

## FINANCIAL STATEMENT RATIOS (FY18)

### Financial Statement Ratios for Liquidity

Ratio	What it tells us	Government	John Day
Current Ratio	Will near-term assets cover near-term liabilities? (Rule of Thumb: >2)	$(\text{General Fund Current Assets}) / (\text{General Fund Current Liabilities})$	5.7
Quick Ratio	Will the most liquid assets cover near-term liabilities? (Rules of Thumb: >1)	$(\text{General Fund Cash} + \text{General Fund Investments}) / (\text{General Fund Liabilities} - \text{Deferred Revenue})$	27.2
Fund Balance OR Short-Run Financial Position	What resources are available to appropriate? (Rule of Thumb: >5%)	$(\text{Unassigned General Fund Bal.}) / (\text{General Fund Revenues})$	89%

### Financial Statement Ratios for Profitability

Ratio	What it tells us	Government	John Day
Operating Margin	Do typical operating revenues cover typical operating expenses? (Rule of Thumb: Positive)	$(\text{Net Revenue or Expense for Governmental Activities} / \text{Total Governmental Activities Expenses}) \times -1$	1.4
Net Asset Growth	Is profitability improving? (Rule of Thumb: Positive)	$\text{Change in Governmental Activities Net Position} / \text{Beginning Governmental Activities Net Position}$	40%
Own Source Revenue	How much does this government depend on other governments? (Rule of Thumb: < 10%)	$\text{Total Primary Government Operating Grants and Contributions} / \text{Total Primary Government Revenues}$	29%

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### Financial Statement Ratios for Solvency

Ratio	What it tells us	Government	John Day
Near-Term Solvency	How well can this government meet its near-term obligations with annual revenues? Rule of Thumb: < 150%	[(Primary Gov't Liabilities – Deferred Revenues)/Primary Government Revenues]	45%
Debt Burden	How much more money can this government borrow? Rule of Thumb: Depends	Primary Government Non-Current Liabilities/Population	\$915.76
Coverage 1	How easily can this government repay its debt as it comes due? Rule of Thumb: < .25	(Governmental Funds Principal and Interest on Long-Term Debt/General Fund Expenditures)	0.16
Coverage 2	How easily can this government's enterprise activities repay their debt as it comes due? Rule of Thumb: > .5	Enterprise Funds Operating Revenue/ Enterprise Funds Interest Expense	12.6
Capital Asset Condition	Is this government investing in its capital assets? Rule of Thumb: positive	(Ending Net Value of Primary Government Capital Assets – Beginning Net Value) / Beginning Net Value	0.04