

5 Ways to Reduce Costs in Your Town's Budget ... and how VML/VACo Finance can help.

1. Tap into federal government loan subsidies.

- Build America Bonds provide a 35% interest expense subsidy over the life of the loan. Recovery Zone Economic Development Bonds provide a 45% subsidy.
- Both programs are likely to be reauthorized in 2011, but with reduced subsidies.
- VML/VACo Finance can help: Our spring 2010 **Recovery Act Bond Pool** enabled Virginia local governments – from the City of Virginia Beach to the Town of Tappahannock – to access the federal subsidies. Our next pool is scheduled for fall 2010.

2. Take advantage of historically low short-term interest rates.

- Short-term interest rates are the lowest ever. Consider floating-rate loans, especially for short- and intermediate-term financing, smaller-sized long-term loans, and RANs.
- VML/VACo Finance can help: Our **Commonwealth Loan Program** allows you to initiate a loan in any month with the option to lock-in a fixed rate in the future.

3. Stretch your staff resources with VML/VACo Accounting Services.

- SAS 112 requires auditor independence...your auditor can no longer assist with journal entries and preparation of financial statements.
- VML/VACo Finance can help: With CPAs on staff, we offer discounted **Accounting Services** to assist your staff with technical year-end entries, financial statement preparation, SAS 112 compliance, etc.

4. Use VML/VACo Finance for your OPEB actuarial study (a real no-brainer).

- All towns that provide health insurance for retirees must report their actuarial liabilities this fiscal year (GASB 45).
- VML/VACo Finance can help: We provide **Actuarial Services** and tools for 30-40% less cost than other providers.

5. Additional VML/VACo Finance services for less.

- Are you paying too much for finance-related services? Are you paying a financial advisor on a contingency based on the amount of debt to be issued? (*GFOA warns against this practice.*)
- VML/VACo Finance can help: We offer **Financial Check-ups** (for significantly less) and **Debt Structuring** advice at no additional cost when you finance through one of our programs.
- We also offer **Procurement Services** at discounted rates.