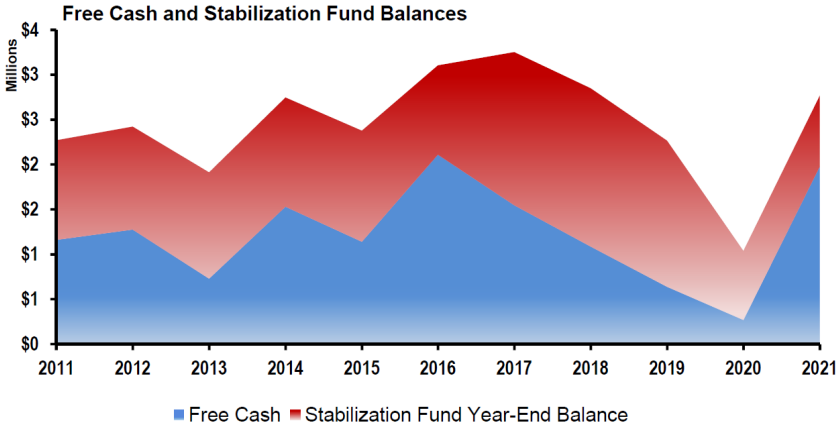
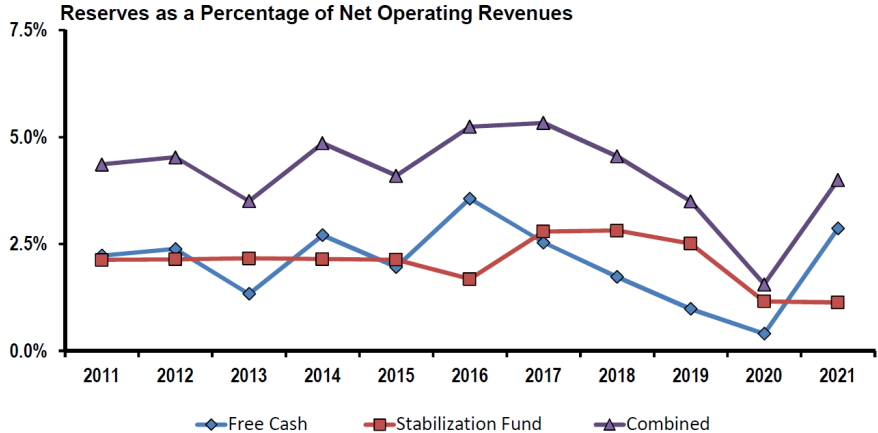


Indicator 11: Reserves

Maintaining a healthy level of reserves allows a town to finance emergencies and other unforeseen needs, hold money for specific future purposes, or in limited instances, to serve as revenue sources for the annual budget. Reserve balances and policies can also positively impact the Town's credit rating and consequently its long-term cost to fund major projects.

Declining reserves as a percentage of a town's net operating revenue is considered a warning indicator by credit rating agencies, and may indicate a declining ability to finance town obligations in the face of an emergency. Reserves below 5-7% of revenues may be considered unfavorable. Ideally, town reserve levels should be set by policy.



| Fiscal Year | As a Percentage of Net Operating Revenues | | | Net Operating Revenues | As a Percentage of Net Operating Revenues | | |
|-------------|---|-------------------------------------|-------------------|------------------------|---|--------------------|----------|
| | Free Cash | Stabilization Fund Year-End Balance | Combined Reserves | | Free Cash | Stabilization Fund | Combined |
| 2011 | \$ 1,159,328 | \$ 1,108,376 | \$ 2,267,704 | \$ 51,971,293 | 2.23% | 2.13% | 4.36% |
| 2012 | \$ 1,274,364 | \$ 1,145,445 | \$ 2,419,809 | \$ 53,432,880 | 2.38% | 2.14% | 4.53% |
| 2013 | \$ 729,690 | \$ 1,182,609 | \$ 1,912,299 | \$ 54,556,601 | 1.34% | 2.17% | 3.51% |
| 2014 | \$ 1,529,578 | \$ 1,215,115 | \$ 2,744,693 | \$ 56,495,164 | 2.71% | 2.15% | 4.86% |
| 2015 | \$ 1,138,514 | \$ 1,238,174 | \$ 2,376,688 | \$ 57,967,876 | 1.96% | 2.14% | 4.10% |
| 2016 | \$ 2,108,736 | \$ 995,134 | \$ 3,103,870 | \$ 59,173,725 | 3.56% | 1.68% | 5.25% |
| 2017 | \$ 1,547,056 | \$ 1,705,857 | \$ 3,252,913 | \$ 61,010,908 | 2.54% | 2.80% | 5.33% |
| 2018 | \$ 1,084,571 | \$ 1,763,016 | \$ 2,847,587 | \$ 62,581,041 | 1.73% | 2.82% | 4.55% |
| 2019 | \$ 637,897 | \$ 1,627,447 | \$ 2,265,344 | \$ 64,705,617 | 0.99% | 2.52% | 3.50% |
| 2020 | \$ 267,788 | \$ 768,779 | \$ 1,036,567 | \$ 66,359,866 | 0.40% | 1.16% | 1.56% |
| 2021 | \$ 1,978,854 | \$ 786,157 | \$ 2,765,011 | \$ 69,133,652 | 2.86% | 1.14% | 4.00% |

Data Source: DLS Municipal Finance Trend Dashboard

