



Financial Results for FY2008-09

November 23, 2009

Economic Conditions

- Facing the worst economy in 50 years , the Town developed several strategies to protect against the potential for significant revenue shortfalls
- These strategies were based on a set of basic budget management principles that were put into practice over the last 12 months.

Assumptions – 11/08

- The economy would not begin to recover until Spring 2010 with lag effect on local government; next reasonable year = 2011-12
- We need to keep our good employees to continue to provide level of service in difficult times
- We need to capture enough resources to maintain through two fiscal years.

Budget Strategies – 11/08

- **Principles:**
 - Do not make long term commitments in times of economic uncertainty
 - Maximize savings in current year in order to be better prepared for next year
 - Use budget balancing strategies that preserve service levels and have the least impact on long-term employees
 - Maintain adequate fund balance levels for cash flow and credit support

Budget Strategies – 11/08

- **Practice:**

- Delay debt issuance and defer CIP projects
- Establish Budget Savings Plan to provide funds to balance the FY2009-10 Budget
- Maintain current salary levels and preserve core benefits
- Maintain fund balance above minimal levels to act as insurance against continued revenue declines

Financial Results

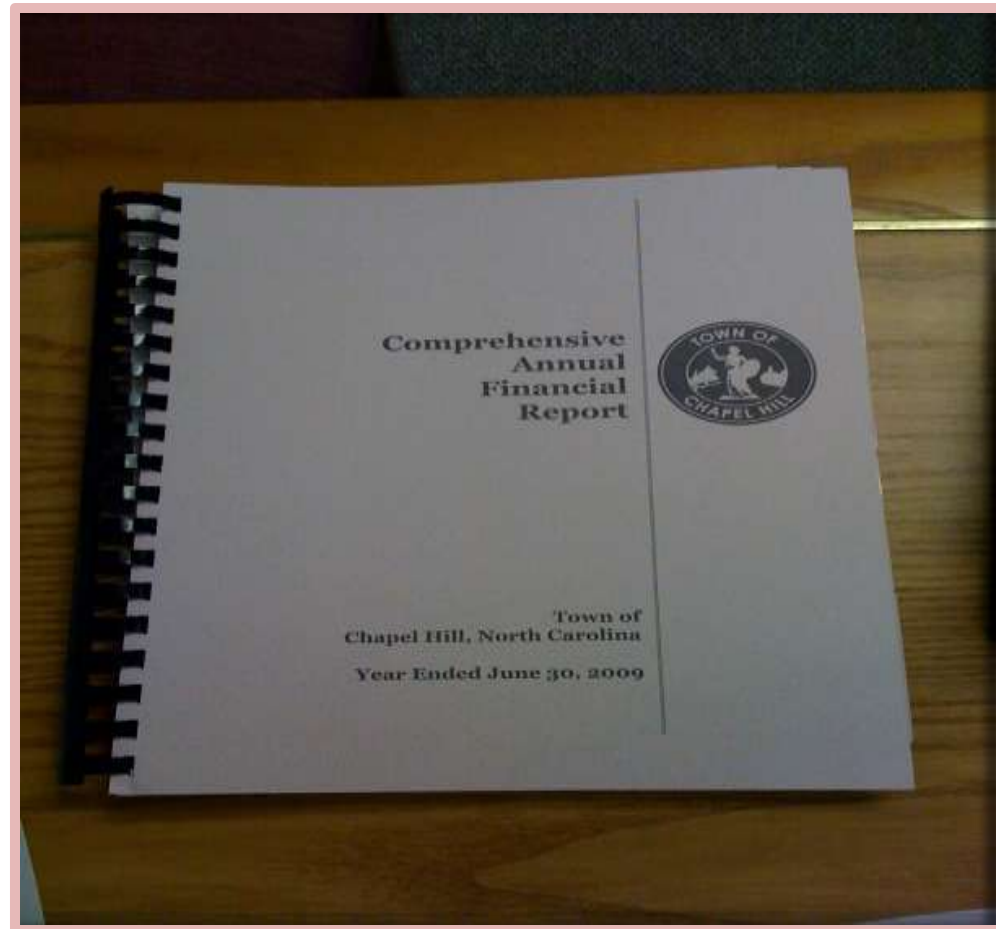
- The Economy shows some signs of recovery, but we are not out of the woods yet
- To date, the financial impact on the Town has been minimal
 - As planned we significantly reduced expenditures
 - With the exception of taxes, revenues have been consistent or better than budget estimates
 - Overall fund balance increases by \$1.4mil
- We are in a better position to absorb additional debt and operating costs for Library expansion



Comprehensive Annual Financial Report (CAFR)

Fiscal Year ended June 30, 2009

**Business
Management
Department**
November 23, 2009



Organization of Report

- Introductory Section
- Financial Section (MD&A)
- Financial Sections (Government-wide & Fund Financial Statements)
- Financial Section Notes & Supplementary Info.
- Accompanying Financial Schedules
- Budgetary Statements
- Statistical Section
- Single Audit Section

Town of Chapel Hill Funds

Governmental-Type Funds

Business-Type Funds

Major Funds:

General Fund
Capital Projects Ord.
Transit Grants

Transit Fund
Parking Facilities
Housing Operating
Stormwater Management

Non-Major Funds: **Special Revenue Funds**

Housing Grants
Transitional Housing
Affordable Housing
Community Dev. Grants
Downtown Services Dist.
Cable Public Access
Grants
Land Trust

Capital Projects Funds

Capital Projects
Capital Reserve Fund

Debt Service Fund

Debt Service Fund

Component Unit

OWASA

Highlights

- Unqualified Opinion from External Auditors
- Certificate of Achievement for Excellence in Financial Reporting
- Triple A Bond Rating from Moody's and S & P
- First year reporting Other Post Employment Benefits (OPEB)
 - Total Liability \$32,174,140
 - Net OPEB obligation for FY09 \$2,304,798

Financial Highlights

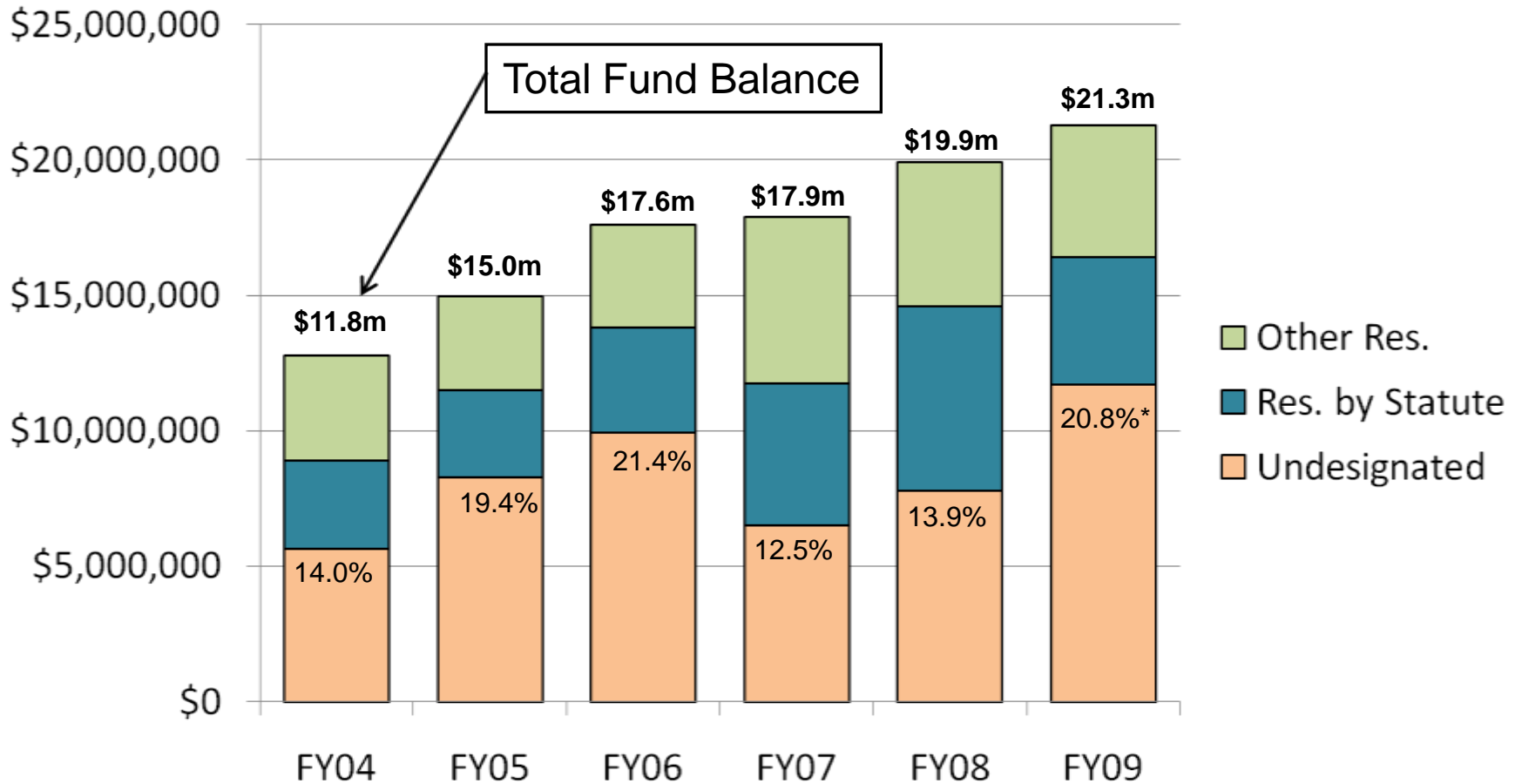
- The Town's Financial Condition improved despite the poor economy
- Overall fund-balance increased \$1.4mil due to budget savings plan and better than expected revenues
- Fund balance reserves declined significantly due to improved grant management

Financial Highlights

- Total assets increased by \$7.8 million
- Long-term Liabilities decreased by \$2.9 million
- General Fund Results:
 - Revenues in excess of Budget \$ 579,918
 - Expenditures less than Budget 5,309,413
 - Use of Fund Balance (4,491,930)
 - Net Change in GF Fund Bal. \$ 1,397,401**
- Undesignated fund balance increased from 13.9% to 20.8%

Total Fund Balance

FY2003-4 thru FY2008-9



*Includes \$800,000 OPEB Contribution

Financial Reporting Team

Jeanne Tate - Asst. Director Business Mgmt

Amy Oland - Accounting Manager

Katie Riedl - Accountant

Nicole Mazyck - Accountant

Tripti Dahal - Accountant

The Town's Comprehensive Annual Financial Reports for last seven
Fiscal Years are available at Town's Web-site:

<http://www.townofchapelhill.org/index.aspx?page=163>