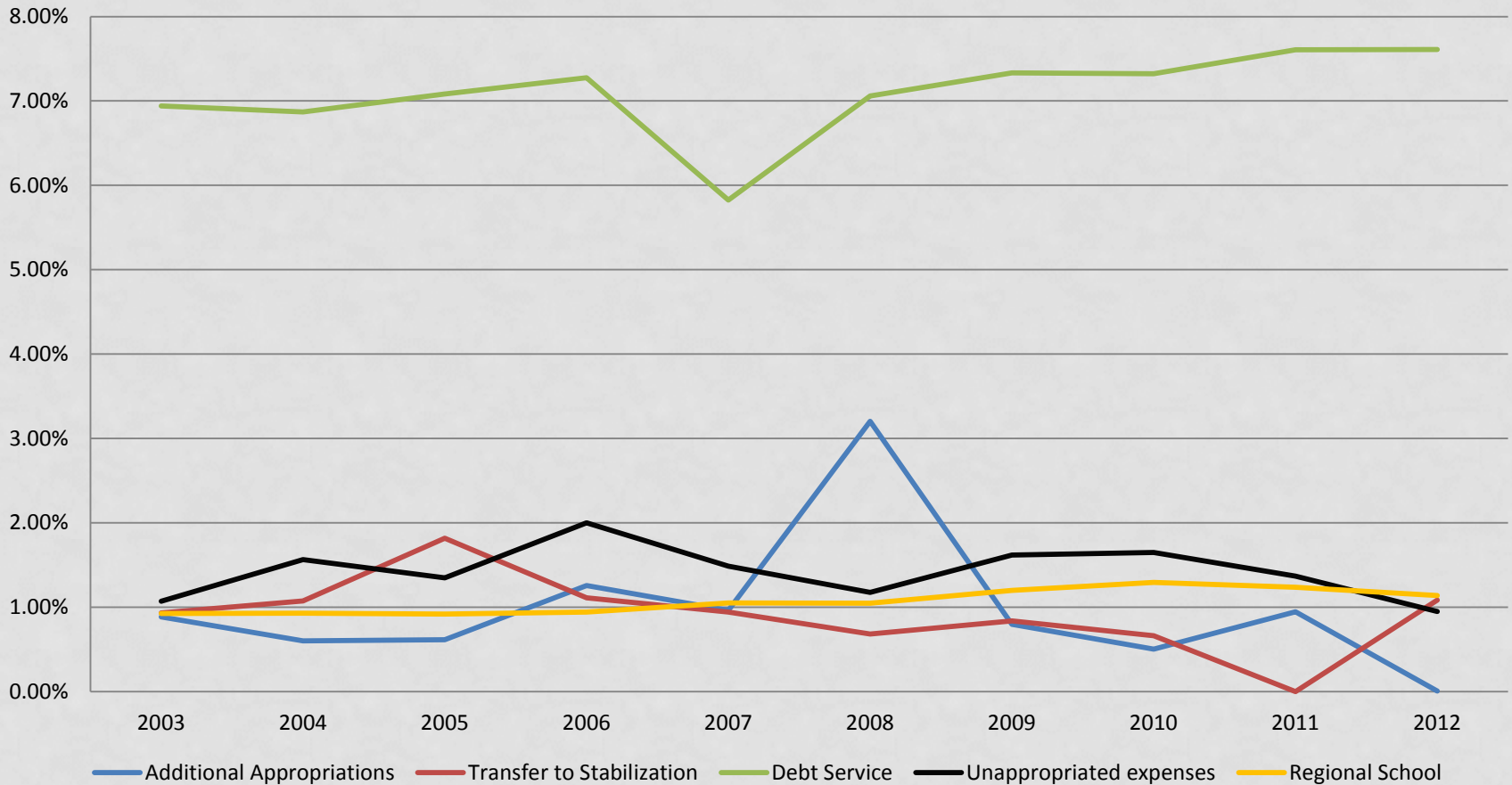
# EXPENDITURES HISTORIC TRENDS



- Expenditures (as a percentage) have remained stable throughout the past 10 years.



# EXPENDITURES DETAIL



# NEW GROWTH

- New Growth is generated by an increase in the valuation of properties due to new construction or other improvements.
- The net increase in value is multiplied by the prior year's tax rate to determine the dollar amount of new growth.

# NEW GROWTH

- **New Growth in FY2012: \$469,919**
  - 10 year average New Growth: \$586K
  - Average New Growth during the recession: \$395K

2009	2010	2011	2012
\$371,633	\$360,098	\$380,307	\$469,919

- FY2012 saw the *largest amount* of New Growth since the Recession began.
- First time since FY2008 that New Growth is above \$400K.



# FREE CASH

- Free Cash is composed of:
  - Surpluses created by unexpended amounts in the budgetary accounts and local revenues
  - The balance of the aforementioned accounts less uncollected property taxes
- Free Cash balance for FY2012: **\$1.78M**



# FREE CASH

- Free Cash increased from FY2011 by \$373,918

2009	2010	2011	2012
\$688,651	\$1,515,679	\$1,402,992	\$1,776,910

- Average Free Cash since 2009 recession: \$1.3M
  - Ten year average (2003-2012): \$1.3M
- In spite of economic hardship, Free Cash for FY2012 is at the highest amount in 11 years.

# EASTON'S RESERVE

Select Expenditures	Amount
FY 2012 Operating Budget	\$46,418,980
Additional Appropriations	5,245
Debt Service	4,878,163
EE Benefits and Insurance	10,768,835
Regional School	731,211
Unappropriated expenses	608,475
<b>Total Expenditures</b>	<b>\$63,410,909</b>
<b>Suggested Reserve (5% of Total)</b>	<b>\$3,170,545</b>

- **Actual reserve:**  
**\$3.66M** (5.77% of total expenditures)
- Reserve condition has improved substantially over FY2011

Town	Per Capita Debt	Credit Rating
Easton	\$1,874	Aa3
Sharon	\$2,119	Aa2
Mansfield	\$2,072	Aa2
Stoughton	\$1,050	Aa3
Norton	\$1,572	AA-
Raynham	\$1,629	A1
Foxboro	\$2,211	Aa2
Canton	\$2,797	AAA
West Bridgewater	\$1,529	A1
<b>MA State Average</b>	\$1,875	N/A

PER CAPITA DEBT AND CREDIT RATINGS OF SELECT TOWNS

AS OF 6/30/2012

# EASTON'S DEBT AND CREDIT

- Debt level is modest relative to comparable communities.
- Easton's Aa3 credit rating indicates "high quality and very low credit risk" and falls within the average credit rating of comparable towns.
- Easton's short-term rating is MIG 1: "best ability to repay short-term debt", the highest short-term rating available.
  - (Source: Moody's Investor Services)

# RETIREMENT SYSTEMS

- Easton is grouped into Bristol County's Retirement System
  - NOTE: these data are from FY2011, the most recent available

Retirement Systems	Funded Ratio	Return on Investments
Bristol County	59.30%	-1.70%
Brockton	72.30%	0.10%
Hampden County	52.20%	1.07%
Norfolk County	60.00%	1.20%
Taunton	67.30%	0.36%
Commonwealth of Mass	81.00%	0.81%

# RETIREMENT SYSTEMS

- Bristol County's Funded Ratio was 59.3%, which is comparable to the selected Retirement Systems average 62.2%
- Bristol's Return on Investments was -1.7%, below the Commonwealth average 0.81%
- It should be noted that FY2011 was not a particularly good year for ROI in general.
- Bristol County is on track to be fully funded by 2030 which compares favorably to the Commonwealth's target of 2040.

# SUMMARY

- Despite the ongoing challenges stemming from the 2009 recession, Easton finished FY2012 in the black by \$1,474,765, nearly triple that of FY2011.
- Our reserves have considerably improved since FY2011.
- Continued fiscal discipline from the Town's leaders should allow us to continue producing balanced budgets.

