

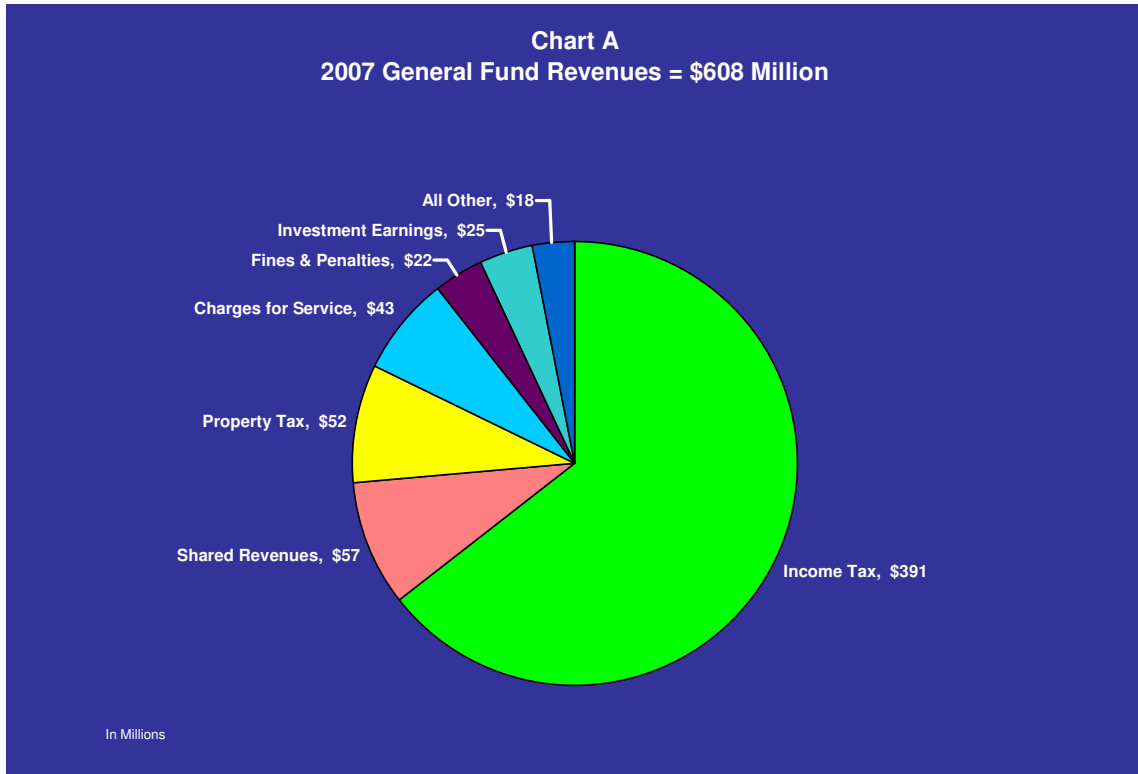
## Financial Overview

**After five years of fairly abysmal income tax revenue growth beginning with the 2001 national economic recession, the city’s income tax growth rate in 2006 appears to have returned to its average annual growth rate of more than six percent maintained throughout the 1990’s. However, this growth is still not able to fully support growth in general fund spending now needed after four years of cuts.**

The city’s most important revenue source, the income tax, represents nearly two-thirds of the revenue supporting the general fund operating budget. It is by far the main driver of the condition of the general fund budget. For the 40 years prior to 2001, annual growth in the income tax never fell below four percent and averaged 6.25 percent throughout the 1990s.

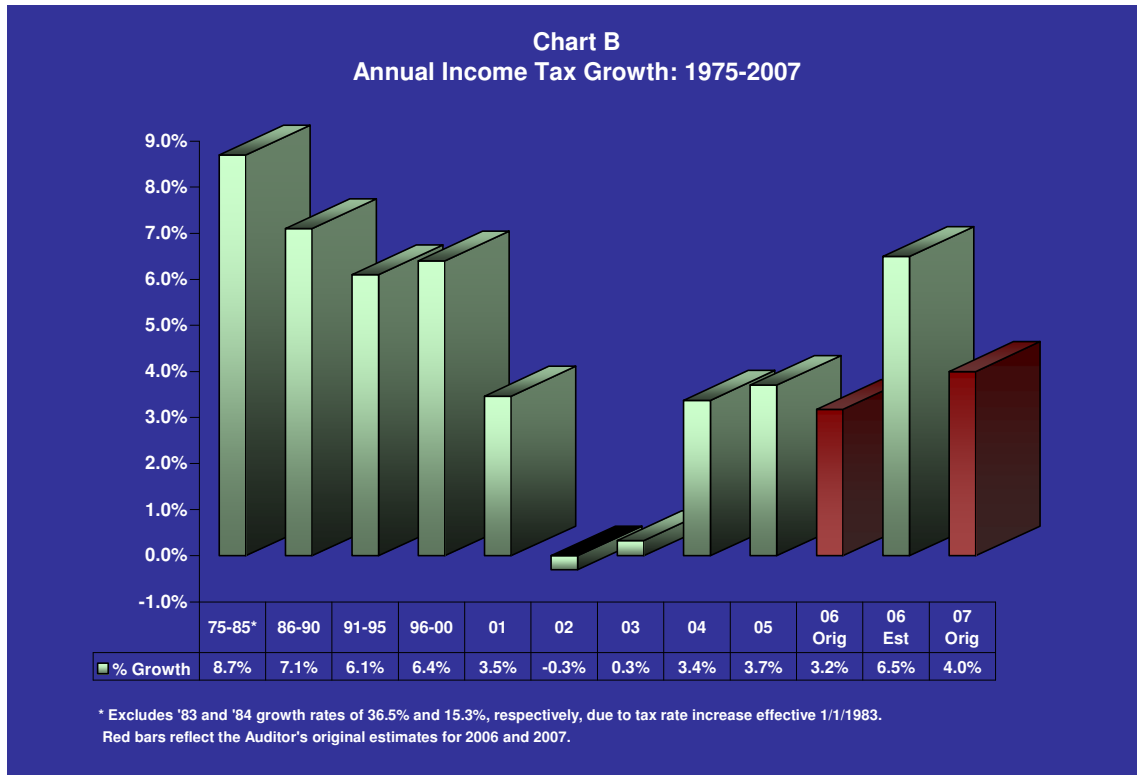
The second and third largest revenue sources are state revenue sharing funds (from various state taxes that are shared with local governments) which represent just over nine percent and property taxes which represent approximately 8.5 percent of the general fund revenue total.

As can be seen in Chart A below, these top three revenue sources account for 82 percent of all general fund revenues available for city operations.



Income tax history can be seen in Chart B, below. The growth rate for the income tax fell to 3.5 percent in 2001 and then dropped precipitously in 2002 and 2003, growing not

at all over those two years. Positive growth returned in 2004 and 2005, although at a low 3.4 percent and 3.7 percent, respectively. However, 2006 has seen a significant rebound in growth to an estimated 6.5 percent. Each month of 2006 has seen consistently strong growth year-to-date. The original 2006 budgeted income tax revenue estimate assumed growth of 3.2 percent but was updated to four percent in June and again in October to the current estimate of 6.5 percent.



The estimated income tax growth rate for 2007 is a conservative four percent which represents a total of \$391 million with operating fund receipts fast approaching the \$400 million mark after years of stagnant growth.

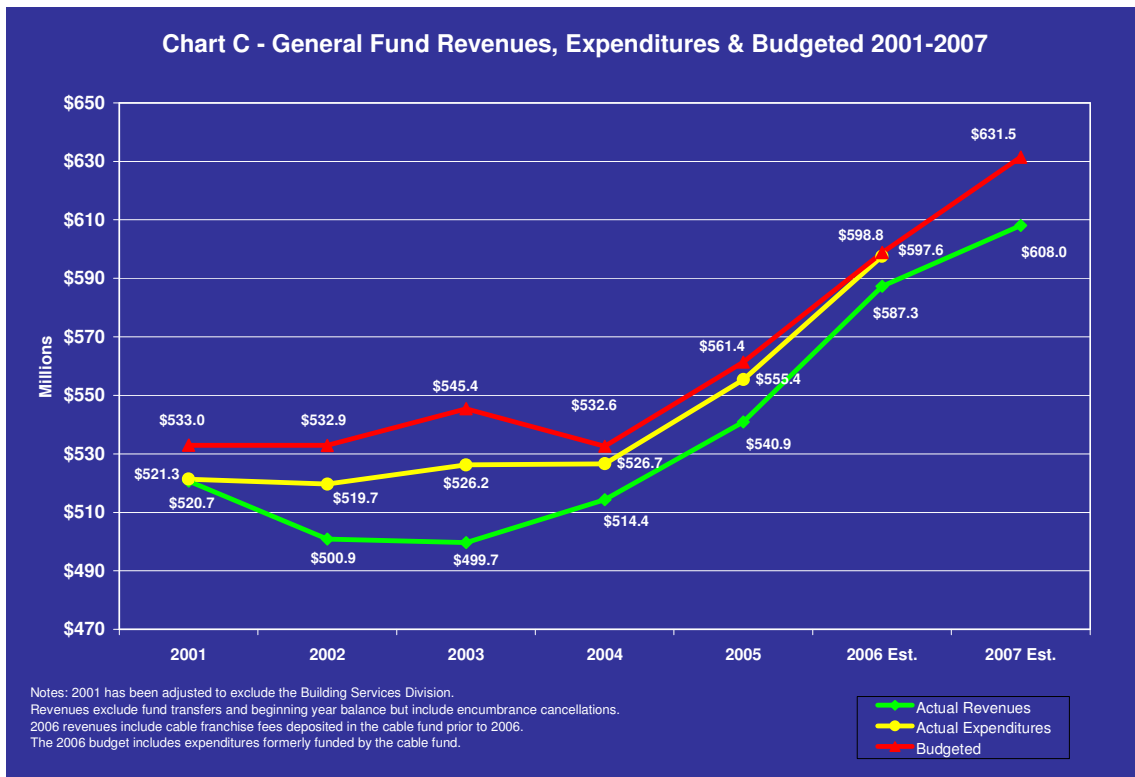
Relative to a couple other important revenue sources such as the state revenue sharing funds, investment earnings and EMS fees (collected within the Charges for Services category) the situation has varied.

Due to state budget difficulties, state revenue sharing funds (also known as local government funds) were reduced then frozen for the last five years with the city receiving about \$47 million per year since 2002 (after a high of \$51 million in 2001). The freeze will continue at least through mid-2007 with any changes contingent on the biennial state budget enacted effective July 2007.

Receipts from investment earnings have ranged from a high of \$29 million in 2001 to a low of \$5.5 million in 2004. This source is dependent on interest rates and cash levels in the city treasury. Since the 2004 low, earnings have rebounded to \$10.2 million in 2005 and are expected to reach \$20 million in 2006 and \$25 million in 2007, but not yet return to its previous higher levels.

Emergency medical services (EMS) fees to third party payers were established in 2003 as one of the recommendations of the 2001 Mayor’s Economic Advisory Committee. The fees brought in approximately \$7.5 million each year in 2004 and 2005. EMS revenues are expected to bring in \$8.5 million in 2006 and \$8.0 million in 2007. This new revenue source has helped to partially offset losses in other areas.

Chart C below shows general fund revenues, budgeted totals, and actual expenditures since 2001. Several things are worth noting: spending was held virtually flat for four years (2001-2004); total revenues in 2004 remained 1.2 percent **below** those in 2001; expenditures have been consistently below budgeted appropriations; and budgeted appropriations for 2007 are not even 19 percent, or barely 3 percent per year, higher than six years earlier.



Nevertheless, actual revenues have been consistently below actual expenditures since 2001 when revenues first began to falter with the recession. The difference began at under \$1.0 million in 2001, reached \$18.8 million and \$26.5 million in the recession years of 2002 and 2003, respectively, but then began to improve with a projected difference of less than \$11 million for this year. We appear to be well on our way to achieving the city’s goal of returning structural balance to the budget.

The city has succeeded, for the first time in four years, in not utilizing any rainy day fund transfers in 2007 in order to balance the 2007 budget. However, it is worth noting that the city is able to take advantage of a couple one-time actions in 2007 that will in part relieve the need for such a transfer. Primarily this includes a one-time credit of \$7 million which would otherwise be owed to Franklin County for the city’s jail contract. The

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credit is available as a result of overpayments from prior years. It also includes use of \$1 million in the previously established safety staffing contingency fund for safety items.

Chart C also shows how in each of the last six years since 2001, actual expenditures have been held below appropriation levels. This was accomplished even with very flat, no growth appropriation levels in 2001 through 2004. The city has implemented very strict spending controls in the areas of personnel hiring and spending for goods and services. Hiring controls had reduced the civilian general fund workforce by 25 percent by the beginning of 2005. Employees now bear a greater share of their health insurance costs and wage increases were reduced from those seen in the 1990's. Where appropriate, operations were removed from the general fund and made self-sufficient or shifted to other funds.

Consistently since 2001, the city's budget has been predicated upon City Auditor revenue estimates in the range of \$30 million each year **below** budgeted levels for that year. This difference has been addressed by a number of means including consistent spending below appropriated levels, revenue above the original budgeted estimate in some years, transfers from the rainy day fund in four years, transfers from the excess in the health insurance fund in one year, and spending down the fund balance in some years. Chart D shows what was done in each year to resolve these challenges.

Chart D - BALANCING THE BUDGET						
(in millions of \$)	2001	2002	2003	2004	2005	Est. 2006
Budgeted Revenue Estimate	\$ 503.6	\$ 503.0	\$ 510.8	\$ 499.8	\$ 529.6	\$ 565.8
Appropriation Amount	\$ 533.0	\$ 532.9	\$ 545.4	\$ 532.6	\$ 561.4	\$ 598.8
Difference (Gap)	\$ (29.4)	\$ (29.9)	\$ (34.6)	\$ (32.8)	\$ (31.8)	\$ (33.0)
Balancing the Budget:						
Revenue Above Original Estimate	\$ 17.1	\$ (2.1)	\$ (11.1)	\$ 14.6	\$ 11.3	\$ 20.7
Cable Cash Transfer Above Orig. Est.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.8
Spending Below Appropriation	\$ 11.7	\$ 13.2	\$ 19.2	\$ 5.9	\$ 6.0	\$ 1.3
Rainy Day Fund Transfers	\$ -	\$ -	\$ 10.2	\$ 25.0	\$ 13.0	\$ 12.0
Health Insurance Fund Transfers	\$ -	\$ -	\$ 14.2	\$ -	\$ -	\$ -
Spend-Down of Year-End Fund Balance	\$ 1.0	\$ 18.7	\$ 2.1	\$ (12.7)	\$ 1.5	\$ (1.8)
Total Efforts to Balance the Budget	\$ 29.8	\$ 29.8	\$ 34.6	\$ 32.8	\$ 31.8	\$ 33.0

For 2007, as Chart C shows, this difference between revenues and the budget has improved to only \$23.5 million.

In addition, two new revenue sources are now redirected to the general fund. Revenues from the electricity kilowatt hour (KWH) tax beginning in 2004, and revenues and the cash carry-over from the Cable Communications Fund beginning in 2006 are now deposited to the city's general fund. Revenues from the KWH tax are approximately \$3.3 million annually. Revenues from the cable franchise fees total approximately \$6.5 million annually plus a one-time cash transfer of \$1.63 million in 2006.

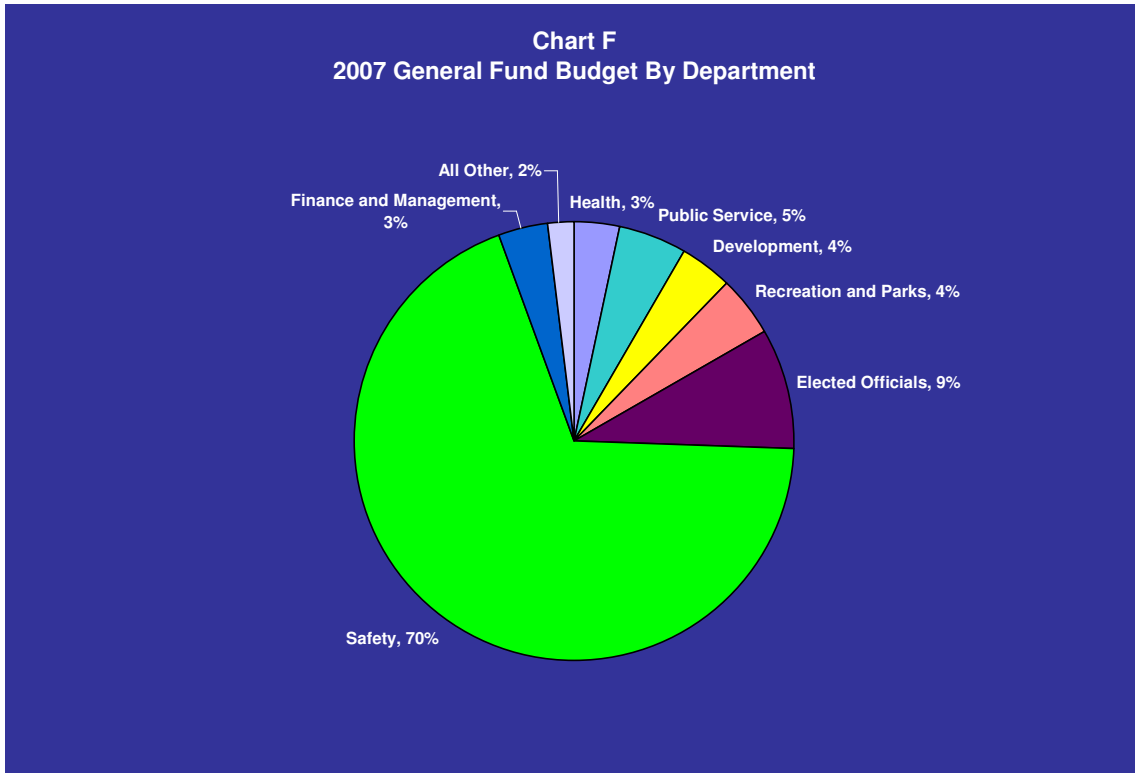
Of note is the change in the general fund year-end fund balance since 1999 which can be seen in Chart E below. After relying heavily on the fund balance in each year since 2001 – reducing it from a 1998 high of \$37.9 million to \$9.0 million in 2003 – the fund balance recovered substantially in 2004 to nearly \$21.7 million. This improvement is

important for the city's overall financial stability but the general fund balance has not yet returned to its pre-recession levels.

<b>Chart E - GENERAL FUND YEAR-END FUND BALANCE:</b>			
		<b>\$ Change</b>	<b>% Change</b>
1998	\$ 37,949,157	-	-
1999	\$ 37,556,896	\$ (392,261)	-1.03%
2000	\$ 30,811,360	\$ (6,745,536)	-17.96%
2001	\$ 29,794,232	\$ (1,017,128)	-3.30%
2002	\$ 11,059,769	\$ (18,734,463)	-62.88%
2003	\$ 8,958,279	\$ (2,101,490)	-19.00%
2004	\$ 21,678,390	\$ 12,720,111	141.99%
2005	\$ 20,196,928	\$ (1,481,462)	-6.83%
2006 est.	\$ 21,960,300	\$ 1,763,372	8.73%

While annual general fund spending growth in the 1990's averaged 7.4 percent, expenditure growth from 2001 through 2004 averaged not even 0.35 percent as a result of aggressive efforts to control spending as outlined above. In 2005, for the first time in four years, further reductions were not made to the level of city services provided. After four years of budget cuts, further reductions would have severely limited basic city services such as refuse collection, parks and recreation center operations, and the provision of basic public health services. As a result, general fund spending has resumed its normal annual growth of 5-6 percent based upon, in significant part, such things as collectively bargained pay increases, increases in health insurance costs and workers compensation costs, and increases in utility costs.

These severely restrained general fund spending levels are even more striking in light of the fact the Department of Public Safety, which comprises approximately 70 percent of the total general fund operating budget, has generally been protected from any significant reductions.



Reductions in other general fund operations have resulted in Public Safety's share of the general fund budget increasing from 64.5 percent in 2000 to 70 percent today.

Even during restrained budget years when other programs were being reduced, a key priority was to maintain staffing levels among police and fire uniformed personnel. This was accomplished. In fact, after a police recruit class of 75 in December 2005, the largest class in several years, an unscheduled class of 30 began in July 2006 in order to provide the first increase in police officers in a number of years. Both the Police Division and the Fire Division have seen fewer retirements in 2006 than assumed during budget planning.

As planned, dependence on the city's rainy day fund will end in 2006. No transfers are planned for the 2007 budget. However, the city will continue to work to align current revenues and spending, much of which will be dependent on income tax growth above the 4.0 percent growth currently projected for 2007. In addition, performance management and the Columbus\*Stat initiative have been instituted to assure that the city is optimizing the use of limited funding to achieve the outcomes we desire from our operations.

**Despite the challenges presented by slowed general fund revenue growth over the last five years, the Columbus economy itself retains healthy underpinnings which make our situation more manageable than that of many other large cities.**

Columbus has enjoyed steady growth over the years due to its economic diversity and the fact that no single activity dominates the economy. In fact, the Columbus Metropolitan Area was ranked as the seventh strongest economy in the nation, according to POLICOM Corporation’s 2006 Economic Strength Rankings. The rankings are based upon the “long term tendency for an area to consistently grow in both size and quality”.

Economic expansion and population growth trends are expected to continue, given the stable employment environment, which is anchored by the presence of state government offices and a major university, and augmented by a myriad of financial, insurance and health care services companies as well as several diverse manufacturing firms. The following table summarizes the ten largest employers in the City of Columbus.

<b>Ten Largest Employers</b>		
<b>Ranked by Number of Full-Time Employees</b>		
<b>1</b>	State of Ohio	30,009
<b>2</b>	The Ohio State University	18,763
<b>3</b>	Federal Government	14,952
<b>4</b>	JPMorgan Chase & Co.	13,707
<b>5</b>	Nationwide	11,002
<b>6</b>	OhioHealth	9,083
<b>7</b>	Columbus Public Schools	7,905
<b>8</b>	City of Columbus	7,890
<b>9</b>	Limited Brands	7,200
<b>10</b>	Wal-Mart Stores	5,842

Source: Business First of Columbus, Inc.  
December 9, 2005

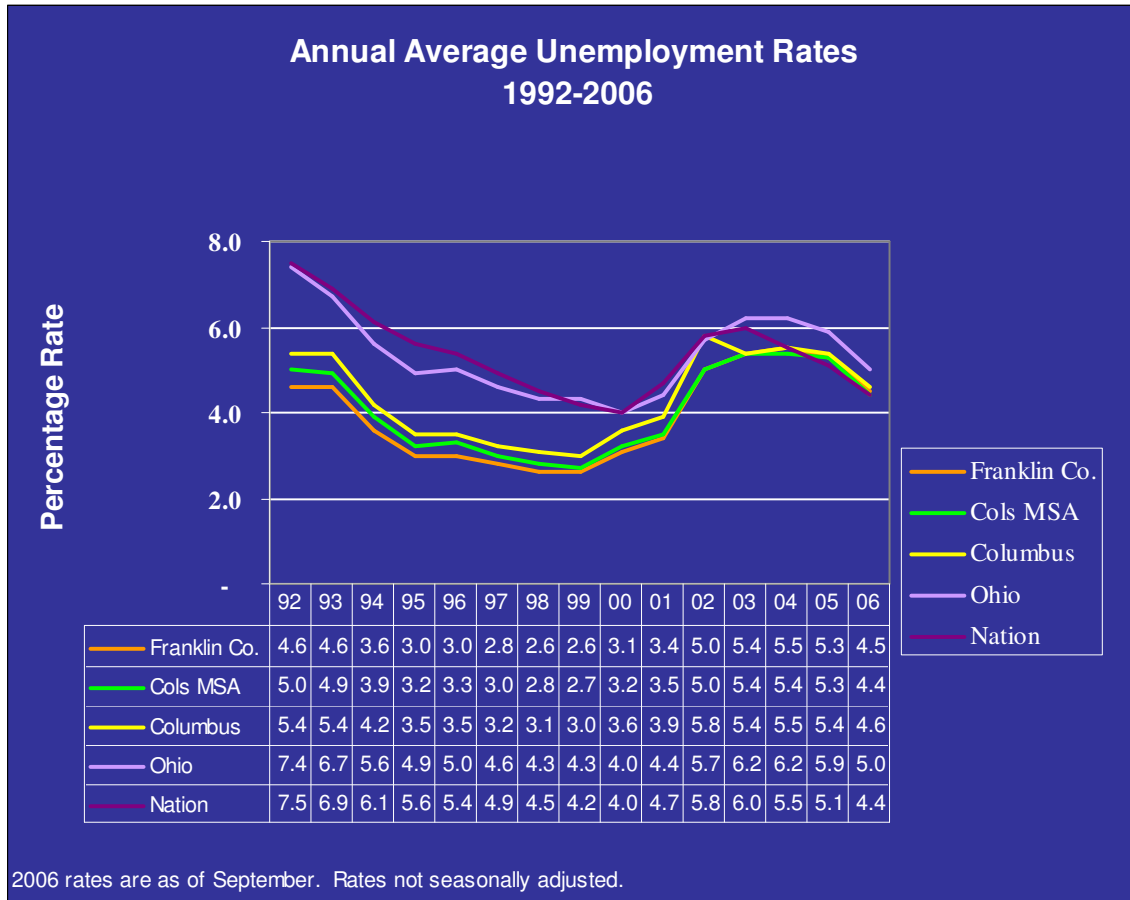
Columbus is headquarters to several major national and multinational corporations, including Nationwide Insurance Company, American Electric Power, the Limited Brands and Wendy’s International. Battelle Memorial Institute, a research center for government and private industry, has its world headquarters in Columbus and several leading information providers are also based in Columbus, including Chemical Abstracts Service and the Online Computer Library Center.

Columbus continues to work both aggressively and creatively to attract new businesses, jobs, and private investment into growth corridors and the downtown area. Since 2000, there has been over \$2 billion in new private/public investment in the downtown, and more than 3,500 new housing units, spurred by property tax incentives. The city has also used income tax incentives to bring 1,500 jobs downtown since 2002, as part of the downtown business plan.

A major downtown area project was unveiled in 2006, with the announcement from Children’s Hospital Columbus that it will invest \$740 million over seven years to expand its health-care and research capabilities and construct a new building for its downtown

location. The project is expected to create 1,160 new jobs at the facility and 1,000 new jobs in related fields.

Columbus traditionally outperforms state patterns as well as similarly-sized cities with respect to employment levels. As the following graph shows, at September 2006, the unemployment rate for Franklin County was 4.5 percent, the Columbus MSA rate was 4.4 percent, and the Columbus rate was 4.6 percent, while the rate for the State of Ohio was 5.0 percent.



Columbus has generous city boundaries with large tracts of open land that are still being developed. The city’s historical practice of annexing large tracts of undeveloped land and providing those areas with water and sewer service continues, with recent major commercial and industrial developments at Easton Towne Center, in the Polaris area and at the Rickenbacker International Airport, where Norfolk Southern Railroad has begun the development of a \$40 million intermodal facility.

Additional commercial and residential development is also occurring in the area surrounding Nationwide Arena, home to the National Hockey League’s Columbus Blue Jackets. A new \$65 million baseball stadium is also in the works, scheduled to be open for the 2009 season. Planning continues on the Riversouth District, bounded by High Street on the east and the Scioto River on the west, anchored by the rehabilitation of the

Lazarus Building. The master plan for this area envisions mixed use development, in which lofts, condos and apartments will be interspersed with neighborhood restaurants and retail establishments.

Columbus is also one of few large Midwestern cities whose population continues to grow. The Mid Ohio Regional Planning Commission estimates the population of Columbus at December 31, 2006 to be 761,078, an increase of nearly 7 percent since the last census estimate of 711,470 in 2000.

Stability in the business, residential, and political environments, a low cost of living, a high quality labor force and an emphasis on education further ensure a strong and stable economic outlook. The presence in Columbus and its immediate suburbs of 13 educational institutions, ranging from technical and design institutes to liberal arts colleges and a major research university, assure a continuous pool of well-educated and trained job candidates. In its August 2006 issue, Money Magazine cited Columbus among "America's Smartest Cities". The magazine based its rankings on U.S. Census Bureau data showing the percentage of residents 25 or older who have completed a bachelor's degree or higher.

The city's long-range financial soundness is confirmed by the bond ratings awarded the city by both Moody's Investors Service and Standard and Poor's Corporation. Bond ratings of Aaa and AAA, respectively, were awarded to the city in 1995 and have been maintained ever since. FitchRatings rated the city for the first time in 2006, also awarding Columbus a AAA rating. These ratings represent the highest achievable for long-term debt, making Columbus the only big city in the nation with the highest possible credit ranking from all three major rating agencies. These ratings afford Columbus the opportunity to realize savings in the cost of long-term financing, affirm investor's confidence in investment in Columbus, and help attract new businesses to the area.

The City of Columbus has two general reserve funds: the economic stabilization fund (AKA rainy day fund) and the anticipated expenditure fund (formerly known as the 27th pay period fund).

The rainy day fund was created in 1988 with an initial deposit of \$4 million to create a reserve for unforeseen future events that could disrupt basic city services. The goal of the fund was to reach five percent of general fund expenditures. Until 1998, annual deposits of \$1 million were made to the fund. In 1998, the fund received an infusion of \$7 million from a refund from the Ohio Bureau of Workers Compensation. In order to balance the general fund budget, \$10.2 million was used in 2003, the first use of the fund since its establishment. An additional \$25 million was used in 2004. On May 4, 2004, the city deposited \$55.1 million from the Solid Waste Authority of Central Ohio into this fund. These monies resulted from a bond issue by SWACO and were paid to the city in partial satisfaction of lease rental payments due the city. Transfers of \$13 million in 2005 and \$12 million in 2006 were made to ensure that basic city services could be continued in those years. In 2006, the city received nearly \$10 million for pollution credits from SWACO, which, along with investment earnings, will enable the fund to end the year at \$41.3 million, or nearly 7 percent of general fund expenditures.

The anticipated expenditure fund was established in 1994 to plan for the next occurrence of a fiscal year in which there are 27 pay periods rather than the standard 26. This fund received \$5.33 million in refunded monies from the Ohio Bureau of Workers Compensation in 1998, and regular deposits have been made each year since 1994. The expenditure, which will occur in 2008, is currently estimated at \$17.3 million. Additional deposits into the fund will continue in 2007 and beyond to ensure that there are sufficient

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funds to pay the 2008 obligation and to build the fund back up for the next occurrence, which is estimated to be in 2020.

Summary tables showing the projected balances of both reserve funds are set forth below.

<b>Economic Stabilization Fund Recommended Future Deposits (000's Omitted)</b>					
<b>Year</b>	<b>Deposit</b>	<b>Investment Earnings*</b>	<b>Expended</b>	<b>Year-End Balance</b>	<b>% of GF Budget</b>
1999		\$ 1,224		\$ 23,807	5.11%
2000		1,442		25,249	5.00%
2001		1,621		26,870	5.06%
2002		1,136		28,006	5.39%
2003		608	10,243	18,371	3.49%
2004	59,406	791	25,000	53,568	10.15%
2005		1,169	13,000	41,737	7.49%
2006	9,964	1,599	12,000	41,300	6.91%
2007		2,000		43,300	6.87%
2008		1,732		45,032	6.79%
2009		1,801		46,833	6.76%
2010		1,873		48,707	6.72%
2011		1,948		50,655	6.68%
2012		2,026		52,681	6.64%

\* Assumes investment rates of four percent

<b>Anticipated Expenditure Fund Recommended Future Deposits (000's Omitted)</b>			
<b>Year</b>	<b>Deposit</b>	<b>Expended</b>	<b>Year-End Balance</b>
2000			9,886
2001	750	83	10,552
2002	750		11,302
2003	750		12,052
2004	750		12,802
2005	750		13,552
2006	1,850		15,402
2007	1,850		17,252
2008	1,850	17,300	1,802
2009	1,850		3,652
2010	1,850		5,502
2011	1,850		7,352

The Finance Department estimates the cost of the 27<sup>th</sup> pay period in the year 2008 at \$17.3 million.

**2007 Budget Scenario**

The 2007 budget was balanced with limited resources while employing certain key principles, as follows:

- Build a budget from the ground up which is keyed to the city's strategic plan implementing the Columbus Covenant
- Focus on the basic priorities in city services for neighborhoods—police and fire protection, refuse collection, and basic public health services
- Review all program areas to identify activities the city should no longer be engaged in, given limited resources
- Review revenue sources to identify new revenues, opportunities for increased revenues, and options to shift general fund expenses to alternative funding sources
- Continue to implement performance management, working toward providing performance measures for all city programs, which will inform the budget process
- Promote efficiencies in government through reorganization of divisions, consolidation of functions, review of management structure and centralized fleet management
- Implement recommendations of the city's Operations Review and Economic Advisory Committee
- Rely on attrition to the extent possible in reducing employment in civilian ranks, with no reduction in uniformed police and fire personnel levels
- Continue hiring controls and diligent review of general fund spending to keep 2007 spending at the lowest level necessary to provide essential services to the citizens of Columbus

**General Fund Pro Forma**

A general fund pro forma operating statement is provided herein, which projects the city's future general fund financial outlook. The pro forma bases year 2007 revenues on the City Auditor's official Estimate of Available General Fund Resources, except as noted. The following assumptions were used in developing the pro forma.

**Pro Forma Operating Statement Assumptions**

Like all financial forecasting tools, pro forma projections are based on a series of assumptions that invariably do not prove totally accurate over time. Moreover, projections become less certain the further one extends the forecasting horizon. This pro forma statement assumes that year-end deficits, which are not permissible per state law, will be corrected through expenditure adjustments in order to force a positive year-end fund balance. The document presented herein represents the Finance and Management Department's best estimate of the city's financial status into the future, given the major assumptions below. Revenue growth assumptions for most sources in 2008 and beyond are based upon an historical ten-year average.

## **Expenditure Assumptions**

- The standard inflation rate for non-personnel items is three percent in 2008 and thereafter.
- Personnel costs (excluding insurance costs) are projected at either the rate in effect per current collective bargaining agreements or, for those units that have contracts that are currently under negotiation or expiring in 2006 or 2007, a rate of four percent.
- Insurance costs will grow by 12 percent annually in 2008 and beyond.
- The Divisions of Police and Fire reflect the costs of new and planned recruit classes sufficient to maintain existing staff levels.
- Deposits of \$1.85 million will be made to the anticipated expenditure fund in 2007 and thereafter.

## **Revenue Assumptions**

- Income tax receipts will grow by 4 percent in 2007, and 5 percent in 2008 and thereafter.
- Property taxes will increase by 1.6 percent in 2007, and then grow by 4 percent thereafter, except in the six year reappraisal year, when it will increase by 10 percent.
- Local government fund revenue is projected to continue to be frozen at current levels.
- Estate taxes are projected to decline by 1.23 percent in 2007 and then grow by 7.2 percent through the rest of the period.
- Investment earnings will be \$25 million in 2007 and then grow by 12.5 percent thereafter.
- Hotel/motel tax revenue is projected to grow by 3.7 percent in 2007 and 2.7 percent in 2007 and beyond.
- Charges for services are expected to grow by 2.1 percent in 2007. The source will then grow by 4.2 percent thereafter.
- The kilowatt hour tax will grow by .75 percent in 2007, and 2.1 percent thereafter.

## **Division Specific Assumptions**

- Two police recruit classes of 100 total officers are funded in 2007. Thereafter, recruit classes sufficient to replace retiring uniformed staff are projected, such that existing staff levels are maintained.
- A fire recruit class of 35 recruits is funded in 2007. Thereafter, recruit classes sufficient to replace retiring uniformed staff are projected, such that existing staff levels are maintained.

**GENERAL FUND PRO FORMA OPERATING STATEMENT**

<b>Resources:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Beginning Balance	\$ 20,196,928	\$ 21,960,301	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Tax	375,925,000	390,900,000	410,445,000	430,967,000	452,515,000	475,141,000	498,898,000	523,843,000	550,035,000	577,537,000	606,414,000
Property Tax	50,909,000	51,725,000	53,794,000	55,946,000	58,184,000	60,511,000	66,562,000	69,224,000	71,993,000	74,873,000	77,868,000
Kilowatt Hour Tax	3,325,000	3,350,000	3,420,000	3,492,000	3,565,000	3,640,000	3,716,000	3,794,000	3,874,000	3,955,000	4,038,000
Hotel/Motel Tax	3,375,000	3,500,000	3,595,000	3,692,000	3,792,000	3,894,000	3,999,000	4,107,000	4,218,000	4,332,000	4,449,000
Shared Revenues	56,845,000	56,725,000	57,324,000	57,929,000	58,540,000	59,158,000	59,782,000	60,413,000	61,050,000	61,694,000	62,345,000
License and Permit Fees	8,285,000	8,540,000	8,796,000	9,060,000	9,322,000	9,612,000	9,900,000	10,197,000	10,503,000	10,818,000	11,143,000
Fines and Penalties	21,505,000	21,825,000	22,371,000	22,930,000	23,503,000	24,091,000	24,693,000	25,310,000	25,943,000	26,592,000	27,257,000
Investment Earnings	20,000,000	25,000,000	28,125,000	31,641,000	35,596,000	40,046,000	45,052,000	50,684,000	57,020,000	64,148,000	72,167,000
Charges for Service	42,534,000	43,426,000	45,250,000	47,151,000	49,131,000	51,195,000	53,345,000	55,585,000	57,920,000	60,353,000	62,888,000
All Other Revenue	4,640,072	3,048,699	3,127,099	3,208,635	3,293,432	3,381,622	3,473,339	3,568,724	3,667,925	3,771,094	3,878,390
<b>Total Revenues</b>	<b>587,343,072</b>	<b>608,039,699</b>	<b>636,247,099</b>	<b>666,016,635</b>	<b>697,451,432</b>	<b>730,669,622</b>	<b>769,420,339</b>	<b>806,725,724</b>	<b>846,223,925</b>	<b>888,073,094</b>	<b>932,447,390</b>
Fund Transfers	12,000,000	-	-	-	-	-	-	-	-	-	-
<b>Total Available Resources</b>	<b>619,540,000</b>	<b>630,000,000</b>	<b>641,247,099</b>	<b>666,016,635</b>	<b>697,451,432</b>	<b>730,669,622</b>	<b>769,420,339</b>	<b>806,725,724</b>	<b>846,223,925</b>	<b>888,073,094</b>	<b>932,447,390</b>
% Change in Total Revenues from Prior Yr.	8.59%	3.52%	4.64%	4.68%	4.72%	4.76%	5.30%	4.85%	4.90%	4.95%	5.00%
% Change in Total Resources from Prior Yr.	7.64%	1.69%	1.79%	3.86%	4.72%	4.76%	5.30%	4.85%	4.90%	4.95%	5.00%
<b>Expenditures:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Development	20,384,824	23,961,299	25,402,587	26,540,495	27,751,043	29,033,513	30,396,377	31,838,135	33,371,493	35,008,516	36,750,942
Fire	171,519,047	181,374,067	192,283,835	200,897,183	210,060,379	219,767,982	230,084,126	240,997,449	252,604,147	264,995,520	278,184,744
Governmental Services	64,396,997	70,987,946	75,369,196	78,828,227	82,508,072	86,406,545	90,549,401	94,932,079	99,593,208	104,569,455	109,866,111
Health	20,093,916	20,415,543	21,643,551	22,613,073	23,644,487	24,737,179	25,898,368	27,126,777	28,433,231	29,828,010	31,312,594
Judicial Services	22,231,000	23,368,530	24,774,162	25,883,920	27,064,521	28,315,265	29,644,413	31,050,504	32,545,929	34,142,454	35,841,775
Other Safety	17,909,256	12,313,366	13,054,023	13,638,778	14,260,861	14,919,904	15,620,260	16,361,158	17,149,129	17,990,371	18,885,779
Police	229,449,478	239,545,364	253,954,173	265,330,042	277,432,109	290,253,188	303,877,983	318,291,488	333,620,750	349,986,353	367,405,698
Recreation and Parks	25,438,910	27,256,037	28,895,505	30,189,879	31,566,880	33,025,693	34,575,954	36,215,957	37,960,157	39,822,273	41,804,288
Refuse Collection	24,031,040	24,927,848	26,427,274	27,611,083	28,870,462	30,204,665	31,622,504	33,122,419	34,717,630	36,420,687	38,233,399
Fleet-Vehicles	275,230	4,000,000	4,120,000	4,243,600	4,370,908	4,370,908	4,502,035	4,637,096	4,776,209	4,919,495	5,570,899
<b>Operating Expenditures</b>	<b>595,729,698</b>	<b>628,150,000</b>	<b>665,924,306</b>	<b>695,776,280</b>	<b>727,529,722</b>	<b>761,034,841</b>	<b>796,771,422</b>	<b>834,573,061</b>	<b>874,771,884</b>	<b>917,683,134</b>	<b>963,856,230</b>
Less Projected Lapsed Appropriation	-	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
<b>Projected Operating Expenditures</b>	<b>595,729,698</b>	<b>623,150,000</b>	<b>660,924,306</b>	<b>690,776,280</b>	<b>722,529,722</b>	<b>756,034,841</b>	<b>791,771,422</b>	<b>829,573,061</b>	<b>869,771,884</b>	<b>912,683,134</b>	<b>958,856,230</b>
Percent Change/Previous Year	7.41%	4.60%	6.01%	4.48%	4.56%	4.61%	4.70%	4.74%	4.82%	4.91%	5.03%
Rainy Day Fund Deposits	-	-	-	-	-	-	-	-	-	-	-
Anticipated Expenditure Fund Transfer	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
<b>Total Expenditures/Transfers</b>	<b>597,579,698</b>	<b>625,000,000</b>	<b>662,774,306</b>	<b>692,626,280</b>	<b>724,379,722</b>	<b>757,884,841</b>	<b>793,621,422</b>	<b>831,423,061</b>	<b>871,621,884</b>	<b>914,533,134</b>	<b>960,706,230</b>
Percent Change/Previous Year	7.60%	4.59%	6.04%	4.50%	4.58%	4.63%	4.72%	4.76%	4.83%	4.92%	5.05%
<b>Required Expenditure Reductions and/or Revenue Increases</b>	<b>-</b>	<b>-</b>	<b>(21,527,207)</b>	<b>(26,609,645)</b>	<b>(26,928,289)</b>	<b>(27,215,219)</b>	<b>(24,201,083)</b>	<b>(24,697,336)</b>	<b>(25,397,958)</b>	<b>(26,460,040)</b>	<b>(28,258,840)</b>
<b>Annual Surplus/Deficit:</b>	<b>1,763,374</b>	<b>(16,960,301)</b>	<b>(5,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative Surplus/Deficit:</b>	<b>\$ 21,960,301</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Footnotes:  
 Revenue estimates for 2008 and beyond are those of the Department of Finance and not the City Auditor.  
 Cumulative deficits are not possible since each budget year must be balanced.

