Memorandum

Finance and Technology Department

Tempe

Date: April 26, 2013

To: Mayor and Councilmembers

From: Ken Jones, Finance and Technology Director

Subject: Quarterly Financial Report – Quarter Ended March 31, 2013

Attached is the Quarterly Financial Report for the third quarter of Fiscal Year 2012-13, (the quarter ending March 31, 2013). We have included a quick-reference Table of Contents on Page 1, which, in the electronic version, will allow you to quickly navigate to areas of interest by clicking on titles or page numbers. The small Tempe logo on every page will return you to the Table of Contents. (The electronic version of this report is included in your April 26th Friday Information Packet and can also be found on the Budget Office's Internet page within the Finance and Technology Department).

Please let me know if you have questions about the information contained in this report.

City of Tempe
Quarterly Financial Performance Report

Through 3rd Quarter FY 2013 (July 2012 - March 2013)

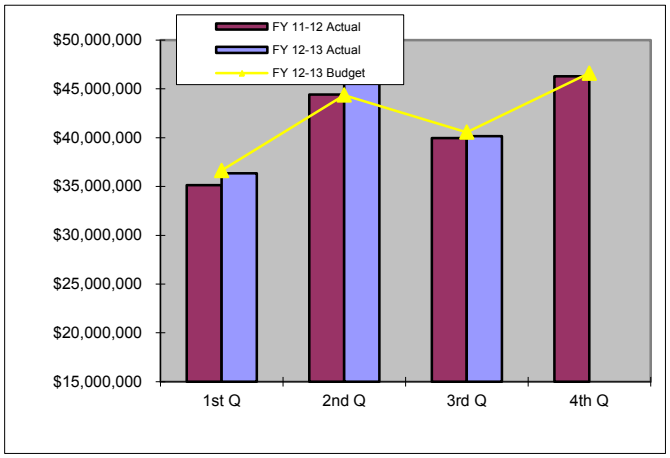
General Fund Revenue	Performance Rating	Page
General Fund Revenues Quarterly Analysis	Positive	1
Sales Tax	Positive	2
Property Tax	Positive	2
Bed Tax	Positive	3
Franchise Fees	Negative	3
Business Licenses	Positive	4
Intergovernmental	Watch	4
Building & Trades	Positive	5
Cultural & Recreational	Positive	5
Fines, Fees, & Forfeitures	Positive	6
Other Revenues	Positive	6
General Fund Expenditures		**Page**
General Fund Expenditures Quarterly Analysis	Positive	7
City Attorney	Watch	8
City Clerk	Positive	8
City Court	Positive	9
City Manager	Negative	9
Community Development	Positive	10
Community Services	Positive	10
Finance and Technology	Positive	11
Fire	Positive	11
Human Resources	Positive	12
Mayor and Council	Positive	12
Police	Positive	13
Public Works	Watch	13
Community Relations Office	Positive	14
Diversity Office	Positive	14
Internal Audit Office	Positive	15
Tempe Learning Center	Positive	15
Non-Departmental	Watch	16
Special Revenue Funds		**Page**
Transit Fund	Positive	17
Highway User Revenue Fund	Positive	17
CDBG/Section 8 Funds	Positive	18
Debt Service Fund	Positive	18
Performing Arts Fund	Positive	19
Enterprise Funds		**Page**
Water/Wastewater Fund	Positive	19
Solid Waste Fund	Positive	20
Golf Fund	Positive	20
Grant Funds		**Page**
Police Dept-RICO & Grants	Positive	21
Governmental Grants or Donations	Positive	21
Court Enhancement Fund	Positive	22

Performance Ratings Key

Positive	= Unfavorable variance <2% compared to historical trends or positive variance
Watch	= Unfavorable variance between 2-5% compared to historical trends
Negative	= Unfavorable variance of >5%

General Fund Revenue Quarterly Analysis

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$36,639,087	$36,363,457	21.6%	21.8%
2nd Q	Oct-Dec 12	44,368,994	$45,553,501	27.1%	26.4%
3rd Q	Jan-Mar 13	40,553,950	$40,154,210	23.9%	24.1%
4th Q	Apr-Jun 13	46,617,241			
Total		$168,179,271	$122,071,168	72.6%	72.3%
Variance from Budget			$509,138	0.4%	



Positive

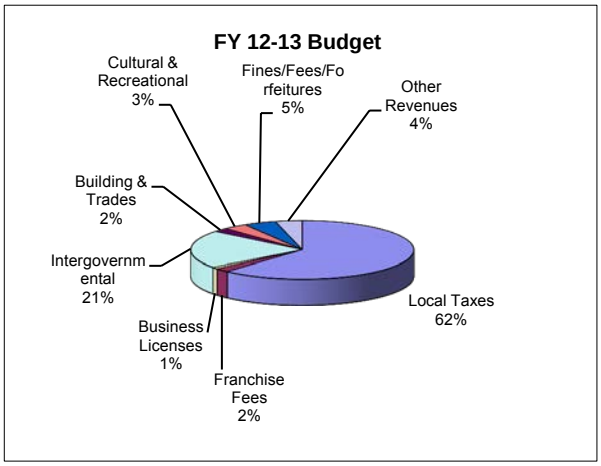
Through the third quarter of FY 12-13, General Fund revenue is 72.6% of budget, compared with a historical percentage of 72.3%. In terms of budget to actual variance, total collections are in line with the anticipated revenue target for the third quarter. Negative variances in Intergovernmental Revenues and Franchise Fees are offset by positive variances in Building and Trades Fees, Fines, Fees and Forfeitures, Business Licenses, Cultural and Recreational Fees, Building and Trade Fees, and Fines, Fees and Forfeitures. The scope of budget-to-actual variance for each category can be seen in the table and graph at the bottom-right corner of this page. Quarterly collection detail by category can be found on pages 2 through 6 of this report.

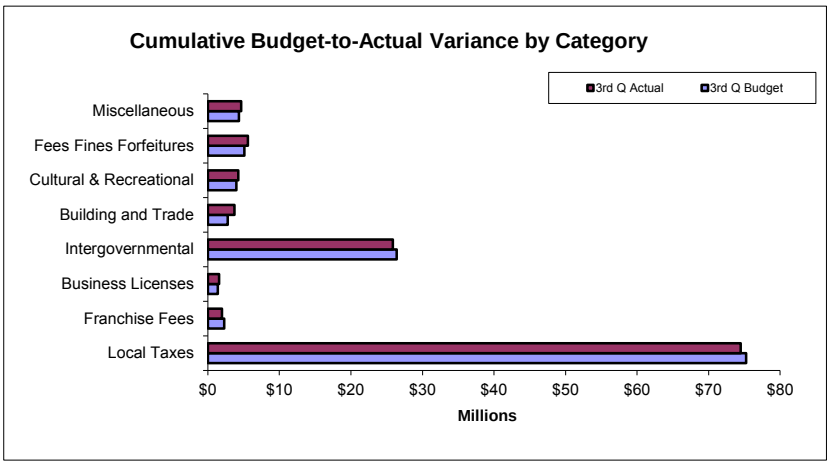
General Fund Revenue by Category

Revenue Categories	FY 12-13 Annual Budget	% of Annual Budget
Local Taxes	$103,736,374	61.7%
Franchise Fees	$3,533,481	2.1%
Business Licenses	$1,543,750	0.9%
Intergovernmental	$35,400,408	21.0%
Building & Trades	$3,682,855	2.2%
Cultural & Recreational	$5,834,660	3.5%
Fines/Fees/Forfeitures	$7,899,790	4.7%
Other Revenues	$6,547,953	3.9%
Total	$168,179,271	

Cumulative Revenue through 3Q 2012-2013

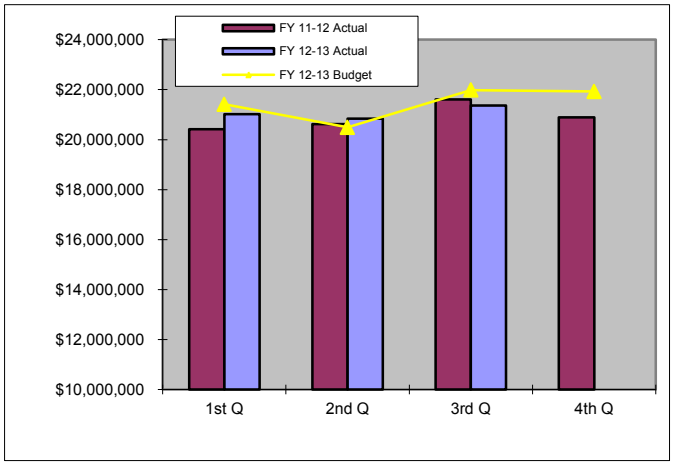
	Budget Target	Actual Revenue	% of Budget Target
Local Taxes	$75,247,434	$74,484,611	99%
Franchise Fees	2,268,830	1,988,329	88%
Business Licenses	1,411,674	1,560,525	111%
Intergovernmental	26,388,557	25,851,813	98%
Building & Trades	2,789,555	3,711,492	133%
Cultural & Recreational	3,992,749	4,246,085	106%
Fines/Fees/Forfeitures	5,118,771	5,585,231	109%
Other Revenues	4,344,459	4,643,082	107%
	$121,562,030	$122,071,168	100.4%





Sales Tax

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	21,414,183	$21,016,784	24.5%	25.0%
2nd Q	Oct-Dec 12	20,491,694	20,835,548	24.3%	23.9%
3rd Q	Jan-Mar 13	21,983,707	21,363,485	24.9%	25.6%
4th Q	Apr-Jun 13	21,928,255			
Total		$85,817,840	$63,215,817	73.7%	74.4%
Variance from Budget			($673,768)	-1.1%	

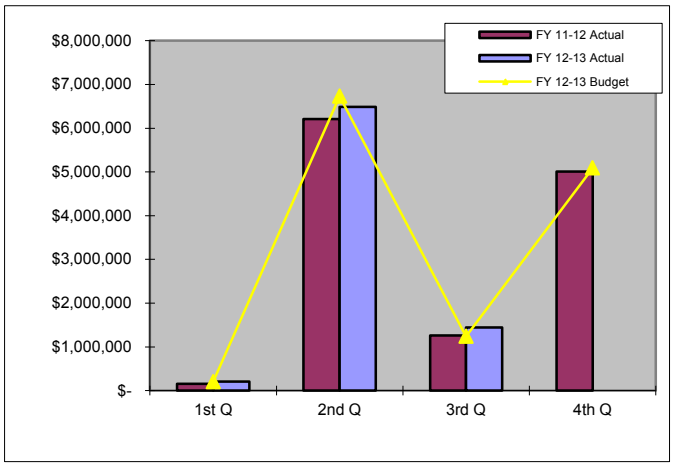


Positive

City Sales Taxes are generated by a 2.0% levy on sales transactions in the city (only 1.8% on food for home consumption). Of the total 2.0% rate, 1.4% is deposited in the General Fund, 0.5% is dedicated for Transit purposes, and the remaining 0.1% is deposited in the Performing Arts Fund. The amount deposited in the General Fund is depicted in the table and graph above. This revenue source contributes 51% of the General Fund budget in FY 12-13 making it the City's largest revenue source. Through the third quarter of FY 12-13, Sales Tax collections are 73.7% of budget, which is below the historical average of 74.4%. In terms of budget to actual variance, collections are 1.1% below the budgeted value.

Property Tax

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$206,622	$207,908	1.6%	1.6%
2nd Q	Oct-Dec 12	6,730,872	6,484,544	48.9%	50.7%
3rd Q	Jan-Mar 13	1,240,793	1,444,714	10.9%	9.3%
4th Q	Apr-Jun 13	5,092,885			
Total		$13,271,172	$8,137,166	61.3%	61.6%
Variance from Budget			($41,121)	-0.5%	

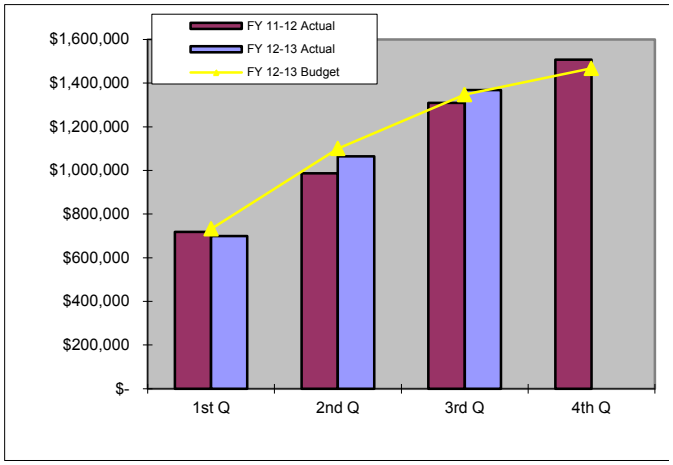


Positive

Property Tax revenue in the General Fund is generated by a $0.79 charge per $100 of the primary assessed valuation of real and personal property. In FY 12-13, Property Taxes contribute 7.9% of budgeted General Fund revenue. Through the third quarter of FY 12-13, Property Tax collections are 61.3% of budget, which is slightly lower than the historical average of 61.6%. In terms of budget to actual variance, collections are 0.5% below the budgeted value.

Bed Tax

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$731,747	$699,038	15.0%	15.7%
2nd Q	Oct-Dec 12	1,100,049	1,064,548	22.9%	23.7%
3rd Q	Jan-Mar 13	1,347,766	1,368,042	29.4%	29.0%
4th Q	Apr-Jun 13	1,467,799			
Total		$4,647,362	$3,131,628	67.4%	68.4%
Variance from Budget			($47,935)	-1.5%	

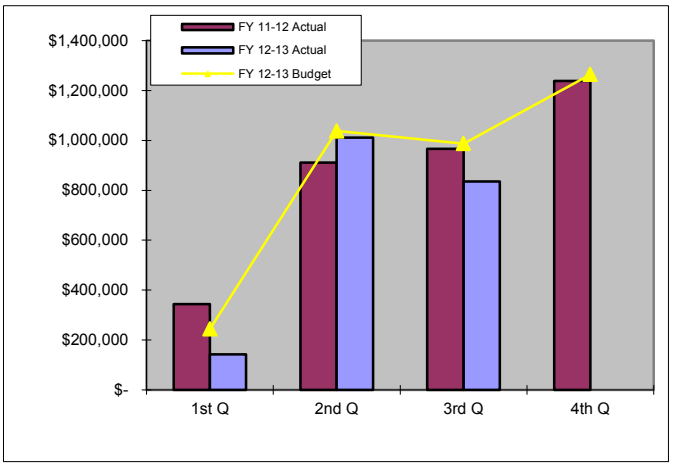


Positive

The Transient Lodging Tax, or Bed Tax is a 5% levy on hotel and motel sales that contributes approximately 2.8% of budgeted General Fund revenue in FY 12-13. Bed Tax collections through the third quarter of FY 12-13 are 67.4% of budget, approximately 1.0% below the historical average. In terms of budget to actual variance, collections are 1.5% below the budgeted value.

Franchise Fees

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$243,711	$142,070	4.0%	6.9%
2nd Q	Oct-Dec 12	1,038,078	1,011,227	28.6%	29.4%
3rd Q	Jan-Mar 13	987,042	835,032	23.6%	27.9%
4th Q	Apr-Jun 13	1,264,651			
Total		$3,533,481	$1,988,329	56.3%	64.2%
Variance from Budget			($280,501)	-12%	

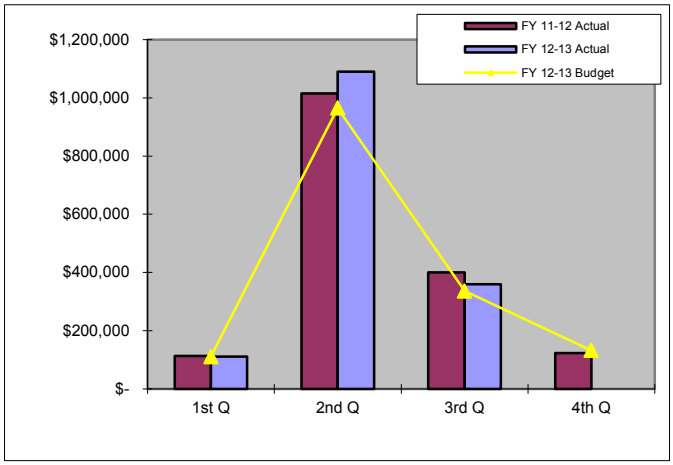


Negative

Franchise Fee revenues are collected based on specific agreements with service providers in the city, including Arizona Public Service (2% of revenue), Cox Communications (5% of gross revenue), Southwest Gas (2% of gross revenue), and a number of telecommunications service providers. These fees contribute 2.1% of annual General Fund revenue. Franchise Fee payments are 56.3% of the budgeted amount through the third quarter of FY 12-13, compared to 64.2% historically. In terms of budget to actual variance, collections are 12%, or $280,501 below the budgeted value. This variance is due to underperformance in Utility Franchise Fee collections, specifically Telecommunication and Cable Services Fees. While this level of variance warrants a negative monitoring status, performance has improved from the first quarter's 42% negative variance. This category will be under enhanced scrutiny until it is brought into "Positive' monitoring status.

Business Licenses

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$110,614	$111,378	7.2%	7.2%
2nd Q	Oct-Dec 12	964,822	1,089,902	70.6%	62.5%
3rd Q	Jan-Mar 13	336,238	359,245	23.3%	21.8%
4th Q	Apr-Jun 13	132,076			
Total		$1,543,750	$1,560,525	101.1%	91.4%
Variance from Budget			$148,851	10.5%	

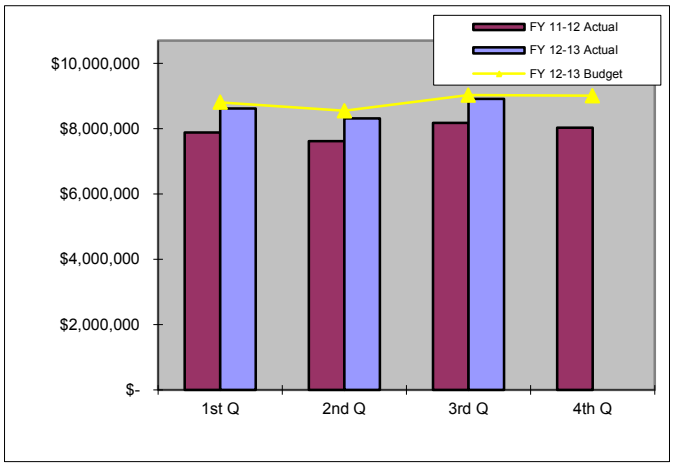


Positive

The City requires taxable business activities to be licensed, with the annual licensing fee amount varying by business type. Business License collections through the third quarter of FY 12-13 were over 100% of budget, compared to the historical average of 91.4%. Business Licenses contribute 1% of annual General Fund revenue. In terms of budget to actual variance, collections are 10.5% above the budgeted value.

Intergovernmental

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$8,807,858	$8,620,587	24.4%	24.9%
2nd Q	Oct-Dec 12	8,549,275	8,318,688	23.5%	24.2%
3rd Q	Jan-Mar 13	9,031,424	8,912,538	25.2%	25.5%
4th Q	Apr-Jun 13	9,011,851			
Total		$35,400,408	$25,851,813	73.0%	74.5%
Variance from Budget			($536,744)	-2.0%	

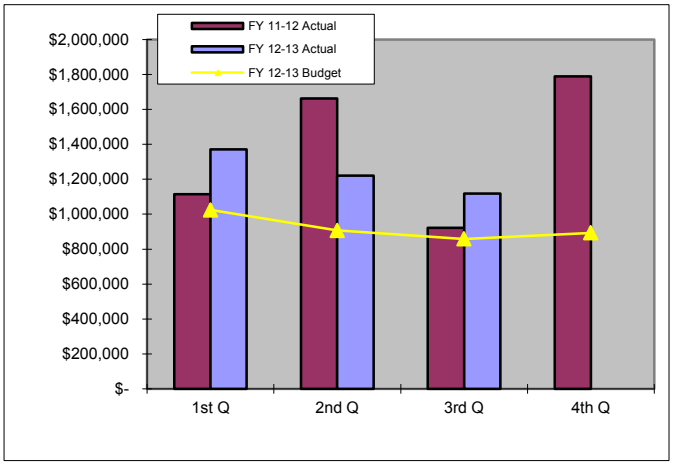


Watch

Intergovernmental Revenues include distributions of State Income Taxes, State Sales Taxes, and State Vehicle License Taxes. These revenues are distributed based on Tempe's share of the state urban population as determined by the U.S. Census. In total, these revenues constitute 21% of budgeted revenue for FY 12-13, making this the second largest General Fund revenue source after Sales Taxes. Through the third quarter of FY 12-13, actual collections are 73.0% of budget, compared to a historical average of 74.5%. When compared to the same time period of last fiscal year, cumulative collections through the third quarter are 1.5% lower. In terms of budget to actual variance, collections are 2.0% or $536,744 below the budgeted value, due to slower than expected State Sales and Vehicle License Taxes. This is right at the threshold between positive and watch status.

Building & Trades

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$1,024,506	$1,371,592	37.2%	27.8%
2nd Q	Oct-Dec 12	906,593	1,221,419	33.2%	24.6%
3rd Q	Jan-Mar 13	858,456	1,118,481	30.4%	23.3%
4th Q	Apr-Jun 13	893,300			
Total		$3,682,855	$3,711,492	100.8%	75.7%
Variance from Budget			$921,937	33.0%	

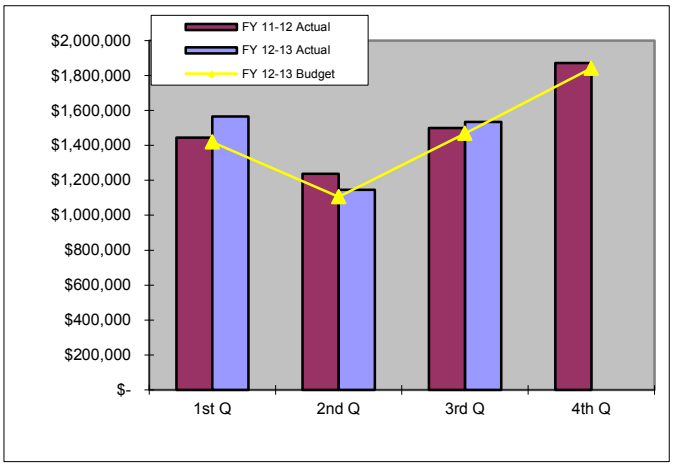


Positive

Building and Trade revenues consist of Building Permit Fees, Plan Check Fees, and other miscellaneous engineering and permitting fees generated by development. These fees are charged to recover a portion of the cost of regulating development. Through the third quarter of FY 12-13, actual collections are over 100% of budget, compared to a historical average of 75.7%. In terms of budget to actual variance, collections are 33.0% above the budgeted value.

Cultural & Recreational

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$1,418,992	$1,566,434	26.8%	24.3%
2nd Q	Oct-Dec 12	1,105,325	1,145,322	19.6%	18.9%
3rd Q	Jan-Mar 13	1,468,432	1,534,329	26.3%	25.2%
4th Q	Apr-Jun 13	1,841,911			
Total		$5,834,660	$4,246,085	72.8%	68.4%
Variance from Budget			$253,336	6.3%	

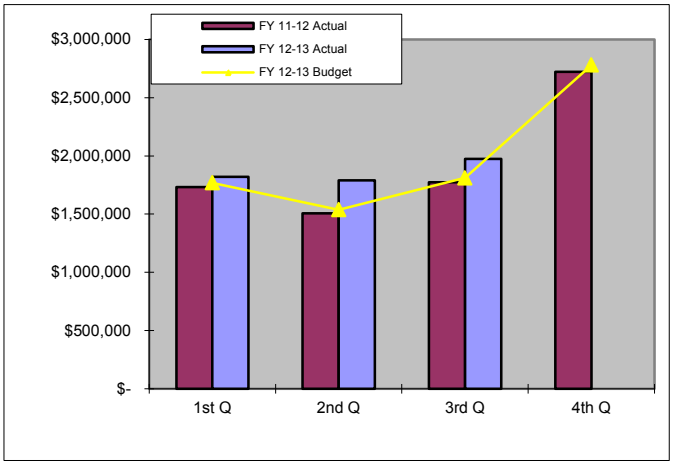


Positive

Cultural and Recreational revenues include fees and charges to recover a portion of the costs of providing the City's cultural and recreational programs. The majority of this revenue source is generated from fees charged for the City's Kid Zone program. In total, Cultural and Recreational fees represent 3.5% of total budgeted General Fund revenue for FY 12-13. Through the third quarter of FY 12-13, Cultural and Recreational fee collections are 72.8% of budget, compared to the historical average of 68.4%, for a total variance of 4.4%. In terms of budget to actual variance, collections are 6.3% above the budgeted value.

Fines, Fees, Forfeitures

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$1,768,695	$1,819,734	23.0%	22.4%
2nd Q	Oct-Dec 12	1,538,269	1,790,218	22.7%	19.5%
3rd Q	Jan-Mar 13	1,811,808	1,975,279	25.0%	22.9%
4th Q	Apr-Jun 13	2,781,019			
Total		$7,899,790	$5,585,231	70.7%	64.8%
Variance from Budget			$466,460	9.1%	

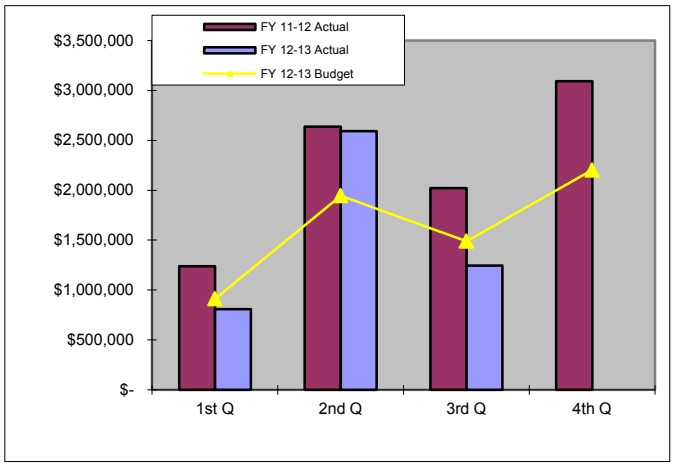


Positive

Fines, Fees, and Forfeiture revenue derives from fines and other payments related to violations of state laws and local ordinances, including parking, traffic, and criminal enforcement activities. In total, Fines, Fees, and Forfeitures represent 4.7% of total budgeted General Fund revenue for FY 12-13. Through the third quarter of FY 12-13, 70.7% of budgeted revenues have been collected, compared to a historical average of 64.8%. In terms of budget to actual variance, this category is 9.1% above the expected value for the third quarter. While it is difficult to ascertain the precise historical pattern due to the timing of the discontinuation of Photo Enforcement, at this time this category appears to be following a positive collections trend.

Other Revenues

		FY 12-13 Adopted Budget	FY 12-13 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 12	$912,157	$807,932	12.3%	13.9%
2nd Q	Oct-Dec 12	1,944,017	2,592,085	39.6%	29.7%
3rd Q	Jan-Mar 13	1,488,284	1,243,065	19.0%	22.7%
4th Q	Apr-Jun 13	2,203,494			
Total		$6,547,953	$4,643,082	70.9%	66.3%
Variance from Budget			$298,623	6.9%	



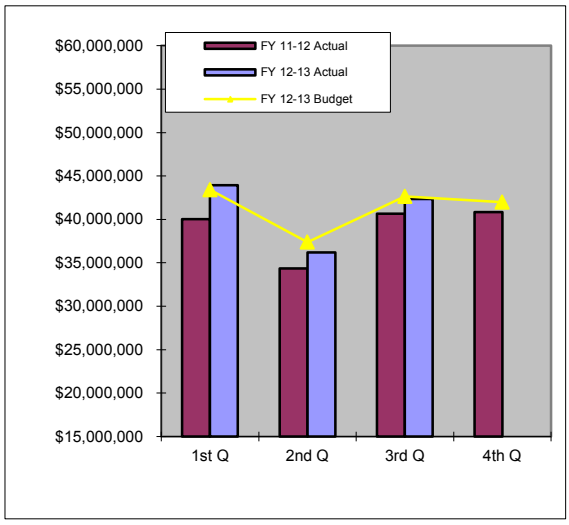
Positive

Other Revenues include collections from a variety of sources not otherwise accounted for in the major revenue categories. Primary components of Other Revenues are Interest Earnings, Land and Building Facility Rental, and SRP In-Lieu Payments. Through the third quarter of the fiscal year, collections of Other Revenue are 70.9% of the FY 12-13 budget, compared to a historical tracking percentage of 66.3%. In terms of budget to actual variance, this category is 6.4% above the expected value for the third quarter.

General Fund Expenditures Quarterly Analysis

		FY 12-13 Adopted Budget*	FY 12-13 Actual Exp	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	43,406,829	43,918,777	26.5%	26.2%
2nd Q	Oct-Dec 12	37,386,639	36,184,516	21.9%	22.6%
3rd Q	Jan-Mar 13	42,653,207	42,357,361	25.6%	25.8%
4th Q	Apr-Jun 13	41,997,816			
Total		165,444,491	122,460,654	74.0%	74.6%
Variance from Budget			(986,021)	-0.8%	

*For tracking purposes, adopted Budget excludes $1 million contingency appropriation and $3.8 million OPEB advance funding payment.

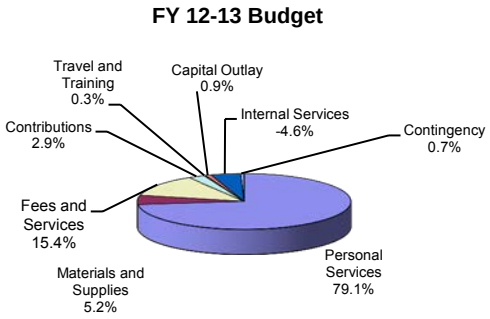


Positive

Through the third quarter of FY 12-13, General Fund expenditures are 74.0% of budget, compared with a historical percentage of 74.6%. In terms of budget to actual variance, General Fund expenditures are 0.8% below budget through the third quarter. Departmental quarterly expenditure tracking data can be found on pages 8 through 15 of this report.

General Fund Expenditures By Category

Categories	FY 12-13 Adopted Budget	% of Adopted Budget
Personal Services	133,026,513	80.4%
Materials and Supplies	9,672,413	5.8%
Fees and Services	23,310,584	14.1%
Contributions	4,633,098	2.8%
Travel and Training	368,723	0.2%
Capital Outlay	1,620,007	1.0%
Internal Services	(8,137,609)	-4.9%
Transfers	950,762	0.6%
Total	165,444,491	

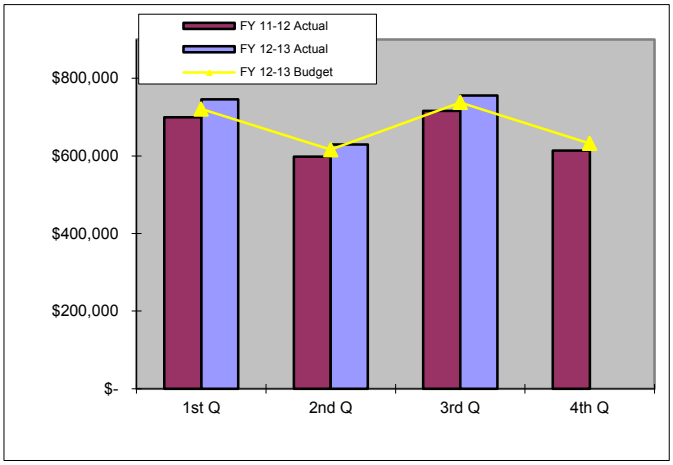


City Attorney

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 12	$720,597	$745,777	27.6%	26.6%
2nd Q	Oct-Dec 12	616,004	629,382	23.3%	22.8%
3rd Q	Jan-Mar 13	737,604	756,072	27.9%	27.3%
4th Q	Apr-Jun 13	632,248			
Total		$2,706,453	$2,131,231	78.7%	76.6%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget	$57,026	2.7%



Watch

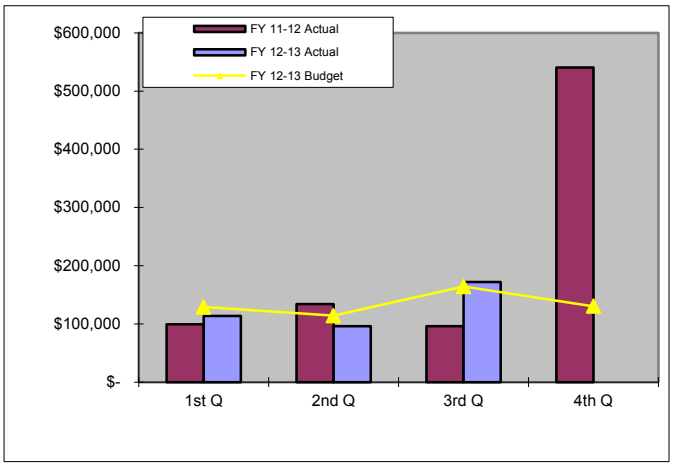
The City Attorney spent 78.7% of its FY 12-13 budget through the third quarter, compared to a historical average of 76.6%. In terms of budget to actual variance, expenditures are 2.7% higher than budgeted for the third quarter. This variance is largely due to unbudgeted spending on wages for temporary employees.

City Clerk

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 12	$128,803	$113,895	21.2%	24.0%
2nd Q	Oct-Dec 12	113,953	96,001	17.9%	21.2%
3rd Q	Jan-Mar 13	163,986	171,952	32.0%	30.5%
4th Q	Apr-Jun 13	130,389			
Total		$537,131	$381,848	71.1%	75.7%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget	($24,894)	-6.1%



Positive

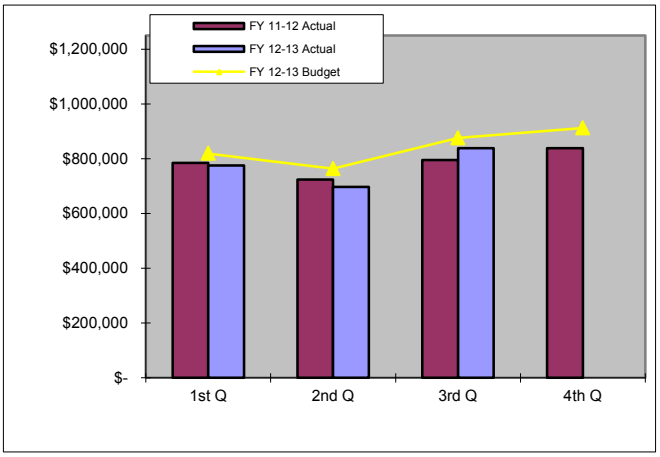
The City Clerk spent 71.1% of its FY 12-13 budget through the third quarter, compared to a historical average of 75.7%. In terms of variance from budget in the third quarter, expenditures are $24,894 or 6.1% below the expected amount.

City Court

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	819,498	$776,283	23.0%	24.3%
2nd Q	Oct-Dec 12	763,878	697,020	20.7%	22.7%
3rd Q	Jan-Mar 13	876,365	839,345	24.9%	26.0%
4th Q	Apr-Jun 13	912,656			
Total		$3,372,398	$2,312,648	68.6%	72.9%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget	($147,094)	-6.0%



Positive

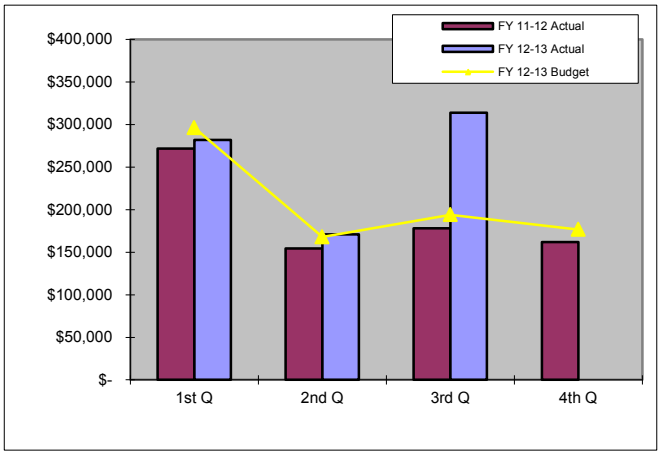
The City Court spent 68.6% of its FY 12-13 budget through the third quarter, compared to the historical average of 72.9%. In terms of variance from budget in the third quarter, expenditures are $147,094 or 6.0% below the expected amount.

City Manager

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$296,310	$281,791	33.7%	35.5%
2nd Q	Oct-Dec 12	168,067	170,899	20.5%	20.1%
3rd Q	Jan-Mar 13	193,953	313,967	37.6%	23.2%
4th Q	Apr-Jun 13	176,645			
Total		$834,974	$766,657	91.8%	78.8%

*amounts are net of internal service charges, and exclude encumbrances.

Variance from Budget	$108,328	14.1%



Negative

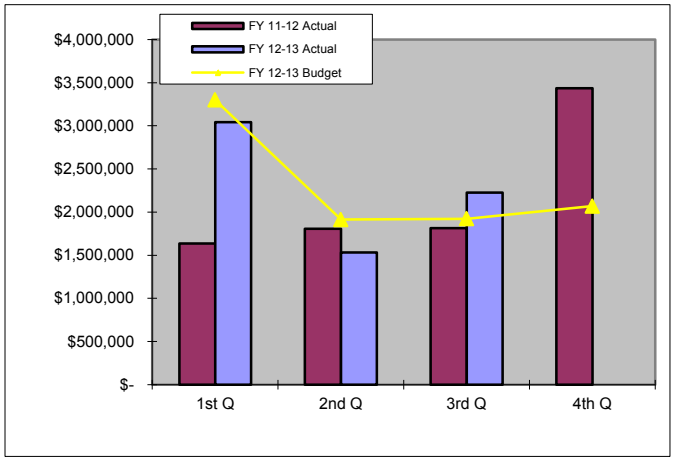
The City Manager's Office spent 91.8% of its FY 12-13 budget through the third quarter, compared to the historical average of 78.8%. In terms of variance from budget in the third quarter, expenditures are $108,328 or 14.1% above the expected amount. This variance is largely due to a compensation payout.

Community Development

		FY 12-13 Adopted Budget*	FY 12-13 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$3,300,257	$3,040,985	33.0%	35.8%
2nd Q	Oct-Dec 12	1,914,363	1,532,257	16.6%	20.8%
3rd Q	Jan-Mar 13	1,922,958	2,224,562	24.2%	20.9%
4th Q	Apr-Jun 13	2,068,930			
Total		$9,206,508	$6,797,804	73.8%	77.5%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($339,775) -4.8%



Positive

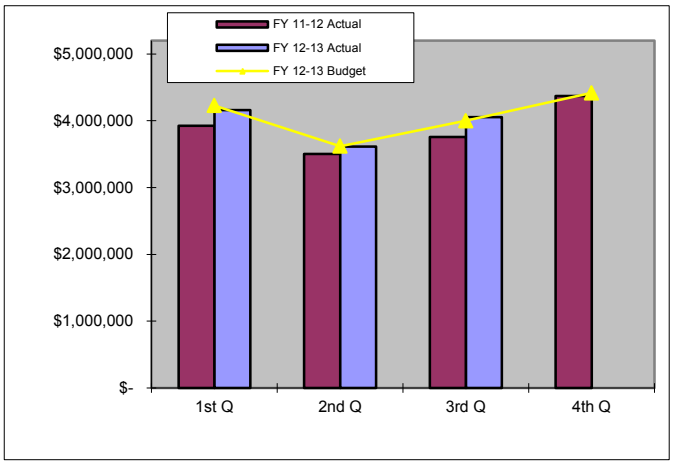
The Community Development Department spent 73.8% of its FY 12-13 budget through the third quarter, compared to the expected value of 77.5%. In terms of variance from budget in the third quarter, expenditures are $339,775 or 4.8% below the expected amount.

Community Services

		FY 12-13 Adopted Budget*	FY 12-13 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$4,228,733	$4,161,747	25.6%	26.0%
2nd Q	Oct-Dec 12	3,620,404	3,615,719	22.2%	22.3%
3rd Q	Jan-Mar 13	4,001,344	4,055,122	24.9%	24.6%
4th Q	Apr-Jun 13	4,418,159			
Total		$16,268,640	$11,832,588	72.7%	72.8%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($17,893) -0.2%



Positive

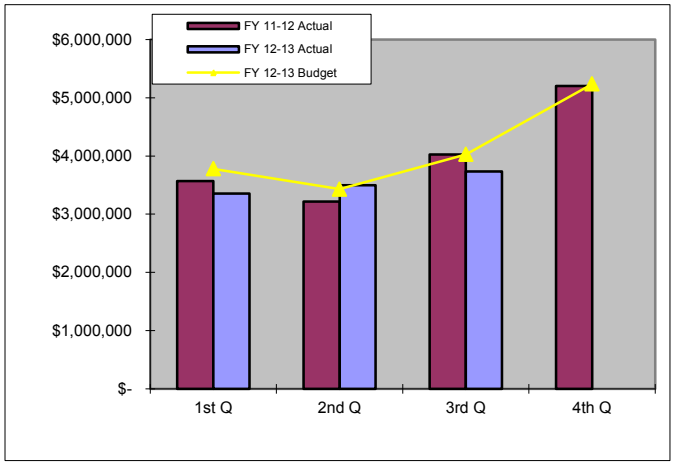
The Community Services Department spent 72.7% of its FY 12-13 budget through the third quarter, compared to the historical average of 72.8%. In terms of variance from budget in the third quarter, expenditures are $17,893 or 0.2% below the expected amount.

Finance and Technology

		FY 12-13 Adopted Budget*	FY 12-13 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$3,780,778	$3,352,530	20.4%	23.0%
2nd Q	Oct-Dec 12	$3,428,915	3,495,054	21.2%	20.8%
3rd Q	Jan-Mar 13	$4,026,125	3,733,440	22.7%	24.4%
4th Q	Apr-Jun 13	$5,236,580			
Total		$16,472,397	$10,581,024	64.2%	68.2%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($654,793) -5.8%



Positive

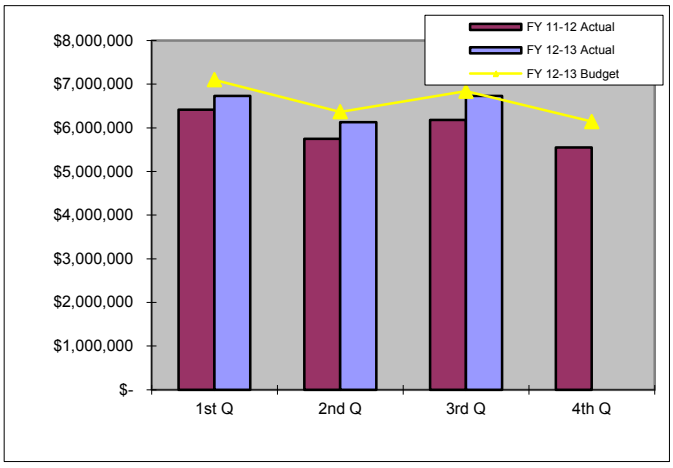
The Finance and Technology Department spent 64.2% of its FY 12-13 budget through the third quarter, compared with a historical average of 68.2%. In terms of variance from budget in the third quarter, expenditures are $654,793 or 5.8% below the expected amount.

Fire

		FY 12-13 Adopted Budget*	FY 12-13 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$7,101,690	$6,734,057	25.5%	26.8%
2nd Q	Oct-Dec 12	6,367,200	6,130,816	23.2%	24.1%
3rd Q	Jan-Mar 13	6,841,430	6,734,558	25.5%	25.9%
4th Q	Apr-Jun 13	6,143,063			
Total		$26,453,384	$19,599,431	74.1%	76.8%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($710,890) -3.5%



Positive

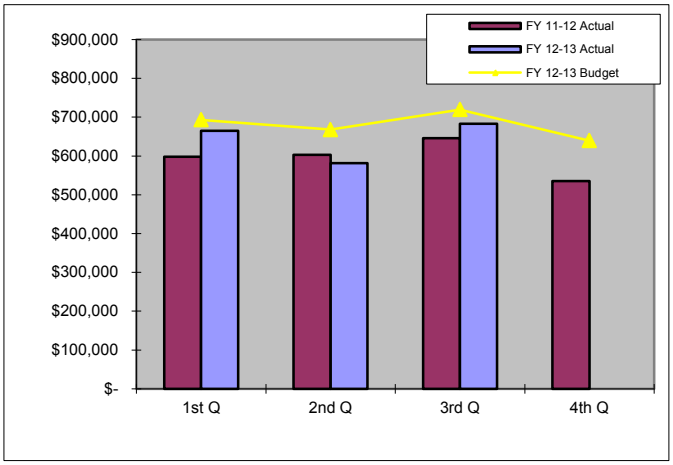
The Fire Department spent 74.1% of its FY 12-13 budget through the third quarter, compared with a historical percentage of 76.8%. In terms of variance from budget in the third quarter, expenditures are $710,890 or 3.5% below the expected amount.

Human Resources

		FY 12-13 Adopted Budget*	FY 12-13 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$693,032	$664,881	24.4%	25.5%
2nd Q	Oct-Dec 12	668,123	581,799	21.4%	24.6%
3rd Q	Jan-Mar 13	719,726	682,875	25.1%	26.5%
4th Q	Apr-Jun 13	639,338			
Total		$2,720,218	$1,929,555	70.9%	76.5%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($151,325) -7.3%



Positive

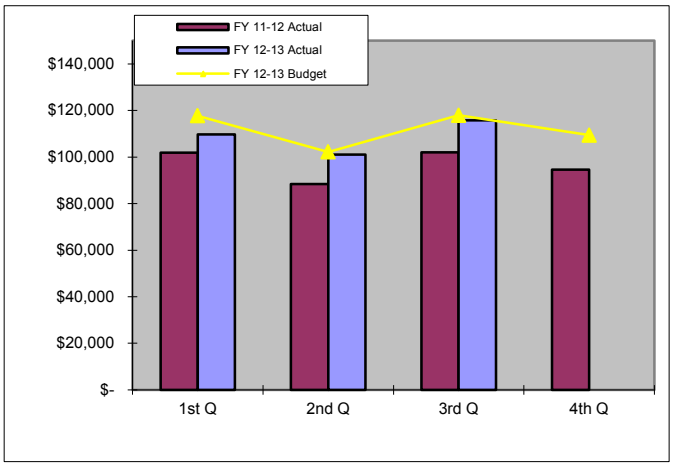
The Human Resources Department spent 70.9% of its FY 12-13 budget through the third quarter, compared with a historical average of 76.5%. In terms of variance from budget in the third quarter, expenditures are $151,325 or 7.3% below the expected amount.

Mayor and Council

		FY 12-13 Adopted Budget*	FY 12-13 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$117,740	$109,751	24.5%	26.3%
2nd Q	Oct-Dec 12	102,194	101,116	22.6%	22.8%
3rd Q	Jan-Mar 13	117,936	115,794	25.9%	26.4%
4th Q	Apr-Jun 13	109,373			
Total		$447,243	$326,661	73.0%	75.5%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($11,209) -3.3%



Positive

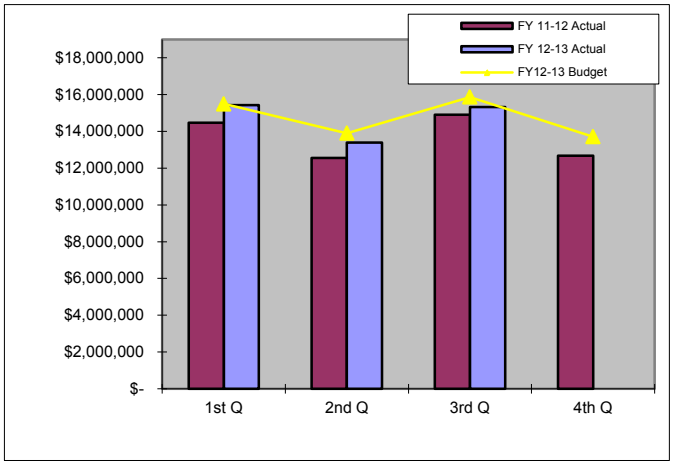
The Mayor and Council spent 73% of its FY 12-13 budget through the third quarter, compared with a historical average of 75.5%. In terms of variance from budget in the third quarter, expenditures are $11,209 or 3.3% below the expected amount.

Police

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$15,497,362	$15,423,594	26.1%	26.3%
2nd Q	Oct-Dec 12	13,905,689	13,386,968	22.7%	23.6%
3rd Q	Jan-Mar 13	15,868,285	15,331,223	26.0%	26.9%
4th Q	Apr-Jun 13	13,710,773			
Total		$58,982,109	$44,141,785	74.8%	76.8%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($1,129,551) -2.5%



Positive

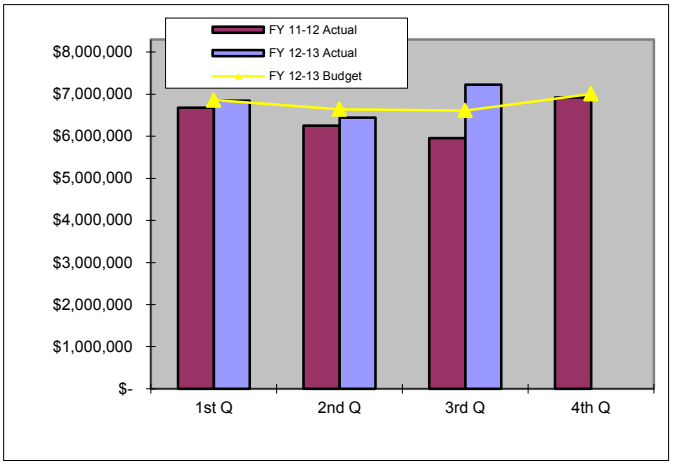
The Police Department spent 74.8% of its FY 12-13 budget through the third quarter, compared to a historical average of 76.8%. In terms of variance from budget in the third quarter, expenditures are $1,129,551 or 2.5% below the expected amount.

Public Works

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$6,860,146	$6,849,833	25.3%	25.3%
2nd Q	Oct-Dec 12	6,643,802	6,442,164	23.7%	24.5%
3rd Q	Jan-Mar 13	6,611,676	7,228,032	26.6%	24.4%
4th Q	Apr-Jun 13	7,009,715			
Total		$27,125,339	$20,520,029	75.6%	74.2%

*amounts are net of internal service charges and transfers and exclude encumbrances

Variance from Budget $404,405 2.0%



Watch

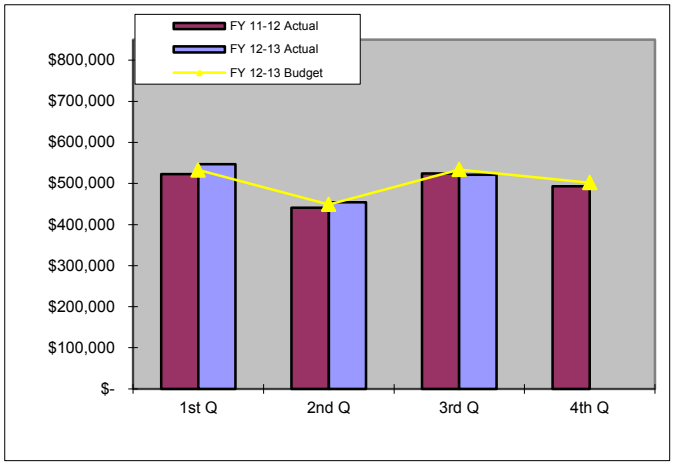
The Public Works Department spent 75.6% of its FY 12-13 General Fund budget through the third quarter, compared with a historical average of 74.2%. In terms of variance from budget in the third quarter, expenditures are $404,405 or 2.0% above the expected amount. Expenditure overages are related to materials and supplies, fees and services and upfront purchase of capital outlay. While the variance is only slightly above a Positive status, it is advised that expenses be monitored during the fourth quarter to ensure that the department ends the year with expenditures under budget.

Community Relations Office

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$532,530	$546,576	27.1%	26.4%
2nd Q	Oct-Dec 12	449,049	453,994	22.5%	22.3%
3rd Q	Jan-Mar 13	534,011	520,856	25.8%	26.5%
4th Q	Apr-Jun 13	501,946			
Total		$2,017,536	$1,521,426	75.4%	75.1%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget	$5,836	0.4%



Positive

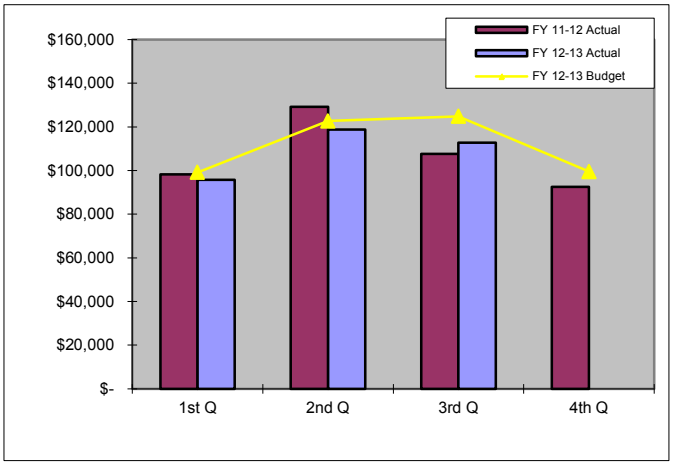
The Community Relations Office spent 75.4% of its FY 12-13 budget through the third quarter, compared to a historical average of 75.1%. In terms of variance from budget in the third quarter, expenditures are $5,836 or 0.4% above the expected amount.

Diversity Office

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$99,198	$95,717	21.4%	22.2%
2nd Q	Oct-Dec 12	122,678	118,814	26.6%	27.5%
3rd Q	Jan-Mar 13	124,871	112,813	25.3%	28.0%
4th Q	Apr-Jun 13	99,565			
Total		$446,312	$327,344	73.3%	77.7%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget	($19,403)	-5.6%



Positive

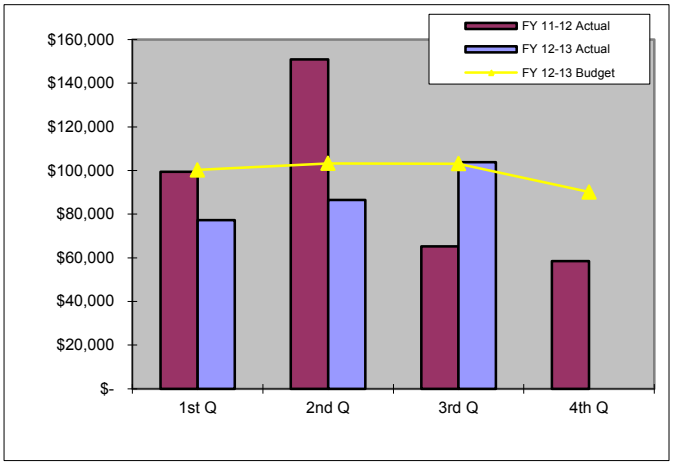
The Diversity Office spent 73.3% of its FY 12-13 budget through the third quarter, compared to a historical average of 77.7%. In terms of variance from budget in the third quarter, expenditures are $19,403 or 5.6% below the expected amount.

Internal Audit Office

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$100,257	$77,280	19.5%	25.3%
2nd Q	Oct-Dec 12	103,249	86,514	21.8%	26.0%
3rd Q	Jan-Mar 13	103,122	103,876	26.2%	26.0%
4th Q	Apr-Jun 13	90,125			
Total		$396,752	$267,670	67.5%	77.3%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($38,957) -12.7%



Positive

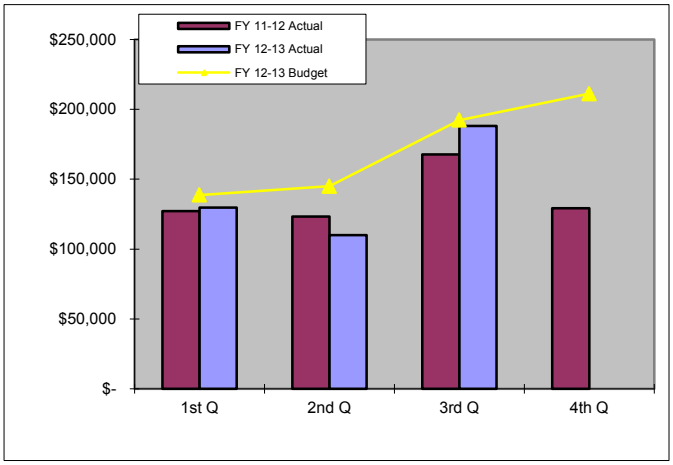
The Internal Audit Office spent 67.5% of its FY 12-13 budget through the end of the third quarter, compared to the historical pattern of 77.3% during this period. In terms of variance from budget in the third quarter, expenditures are $38,957 or 12.7% below the expected amount.

Tempe Learning Center

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$138,635	$129,639	18.9%	20.2%
2nd Q	Oct-Dec 12	145,000	109,991	16.0%	21.1%
3rd Q	Jan-Mar 13	192,332	188,072	27.4%	28.0%
4th Q	Apr-Jun 13	211,277			
Total		$687,244	$427,702	62.2%	69.3%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget ($48,265) -10.1%



Positive

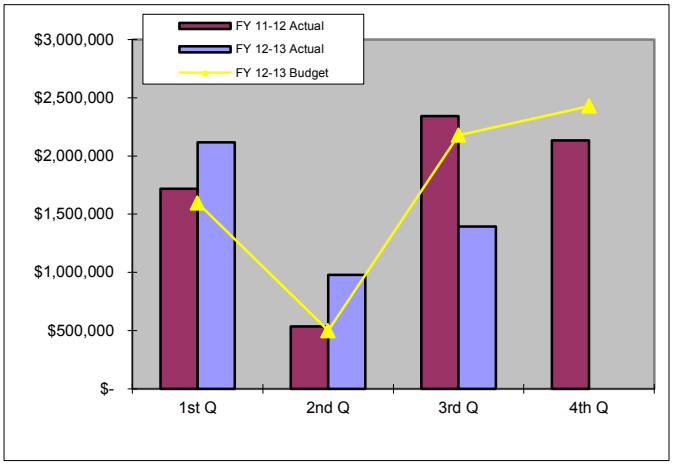
The Tempe Learning Center spent 62.2% of its FY 12-13 budget through the end of the third quarter, compared to a historical average of 69.3%. In terms of variance from the budget in the third quarter, expenditures are $48,265 or 10.1% below the expected amount.

Non-Departmental

		FY 12-13 Adopted Budget*	FY 12-13 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 12	$1,597,456	$2,117,282	37.8%	28.5%
2nd Q	Oct-Dec 12	$498,808	977,562	17.4%	8.9%
3rd Q	Jan-Mar 13	$2,178,429	1,393,964	24.9%	38.8%
4th Q	Apr-Jun 13	$2,428,630			
Total		$5,607,324	$4,488,808	80.1%	76.2%

*amounts are net of internal service charges, and exclude encumbrances

Variance from Budget		214,113	5.0%

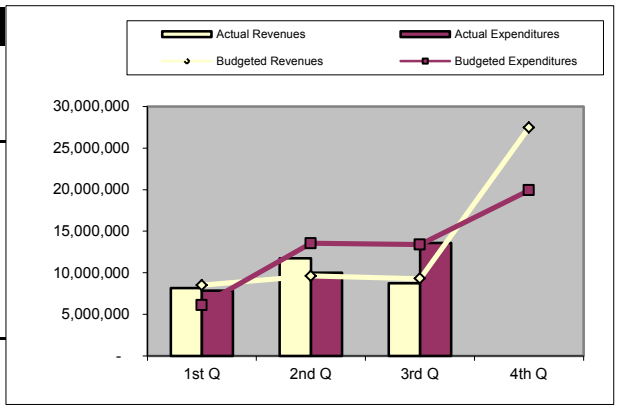


Watch

The Non-Departmental category of the budget includes items that do not directly relate to the operations of any one of the City's operating departments. Some examples of such expenditures include the payment of the Tempe Convention and Visitors Bureau's portion of the Bed Tax, the operating budget and agency funding allocations to the Tempe Community Council, and the Buffalo Wild Wings Bowl sponsorship. Through the third quarter of FY 2012-13 Non-Departmental expenditures are 80.1% of budget compared to the historical pattern of 76.2%. In terms of variance from budget in the third quarter, expenditures are $214,113 or 5.0% above the expected amount. This is due primarily to payment of the fourth quarter Tempe Community Council agency and administrative payments at the end of the third quarter and payment of the Tempe Convention and Visitors Bureau's scheduled April payment at the end of the third quarter. It should be noted that the adopted Non-Departmental budget included an offsetting credit to account for ongoing vacancy savings in the General Fund departments. However, as these vacancy savings have accumulated in the individual general fund departments and not transferred to the Non-Departmental budget, we have adjusted the Non-Departmental adopted budget to exlcude these vacancy savings. The budget savings shown in the preceding pages are due primarily to these vacancy savings.

Transit Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Total Revenues	54,862,232	28,644,773	52.2%
Operating	47,976,222	29,600,521	61.7%
Capital	152,500	148,710	97.5%
Debt Service	3,854,544	1,723,002	44.7%
Transfers Out	959,366	-	0.0%
Total Exp	52,942,632	31,472,233	59.4%
Net Rev/Exp	1,919,600	(2,827,460)	



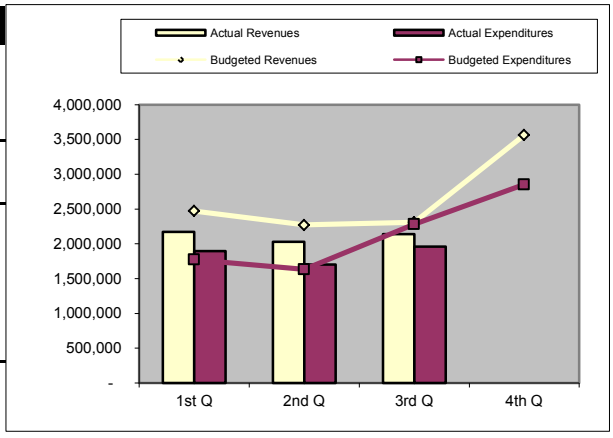
*amounts exclude encumbrances and one-time defeasance of $54 million of outstanding debt

Positive

The Transit Fund accounts for the receipt of the Mass Transit Tax, a 0.5% tax on sales. Fund resources are dedicated to transit system planning, design, and operations, community outreach, and debt service. Through the end of the third quarter, Transit Fund revenue is at 52% of budget compared to a historical tracking percentage of 50%. Expenditures are 59% of budget compared to the recent historical tracking percentage of 62%. The Transit Fund's third quarter operating deficit is attributable to planned third quarter expenditures for debt service and transit provider contract payments. Revenues are anticipated to exceed expenditures by year end.

Highway User Revenue Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Revenues	9,172,143	6,341,778	69.1%
Transfers In	1,446,000	-	0.0%
Total Revenues	10,618,143	6,341,778	59.7%
Operating	7,963,757	5,551,437	69.7%
Capital	75,500	4,603	6.1%
Transfers Out	503,304	3,304	0.7%
Total Exp	8,542,561	5,559,343	65.1%
Net Rev/Exp	2,075,582	782,434	



*amounts exclude encumbrances

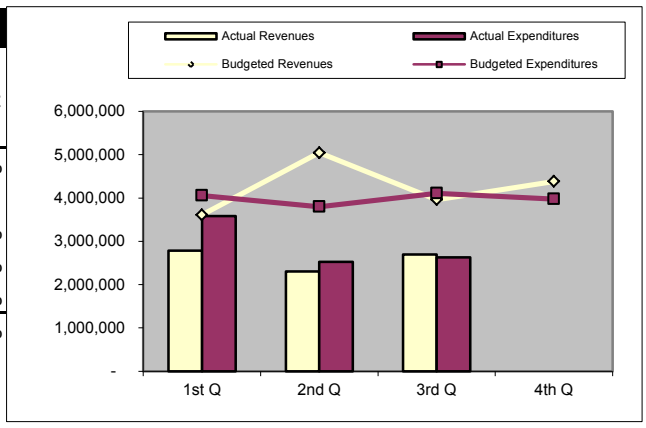
Positive

The Highway User Revenue Fund (HURF) accounts for the receipt of Highway User Revenue fund distributions from the state. These revenues are derived largely from fuel taxes and vehicle registration fees, and are allocated based on Tempe's share of state population. HURF resources are dedicated to Street and Traffic Operations, Maintenance, and Construction activities in the City, and a portion of fund resources are transferred out for annual debt service expenditures. Through the third quarter of FY 12-13, the fund is operating at a $782 thousand surplus. Total revenues are 60% of budget, compared with 66% historically, while expenditures are 65% of budget compared to a historical trend of 66%. While receipts of state highway user revenue through the third quarter are on pace with recent trends; the planned timing of interfund revenue receipts, which will occur in the fourth quarter, causes total revenue to track below the historical trend.

CDBG/Section 8 Funds

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Total Revenues	15,943,255	7,783,939	48.8%
Operating Expenses	15,160,331	8,206,633	54.1%
Capital Expenses	31,585	28,485	90.2%
Debt Service	631,404	500,377	79.2%
Total Exp	15,823,320	8,735,494	55.2%
Net Rev/Exp	$119,935	($951,555)	

*amounts exclude encumbrances



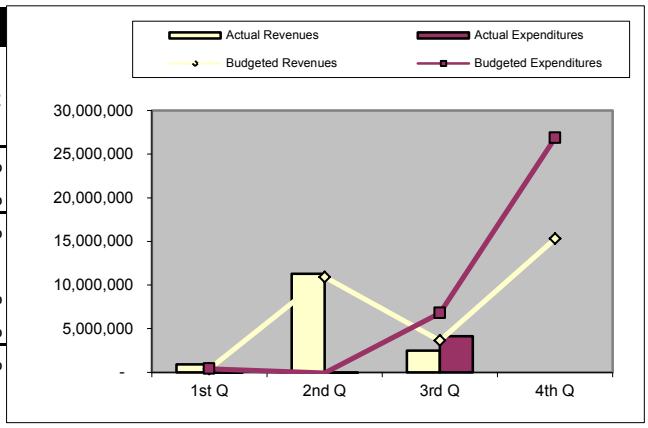
Positive

The Community Development Block Grant (CDBG) and Section 8 Funds are established to account for the receipt and expenditure of federal grants for redevelopment and rental subsidies for low income residents. Revenues through the third quarter total 48.8% of the FY 12-13 budget, compared to the historical percentage of 70.7%. While revenues are tracking less than historical patterns, expenditures are also tracking less than historical pattersn. Through the third quarter, expenditures totaled 55.2% of the FY 12-13 budget, compared to the historical percentage of 75.0%. The net effect on fund status through the third quarter is an operating deficit that is larger than the historical pattern, though this is largely due to the timing of grant revenues.

Debt Service Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Revenues	23,658,581	13,915,391	58.8%
Transfers In	6,540,953	752,052	11.5%
Total Revenues	30,199,534	14,667,443	48.6%
Debt Service	28,623,373	3,822,635	13.4%
Transfers Out	5,304,190	-	0.0%
Total Exp	33,927,563	3,822,635	11.3%
Net Rev/Exp	($3,728,029)	$10,844,808	

*amounts exclude encumbrances and impact of bond refunding

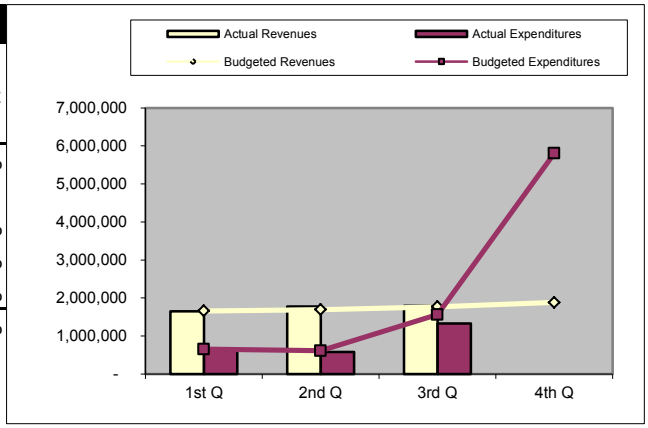


Positive

The Debt Service Fund accounts for the receipt of secondary Property Taxes to be used for payment of debt service on the City's tax supported debt. Actual revenues and expenditures through the third quarter are in line with historical budget comparisons and within budgeted parameters.

Performing Arts Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Total Revenues	$7,001,504	$5,219,045	74.5%
Operating	2,580,047	1,853,729	71.8%
Debt Service	5,932,350	693,875	11.7%
Transfers Out	116,622	-	0.0%
Total Exp	$8,629,019	$2,547,604	29.5%
Net Rev/Exp	($1,627,515)	$2,671,442	



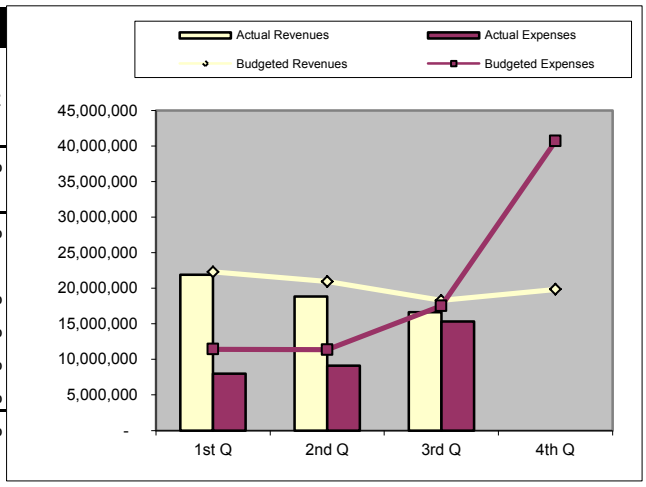
Positive

*amounts exclude encumbrances

The Performing Arts Fund accounts for the receipt of the 0.1% Performing Arts Sales Tax, which is used to fund operating and debt service expenses associated with the Tempe Center for the Arts. Revenues through the third quarter of FY 12-13 are 74.5% of budget, compared to the historical tracking percentage of 73%. Total expenditures are 29.5% of budget; below the historical percentage of 32.7%.

Water/ Waste Water Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Revenues	$76,104,967	$57,404,331	75.4%
Transfers In	5,304,190	-	
Total Revenues	81,409,157	57,404,331	70.5%
Operating Expenses	41,642,248	25,182,552	60.5%
Capital Expenses	1,229,386	469,971	38.2%
Debt Service	32,875,000	6,661,018	20.3%
Transfers Out	5,681,268	153,156	2.7%
Total Expenses	$81,427,902	$32,466,697	39.9%
Net Rev/Exp	($18,745)	$24,937,634	



*amounts exclude encumbrances and inventory accounts

Positive

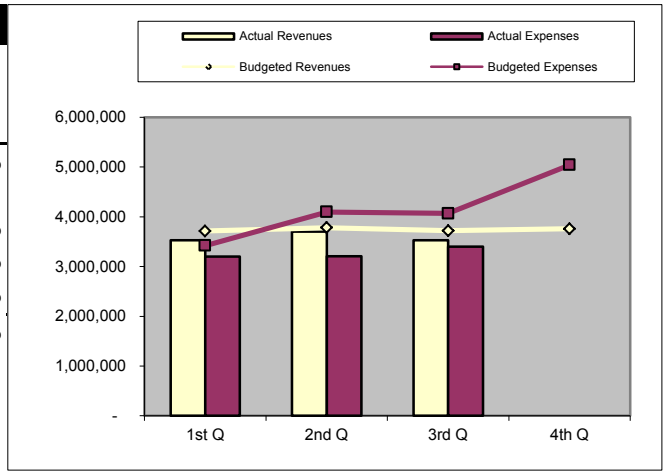
The Water/ Waste Water Fund is a self-supporting enterprise fund used to account for all water and wastewater treatment operations in the City. Total revenues through the third quarter of FY 12-13 are 70.5% of budget compared to the historical average of 75.6%. Revenue tracks behind the historical average because of the budgeted interfund transfer which will not occur until year end. Total expenses through the third quarter are 40% of budget compared to 49.8% historically. The adopted annual budget includes a $19 thousand planned drawdown of fund balance; through the third quarter the fund posted a $25 million operating surplus. This is the result of the timing of debt service payments, interfund transfers, and payments for regional wastewater services which occur in the fourth quarter.

Solid Waste Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Total Revenues	14,976,722	10,762,969	71.9%
Operating Expenses	14,219,645	9,656,624	67.9%
Transfers	540,668	3,424	0.6%
Capital Expenses	1,873,107	154,164	8.2%
Total Expenses	16,633,420	9,814,212	59.0%
Net Rev/Exp	($1,656,698)	$948,757	

*amounts exclude encumbrances

Positive



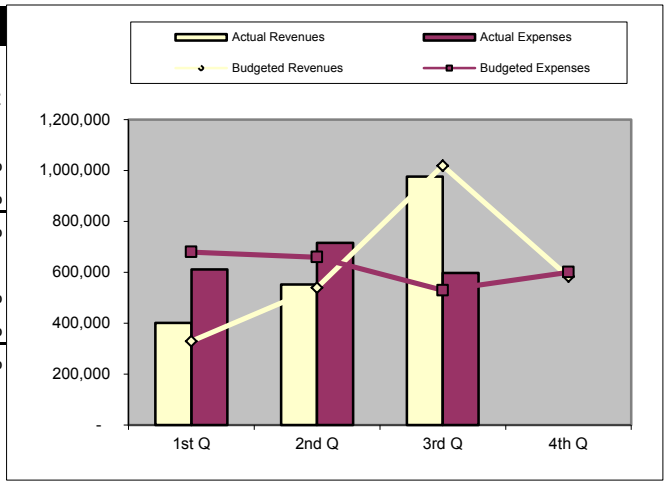
The Solid Waste Fund is a self-supporting enterprise fund intended to recover all operating, maintenance, and capital costs of providing residential and commercial solid waste services. Total revenues through the third quarter of FY 12-13 are 71.9% of budget compared to 74.9% historically. Total expenses through the third quarter are 59% of budget compared to 69.7% historically. The adopted budget includes a $1.7 million operating deficit; through the third quarter, the operating surplus is $949 thousand.

Golf Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Operating Revenues	**2,394,000**	1,854,459	77.5%
Transfers	75,000	74,000	99%
Total Revenues	2,469,000	1,928,459	78.1%
Operating Expenses	2,270,763	1,823,101	80.3%
Capital Expenses	196,802	100,415	51.0%
Total Expenses	2,467,565	1,923,516	78.0%
Net Rev/Exp	$1,435	$4,943	

*amounts exclude encumbrances

Positive

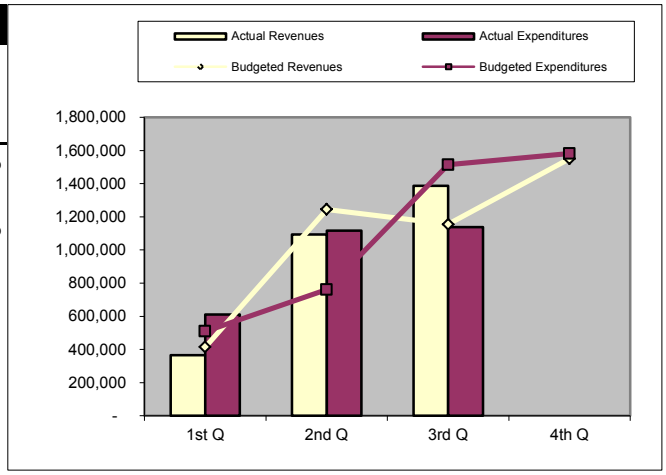


The Golf Fund is a self-supporting enterprise fund that provides for operation, maintenance, and debt service costs associated with two municipal golf courses. Total revenues through the third quarter of FY 12-13 are 78.1% of budget compared to 75.7% historically. Total expenses through the third quarter are 78.0% of budget compared to the historical tracking percentage of 76.4%. While expenses are tracking slightly higher compared to historical patterns, revenue is also tracking slightly higher than historical trends. It is advised that expenses be monitored during the final quarter to ensure that the fund ends the year with a surplus.

Police Dept-RICO & Grants

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Total Revenues	4,365,104	2,845,918	65.2%
Total Expenses	4,365,104	2,864,779	65.6%
Net Rev/Exp	-	($18,861)	

*amounts exclude encumbrances and contingency appropriations



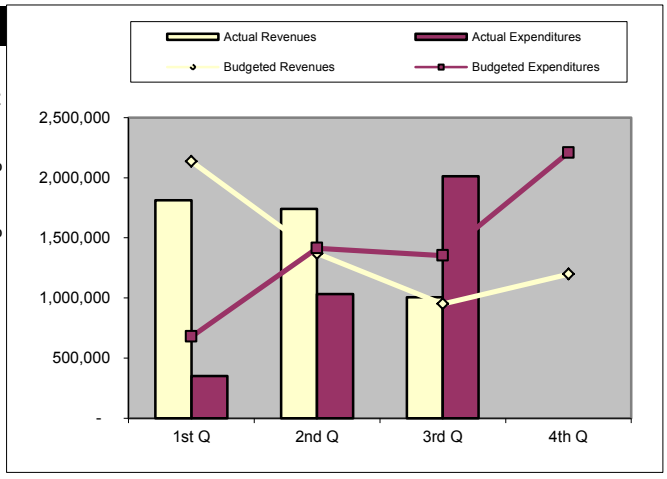
Positive

The Police Dept.-RICO & Grants Fund accounts for the receipt and expenditure of grants, donations, asset forefietures, and tow hearing fines associated with Police Department activities. Revenues through the third quarter total 65% of the FY 12-13 budget, compared to the historical percentage of 64.5%. Expenditures through the third quarter total 65.6% of the FY 12-13 budget, compared to the historical percentage of 64%.

Governmental Grants or Donations

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Total Revenues	5,653,863	4,557,887	80.6%
Total Expenses	5,653,863	3,397,098	60.1%
Net Rev/Exp	-	$1,160,789	

*amounts exclude encumbrances and contingency appropriations



Positive

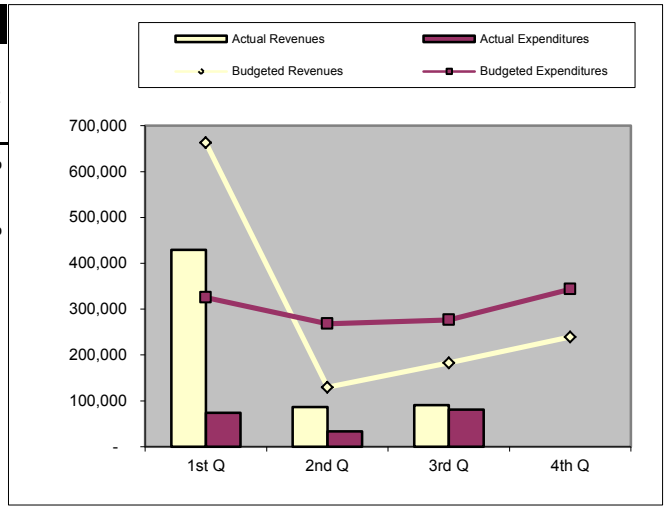
The Governmental Grants or Donantions Fund accounts for the receipt and expenditure of grants, donations, and other miscellaneous revenues related with general governmental activities. Revenues through the third quarter total 81% of the FY 12-13 budget, compared to the historical percentage of 79%. Expenditures through the third quarter total 60% of the FY 12-13 budget, compared to the historical percentage of 61%. The increase in expenditure activity in the third quarter is primarily attributable to the pass through (expenditure) of indian gaming grants which were received in the first and second quarters.

Court Enhancement Fund

	FY 12-13 Budget	FY 12-13 Q3 Actual*	% Budget to Date
Total Revenues	1,214,465	605,828	49.9%
Total Expenditures	1,214,465	187,649	15.5%
Net Rev/Exp	-	$418,178	

*amounts exclude encumbrances and contingency appropriations

Positive



The Court Enhancement Fund is established to account for fine, fee and forefeiture revenues dedicated for City Court purposes pursuant to state statute and city code. Revenues through the third quarter total 50% of the FY 12-13 budget, compared to the historical percentage of 80%. However, expenditures through the third quarter only total 15.5% of the FY 12-13 budget, compared to the historical percentage of 72%.