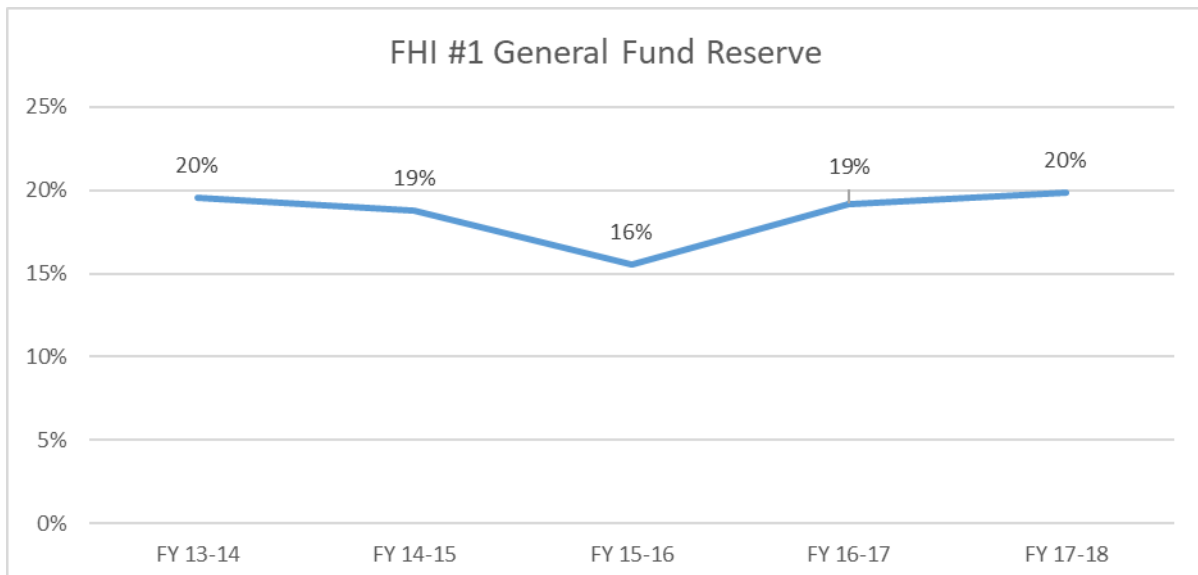
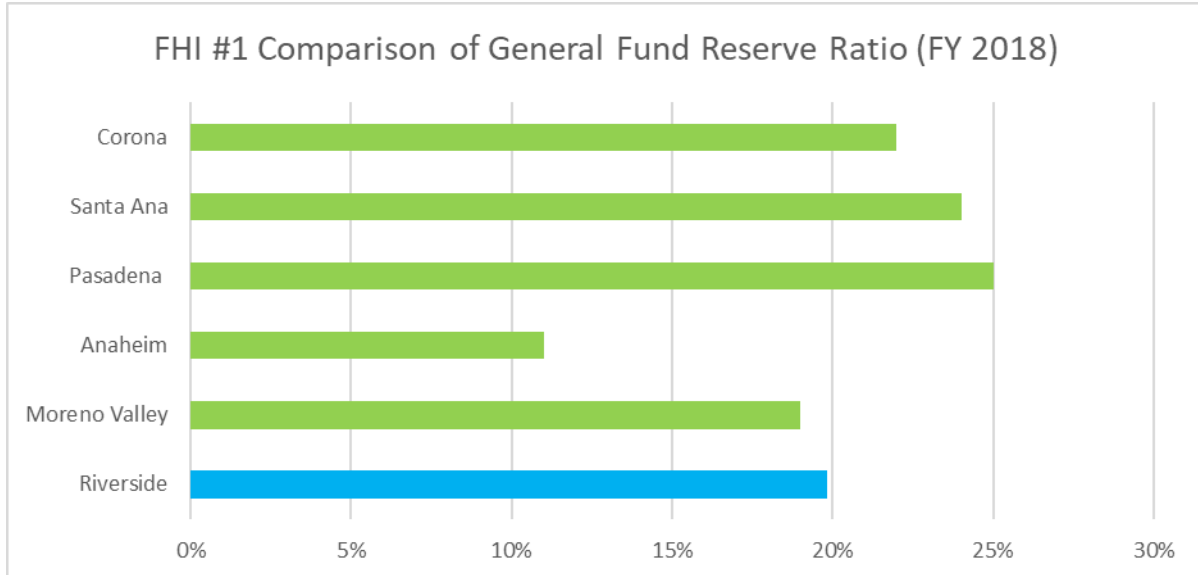


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #1 GENERAL FUND RESERVE RATIO

A declining unassigned fund balance can be a sign of fiscal stress. This indicator is important in identifying a trend of a deteriorating unassigned fund balance as well as how rapidly it is deteriorating. A **higher ratio** suggests larger reserves for dealing with unexpected resource needs in the long run.

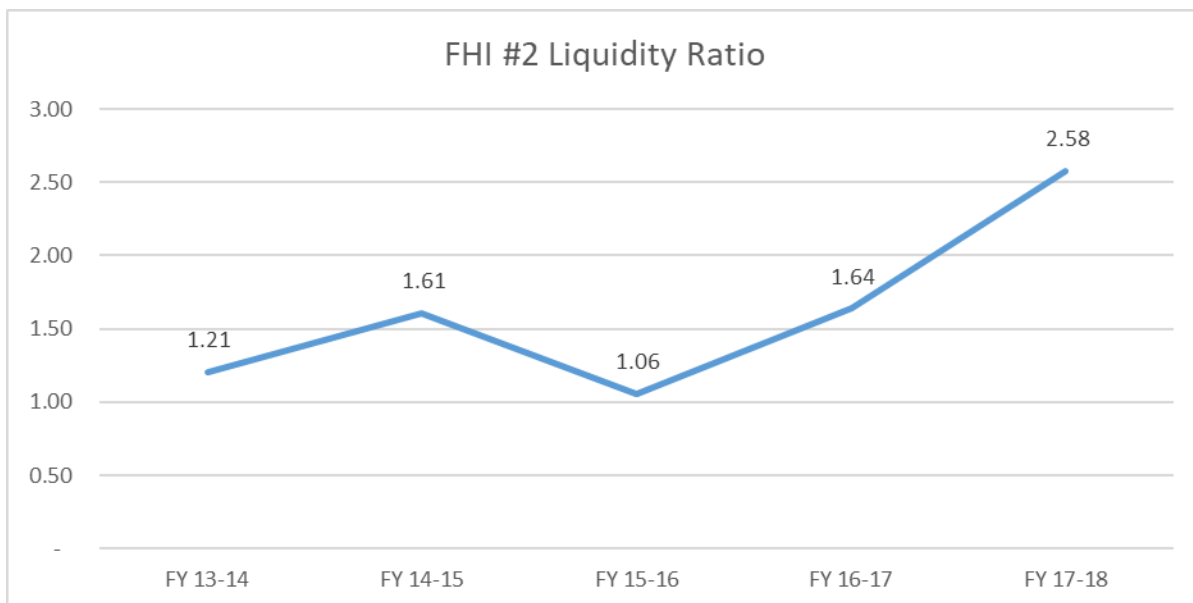
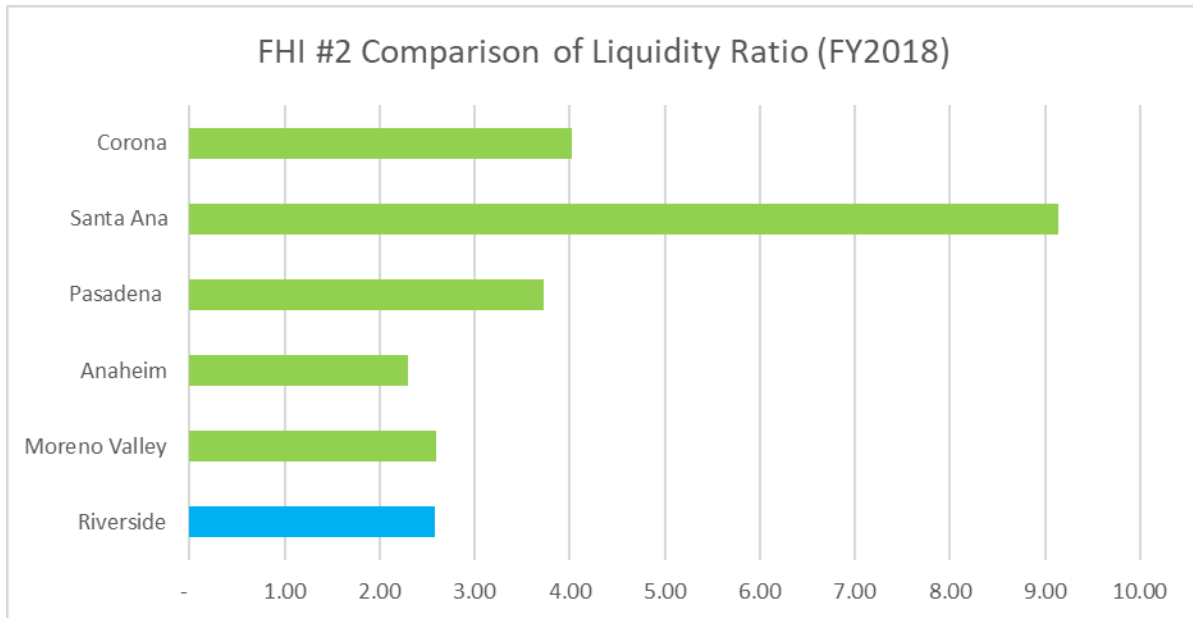


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #2 LIQUIDITY RATIO

A declining ratio indicates that the City does not have sufficient cash available to meet its current obligations as they come due. This indicator is important in identifying a trend of deteriorating cash as well as how rapidly it is deteriorating. Ideally, a **higher ratio** suggests a greater capacity for paying off short-term obligations.

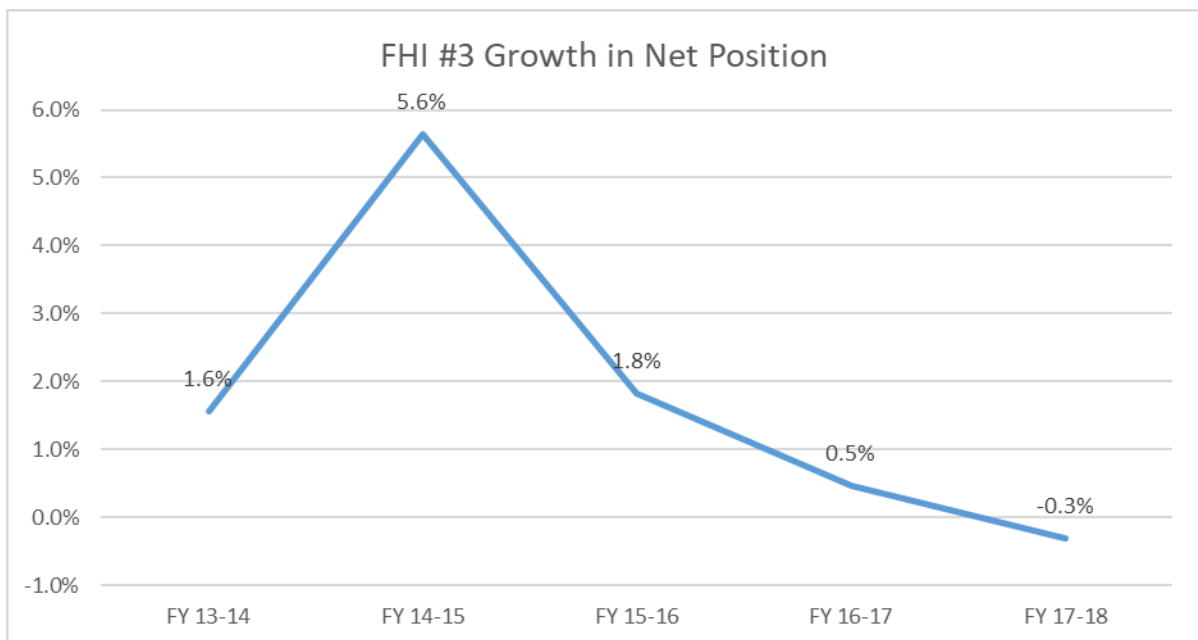
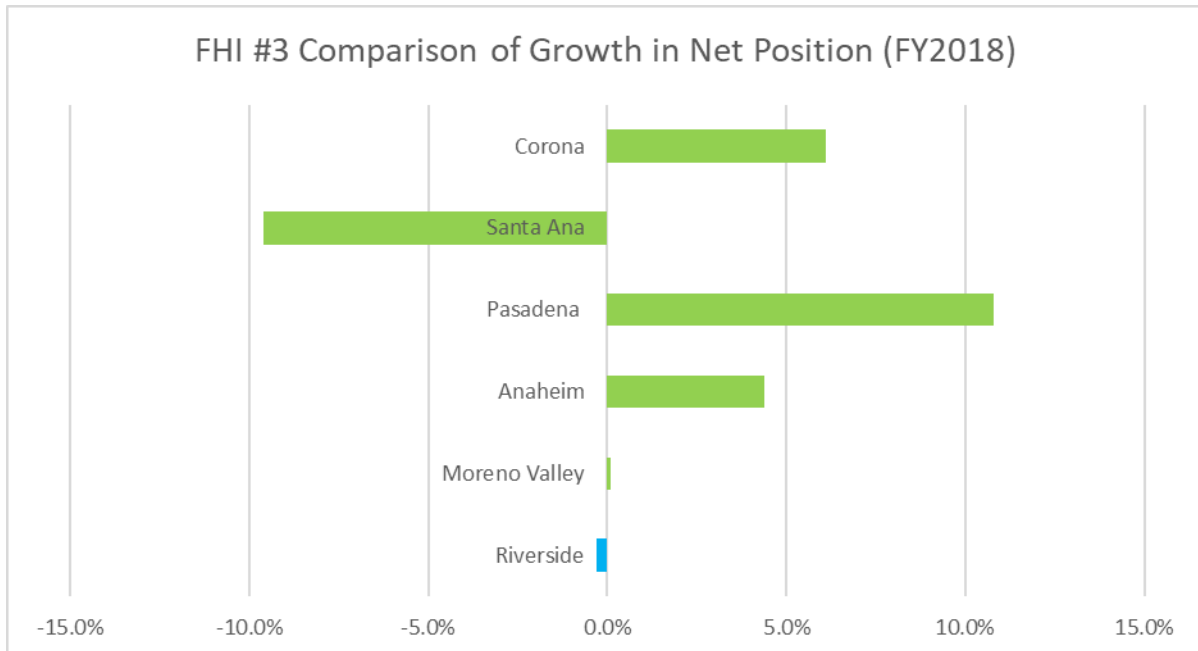


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #3 GROWTH IN NET POSITION

Revenues from the City's programs ideally should cover the expenses that the City incurs for those programs—otherwise, the City will have to make ends meet by dipping into reserves, and it won't be able to save money for projects. A **higher ratio** indicates that annual costs are adequately financed and the financial health is improving.

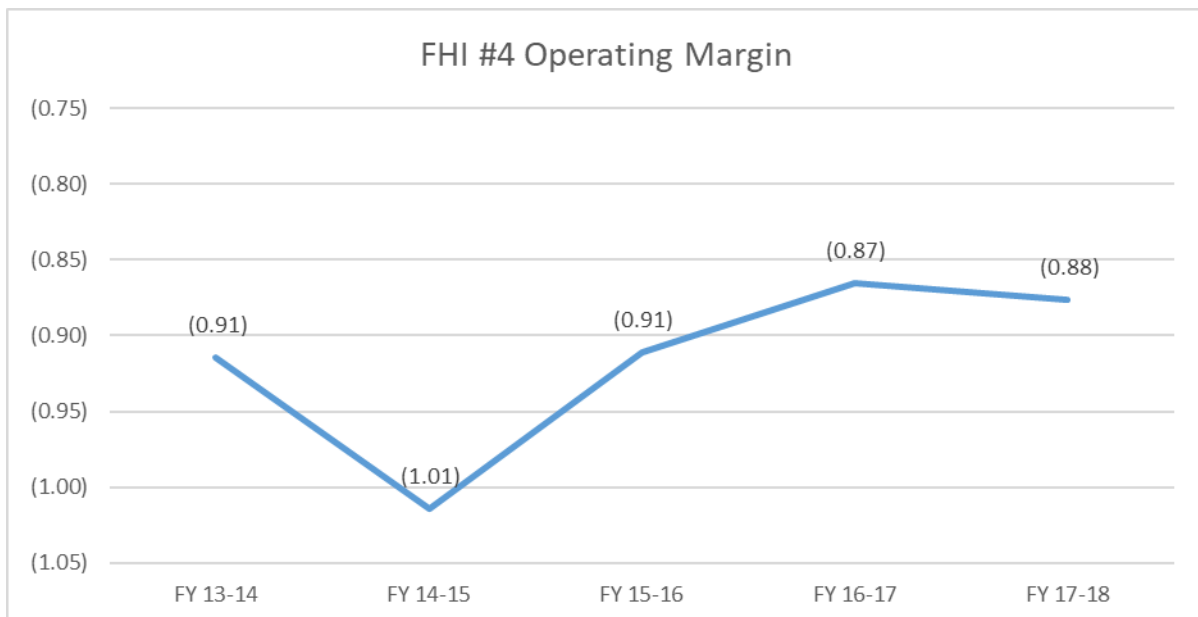
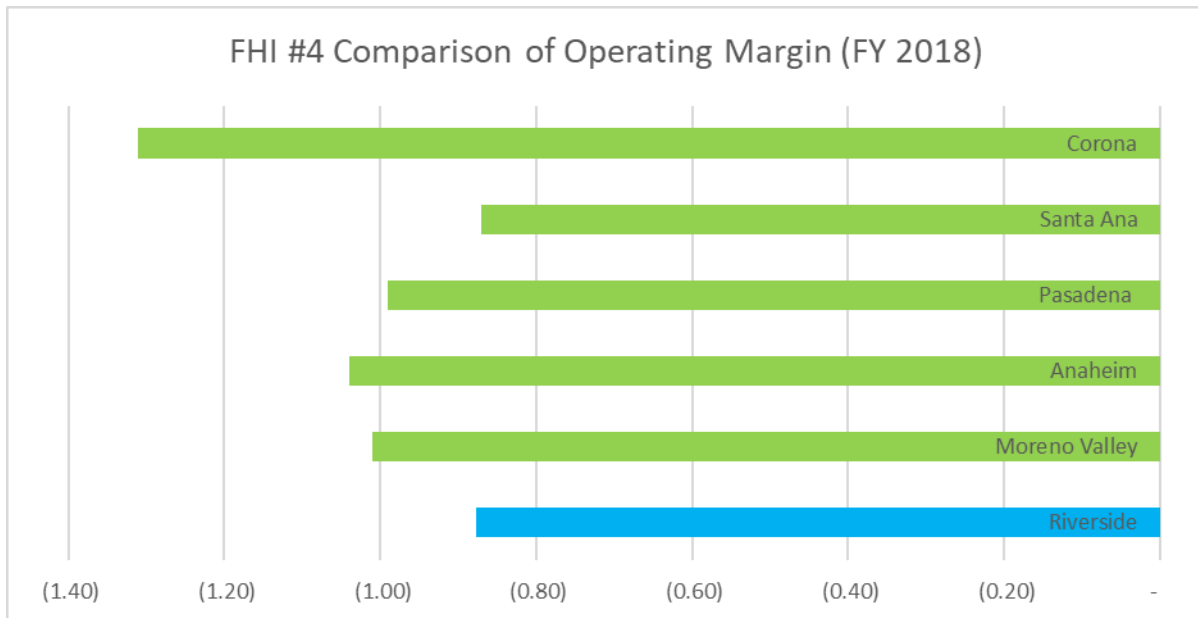


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #4 OPERATING MARGIN

The City collects revenues from fees, charges, fines, and grants to support some of its programs. Some programs however, such as public safety, are funded by general tax dollars. This measure shows the extent to which basic government services were supported by general tax dollars. A lower ratio indicates that the City's services were supported through service fees and required less general taxpayer support. For this measure, a **lower ratio** indicates more independent financial condition.

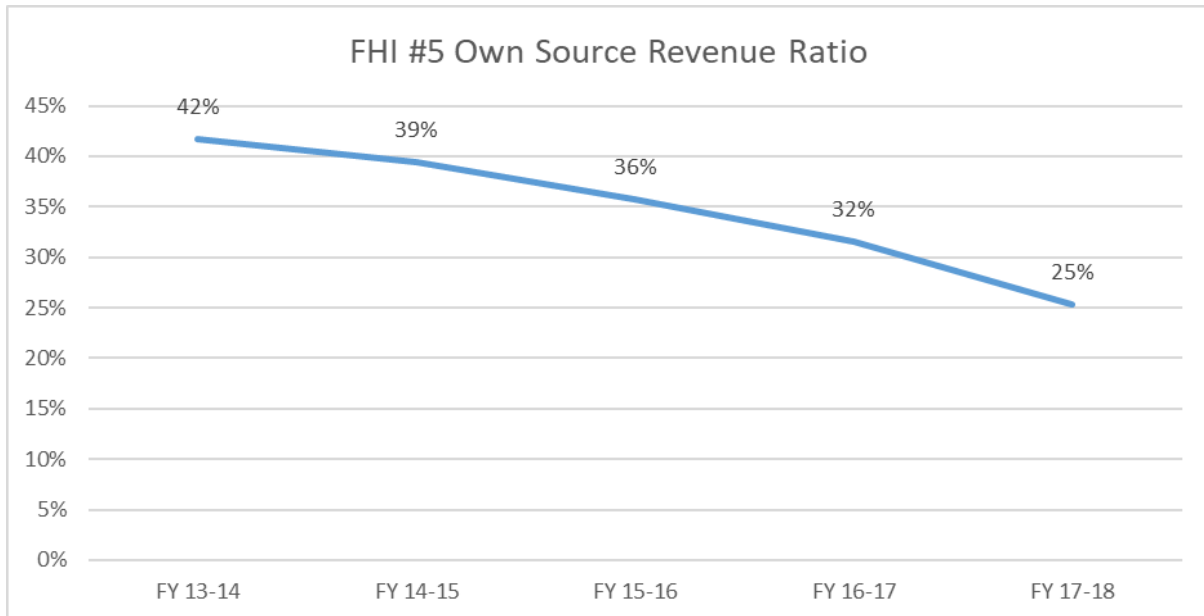
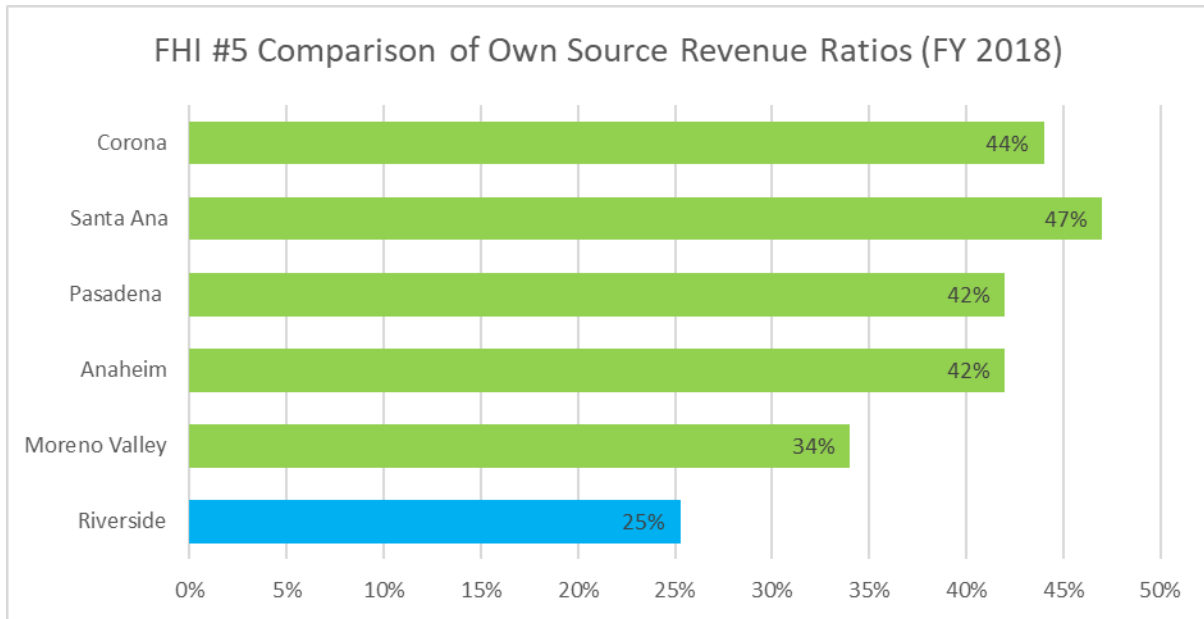


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #5 OWN SOURCE REVENUE RATIO

A lower ratio shows that the City had a larger portion of its revenues coming from its own sources, namely fees, charges, and taxes. For this measure, a **lower ratio** indicates more independent financial condition.

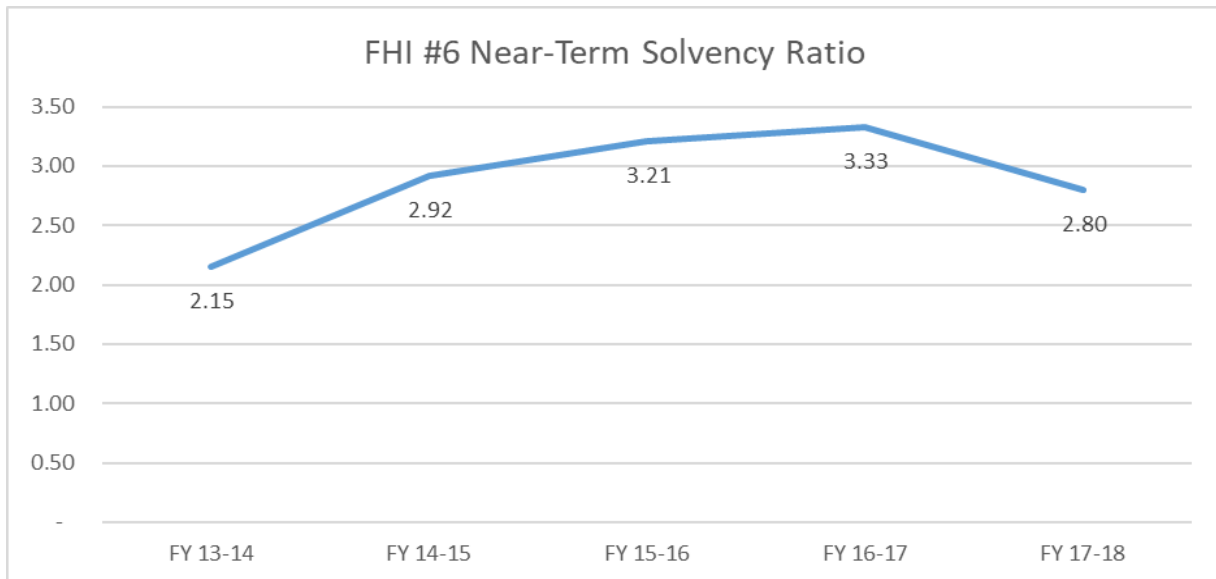
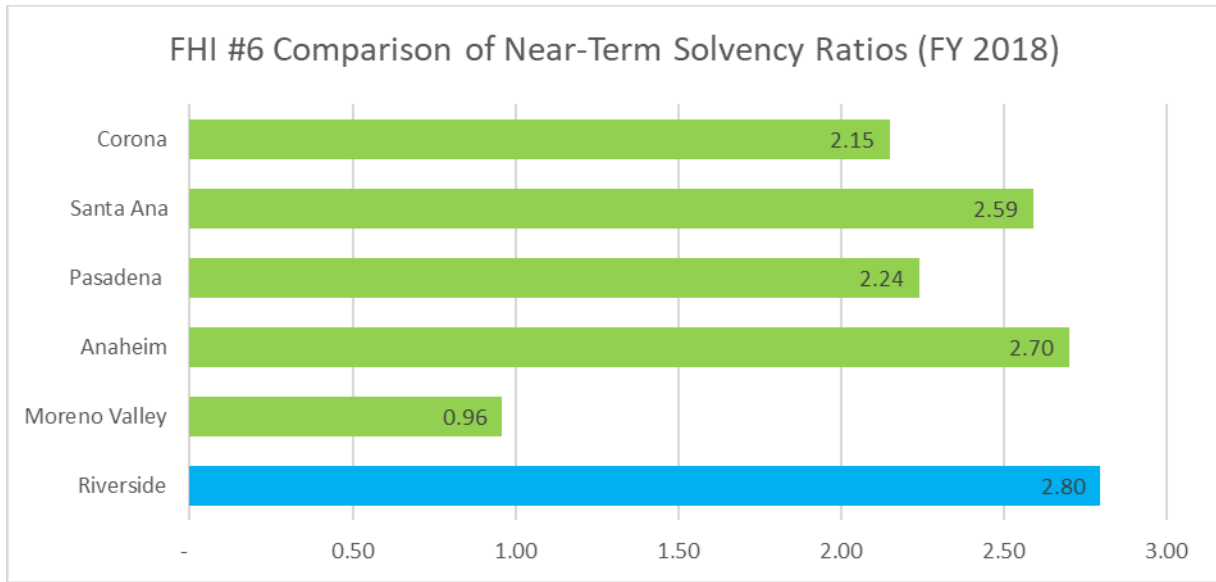


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #6 NEAR-TERM SOLVENCY RATIO

A lower ratio shows that the City is able to pay a larger portion of its debts with annual revenues. For this measure, a **lower ratio** indicates better financial condition.

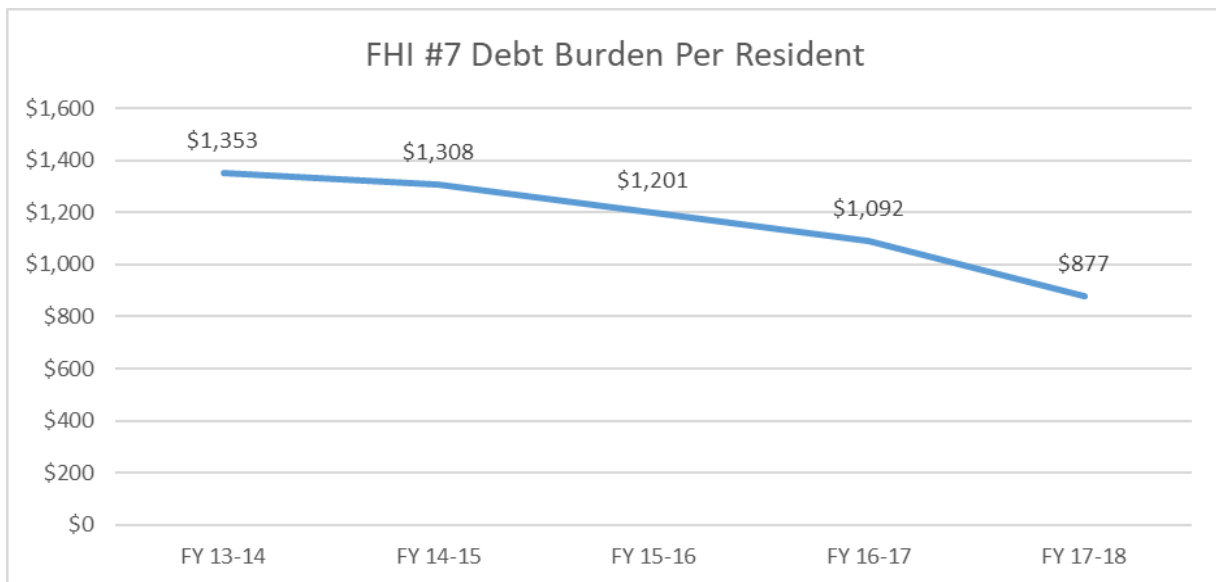
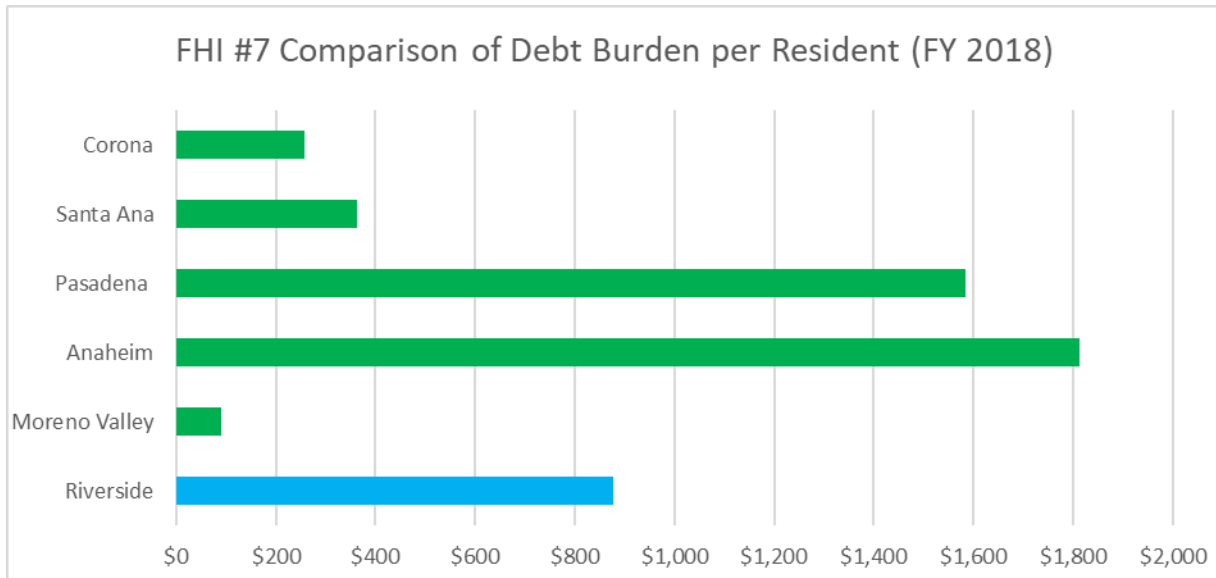


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #7 DEBT BURDEN PER RESIDENT

Lower debts per capita result in a smaller debt burden on taxpayers and a greater capacity for the city to borrow money if it needs it. For this measure, a **lower ratio** indicates better financial condition.

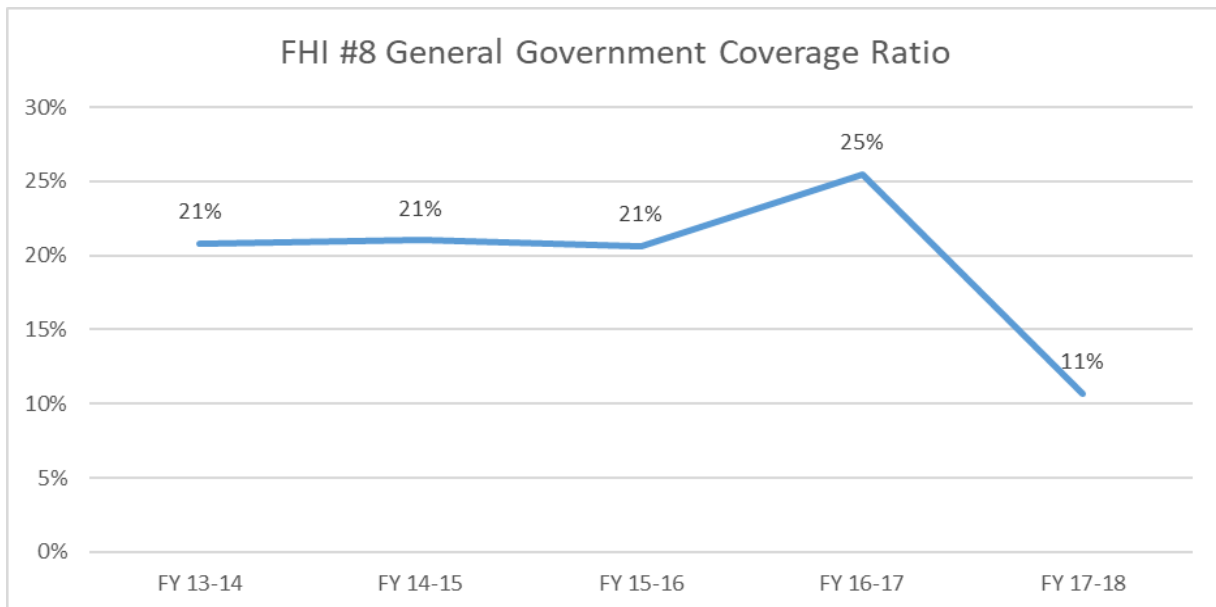
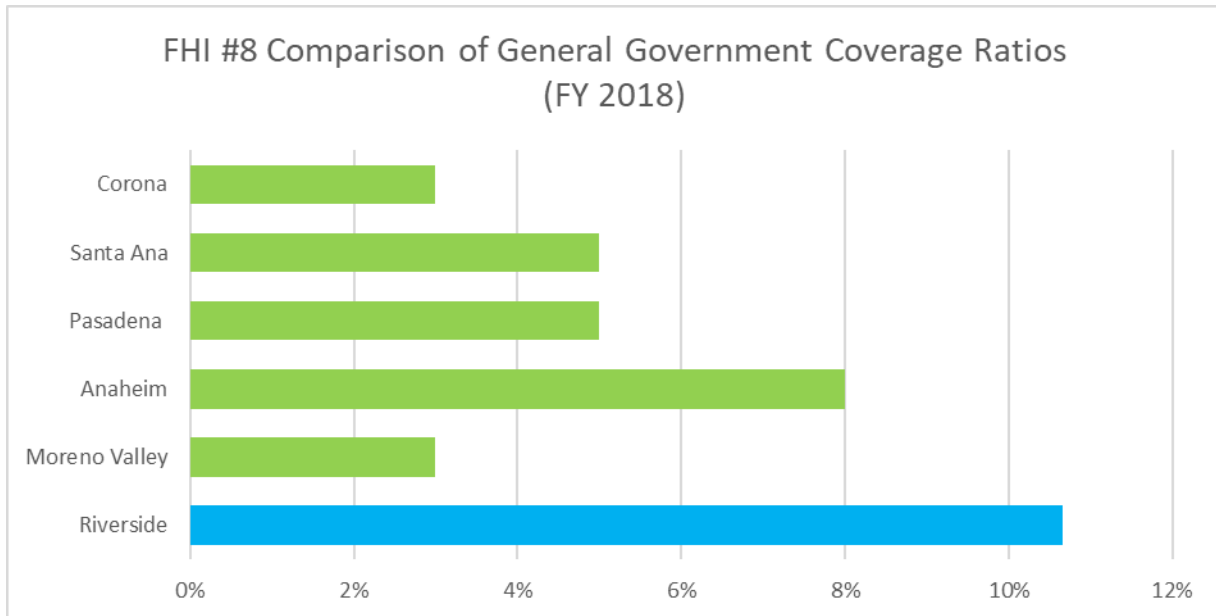


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #8 GENERAL GOVERNMENT COVERAGE RATIO

A city has debts and interest on debts to pay as well, and the lower the amount of these payments compared to all the other expenses it has, the better its financial condition. For this measure, a **lower ratio** indicates better financial condition.



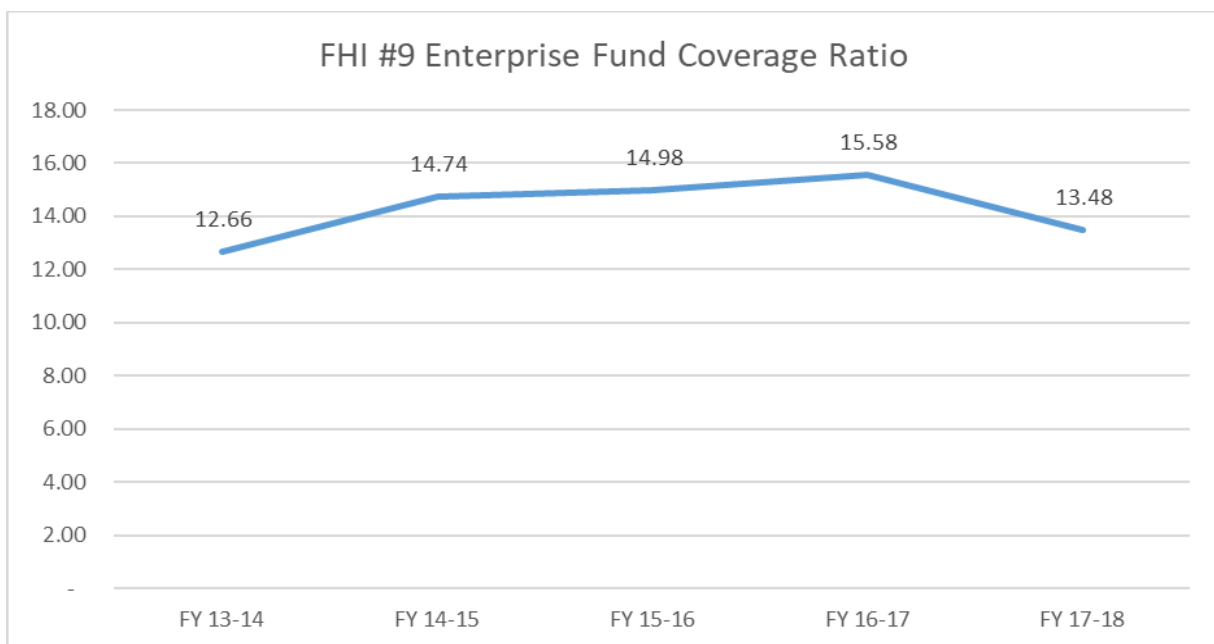
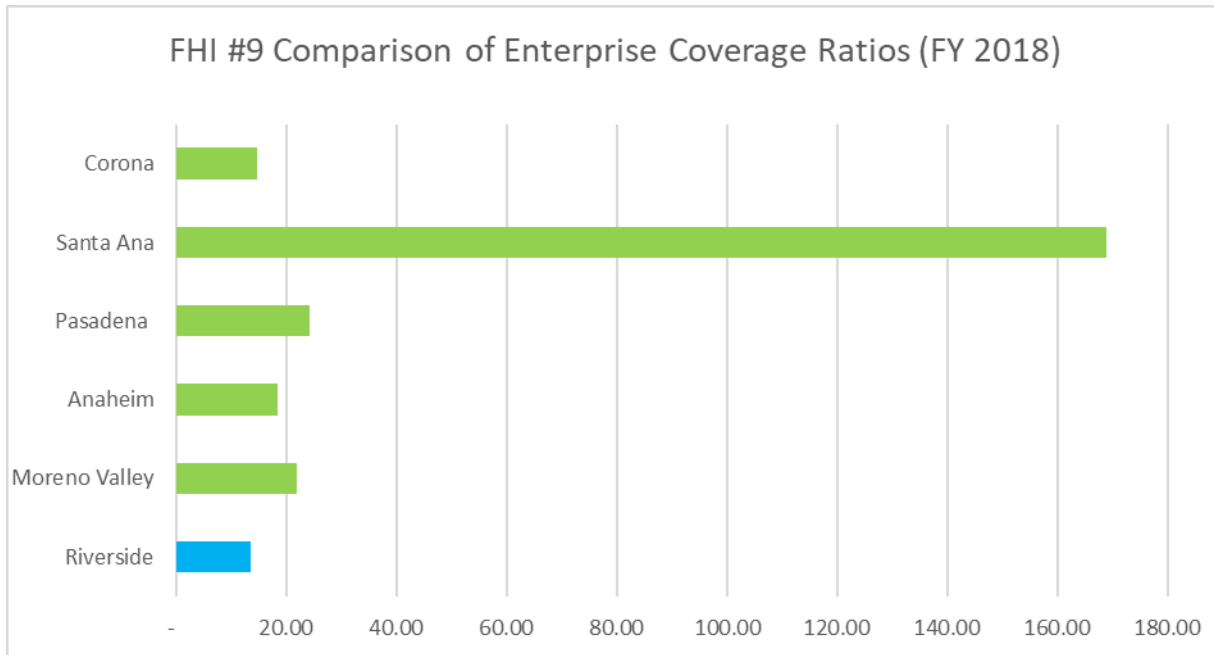


## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #9 ENTERPRISE COVERAGE RATIO

Just like the City's governmental services need to pay their debts (i.e., bonds) in the long term, the City's *business-type activities* need to do so as well. The City's business-type activities include the Public Utilities and Wastewater Treatment System, and the Parking System. For this measure, a **higher ratio** indicates better financial condition.



## Attachment 2

# Financial Health Indicators Comparative for FY 2018 and City trend for FY 2013-14 through FY 2017-18

### FHI #10 CAPITAL ASSET VALUE RATIO

The negative ratio indicates that the City's assets decreased in value—that is, the value at the end of the year was less than the value at the beginning of the year. This indicates that the depreciation of capital assets was greater than the value of capital assets added, and that some capital assets may need to be renovated or replaced. The City needs to make sure that as these *capital assets* age, it is renovating or replacing them. For this measure, a **higher ratio** indicates better financial condition.

