



# FY2020 Financial Results and Trends



**Town of Chapel Hill  
Business Management  
Department**  
January 27, 2021

# Agenda



**CAFR**



**FY2020 Results**



**Trends**



**Next Steps**

# Comprehensive Annual Financial Report

- **Introduction**
- **Financial Section**
  - Auditor's Opinion
  - MD&A
  - Government-Wide Statements
  - Fund Financial Statements
- **Statistical Section**
- **Single Audit Section**



# Financial Reporting Structure

## Major Funds

- **Fund Financial Statements**
  - **Governmental Funds**
    - General Fund
    - Debt Management Fund
    - Capital Projects Ordinance Fund
  - **Enterprise Funds**
    - Transit Fund
    - Parking Fund
    - Stormwater Fund
    - Public Housing Fund



# Financial Highlights (FY2020)

## Unqualified Opinion

- Independent External Auditors

## Award for Excellence in Financial Reporting

- Government Finance Officers Association (GFOA)

## Triple A Bond Rating

- Moody's and Standard & Poors



# General Fund

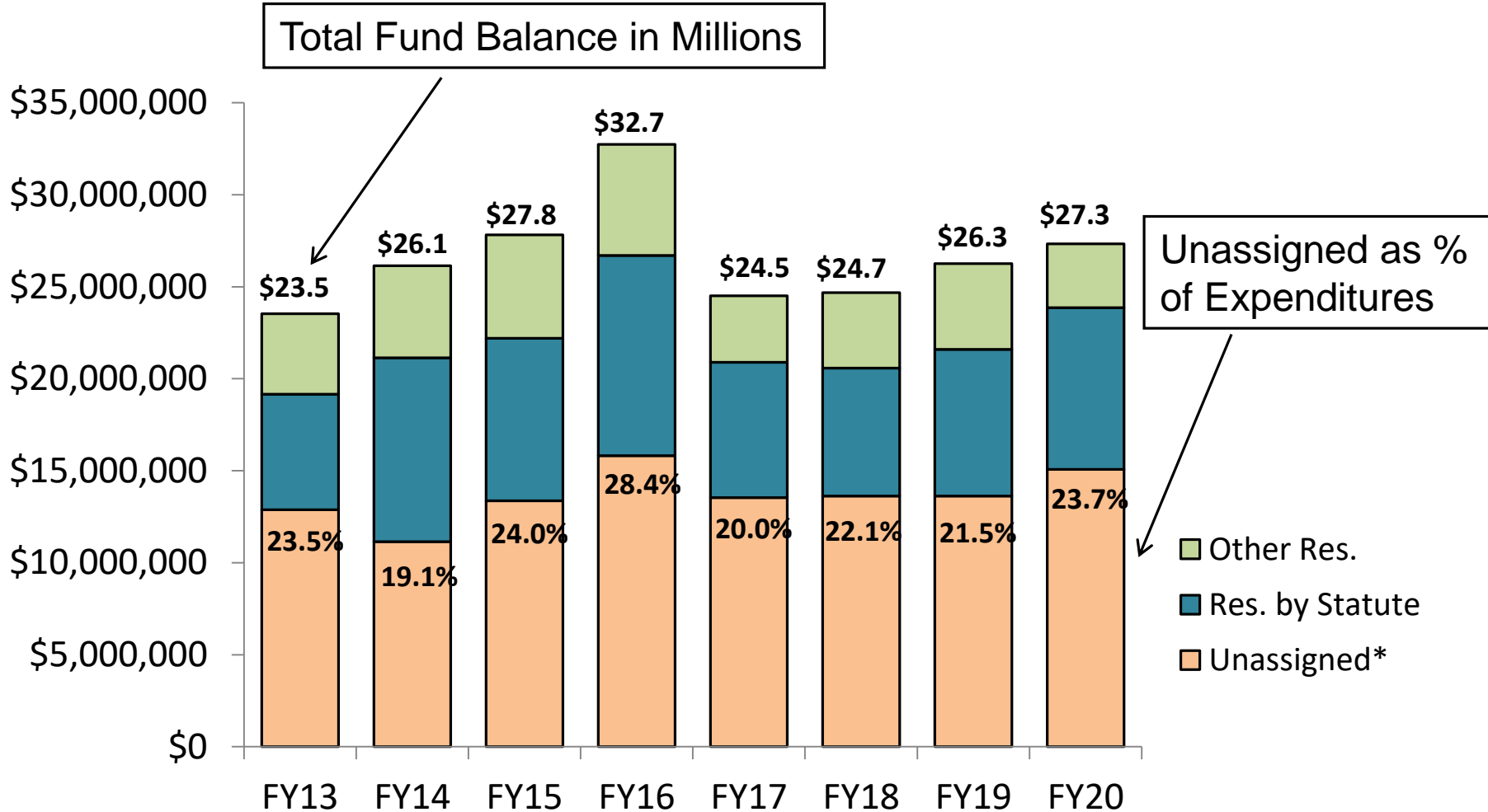
- Overall fund balance (FB) is up \$1.08 million
- Available fund balance is up by \$1.44 million
- Available fund balance percent is 23.7%
- Strong end to FY 20 even during COVID
- FB has been stable over the last eight years

*Fund Balance Percent is calculated as available fund balance over expenditures and other uses (source: audited financial statements) .*



# Total GF Fund Balance

FY2012-13 thru FY2019-20



- *Unassigned fund balance is calculated as a percent of expenditures and other uses per audited financial statements*

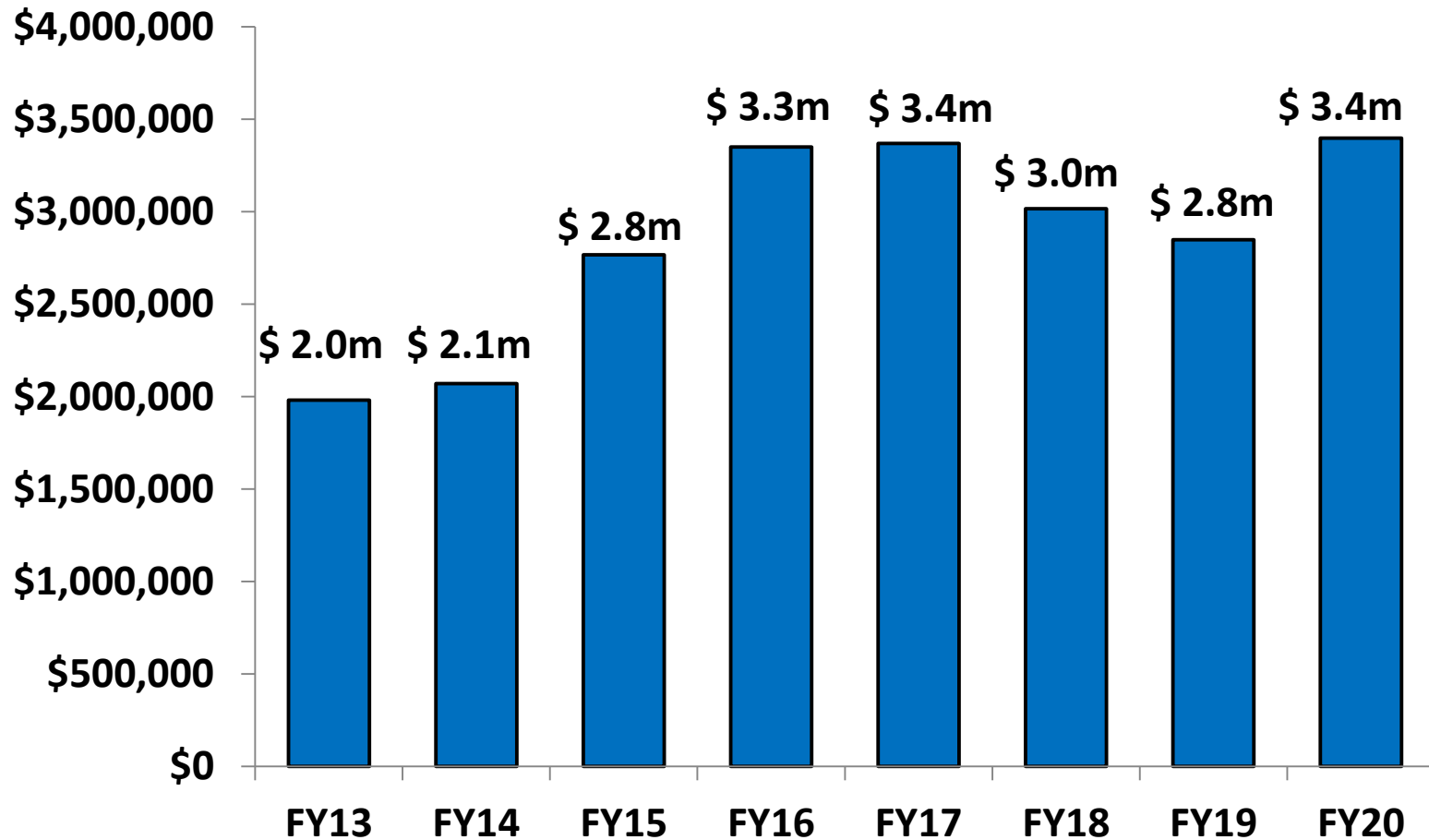
# Fund Balance Target

- Establishment of a fund balance “Floor” of 22%
- Fund balance over target is available for “one-time” expenditures (capital, OPEB)
- FY2020 Unassigned Fund Balance is 23.7%
- Recommend holding on appropriation due to uncertain economy





# General Fund Personnel Cost Savings



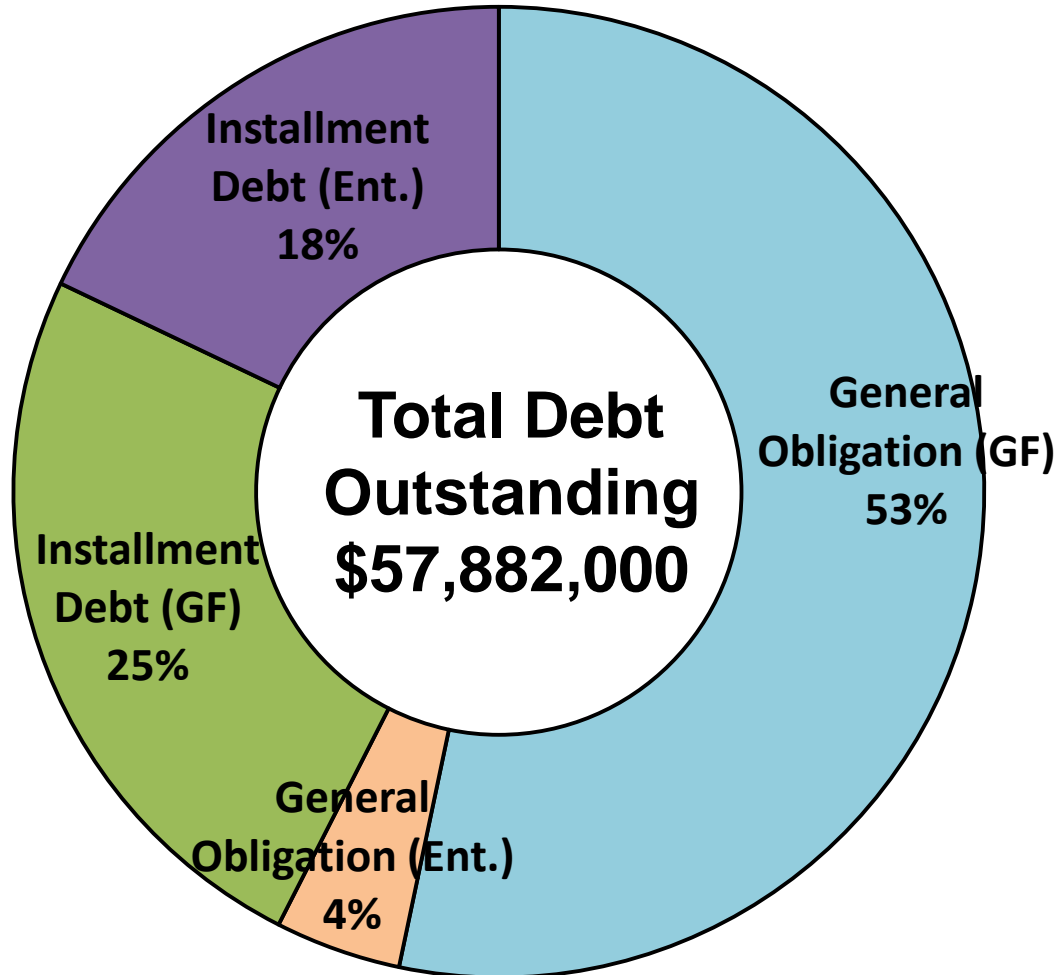
# Debt Management Fund

- Increase in fund balance by \$2.1 million to \$9.6 million
- Planned new debt thru FY24 is \$58 million
- New debt service \$4.5 million



# Total Town Long-Term Debt

June 30, 2020



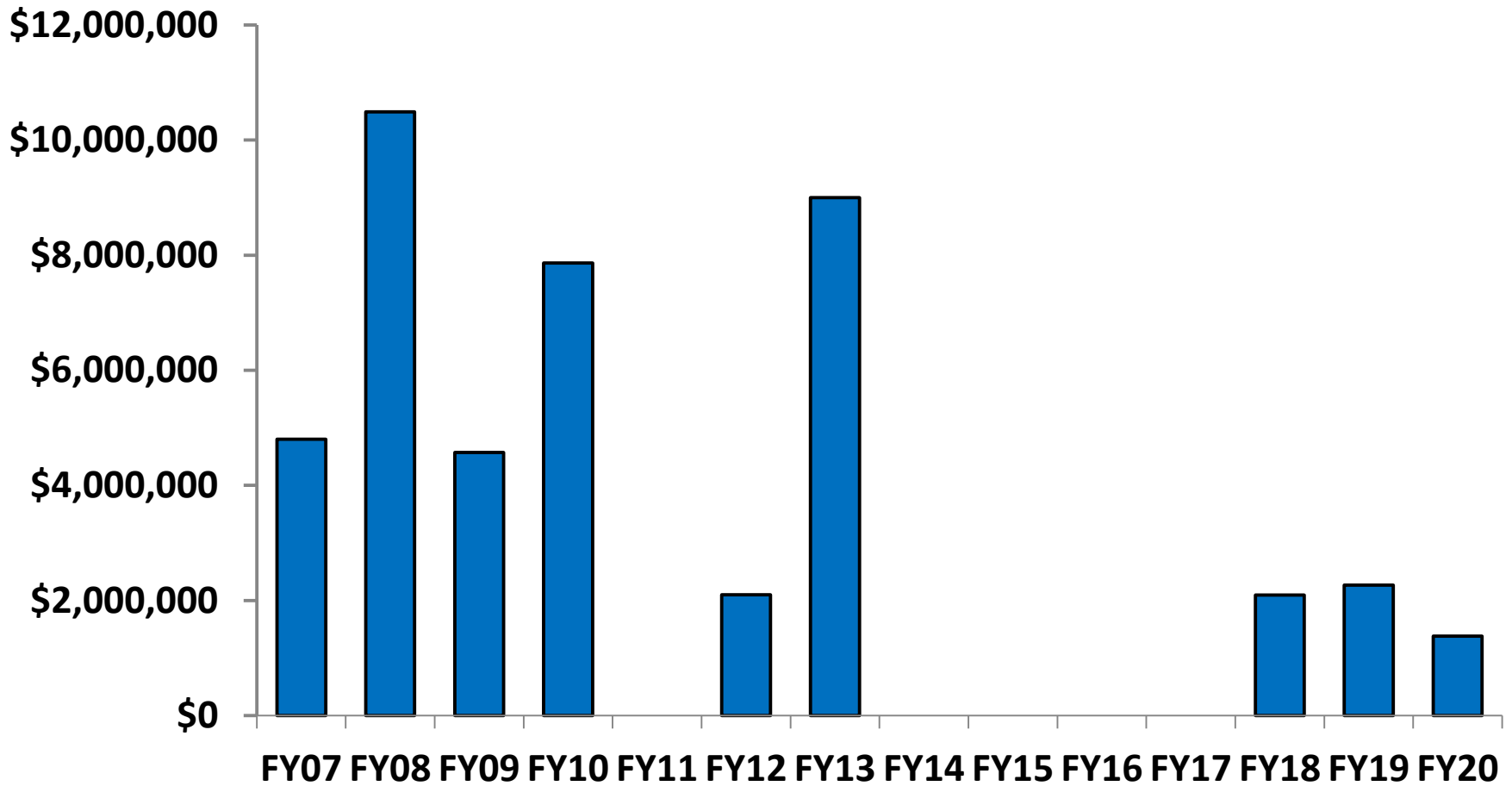
# Transit Fund

<b>Operating Results:</b>	<b><u>FY2018-19</u></b>	<b><u>FY2019-20</u></b>
– Charges for Services	\$ 962,431	\$ 820,903
– Non-operating Revenues	<u>25,221,067</u>	<u>26,174,452</u>
– Total Revenues	26,183,498	26,995,355
– Less: Operating Exp.	26,723,809	26,528,535
– Less: Transfers	(456,272)	(443,777)
– Plus: Capital Contrib.	<u>2,695,405</u>	<u>2,736,954</u>
– Change in Net Assets	<b>\$ 1,698,822</b>	<b>\$ 2,759,997</b>

<b>TRANSIT</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>Change</b>
Total Net Assets	\$ 32,937,345	\$ 35,697,342	\$ 2,759,997
Unrestricted net assets	8,676,695	9,822,736	1,146,041
Unrestricted as % of Budget	36.5%	39.6%	

# Federal Grant Awards

## (For Bus Purchases)



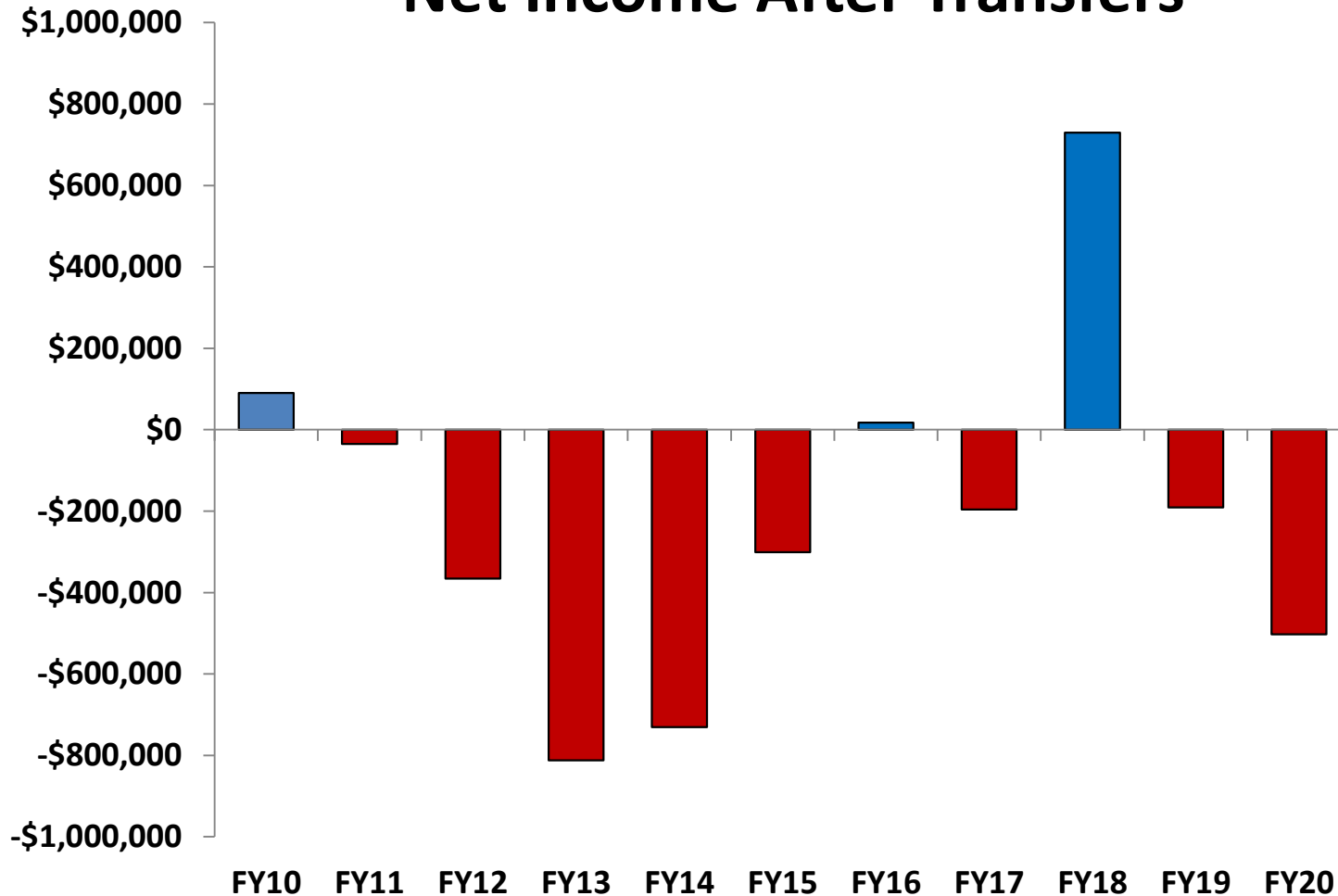
# Parking Fund

<b>Operating Results</b>	<b><u>FY2018-19</u></b>	<b><u>FY2019-20</u></b>
– Charges for Services	\$ 2,590,653	\$ 2,132,355
– Non-operating Rev/Exp	<u>16,970</u>	<u>6,981</u>
– Total Revenues	2,607,623	2,139,336
– Less: Operating Expenses	1,883,893	1,736,615
– +/- Transfer to Debt Fund	<u>(914,631)</u>	<u>(905,332)</u>
– Change in Net Assets	<b>\$ (190,901)</b>	<b>\$ (502,611)</b>

<b>PARKING</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>Change</b>
Total Net Assets	\$ 791,931	\$ 289,320	(\$ 502,611)
Unrestricted net assets	(2,826,044)	(3,290,019)	(463,975)
Unrestricted as % of Budget	N/A	N/A	N/A

# Parking Fund Operating Results

## Net Income After Transfers



# Housing Fund

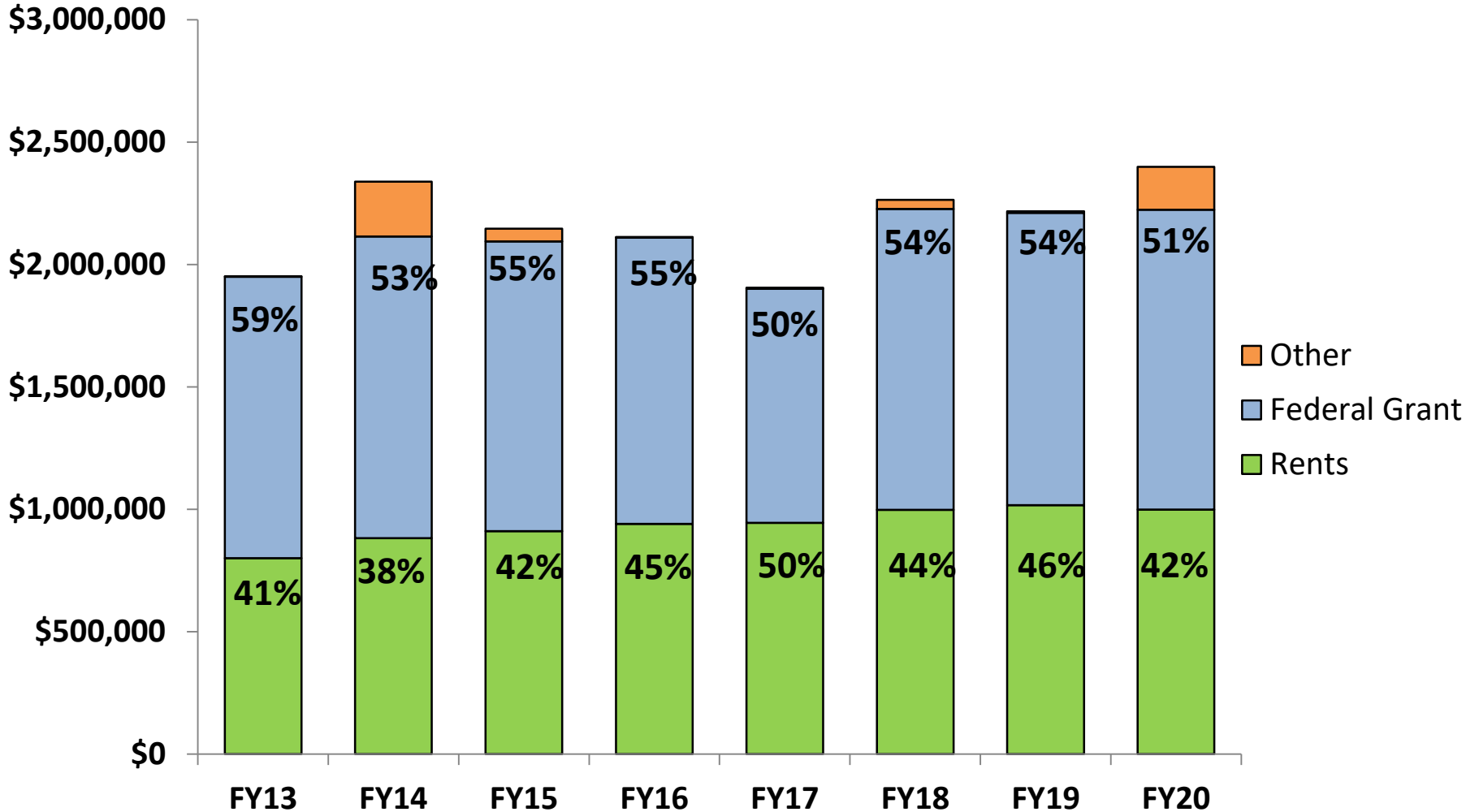
<b>Operating Results:</b>	<b><u>FY2018-19</u></b>	<b><u>FY2019-20</u></b>
– Charges for Services	\$ 1,017,155	\$ 998,645
– Non-operating Revenues	<u>1,200,348</u>	<u>1,399,844</u>
Total Revenues	2,217,503	2,398,489
– Less: Operating Exp.	2,534,614	2,584,785
– Plus: Capital Contrib.	<u>349,106</u>	<u>164,858</u>
– Change in Net Assets	<b>\$ 31,995</b>	<b>\$ (21,438)</b>

<b>HOUSING</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>Change</b>
Total Net Assets	\$ 11,296,670	\$ 11,275,232	\$ (21,438)
Unrestricted net assets	2,539,525	3,014,066	474,541
Unrestricted as % of Budget	115.2%	138.1%	



# Housing Fund Revenues

FY 2013 - FY 2020



# Stormwater Fund

<b>Operating Results:</b>	<b><u>FY2018-19</u></b>	<b><u>FY2019-20</u></b>
– Charges for Services	\$ 2,884,075	\$ 3,158,285
– Non-operating Revenues	<u>491,042</u>	<u>48,081</u>
– Total Revenues	3,375,117	3,206,366
– Less: Operating Exp.	2,053,839	2,274,714
– +/- Transfers	<u>10,245</u>	<u>11,719</u>
– Change in Net Assets	<b>\$1,331,523</b>	<b>\$ 943,371</b>

<b>STORMWATER</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>Change</b>
Total Net Assets	\$ 4,989,256	\$ 5,932,627	\$ 943,371
Unrestricted net assets	2,557,181	3,154,818	597,637
Unrestricted as % of Budget	93.9%	106.4%	

# Next Steps

- **FY21 Q2 Update Presentation Next Up**
- **FY22 Budget Process**
  - Council Retreat February 5<sup>th</sup>/6<sup>th</sup>/8<sup>th</sup>
  - Initial Budget Public Forum on February 24<sup>th</sup>
  - March 17<sup>th</sup> & April 14<sup>th</sup> Work Sessions
- **Proposed Debt Issuances**
  - GO Bonds in April
  - Limited Obligation Bonds in June



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**Questions?**