



City of Tempe

Quarterly Financial Performance Report

1st Quarter FY 2011 (July-September 2010)

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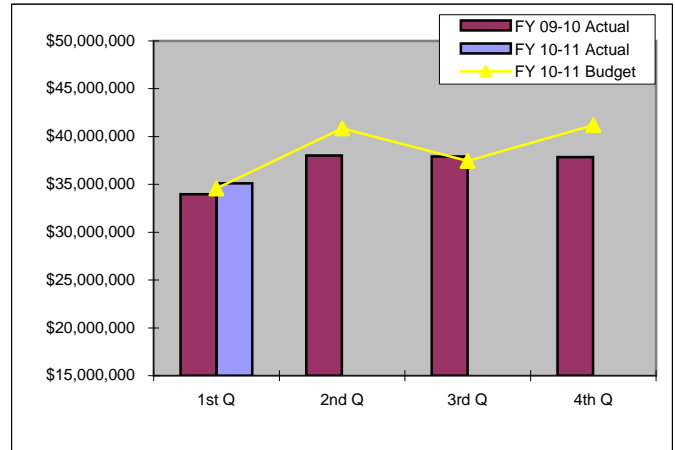
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Performance Ratings Key

- 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%

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$34,586,051	\$35,106,162	22.8%	22.4%
2nd Q	Oct-Dec 10	40,865,071			
3rd Q	Jan-Mar 11	37,453,904			
4th Q	Apr-Jun 11	41,183,164			
Total		\$154,088,190	\$35,106,162	22.8%	22.4%



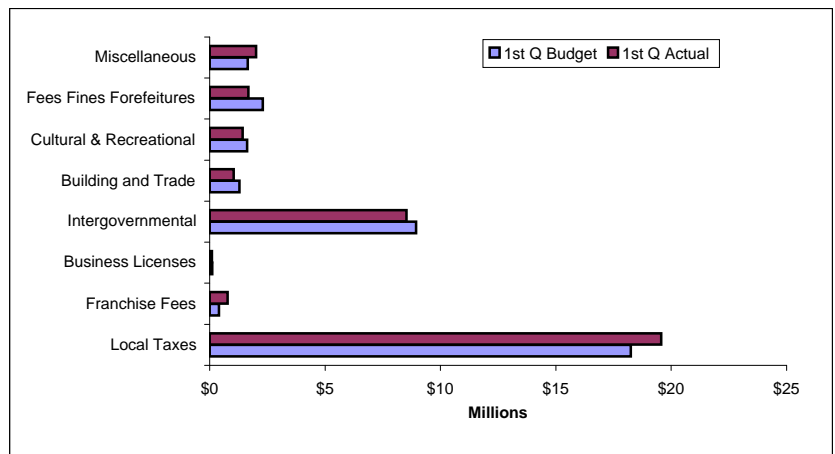
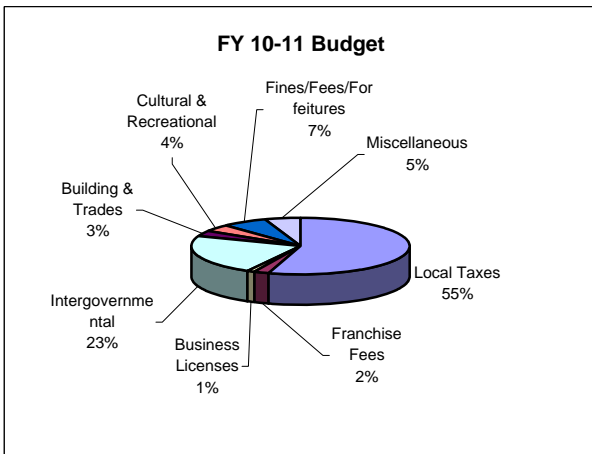
Positive

Through the first quarter of FY 10-11, General Fund revenue is 22.8% of budget, compared with a historical percentage of 22.4%. This positive variance is due to a number offsetting positive and negative factors. Specifically, below trend performance in Fines, Fees, and Forefeitures and charges for Building and Trades and Cultural and Recreational Services is offset by better-than-expected collections of Local Taxes.

General Fund Revenue by Category

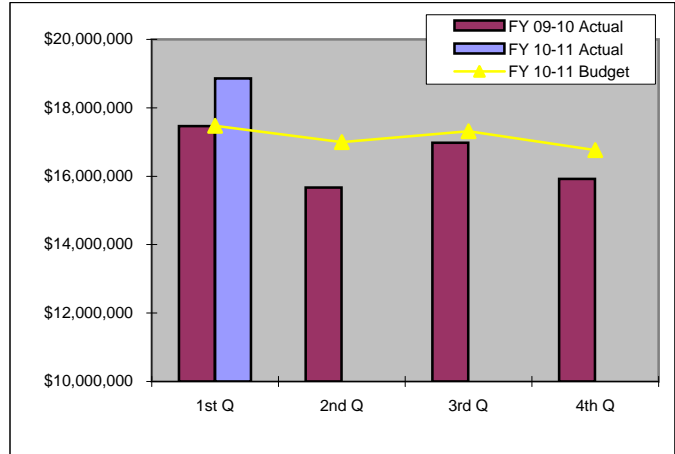
Revenue Categories	FY 10-11 Annual Budget	% of Annual Budget
Local Taxes	\$84,174,760	55%
Franchise Fees	3,727,000	2%
Business Licenses	1,567,696	1%
Intergovernmental	35,038,037	23%
Building & Trades	4,618,357	3%
Cultural & Recreational	6,582,084	4%
Fines/Fees/Forfeitures	10,322,095	7%
Miscellaneous	8,058,161	5%
Total	\$154,088,190	

	1Q FY 10-11 Budget Target	1Q FY 10-11 Actual Revenue	% of Budget Target
Local Taxes	\$18,251,790	\$19,562,582	107%
Franchise Fees	407,026	777,569	191%
Business Licenses	110,766	99,955	90%
Intergovernmental	8,936,662	8,525,592	95%
Building & Trades	1,288,643	1,036,251	80%
Cultural & Recreational	1,627,205	1,423,099	87%
Fines/Fees/Forfeitures	2,308,389	1,675,810	73%
Miscellaneous	1,655,571	2,005,304	121%
Total	\$34,586,051	\$35,106,162	102%



Sales Tax

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$17,474,102	\$18,859,169	27.5%	25.5%
2nd Q	Oct-Dec 10	16,999,558			
3rd Q	Jan-Mar 11	17,316,444			
4th Q	Apr-Jun 11	16,760,768			
Total		\$68,550,872	\$18,859,169	27.5%	25.5%

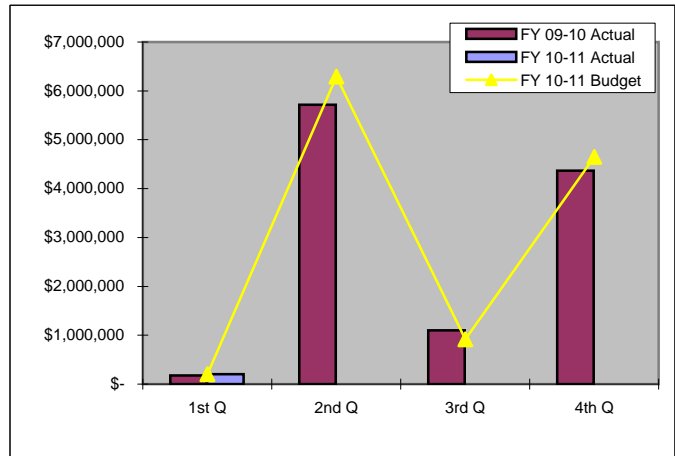


Positive

City Sales Taxes are generated by a 2.0% levy on sales transactions in the city. 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. This revenue source contributes 44% of the General Fund budget in FY 10-11, making it the City's largest revenue source. Through the first quarter of FY 10-11, Sales Tax collections are 27.5% of budget, which is 2% better than the historical average of 25.5%. The budgeted amount for the year includes the additional \$8 million of sales tax revenue attributable to the temporary 0.2% sales tax rate increase.

Property Tax

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$205,275	\$203,725	1.7%	1.7%
2nd Q	Oct-Dec 10	6,290,717			
3rd Q	Jan-Mar 11	916,773			
4th Q	Apr-Jun 11	4,651,207			
Total		\$12,063,972	\$203,725	1.7%	1.7%

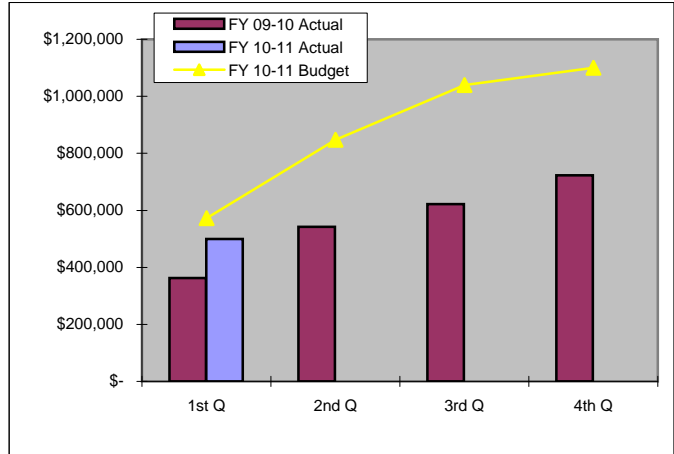


Positive

Property Tax revenue is generated by a \$0.52 charge per \$100 of the primary assessed valuation of real and personal property. In FY 10-11, Property Taxes contribute 7.8% of budgeted General Fund revenue. Through the first quarter of FY 10-11, Property Tax collections are 1.7% of budget, which mirrors the historical average of 1.7%.

Bed Tax

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$572,412	\$499,689	14.0%	16.1%
2nd Q	Oct-Dec 10	847,179			
3rd Q	Jan-Mar 11	1,039,884			
4th Q	Apr-Jun 11	1,100,441			
Total		\$3,559,916	\$499,689	14.0%	16.1%

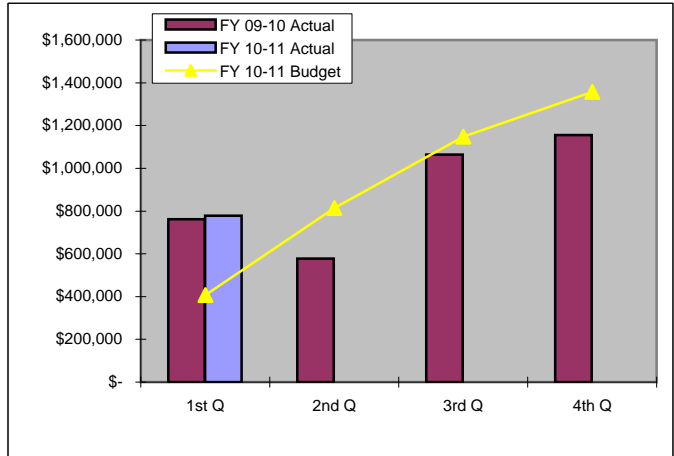


Watch

The Transient Lodging Tax, or Bed Tax is a 5% levy on hotel and motel sales that contributes approximately 2.3% of budgeted General Fund revenue in FY 10-11. Bed Tax collections through the first quarter of FY 10-11 are 14% of budget, which trails the historical average by (2.1)%. This negative variance is at the low-end of the watch threshold, however collections will be subject to monthly review until the 'Positive' performance standard is met.

Franchise Fees

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$407,026	\$777,569	20.9%	10.9%
2nd Q	Oct-Dec 10	813,841			
3rd Q	Jan-Mar 11	1,148,237			
4th Q	Apr-Jun 11	1,357,896			
Total		\$3,727,000	\$777,569	20.9%	10.9%

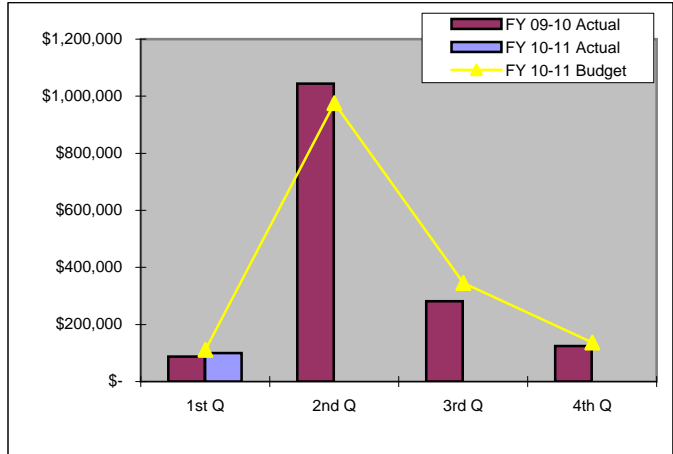


Positive

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), Air Products (2% of gross revenue), Southwest Gas (2% of gross revenue), and a number of telecommunications service providers. Franchise Fee payments are 20.9% of the budgeted amount through the first quarter of FY 10-11, though this variance is likely due to changes in timing of payments, as the actual collections are in line with the amount collected during the same period last year.

Business Licenses

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$110,766	\$99,955	6.4%	7.1%
2nd Q	Oct-Dec 10	975,243			
3rd Q	Jan-Mar 11	345,192			
4th Q	Apr-Jun 11	136,495			
Total		\$1,567,696	\$99,955	6.4%	7.1%

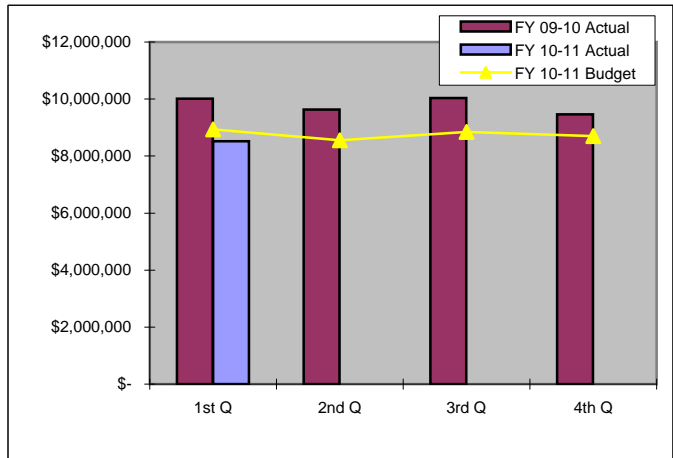


Positive

The City requires business activities to be licensed, with the annual licensing fee amount varying by business type. Business License collections through the first quarter of FY 10-11 were 6.4% of budget, compared to the historical average of 7.1%.

Intergovernmental

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$8,936,662	\$8,525,592	24.3%	25.5%
2nd Q	Oct-Dec 10	8,554,728			
3rd Q	Jan-Mar 11	8,849,913			
4th Q	Apr-Jun 11	8,696,734			
Total		\$35,038,037	\$8,525,592	24.3%	25.5%

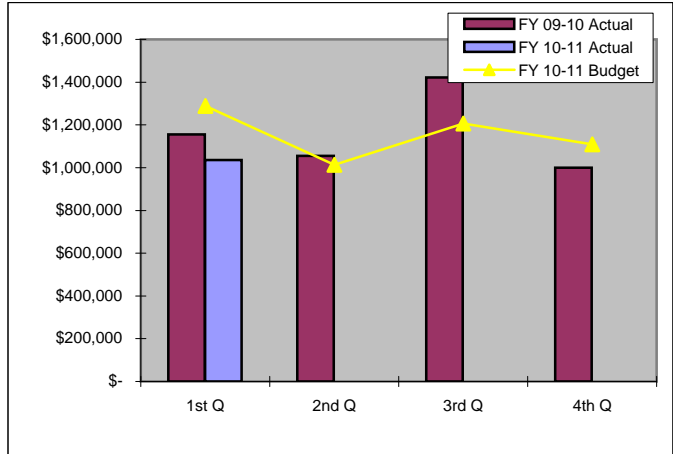


Positive

Intergovernmental Revenues include distributions of State Income Taxes, Sales Taxes, and 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 22.7% of budgeted revenue for FY 10-11, making this the second largest General Fund revenue source after Sales Taxes. Through the first quarter of FY 10-11, actual collections are 24.3% of budget, compared to a historical average of 25.5%. When compared to the same quarter last fiscal year, collections are 15% lower, due largely to the effects of the recession on State Income Tax collections.

Building & Trades

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$1,288,643	\$1,036,251	22.4%	27.9%
2nd Q	Oct-Dec 10	1,013,920			
3rd Q	Jan-Mar 11	1,206,397			
4th Q	Apr-Jun 11	1,109,397			
Total		\$4,618,357	\$1,036,251	22.4%	27.9%

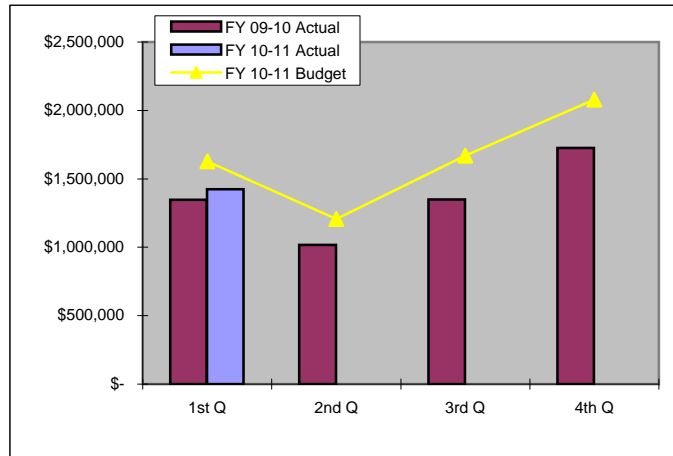


Negative

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 collected to recover a portion of the cost of regulating development. Through the first quarter of FY 10-11, actual collections are 22.4% of budget, compared to a historical average of 27.9%. This category of revenue can be volatile due to the influence of large projects on development activity trends; however, observation of near term development permitting activity indicates that this category may not meet forecast. This category will be subject to monthly review until it is brought into 'Positive' performance status. It is also recommended that steps be taken to limit expenditures to accommodate any revenue shortfall from budgeted levels.

Cultural & Recreational

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$1,627,205	\$1,423,099	21.6%	24.7%
2nd Q	Oct-Dec 10	1,206,213			
3rd Q	Jan-Mar 11	1,670,725			
4th Q	Apr-Jun 11	2,077,941			
Total		\$6,582,084	\$1,423,099	21.6%	24.7%

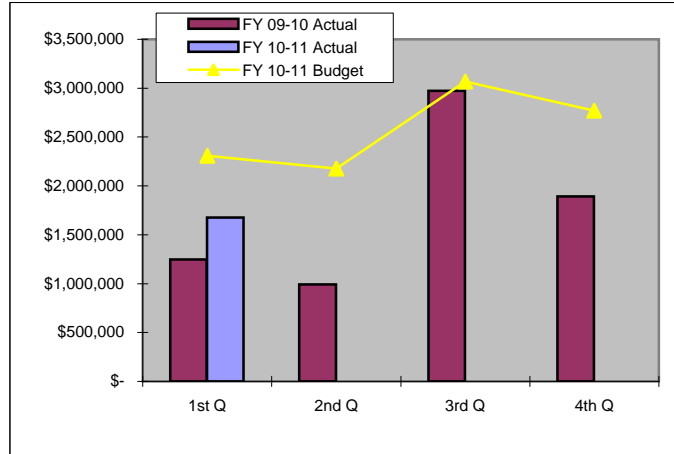


Watch

Cultural and Recreational revenues include fees and charges to recover 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 4% of total budgeted revenue for FY 10-11. Through the first quarter of FY 10-11, Cultural and Recreational fee collections are 21.6% of budget, compared to the historical average of 24.7%. This is largely attributable to lower than expected collections from the Kid Zone program. This category will be subject to monthly review until it is brought into 'Positive' performance status. It is recommended that steps be taken to limit expenditures to accommodate any revenue shortfall from budgeted levels.

Fines, Fees, Forfeitures

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$2,308,389	\$1,675,810	16.2%	22.4%
2nd Q	Oct-Dec 10	2,178,247			
3rd Q	Jan-Mar 11	3,067,012			
4th Q	Apr-Jun 11	2,768,447			
Total		\$10,322,095	\$1,675,810	16.2%	22.4%

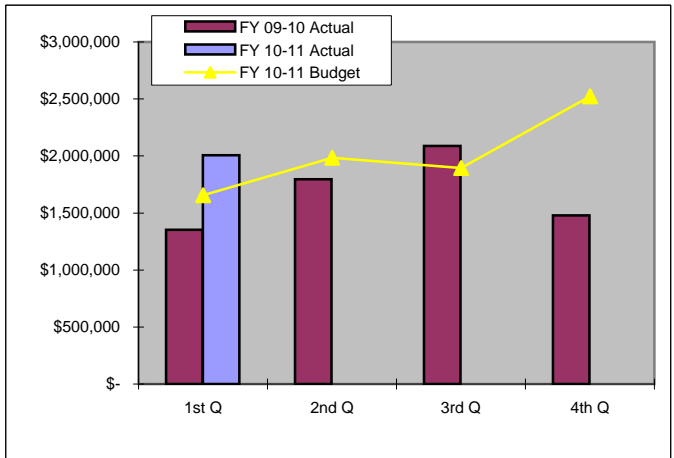


Negative

Fines, Fees, and Forfeiture revenue derives from fines and other payments related to violation of state laws and local ordinances, including parking, traffic, and criminal enforcement activities. In total Fees, Fines, and Forfeitures represent 6.7% of total budgeted revenue for FY 10-11. Through the first quarter of FY 10-11, 16.2% of budgeted revenues have been collected, compared to a historical average of 22.4% during this period. A portion of the negative variance is due to a delay in the approval and administration of new Public Safety Enhancement Fees, which were approved by the City council in August. Additional variance is due to implementation issues of the photo radar program in light of recent statutory changes governing the placement of fixed installations. While revenues from these sources are not cost recovery in nature, there are elements of the expenditure budget that are related to citation activity. Fines, Fees, and Forfeitures will be subject to monthly review until this category is brought into 'Positive' performance tracking status.

Other Revenues

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$1,655,571	\$2,005,304	24.9%	20.5%
2nd Q	Oct-Dec 10	1,985,425			
3rd Q	Jan-Mar 11	1,893,328			
4th Q	Apr-Jun 11	2,523,837			
Total		\$8,058,161	\$2,005,304	24.9%	20.5%

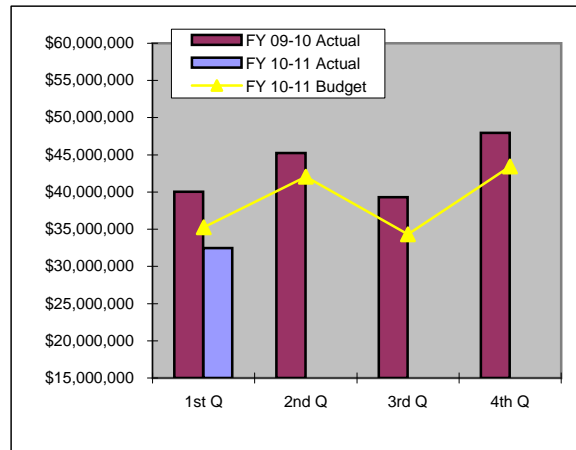


Positive

Other Revenues include collections from a variety of sources not otherwise accounted for in other primary categories. Primary component of Other Revenues are Interest Earnings, Land and Building Facility Rental, and SRP Payments In-Lieu payments which combined account for 61.9% of Other Revenue. Through the first quarter of the fiscal year, collections of Other Revenue are at 24.9% of the FY 10-11 budget, compared to a historical tracking percentage of 20.5%. This positive variance is largely due to the timing of the SRP In-Lieu Payment.

General Fund Expenditures Quarterly Analysis

		FY 10-11 Adopted Budget	FY 10-11 Actual Exp	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	35,250,917	32,457,943	20.9%	22.7%
2nd Q	Oct-Dec 10	42,053,974			
3rd Q	Jan-Mar 11	34,307,078			
4th Q	Apr-Jun 11	43,440,465			
Total		155,052,435	32,457,943	20.9%	22.7%

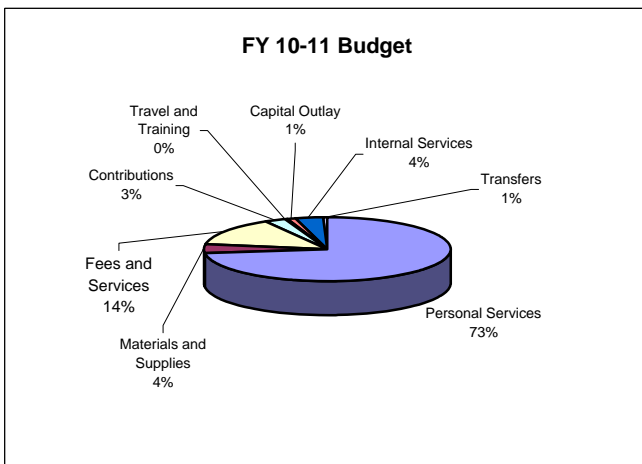


Positive

Through the first quarter of FY 10-11, General Fund expenditures are 20.9% of budget, compared with a historical percentage of 22.7%.

General Fund Expenditures By Category

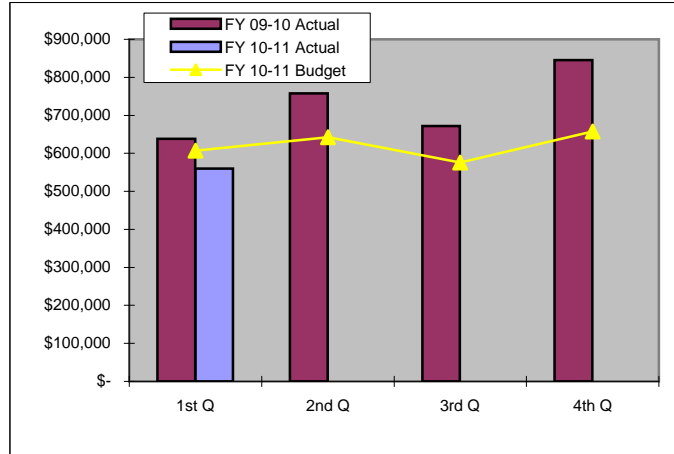
Categories	FY 10-11 Adopted Budget
Personal Services	122,265,272
Materials and Supplies	7,144,525
Fees and Services	24,084,237
Contributions	4,547,400
Travel and Training	417,457
Capital Outlay	1,660,000
Internal Services	(6,085,251)
Transfers	1,018,795
Total	155,052,435



City Attorney

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 10	\$607,030	\$560,223	22.6%	24.5%
2nd Q	Oct-Dec 10	642,085			
3rd Q	Jan-Mar 11	575,653			
4th Q	Apr-Jun 11	657,112			
Total		\$2,481,881	\$560,223	22.6%	24.5%

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



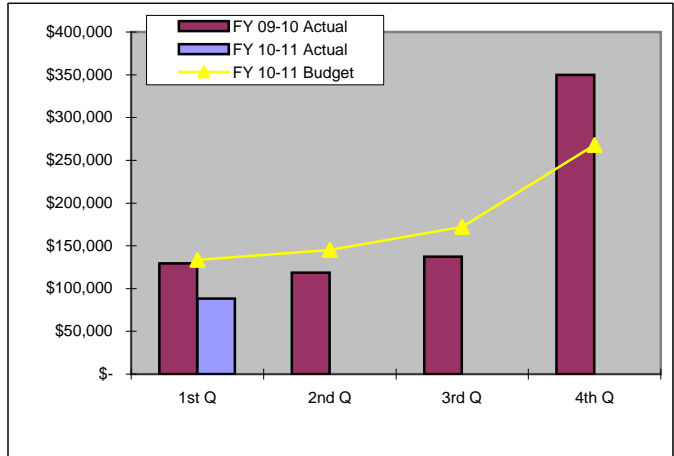
Positive

The City Attorney spent 22.6% of its FY 10-11 budget through the first quarter, compared to a historical average of 24.5%.

City Clerk

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	\$133,735	\$88,367	12.3%	18.6%
2nd Q	Oct-Dec 10	145,364			
3rd Q	Jan-Mar 11	172,290			
4th Q	Apr-Jun 11	268,045			
Total		\$719,434	\$88,367	12.3%	18.6%

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



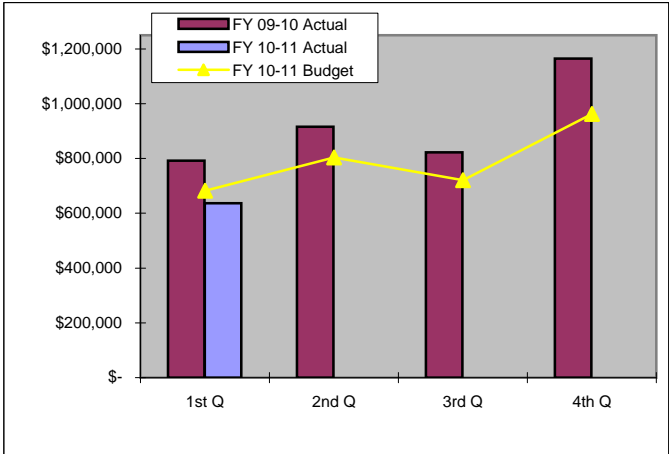
Positive

The City Clerk spent 12.3% of its FY 10-11 budget through the first quarter, compared to a historical average of 18.6%.

City Court

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$682,396	\$636,679	20.1%	21.5%
2nd Q	Oct-Dec 10	803,309			
3rd Q	Jan-Mar 11	721,014			
4th Q	Apr-Jun 11	963,053			
Total		\$3,169,772	\$636,679	20.1%	21.5%

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



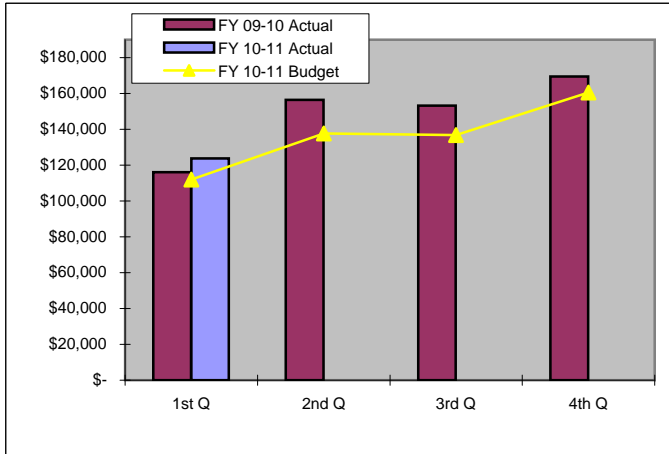
Positive

The City Court spent 20.1% of its FY 10-11 budget through the first quarter, compared to the historical average of 21.5%.

City Manager

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$111,893	\$123,836	22.6%	20.5%
2nd Q	Oct-Dec 10	137,711			
3rd Q	Jan-Mar 11	136,788			
4th Q	Apr-Jun 11	160,539			
Total		\$546,931	\$123,836	22.6%	20.5%

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



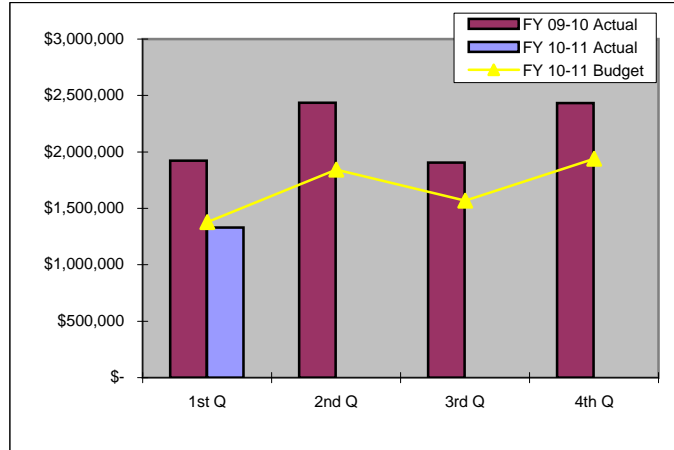
Watch

The City Manager spent 22.6% of its FY 10-11 budget through the first quarter, compared to the historical average of 20.5%. This department will be subject to monthly review until 'Positive' performance is established.

Community Development

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$1,379,464	\$1,329,136	19.7%	20.5%
2nd Q	Oct-Dec 10	1,844,168			
3rd Q	Jan-Mar 11	1,567,618			
4th Q	Apr-Jun 11	1,939,491			
Total		\$6,730,741	\$1,329,136	19.7%	20.5%

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



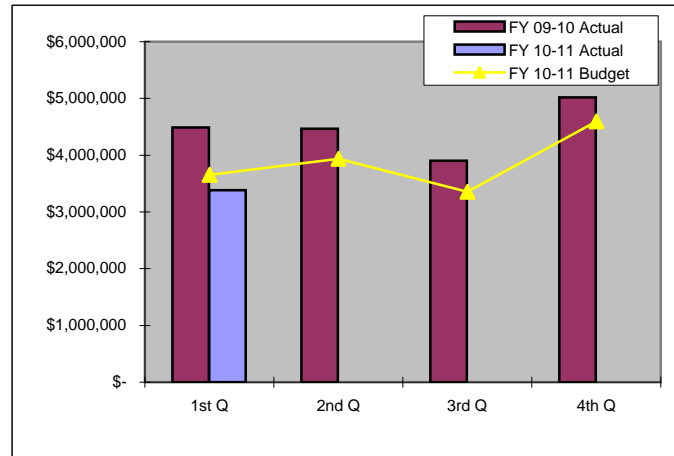
Positive

The Community Development Department spent 19.7% of its FY 10-11 budget through the first quarter, compared to the historical average of 20.5%.

Community Services

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$3,651,796	\$3,384,758	21.8%	23.5%
2nd Q	Oct-Dec 10	3,937,043			
3rd Q	Jan-Mar 11	3,354,083			
4th Q	Apr-Jun 11	4,596,007			
Total		\$15,538,929	\$3,384,758	21.8%	23.5%

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



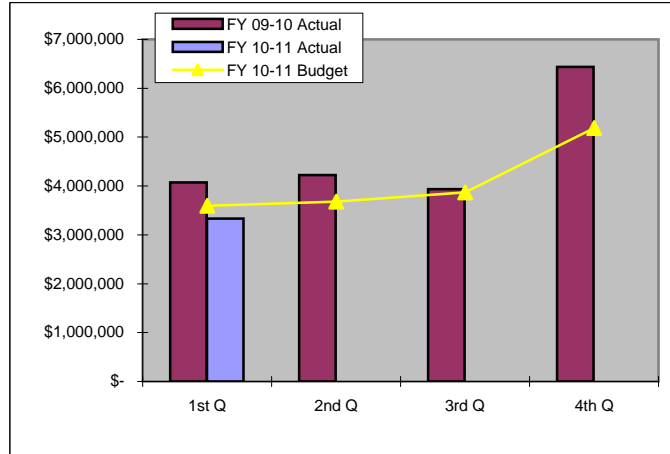
Positive

The Community Services Department spent 21.8% of its FY 10-11 budget through the first quarter, compared to the historical average of 23.5%.

Finance and Technology

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$3,594,490	\$3,334,024	20.4%	22.0%
2nd Q	Oct-Dec 10	\$3,680,165			
3rd Q	Jan-Mar 11	\$3,871,334			
4th Q	Apr-Jun 11	\$5,185,037			
Total		\$16,331,026	\$3,334,024	20.4%	22.0%

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



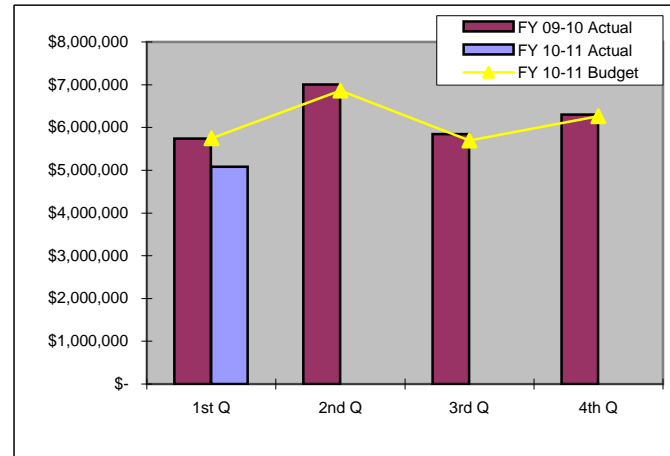
Positive

The Finance and Technology Department spent 20.4% of its FY 10-11 budget through the first quarter, compared with a historical average of 22.0%.

Fire

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$5,746,442	\$5,081,217	20.7%	23.4%
2nd Q	Oct-Dec 10	6,862,131			
3rd Q	Jan-Mar 11	5,692,356			
4th Q	Apr-Jun 11	6,266,049			
Total		\$24,566,978	\$5,081,217	20.7%	23.4%

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



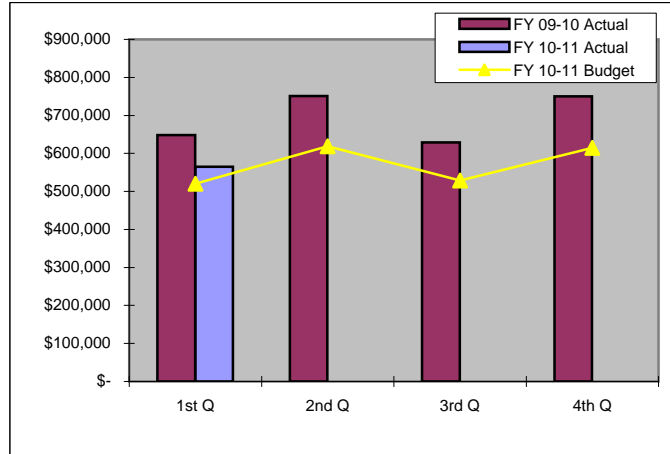
Positive

The Fire Department spent 20.7% of its FY 10-11 budget through the first quarter, compared with a historical percentage of 23.4%

Human Resources

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$520,508	\$564,641	24.7%	22.8%
2nd Q	Oct-Dec 10	618,900			
3rd Q	Jan-Mar 11	528,799			
4th Q	Apr-Jun 11	614,905			
Total		\$2,283,113	\$564,641	24.7%	22.8%

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



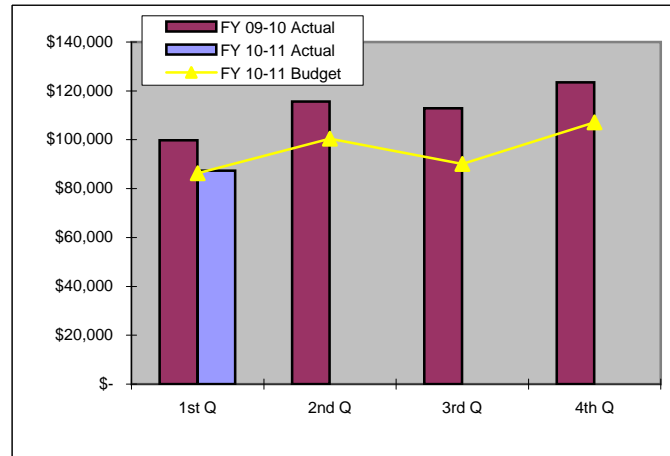
Positive

The Human Resources Department spent 24.7% of its FY 10-11 budget through the first quarter, compared with a historical average of 22.8%.

Mayor and Council

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$86,300	\$87,339	22.8%	22.5%
2nd Q	Oct-Dec 10	100,394			
3rd Q	Jan-Mar 11	90,100			
4th Q	Apr-Jun 11	107,090			
Total		\$383,885	\$87,339	22.8%	22.5%

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



Positive

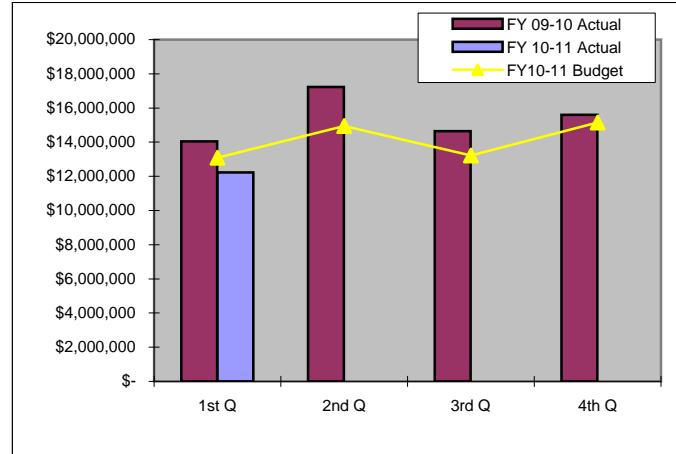
The Mayor and Council spent 22.8% of its FY 10-11 budget through the first quarter, compared with a historical average of 22.5%.

Police

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$13,099,151	\$12,237,010	21.7%	23.2%
2nd Q	Oct-Dec 10	14,949,709			
3rd Q	Jan-Mar 11	13,226,860			
4th Q	Apr-Jun 11	15,148,442			
Total		\$56,424,162	\$12,237,010	21.7%	23.2%

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

Positive



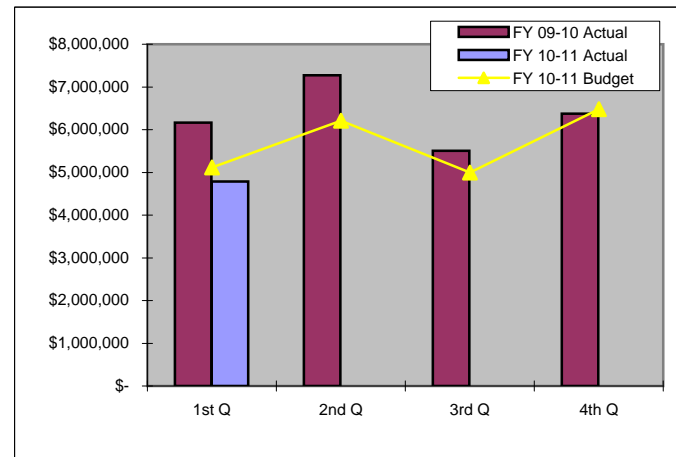
The Police Department spent 21.7% of its FY 10-11 budget through the first quarter, compared to a historical average of 23.2%.

Public Works

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$5,114,144	\$4,787,716	21.0%	22.4%
2nd Q	Oct-Dec 10	6,209,969			
3rd Q	Jan-Mar 11	4,999,494			
4th Q	Apr-Jun 11	6,477,314			
Total		\$22,800,921	\$4,787,716	21.0%	22.4%

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

Positive

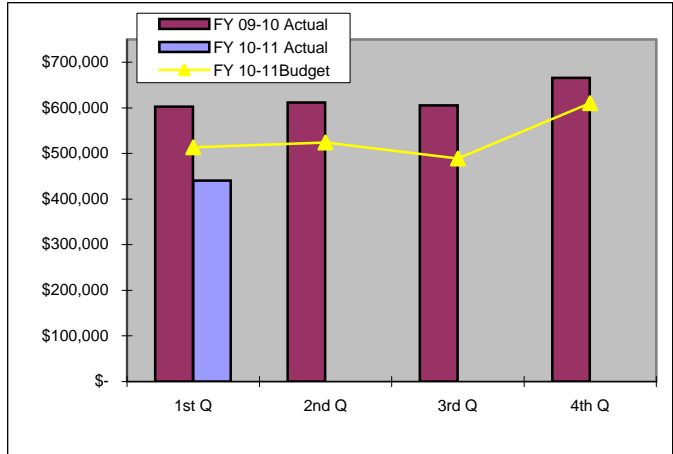


The Public Works Department spent 21.0% of its FY 10-11 General Fund budget through the first quarter, compared with a historical average of 22.4%.

Community Relations Office

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$513,895	\$440,714	20.6%	24.0%
2nd Q	Oct-Dec 10	523,765			
3rd Q	Jan-Mar 11	488,984			
4th Q	Apr-Jun 11	610,295			
Total		\$2,136,938	\$440,714	20.6%	24.0%

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



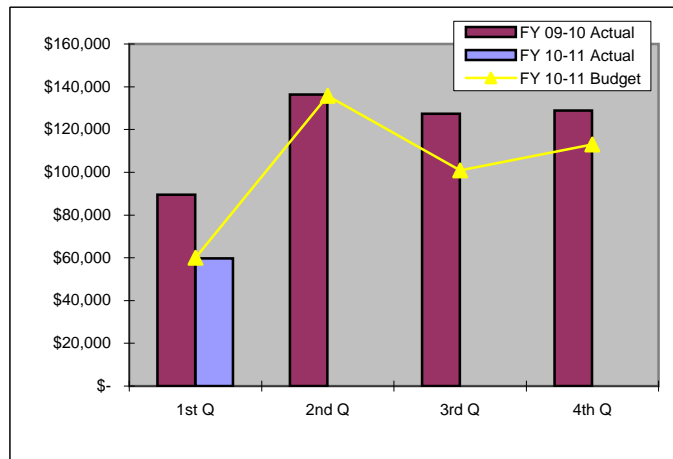
Positive

The Community Relations Office spent 20.6% of its FY 10-11 budget through the first quarter, compared to a historical average of 24.0%.

Diversity Office

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$59,970	\$59,695	14.6%	14.6%
2nd Q	Oct-Dec 10	135,683			
3rd Q	Jan-Mar 11	100,915			
4th Q	Apr-Jun 11	113,026			
Total		\$409,594	\$59,695	14.6%	14.6%

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



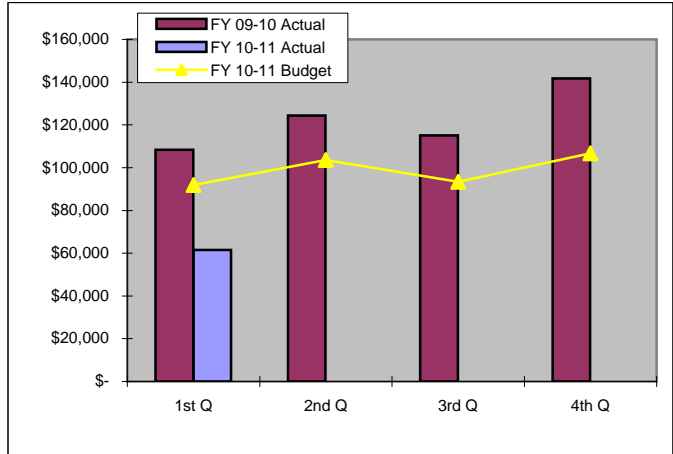
Positive

The Diversity Office spent 14.6% of its FY 10-11 budget through the first quarter, compared to a historical average of 14.6%.

Internal Audit Office

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$91,896	\$61,559	15.6%	23.2%
2nd Q	Oct-Dec 10	103,632			
3rd Q	Jan-Mar 11	93,355			
4th Q	Apr-Jun 11	106,744			
Total		\$395,627	\$61,559	15.6%	23.2%

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



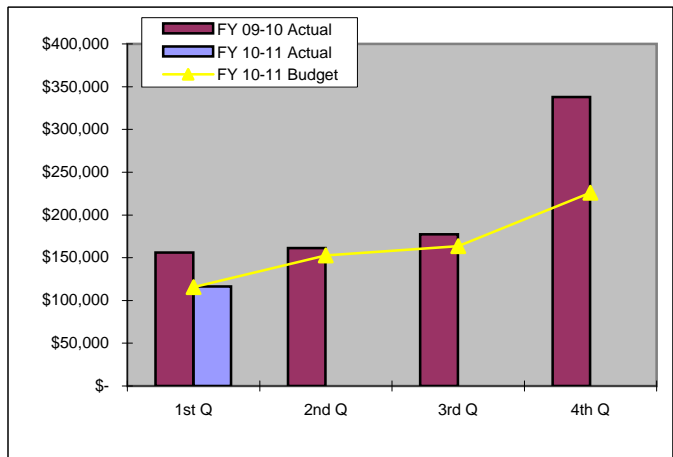
Positive

The Internal Audit Office spent 15.6% of its FY 10-11 budget through the end of the first quarter, compared to a historical pattern of 23.2% during this period. This deviation from budget is largely due to salary savings generated during the recruitment of the City Auditor.

Tempe Learning Center

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	\$115,464	\$116,405	17.7%	17.6%
2nd Q	Oct-Dec 10	152,657			
3rd Q	Jan-Mar 11	163,595			
4th Q	Apr-Jun 11	225,992			
Total		\$657,708	\$116,405	17.7%	17.6%

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



Positive

The Tempe Learning Center spent 17.7% of its FY 10-11 budget through the end of the first quarter, compared to a historical average of 17.6%.

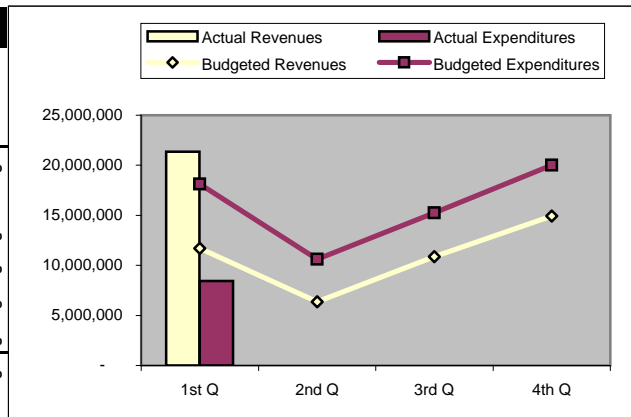
Transit Fund

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Total Revenues	43,837,911	21,357,288	48.7%
Operating	54,458,751	8,353,138	15.3%
Capital	17,500	-	0.0%
Debt Service	9,550,000	76,305	0.8%
Transfers Out	4,460	-	0.0%
Total Exp	64,030,711	8,429,443	13.2%

Net Rev/Exp (20,192,800) 12,927,845

*amounts exclude encumbrances

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 and design, operations, community outreach, and debt service. Through the end of the first quarter, there is an operating surplus in the Transit Fund of \$13 million. Transit Fund revenue is at 48.7% of budget compared to a historical tracking percentage of 26.7%. Expenditures are 13.2% of budget compared to the historical tracking percentage of 28.3%.

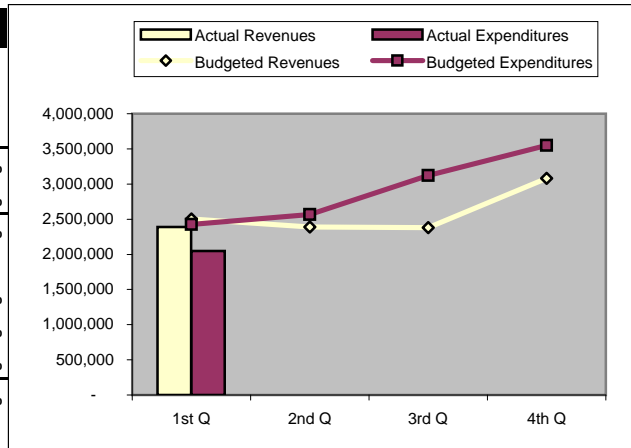
Highway User Revenue Fund

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Revenues	9,570,879	2,387,847	24.9%
Transfers In	785,824	-	0.0%
Total Revenues	10,356,703	2,387,847	23.1%
Operating	8,322,189	2,049,450	24.6%
Capital	255,500	-	0.0%
Transfers Out	3,079,862	-	0.0%
Total Exp	11,657,551	2,049,450	17.6%

Net Rev/Exp (1,300,848) 338,398

*amounts exclude encumbrances

Positive



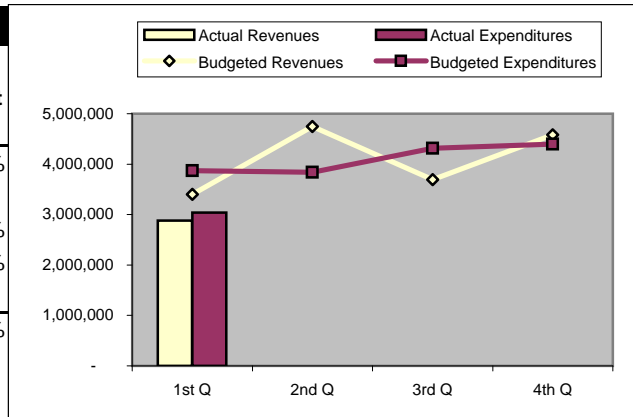
The Highway User Revenue Fund (HURF) accounts for the receipt of Highway User Revenue fund distributions from the state. These revenues are derived largely from fuel taxes and vehicle registration fees, and are allocated based on share of state population. HURF resources are dedicated to Street and Traffic Operations, Maintenance, and Construction activities in the city, and a portion of fund resources are transferred out for annual debt service expenditures. Through the first quarter of FY 10-11, the fund is operating at a \$338,000 surplus, with both revenues and expenditures coming in line with historical tracking percentages to budget.

CDBG/Section 8 Funds

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Total Revenues	16,417,949	2,882,883	17.6%
Operating Expenses	16,398,449	2,714,578	16.6%
Capital Expenses	19,500	-	0.0%
Debt Service	-	326,582	
Total Exp	16,417,949	3,041,160	18.5%
Net Rev/Exp	-	(158,277)	

*amounts exclude encumbrances

Positive



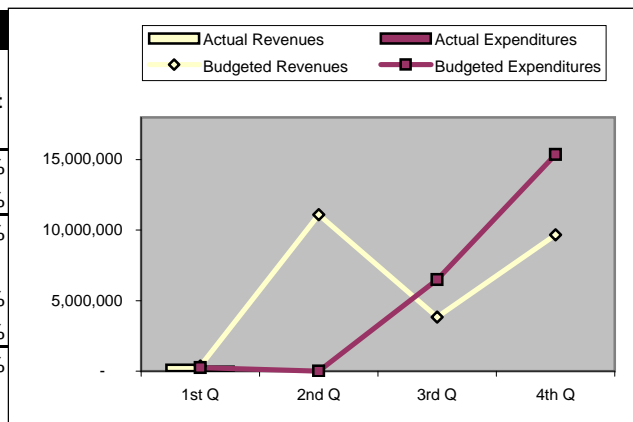
The Community Development Block Grant (CDBG) and Section 8 Funds are established to account for the receipt and expenditure of federal grants for city redevelopment and rental subsidies for low income residents. These combined funds are showing an operating deficit, largely due to the timing of grant disbursements for housing assistance. Revenues through the first quarter total 17.6% of the FY 10-11 budget, compared to the historical percentage of 20.7%. Expenditures through the first quarter total 18.5% of the FY 10-11 budget, compared to the historical percentage of 23.6%.

Debt Service Fund

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Revenues	22,181,140	464,977	2.1%
Transfers In	2,770,000	-	0.0%
Total Revenues	24,951,140	464,977	1.9%
Debt Service	22,062,500	316,294	1.4%
Transfers Out	49,000	-	0.0%
Total Exp	22,111,500	316,294	1.4%
Net Rev/Exp	2,839,640	148,683	

*amounts exclude encumbrances

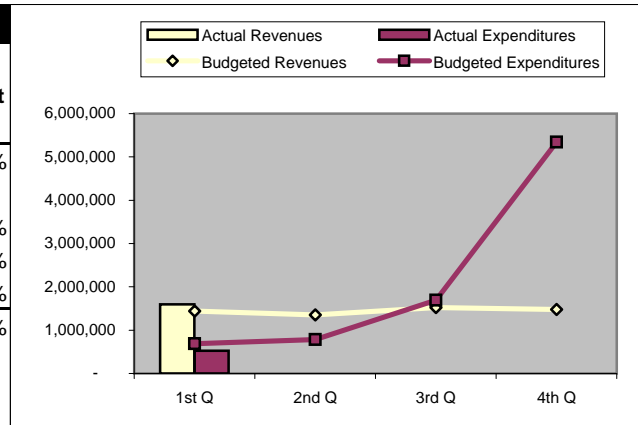
Positive



The Debt Service Fund accounts for the receipt of secondary Property Taxes to be used for payment of debt service on the City's General Obligation Debt. Due to the timing of both revenues to and expenditures from the fund there is very little activity in the first quarter of the fiscal year, both in FY 10-11 and in terms of historical comparisons.

Performing Arts Fund

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Total Revenues	5,796,368	1,597,574	27.6%
Operating	2,451,128	495,541	20.2%
Debt Service	6,060,000	2,160	0.0%
Transfers Out		30,635	0.0%
Total Exp	8,511,128	528,336	6.2%
Net Rev/Exp	(2,714,760)	1,069,239	



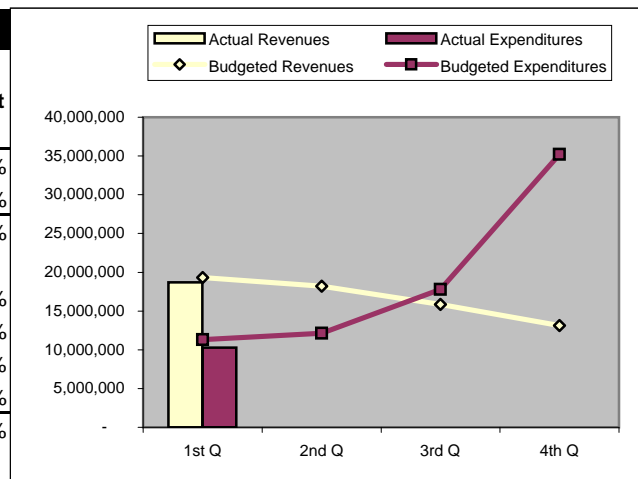
Positive

*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 first quarter of FY 10-11 are 27.6% of budget, compared to the historical tracking percentage of 24.9%. Total expenditures are 6.2% of budget, which is comparable to the historical percentage of 8.1%.

Water/Wastewater Fund

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Revenues	\$65,967,341	\$18,702,301	28.4%
Transfers In	542,833		0.0%
Total Revenues	66,510,174	18,702,301	28.1%
Operating Expenses	40,147,861	9,131,497	22.7%
Capital Expenses	817,742	11,257	1.4%
Debt Service	31,900,000	669,879	2.1%
Transfers Out	436,463	497,649	114.0%
Total Expenses	\$73,302,066	\$10,310,280	14.1%
Net Rev/Exp	(6,791,892)	8,392,021	



*amounts exclude encumbrances

Positive

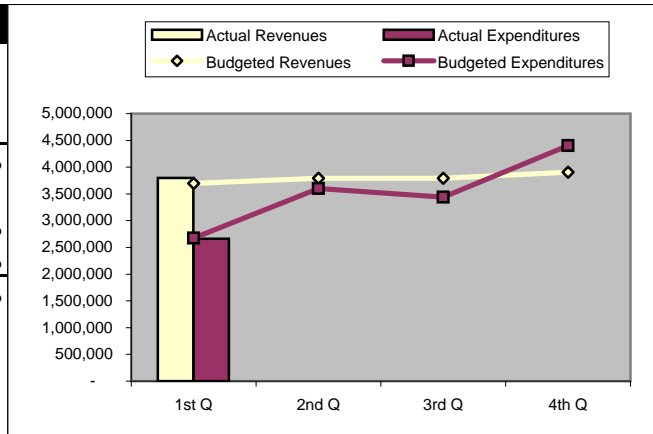
The Water/Waste Water Fund is a self-supporting enterprise fund used to account for all water and wastewater treatment operations in the city. Total revenues through the first quarter of FY 10-11 are 28.1% of budget compared to the historical average of 29.1%. Total expenses through the first quarter are 14.1% of budget compared to 14.6% historically. The adopted annual budget includes a \$6.8 million planned drawdown of fund balance; through the first quarter the fund posted a \$8.0 million operating surplus.

Solid Waste Fund

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Total Revenues	15,189,163	3,800,788	25.0%
Operating Expenses	12,804,556	2,617,449	20.4%
Capital Expenses	1,310,000	41,079	3.1%
Total Expenses	14,114,556	2,658,528	18.8%
Net Rev/Exp	1,074,607	1,142,260	

*amounts exclude encumbrances

Positive



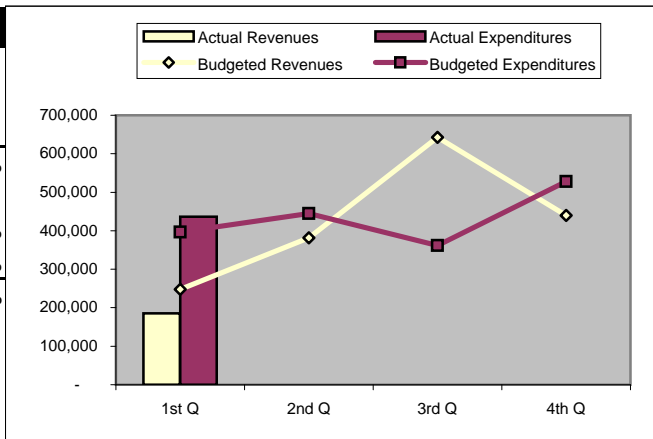
The Solid Waste Fund is a self-supporting enterprise fund intended to recover all operating, maintenance, and debt service costs of providing residential and commercial solid waste services. Total revenues through the first quarter of FY 10-11 are 25% of budget compared to 25% historically. Total expenses through the first quarter are 18.8% of budget compared to 18.9% historically. The adopted budget includes a \$1.1 million operating surplus; through the first quarter, the operating surplus is \$1.1 million.

Golf Fund

	FY 10-11 Budget	FY 10-11 Q1 Actual*	% Budget to Date
Total Revenues	1,711,195	185,379	10.8%
Operating Expenses	1,675,726	422,529	25.2%
Capital Expenses	55,627	13,907	25.0%
Total Expenses	1,731,353	436,436	25.2%
Net Rev/Exp	(20,158)	(251,057)	

*amounts exclude encumbrances

Negative



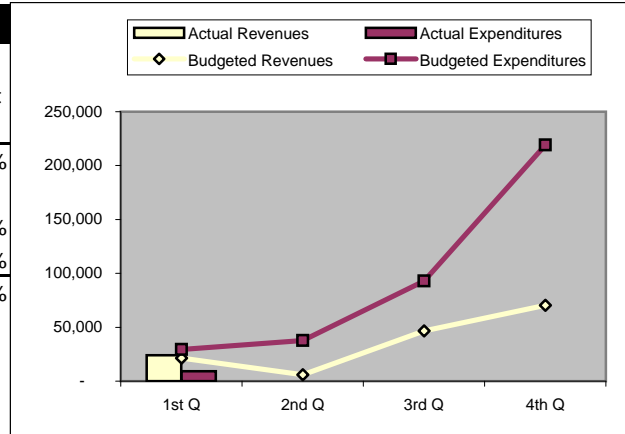
The Golf Fund is a self-supporting enterprise fund that provides for operation, maintenance, and debt services costs associated with two municipal golf courses. Total revenues through the first quarter of FY 10-11 are 10.8% of budget compared to 14.5% historically. Total expenses through the first quarter are 25.2% of budget compared to the historical tracking percentage of 22.9%. The adopted budget includes a \$20 thousand operating deficit; through the first quarter, the operating deficit is \$251 thousand, largely due to slow receipt of greens fees. This fund will be subject to monthly review until it is brought into 'Positive' performance status.

Cemetery Fund

	FY 10-11 Budget	FY 10-11 Actual*	% Budget to Date
Total Revenues	144,420	24,062	16.7%
Operating Expenses	198,350	9,213	4.6%
Debt Service	181,000	-	0.0%
Total Expenses	379,350	9,213	2.4%
Net Rev/Exp	(234,930)	14,850	

*amounts exclude encumbrances

Positive



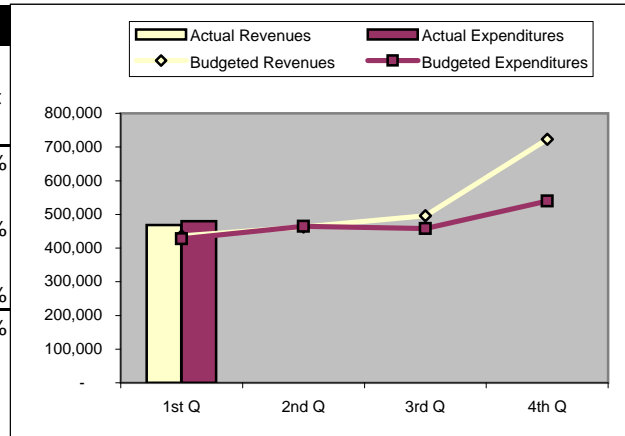
The Cemetery Fund is a self-supporting enterprise fund that provides for improvements, expansion, and operations of the Double Butte Cemetery. Total expenses through the first quarter are 2.4% of budget compared to 7.8% historically. Total revenues through the first quarter of FY 10-11 are 16.7% of budget compared to the historical average of 14.7%.

Rio Salado Fund

	FY 10-11 Budget	FY 10-11 Actual*	% Budget to Date
Total Revenues	2,117,130	468,834	22.1%
Operating Expenses	3,202,868	695,778	21.7%
Capital Expenses	-	10,685	
Transfers in	(1,303,069)	(226,559)	17.4%
Total Exp	1,899,799	479,904	25.3%
Net Rev/Exp	217,331	(11,070)	

*amounts exclude encumbrances

Positive



The Rio Salado Fund is a special revenue fund that accounts for the receipt and expenditure of miscellaneous monies to foster the development of Rio Salado. Total revenues through the first quarter of FY 10-11 are 22.1% of budget compared to 20.6% historically. Total expenditures through the first quarter are 25.3% of budget compared to 22.6% historically.