Basic City Financial Indicators from Annual Comprehensive Financial Reports 2004-2016*

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General description of dataset:

The dataset contains financial information from Annual Comprehensive Financial Reports or ACFRs for mid-sized to large municipal governments in the United States. These reports are prepared according to Generally Accepted Accounting Principles (GAAP) and other guidelines issued by the Governmental Accounting Standards Board (GASB, 1999).

Sample:

The dataset covers 674 municipal governments with a population of 50,000 and above based on the 2007 Census of Governments. This approach ensures a consistent group of cities across the period covered in the study.

Time period:

The preparation of ACFRs became standard practice for most midsized and large cities in the early 2000s, but there are still several smaller municipalities to date that do not produce these reports. The dataset contains information from more than 10,000 ACFRs spanning the years 2004 to 2016.

Data gathering:

Research staff downloaded ACFRs from city websites or requested directly from city officials, and manually recorded relevant financial information from more than 10,000 ACFRs.

Data source description:

The dataset includes selected information from two major sections of ACFRs, which are the 1) government-wide statements, and 2) governmental funds statements. The specific government-wide statements include the 1) Statement of Net Position, and 2) Statement of Activities. The specific governmental funds statements

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include the 1) Statement of Revenues, Expenditures, and Changes in Fund Balances, and 2) Funds Balance Sheet.

Government-wide statements encompass the entirety of a government's activities except fiduciary activities. They provide information on governmental activities, business-related activities, and the city government as a whole or the primary government. Governmental activities or GA include services funded through general taxes and grants such as police and health services, etc. Business-type activities or BTA cover services funded through user fees such as sewer system and parking facilities etc. The total primary government includes both GA and BTA. Because resources are fungible and can be transferred across activities, focusing on the total primary government ensures a more comprehensive analysis of government finances.

The governmental funds statements track the financial activity of a government's basic services (which are the same services reported in governmental activities in government-wide statements). Governmental funds statements provide information for the general fund, special revenue fund, capital project funds, debt service funds, and permanent funds. They do not cover the proprietary and fiduciary funds.

There are two fundamental differences between government-wide statements and governmental funds statements, specifically the 1) measurement focus, and 2) basis of accounting.

The governmental fund statements are prepared using the current financial resources measurement focus. This means that they report inflows, outflows, and balances of spendable financial resources (including cash, cash equivalents or short-term investments such as certificates of deposits and treasury notes, and account receivables such as taxes or grants expected to be collected or received) in the current fiscal year. The statements also use modified accrual accounting, which records financial resource flows in the fiscal year that they occur and up to 60 days after.

The government-wide statements emphasize the economic resources measurement focus. This means that they measure all resources that a government owns, including cash and non-cash, financial and capital resources. The statements also are prepared using full accrual accounting, which recognizes economic transactions and other events when they occur, rather than only when the related inflows and outflows of cash or other financial resources occur.

Additional information:

The previous discussion and other descriptions used below in the data dictionary are based on:

- Governmental Accounting Standards Board (GASB). (1999). Statement no. 34 of the Governmental Accounting Standards Board: Basic financial statements – and management's discussion and analysis – for state and local governments. Governmental Accounting Standard Series, No. 171-A.
- Mead, D. M. (2012). An Analyst's Guide to Government Financial Statements. Norwalk, CT: Governmental Accounting Standards Board.
- Johnson, C. L., Kioko, S. N., & Hildreth, W. B. (2012). Government-wide financial statements and credit risk. Public Budgeting & Finance, 32(1), 80-104.

For an application of the measures included in the dataset, see the following selected published studies:

- Jimenez, B. S. (2019). Power to the people?: The initiative process and fiscal discipline in city governments. Urban Affairs Review, 55(5), 1280-1311.
- Jimenez, B. S. (2020). Municipal government form and budget outcomes: Political responsiveness, bureaucratic insulation, and the budgetary solvency of cities. Journal of Public Administration Research and Theory, 30(1), 161-177.
- Jimenez, B. S., & Afonso, W. B. (2022). Revisiting the theory of revenue diversification: Insights from an empirical analysis of municipal budgetary solvency. Public Budgeting & Finance, 42(2), 196-220.

Data dictionary:

Variable name	Variable label	Variable description
Basic information		
d_muid	Unique id for place = (state FIPS code x 100000) + place FIPS code	This is equivalent to the GEOID or numeric codes used in the American Community Survey to uniquely identify geographic areas, which for this dataset include places
year	Year	Fiscal year end
d_state	State FIPS code	FIPS codes are numbers which uniquely identify geographic areas. The number of digits in FIPS codes vary depending on the level of geography. State-level FIPS codes have two digits
d_county	County FIPS code	County-level FIPS codes have five digits of which the first two are the FIPS code of the state to which the county belongs.
statename	State postal abbreviation	Two-letter abbreviations for states
placename	Place name and legal/statistical area	Census names for Incorporated Places (which include cities, boroughs, towns, or villages, depending on the state)
Information from Government-Wide Statement of Net Position Note: GA indicates Governmental Activities and BTA is Business-Type Activities		
gaunp_	GA unrestricted net position	The unrestricted net position represents resources that can be used for any purpose. It functions as a reserve that can be used as a hedge against any unexpected decline in revenues (caused by a recession, for example) or increase in expenses (because of a natural disaster, among other things). It includes both spendable financial resources (cash) and other economic resources that are not in readily spendable form (such as investments and inventory). Although cash is the most liquid, investments and inventory are still considered liquid because they can be sold to produce cash in the current period, as long as these are not restricted by law for use for a specific purpose.
btaunp_	BTA unrestricted net position	
Information from Government-Wide Statement of Activities Note: GA indicates Governmental Activities, and BTA is Business-Type Activities		
gadpc_	GA direct program costs	Direct program costs represent expenses associated with a service, program, or department, and thus are clearly identifiable to a particular function. A function is a general category of related services e.g. “public safety,” which may include police, fire protection, emergency management, and inspection services, among others. Expenses are a comprehensive measure of the costs of providing services and not
btadpc_	BTA direct program costs	

		only include the cash that changed hands but also employee benefits that are earned during the budget period but are not required to be paid until a future date, the cost of supplies used up during the year to operate the government, as well as a portion of the original purchase costs of long-lived assets such as buildings and equipment.
gafcpr_	GA fees and charges program revenues	Charges for services are fees and other charges to the users or recipients of services. These fees and charges are a type of program revenues. Program revenues are directly connected to a specific function. For example, for the public safety function, program revenues may include traffic and parking fines.
btafcpr_	BTA fees and charges program revenues	
gaogcpr_	GA operating grants and contributions program revenues	Grants and contributions are another type of program revenues. The grants and contributions program revenues are restricted for use for a specific purpose. Operating grants and contributions program revenues are restricted for financing the annual operating activities of a government.
btaogcpr_	BTA operating grants and contributions program revenues	
gacgcpr_	GA capital grants and contributions program revenues	Grants and contributions are another type of program revenues. The grants and contributions program revenues are restricted for use for a specific purpose. Capital grants and contributions program revenues are restricted for financing the acquisition, construction, or rehabilitation of capital assets.
btacgcpr_	BTA capital grants and contributions program revenues	
gagr_	GA general revenues	General revenues are those that do not qualify as program revenues. They are typically taxes and unrestricted grants.
btagr_	BTA general revenues	
gacnp_	GA change in net position	The change in net position is the aggregate of the a) net expense (the portion of expenses not covered by program revenues, which is negative if expenses are greater than program revenues) and b) total general revenues, special and extraordinary items, and transfers.
btacnp_	BTA change in net position	
Measures of financial and operating positions using information from Government-Wide Statement of Net Position and Statement of Activities Note: GA indicates Governmental Activities, BTA is Business-Type Activities, and PG is Primary Government (GA and BTA combined)		
gaunar_	GA unrestricted net assets ratio = gaunp_ / gadpc_	Unrestricted net position divided by direct program costs. This ratio measures a government's financial position or the ability to continue providing its basic services and fulfilling its financial commitments from current year and prior year savings. A ratio of 0.25, for example, means that a government can cover 25% of its annual program expenses using its unrestricted reserves.
btaunar_	BTA unrestricted net assets ratio = btaunp_ / btadcp_	
gacnar_	GA change in net assets ratio = gacnp_/ gadpc_	Change in net position divided by direct program costs. This ratio measures a government's operating position. Operating position assesses whether revenues and other financing sources (if any, such as transfers and special and extraordinary items) were sufficient to cover program expenses resulting from annual operations.
btacnar_	BTA change in net assets ratio = btacnp_/ btadpc_	

gaobr_	GA operating ratio = (gafcpr_+ gaogcpr + gagr_) / gadpc_	The a) total of fees and charges, operating grants and contributions, and general revenues divided by b) direct program costs. This ratio represents a stricter measure of operating position as it excludes transfers, special and extraordinary items, and capital grants and contributions. Thus, it measures whether largely recurring revenues and operating grants were sufficient to cover recurring program expenses resulting from annual operations.
btaobr_	BTA operating ratio = (btafcpr_+ btaogcpr_+ btagr_) / btadpc_	
pgunar_	PG unrestricted net assets ratio = (gaunp_+ btaunp_) / (gadpc_ + btadcp_)	The a) total GA and BTA unrestricted net position divided by b) total GA and BTA direct program costs. This ratio measures government-wide (GA and BTA combined) financial position or the ability to continue providing basic services and fulfilling financial commitments from current year and prior year savings. A ratio of 0.25, for example, means that a government can cover 25% of government-wide annual program expenses using its GA and BTA unrestricted reserves.
pgcnar_	PG change in net assets ratio = (gacnp_+btacnp_) / (gadpc_+ btadpc_)	The a) total GA and BTA change in net position divided b) total GA and BTA direct program costs. This ratio measures government-wide (GA and BTA combined) operating position. Government-wide operating position assesses whether GA and BTA revenues and other financing sources (if any, such as transfers and special and extraordinary items) were sufficient to cover program expenses resulting from annual operations of both GA and BTA.
pgobr_	PG operating ratio = (gafcpr_+ gaogcpr + gagr_+ btafcpr_+ btaogcpr_+ btagr_) / (gadpc_+ btadpc_)	The a) total GA and BTA fees and charges, operating grants and contributions, and general revenues divided by b) total GA and BTA direct program costs. This ratio represents a stricter measure of government-wide (GA and BTA combined) operating position as it excludes transfers, special and extraordinary items, and capital grants and contributions. Thus, it measures whether government-wide recurring revenues and operating grants were sufficient to cover recurring program expenses resulting from annual operations of GA and BTA.
Information from Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances		
gfte_	General fund total expenditures	The general fund represents the operating budget of governments and accounts for the most basic, tax-supported activities of a local government. General fund expenditures are outflows of cash or a promise to pay when goods or services are received and payment is due.
gftr_	General fund total revenues	General fund revenues are inflows of cash or receivables (cash expected to be collected or received) during the year or soon enough thereafter to be used to pay current costs. They include taxes, fees and charges, intergovernmental revenues, investment earnings, among others.

Information from the Governmental Funds Balance Sheet		
gfufb_	General fund unassigned fund balance	Financial resources in the general fund that are not constrained in any way, not even by intent, and can be used for any purpose. Note that in 2009, GASB issued Statement Number 54 that changed the categories reported under fund balance in ACFRs. The change was implemented starting in 2011. The traditional four items reported pre- GASB 54 were 1) Reserved fund balance or the amount not available for appropriation, 2) Unreserved or the portion available for appropriation, 3) Designated, which is a subcategory of the unreserved balance that a government intends to use for a specific purpose, and 4) Undesignated, which is the other subcategory of the unreserved balance that can be used for whatever purpose (see Gauthier 2009). GASB 54 replaced these with five categories, specifically 1) Nonspendable fund balance or amounts that cannot be spent, 2) Restricted or amounts restricted to specific purposes by externally enforceable legal requirements, 3) Committed or amounts that can only be used for purposes as defined by the government's highest decision-making body, 4) Assigned balance or amounts constrained by the government to be used for specific purposes, but are neither restricted nor committed, and 5) Unassigned or amounts not assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the general fund (GASB 54, 2009, paragraphs 6-18). Data included here for pre-GASB 54 ACFRs are for unreserved undesignated fund balance, and unassigned fund balance for post-GASB 54. Both represent the residual category of balance that has no internal or external limitation on use.
Measures of financial and operating positions using information from the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances		
gfufbr_	General fund unassigned fund balance ratio = gfufb_/ gfte_	General fund unassigned fund balance divided by general fund total expenditures. This ratio measures a government's financial position or the ability to continue providing its basic services and fulfilling its financial commitments from current year revenues and prior year savings. A ratio of 0.25, for example, means that a government can cover 25% of its general fund expenditures using its general fund unassigned balance.
gfor_	General fund operating ratio = gftr_/ gfte_	General fund total revenues divided by general fund total expenditures. This ratio measures the operating position of the general fund. A ratio greater than 1 indicates a surplus, and a deficit if less.