

Memorandum



Financial Services Department

Date: June 11, 2009

To: Mayor and Council

From: Jerry Hart, Financial Services Manager, Ext. 8505
Cecilia Robles, Deputy Financial Services Manager, Ext. 8881

Subject: **Long-Range Financial Forecast Update**

Attached for your review is the updated five-year revenue/expenditure forecast of the City's major operating funds. The forecast period is from fiscal year (FY) 2008/09 through 2012/13 and covers the General, Transit, Performing Arts, Transportation, Rio Salado/Community Facilities District, Golf, Water/Wastewater, Solid Waste and Cemetery funds. This forecast, prepared by the Budget Division, is an integral part of the financial planning process and provides Council with a five-year perspective on the financial condition of each operating fund. We have also provided for your information the projected draw down of fund balances for each fund over the forecast period.

Most of our operating funds have been negatively impacted by the current economic downturn. Additionally, growth in operating expenditures has outpaced the growth in operating revenues over the last few years. Consequently, despite a projected economic recovery beginning in FY 10/11, we are projecting operating deficits in many of our operating funds and unprecedented draw downs of fund balances over the forecast period. The General, Transit, Performing Arts, Transportation, Golf, and Cemetery funds currently present the most significant budgetary challenges. As you are aware, any actions of the state legislature (as part of state budget balancing efforts) to change revenue-sharing agreements with cities and towns would only exacerbate our problem. Clearly, we will have to diligently continue our budget balancing efforts not only for the General Fund, but many of the other operating funds of the city in order to achieve long-term financial sustainability.

Key **economic assumptions** contained in the forecast are as follows:

- Flat sales tax revenues through FY 09/10 with recovery beginning in FY 10/11
- Assumes no changes in state shared revenue allocation formulas; however, reflects reduced shared revenue distributions due to the economic downturn and impact of 2010 Census

Key **budget balancing plan assumptions** (including those presented as part of the General Fund budget balancing plan beginning in February 2009) contained in the forecast are as follows:

- Increase in the bed tax rate from 3% to 4% beginning in FY 10/11
- Increases in Water/Wastewater and Solid Waste user fees
- Salary and wage freeze through FY 11/12

- Other pay and benefit reductions in FY 10/11 and 11/12
- Phased advanced funding of other post employment benefit (OPEB - retiree health care) costs beginning in FY 09/10
- Reduction of approximately 48 vacant positions out of the FY 09/10 budget
- Reduction from the 2010/11 General Fund budget of approximately 70 positions
- Agency funding reduction of approximately \$1.2 million beginning FY 10/11
- Elimination of the General Fund contingency budget
- Departmental base budget reductions
- No additions of new programs or further expansion of existing programs

Following is a brief review of the updated forecast for our major operating funds.

General Fund (primary funding sources: Sales tax, state-shared revenue)

The General Fund is projected to experience annual deficits beginning in FY 2008/09 and persisting throughout the forecast period. The budget balancing plan presented in February projected a balanced budget by FY 2011/12. However, despite a projected economic recovery beginning in FY 10/11, this updated forecast reflects a further deterioration in projected revenue including state income tax, vehicle license tax, bed tax, and other fees. The result is an additional projected draw down of fund balance in FY 10/11 of approximately \$3.7 million. This forecast reflects future draw down of the fund balance significantly below the council-adopted minimum policy level of 20% of revenues.

Transit Fund (primary funding source: sales tax)

The Transit Fund is projected to experience annual deficits beginning in FY 10/11 and completely exhaust fund balance as early as FY 12/13. This is primarily due to a combination of reduced transit tax revenue because of the economic downturn and significantly expanded transit services over the last few years.

Performing Arts Fund (primary funding source: sales tax)

Annual deficits are projected for the Performing Arts Fund through the forecast period. The drawing down of fund balances to support operations of the Tempe Center for the Arts has always been the plan, but has been accelerated due to lower tax revenue. Community Services and Financial Services staffs are currently examining the sustainability of the fund beyond the forecast period. The tax is set to expire on January 1, 2021 and future council action will be necessary to provide a permanent funding source for the operations of the center.

Transportation Funds (primary funding source: highway user revenue tax)

Lower gasoline consumption has resulted in reduced state distribution of highway user revenues to the city. This is a key reason for the projected deficits through FY 12/13. Additionally, the results of the 2010 Census will further reduce the city's relative share of this revenue source beginning in FY 11/12.

Rio Salado/Community Facility District Funds (primary funding sources: sales tax, CFD revenue, interest revenue)

The Rio Salado financing plan from the beginning contemplated the draw down of the Rio Salado Reserve to cover the anticipated annual operating deficits while development around Town Lake proceeded. The economic slowdown has certainly slowed the pace of development around the lake. Once fully developed, the Rio Salado area is expected to generate sufficient revenues to cover operating costs.

Water/Wastewater and Solid Waste Funds (primary funding source: user charges)

The costs of providing water, sewer and solid waste services to our residential and commercial/industrial customers are recovered through the user charges our customers pay. The charges are periodically adjusted to keep pace with increases in the costs of providing the services. Increasing costs in the Water/Wastewater program are primarily related to costs of compliance with various federal environmental regulations covering water and wastewater treatment. Projected operating deficits reflected in the forecast period will be eventually covered by adjustments to user charges. An increase in solid waste rates effective November 1, 2009 was previously approved by the Council. At the May 28th Issue Review Session, staff was directed to bring to Council in the next few months a formal request to increase water and wastewater rates.

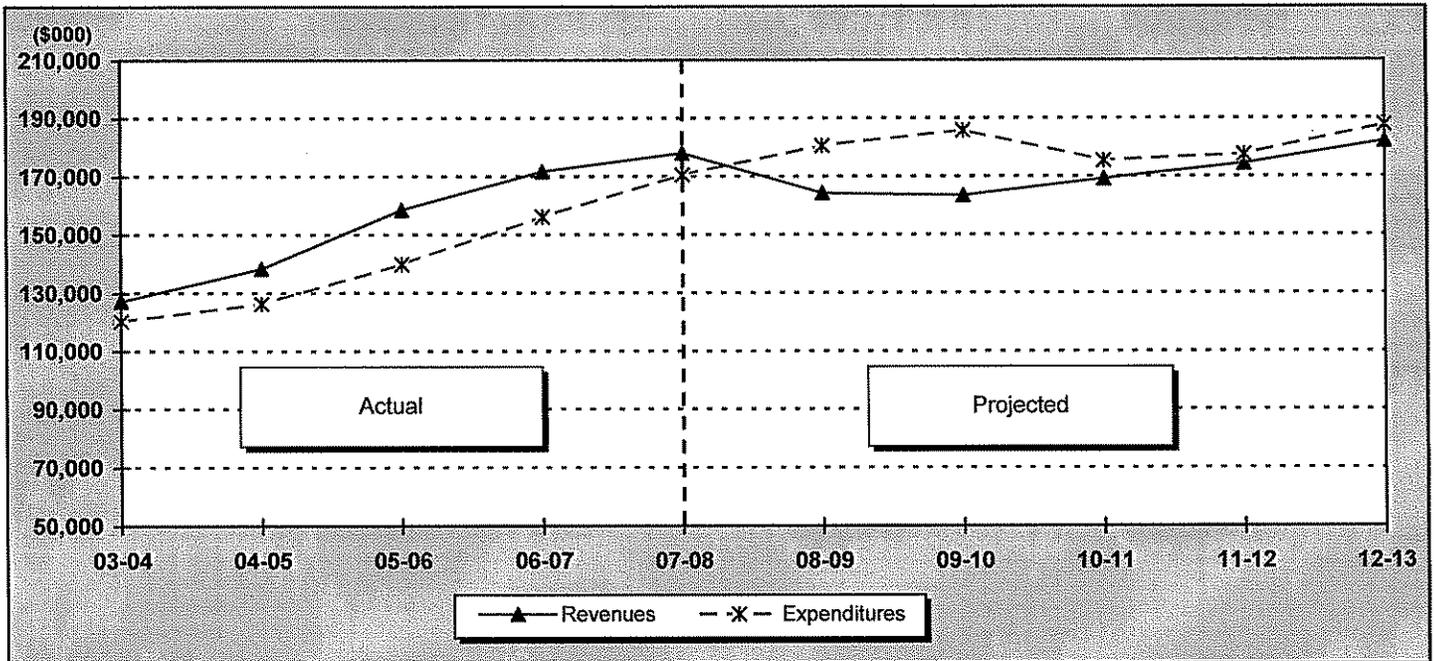
Golf and Cemetery Funds (primary funding sources: user charges)

Like the Water/Wastewater and Solid Waste Funds, the costs of providing golf amenities and cemetery services to customers are recovered through user charges. Annual deficits are forecasted for the both the Golf and Cemetery Funds over the forecast period. We continue to experience reduced rounds of play at our golf courses. Fee adjustments alone may not be enough to address the long-term financial viability of the Golf program. Sales at the Double Butte Cemetery have thus far fallen short of expectations since the recent completion of renovations. Annual deficits are projected throughout the forecast period and fund balance has been depleted.

Financial Services staff will make a formal presentation of this forecast at the June 11th Issue Review Session and will be available to address any questions.

Attachments

General Fund: Projected Revenues and Expenditures



	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Revised	Budget	Projected	Projected	Projected
Revenues (\$000)										
Local Taxes	71,455	77,772	86,570	95,863	93,057	87,315	88,496	93,130	98,572	104,282
Intergovernmental	34,076	36,068	40,946	41,453	45,225	44,356	40,991	39,040	36,783	37,831
Bldng & Trades/Plan & Zoning	2,643	3,459	5,506	5,969	6,479	5,142	4,237	5,581	6,958	7,462
Cultural and Recreation	5,114	5,010	4,961	5,294	6,157	6,230	6,408	6,751	6,807	6,860
Fines, Fees and Forfeitures	5,831	6,652	7,288	7,219	8,616	9,363	9,881	11,135	11,651	12,189
Business Licenses	1,079	1,185	1,202	1,331	1,333	1,507	1,498	1,534	1,570	1,606
Interest Income	2,764	2,969	4,794	7,437	9,839	3,000	3,000	2,618	2,459	2,366
Franchise Fees	1,505	1,678	1,867	2,693	3,425	3,830	3,927	4,206	4,416	4,637
Other Revenue Sources	2,731	3,633	5,418	4,462	4,011	3,594	5,009	5,204	5,204	5,007
Total Revenues	127,198	138,425	158,553	171,722	178,143	164,337	163,447	169,199	174,421	182,239
Expenditures (\$000)										
Personal Services	98,286	100,868	109,416	120,972	137,189	147,081	148,536	142,860	143,997	152,915
Materials and Supplies	6,417	6,811	7,866	8,783	9,180	8,193	8,302	7,516	7,841	8,188
Fees and Services	15,996	18,521	21,576	21,721	23,598	25,370	26,785	25,740	26,704	27,703
Travel and Training	647	649	720	824	799	653	620	628	645	661
Non-Deprtmntl/Loan Repayment	3,405	4,310	3,652	4,431	4,661	4,803	4,996	3,634	3,495	3,583
Capital Outlay	3,287	2,002	3,116	4,670	2,721	1,247	3,685	2,195	2,252	2,308
Contingency	0	0	0	0	0	0	0	0	0	0
Transportation Mtnce of Effort	0	0	0	1,035	955	1,035	1,035	1,035	1,035	1,035
Internal Services/Adjustments	(7,656)	(6,896)	(6,511)	(6,224)	(8,492)	(7,797)	(8,069)	(8,134)	(8,345)	(8,554)
Total Expenditures	120,381	126,265	139,836	156,211	170,611	180,585	185,888	175,475	177,624	187,840
Net Operating Surplus/(Deficit)	6,817	12,160	18,718	15,511	7,533	(16,248)	(22,442)	(6,276)	(3,204)	(5,601)
Ending Fund Balance					72,455	56,207	33,766	27,490	24,286	18,685
Financial Policy Reserve Requirement = 20%-30% of Revenue										
Fund Balance % of Revenue					41%	34%	21%	16%	14%	10%

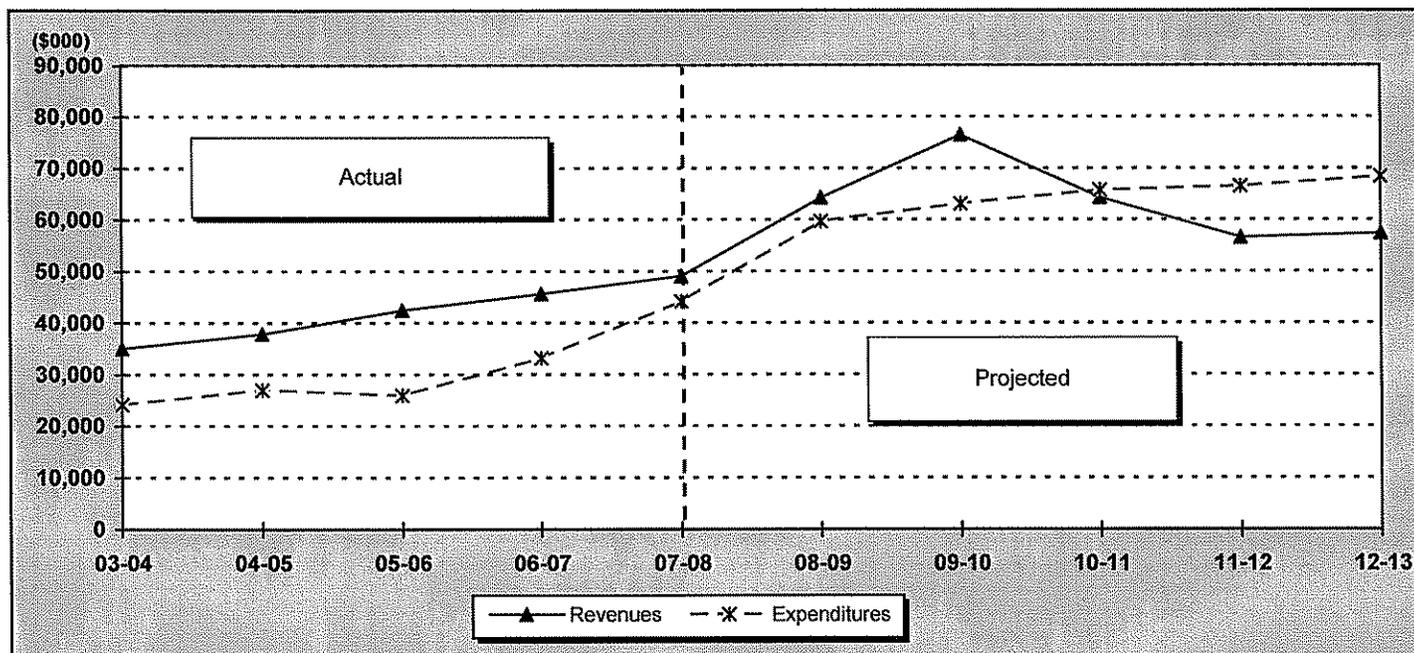
**City of Tempe
Forecast Model
General Fund Revenues**

	FY 07/08 Actual	FY 08/09 Revised	FY 09/10 Budget	FY 10/11 Projected	FY 11/12 Projected	FY 12/13 Projected
Local Taxes						
City Sales Tax	79,860,938	73,704,000	74,005,000	76,406,000	81,179,100	86,193,500
Primary Property Tax	9,935,698	10,811,100	11,491,000	11,915,634	12,414,654	12,934,573
Transient Lodging Tax	3,260,123	2,800,000	3,000,000	4,808,112	4,978,668	5,153,587
<i>Total Local Taxes</i>	93,056,759	87,315,100	88,496,000	93,129,746	98,572,422	104,281,660
Intergovernmental Revenue						
State Income Tax	23,332,475	24,820,292	21,447,606	18,028,458	16,079,839	15,893,596
State Sales Tax	15,237,310	13,635,713	13,267,549	13,811,518	13,453,151	14,394,872
Vehicle License Tax	6,655,516	5,900,000	6,275,500	7,200,000	7,250,000	7,542,200
<i>Total Intergovernmental</i>	45,225,301	44,356,005	40,990,655	39,039,976	36,782,990	37,830,668
Building & Trades/Planning & Zoning						
Building Permit Fees	2,471,713	1,976,023	1,482,018	1,968,644	2,510,021	2,706,885
Plan Check Fees	2,251,967	1,476,684	1,038,763	1,718,490	2,122,324	2,269,173
Planning & Zoning Fees	696,161	1,120,375	1,005,500	1,205,500	1,482,765	1,586,559
Other Bldg & Trades Fees	1,059,433	569,256	710,871	687,867	842,655	898,942
<i>Total Bldg & Trds/Plan & Zoning</i>	6,479,274	5,142,338	4,237,152	5,580,501	6,957,765	7,461,559
Cultural and Recreational						
Registration Fees	4,826,941	4,978,800	5,165,125	5,359,752	5,397,270	5,435,051
Recreation Admission Charges	377,848	374,188	367,744	370,300	372,900	372,900
Library Fines and Fees	319,185	401,311	401,311	438,916	450,328	461,586
Other Cultural and Rec Fees	633,024	475,279	474,279	582,190	586,300	590,400
<i>Total Cultural and Recreational</i>	6,156,998	6,229,578	6,408,459	6,751,158	6,806,798	6,859,937
Court Fines, Fees and Forfeitures						
Traffic Fines	2,322,271	3,766,000	3,271,338	3,549,626	3,691,611	3,839,275
Criminal Fines	1,217,600	1,213,100	1,213,100	1,328,291	1,389,659	1,451,027
Parking Fines	323,640	400,000	343,480	347,947	365,459	383,852
Other Fines, Fees and Forfeitures	4,752,808	3,983,472	5,052,744	5,909,259	6,204,722	6,514,958
<i>Total Fines, Fees and Forfeitures</i>	8,616,319	9,362,572	9,880,662	11,135,123	11,651,451	12,189,112
Business/Non-Business Licenses						
	1,333,495	1,507,250	1,497,750	1,533,750	1,569,750	1,605,750
Other Revenue Sources						
Franchise Fees	3,424,560	3,830,368	3,927,281	4,206,134	4,416,441	4,637,263
SRP Payment in Lieu of Taxes	536,687	497,600	1,394,846	1,394,846	1,394,846	1,394,846
Interest Income	9,839,423	3,000,000	3,000,000	2,618,494	2,459,418	2,365,900
Other Miscellaneous Revenue	3,474,395	3,096,072	3,614,119	3,809,022	3,809,000	3,612,000
Carryforward for Encumbrances						
<i>Total Other Revenue</i>	17,275,065	10,424,040	11,936,246	12,028,496	12,079,705	12,010,010
Total General Fund Revenues	178,143,211	164,336,883	163,446,924	169,198,749	174,420,881	182,238,695

**City of Tempe
Forecast Model
General Fund Expenditures**

	FY 07/08 Actual	FY 08/09 Revised	FY 09/10 Budget	FY 10/11 Projected	FY 11/12 Projected	FY 12/13 Projected
Salaries and Wages	101,423,010	105,163,296	105,821,967	99,100,254	99,100,254	105,405,267
Fringe Benefits						
FICA	6,637,674	7,135,806	6,918,171	6,579,145	6,579,145	6,908,102
Retirement-ASRS	5,265,804	5,983,447	5,511,679	5,387,217	5,661,965	6,309,604
Retirement-Public Safety	6,381,131	9,399,823	9,355,363	9,355,363	9,355,363	9,823,131
Health Insurance	15,813,602	17,773,398	19,329,007	22,196,125	24,769,854	25,938,045
Mediflex Reimbursed Expense	548,764	704,659	574,912	574,900	574,900	574,900
Other Fringe Benefits	1,119,292	920,181	1,024,621	1,024,621	1,024,621	1,024,621
Other Pay Benefit Changes				(1,357,400)	(1,357,400)	(1,357,400)
Other Pay Benefit Changes					(1,711,300)	(1,711,300)
Total Fringe Benefits	35,766,267	41,917,314	42,713,753	43,759,971	44,897,148	47,509,704
Total Personal Services	137,189,277	147,080,610	148,535,720	142,860,226	143,997,402	152,914,971
Materials and Supplies						
Motor Vehicle Parts	1,131,767	1,133,925	1,106,775	1,134,400	1,163,900	1,193,000
Fuel	2,158,552	2,116,620	1,961,611	2,102,800	2,287,800	2,496,000
Library Bookstock	568,236	537,010	515,403	528,300	542,000	555,600
Other Materials and Supplies	5,321,011	4,405,546	4,717,738	3,750,100	3,847,600	3,943,800
Total Materials and Supplies	9,179,566	8,193,101	8,301,527	7,515,600	7,841,300	8,188,400
Fees and Services						
Contracted Services	6,234,566	6,373,306	6,696,036	6,783,000	6,959,400	7,133,400
Electricity	2,552,715	2,952,669	2,965,983	3,111,300	3,266,900	3,430,200
Water, Refuse and Sewer	1,395,953	1,584,815	1,867,319	2,110,100	2,384,400	2,694,400
Telephone	766,304	757,573	955,023	978,900	1,004,400	1,029,500
Software Maintenance	1,633,093	961,056	2,818,733	2,111,200	2,166,100	2,220,300
Computers	1,009,825	946,900	658,540	675,000	692,600	709,900
Equipment Repair and Rental	1,019,871	978,632	956,364	980,300	1,005,800	1,030,900
Other Fees and Services	8,985,800	10,814,948	9,866,708	8,990,200	9,223,900	9,454,500
Total Fees and Services	23,598,127	25,369,899	26,784,706	25,740,000	26,703,500	27,703,100
Travel and Training						
Training	637,698	556,469	539,424	546,247	560,450	574,461
Travel	161,335	96,792	80,215	82,220	84,358	86,467
Total Travel and Training	799,033	653,261	619,639	628,467	644,808	660,928
Non-Departmental/Loan Repmt	4,660,638	4,803,345	4,996,484	3,633,900	3,495,429	3,582,800
Capital Outlay	2,720,904	1,246,707	3,684,518	2,195,000	2,252,100	2,308,400
Transportation Mtnc of Effort	954,634	1,035,000	1,035,000	1,035,000	1,035,000	1,035,000
Internal Services/Adjustments	(8,491,510)	(7,797,102)	(8,069,130)	(8,133,600)	(8,345,100)	(8,553,700)
Total General Fund Expenditures	170,610,669	180,584,821	185,888,464	175,474,593	177,624,439	187,839,898
Total General Fund Revenues	178,143,211	164,336,883	163,446,924	169,198,749	174,420,881	182,238,695
Net Operating Surplus/(Deficit)	7,532,542	(16,247,938)	(22,441,540)	(6,275,844)	(3,203,558)	(5,601,204)

Transit Fund: Projected Revenues and Expenditures

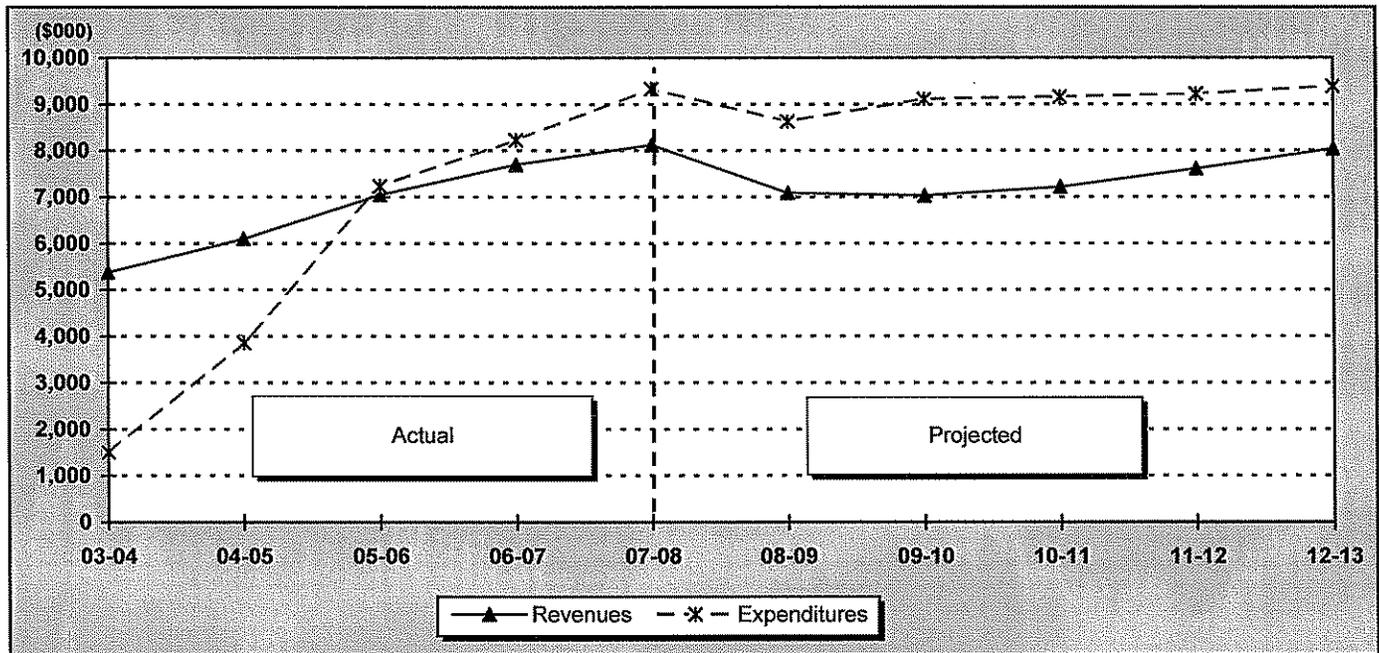


	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Transit Tax	26,741	28,848	32,440	34,971	32,450	29,957	29,957	30,931	32,865	34,895
Lottery Transfer In	282	274	266	257	254	234	233	214	204	194
ASU-Flash Transit	481	478	496	529	581	610	677	638	657	677
Interest Income	778	1,410	1,320	1,142	960	228	212	212	212	212
Light-Rail Fares	0	0	0	0	0	951	2,608	2,699	2,793	3,052
Out of Jurisdiction Svc Revenue	5,671	5,936	6,536	7,897	8,674	11,991	9,619	11,202	11,545	13,004
FTA Light-Rail Reimbursements	0	0	0	0	5,518	18,020	30,149	14,245	3,932	0
PTF Funding	0	0	0	0	0	1,631	2,262	3,280	3,380	4,300
Miscellaneous Revenue	1,090	922	1,462	888	641	713	813	970	1,016	1,066
Total Revenues	35,043	37,868	42,521	45,684	49,078	64,335	76,530	64,391	56,604	57,401
Expenditures (\$000)										
Personal Services	1,785	1,930	2,294	2,543	3,292	3,600	4,651	4,678	4,703	4,945
Materials and Supplies	1,550	1,781	1,870	2,082	3,251	5,146	5,289	5,422	5,563	5,702
Fees and Services	20,177	22,467	19,986	23,231	30,844	43,384	42,950	45,434	46,030	47,501
Travel and Training	19	17	36	43	29	42	33	34	35	36
Capital Outlay	24	182	190	140	123	84	35	35	35	35
Debt Service	0	0	594	4,045	5,518	6,362	8,977	8,970	8,964	8,958
Internal Svc Chgs/Adjustments	237	243	314	310	317	489	565	556	571	585
Indirect Cost Allocations	428	437	696	847	808	622	656	673	690	708
Total Expenditures	24,222	27,057	25,979	33,241	44,183	59,731	63,157	65,802	66,590	68,469
Net Operating Surplus/(Deficit)	10,821	10,811	16,542	12,444	4,895	4,604	13,373	(1,410)	(9,985)	(11,068)
Ending Fund Balance						645	14,018	12,608	2,623	(8,445)

**City of Tempe
Forecast Model
Transit Funds**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Revised	Budget	Projected	Projected	Projected
Revenues						
Transit Tax	32,449,710	29,957,000	29,957,000	30,930,900	32,865,000	34,895,100
Lottery Transfer In	253,838	233,711	232,795	213,900	204,000	194,100
ASU-Flash Transit	581,482	610,370	676,790	638,000	657,000	677,000
Interest Income	960,154	228,436	212,386	212,386	212,386	212,386
Light-Rail Fares	0	951,000	2,608,000	2,699,000	2,793,000	3,052,000
Out of Jurisdiction Service Revenue	8,674,488	11,990,557	9,619,000	11,202,000	11,545,000	13,004,000
FTA Light-Rail Reimbursements	5,517,667	18,020,000	30,149,000	14,245,000	3,932,000	
PTF Funding	0	1,630,704	2,262,000	3,280,000	3,380,000	4,300,000
Miscellaneous Revenue	640,899	712,740	813,220	970,000	1,016,000	1,066,000
Total Revenues	49,078,238	64,334,518	76,530,191	64,391,186	56,604,386	57,400,586
Expenditures						
Salaries and Wages	2,504,628	2,717,395	3,418,254	3,378,300	3,378,300	3,547,200
Fringe Benefits						
FICA	181,333	194,227	247,717	258,400	258,400	271,400
Retirement-ASRS	234,582	243,032	305,420	334,500	351,300	386,600
Health Insurance	360,849	425,799	657,673	684,863	692,756	718,096
Mediflex Reimbursed Expense	10,945	19,862	21,917	21,900	21,900	21,900
<i>Total Fringe Benefits</i>	<i>787,710</i>	<i>882,920</i>	<i>1,232,727</i>	<i>1,299,663</i>	<i>1,324,356</i>	<i>1,397,996</i>
<i>Total Personal Services</i>	<i>3,292,338</i>	<i>3,600,315</i>	<i>4,650,981</i>	<i>4,677,963</i>	<i>4,702,656</i>	<i>4,945,196</i>
Materials and Supplies	3,251,302	5,146,220	5,289,470	5,421,700	5,562,700	5,701,800
Fees and Services						
Fixed Route Service	20,582,317	25,236,425	19,810,868	21,181,300	21,290,900	22,165,400
Dial-A-Ride	556,971	544,174	413,456	413,500	413,500	413,500
Marketing	321,971	447,325	451,525	482,800	485,300	491,100
FLASH/Local Circulator Service	6,863,639	9,644,235	9,410,517	10,061,500	10,113,600	10,235,000
Rail Operations and Maintenance	0	4,160,607	9,167,607	9,507,000	9,840,000	10,212,000
Other Fees and Services	2,518,846	3,351,537	3,695,534	3,787,900	3,886,400	3,983,600
<i>Total Fees and Services</i>	<i>30,843,744</i>	<i>43,384,303</i>	<i>42,949,507</i>	<i>45,434,000</i>	<i>46,029,700</i>	<i>47,500,600</i>
Travel and Training	29,238	42,095	33,295	34,200	35,200	36,200
Capital Outlay	123,426	84,334	35,000	35,000	35,000	35,000
Debt Service	5,517,667	6,362,061	8,977,169	8,970,057	8,963,594	8,957,607
Internal Service Charges/Adjustments	316,878	489,261	565,103	556,000	570,500	584,800
Indirect Cost Allocations	808,265	622,285	656,275	672,700	690,200	707,500
Total Expenditures	44,182,858	59,730,874	63,156,800	65,801,620	66,589,550	68,468,703
Net Operating Surplus/(Deficit)	4,895,380	4,603,644	13,373,391	(1,410,434)	(9,985,164)	(11,068,117)

Performing Arts Fund: Projected Revenues and Expenditures

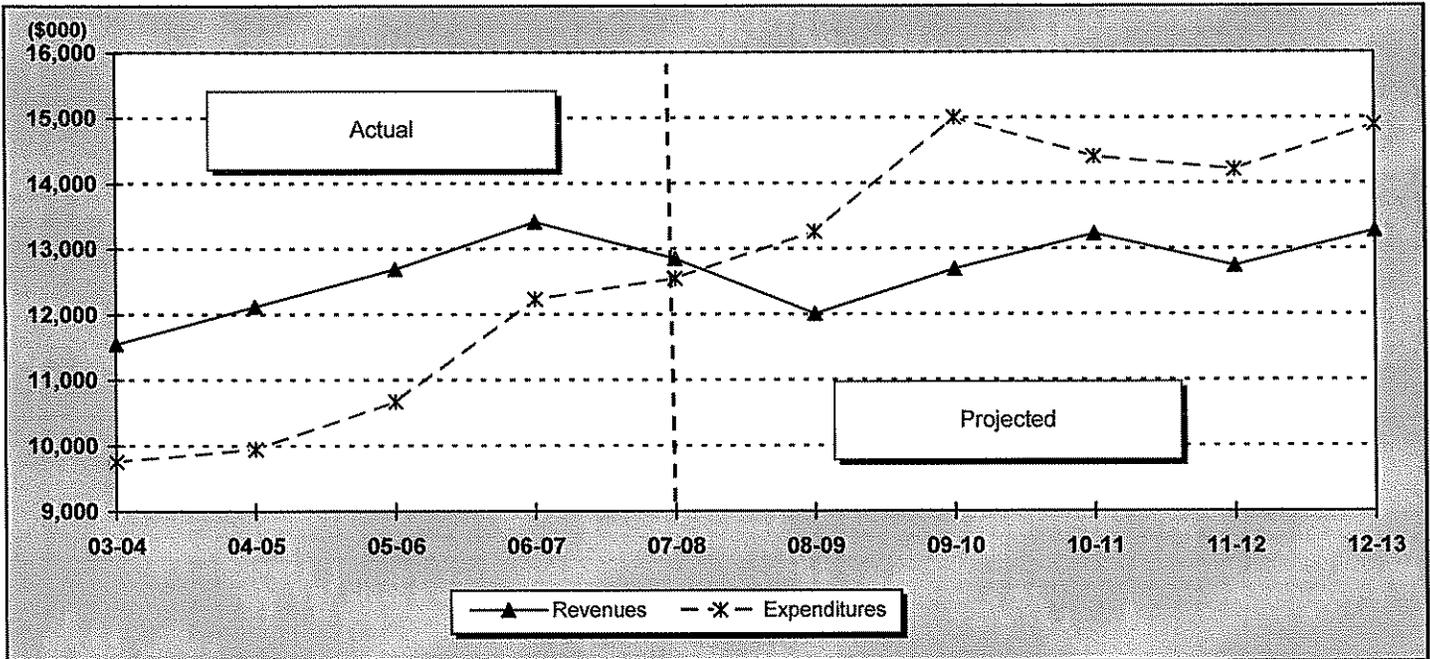


	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Performing Arts Tax	5,280	5,768	6,480	7,008	6,820	6,295	6,295	6,500	6,906	7,333
Facility Revenue	0	0	0	0	662	540	555	573	592	611
Interest Income	98	335	574	692	645	255	183	149	121	97
Total Revenues	5,378	6,103	7,054	7,700	8,127	7,090	7,033	7,221	7,618	8,041
Expenditures (\$000)										
Personal Services	203	194	337	545	1,579	1,645	2,144	2,150	2,174	2,305
Materials and Supplies	1	16	65	853	797	125	140	143	147	151
Fees and Services	43	54	84	538	754	601	520	542	564	588
Travel and Other	2	5	9	9	4	3	4	4	4	4
Capital Outlay	0	0	158	108	38	0	0	0	0	0
Debt Service	1,234	3,572	6,295	6,059	6,014	6,023	6,016	6,026	6,028	6,025
Internal Service Charges	22	20	287	123	150	235	292	299	307	315
Total Expenditures	1,504	3,861	7,235	8,235	9,335	8,631	9,116	9,164	9,224	9,388
Net Operating Surplus/(Deficit)	3,874	2,243	(180)	(535)	(1,208)	(1,541)	(2,084)	(1,943)	(1,606)	(1,347)
Ending Fund Balance						8,435	6,363	4,420	2,815	1,467

**City of Tempe
Forecast Model
Performing Arts Fund**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Projected	Projected	Projected	Projected	Projected
<u>Revenues</u>						
Performing Arts Tax	6,820,193	6,295,038	6,295,038	6,499,700	6,906,100	7,332,700
Interest Income	644,771	254,756	182,539	148,688	120,737	97,139
Facility and Misc. Revenue	662,095	540,000	555,000	573,038	591,661	610,890
Total Revenues	8,127,059	7,089,794	7,032,577	7,221,425	7,618,498	8,040,729
<u>Expenditures</u>						
Salaries and Wages	1,259,754	1,263,268	1,665,378	1,585,400	1,585,400	1,664,700
Fringe Benefits						
FICA	94,922	94,757	119,115	121,300	121,300	127,300
Retirement-ASRS	88,454	104,669	118,658	157,000	164,900	181,500
Health Insurance	132,448	175,578	235,342	280,110	296,300	325,975
Mediflex Reimbursed Expense	3,594	6,274	5,983	6,000	6,000	6,000
<i>Total Fringe Benefits</i>	<i>319,418</i>	<i>381,278</i>	<i>479,098</i>	<i>564,410</i>	<i>588,500</i>	<i>640,775</i>
<i>Total Personal Services</i>	<i>1,579,172</i>	<i>1,644,546</i>	<i>2,144,476</i>	<i>2,149,810</i>	<i>2,173,900</i>	<i>2,305,475</i>
Materials, Supplies and Equipment	796,752	124,515	139,775	143,269	146,994	150,669
Fees and Services						
Water	11,528	10,000	12,000	13,600	15,400	17,400
Electricity	278,662	300,000	290,000	304,200	319,100	334,700
Other Fees and Services	463,425	290,600	218,452	223,900	229,700	235,400
<i>Total Fees and Services</i>	<i>753,615</i>	<i>600,600</i>	<i>520,452</i>	<i>541,700</i>	<i>564,200</i>	<i>587,500</i>
Travel and Other Expenditures	3,705	3,450	3,900	4,000	4,100	4,200
Capital Outlay	37,591	0	0	0	0	0
Debt Service	6,014,245	6,022,726	6,015,626	6,026,226	6,027,788	6,025,338
Internal Service/Adjustments	149,757	234,763	292,179	299,483	307,270	314,952
Total Expenditures	9,334,837	8,630,600	9,116,408	9,164,489	9,224,252	9,388,134
Net Operating Surplus/(Deficit)	(1,207,778)	(1,540,806)	(2,083,831)	(1,943,064)	(1,605,754)	(1,347,405)

Transportation Funds: Projected Revenues and Expenditures

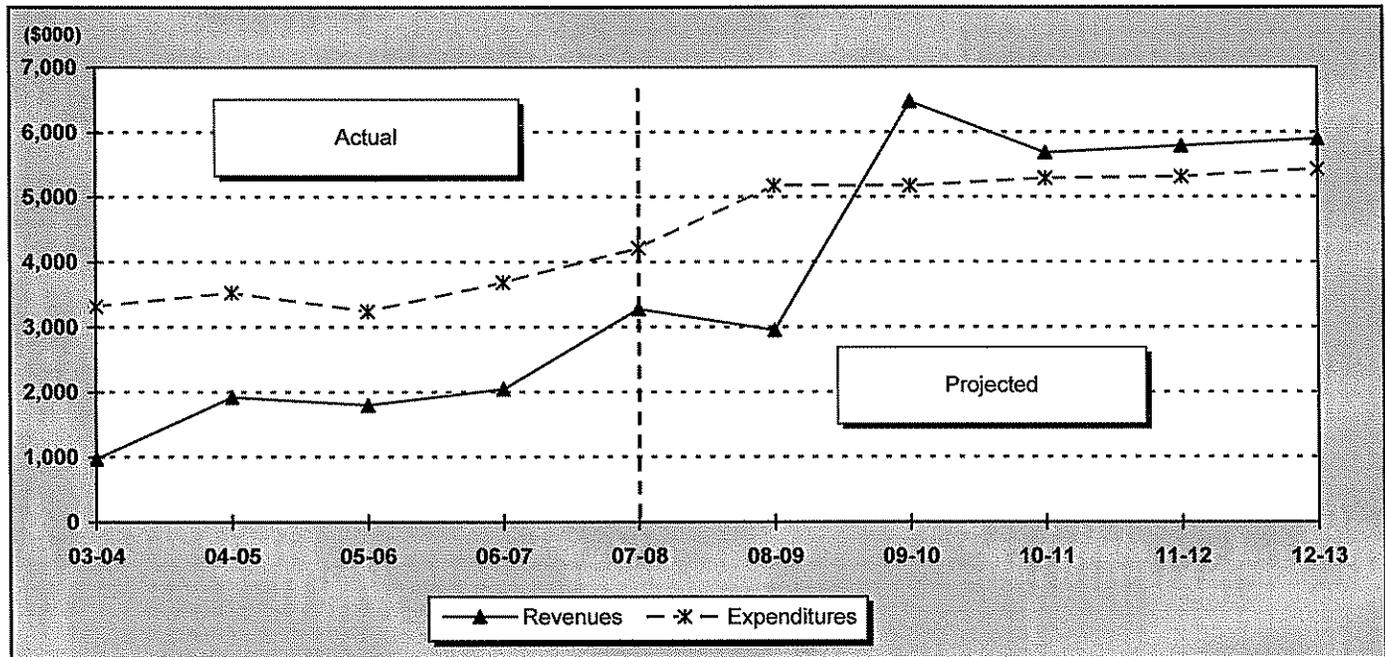


	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Highway User Revenue Tax	10,985	11,533	11,224	11,854	11,387	10,501	11,026	11,577	11,102	11,657
State Lottery Proceeds	846	821	799	771	762	708	705	648	618	588
Miscellaneous	0	43	68	10	1	1	180	185	189	194
Maintenance of Effort Transfer	0	0	870	1,035	955	1,035	1,035	1,035	1,035	1,035
Lottery Transfer to Transit	(282)	(274)	(266)	(257)	(254)	(234)	(251)	(214)	(204)	(194)
Total Revenues	11,549	12,123	12,694	13,413	12,851	12,011	12,695	13,231	12,741	13,280
Expenditures (\$000)										
Personal Services	3,470	3,700	4,107	4,112	4,821	5,031	5,430	5,555	5,609	5,904
Materials and Supplies	433	467	533	513	537	583	583	598	614	629
Fees and Services	1,460	1,682	1,736	1,897	1,901	2,283	2,434	2,495	2,560	2,624
Travel and Training	15	0	0	24	47	24	28	29	30	31
Capital Outlay	503	189	330	361	140	426	1,259	402	325	576
Debt Service	2,000	2,000	2,000	2,770	2,770	2,770	2,770	2,770	2,770	2,770
Loan Repayment	310	310	310	310	310	310	310	310	0	0
Internal Service Charges	883	853	1,036	1,226	1,212	1,178	1,267	1,299	1,333	1,366
Indirect Cost Allocations	682	746	619	1,025	813	663	927	950	974	999
Total Expenditures	9,756	9,946	10,670	12,237	12,551	13,268	15,009	14,408	14,214	14,898
Net Operating Surplus/(Deficit)	1,792	2,177	2,024	1,176	300	(1,257)	(2,314)	(1,177)	(1,473)	(1,618)
Ending Fund Balance						11,861	9,547	8,370	6,896	5,279

**City of Tempe
Forecast Model
Transportation Funds**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Projected	Projected	Projected	Projected	Projected
Revenues						
Intergovernmental Revenues						
Highway User Revenue Tax	11,387,320	10,500,529	11,025,556	11,576,833	11,102,056	11,657,159
State Lottery Proceeds	761,513	708,215	705,439	648,227	618,238	588,249
Miscellaneous	1,135	1,135	180,000	184,500	189,297	194,029
<i>Total Intergovernmental Revenues</i>	12,149,968	11,209,879	11,910,995	12,409,560	11,909,591	12,439,438
Maintenance of Effort Transfer	954,634	1,035,000	1,035,000	1,035,000	1,035,000	1,035,000
Lottery Transfer to Transit	(253,838)	(233,711)	(251,024)	(213,900)	(204,000)	(194,100)
Total Revenues	12,850,764	12,011,168	12,694,971	13,230,660	12,740,591	13,280,338
Expenditures						
Salaries and Wages	3,502,491	3,636,417	3,818,185	3,818,200	3,818,200	4,009,100
Fringe Benefits						
FICA	262,231	270,741	283,392	292,100	292,100	306,700
Retirement-ASRS	337,193	344,173	354,192	378,000	397,100	437,000
Health Insurance	689,266	740,599	946,874	1,039,466	1,073,909	1,123,976
Mediflex Reimbursed Expense	29,942	39,193	27,746	27,700	27,700	27,700
<i>Total Fringe Benefits</i>	1,318,632	1,394,706	1,612,204	1,737,266	1,790,809	1,895,377
<i>Total Personal Services</i>	4,821,123	5,031,123	5,430,389	5,555,466	5,609,009	5,904,477
Materials and Supplies						
Street Repair Materials	481,789	444,871	444,871	456,000	467,900	479,600
Other Materials and Supplies	55,606	138,272	138,441	141,900	145,600	149,200
<i>Total Materials and Supplies</i>	537,395	583,143	583,312	597,900	613,500	628,800
Fees and Services						
Electricity-Street Lights & Signals	1,417,941	1,544,400	1,647,204	1,688,400	1,732,300	1,775,600
Contracted Services	246,141	287,389	292,669	300,000	307,800	315,500
Other Fees and Services	236,894	451,296	494,296	506,700	519,900	532,900
<i>Total Fees and Services</i>	1,900,976	2,283,085	2,434,169	2,495,100	2,560,000	2,624,000
Travel and Training	46,539	24,300	28,300	29,000	29,800	30,500
Capital Outlay	139,906	425,904	1,259,000	401,600	324,500	575,500
Debt Service/Transfers	2,770,000	2,770,000	2,770,000	2,770,000	2,770,000	2,770,000
Loan Repayment	309,862	309,862	309,862	309,862	0	0
Internal Service Charges	1,212,268	1,178,017	1,267,279	1,299,000	1,332,800	1,366,100
Indirect Cost Allocations/Adjustments	812,600	662,781	926,537	949,700	974,400	998,800
Total Expenditures	12,550,669	13,268,215	15,008,848	14,407,628	14,214,009	14,898,177
Net Operating Surplus/(Deficit)	300,095	(1,257,047)	(2,313,877)	(1,176,968)	(1,473,417)	(1,617,839)

Rio Salado/Community Fac Dist (CFD) Funds: Projected Revenues and Expenditures

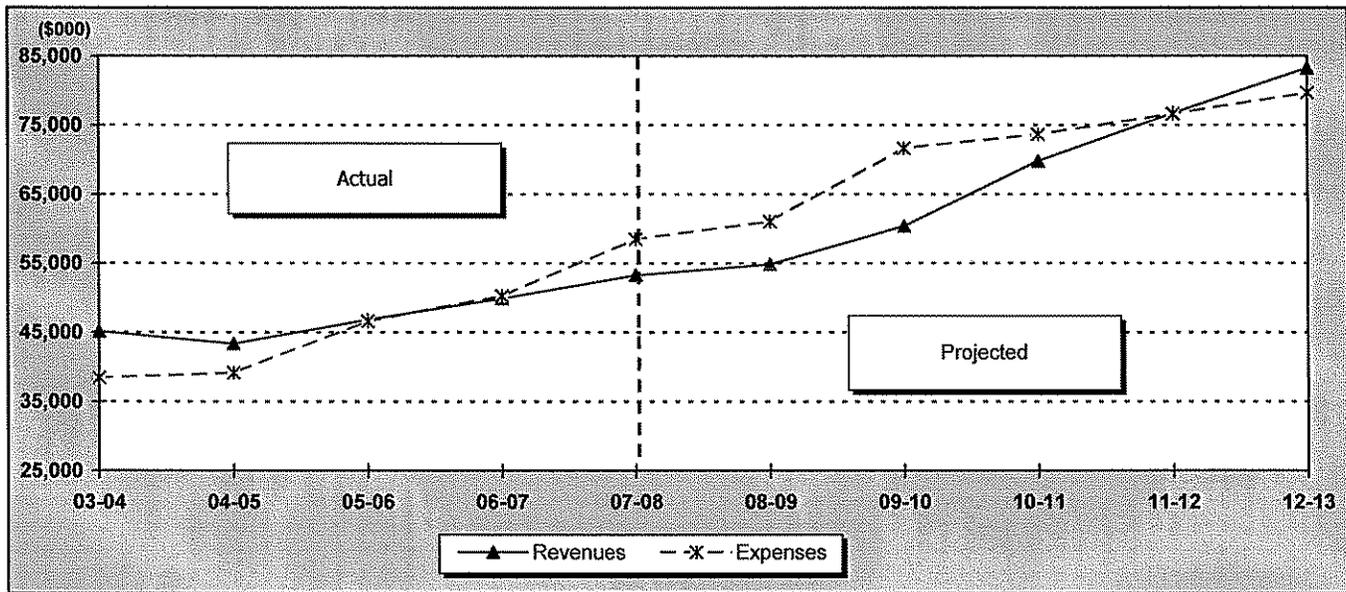


	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Sales Tax	341	309	580	797	1,397	1,200	1,250	1,285	1,359	1,443
Property Tax	62	68	66	74	122	165	175	182	190	198
Transient Lodging Tax	136	182	219	240	275	250	300	307	314	322
Interest Revenue	135	149	171	200	204	126	3,029	2,181	2,187	2,187
Sale of Real Estate	0	789	0	0	0	0	0	0	0	0
Other Revenue	74	111	128	160	169	166	164	164	164	164
CFD Revenue	226	315	639	579	1,112	1,044	1,557	1,568	1,579	1,590
Total Revenues	975	1,923	1,804	2,051	3,279	2,951	6,475	5,686	5,792	5,903
Expenditures (\$000)										
Personal Services	577	589	614	793	1,942	1,993	2,032	2,116	2,109	2,195
Materials and Supplies	15	17	27	17	83	138	149	153	157	161
Fees and Services	481	546	687	828	507	643	648	664	682	699
Travel and Training	3	5	2	5	3	4	5	5	5	5
Capital Outlay	10	96	0	0	0	0	0	0	0	0
Internal Service Charges	260	245	215	414	343	609	593	608	624	639
CFD Administrative Credit	(365)	(396)	(419)	(414)	(1,263)	(1,365)	(1,445)	(1,481)	(1,520)	(1,558)
CFD Operating and Maintenance	2,335	2,431	2,118	2,042	2,602	3,158	3,195	3,227	3,259	3,292
Total Expenditures	3,316	3,533	3,244	3,686	4,216	5,180	5,177	5,291	5,316	5,433
Net Operating Surplus/(Deficit)	(2,342)	(1,610)	(1,441)	(1,635)	(937)	(2,229)	1,298	394	476	470
Ending Fund Balance						651	1,949	2,344	2,820	3,290

**City of Tempe
Forecast Model
Rio Salado and Community Facilities
District Funds**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Projected	Projected	Projected	Projected	Projected
<u>Revenues</u>						
Local Taxes						
City Sales Tax	1,396,904	1,200,000	1,250,000	1,284,500	1,359,100	1,443,100
Property Tax	121,988	165,000	175,000	182,300	189,900	197,900
Transient Lodging Tax	274,518	250,000	300,000	306,800	314,300	322,000
<i>Total Local Taxes</i>	1,793,410	1,615,000	1,725,000	1,773,600	1,863,301	1,963,002
Community Facilities District (CFD)						
Revenue	1,112,168	1,043,970	1,556,629	1,567,500	1,578,500	1,589,500
Other Revenue Sources						
Interest	204,464	126,000	3,029,430	2,180,953	2,186,572	2,186,572
Miscellaneous	169,113	166,151	163,601	163,601	163,601	163,601
<i>Total Other Revenues</i>	373,577	292,151	3,193,031	2,344,554	2,350,173	2,350,173
Total Revenues	3,279,155	2,951,121	6,474,660	5,685,654	5,791,974	5,902,675
<u>Expenditures</u>						
Salaries and Wages	1,442,508	1,473,973	1,458,794	1,458,800	1,458,800	1,531,700
Fringe Benefits						
FICA	106,185	108,749	107,985	111,600	111,600	117,200
Retirement-ASRS	119,985	122,809	119,971	144,400	151,700	167,000
Retirement -PSRS	26,251	35,825	32,818	32,818	32,818	34,459
Health Insurance	236,876	238,518	300,175	356,046	342,198	332,532
Mediflex Reimbursed Expense	9,724	13,490	11,898	11,898	11,898	11,898
<i>Total Fringe Benefits</i>	499,022	519,391	572,847	656,762	650,214	663,089
<i>Total Personal Services</i>	1,941,530	1,993,364	2,031,641	2,115,562	2,109,014	2,194,789
Materials and Supplies	83,458	138,195	148,976	152,700	156,700	160,600
Fees and Services						
Contracted Services	69,896	98,306	93,704	96,000	98,500	101,000
Advertising	77,119	65,930	63,150	64,700	66,400	68,100
Outside Printing	15,072	1,700	2,320	2,400	2,500	2,600
Other Fees and Services	344,789	476,702	489,041	501,300	514,300	527,200
<i>Total Fees and Services</i>	506,876	642,638	648,215	664,400	681,700	698,900
Travel and Training	2,919	3,585	4,743	4,900	5,000	5,100
Capital Outlay	8,986	0	0	0	0	0
Internal Service Charges/Adjustments	342,850	609,313	593,047	607,900	623,700	639,300
CFD Administrative Credit	(1,262,845)	(1,365,300)	(1,445,082)	(1,481,200)	(1,519,700)	(1,557,700)
CFD Operating and Maintenance	2,601,661	3,157,912	3,195,009	3,227,000	3,259,300	3,291,900
Total Expenditures	4,225,434	5,179,707	5,176,549	5,291,262	5,315,714	5,432,889
Net Operating Surplus/Deficit	(946,279)	(2,228,586)	1,298,111	394,392	476,260	469,786

Water / Wastewater Fund: Projected Revenues and Expenses



	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Charges for Service-Water	26,183	24,446	26,367	26,714	28,146	29,747	31,672	35,379	39,470	43,953
Charges for Service-Wastewater	16,857	16,248	18,025	19,462	20,933	22,713	26,964	32,871	35,794	37,812
Interest Income	942	1,506	1,609	2,485	3,355	1,787	1,143	952	886	888
Land and Facility Rental	520	520	519	520	520	520	520	548	554	561
Loan Repayment	146	130	114	97	79	60	41	21	0	0
Other Miscellaneous Revenue	492	550	241	666	254	63	55	55	55	56
Total Revenues	45,140	43,400	46,875	49,943	53,287	54,890	60,395	69,825	76,759	83,270
Expenses (\$000)										
Personal Services	11,234	11,611	12,451	13,265	15,454	14,667	17,226	17,064	17,447	18,346
Materials and Supplies	1,650	2,872	2,811	3,565	3,870	3,459	3,489	3,309	3,395	3,480
Fees and Services	10,850	10,426	14,334	12,441	12,559	12,040	15,635	14,067	14,355	14,650
Travel and Training	109	109	124	215	173	105	137	140	144	147
Debt Service	11,341	10,355	13,200	16,747	22,413	26,425	30,851	34,757	36,853	38,528
Internal Service Charges	1,388	1,609	1,892	2,526	2,208	1,933	2,170	2,154	2,210	2,265
Indirect Cost Allocations	1,876	2,176	1,825	1,516	1,847	2,434	2,146	2,199	2,256	2,313
Total Expenses	38,449	39,157	46,636	50,275	58,524	61,064	71,654	73,690	76,661	79,729
Net Operating Surplus / (Deficit)	6,691	4,243	239	(331)	(5,237)	(6,174)	(11,259)	(3,864)	98	3,541
Ending Fund Balance						44,425	33,166	29,301	29,400	32,941
Financial Policy Reserve Requirement = 100% of Revenue										
Fund Balance % of Revenue						80.9%	54.9%	42.0%	38.3%	39.6%

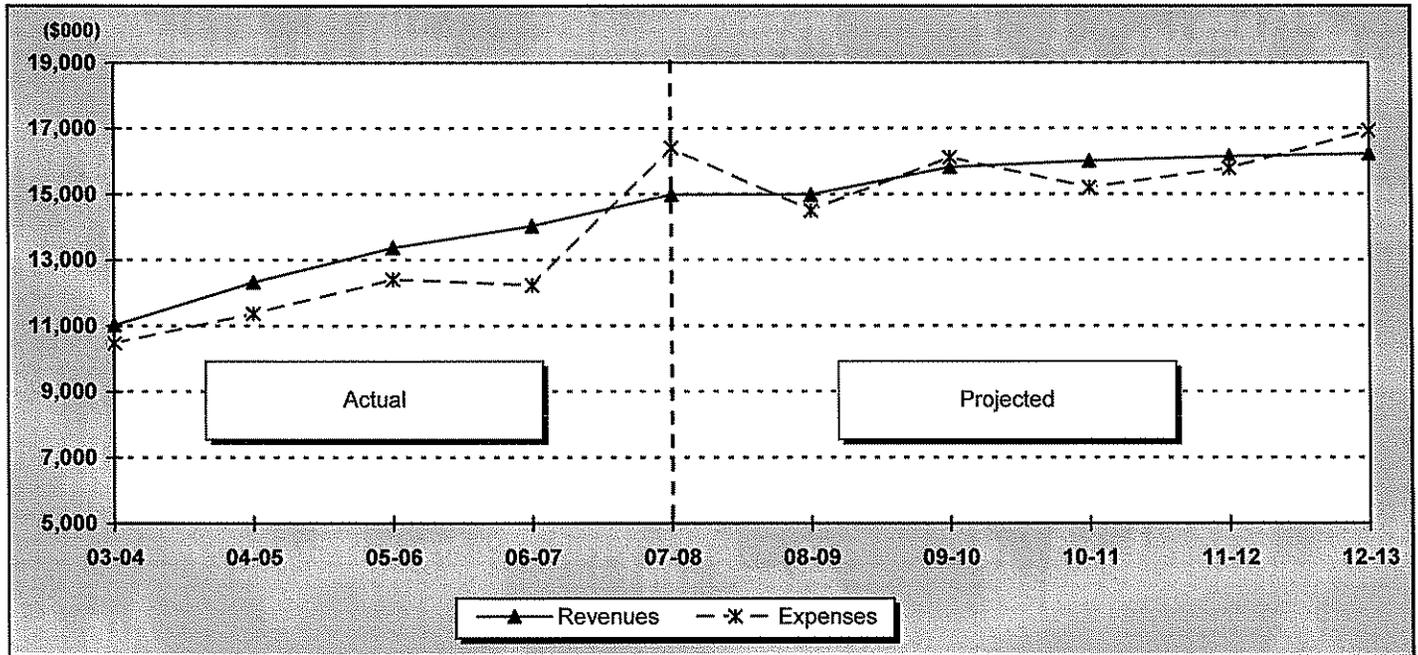
**City of Tempe
Forecast Model
Water / Wastewater Fund Revenues**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Projected	Projected	Projected	Projected	Projected
Charges for Service-Water						
Water Consumption	19,313,141	20,317,273	22,188,530	25,651,610	29,306,260	33,213,146
Water Service	7,953,541	8,608,112	8,724,817	8,965,278	9,398,667	9,972,451
Irrigation	311,518	330,000	332,212	332,212	332,212	332,212
Other Water Charges	567,341	491,500	426,500	429,500	432,500	435,500
<i>Total Charges for Service-Water</i>	28,145,541	29,746,885	31,672,059	35,378,600	39,469,639	43,953,309
Charges for Service-Wastewater						
Sewer Usage	13,168,845	17,230,685	21,236,822	24,210,667	26,640,885	28,124,321
Sewer Service	7,181,386	5,049,049	5,567,448	8,498,990	8,990,445	9,524,722
Other Wastewater Charges	582,957	433,000	160,000	161,100	162,200	163,300
<i>Total Charges for Service-Wastewater</i>	20,933,188	22,712,734	26,964,270	32,870,757	35,793,530	37,812,343
Interest Income	3,354,998	1,787,330	1,143,387	951,984	886,287	887,955
Land and Facility Rental	520,000	520,000	520,000	548,000	554,000	561,000
Loan Repayment	78,817	60,257	40,953	20,878	0	0
Other Miscellaneous Revenue	254,297	62,500	54,500	54,900	55,300	55,700
Total Water / Wastewater Revenues	53,286,840	54,889,706	60,395,169	69,825,119	76,758,756	83,270,307

**City of Tempe
Forecast Model
Water / Wastewater Fund Expenses**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Projected	Projected	Projected	Projected	Projected
Salaries and Wages	10,906,106	10,794,777	12,489,754	11,929,800	11,929,800	12,526,300
Fringe Benefits						
FICA	776,392	794,099	881,655	912,600	912,600	958,300
Retirement-ASRS	993,517	1,009,675	1,121,607	1,181,100	1,240,700	1,365,400
Health Insurance	2,706,104	1,997,085	2,648,358	2,954,518	3,277,771	3,409,485
Mediflex Reimbursed Expense	72,282	71,804	85,114	85,700	86,300	86,900
<i>Total Fringe Benefits</i>	<i>4,548,295</i>	<i>3,872,663</i>	<i>4,736,734</i>	<i>5,133,918</i>	<i>5,517,371</i>	<i>5,820,085</i>
<i>Total Personal Services</i>	<i>15,454,401</i>	<i>14,667,440</i>	<i>17,226,488</i>	<i>17,063,718</i>	<i>17,447,171</i>	<i>18,346,385</i>
Materials and Supplies						
Chemicals	1,214,243	1,811,350	1,618,350	1,658,800	1,701,900	1,744,400
Maintenance Supplies	1,003,051	843,734	761,830	780,900	801,200	821,200
Other Materials and Supplies	1,652,998	803,881	1,109,199	869,569	892,200	914,500
<i>Total Materials and Supplies</i>	<i>3,870,292</i>	<i>3,458,965</i>	<i>3,489,379</i>	<i>3,309,269</i>	<i>3,395,300</i>	<i>3,480,100</i>
Fees and Services						
91st Avenue Operating Expenses	4,724,385	4,250,000	7,250,000	5,750,000	5,750,000	5,750,000
Electricity	2,503,355	2,715,000	2,999,457	3,146,400	3,300,600	3,462,300
Salt River Project Water	640,271	713,587	724,500	742,600	761,900	780,900
Central Arizona Project Water	197,086	700,000	838,500	859,500	881,800	903,800
Water Quality Testing	465,883	453,000	303,390	311,000	319,100	327,100
Contracted Services	1,444,136	1,216,463	1,753,430	1,797,300	1,844,000	1,890,100
Other Fees and Services	2,583,854	1,991,954	1,765,708	1,459,900	1,497,900	1,535,300
<i>Total Fees and Services</i>	<i>12,558,970</i>	<i>12,040,004</i>	<i>15,634,985</i>	<i>14,066,700</i>	<i>14,355,300</i>	<i>14,649,500</i>
Travel and Training	172,827	105,440	136,660	140,100	143,700	147,300
Debt Service	22,412,690	26,425,498	30,851,208	34,756,627	36,852,814	38,527,691
Internal Service/Adjustments	2,207,966	1,932,748	2,169,905	2,153,988	2,210,000	2,265,300
Indirect Cost Allocations	1,846,912	2,433,900	2,145,570	2,199,200	2,256,400	2,312,800
Total Water / Wastewater Expenses	58,524,058	61,063,995	71,654,195	73,689,602	76,660,685	79,729,076
Total Water / Wastewater Revenues	53,286,840	54,889,706	60,395,169	69,825,119	76,758,756	83,270,307
Net Operating Surplus / (Deficit)	(5,237,219)	(6,174,289)	(11,259,026)	(3,864,483)	98,071	3,541,231

Solid Waste Fund: Projected Revenues and Expenses



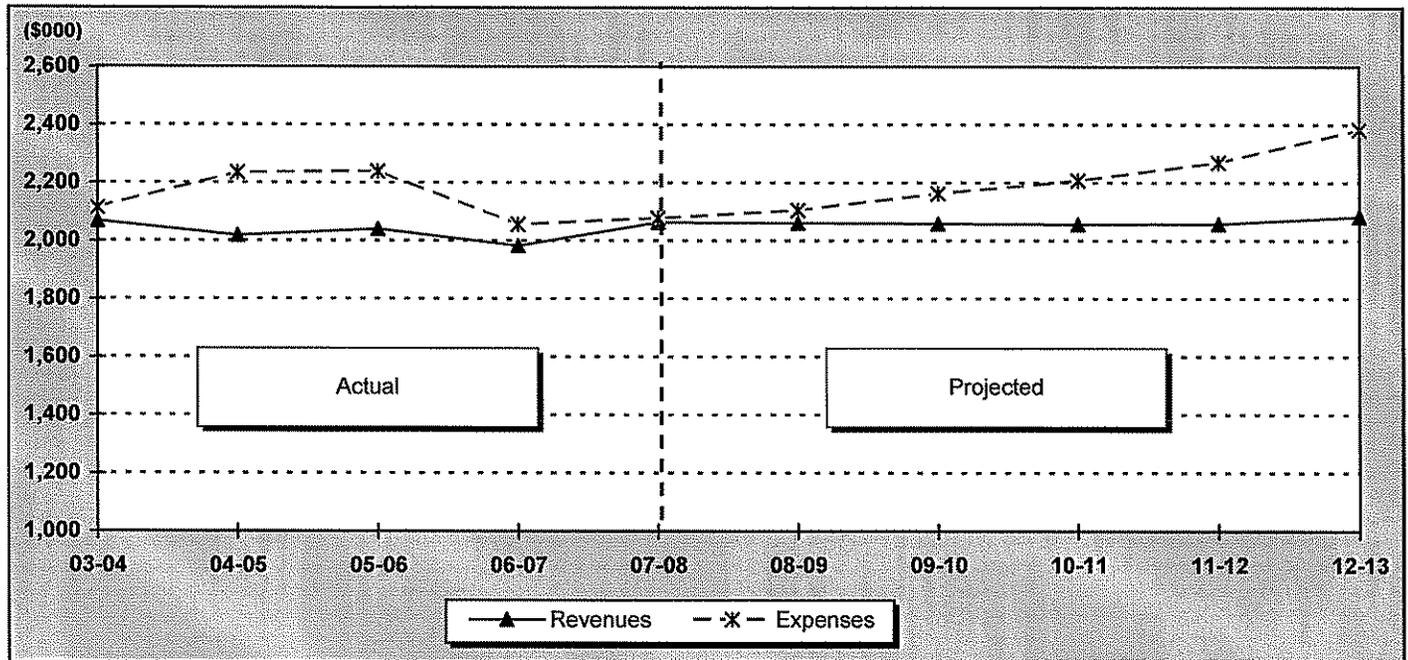
	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Charges for Services	10,870	11,839	12,749	13,626	14,456	14,775	15,651	15,848	15,943	16,038
Sludge Disposal	145	119	151	62	86	0	0	0	0	0
Interest Income	9	39	83	175	218	126	77	77	109	96
Other Revenue Sources	0	328	399	172	232	88	100	100	100	100
Total Revenues	11,024	12,325	13,382	14,035	14,993	14,990	15,829	16,025	16,152	16,234
Expenses (\$000)										
Personal Services	3,899	3,914	4,302	4,611	5,056	5,167	5,730	5,691	5,846	6,144
Materials and Supplies	227	268	146	206	519	204	203	208	213	219
Fees and Services	3,266	3,258	3,414	3,548	3,633	4,133	4,243	4,368	4,498	4,632
Capital Outlay	460	931	1,559	725	3,431	1,169	2,269	1,178	1,377	1,982
Internal Service/Adjustments	1,699	2,383	2,370	2,505	2,942	3,045	2,902	2,963	3,040	3,116
Indirect Cost Allocations	918	618	617	646	832	790	782	802	823	843
Total Expenses	10,469	11,372	12,408	12,240	16,412	14,508	16,128	15,210	15,797	16,935
Net Operating Surplus/(Deficit)	555	952	974	1,795	(1,419)	482	(300)	815	355	(701)
Ending Fund Balance						4,244	3,766	4,404	4,550	3,654
Financial Policy Reserve Requirement = 10% of Revenue										
% of Reserve						29%	24%	28%	29%	23%

Solid Waste rate increases effective November 1, 2009: 1) Residential 5.0%; 2) Commercial 3.0%

**City of Tempe
Forecast Model
Solid Waste Fund**

	FY 07/08 Actual	FY 08/09 Projected	FY 09/10 Projected	FY 10/11 Projected	FY 11/12 Projected	FY 12/13 Projected
Revenues						
Charges for Services						
Residential Service	7,561,657	7,699,066	8,342,352	8,519,291	8,561,887	8,604,697
Commercial Service	4,969,666	5,047,030	5,350,437	5,443,414	5,484,239	5,525,371
Roll-Off Service	1,508,683	1,654,261	1,628,320	1,554,878	1,566,540	1,578,289
Recycling	415,804	375,000	330,000	330,000	330,000	330,000
<i>Total Charges for Service</i>	14,455,810	14,775,357	15,651,109	15,847,583	15,942,666	16,038,357
Sludge Disposal	86,480	0	0	0	0	0
Interest Income	218,449	126,348	77,479	77,479	108,875	96,039
Other Revenue Sources	231,900	88,400	100,000	100,000	100,000	100,000
Total Revenues	14,992,639	14,990,105	15,828,588	16,025,062	16,151,541	16,234,396
Expenses						
Salaries and Wages	3,631,796	3,681,385	3,956,727	3,796,700	3,796,700	3,986,500
Fringe Benefits						
FICA	261,480	262,593	272,513	290,400	290,400	305,000
Retirement-ASRS	341,133	338,919	350,698	375,900	394,900	434,500
Health Insurance	797,036	842,384	1,116,164	1,193,918	1,330,052	1,383,652
Mediflex Reimbursed Expense	24,296	42,185	34,077	34,100	34,100	34,100
<i>Total Fringe Benefits</i>	1,423,944	1,486,081	1,773,452	1,894,318	2,049,452	2,157,252
<i>Total Personal Services</i>	5,055,741	5,167,466	5,730,179	5,691,018	5,846,152	6,143,752
Materials and Supplies	518,623	204,232	202,932	208,000	213,400	218,700
Fees and Services						
Landfill Usage Charges	3,398,511	3,804,900	3,974,209	4,093,400	4,216,200	4,342,700
Other Fees and Services	234,361	327,837	268,337	275,000	282,200	289,300
<i>Total Fees and Services</i>	3,632,872	4,132,737	4,242,546	4,368,400	4,498,400	4,632,000
Capital Outlay	3,430,526	1,168,634	2,268,926	1,178,000	1,376,500	1,982,000
Internal Service Charges/Adjustments	2,941,965	3,045,236	2,901,541	2,962,519	3,039,500	3,115,500
Indirect Cost Allocations	832,364	789,722	782,291	801,800	822,600	843,200
Total Expenses	16,412,091	14,508,027	16,128,416	15,209,738	15,796,553	16,935,153
Net Operating Surplus/(Deficit)	(1,419,452)	482,078	(299,828)	815,324	354,988	(700,757)

Golf Fund: Projected Revenues and Expenses

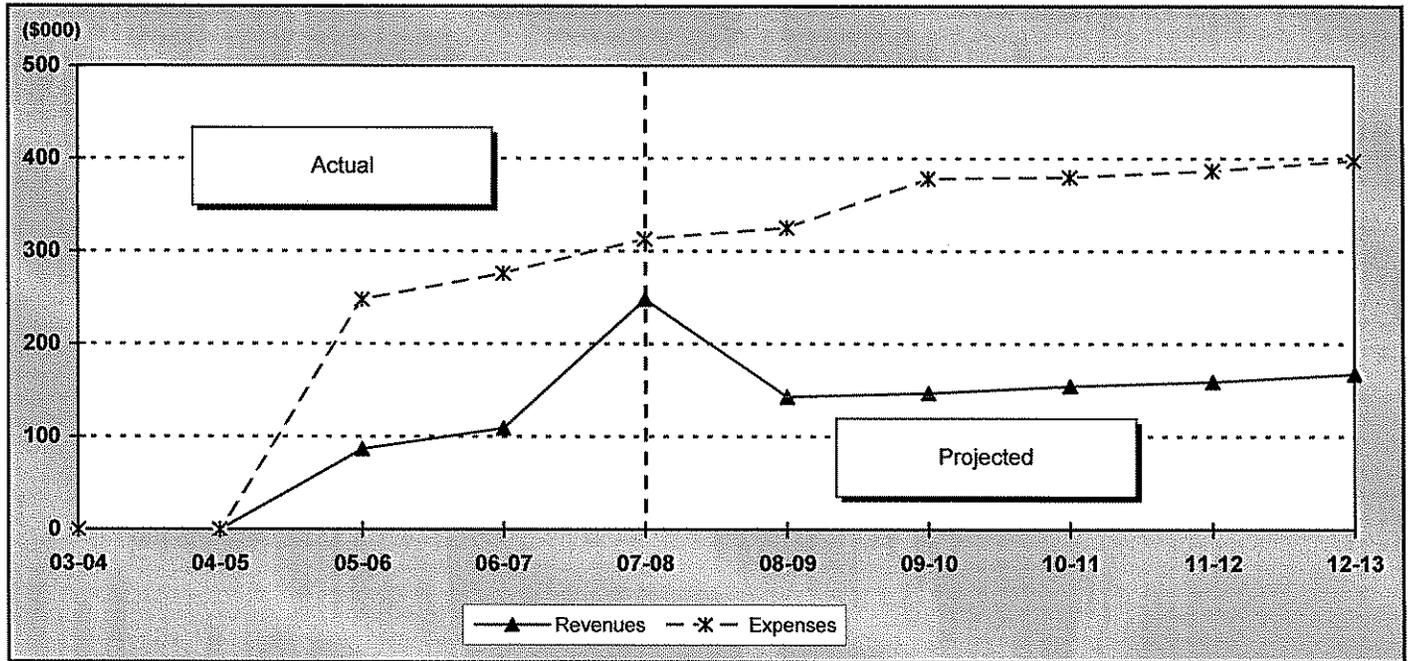


	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Greens Fees	1,801	1,746	1,750	1,689	1,653	1,742	1,742	1,742	1,742	1,742
Pro Shop/Restaurant	219	208	221	223	331	253	253	254	255	280
Interest Income	8	14	16	19	14	6	4	0	0	0
Other Revenue Sources	40	50	55	51	65	61	61	61	61	61
Total Revenues	2,068	2,019	2,041	1,983	2,064	2,062	2,060	2,058	2,059	2,084
Expenses (\$000)										
Personal Services	1,057	1,050	988	1,005	1,098	1,215	1,247	1,270	1,306	1,371
Materials and Supplies	271	286	256	249	250	218	223	229	235	241
Fees and Services	314	372	456	307	367	379	400	411	424	436
Capital Outlay	4	17	59	0	5	6	0	0	0	23
Debt Service	152	148	153	152	2	0	0	0	0	0
Internal Service Charges	109	153	141	148	187	150	167	169	174	178
Indirect Cost Allocations	206	210	188	195	170	139	126	129	132	135
Total Expenses	2,114	2,236	2,240	2,056	2,078	2,106	2,163	2,208	2,270	2,384
Net Operating Surplus/(Deficit)	(46)	(217)	(199)	(73)	(15)	(44)	(103)	(151)	(211)	(301)
Ending Fund Balance						118	15	(136)	(347)	(648)
Financial Policy Reserve Requirement = 15% of Revenue										
% of Reserve						6%	1%	-7%	-17%	-31%

**City of Tempe
Forecast Model
Golf Fund**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Projected	Projected	Projected	Projected	Projected
<u>Revenues</u>						
Greens Fees	1,653,346	1,742,472	1,742,472	1,742,472	1,742,472	1,742,472
Pro Shop and Restaurant Revenue	331,083	253,106	253,106	254,184	255,312	280,068
Interest Income	14,399	5,705	3,577	0	0	0
Other Revenue Sources	64,936	61,000	61,000	61,000	61,000	61,000
Total Revenues	2,063,764	2,062,283	2,060,155	2,057,656	2,058,784	2,083,540
<u>Expenses</u>						
Salaries and Wages	761,873	887,353	824,349	824,300	824,300	865,500
Fringe Benefits						
FICA	53,666	53,529	59,566	63,100	63,100	66,200
Retirement-ASRS	70,006	68,678	73,871	81,600	85,700	94,300
Health Insurance	203,794	195,637	281,428	293,444	324,866	337,266
Mediflex Reimbursed Expense	8,184	9,615	7,750	7,800	7,800	7,800
<i>Total Fringe Benefits</i>	<i>335,651</i>	<i>327,459</i>	<i>422,615</i>	<i>445,944</i>	<i>481,466</i>	<i>505,567</i>
<i>Total Personal Services</i>	<i>1,097,524</i>	<i>1,214,812</i>	<i>1,246,964</i>	<i>1,270,244</i>	<i>1,305,766</i>	<i>1,371,067</i>
Materials and Supplies	249,886	217,500	223,400	229,000	235,000	240,900
Fees and Services						
Water	211,478	217,542	234,953	240,800	247,100	253,300
Electricity	53,630	61,654	64,675	67,800	71,100	74,600
Other Fees and Services	101,933	100,171	100,171	102,700	105,400	108,000
<i>Total Fees and Services</i>	<i>367,041</i>	<i>379,367</i>	<i>399,799</i>	<i>411,300</i>	<i>423,600</i>	<i>435,900</i>
Capital Outlay	4,636	5,900	0	0	0	23,000
Debt Service	2,014	0	0	0	0	0
Internal Service/Adjustments	186,989	149,910	167,361	169,095	173,500	177,800
Indirect Cost Allocations	170,252	138,524	125,636	128,800	132,100	135,400
Total Expenses	2,078,341	2,106,013	2,163,160	2,208,439	2,269,966	2,384,067
Net Operating Surplus/(Deficit)	(14,577)	(43,730)	(103,005)	(150,783)	(211,182)	(300,527)

Cemetery Fund: Projected Revenues and Expenses

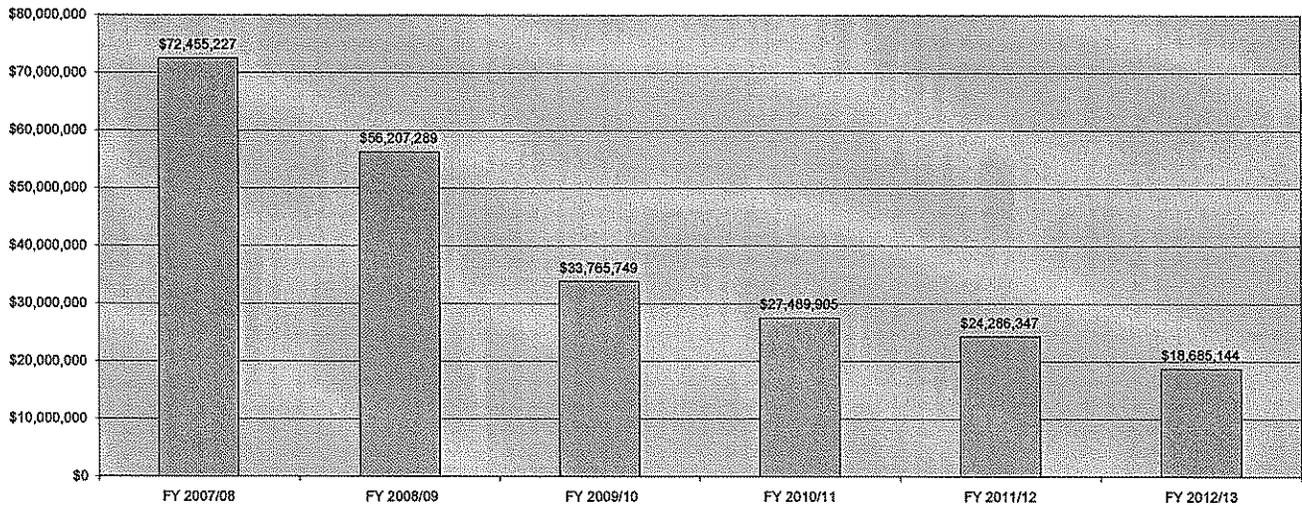


	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
Revenues (\$000)										
Lot Sales & Burial	0	0	10	12	225	135	139	145	149	155
Lot Care	0	0	9	6	7	8	8	10	10	12
Interest Income	0	0	68	91	16	0	0	0	0	0
Total Revenues	0	0	87	109	248	143	147	155	159	167
Expenses (\$000)										
Personal Services	0	0	23	66	106	104	152	156	160	168
Materials and Supplies	0	0	1	1	13	22	22	23	23	24
Fees and Services	0	0	0	1	7	7	7	7	7	8
Capital Outlay	0	0	0	19	0	0	0	0	0	0
Debt Service	0	0	202	180	177	179	181	178	180	181
Internal Service Charges	0	0	4	1	0	4	5	5	5	5
Indirect Cost Allocations	0	0	17	8	10	9	10	11	11	11
Total Expenses	0	0	248	276	313	325	378	380	387	398
Net Operating Surplus/(Deficit)	0	0	(161)	(167)	(65)	(182)	(231)	(225)	(227)	(231)
Ending Fund Balance						(675)	(906)	(1,132)	(1,359)	(1,590)

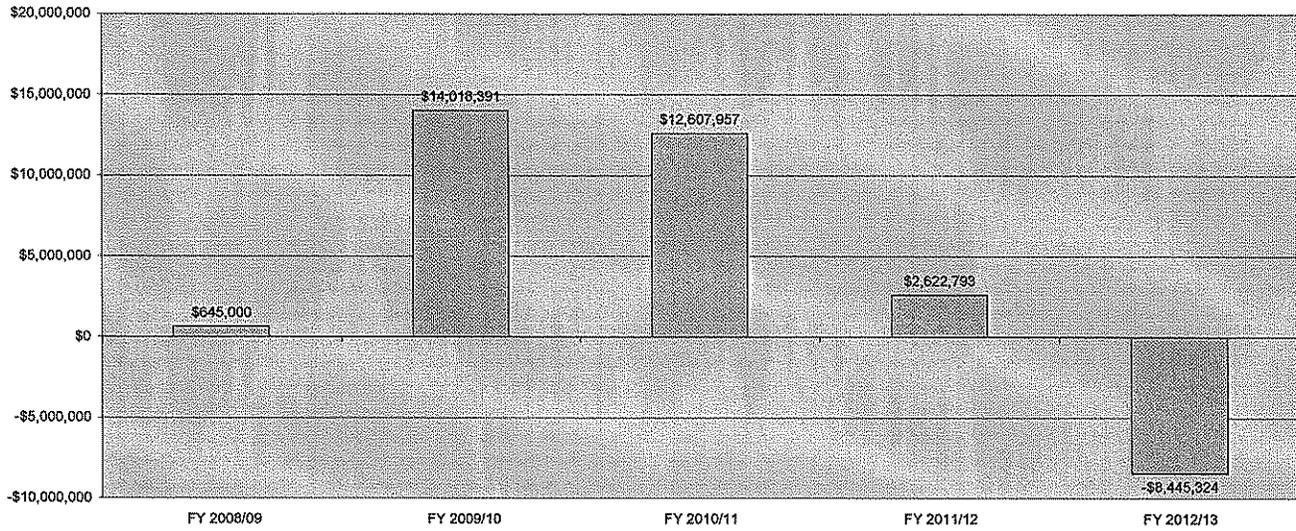
**City of Tempe
Forecast Model
Cemetery Fund**

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	Actual	Projected	Projected	Projected	Projected	Projected
<u>Revenues</u>						
Lot Sales & Burial	224,565	134,860	139,186	144,754	149,431	155,409
Lot Care	7,395	8,000	8,000	10,000	10,000	12,000
Interest Income	16,260	0	0	0	0	0
Total Revenues	248,220	142,860	147,186	154,754	159,431	167,409
<u>Expenses</u>						
Salaries and Wages	78,970	76,766	109,338	109,300	109,300	114,800
Fringe Benefits						
FICA	5,926	5,745	8,196	8,400	8,400	8,800
Retirement-ASRS	7,501	7,254	10,278	10,800	11,400	12,500
Health Insurance	13,660	13,442	23,753	26,989	30,184	31,684
Mediflex Reimbursed Expense	437	853	653	700	700	700
<i>Total Fringe Benefits</i>	<i>27,524</i>	<i>27,294</i>	<i>42,880</i>	<i>46,889</i>	<i>50,684</i>	<i>53,685</i>
<i>Total Personal Services</i>	<i>106,495</i>	<i>104,060</i>	<i>152,218</i>	<i>156,189</i>	<i>159,984</i>	<i>168,485</i>
Materials and Supplies	12,534	22,250	22,250	22,800	23,400	24,000
Fees and Services	7,421	6,500	7,020	7,200	7,400	7,600
Debt Service	176,938	179,138	181,163	178,013	179,863	181,300
Contingency	0	0	0	0	0	0
Internal Service/Adjustments	242	4,354	5,151	5,071	5,200	5,300
Indirect Cost Allocations	9,784	8,849	10,437	10,700	11,000	11,300
Total Expenses	313,414	325,151	378,239	379,973	386,847	397,985
Net Operating Surplus/(Deficit)	(65,194)	(182,291)	(231,052)	(225,219)	(227,416)	(230,576)

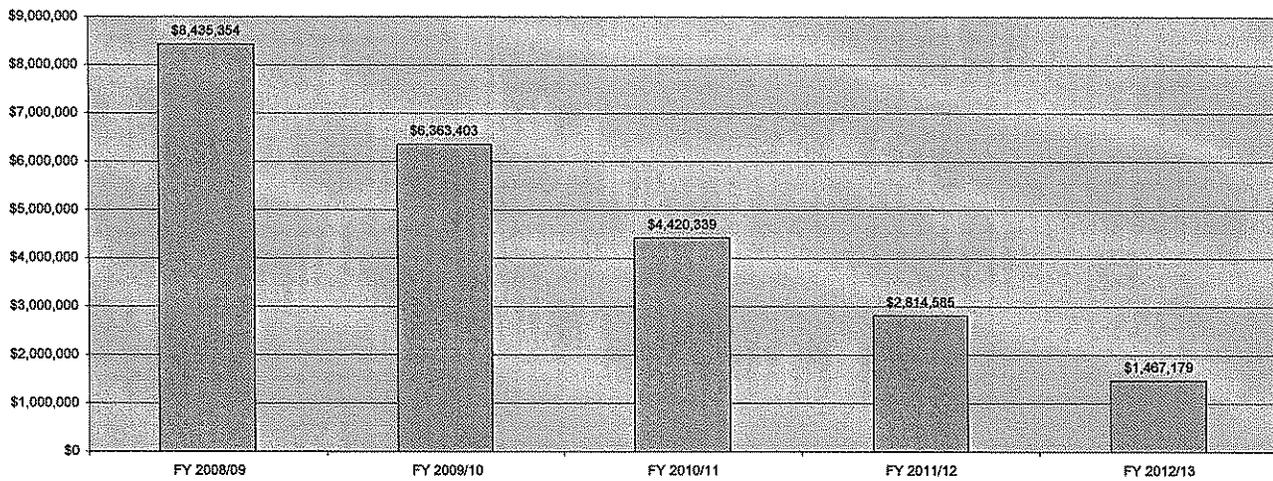
General Fund Ending Balance



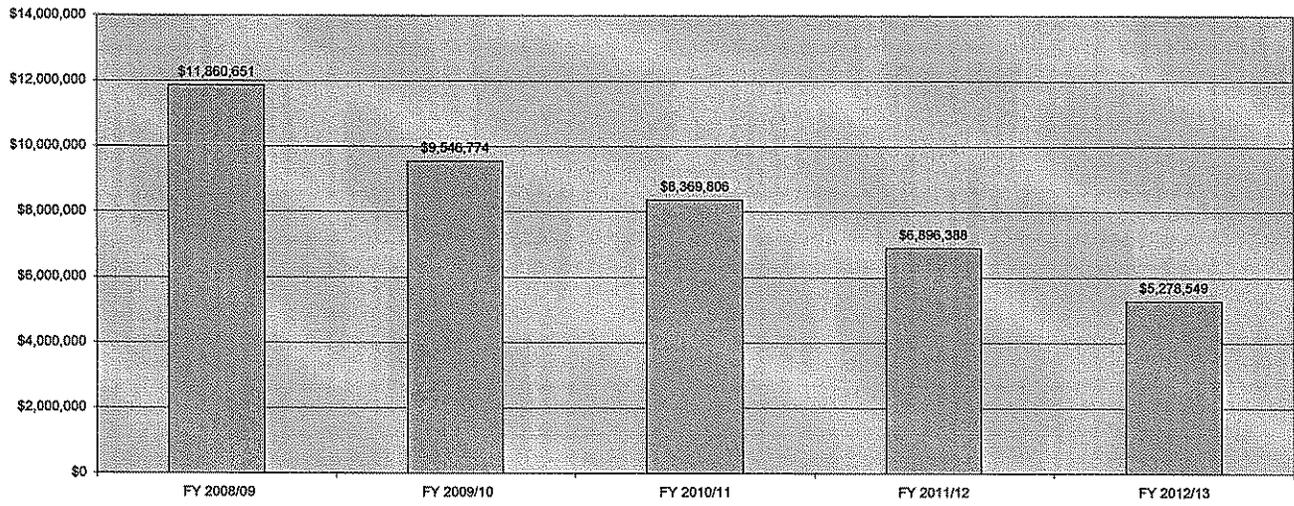
Transit Fund Ending Balance



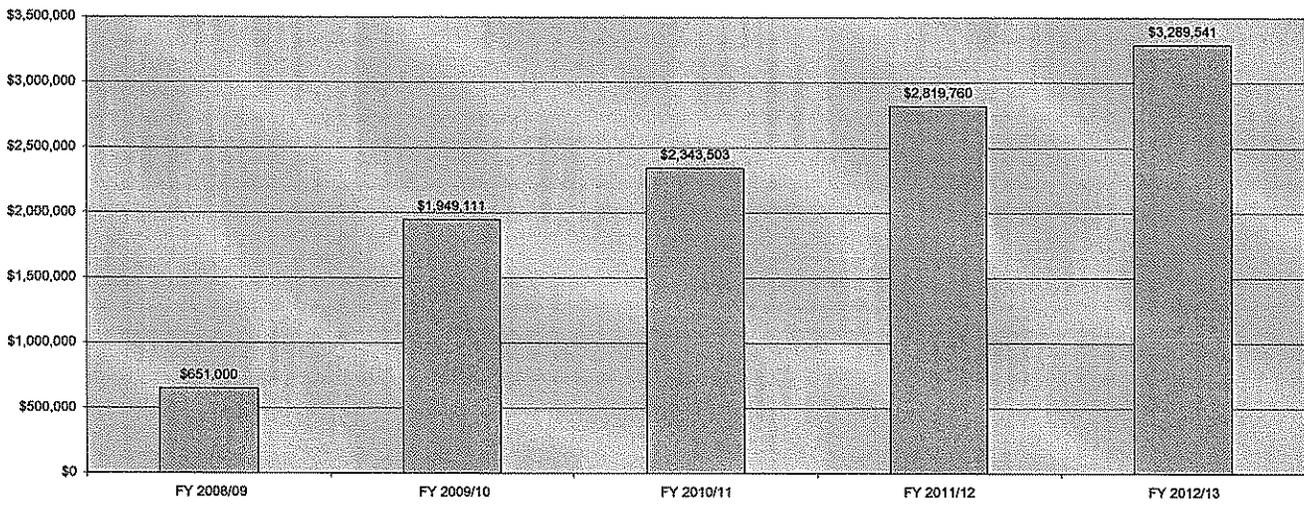
Performing Arts Fund Ending Balance



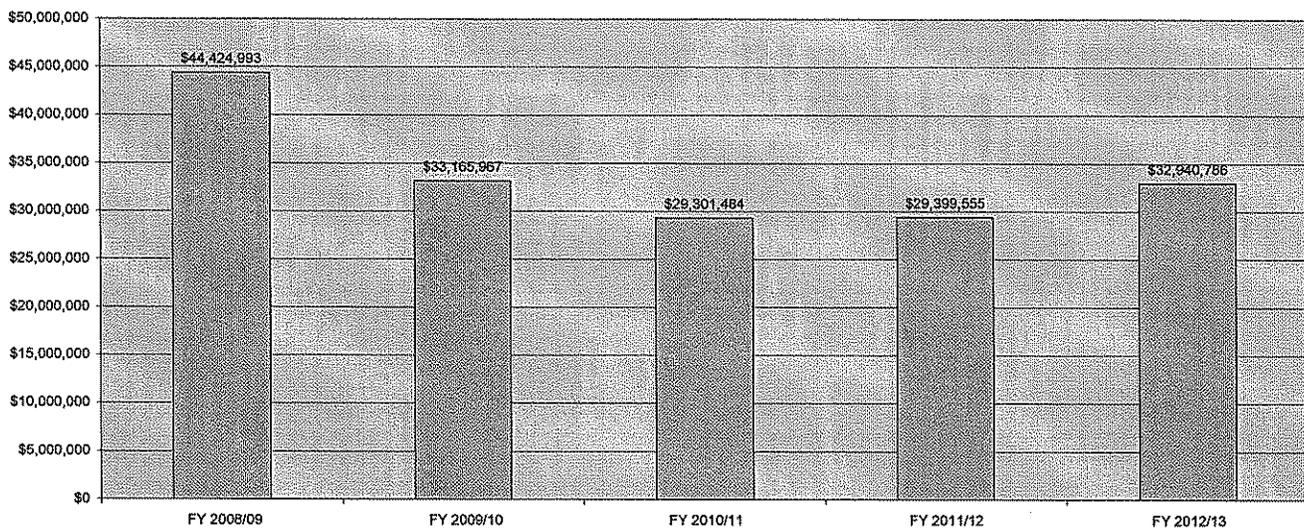
Transportation Funds Ending Balance



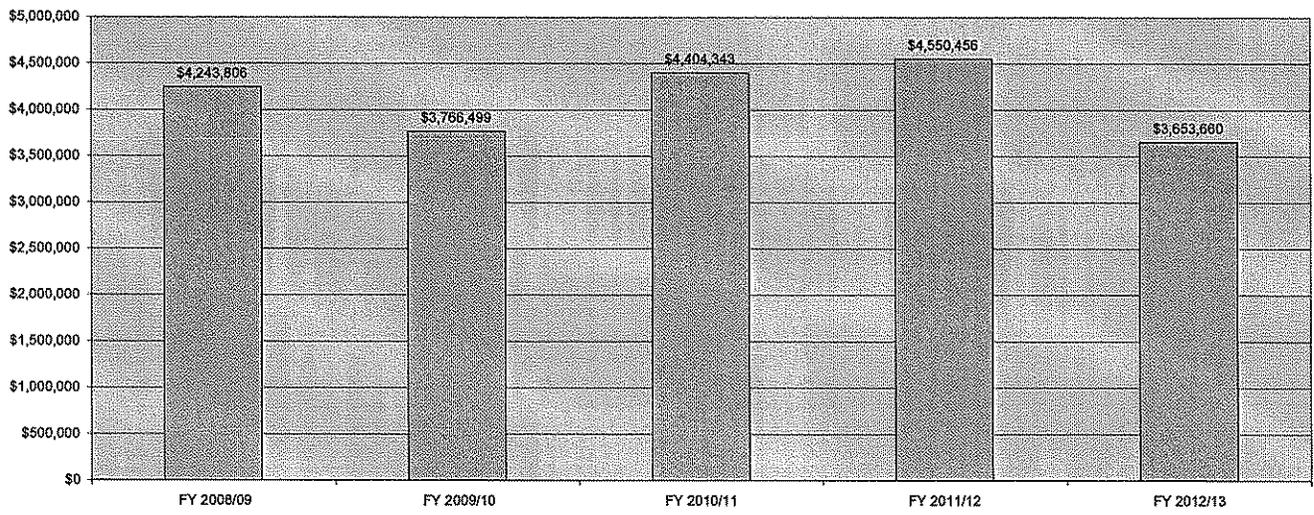
Rio Salado/CFD Funds Ending Balance



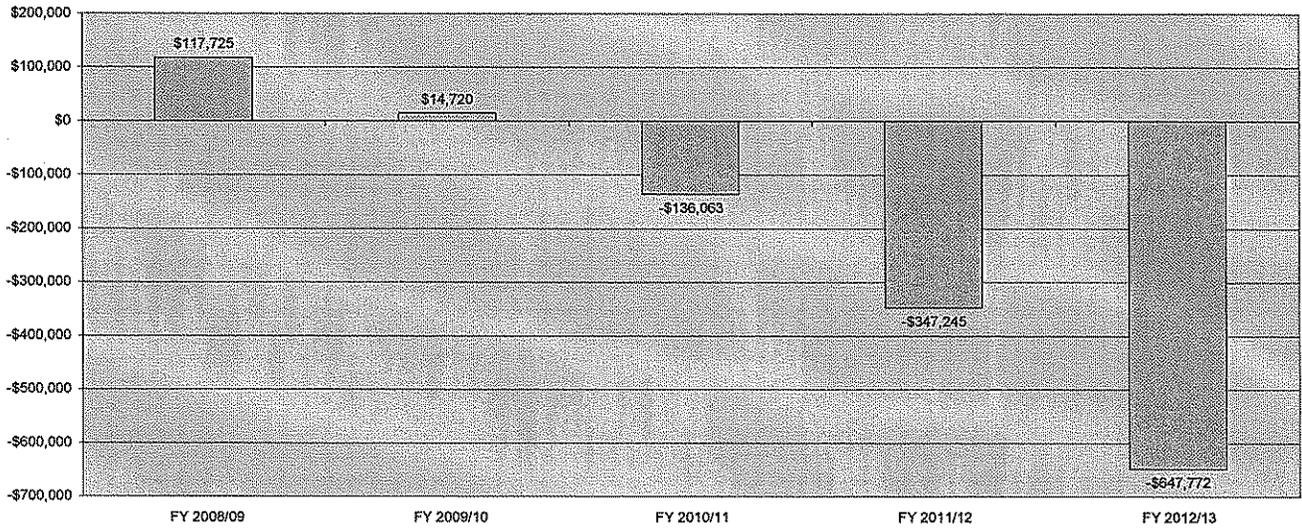
Water/Wastewater Fund Ending Balance



Solid Waste Fund Ending Balance



Golf Fund Ending Balance



Cemetery Fund Ending Balance

