



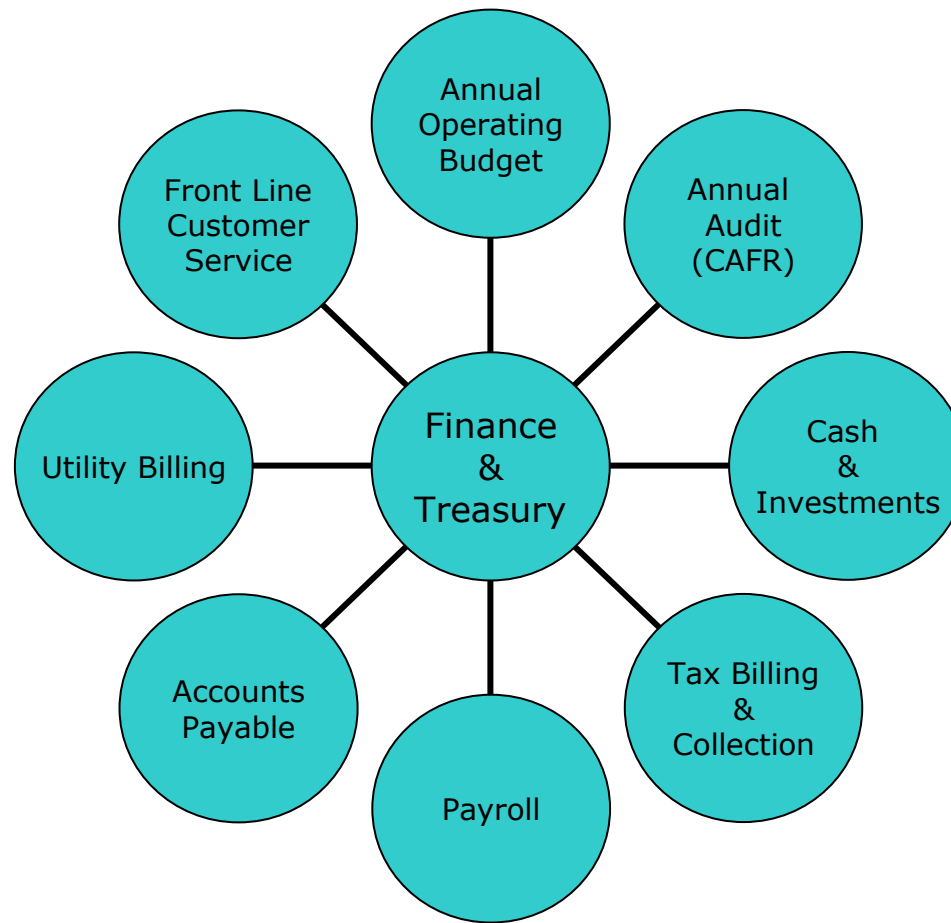
City of Charlotte  
Finance & Treasury Department

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Presented at the Citizens Symposium on September 22, 2009

# Finance & Treasury Departmental Functions

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# Principal Responsibility

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To safeguard the assets entrusted to us by the taxpayers, and to report annually on the sources and uses of the funds that we receive



# Fund Accounting Concepts

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## ➤ Fund Accounting

- ❖ An accounting system organized on the basis of funds
- ❖ These funds are separately maintained to reflect differences in funding sources (resources) and spending restrictions (activity) within a self-balancing set of accounts
- ❖ Funds can be thought of as separate “buckets” which are never mixed with other buckets

## ➤ Two Types of Funds

- ❖ Governmental Funds
  - Fund Balance
- ❖ Proprietary Fund
  - Retained Earnings



# Governmental Funds

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- Primarily supported by tax revenues, fines, federal and state grants, and general obligation bond proceeds
  - ❖ General Fund
    - Main operating fund for the City
  - ❖ Special Revenue Funds
    - Receive money restricted by law, contract or special purpose
      - *Major & Local Street*
      - *Police Training; Police Drug Forfeiture*
      - *DDA; LDFA; Industrial Park*
  - ❖ Debt Service Funds
    - Used to pay the annual principal & interest payments on outstanding bonds
  - ❖ Capital Project Funds
    - Used for capital outlay expenditures for major projects (i.e. West Side Fire Station)



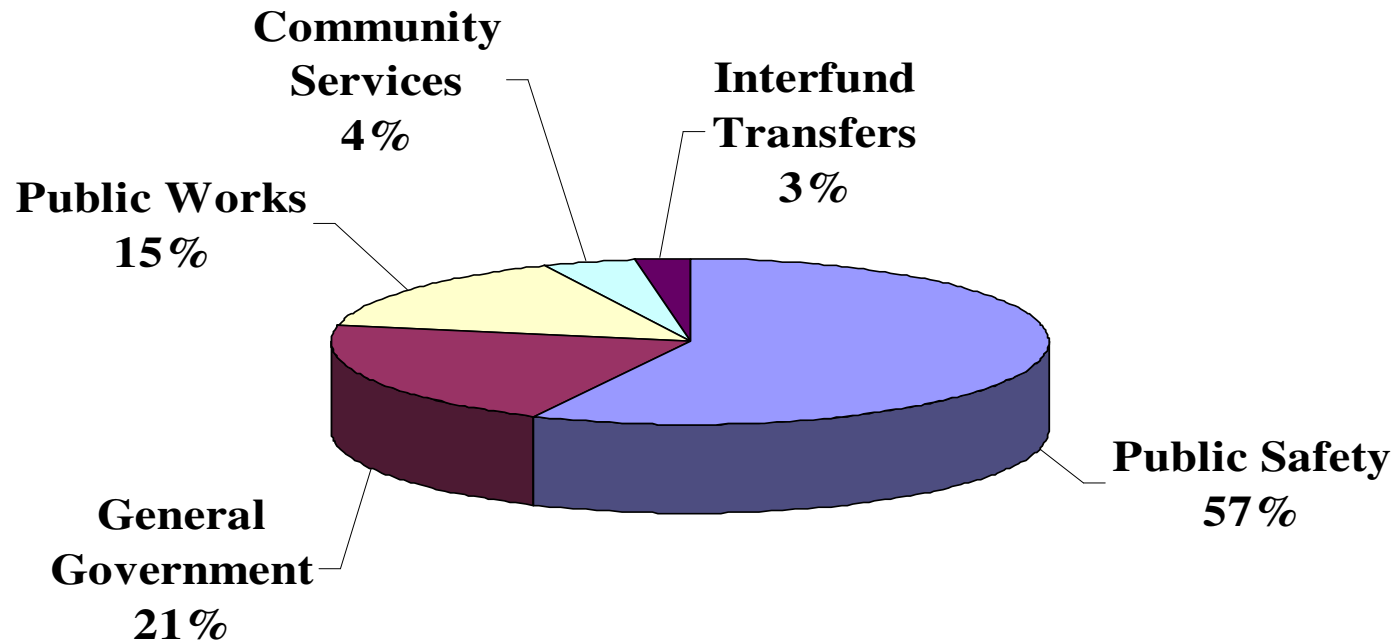
# Proprietary Fund

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- Enterprise Funds
  - ❖ Used for activities where the city is selling a service or product, just like private businesses
    - *Recycling Fund*
    - *Water & Sewer Fund*
- Internal Service Funds
  - ❖ Used to account for activities that benefit more than one department or fund
    - *Motor Vehicle Pool*

# General Fund Expenditures By Function

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# General Fund Expenditures By Classification

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- 62% Salary & Benefits
  - ❖ 66% of the City's 53 full-time employees are covered by an employee contract
- 28% General Operational Expenditures
- 7% Capital Expenditures
- 3% Interfund Transfers



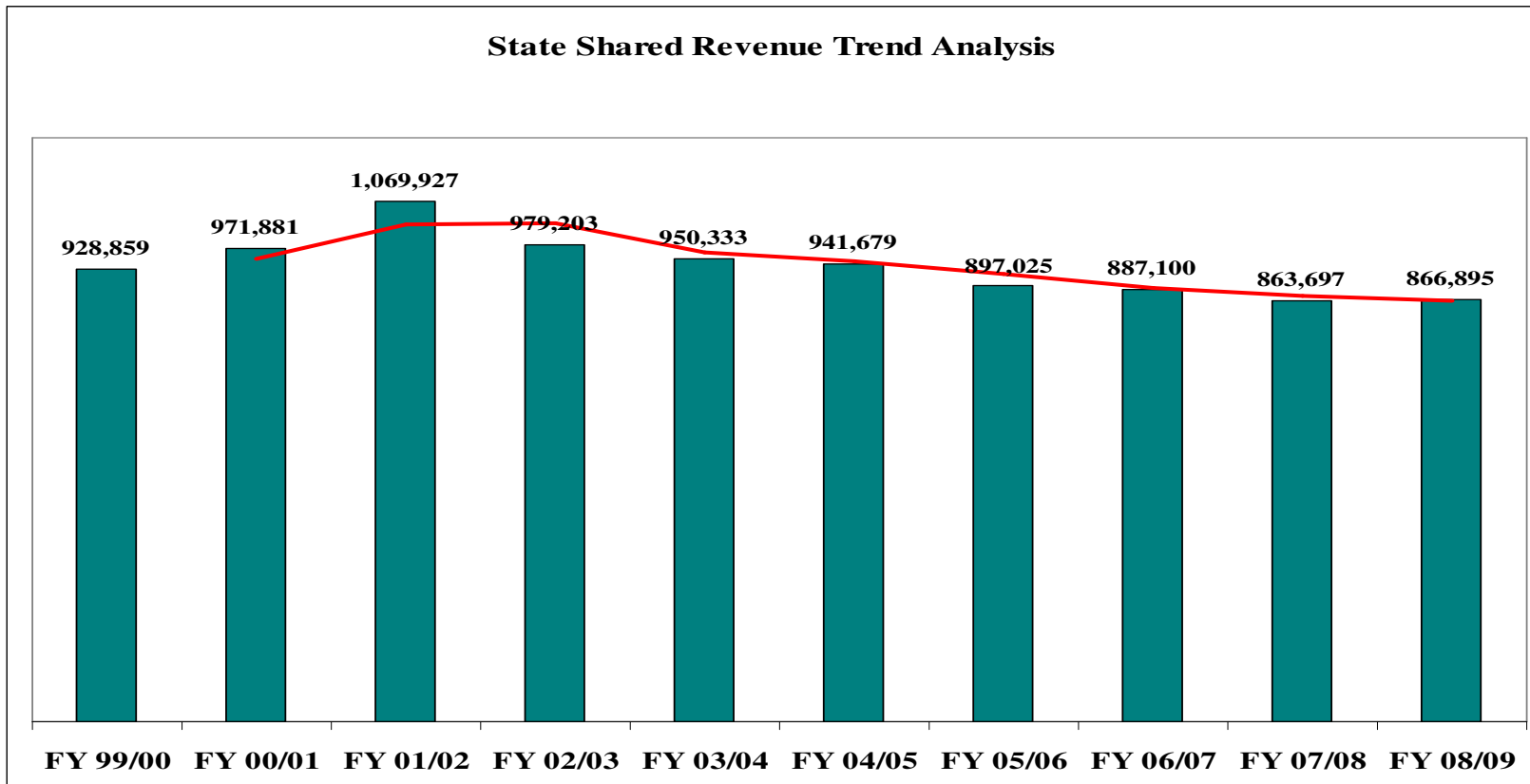
# General Fund Revenues

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- 76% come from sources with limited/no control by the City
  - ❖ Property Taxes
  - ❖ State Shared Revenue
- 24% come from sources moderately controllable by the City
  - ❖ Fines and Forfeitures
  - ❖ Licenses and permits
  - ❖ Charges for Services

# State Shared Revenue Trend Analysis

- The City's FY 08/09 receipts represent a 19% decrease from our 10 year high in FY 01/02





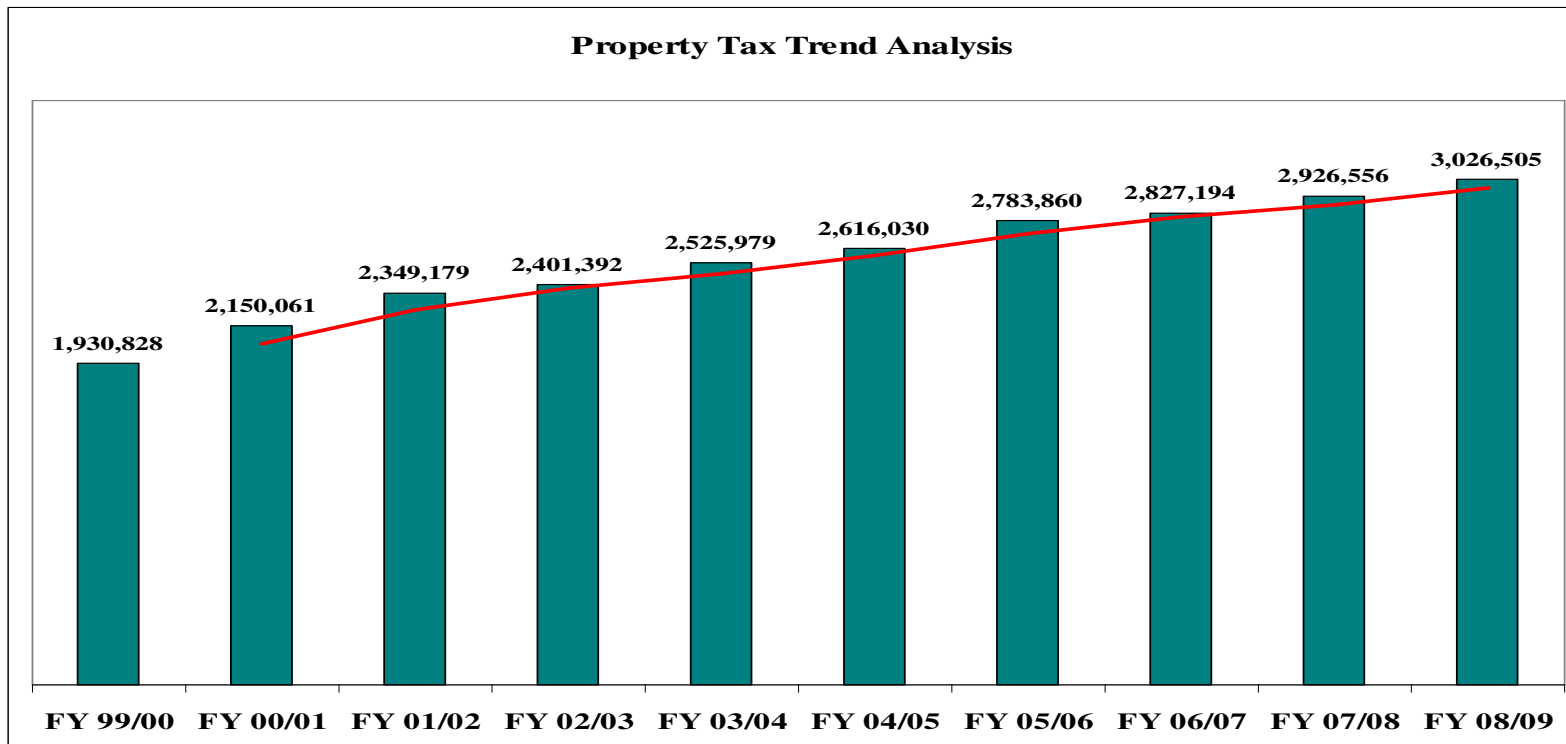
# State Shared Revenue Constitutional & Statutory Components

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- FY 08/09 State Shared Revenue = \$866,895
  - ❖ Comprised of:
    - \$585,750 or 68% Constitutional
    - \$281,145 or 32% Statutory
  - ❖ State cuts come from the statutory component which equates to 5% of the city's General Fund revenues

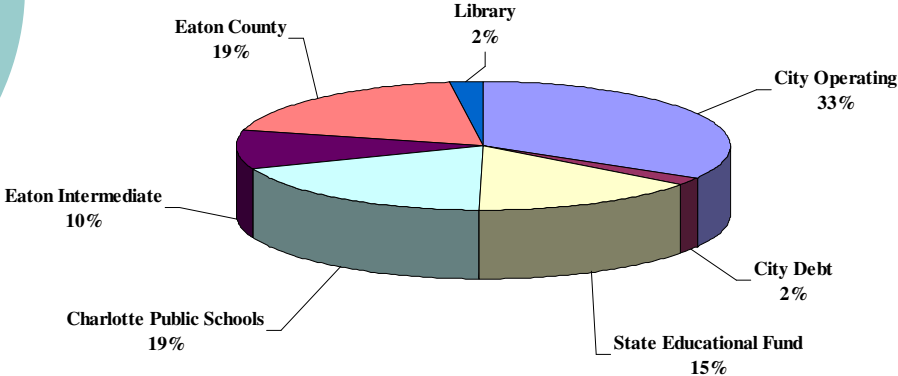
# Property Tax Trend Analysis

- FY 08/09 receipts represent a 3% increase from FY 07/08

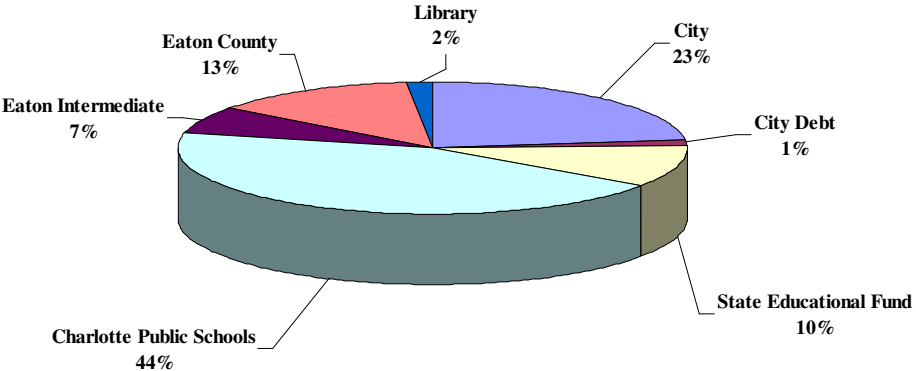


# Millage Rate Breakdown By Taxing Unit

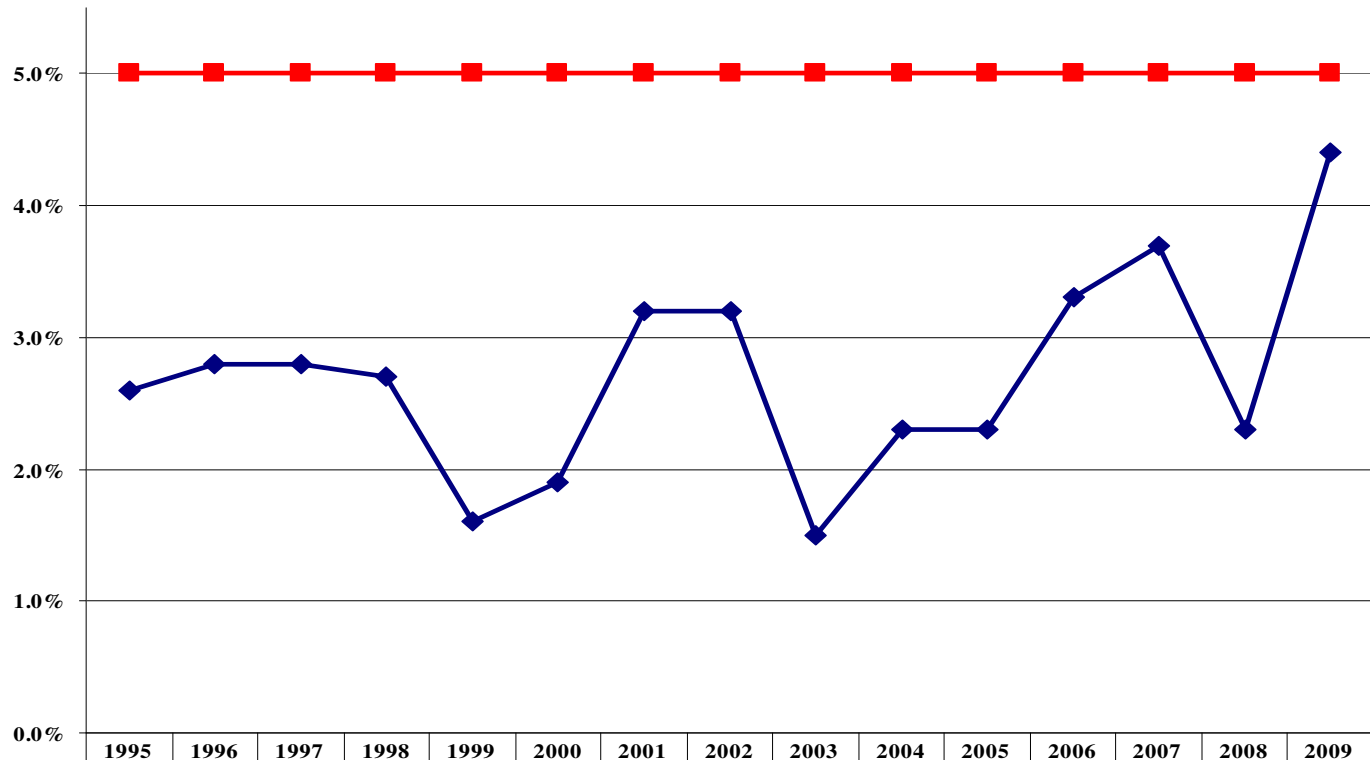
## Homestead



## Non-Homestead



# Taxable Value Inflationary Index



<b>◆ Inflationary Index</b>	2.6%	2.8%	2.8%	2.7%	1.6%	1.9%	3.2%	3.2%	1.5%	2.3%	2.3%	3.3%	3.7%	2.3%	4.4%
<b>■ Proposal A Cap</b>	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%