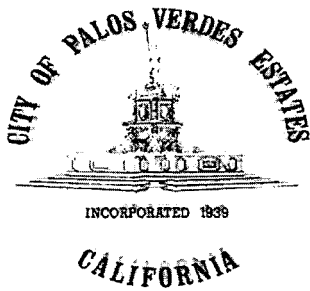


**CITY OF PALOS VERDES ESTATES  
FISCAL HEALTH REPORT  
FY 2002-2012**



**January 22, 2013  
Judy Smith, City Manager**



January 22, 2013

Mayor and Members of City Council:

The Fiscal Health Report, with results of operations for fiscal year 2011-12, is presented in conjunction with the City's Comprehensive Annual Financial Report (CAFR). The report provides a graphic representation of the City's fiscal condition as a complement to the financial audit. It assists with viewing the financial performance over time as a means to ensure future fiscal health.

The Fiscal Health Report is a monitoring system that computes a number of financial factors and compares the results over time. Monitoring systems can give early warnings of trends before they become major problems. The report is based on systems developed by the ICMA and GFOA, using selected factors for our City. The Finance Department has prepared this report since 1995.

### **How the System Works**

The financial factors are calculated and trends established and graphed from 2002 through the fiscal year ended June 30, 2012 however, data is maintained from 1989 to the present. Unless otherwise noted, the data presented is for the general fund only. Expenditures for public safety (police and fire) are adjusted for inflation and represent constant dollar comparisons. Since the personnel costs related to these services are so large and influenced by inflation, adjustment to constant dollar comparison provides a clearer picture of the cost over time.

Factors and their trends are generally judged as favorable (green), stable (yellow) or unfavorable (red) and color-coded for easy reference. Due to the unprecedented fiscal conditions represented by the several previous years, staff had applied a tan color as a "watch" designation to what otherwise might be characterized as "stable". The "watch" designation indicated the rating could tip to either a favorable or unfavorable position, but that a clear trend was not discernible. Like the City Council and its approach to budgeting during this time period, the staff was especially cautious about the City's financial assumptions and took a very conservative approach to factor ratings. While we have not seen dramatic recovery in the residential real estate market, which is a key component of the City's fiscal health, based on the stability reflected in the other factors, staff has eliminated the "watch" rating with this year's report.

## **Findings**

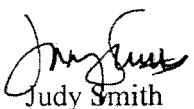
The findings in the report can be divided into two sections with Factors 1 through 6 representing fiscal conditions and Factors 7 through 9 reflecting management performance. As highlighted in past reports, the City is in a period of stagnant revenues, slow increases in property values, the possible threat of negative state impacts and increasing pressure on the general fund caused by a variety of factors, including a drop in some special revenues, especially gas tax, and policy decisions that shift costs to the general fund. Performance of significance is highlighted for several factors below.

“Growth in Assessed Values” (AV) is rated as favorable after four years of a downward trend culminating in a negative “growth” in 2011. FY 2012 AV increased 2.37% and while one year does not make a trend, the favorable rating is appropriate for the year-to-year performance. It is likely AV changes will reflect a stable trend over the next several years and which was characterized in last year’s report as the “new normal” with increases between 2% and 4% due to CPI increase and additional moderate increase from resale values. Because the City operates with a comfortable margin between revenues and expenditures (see Factor 4B), the lack of property tax growth has been coupled with a very conservative approach to budgeting and expenditures, which has helped maintain this operating margin. Factors other than assessed values (#2 – 7) are all rated as “stable”. Although over the past several years, due to the extreme economic uncertainty we had several factors under “watch” rating, this classification is eliminated with the 2012 financial results.

Personnel costs are closely monitored, as they represent a significant portion of the City’s budget. For the first time in two years, agreements with employee associations resulted in modest salary increases of 2.5% for 2012. The prior two years, 2010 and 2011, involved flat cash stipends that did not attach to salary. The 2012 agreements did establish a slower growth in the City’s maximum contribution toward the medical insurance for the next three year period. Both personnel costs as a percentage of total general fund expenditures and benefits as a percentage of personnel costs are rated as stable. Recently enacted pension reform legislation introduces an element of uncertainty related to personnel costs since it may take several years for effects of revised benefit formulas and employee/employer cost-sharing provisions to be realized.

The management factors (# 8 & 9) related to budgeting and operating position are rated as favorable. The City has a proven track record of realistic budgeting. Factor #7, “General Fund Balance”, reflects a “stable” rating due to the Council policy of maintaining the general fund balance at 50% of the next year’s total operating budget. The fund balance performance for 2012 (61%) is due to the fact that the FY 2011-12 budget did not provide for a use of funds (transfer) in excess of the 50% balance, which in the past has been directed to capital project financing. For the past several years, the Council has decided to wait for the presentation of the annual audit report, before considering policy options on the use of these funds.

I hope the Council finds the information in the report useful and that it provides some insight as to specific factors that reflect the City’s overall fiscal health. I look forward to discussing this report with you.

  
Judy Smith  
City Manager

## FISCAL HEALTH REPORT

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Appendix - Factor Calculations

**FACTOR SUMMARY SHEET**

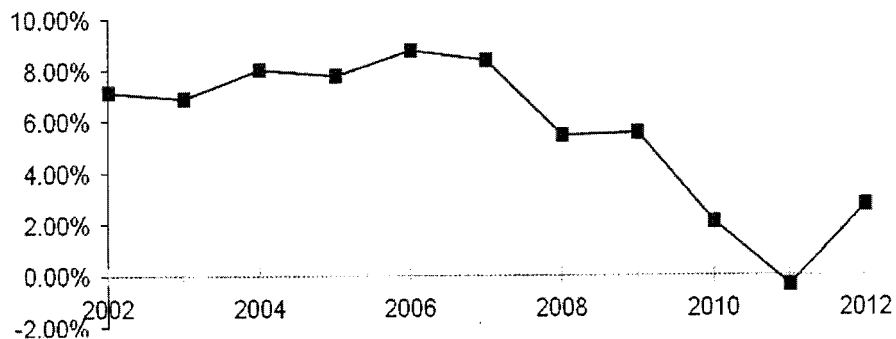
| Factor No. | Factor  | 2009 | 2010 | 2011 | 2012 |
|------------|---|------|------|------|------|
| 1          | Assessed Values   | ●    | ●    | ●    | ●    |
| 2          | Property Tax as<br>% of General Fund<br>Revenue                 |      |      |      |      |
| 3          | General Fund Revenue<br>Per Capita                              |      |      |      |      |
| 4          | General Fund Expenditures<br>Per Capita                         |      |      |      |      |
| 5          | Personnel Costs as % of<br>General Fund Expenditures            |      |      |      |      |
| 6          | Benefit Costs as % of<br>Personnel Costs                        |      |      |      |      |
| 7          | General Fund Balance as<br>% of Total Operating<br>Expenditures |      |      |      |      |
| 8          | Operating Position  | ●    | ●    | ●    | ●    |
| 9          | Revenue Shortfall/<br>Budget Overruns                           | ●    | ●    | ●    | ●    |

## FACTOR 1 - GROWTH IN ASSESSED VALUES

**DESCRIPTION** – Assessed values (AV) are a key component of fiscal health since property taxes represent 54% of 2012 total general fund revenue. After four years of decline, 2012 assessed values increased 2.37%, aided by the maximum 2% CPI adjustment permitted under Proposition 13. During 2011, AV was negative when increase in values from property resale activity was insufficient to offset a negative CPI adjustment that was applied to all properties. While we know one year does not constitute a “trend”, the 2012 rating must be viewed in context. It does represent a significant improvement compared to 2011 and exceeds the growth in 2010; however, it is likely we will not see improvement in home values until at least FY 2014-15 and years of recurring AV increases in excess of 6% are unlikely in the near term. General fund revenues continue to exceed expenditures by a comfortable margin. The City is in no danger of an immediate general fund operating deficit, and can endure several years of even modest growth (+2%) in assessed values.

**FORMULA** - 
$$\frac{\text{Current Year Assessed Value Minus Last Year's Value}}{\text{Last Year's Property Value}}$$

### WARNING SIGN - DECREASING GROWTH OF ASSESSED VALUES



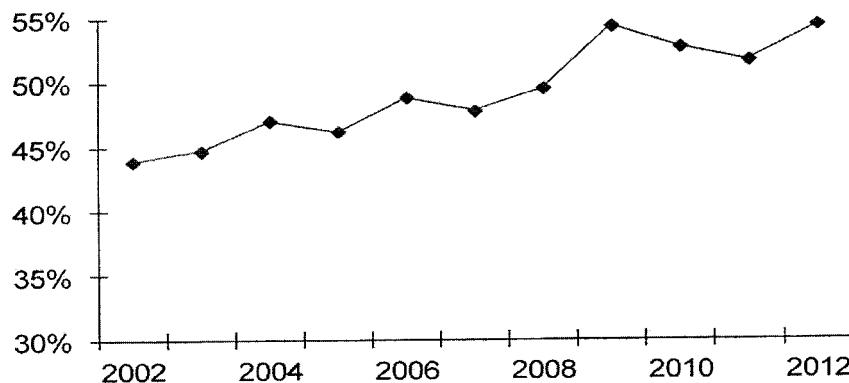
**TREND**   
Favorable

**FACTOR 2 - PROPERTY TAX COLLECTIONS AS PERCENT OF GENERAL FUND REVENUE**

**DESCRIPTION** – This factor focuses attention on property taxes, which are a key revenue source for this city. An increasing or decreasing percentage of property tax compared to total revenue could indicate a problem. An increasing percentage may indicate a lack of revenue diversification and an over-reliance on property tax, while a decreasing percentage may indicate lack of assessed value growth and/or an increasing delinquency rate. For FY 2012, property tax revenue (all sources) equaled 54% of general fund revenue compared to 52% in 2011. In the absence of an economic recovery, which would result in higher development revenue, sales taxes and other sources influenced by discretionary income (e.g. concession fees), the City by its residential nature will continue to show a heavy reliance on property taxes.

**FORMULA -** 
$$\frac{\text{Property Tax Revenue}}{\text{General Fund Operating Revenue}}$$

**WARNING SIGN - SIGNIFICANTLY INCREASING OR DECREASING PERCENTAGE OF PROPERTY TAX REVENUE AS A PERCENTAGE OF GENERAL FUND OPERATING REVENUE**



**TREND** \_\_\_\_\_  
Stable

**FACTOR 3 - GENERAL FUND REVENUE PER CAPITA**

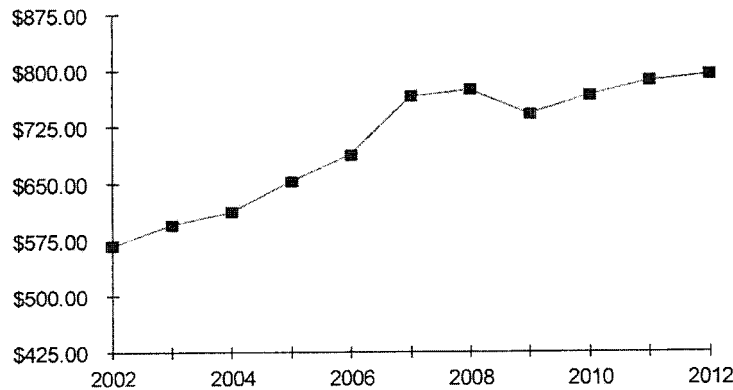
**DESCRIPTION** – This factor is designed to show whether revenues are keeping pace with growth in the community in order to gauge if there are resources to meet demands for service. While population growth is not a concern for Palos Verdes Estates, the per capita analysis does provide a useful approach to analyzing revenues and expenditures, once we account for the effects of population adjustments based on census results. As an example, the City’s 2011 population “dropped” to 13,480 from 14,085 (-4.3%) in 2010, which assisted (boosted) the per capita revenue performance.

Per capita revenue for 2012 totaled \$795 compared to \$788 in 2011. General fund revenues increased 1% in 2012 compared to the prior year. We expect the revenue trend line to continue to remain flat for at least the next two years, given minimal growth in assessed values and the absence other factors pointing to strong economic performance.

Factor 4B (page 10) provides the graphic representation of both revenue and expenditures per capita, and it is important to view these factors in relation to each other.

**FORMULA -** 
$$\frac{\text{General Fund Operating Revenue}}{\text{Population}}$$

**WARNING SIGN - DECREASING OPERATING REVENUE PER CAPITA**



**TREND** \_\_\_\_\_  
Stable



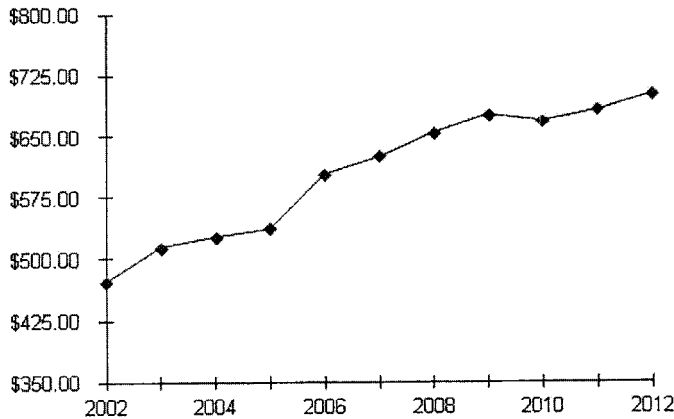
**FACTOR 4 - GENERAL FUND EXPENDITURES PER CAPITA**

**DESCRIPTION** - This factor is designed to show the cost-per-person of providing general fund City services. Increasing expenditures per capita can be troublesome if revenues per capita are stable or declining, which reflects our current situation. Per capita expenditures, excluding the safety side fund liability payment, totaled \$701 in 2012 compared to \$682 in 2011. Total general fund expenditures increased \$277,461 (3%) compared to FY 2011. Increases related to Police personnel costs (+\$414,540) were offset by savings in other areas, including general administration (-\$158,160) as a result of personnel consolidations. This factor is currently rated as stable.

As mentioned in previous reports, and displayed in Factor 4B (page 10), general fund revenues continue to perform in a manner which allows a comfortable margin above expenditures.

**FORMULA** - 
$$\frac{\text{Total Operating Expenditures}}{\text{Population}}$$

**WARNING SIGN - SIGNIFICANTLY INCREASING OPERATING EXPENDITURES PER CAPITA, ESPECIALLY WHEN COMBINED WITH A STABLE OR UNFAVORABLE TREND IN FACTOR 2 - REVENUES PER CAPITA.**



**TREND** \_\_\_\_\_  
Stable

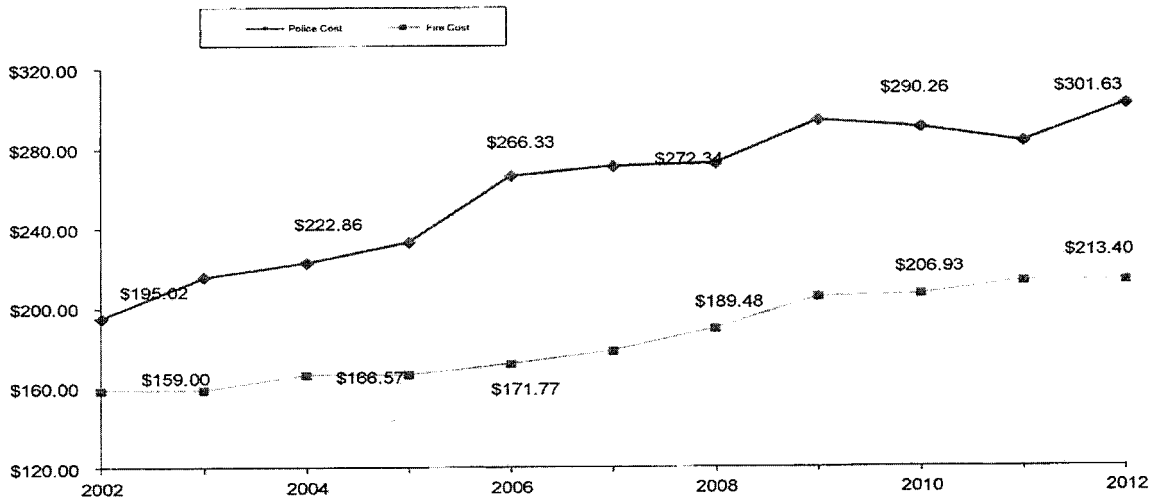
**FACTOR 4.A. - PUBLIC SAFETY EXPENDITURES PER CAPITA**

**DESCRIPTION** – Public Safety, police and fire costs, represented 69% of total operating expenditures in 2012. Personnel costs represent the vast majority of the costs for these departments – 86% in the Police Department and 78% within fire. The annual increase in the fire contract cost is capped at a maximum 4.2%. The Police Department costs are determined in large part by terms of the labor agreements, as well as employer PERS costs. In addition, since the analysis for the Police Department includes general fund costs only, the extent expenses are shifted to the general fund from restricted funds, as occurred beginning in 2006, affects the trending / per capita costs as well.

The cost per capita gap between police and fire hit a low of \$32 in 2000, which was one of our lowest PERS safety rates. In 2012, the per capita cost differential between police and fire was \$88, compared to \$70 in 2011. General fund costs for Police operations in 2012 increased a total of \$404,250 compared to 2011, all of which is attributable to salary and benefit costs. We realized full staffing within the Police department for a time during 2012. Due to the very small department, any vacancy, even temporary, can have a notable impact on the per capita cost.

**FORMULA -** 
$$\frac{\text{Public Safety Expenditures}}{\text{Population}}$$

**WARNING SIGN - SIGNIFICANTLY INCREASING PER CAPITA EXPENDITURES**



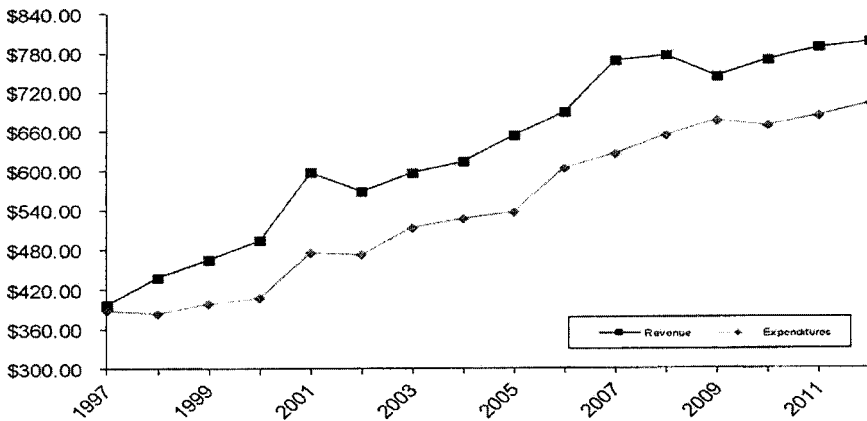
**TREND** \_\_\_\_\_  
Stable

**FACTOR 4.B. - REVENUES AND EXPENDITURES PER CAPITA**

**DESCRIPTION** - This item shows Factors 3 and 4, Revenues and Expenditures per Capita, in tandem. Data from 1997 forward is shown to provide a longer historical perspective. Results in 2005, 2006 and 2009 reflect state property tax diversions that occurred in those years. FY 2007 represented the peak of fiscal performance with the widest margin of revenue in excess of expenditures (\$141), which coincides with the peak in median home values. The results for 2012 show general fund revenues per capita in excess of expenditures of \$93. The City continues to experience a healthy general fund surplus. The challenge continues to be relatively stagnant revenues coupled with increasing expenditure pressure on the general fund.

Per capita revenues have exceeded expenditures by the following margins:

|      |          |      |          |      |          |
|------|----------|------|----------|------|----------|
| 1997 | \$ 7.86  | 2003 | \$ 82.99 | 2008 | \$121.79 |
| 1998 | \$ 53.62 | 2004 | \$ 87.01 | 2009 | \$ 66.69 |
| 1999 | \$ 65.85 | 2005 | \$116.79 | 2010 | \$ 99.38 |
| 2000 | \$ 86.36 | 2006 | \$ 84.61 | 2011 | \$105.80 |
| 2001 | \$121.65 | 2007 | \$141.35 | 2012 | \$ 93.15 |
| 2002 | \$ 95.60 |      |          |      |          |



**TREND** \_\_\_\_\_  
Stable

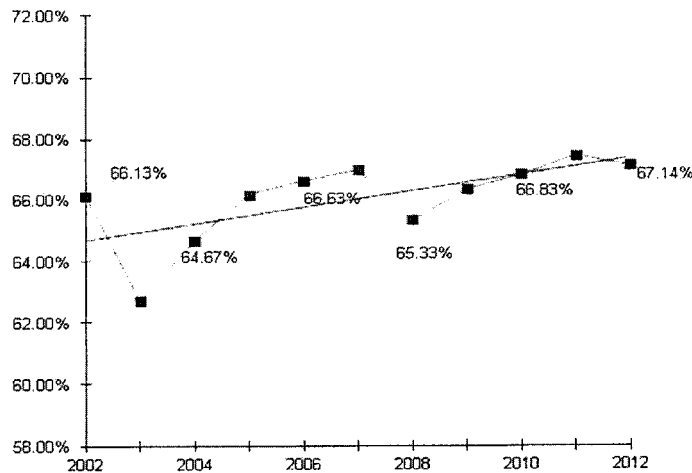
**FACTOR 5 - PERSONNEL COSTS AS PERCENT OF TOTAL GENERAL FUND EXPENDITURES**

**DESCRIPTION** - This factor is designed to show the percentage of general fund expenditures devoted to personnel costs. There is no ideal percentage or municipal standard for this factor and services provided by City personnel as opposed to contract affects the percentage. Building and planning contract service costs related to development activity, are deleted from total general fund costs in order to give a more consistent picture.

From 2005 – 2010, personnel costs remained relatively constant as a percentage of total general fund expenditures (66%). The trend line is slightly positive slope. In FY 2010 and 2011, the City provided a fixed stipend in-lieu of across the board salary increases. Although there was no wage increases during 2011, personnel costs represented a higher percentage of total general fund costs because expenditures were \$200,000 less in 2011 than in 2010. The results for FY 2012 were tempered by the reduction of 1.5 positions within administration, including the promotion of the incumbent to the City Manager’s position and elimination of the Assistant City Manager’s position. This consolidation helped offset the impacts of a 2.5% wage increase during 2012 granted to employees.

**FORMULA** - 
$$\frac{\text{Total Personnel Costs}}{\text{Total General Fund Expenditures-Cost for Development Services}}$$

**WARNING SIGN - SIGNIFICANTLY INCREASING PERSONNEL COSTS COMPARED TO TOTAL EXPENDITURES ABSENT NEW EMPLOYEES OR BENEFITS**



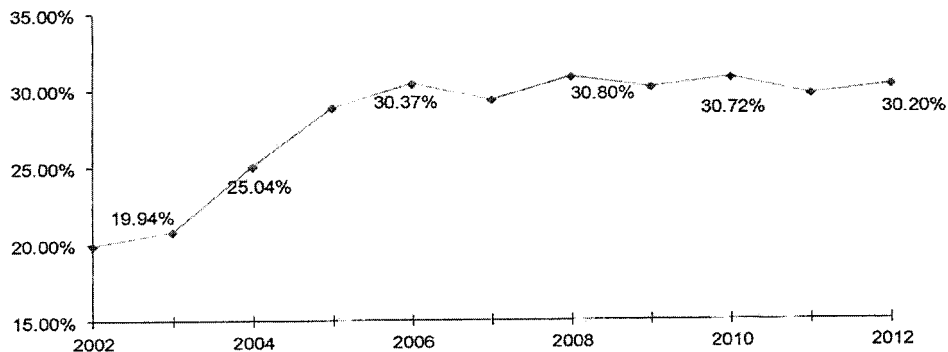
**TREND** Stable

## FACTOR 6 - BENEFIT COSTS AS PERCENT OF TOTAL PERSONNEL COSTS

**DESCRIPTION** - This factor is designed to demonstrate the impact of fringe benefit costs on a City's finances. Fringe benefits are sometimes viewed as low cost items compared to salaries, which may not always be the case. This factor was rate unfavorable from 2004-2006, when we experienced rapidly escalating retirement rates before PERS implemented rate smoothing and "pooled" plans for cities of less than 100 lives. From 2007-2011, a "watch" rating was applied to this factor, due to potential increased PERS costs related to the fund's investment performance. Medical insurance costs during this period moderated and the City's contribution is capped through agreements with the employee associations. Pension reforms will likely result in further stability of the City's benefits costs over time; however, this may take several years to be realized and there may be a short term increase in overall personnel costs to achieve savings in pension costs. This factor is now rated "stable" as the cost of benefits as percentage of total personnel costs has fluctuated within one-half (½) of 1% since 2006.

**FORMULA** - 
$$\frac{\text{Benefit Cost}}{\text{Total Personnel Costs}}$$

### WARNING SIGN - INCREASING FRINGE BENEFIT COSTS COMPARED TO TOTAL SALARY AND WAGE COSTS



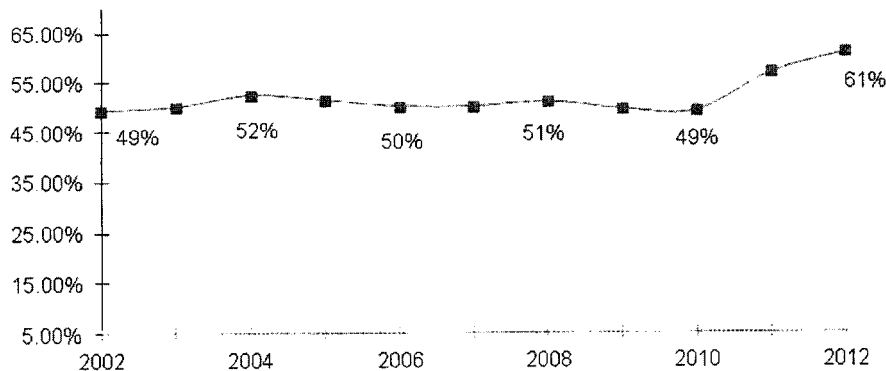
**TREND** Stable

**FACTOR 7 – GENERAL FUND BALANCE AS A PERCENT TO TOTAL OPERATING EXPENDITURES**

**DESCRIPTION** - This factor is designed to show the undesignated portion of the general fund balance as a percentage of the next year's (FY 12-13) total operating expenditures, including the cost of fire service, which is financed outside the general fund. This provides a means to gauge a City's ability to respond to unforeseen emergencies, representing available funds expressed as a percentage of total expenditures. In 2011, the City implemented provisions of GASB 54 and adopted a formal fund balance policy. The Council approved a "committed" general fund balance of \$7.2 million to address economic uncertainties. In prior years, funds in excess of the targeted balance (50% of operating budget) were transferred to the capital fund, except during 2009 and 2010 when excess funds were used to reduce the PERS safety plan side fund liability. The PERS liability was eliminated during FY 11-12 and results of operations for 2012 reflect an excess general fund balance. Staff is preparing options for the City Council related to the excess balance, which will be presented at a January policy meeting. Once a use or uses (transfers) is determined, the 2012 fund balance will again reflect a stable trend.

**FORMULA** - 
$$\frac{\text{General Fund Undesignated Balance}}{\text{Total Operating Expenditures}}$$

**WARNING SIGN - DECREASING UNDESIGNATED GENERAL FUND BALANCE AS A PERCENT OF TOTAL OPERATING EXPENDITURES**



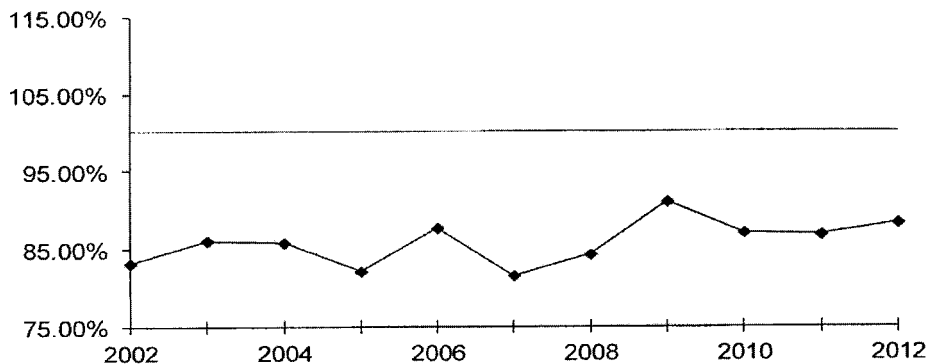
**TREND**                       
Stable

**FACTOR 8 - OPERATING POSITION**

**DESCRIPTION** - This factor is designed to demonstrate whether a municipality is operating at “break even” or is relying on its fund balance to finance current operations. In this calculation, a number more than 100% means the City was operating at a deficit; 100% means the City broke even; less than 100% means the City had an operating surplus and earned more than was spent. *The City has realized a general fund surplus each year since 1994 and continues to realize a comfortable general fund surplus.* The 2012 results below exclude the final payment to eliminate the PERS safety liability (\$758,809) since this was paid from designated fund balance and not current year operating revenue. Dedicated special financing for fire contract costs are a critical component of the City’s fiscal picture and as stated in past reports, property tax revenues alone do not cover the cost of operations for the Police Department.

**FORMULA** - 
$$\frac{\text{General Fund Operating Expenditures}}{\text{General Fund Operating Revenues}}$$

**WARNING SIGN - INCREASING AMOUNTS OF GENERAL FUND OPERATING DEFICITS AS A PERCENTAGE OF TOTAL OPERATING REVENUE**



**TREND**



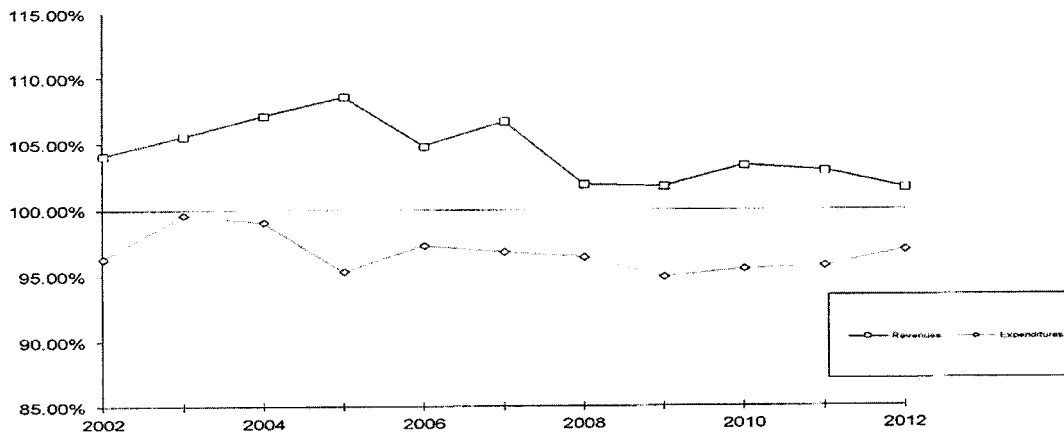
## FACTOR 9 - REVENUE SHORTFALL AND EXPENDITURE OVERRUN

**DESCRIPTION** - This factor is helpful in determining fiscal condition and the performance of municipal officials in controlling budgets. While estimating revenues and expenditures is not an exact science, some municipalities routinely over-estimate revenues to make budgets balance. Likewise, there could also be a continuing pattern of expenditures exceeding budget. Combined with revenue shortfalls, this can lead to a serious problem in a very short time. A calculation of 100% means an exact budget to actual match.

Our historic conservative budgeting has achieved consistent performance of revenues slightly in excess of budget and expenditures slightly below, resulting in general fund operating surplus (see Factor 8). While our goal would be to have our revenue and expenditure budgets track as closely to 100% as possible, the scenario reflected below is an acceptable alternative.

**FORMULA** - 
$$\frac{\text{Year-end Actual Revenues and Expenditures}}{\text{Budgeted Revenues and Expenditures}}$$

**WARNING SIGN - INCREASING AND/OR CONSECUTIVE REVENUE SHORTFALLS OR BUDGET OVERRUNS**



**TREND**





**FISCAL HEALTH REPORT FACTOR CALCULATIONS**

**APPENDIX**

|           |                  | 2002       |             | 2004       |            | 2006       |            | 2008       |            | 2010       |            | 2012       |
|-----------|------------------|------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Factor 1  | ASSESSED VALUE   | 3121932723 | 3336502029  | 3603607956 | 3910426647 | 4224376707 | 4578558396 | 4828404612 | 5095981371 | 5202703875 | 5183491000 | 5324234000 |
|           | CHANGE           | 7.13%      | 6.87%       | 8.01%      | 8.51%      | 8.03%      | 8.38%      | 5.46%      | 5.54%      | 2.09%      | -0.37%     | 2.72%      |
|           | POPULATION       | 13757      | 13928       | 14086      | 14208      | 14041      | 14085      | 14046      | 14046      | 14085      | 13480      | 13516      |
| Factor 2  | PROPERTY TAX %   | 43.92%     | 44.74%      | 47.04%     | 46.19%     | 48.80%     | 47.78%     | 49.52%     | 54.30%     | 52.68%     | 51.64%     | 54.38%     |
|           | GENERAL FD REV   |            |             |            |            |            |            |            |            |            |            |            |
|           | CURRENT PROP     | 3082388    | 3347066     | 3628027    | 3949536    | 4370726    | 4549980    | 4810980    | 5081257    | 5243610    | 5304265    | 5494212    |
|           | TAX COLLECTION   |            |             |            |            |            |            |            |            |            |            |            |
|           | % OF CURRENT     | 97.44%     | 97.40%      | 97.79%     | 97.63%     | 97.41%     | 96.20%     | 94.98%     | 95.29%     | 96.55%     | 97.59%     | 97.90%     |
|           | LEVY COLLECTED   |            |             |            |            |            |            |            |            |            |            |            |
|           | TOTAL PROPERTY   | 3433933    | 3714562     | 4066440    | 4287637    | 4715003    | 5157263    | 5389989    | 5661511    | 5694990    | 5490647    | 5841802    |
|           | TAX COLLECTED    |            |             |            |            |            |            |            |            |            |            |            |
| Factor 3  | GF REV-UUT       | 7818642    | 8302318     | 8644796    | 9282048    | 9661601    | 10794782   | 10884403   | 10426844   | 10809603   | 10632711   | 10743040   |
|           | PER CAPITA       | \$568.34   | \$596.09    | \$613.72   | \$653.30   | \$688.10   | \$766.40   | \$774.91   | \$742.34   | \$767.45   | \$788.78   | \$794.84   |
| Factor 4  | TOTAL GF         | 6503508    | 7146525     | 7419267    | 7622745    | 8473658    | 8803882    | 9173673    | 9490201    | 9409784    | 9206520    | 9483981    |
|           | EXPENDITURE      | \$472.74   | \$513.10    | \$526.71   | \$536.51   | \$603.49   | \$625.05   | \$653.12   | \$675.65   | \$668.07   | \$682.98   | \$701.69   |
|           | PER CAPITA       |            |             |            |            |            |            |            |            |            |            |            |
| Factor 4a | POLICE           | 3233326    | 3666111     | 3891139    | 4193324    | 4850963    | 5023036    | 5180143    | 5510809    | 5486155    | 5195354    | 5599603    |
|           | ADJUST INFLATION | 0.82977499 | 0.819695012 | 0.80676673 | 0.7900847  | 0.77087992 | 0.75971    | 0.7385     | 0.7480     | 0.7452     | 0.7343     | 0.7281     |
|           |                  | 2682933    | 3005093     | 3139241    | 3313081    | 3739510    | 3816039    | 3825333    | 4121897    | 4088354    | 3814895    | 4076868    |
|           | PER CAPITA       | \$195.02   | \$215.76    | \$222.86   | \$233.18   | \$266.33   | \$270.93   | \$272.34   | \$293.46   | \$290.26   | \$283.00   | \$301.63   |
| Factor 4b | FIRE             | 2636123    | 2704209     | 2908234    | 2997418    | 3128674    | 3303129    | 3604101    | 3855061    | 3911087    | 3912491    | 3961582    |
|           | ADJUST INFLATION | 0.82977499 | 0.819695012 | 0.80676673 | 0.7900847  | 0.77087992 | 0.75971    | 0.7385     | 0.7480     | 0.7452     | 0.7343     | 0.7281     |
|           |                  | 2187389    | 2216627     | 2346266    | 2368214    | 2411832    | 2509413    | 2661488    | 2883454    | 2914593    | 2872902    | 2884284    |
|           | PER CAPITA       | \$159.00   | \$159.15    | \$166.57   | \$166.68   | \$171.77   | \$178.16   | \$189.48   | \$205.29   | \$206.93   | \$213.12   | \$213.40   |

**FISCAL HEALTH REPORT FACTOR CALCULATIONS**

|          |                    | 2002    |         | 2004    |         | 2006    |          | 2008     |          | 2010     |          | 2012     |
|----------|--------------------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|
| Factor 5 | PERSONNEL          | 3918419 | 4072551 | 4341520 | 4614128 | 5188625 | 5449676  | 5553804  | 5914122  | 5885320  | 5817881  | 6005475  |
|          | GF EXP             | 5925005 | 6493625 | 6713316 | 6973136 | 7787484 | 8134671  | 8501284  | 8914253  | 8806607  | 8625582  | 8944083  |
|          | %                  | 66.13%  | 62.72%  | 64.67%  | 66.17%  | 66.63%  | 66.99%   | 65.33%   | 66.34%   | 66.83%   | 67.45%   | 67.14%   |
| -----    |                    |         |         |         |         |         |          |          |          |          |          |          |
| Factor 6 | BENEFIT            | 781491  | 847968  | 1087135 | 1329305 | 1575586 | 1596615  | 1710408  | 1780820  | 1808203  | 1721757  | 1729567  |
|          | PERSON             | 3918419 | 4072551 | 4341520 | 4614128 | 5188625 | 5449676  | 5553804  | 5914122  | 5885320  | 5817881  | 6005475  |
|          | %                  | 19.94%  | 20.82%  | 25.04%  | 28.81%  | 30.37%  | 29.30%   | 30.80%   | 30.11%   | 30.72%   | 29.59%   | 28.80%   |
| -----    |                    |         |         |         |         |         |          |          |          |          |          |          |
| Factor 7 | FUND BALANCE       | 49.29%  | 50.13%  | 52.44%  | 51.42%  | 50.12%  | 50.12%   | 51.08%   | 49.57%   | 49.26%   | 56.94%   | 61.07%   |
| -----    |                    |         |         |         |         |         |          |          |          |          |          |          |
| Factor 8 | OPERATING POSITION | 83.18%  | 86.08%  | 85.82%  | 82.12%  | 87.70%  | 81.56%   | 84.28%   | 91.02%   | 87.05%   | 86.59%   | 88.28%   |
| -----    |                    |         |         |         |         |         |          |          |          |          |          |          |
| Factor 9 | REVENUE SHORT      | 7818642 | 8302318 | 8644796 | 9282048 | 9661601 | 10794782 | 10884403 | 10426844 | 10809603 | 10632711 | 10743040 |
|          | BUDGET             | 7510975 | 7863615 | 8070110 | 8547835 | 9219270 | 10117025 | 10681815 | 10246895 | 10447500 | 10305970 | 10572680 |
|          | PERCENT            | 104.10% | 105.58% | 107.12% | 108.59% | 104.80% | 106.70%  | 101.90%  | 101.76%  | 103.47%  | 103.17%  | 101.61%  |
| Factor 9 | EXPEND OVER        | 6503508 | 7146525 | 7419267 | 7622745 | 8473658 | 8803882  | 9173673  | 9490201  | 9409784  | 10813495 | 10242790 |
|          | BUDGET             | 6753570 | 7174955 | 7488556 | 7995905 | 8710850 | 9094880  | 9516455  | 10000690 | 9853215  | 11295720 | 10568649 |
|          | PERCENT            | 96.30%  | 99.60%  | 99.07%  | 95.33%  | 97.28%  | 96.80%   | 96.40%   | 94.90%   | 95.50%   | 95.73%   | 96.92%   |