



# FY2020 Financial Results and Trends



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

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# Agenda



**CAFR**



**FY2020 Results**



**Trends**



**Next Steps**

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# Comprehensive Annual Financial Report

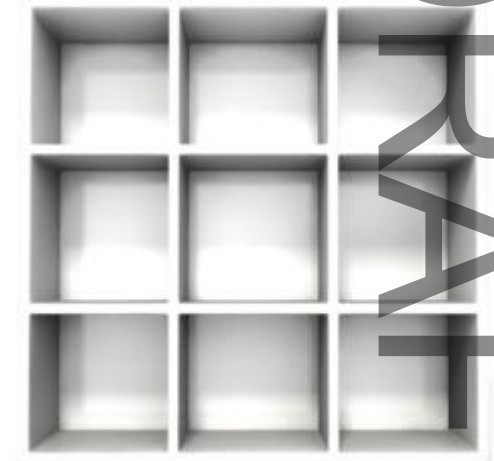
- **Introduction**
- **Financial Section**
  - Auditor's Opinion
  - MD&A
  - Government-Wide Statements
  - Fund Financial Statements
- **Statistical Section**
- **Single Audit Section**



# 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



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# 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



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# General Fund

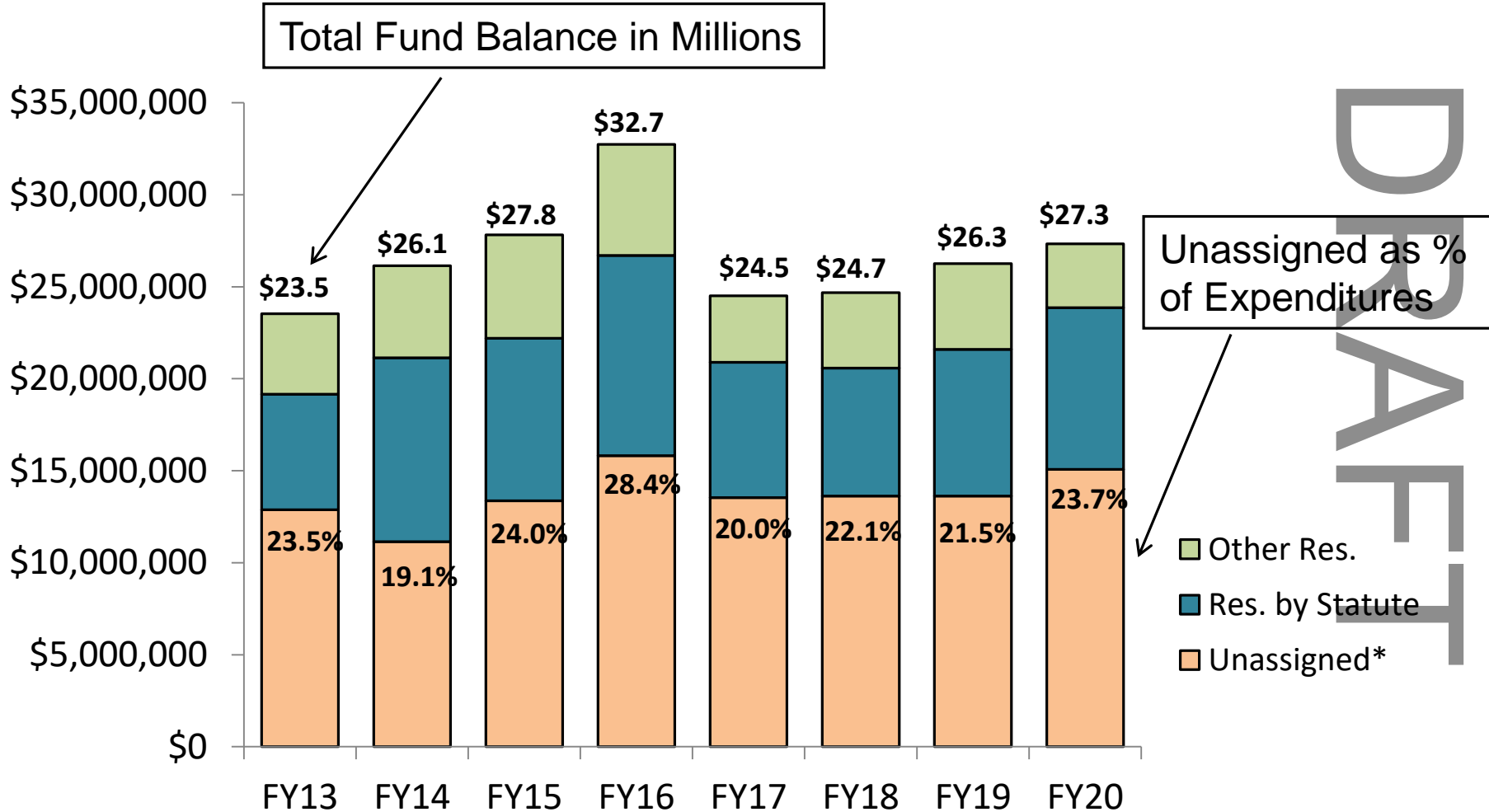
- Overall fund balance (FB) is up \$1.08 million
- Available fund balance is up by \$1.44 million
- Available fund balance percent is 23.7%
- Strong end to FY 20 even during COVID
- FB has been stable over the last eight years

*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

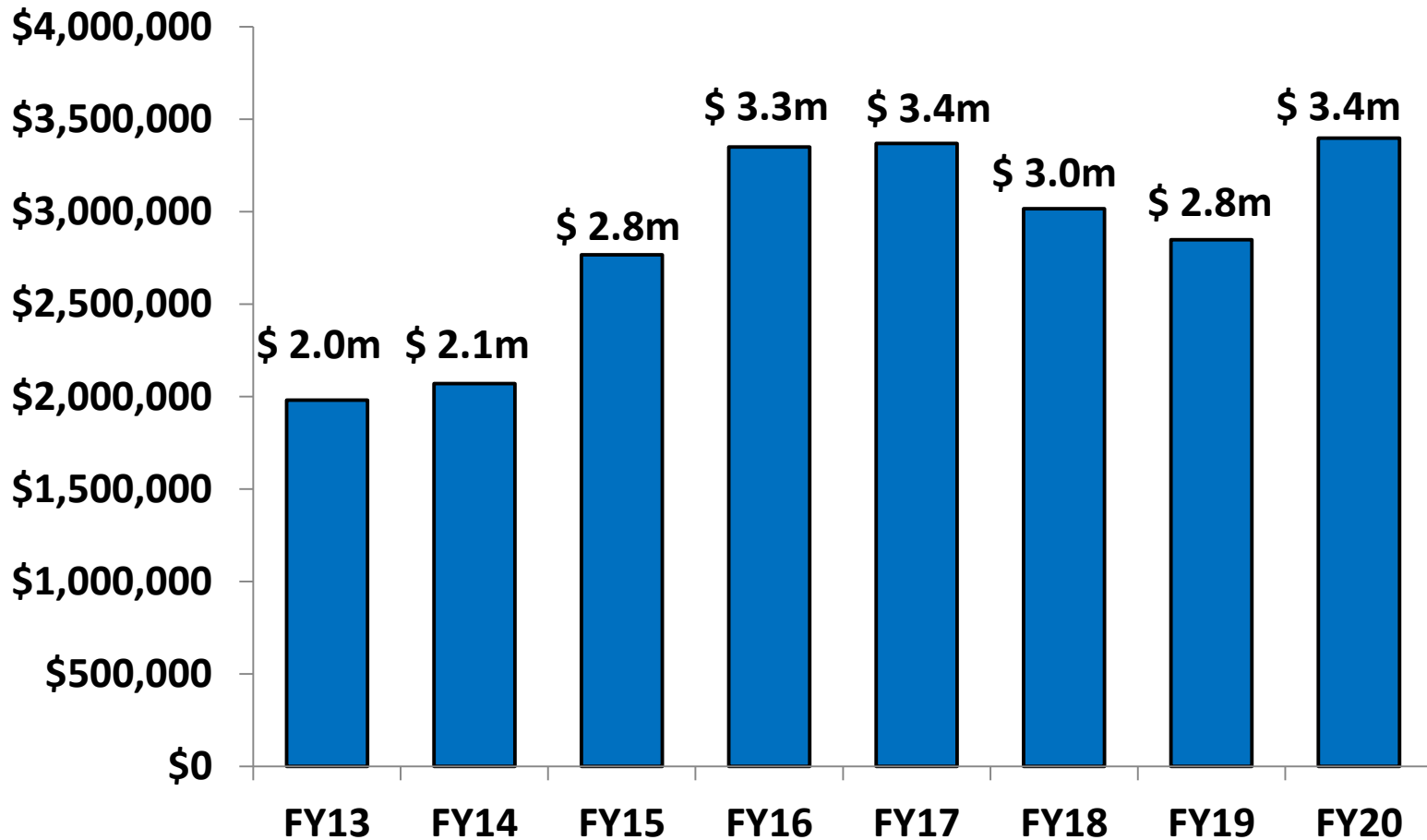
- Establishment of a fund balance “Floor” of 22%
- Fund balance over target is available for “one-time” expenditures (capital, OPEB)
- FY2020 Unassigned Fund Balance is 23.7%
- Recommend holding on appropriation due to uncertain economy

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# General Fund Personnel Cost Savings



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# Debt Management Fund

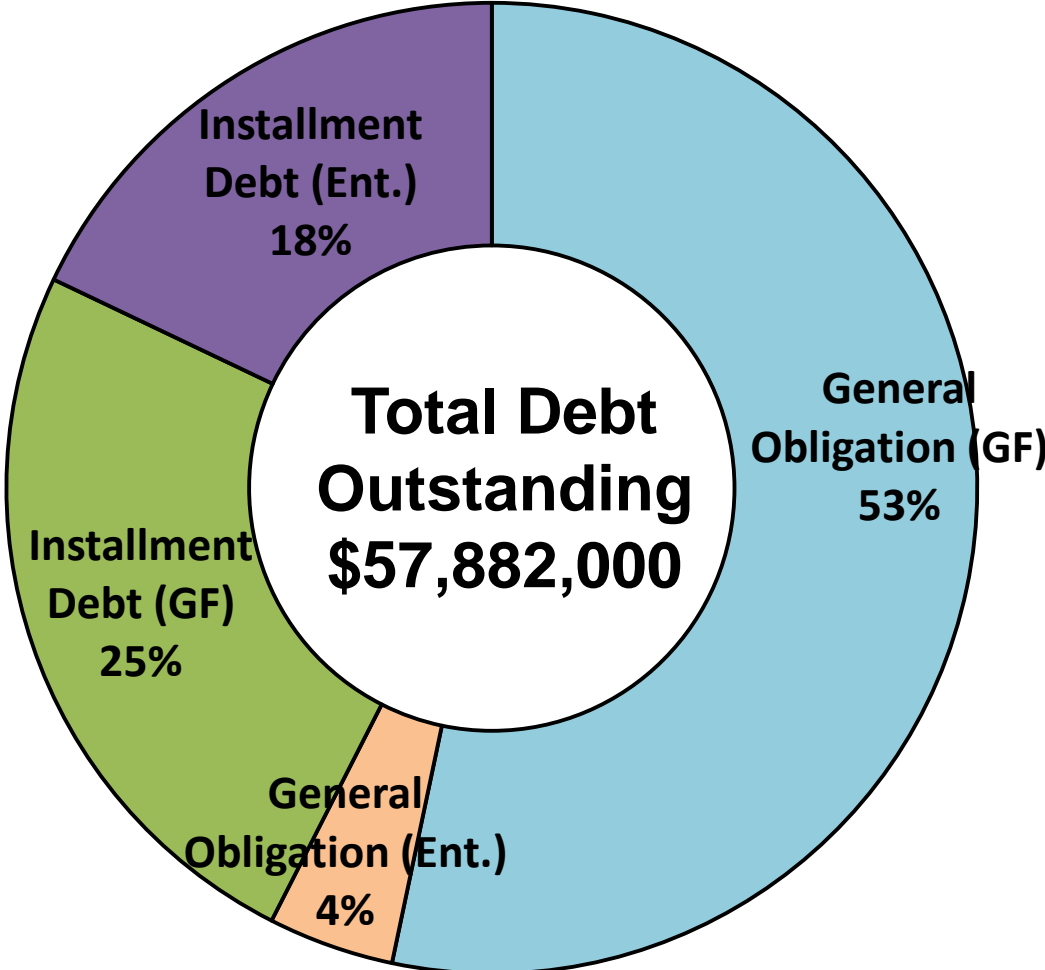
- Increase in fund balance by \$2.1 million to \$9.6 million
- Planned new debt thru FY24 is \$58 million
- New debt service \$4.5 million



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# Total Town Long-Term Debt

June 30, 2020



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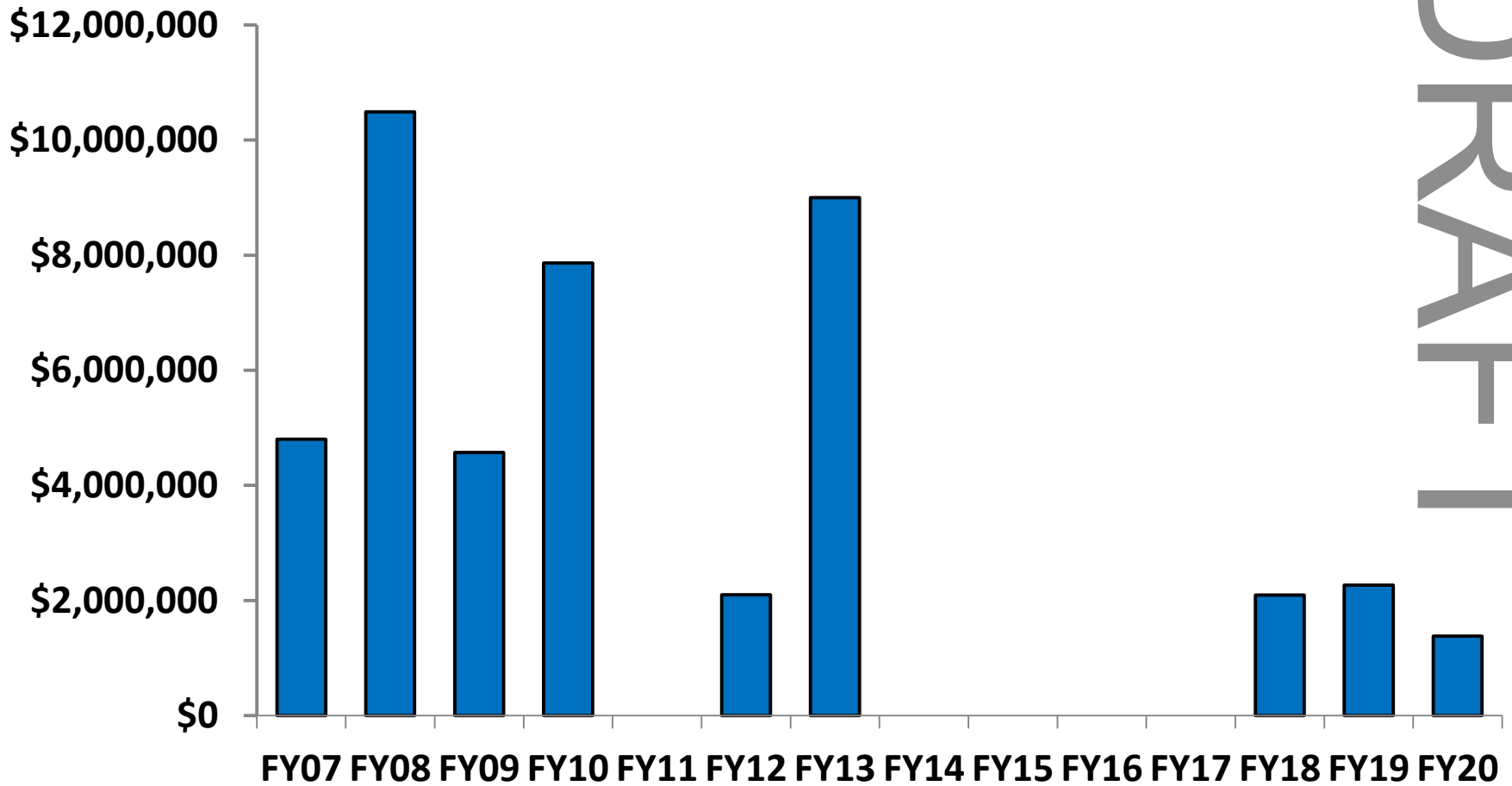
# Transit Fund

## Operating Results:

|                          | <u>FY2018-19</u>    | <u>FY2019-20</u>    |
|--------------------------|---------------------|---------------------|
| – 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> |

| TRANSIT                     | FY2018-19     | FY2019-20     | Change       |
|-----------------------------|---------------|---------------|--------------|
| 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

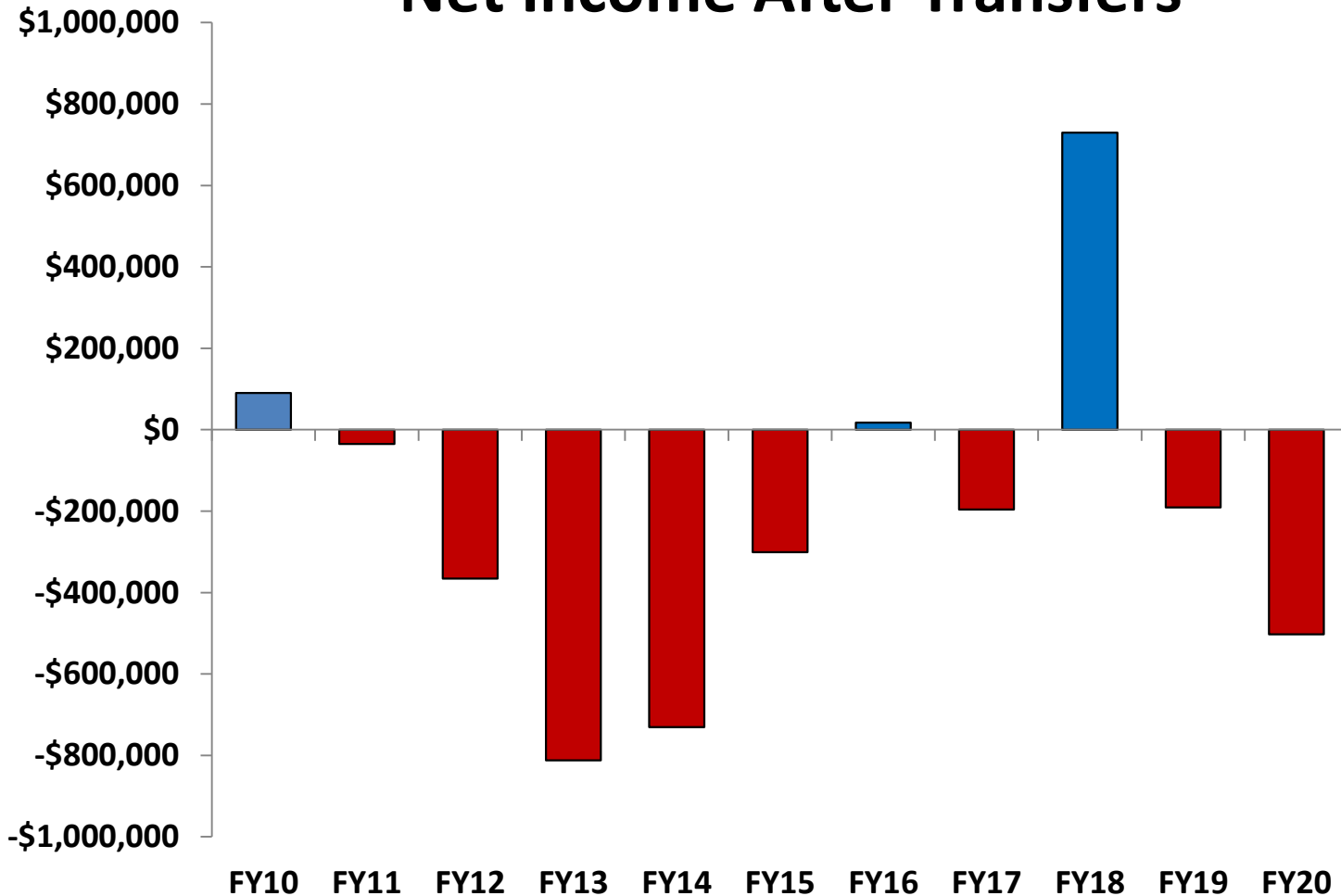
## Operating Results

|                              | <u>FY2018-19</u>    | <u>FY2019-20</u>    |
|------------------------------|---------------------|---------------------|
| – 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           |
| – +/- Transfers to Debt Fund | <u>(914,631)</u>    | <u>(905,332)</u>    |
| – Change in Net Assets       | <b>\$ (190,901)</b> | <b>\$ (502,611)</b> |

| PARKING                     | FY2018-19   | FY2019-20   | Change       |
|-----------------------------|-------------|-------------|--------------|
| 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



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# Housing Fund

## Operating Results:

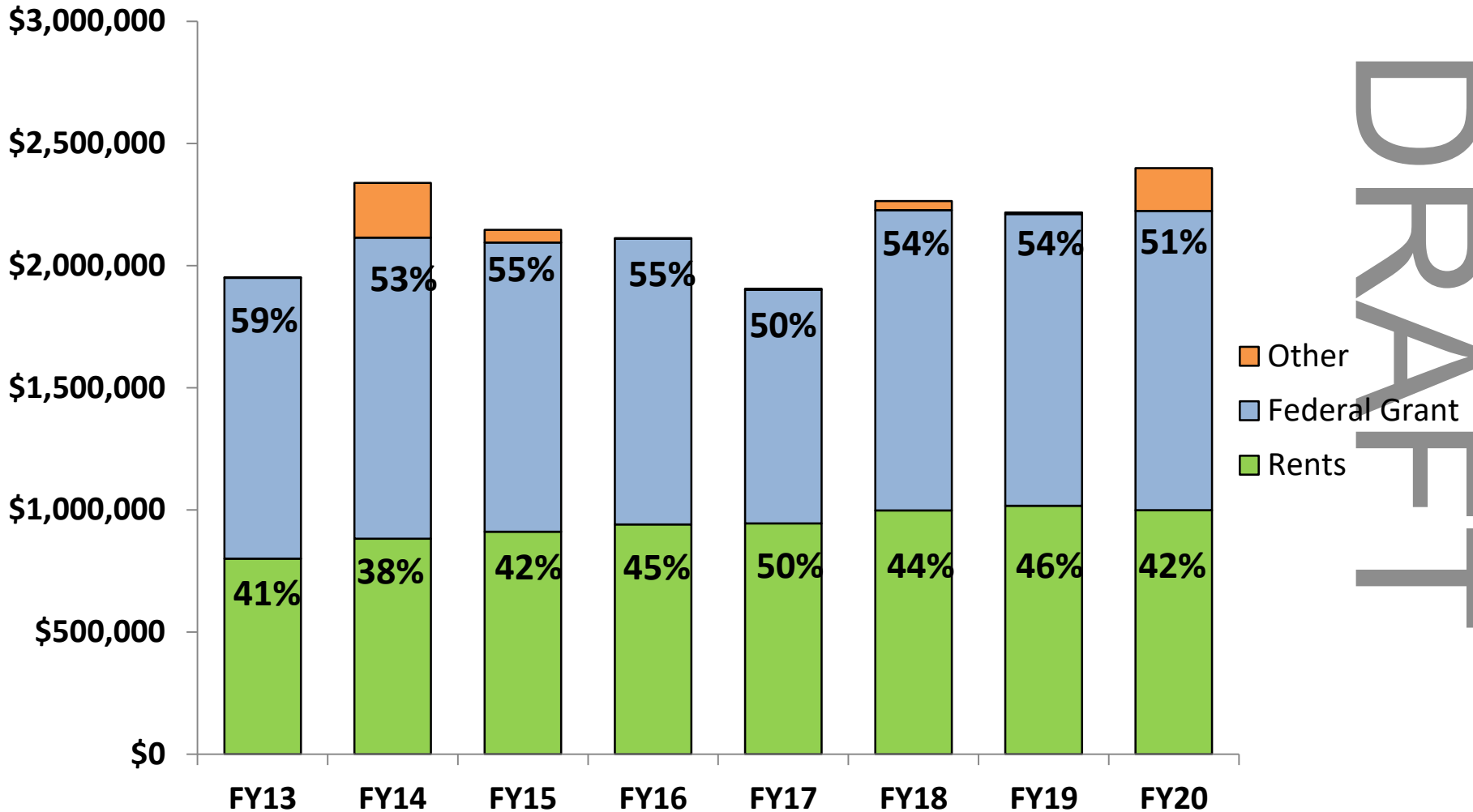
|                          | <u>FY2018-19</u> | <u>FY2019-20</u>   |
|--------------------------|------------------|--------------------|
| – Charges for Services   | \$ 1,017,155     | \$ 998,645         |
| – Non-operating Revenues | <u>1,200,348</u> | <u>1,399,844</u>   |
| Total Revenues           | 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> |

| HOUSING                     | FY2018-19     | FY2019-20     | Change      |
|-----------------------------|---------------|---------------|-------------|
| 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> Budget Work Session
- **Proposed Debt Issuances**
  - GO Bonds in April
  - Limited Obligation Bonds in May

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# FY2020 Financial Results and Trends



**Questions?**

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