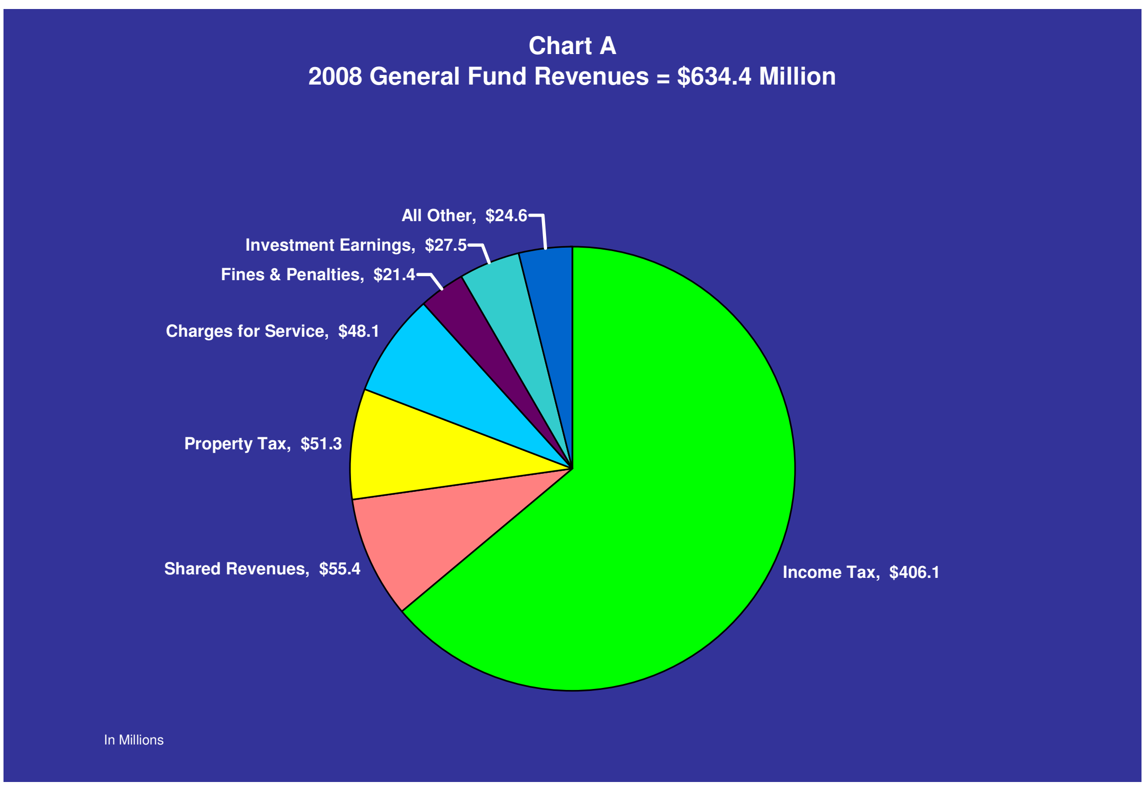
Financial Overview

The city's return in 2007 to a very modest growth rate of 4 percent in income tax revenue, after a robust growth rate of 6.6 percent in 2006, has led to challenges in preparing the 2008 general fund budget. These challenges have been compounded by essentially flat property tax receipts, reduced state revenue sharing funds in major part attributable to a decline this year in estate tax receipts, and a projected decline next year in investment earnings.

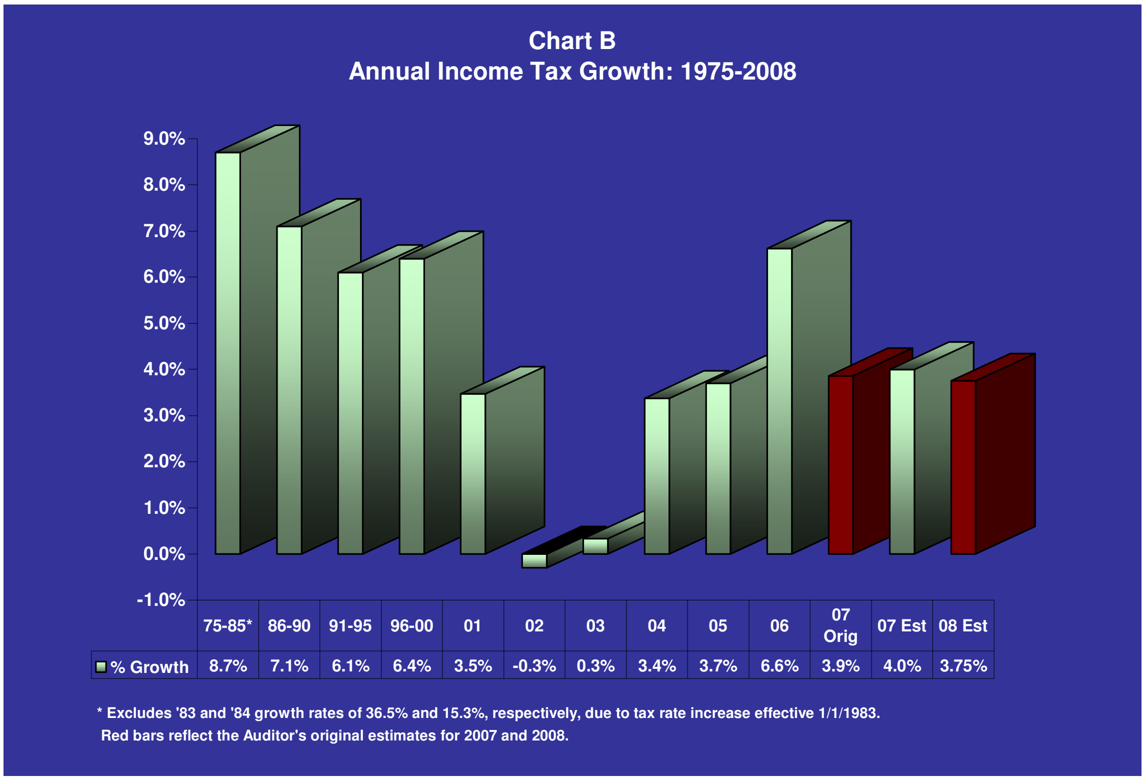
The city's most important revenue source, the income tax, represents nearly two-thirds of the revenue supporting the general fund operating budget. It is by far the main driver of the condition of the general fund budget. For the 40 years prior to 2001, annual growth in the income tax never fell below 4 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 nearly 9 percent and property taxes which represent just over 8 percent of the general fund revenue total. Investment earnings in 2008 represent 4.34 percent of general fund revenues.

As can be seen in Chart A below, these four revenue sources account for 85.2 percent of all general fund revenues available in 2008 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 saw a significant rebound in growth to 6.6 percent. Unfortunately, income tax growth in 2007 since the end of the first quarter has been running between four and five percent and is currently projected to be four percent at year-end. Each one percent decline from 2006 represents $4 million in lost revenue.

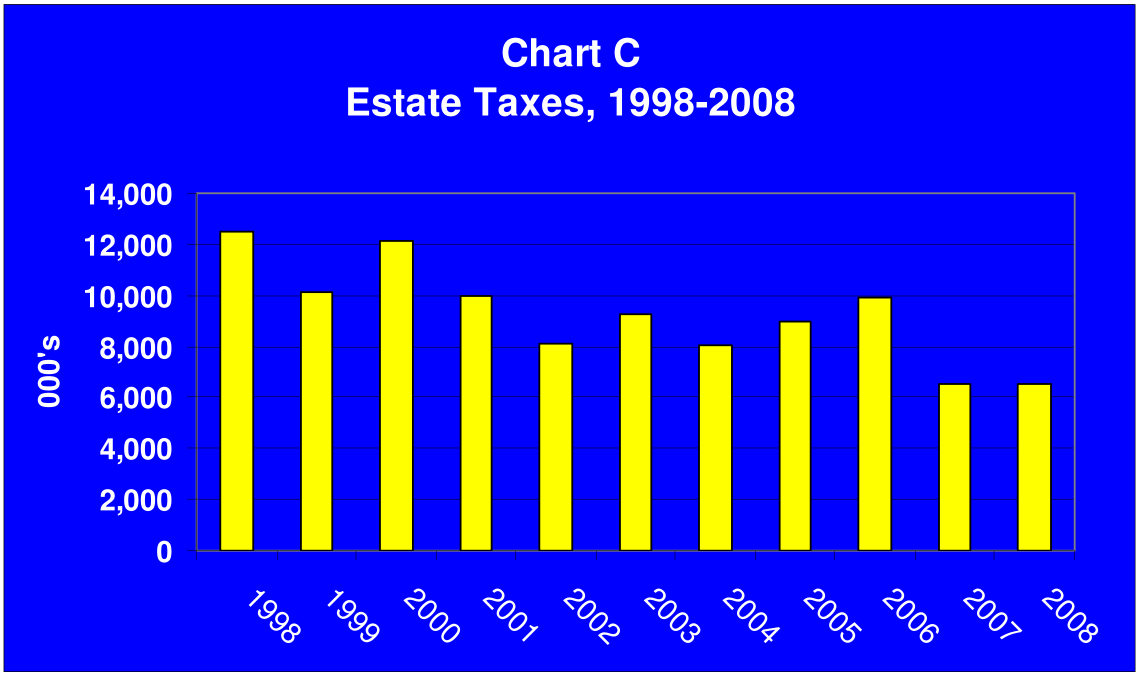


The estimated income tax growth rate for 2008 is a conservative 3.75 percent, which would yield a total of $406.1 million.

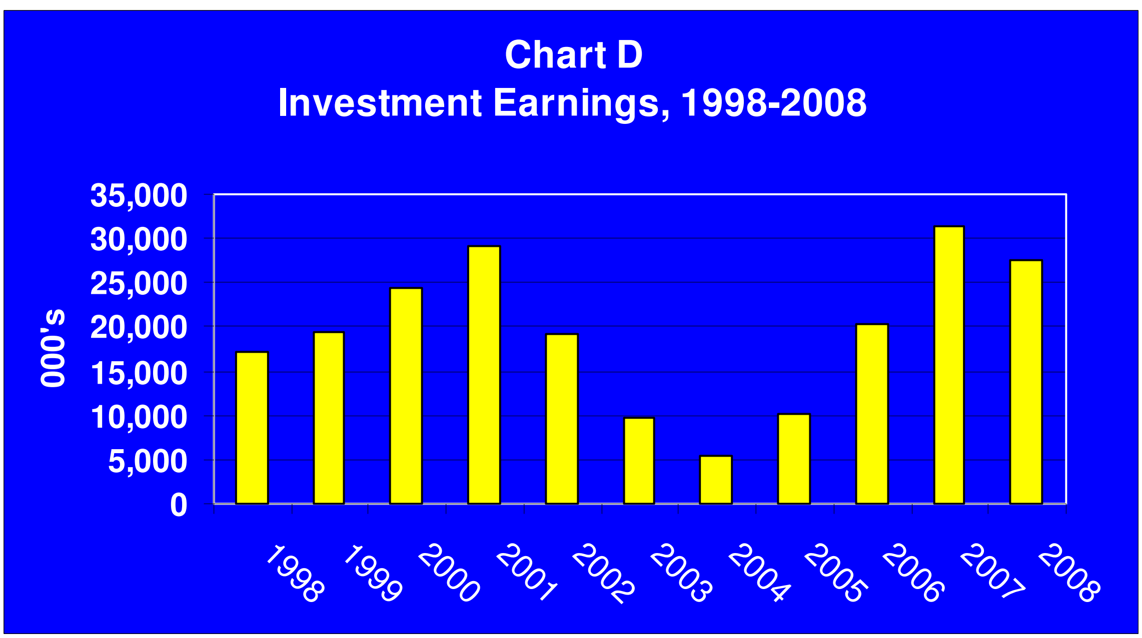
Relative to the other important revenue sources discussed above, namely state revenue sharing funds (including estate tax), investment earnings and property tax, the situation has varied.

Due to state budget difficulties, the portions of state revenue sharing funds known as local government funds were reduced then frozen for the last six years with the city receiving about $47 million per year since 2002 (after a high of $51 million in 2001). The freeze continued through mid-2007 with the biennial state budget now providing for an end to the freeze and a new system of distributing a portion of state revenues to local governments that may result in a slight increase in funds in 2008.

However, a significant part of state revenue sharing has been estate tax receipts which in some years have contributed as much as $12 million to general fund revenues. Receipts have declined in recent years, as seen in Chart C below, with these revenues projected to be as little as $6.5 million both this year and next.



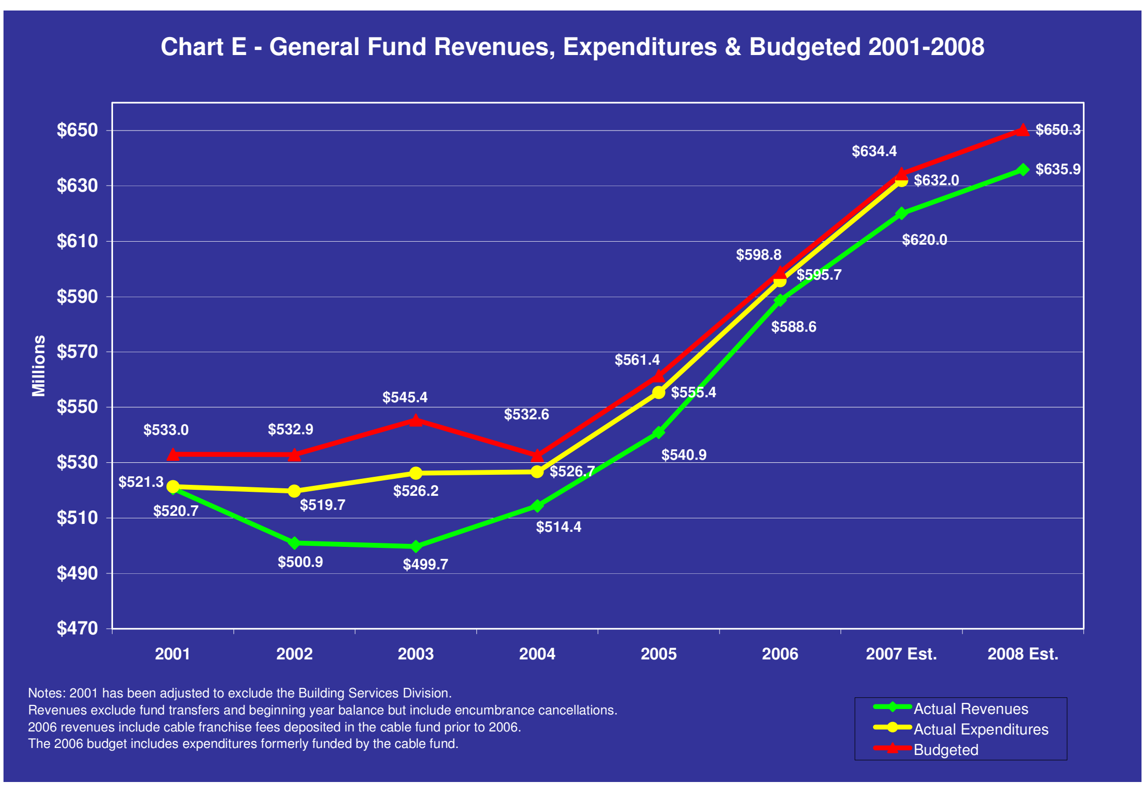
Receipts from investment earnings were as high as $29 million in 2001 but declined to a low of $5.5 million in 2004 after the recession. Since the 2004 low, earnings rebounded to $10.2 million in 2005 and then $20.4 million in 2006. They are expected to reach $31.3 million in 2007, a new high. However, the projection for 2008 is a decline back to $27.5 million, removing $3.8 million from the pot of general fund revenues supporting the 2007 budget. This source is dependent on interest rates and cash levels in the city treasury, and its significant fluctuations (see Chart D below) can cause problems in providing reliable and consistent support for the general fund budget.



The third highest revenue source, property tax receipts, has also provided inconsistent support to growth in the general fund budget. In property reappraisal years, growth is normally substantial but in the intervening years it is often less than one percent. Projected property tax revenue in 2008 is barely changed from that projected for this year, and revenues as projected next year would be less than 14 percent higher than they were four years earlier in 2004. During that same time frame general fund spending will have grown by 23.5 percent.

The fundamental problem with general fund budgeting since the 2001 recession has been that annual revenues have been insufficient to support annual spending even in the face of rigorous spending controls that have kept spending over $61 million below budgeted levels during this time frame. The reason for this gap has been a failure to return to the revenue growth levels of the 1990's. These growth levels would have supported a budget today which would be over $250 million higher than the one being proposed. The gap has been closed each year through temporary measures such as use of transfer of a surplus in the employee benefits fund, the transfer of over $60 million of economic stabilization funds ("rainy day" funds) in post-recession years, and a spend-down of year-end balances in the general operating fund which had been up to nearly $38 million in 1998 and 1999. However, the city may well soon reach the point where either substantial additional revenue must be identified or it must eliminate one or more major areas of government activity.

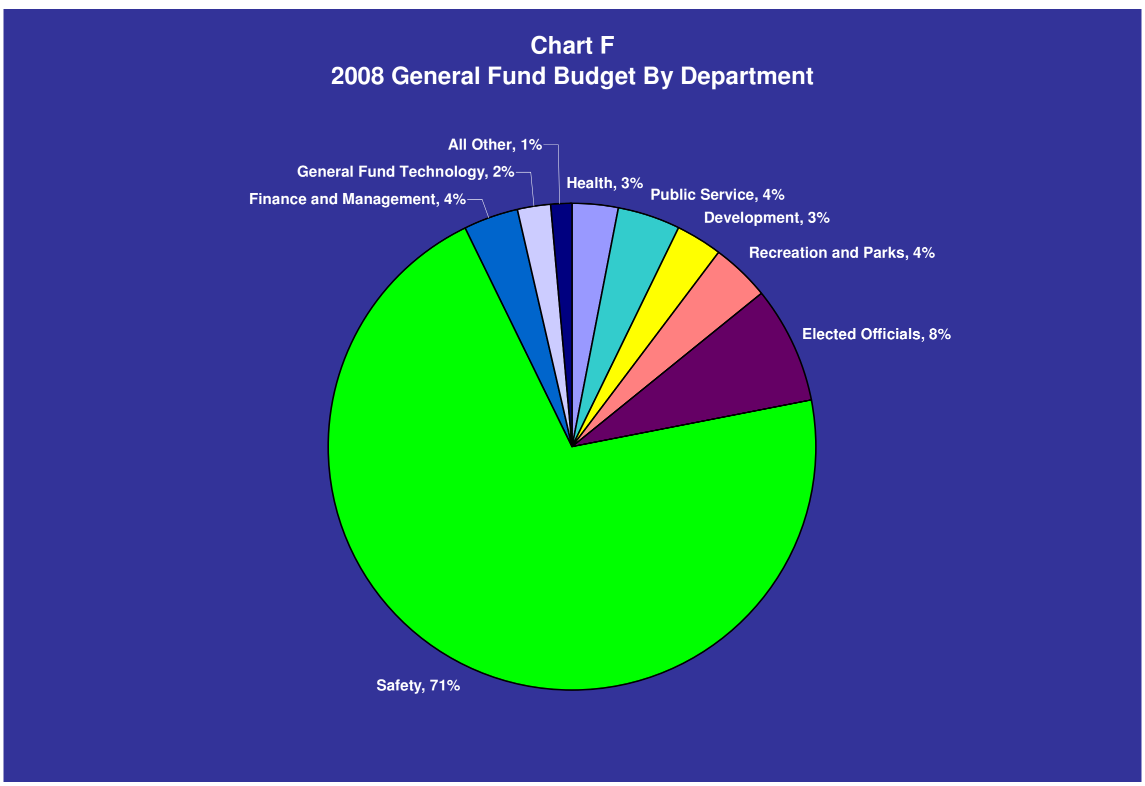
Chart E below shows general fund revenues, budgeted totals, and actual expenditures since 2001. Several things are worth noting: spending was held virtually flat for four years (2001-2004); total revenues in 2004 remained 1.2 percent **below** those in 2001; expenditures have been below budgeted appropriations; and revenues since 2001 have remained below expenditures, leaving the "gaps" in those years referenced above



Actual revenues compared to actual expenditures have shown consistent, large gaps since 2001 when revenues first began to falter. The gap started at under $1.0 million in 2001, grew to $26.5 million in 2003, and had dropped to $7.1 million in 2006 but continues to plague city budgeting efforts. With revenue growth slowing in 2007, the gap is projected to increase by the end of this year to $12 million. While the city's goal is to return structural balance to the budget, it has been a difficult one and one we have yet to achieve.

Chart E also shows how in each of the last five 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.

While annual general fund spending growth in the 1990's averaged 7.4 percent, the projected spending for this year will be only a little more than 21 percent higher than it was in 2001---six years ago. These severely restrained general fund spending levels are even more striking in light of the fact the Department of Public Safety, which comprises approximately 71 percent of the total general fund operating budget, (see Chart F below), 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 71 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. With the Police and Fire classes scheduled to begin in December, we expect to have 1,927 police officers and 1,550 firefighters in January 2008 in contrast to 1,793 police officers and 1,524 firefighters at the end of 1999.

As planned, dependence on the city's rainy day fund ended in 2006. No transfers are planned for the 2008 budget. However, the city will continue to work to close the structural gap between current revenues and spending, much of which will be dependent on income tax growth significantly above the 3.75 percent growth currently projected for 2008. 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 the slowed general fund revenue growth over the last several years, as described above, Columbus continues to have a strong, stable economy.

Attesting to that, POLICOM Corporation ranked the Columbus Metropolitan Statistical Area (MSA) as the 20th strongest economy in the nation (out of 576 MSA's) in 2007. POLICOM defines economic strength as "the long term tendency for an area to consistently grow in both size and quality".

Employment in the greater Columbus area continues to be service oriented. The city has a broad and diverse employment base, 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. Columbus has enjoyed steady growth over the years due to its economic diversity and the fact that no single activity dominates the economy. The following table summarizes the ten largest employers in the City of Columbus.

Ten Largest Employers Ranked by Number of Full-Time Employees		
1	State of Ohio	26,613
2	The Ohio State University	19,919
3	Federal Government	15,146
4	JPMorgan Chase & Co.	14,276
5	Nationwide	11,834
6	OhioHealth	9,413
7	Columbus Public Schools	8,106
8	City of Columbus	7,432
9	Limited Brands	7,200
10	Honda of America	6,900

Source: Business First of Columbus, Inc.
December 2006

Columbus is headquarters to several major national and multinational corporations, including Cardinal Health, Nationwide Insurance, American Electric Power, the Limited Brands and Big Lots. 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. In recent years, the health care industry has emerged as a predominant new growth sector, with the city boasting four nationally-recognized health systems employers which employ 3,100 health care workers and contribute over $4 billion to the local economy.

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. The downtown area continues to be the economic heart of the region, and after suffering through office vacancy rates reaching upwards of 25 percent, the market is beginning to stabilize. The downtown office incentive program has been a factor in inducing downtown employers to retain over 600 jobs and create over 2,500 new jobs.

An indicator that downtown is still considered a prime real estate development opportunity is the redevelopment of the northeast corner at Broad and High into high-rise residential and office space. The development plans include luxury condominiums overlooking the State Capitol building, street-level retail shops, “Class A” offices in the new, rebuilt former Roy's Jewelers building, a glass-walled, local network news live broadcast studio, and lighted, strolling digital ticker tapes, billboards and gardens atop the four-story building that fronts this major intersection. The development also envisions a renovation of the 16-story high-rise at 8 East Broad Street, to be called “8 on the Square”, with 11 to 22 penthouse and mid-rise luxury condominium homes.

Other major downtown area projects underway include a $740 million investment in Nationwide Children’s Hospital, which is expected to create 1,160 new jobs at the facility and 1,000 new jobs in related fields, as well as the redevelopment of the River South District into a major urban project. The former Lazarus Department Store is being renovated to house various government and private sector tenants, along with 60,000 square feet of retail space. Also planned for River South are 1,200-1,500 residential units, 500,000 square feet of office space, 70,000 square feet of retail space and 2,500 underground/structured parking spaces. Finally, construction has begun on a state of the art $105 million, 300,000 square feet Franklin County Courthouse, also in the River South District.

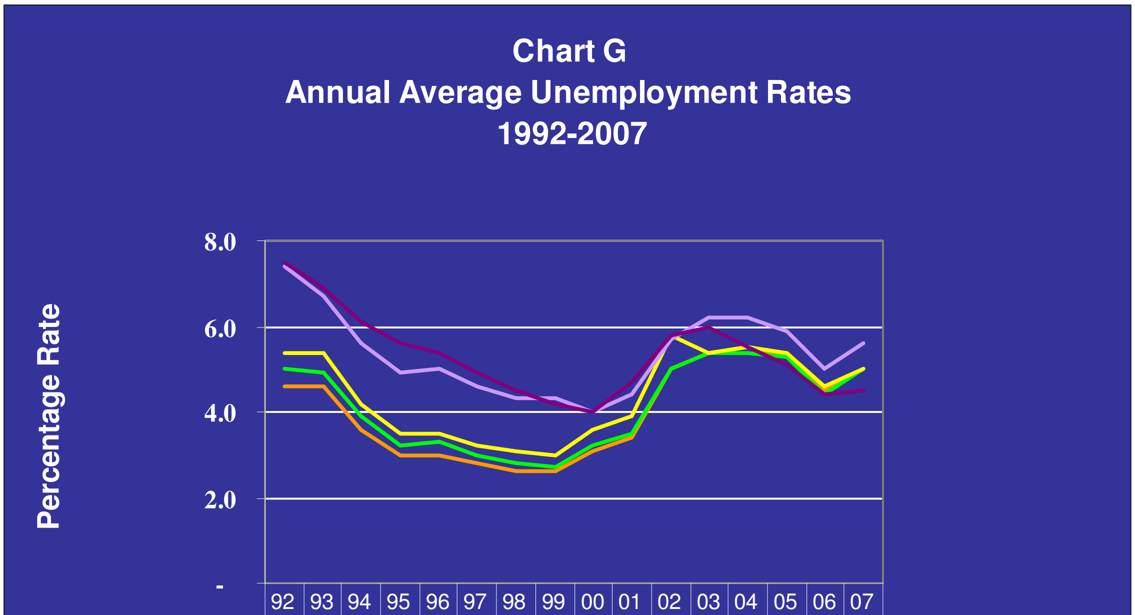
Additional commercial and residential development is also occurring in the 75-acre Nationwide Arena District. This $500 million development, home to the National Hockey League’s Columbus Blue Jackets, is a mixed-use residential, office and entertainment district, anchored by Nationwide Arena. The Eye Center, a $20 million, five story medical office building was recently completed and opened. And a new $65 million baseball stadium is also in the works, scheduled to be completed in time for opening day, 2009.

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.

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 January 1, 2008 to be 773,277, an increase of nearly 8.7 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.

Columbus traditionally outperforms state patterns as well as similarly-sized cities with respect to employment levels. As the following graph shows (Chart G), at September 2007, the unemployment rates for Columbus, the Columbus MSA and Franklin County were all 5 percent, while the rate for the State of Ohio was 5.6 percent.



	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07
Franklin Co.	4.6	4.6	3.6	3.0	3.0	2.8	2.6	2.6	3.1	3.4	5.0	5.4	5.5	5.3	4.5	5.0
Cols MSA	5.0	4.9	3.9	3.2	3.3	3.0	2.8	2.7	3.2	3.5	5.0	5.4	5.4	5.3	4.4	5.0
Columbus	5.4	5.4	4.2	3.5	3.5	3.2	3.1	3.0	3.6	3.9	5.8	5.4	5.5	5.4	4.6	5.0
Ohio	7.4	6.7	5.6	4.9	5.0	4.6	4.3	4.3	4.0	4.4	5.7	6.2	6.2	5.9	5.0	5.6
Nation	7.5	6.9	6.1	5.6	5.4	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.4	4.5

2007 rates are as of September. Rates not seasonally adjusted.

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 an 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, enabled 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 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.

Economic Stabilization Fund Recommended Future Deposits (000's Omitted)

Year	Deposit	Investment Earnings*	Expended	Year-End Balance	% of GF Budget
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	2,111	12,000	41,812	7.02%
2007	348	2,000		44,160	6.99%
2008		-		44,160	6.79%
2009		1,766		45,926	6.64%
2010		1,837		47,763	6.62%
2011		1,911		49,674	6.56%
2012		1,987		51,661	6.52%

In 2008, investment earnings will be deposited to the Anticipated Expenditures Fund. Assumes four percent investment rate in 2009-2012.

Anticipated Expenditure Fund Recommended Future Deposits (000's Omitted)			
Year	Deposit	Expended	Year-End Balance
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	2,000	17,250	2,002
2009	1,751		3,753
2010	1,821		5,574
2011	1,894		7,468
2012	1,970		9,438
Finance and Management projects the next occurrence of a year with 27 pay dates to be 2020. Escalating deposits are planned to meet a projected liability of $28 million in that year.			

2008 Budget Scenario

The 2008 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 2008 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 2008 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 2009 and beyond are based upon an historical ten-year average.

Expenditure Assumptions

- The standard inflation rate for non-personnel items is three percent in 2009 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 2007 or 2008, 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 replace retiring uniformed staff, and allow for modest growth.

Revenue Assumptions

- Income tax receipts will grow by 3.75 percent in 2008, and 5 percent in 2009 and thereafter.
- Property taxes will increase by 0.3 percent in 2008, by 10 percent in 2009 (a six year reappraisal year), and then by 3.4 percent, except in triennial update years, when it will increase by 9 percent.
- Local government fund revenue is projected to increase by 1.1 percent in 2008 and then by 1 percent thereafter.
- Estate taxes are projected to remain flat in 2008 and then grow by one percent through the rest of the period.

- Investment earnings will be $27.5 million in 2008 and then grow by 12.5 percent thereafter.
- Hotel/motel tax revenue is projected to grow by 6.7 percent in 2008 and 5.5 percent in 2009 and beyond.
- Charges for services are expected to grow by 4.9 percent in 2008. The source will then grow by ten percent thereafter.
- The kilowatt hour tax will grow by 1.9 percent in 2008 and then grow by 2 percent thereafter.
- Fines and penalties will be 0.3 less than in 2007, and then will increase by 6.4 percent.
- Licenses and permits are projected to increase 3.2 percent in 2008, and 3 percent thereafter.

Division Specific Assumptions

- Two police recruit classes of 80 total officers are funded in 2008. Thereafter, recruit classes sufficient to replace retiring uniformed staff, and allow for modest growth, are projected.
- A fire recruit class of 20 recruits is funded in 2008. Thereafter, recruit classes sufficient to replace retiring uniformed staff, and allow for modest growth, are projected.

GENERAL FUND PRO FORMA OPERATING STATEMENT

Resources:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Beginning Balance	$ 26,359,753	$ 14,445,812	$ 5,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,632,373	$ 24,000,434
Income Tax	391,400,000	406,100,000	426,405,000	447,725,000	470,111,000	493,617,000	518,298,000	544,213,000	571,424,000	599,995,000	629,995,000
Property Tax	51,185,000	51,336,000	56,470,000	58,390,000	60,375,000	65,809,000	68,047,000	70,361,000	77,397,000	80,028,000	82,749,000
Kilowatt Hour Tax	3,435,000	3,500,000	3,570,000	3,641,000	3,714,000	3,788,000	3,864,000	3,941,000	4,020,000	4,100,000	4,182,000
Hotel/Motel Tax	3,750,000	4,000,000	4,220,000	4,452,000	4,697,000	4,955,000	5,228,000	5,516,000	5,819,000	6,139,000	6,477,000
Shared Revenues	54,906,000	55,439,000	55,993,000	56,553,000	57,119,000	57,690,000	58,267,000	58,850,000	59,439,000	60,033,000	60,633,000
License and Permit Fees	8,495,000	8,765,000	9,028,000	9,299,000	9,578,000	9,865,000	10,161,000	10,466,000	10,780,000	11,103,000	11,436,000
Fines and Penalties	21,425,000	21,366,000	22,733,000	24,188,000	25,736,000	27,383,000	29,136,000	31,001,000	32,985,000	35,096,000	37,342,000
Investment Earnings	31,300,000	27,500,000	30,938,000	34,805,000	39,156,000	44,051,000	49,557,000	55,752,000	62,721,000	70,561,000	79,381,000
Charges for Service	45,911,000	48,143,000	52,957,000	58,253,000	64,078,000	70,486,000	77,535,000	85,289,000	93,818,000	103,200,000	113,520,000
All Other Revenue	8,233,247	9,705,188	4,405,188	4,523,468	4,646,479	4,774,411	4,907,460	5,045,831	5,189,736	5,339,398	5,495,047
Total Revenues	620,040,247	635,854,188	666,719,188	701,829,468	739,210,479	782,418,411	825,000,460	870,434,831	923,592,736	975,594,398	1,031,210,047
Fund Transfers	-	-	-	-	-	-	-	-	-	-	-
Total Available Resources	**646,400,000**	**650,300,000**	**671,719,188**	**701,829,468**	**739,210,479**	**782,418,411**	**825,000,460**	**870,434,831**	**923,592,736**	**982,226,771**	**1,055,210,481**
% Change in Total Revenues from Prior Yr.	5.41%	2.55%	4.85%	5.27%	5.33%	5.85%	5.44%	5.51%	6.11%	5.63%	5.70%
% Change in Total Resources from Prior Yr	3.91%	0.60%	3.29%	4.48%	5.33%	5.85%	5.44%	5.51%	6.11%	6.35%	7.43%

Expenditures:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Development	24,353,055	21,227,191	22,578,359	23,547,205	24,665,324	25,854,030	27,270,453	28,463,814	29,905,564	31,441,780	33,129,605
Fire	184,270,549	191,198,369	203,368,664	212,095,285	222,166,448	232,873,412	245,631,474	256,380,355	269,366,540	283,203,605	306,460,874
Governmental Services	70,948,706	77,803,501	82,755,905	86,306,990	90,405,204	94,762,141	99,953,722	104,327,716	109,612,127	115,242,782	118,726,957
Health	20,689,532	19,303,319	20,532,028	21,413,064	22,429,845	23,510,816	24,798,866	25,884,069	27,195,150	28,592,135	29,645,292
Judicial Services	23,079,262	24,069,751	25,601,856	26,700,441	27,968,288	29,316,176	30,922,274	32,275,439	33,910,256	35,652,188	38,153,053
Other Safety	8,540,936	16,410,944	17,455,545	18,204,569	19,068,997	19,987,997	21,083,048	22,005,646	23,120,277	24,307,940	23,064,454
Police	243,106,274	253,417,594	269,548,312	281,114,725	294,463,217	308,654,410	325,564,164	339,810,915	357,023,028	375,362,911	395,887,633
Recreation and Parks	28,038,283	25,697,587	27,333,308	28,506,190	29,859,782	31,298,827	33,013,546	34,458,225	36,203,604	38,063,344	27,068,307
Refuse Collection	25,436,199	21,171,744	22,519,383	23,485,698	24,600,896	25,786,497	27,199,221	28,389,464	29,827,448	31,359,652	31,016,312
Fleet-Vehicles	3,491,392	-	5,000,000	5,150,000	5,150,000	5,304,500	5,463,635	5,627,544	5,796,370	-	5,970,261
Operating Expenditures	631,954,188	650,300,000	696,693,361	726,524,167	760,778,000	797,348,807	840,900,403	877,623,188	921,960,364	963,226,337	1,009,122,746
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)
Projected Operating Expenditures	631,954,188	645,300,000	691,693,361	721,524,167	755,778,000	792,348,807	835,900,403	872,623,188	916,960,364	958,226,337	1,004,122,746
% Change/Previous Year	6.09%	2.90%	7.13%	4.28%	4.71%	4.81%	5.46%	4.37%	5.05%	4.48%	4.76%
% Change/Previous Year With Projected $5 million Lapses	6.09%	2.11%	7.19%	4.31%	4.75%	4.84%	5.50%	4.39%	5.08%	4.50%	4.79%
Required Expenditure Reductions and/or Revenue Increases	**-**	**-**	**(19,974,173)**	**(19,694,699)**	**(16,567,521)**	**(9,930,396)**	**(10,899,944)**	**(2,188,357)**	**-**	**-**	**-**
Annual Surplus/Deficit:	**(11,913,941)**	**(9,445,812)**	**(5,000,000)**	**-**	**-**	**-**	**-**	**-**	**6,632,373**	**17,368,062**	**27,087,301**
Cumulative Surplus/Deficit:	**$ 14,445,812**	**$ 5,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,632,373**	**$ 24,000,434**	**$ 51,087,735**

Footnotes:
Revenue estimates for 2009 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.