


## City of Charlottesville


## Statement of Revenues, Expenditures and Changes in Fund Balances

## Governmental Funds

For the Year Ended June 30, 2010

	 <u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Social Services Fund</u>	<u>Other Gov't. Fund</u>	<u>Total</u>
<b>Revenues</b>					
Taxes	\$ 92,251,458	\$ -	\$ -	\$ -	\$ 92,251,458
Fees & Permits	1,640,727	-	-	-	1,640,727
Intergovernmental	30,462,577	12,513,591	10,028,497	14,884,174	67,888,839
Charges for Services	4,569,003	-	-	3,499,427	8,068,430
Fines	392,515	-	-	-	392,515
Investment Earnings	891,788	6	-	27,061	918,855
Miscellaneous	<u>937,687</u>	<u>297,793</u>	<u>42,390</u>	<u>527,708</u>	<u>1,805,578</u>
<b>Total Revenue</b>	<b>131,145,755</b>	<b>12,811,390</b>	<b>10,070,887</b>	<b>18,938,370</b>	<b>172,966,402</b>
<b>Expenditures</b>					
Current:					
General Government	12,528,527	1,316,054	-	-	13,844,581
Public Safety	30,206,377	5,001	-	548,660	30,760,038
Community Services	7,168,627	4,698,996	-	9,132,730	21,000,353
Health & Welfare	5,247,485	-	12,736,520	13,499,051	31,483,056
Parks, Recreation & Culture	8,923,677	147,961	-	51,953	9,123,591
Education	40,094,555	1,009,804	-	-	41,104,359
Conservation & Development	4,422,401	1,423,753	-	549,759	6,395,913
Other Activities	276,671	-	-	-	276,671
Debt Services	-	-	-	-	-
Principal	-	-	-	5,926,396	-
Interest	-	-	-	2,407,670	-
Miscellaneous	-	-	-	107,867	-
Capital Outlay	<u>-</u>	<u>28,702,858</u>	<u>-</u>	<u>-</u>	<u>28,702,858</u>
<b>Total Expenditures</b>	<b>108,868,320</b>	<b>37,304,427</b>	<b>12,736,520</b>	<b>32,224,086</b>	<b>191,133,353</b>
<b>Net</b>	<b>22,277,435</b>	<b>(24,493,037)</b>	<b>(2,665,633)</b>	<b>(13,285,716)</b>	<b>(18,166,951)</b>
<b>Other Financing Sources</b>					
Transfers from other funds	5,124,632	9,206,529	2,665,737	13,645,178	30,642,076
Transfers to other funds	(24,287,242)	(238,146)	-	(207,726)	(24,733,114)
Issuance of Debt	255,400	9,956,200	-	-	10,211,600
Premium on issuance of debt	-	93,887	-	-	93,887
<b>Total Other financial sources</b>	<b>(18,907,210)</b>	<b>19,018,470</b>	<b>2,665,737</b>	<b>13,437,452</b>	<b>16,214,449</b>
<b>Net Change in Fund Balance</b>	<b>3,370,225</b>	<b>(5,474,567)</b>	<b>104</b>	<b>151,736</b>	<b>(1,952,502)</b>
<b>Fund Balance July 1, 2009</b>	<b>32,444,855</b>	<b>26,887,143</b>	<b>483,439</b>	<b>10,896,021</b>	<b>70,711,458</b>
<b>Fund Balance June 30, 2010</b>	<b>\$ 35,815,080</b>	<b>\$ 21,412,576</b>	<b>\$ 483,543</b>	<b>\$ 11,047,757</b>	<b>\$ 68,758,956</b>

City of Charlottesville Virginia  
Statement of Net Assets  
June 30, 2010

	 General Fund	Capital Projects Fund	Social Services Fund	Other Gov't. Fund	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 34,913,188	\$ 22,660,346	\$ 102,832	\$ 10,213,024	\$ 67,889,390
Accounts Receivable, net	250,844	154,919	4,178	92,851	502,792
Taxes Receivable, net	29,136,303	-	-	-	29,136,303
Special assessments receivable	-	16,813	-	-	16,813
Due from other governments	2,969,213	1,378,266	785,630	3,878,423	9,011,532
Due from other funds	1,256,022	-	-	-	1,256,022
Loans receivable	-	880,000	-	80,967	960,967
<b>Total Assets</b>	<b>\$ 68,525,570</b>	<b>\$ 25,090,344</b>	<b>\$ 892,640</b>	<b>\$ 14,265,265</b>	<b>\$ 108,773,819</b>
<b>Liabilities &amp; Fund Balances</b>					
<u>Liabilities</u>					
Accounts payable	\$1,338,202	\$3,677,768	\$24,131	\$521,379	\$5,561,480
Accrued liabilities	3,312,479	0	384,966	1,815,129	5,512,574
Due to other governments	0	0	0	71,105	71,105
Due to other funds	0	0	0	809,895	809,895
Deferred revenue	<u>28,059,809</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,059,809</u>
<b>Total Liabilities</b>	<b>\$32,710,490</b>	<b>\$3,677,768</b>	<b>\$409,097</b>	<b>\$3,217,508</b>	<b>\$40,014,863</b>
<u>Fund Balances</u>					
Reserved	\$1,180,647	\$14,545,925	0	\$172,501	\$15,899,073
Unreserved, designated:					-
Major Governmental Funds	10,363,172	6,866,651	483,543	0	17,713,366
Special Revenue Funds	0	0	0	1,328,208	1,328,208
Debt Service Fund	0	0	0	9,547,048	9,547,048
Unreserved, undesignated:					-
General Fund	<u>24,271,261</u>	<u>0</u>	<u>0</u>	<u>-</u>	<u>24,271,261</u>
<b>Total Fund Balances</b>	<b>\$35,815,080</b>	<b>\$21,412,576</b>	<b>\$483,543</b>	<b>\$11,047,757</b>	<b>\$68,758,956</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$68,525,570</b>	<b>\$25,090,344</b>	<b>\$892,640</b>	<b>\$14,265,265</b>	<b>\$108,773,819</b>

# BUDGET TOOLS

TABLE 9.4

## Financial Statement for a Small Nonprofit Organization

		FY 2006	
1. Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	$\frac{\$1,289,762}{\$248,695}$	= 5.19
2. Working capital	$\text{Current assets} - \text{current liabilities}$ \$1,289,762 minus	\$248,695	= \$1,041,067
3. Quick ratio	$\frac{\text{Quick assets}}{\text{Current liabilities}}$	$\frac{\$1,121,492}{\$248,695}$	= 4.51
4. Debt-to-asset ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	$\frac{\$630,153}{\$3,676,115}$	= 0.17
5. Days payable ratio	$\frac{\text{All accounts payable} \times 365 \text{ days}}{\text{NPS expenses}}$	$\frac{\$73,000,000}{\$1,161,884}$	= 62.83 days
6. Profit margin ratio	$\frac{\text{Surplus}}{\text{Revenue}}$	$\frac{-\$2,037}{-\$3,822,766}$	= -0.053%
7. Common size ratio	$\frac{\text{Line item amount}}{\text{Total amount}}$		
	Contributions	\$565,032	14.78%
	Grants	1,182,215	30.93
	Government contracts	1,459,639	38.18
	Fees	529,243	13.84
	Interest	86,637	2.27
		\$3,822,766	100.00%

The profit margin ratio is problematic because the nonprofit had a slight deficit this year. Questions that need to be answered include: Is this loss a one-time event or has this nonprofit been in this situation before? Is this nonprofit building intergenerational equity over time? What is the trend over five or ten years?

Looking at the degree of diversity in revenues, the analyst can see that this nonprofit organization depends heavily on government contracts; in contrast, contributions are quite a small proportion of the revenues. Certainly, the nonprofit would benefit from a greater emphasis on contributions.

It is possible to conclude that, although the nonprofit does not have immediate concerns about liquidity and solvency, this nonprofit organization needs to stabilize its profit margin and improve its sustainability of resources through revenue diversification. More could be learned through an in-depth examination of the sources and uses of revenue.

**Solution to Financial Statement Exercise in Ratio Analysis**  
**City of Charlottesville Financial Statements**

**June 30, 2010**

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**FY2010**

**1. Current Ratio**

Current Assets

Current Liabilities

~~68,525,570~~

#VALUE!

~~32,710,490~~

**2. Working Capital**

Current Assets - Current Liabilities

~~68,525,570 - 32,710,490~~

#VALUE!

**3. Quick Ratio**

Quick Assets

Current Liabilities

=

#VALUE!

~~34,913,148 - 32,710,490~~

~~32,710,490~~

Note: Quick Assets consist of cash plus accounts receivable.

**4. Debt to Asset Ratio**

Total Liabilities

Total Assets

=

#VALUE!

~~32,710,490~~  
~~68,525,570~~

**5. Days Payable Ratio**

Accounts Payable x 365 Days

NPS Expenditures

x365

0.2

#VALUE!

~~365 x 1,336,202~~  
~~108,868,320~~

**6. Profit Margin Ratio**

Surplus

Revenues

=

#VALUE!

~~3,370,225~~  
~~131,145,755~~

**7. Common Size Ratio**

Line Item Amount

Total Amount

Taxes

#VALUE!

Fees & Permits

#VALUE!

Intergovernmental

#VALUE!

Charges for Services

#VALUE!

Fines

#VALUE!

Investment Earnings

#VALUE!

Miscellaneous

#VALUE!

**Total Revenue**

-

0.0%

**Conclusion:**

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