Memorandum

Finance and Technology Department

Tempe

Date: January 26, 2011

To: Mayor and Councilmembers

From: Ken Jones, Finance and Technology Director

Subject: Quarterly Financial Report – Second Quarter FY 2010-11

Attached is the Quarterly Financial Report for the second quarter of Fiscal Year 2010-11. We have included a quick-reference index 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 index page. (The electronic version of this report is included in your January 28 Friday Information Packet and can also be found on the Budget Division's Internet page within the Finance and Technology Department.

Please let me know if you have ideas to improve this report and make it more useful.

City of Tempe
Quarterly Financial Performance Report

Through 2nd Quarter FY 2011 (July-December 2010)

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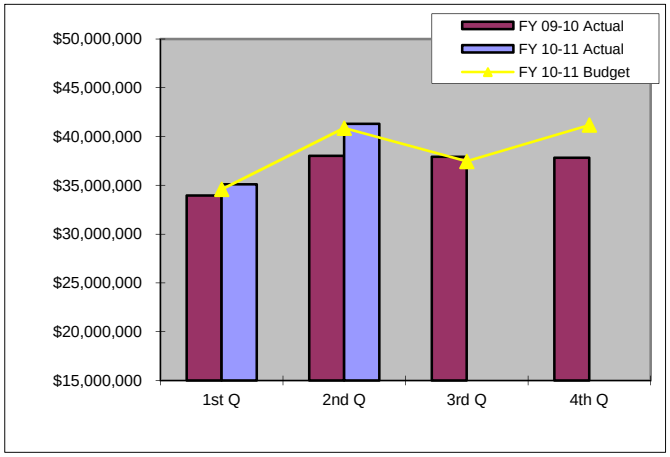
Performance Ratings Key

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%

General Fund Revenue Quarterly Analysis

		FY 10-11 Adopted Budget	FY 10-11 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 10	$34,586,051	$35,106,199	22.8%	22.4%
2nd Q	Oct-Dec 10	40,865,071	$41,318,242	26.8%	26.5%
3rd Q	Jan-Mar 11	37,453,904			
4th Q	Apr-Jun 11	41,183,164			
Total		$154,088,190	$76,424,441	49.6%	49.0%



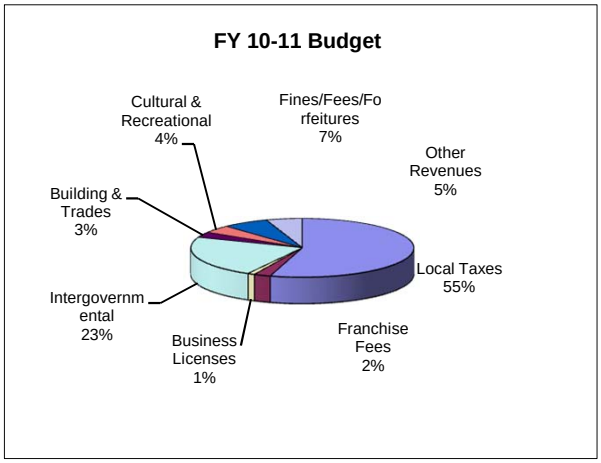
Positive

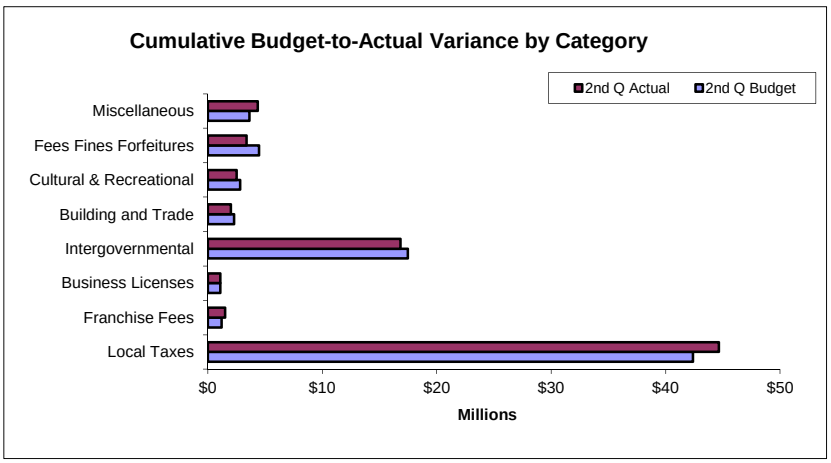
Through the second quarter of FY 10-11, General Fund revenue is 49.6% of budget, compared with a historical percentage of 49%. Below trend performance in Fines, Fees, and Forfeitures, charges for Building and Trades and Cultural and Recreational Fees is offset by better-than-expected collections of Local Sales Taxes. This is the same combination of offsetting positive and negative factors that was identified in last quarter's report. 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.

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%
Other Revenues	8,058,161	5%
Total	$154,088,190	

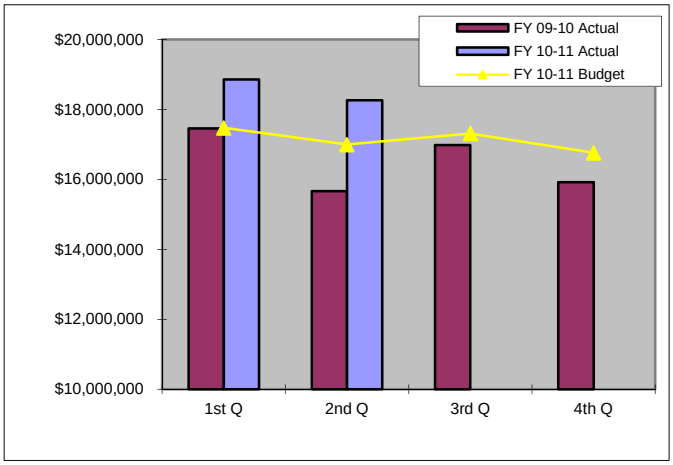
	2Q FY 10-11 Budget Target	2Q FY 10-11 Actual Revenue	% of Budget Target
Local Taxes	$42,389,244	$44,654,737	105%
Franchise Fees	1,220,867	1,513,861	124%
Business Licenses	1,086,009	1,104,259	102%
Intergovernmental	17,491,390	16,832,598	96%
Building & Trades	2,302,563	2,017,106	88%
Cultural & Recreational	2,833,418	2,533,113	89%
Fines/Fees/Forfeitures	4,486,636	3,398,200	76%
Other Revenues	3,640,996	4,370,567	120%
	$75,451,122	$76,424,441	101%





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	$18,859,204	27.5%	25.5%
2nd Q	Oct-Dec 10	16,999,558	18,260,171	26.6%	24.8%
3rd Q	Jan-Mar 11	17,316,444			
4th Q	Apr-Jun 11	16,760,768			
Total		$68,550,872	$37,119,375	54.1%	50.3%

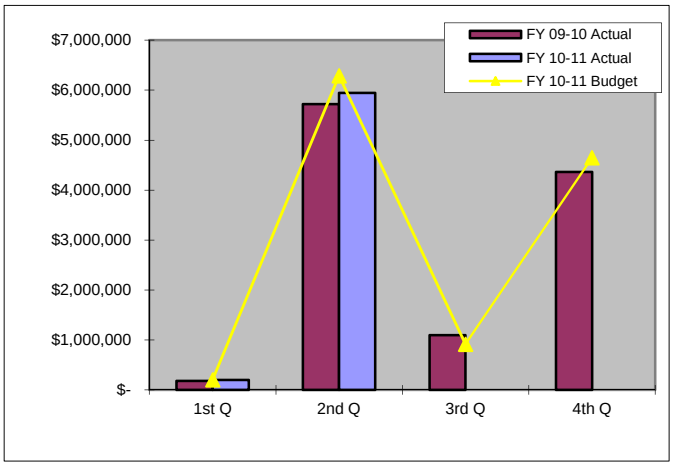


Positive

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 second quarter of FY 10-11, Sales Tax collections are 54.1% of budget, which is 3.9% better than the historical average of 50.3% The budgeted amount for the year includes the additional $8 million of sales tax revenue attributable to the temporary 0.2% sales tax rate.

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	5,948,356	49.3%	52.1%
3rd Q	Jan-Mar 11	916,773			
4th Q	Apr-Jun 11	4,651,207			
Total		$12,063,972	$6,152,081	51.0%	53.8%

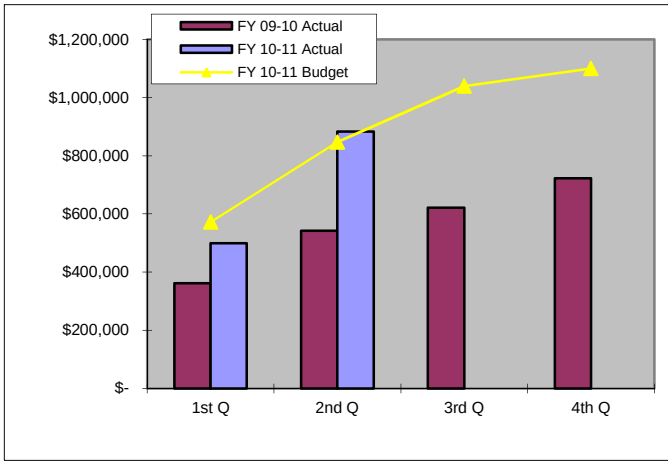


Watch

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 second quarter of FY 10-11, Property Tax collections are 51.0% of budget, which lags the historical average of 53.8%. While this negative variance is likely due to timing of property tax payments, this revenue category will be subject to monthly monitoring until it attains positive status.

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	883,592	24.8%	23.8%
3rd Q	Jan-Mar 11	1,039,884			
4th Q	Apr-Jun 11	1,100,441			
Total		$3,559,916	$1,383,281	38.9%	39.9%

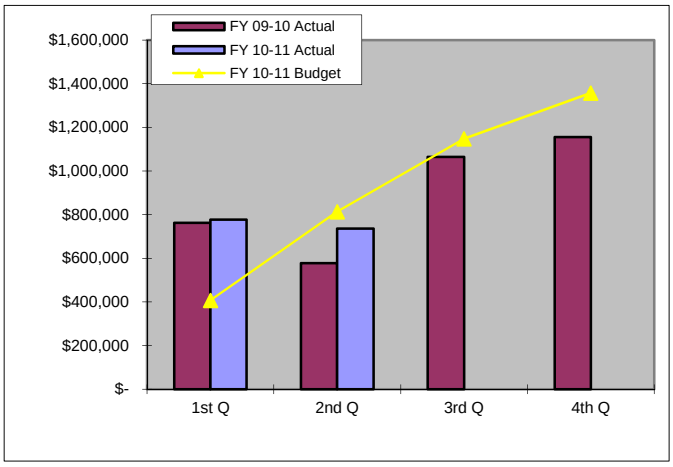


Positive

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 second quarter of FY 10-11 are 38.9% of budget, which trails the historical average by (1.0)%. This variance is within the positive monitoring threshhold.

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	736,292	19.8%	21.8%
3rd Q	Jan-Mar 11	1,148,237			
4th Q	Apr-Jun 11	1,357,896			
Total		$3,727,000	$1,513,861	40.6%	32.8%

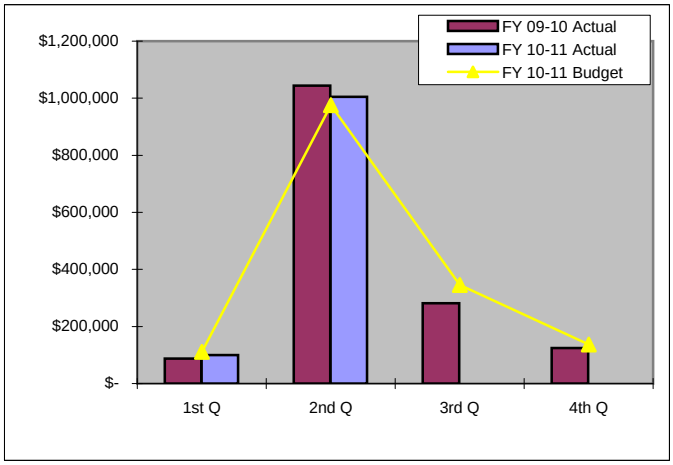


Positive

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 40.6% of the budgeted amount through the second quarter of FY 10-11.

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	1,004,304	64.1%	62.2%
3rd Q	Jan-Mar 11	345,192			
4th Q	Apr-Jun 11	136,495			
Total		$1,567,696	$1,104,259	70.4%	69.3%

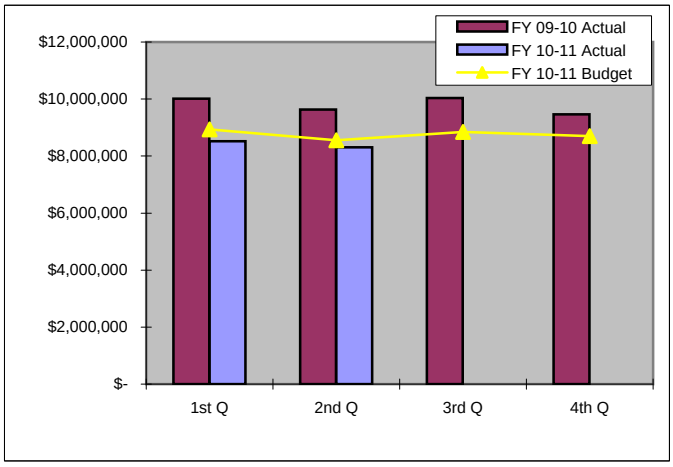


Positive

The City requires taxable business activities to be licensed, with the annual licensing fee amount varying by business type. Business License collections through the second quarter of FY 10-11 were 70.4% of budget, compared to the historical average of 69.3%.

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	8,307,006	23.7%	24.4%
3rd Q	Jan-Mar 11	8,849,913			
4th Q	Apr-Jun 11	8,696,734			
Total		$35,038,037	$16,832,598	48.0%	49.9%

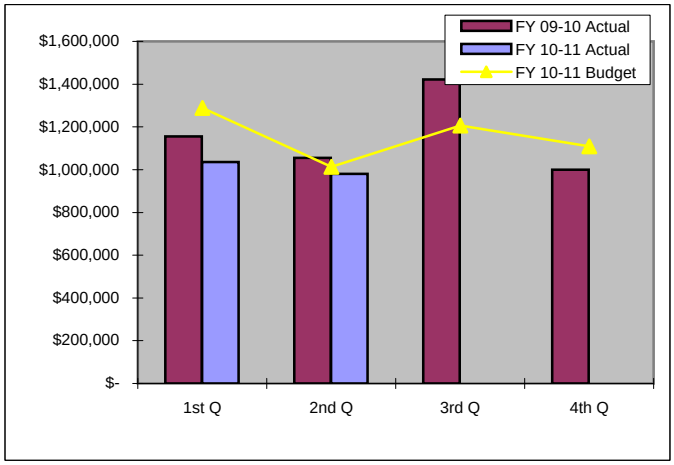


Positive

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 22.7% of budgeted revenue for FY 10-11, making this the second largest General Fund revenue source after Sales Taxes. Through the second quarter of FY 10-11, actual collections are 48.0% of budget, compared to a historical average of 49.9%. When compared to the same quarter last fiscal year, collections are 14% 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	980,855	21.2%	22.0%
3rd Q	Jan-Mar 11	1,206,397			
4th Q	Apr-Jun 11	1,109,397			
Total		$4,618,357	$2,017,106	43.7%	49.9%

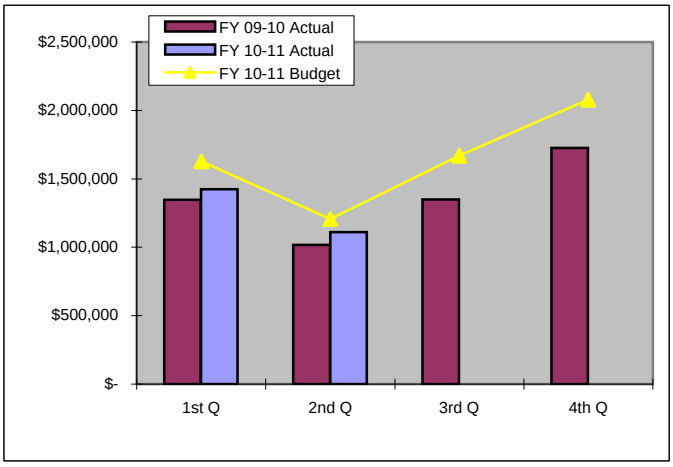


Negative

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 second quarter of FY 10-11, these revenues continue to under-perform. Actual collections are 43.7% of budget, compared to a historical average of 49.9% through the first half of the year. The negative variance is largely due to low collections in the first quarter. This category will continue to 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	1,110,014	16.9%	18.3%
3rd Q	Jan-Mar 11	1,670,725			
4th Q	Apr-Jun 11	2,077,941			
Total		$6,582,084	$2,533,113	38.5%	43.0%

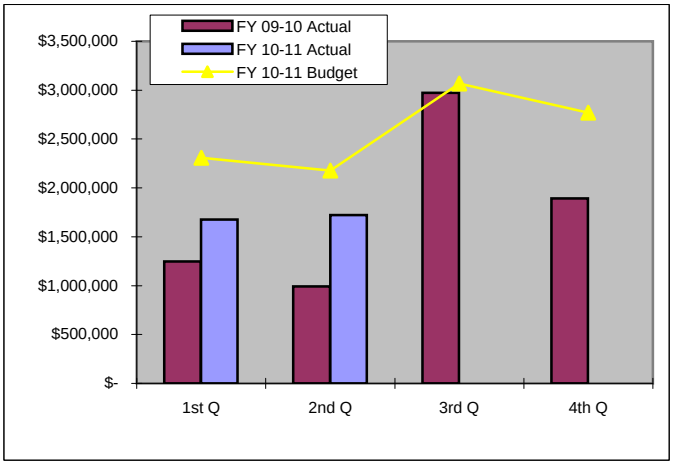


Watch

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 second quarter of FY 10-11, Cultural and Recreational fee collections are 38.5% of budget, compared to the historical average of 43.0%. This continues the trend of 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. The Community Services Department should continue its efforts 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	$1,675,811	16.2%	22.4%
2nd Q	Oct-Dec 10	2,178,247	1,722,389	16.7%	21.1%
3rd Q	Jan-Mar 11	3,067,012			
4th Q	Apr-Jun 11	2,768,447			
Total		$10,322,095	$3,398,200	32.9%	43.5%

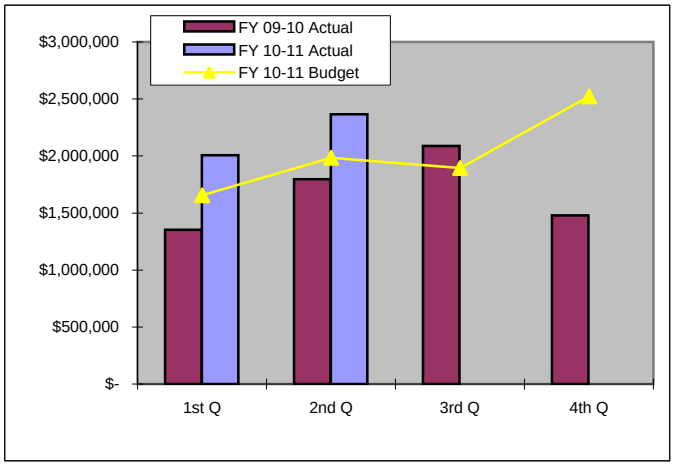


Negative

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 Fees, Fines, and Forfeitures represent 6.7% of total budgeted revenue for FY 10-11. Through the second quarter of FY 10-11, 32.9% of budgeted revenues have been collected, compared to a historical average of 43.5%. This continues the negative trend established in the first quarter. These revenues relate directly 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	2,365,263	29.4%	24.6%
3rd Q	Jan-Mar 11	1,893,328			
4th Q	Apr-Jun 11	2,523,837			
Total		$8,058,161	$4,370,567	54.2%	45.2%

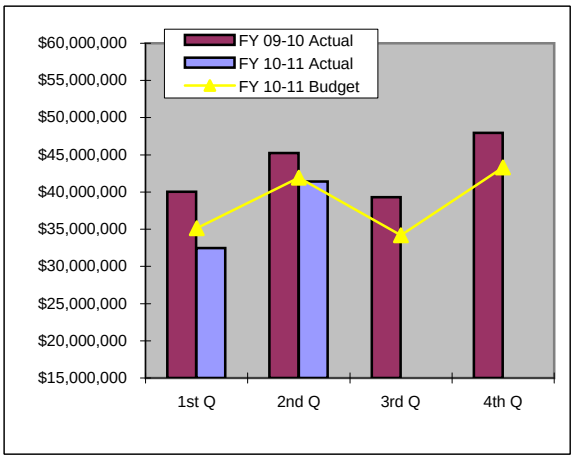


Positive

Other Revenues include collections from a variety of sources not otherwise accounted for in other primary categories. Primary components of Other Revenues are Interest Earnings, Land and Building Faciltiy Rental,and SRP In-Lieu Payments which combined account for 61.9% of Other Revenue. Through the second quarter of the fiscal year, collections of Other Revenue are at 54.2% of the FY 10-11 budget, compared to a historical tracking percentage of 45.2%. This positive variance is largely due to higher than anticipated collection of SRP In-Lieu Payments.

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	35,146,788	32,457,741	21.0%	22.7%
2nd Q	Oct-Dec 10	41,929,749	41,396,435	26.8%	27.1%
3rd Q	Jan-Mar 11	34,205,737			
4th Q	Apr-Jun 11	43,312,144			
Total		154,594,418	73,854,176	47.8%	49.9%

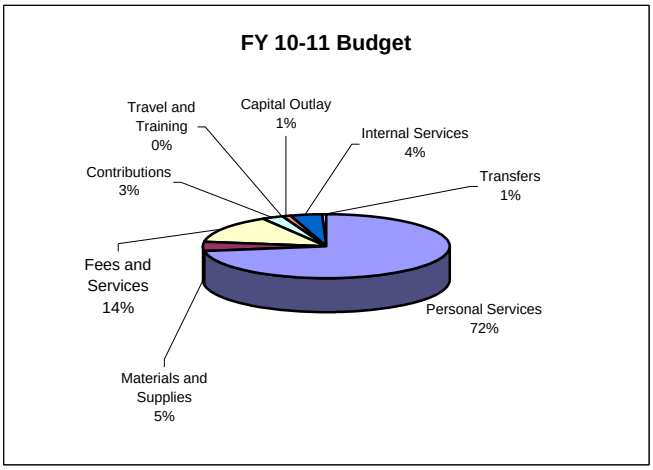


Positive

Through the second quarter of FY 10-11, General Fund expenditures are 47.8% of budget, compared with a historical percentage of 49.9%.

General Fund Expenditures By Category

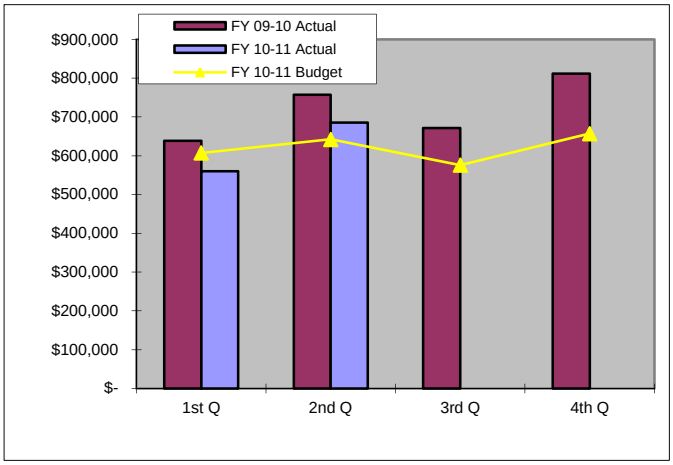
Categories	FY 10-11 Adopted Budget	% of Adopted Budget
Personal Services	122,193,058	79%
Materials and Supplies	8,112,253	5%
Fees and Services	23,793,612	15%
Contributions	4,547,400	3%
Travel and Training	387,457	0%
Capital Outlay	1,586,800	1%
Internal Services	(7,044,957)	-5%
Transfers	1,018,795	1%
Total	154,594,418	



City Attorney

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 10	$607,191	$560,223	22.6%	24.5%
2nd Q	Oct-Dec 10	642,256	685,261	27.6%	25.9%
3rd Q	Jan-Mar 11	575,806			
4th Q	Apr-Jun 11	657,287			
Total		$2,482,540	$1,245,484	50.2%	50.3%

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



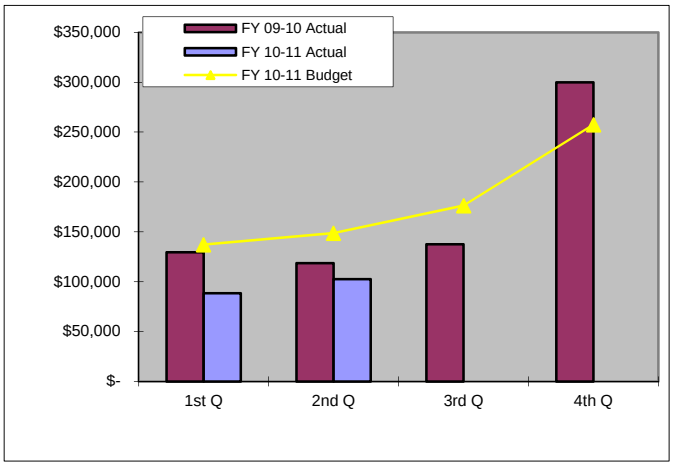
Positive

The City Attorney spent 50.2% of its FY 10-11 budget through the second quarter, compared to a historical average of 50.3%.

City Clerk

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 10	$137,083	$88,367	12.3%	19.1%
2nd Q	Oct-Dec 10	148,730	102,471	14.2%	20.7%
3rd Q	Jan-Mar 11	176,208			
4th Q	Apr-Jun 11	257,414			
Total		$719,434	$190,838	26.5%	39.7%

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



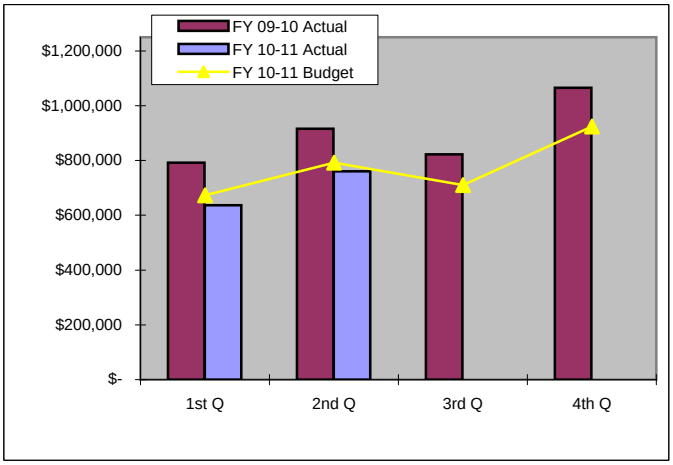
Positive

The City Clerk spent 26.5% of its FY 10-11 budget through the second quarter, compared to a historical average of 39.7%.

City Court

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$672,477	$636,679	20.5%	21.7%
2nd Q	Oct-Dec 10	791,588	760,734	24.5%	25.5%
3rd Q	Jan-Mar 11	710,515			
4th Q	Apr-Jun 11	924,640			
Total		$3,099,221	$1,397,413	45.1%	47.2%

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



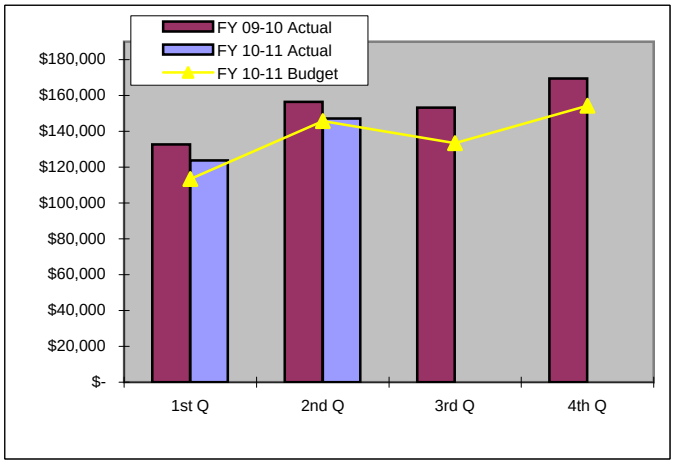
Positive

The City Court spent 45.1% of its FY 10-11 budget through the second quarter, compared to the historical average of 47.2%.

City Manager

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$113,423	$123,836	22.6%	20.7%
2nd Q	Oct-Dec 10	145,750	147,098	26.9%	26.6%
3rd Q	Jan-Mar 11	133,458			
4th Q	Apr-Jun 11	154,300			
Total		$546,931	$270,934	49.5%	47.4%

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



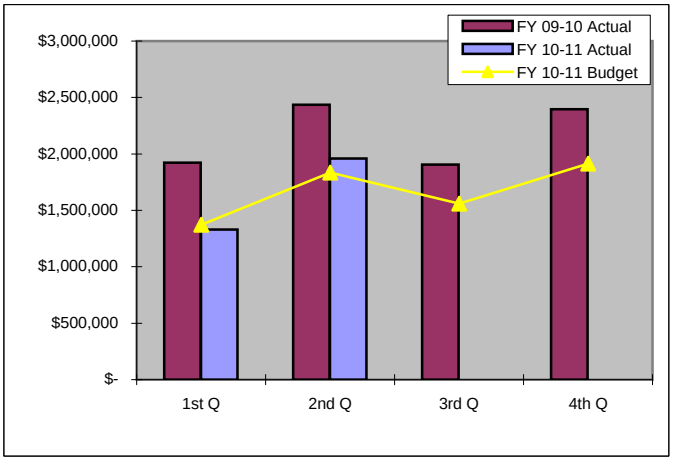
Watch

The City Manager spent 49.5% of its FY 10-11 budget through the second quarter, compared to the historical average of 47.4%. This difference is due to higher than budgeted expenditures on supplies and services in the first quarter and a relatively low historical spending percentage in the first half of the year. Second quarter expenditures were in line with the budget and the cumulative 2.1% variation from historical patterns barely places the City Manager Department on the 'Watch' list. 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	$1,372,434	$1,329,136	19.9%	20.5%
2nd Q	Oct-Dec 10	1,834,630	1,959,035	29.3%	27.5%
3rd Q	Jan-Mar 11	1,559,322			
4th Q	Apr-Jun 11	1,914,919			
Total		$6,681,305	$3,288,171	49.2%	48.0%

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



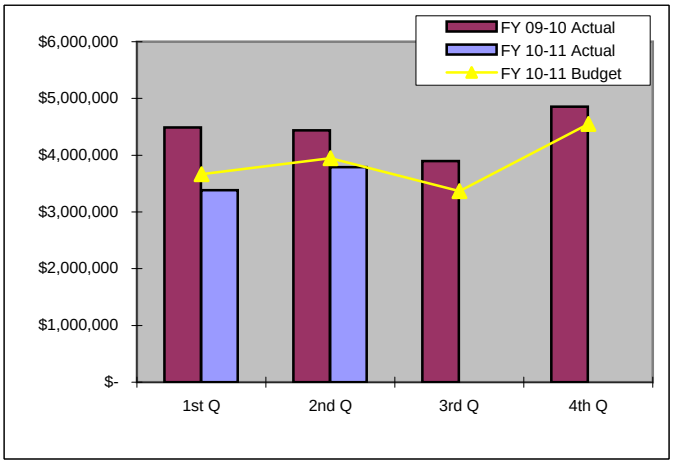
Positive

The Community Development Department spent 49.2% of its FY 10-11 budget through the second quarter, compared to the historical average of 48%.

Community Services

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$3,665,709	$3,384,758	21.8%	23.6%
2nd Q	Oct-Dec 10	3,947,519	3,786,820	24.4%	25.4%
3rd Q	Jan-Mar 11	3,365,694			
4th Q	Apr-Jun 11	4,548,141			
Total		$15,527,063	$7,171,578	46.2%	49.0%

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



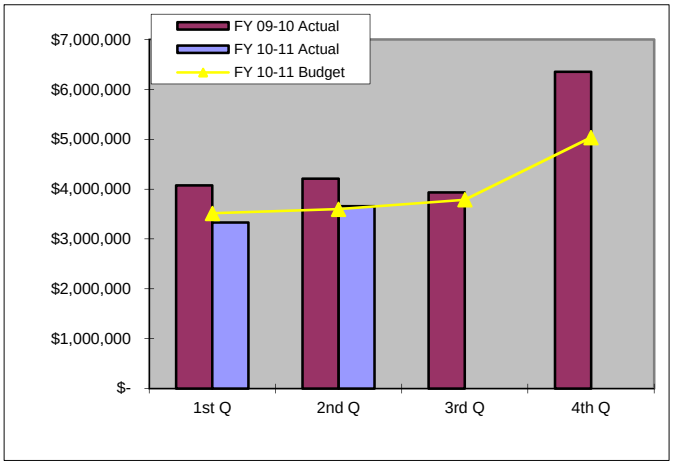
Positive

The Community Services Department spent 46.2% of its FY 10-11 budget through the second quarter, compared to the historical average of 49%.

Finance and Technology

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$3,515,423	$3,330,328	20.9%	22.1%
2nd Q	Oct-Dec 10	$3,596,796	3,654,953	22.9%	22.6%
3rd Q	Jan-Mar 11	$3,785,364			
4th Q	Apr-Jun 11	$5,035,072			
Total		$15,932,655	$6,985,281	43.8%	44.6%

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



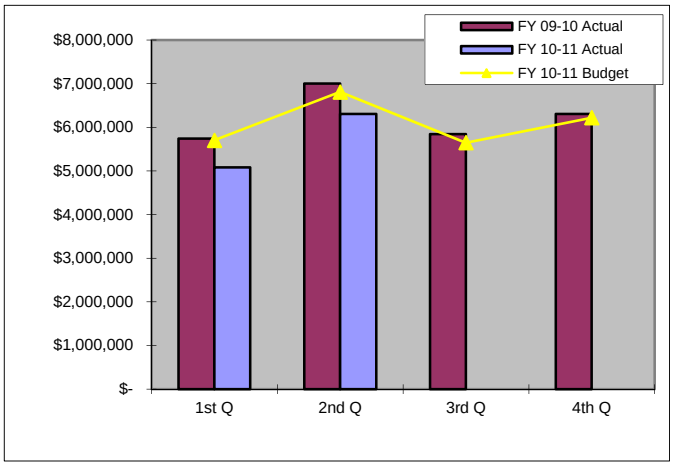
Positive

The Finance and Technology Department spent 43.8% of its FY 10-11 budget through the second quarter, compared with a historical average of 44.6%.

Fire

		FY 10-11 Adopted Budget*	FY 10-11 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$5,703,270	$5,081,217	20.8%	23.4%
2nd Q	Oct-Dec 10	6,810,577	6,308,605	25.9%	27.9%
3rd Q	Jan-Mar 11	5,649,591			
4th Q	Apr-Jun 11	6,218,973			
Total		$24,382,411	$11,389,822	46.7%	51.3%

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



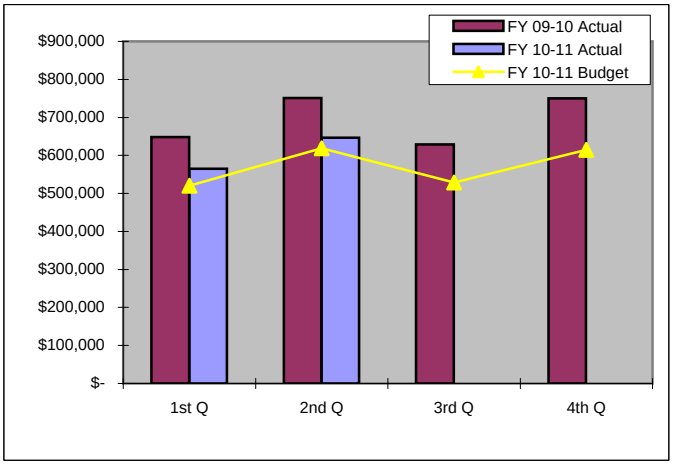
Positive

The Fire Department spent 46.7% of its FY 10-11 budget through the second quarter, compared with a historical percentage of 51.3%

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	646,864	28.3%	27.1%
3rd Q	Jan-Mar 11	528,799			
4th Q	Apr-Jun 11	614,905			
Total		$2,283,113	$1,211,505	53.1%	49.9%

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



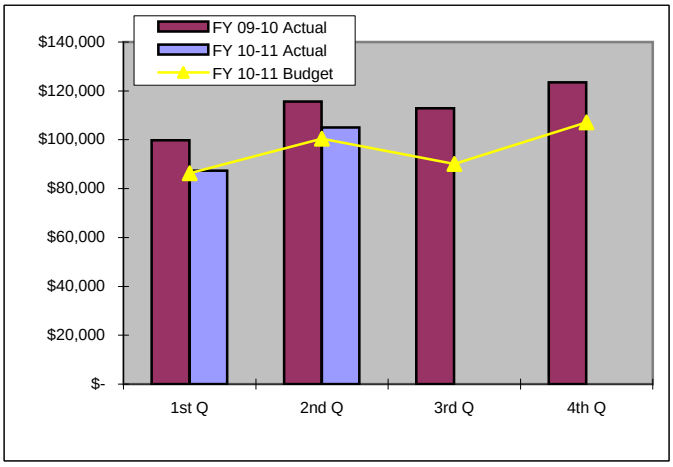
Watch

The Human Resources Department spent 53.1% of its FY 10-11 budget through the second quarter, compared with a historical average of 49.9%. This is due to a number of factors, including higher than budgeted expenditures for unemployment claims and deferred compensation administrative fees. This department will be monitored on a monthly basis until it is brought into 'Positive' tracking status.

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	105,080	27.4%	26.2%
3rd Q	Jan-Mar 11	90,100			
4th Q	Apr-Jun 11	107,090			
Total		$383,885	$192,419	50.1%	48.6%

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



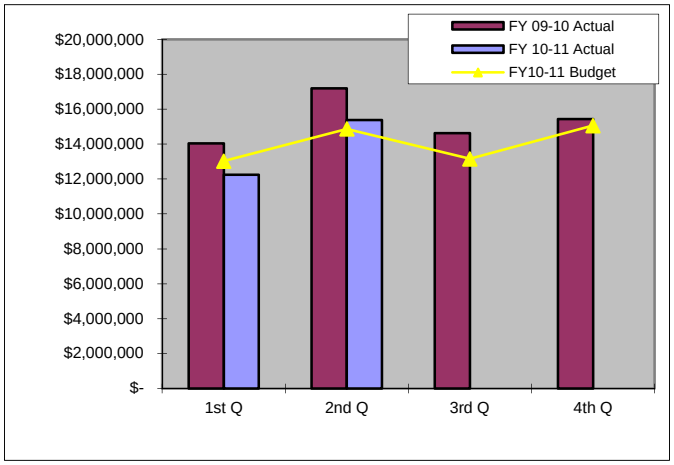
Positive

The Mayor and Council spent 50.1% of its FY 10-11 budget through the second quarter, compared with a historical average of 48.6%.

Police

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$13,027,414	$12,237,010	21.8%	23.2%
2nd Q	Oct-Dec 10	14,867,837	15,377,514	27.4%	26.5%
3rd Q	Jan-Mar 11	13,154,423			
4th Q	Apr-Jun 11	15,065,482			
Total		$56,115,156	$27,614,524	49.2%	49.7%

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



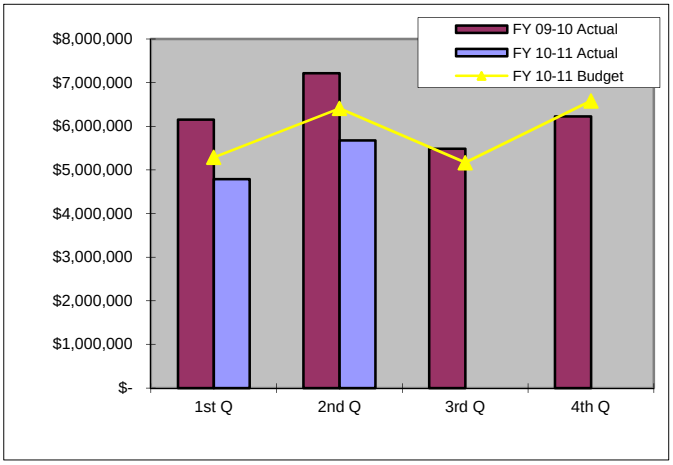
Positive

The Police Department spent 49.2% of its FY 10-11 budget through the second quarter, compared to a historical average of 49.7%.

Public Works

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$5,288,684	$4,787,779	20.4%	22.6%
2nd Q	Oct-Dec 10	6,409,396	5,672,076	24.2%	27.3%
3rd Q	Jan-Mar 11	5,167,167			
4th Q	Apr-Jun 11	6,583,214			
Total		$23,448,462	$10,459,855	44.6%	49.9%

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



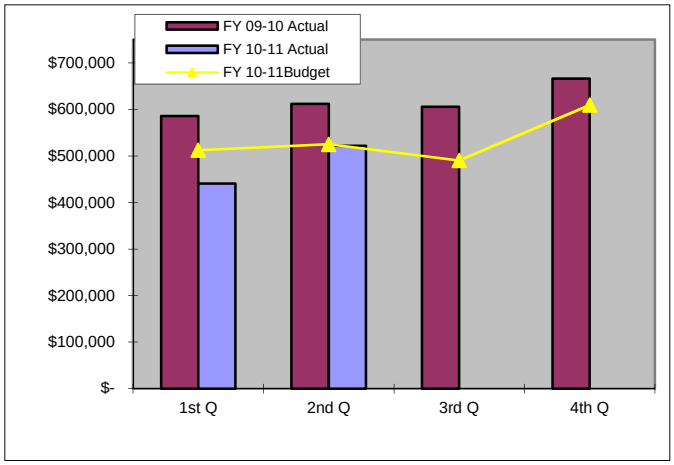
Positive

The Public Works Department spent 44.6% of its FY 10-11 General Fund budget through the second quarter, compared with a historical average of 49.9%.

Community Relations Office

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$512,375	$440,714	20.6%	24.0%
2nd Q	Oct-Dec 10	525,066	522,021	24.4%	24.6%
3rd Q	Jan-Mar 11	490,277			
4th Q	Apr-Jun 11	609,219			
Total		$2,136,938	$962,735	45.1%	48.5%

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



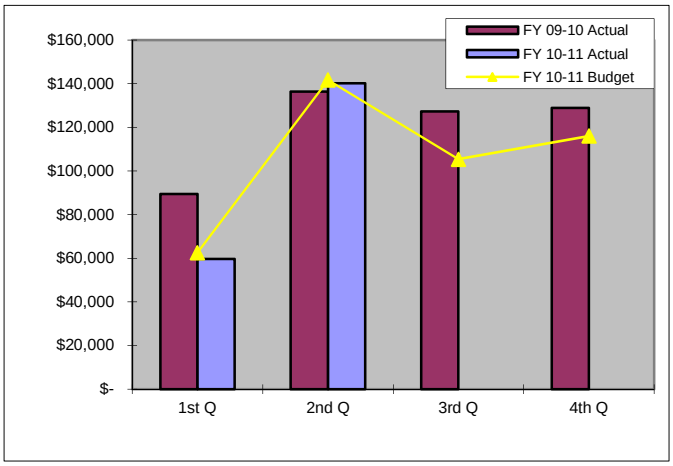
Positive

The Community Relations Office spent 45.1% of its FY 10-11 budget through the second quarter, compared to a historical average of 48.5%.

Diversity Office

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$62,570	$59,695	14.0%	14.7%
2nd Q	Oct-Dec 10	141,699	140,199	32.9%	33.3%
3rd Q	Jan-Mar 11	105,425			
4th Q	Apr-Jun 11	116,010			
Total		$425,704	$199,894	47.0%	48.0%

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



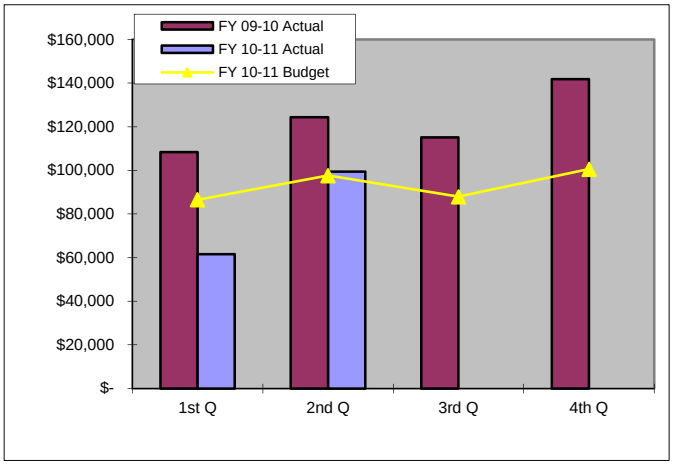
Positive

The Diversity Office spent 47.0% of its FY 10-11 budget through the second quarter, compared to a historical average of 48%.

Internal Audit Office

		FY 10-11 Adopted Budget*	FY 10-11 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 10	$86,574	$61,559	16.5%	23.2%
2nd Q	Oct-Dec 10	97,629	99,453	26.7%	26.2%
3rd Q	Jan-Mar 11	87,948			
4th Q	Apr-Jun 11	100,561			
Total		$372,712	$161,012	43.2%	49.4%

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



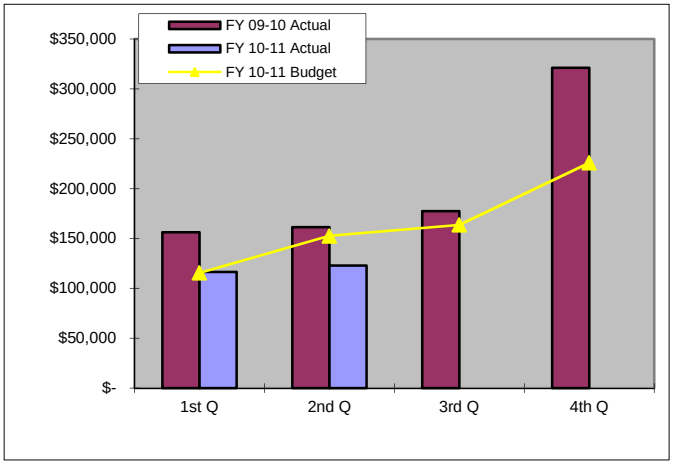
Positive

The Internal Audit Office spent 43.2% of its FY 10-11 budget through the end of the second quarter, compared to a historical pattern of 49.4% during this period.

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	122,918	18.7%	23.3%
3rd Q	Jan-Mar 11	163,595			
4th Q	Apr-Jun 11	225,992			
Total		$657,708	$239,323	36.4%	40.9%

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



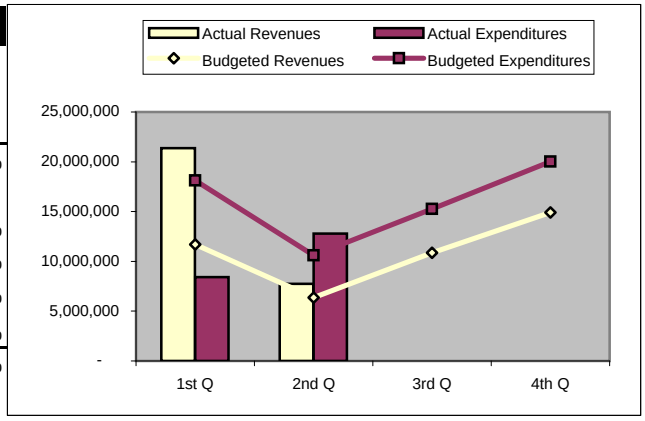
Positive

The Tempe Learning Center spent 36.4% of its FY 10-11 budget through the end of the second quarter, compared to a historical average of 40.9%.

Transit Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Total Revenues	43,837,911	29,102,315	66.4%
Operating	54,458,751	20,887,537	38.4%
Capital	17,500	4,354	24.9%
Debt Service	9,550,000	333,260	3.5%
Transfers Out	4,460	-	0.0%
Total Exp	64,030,711	21,225,151	33.1%
Net Rev/Exp	(20,192,800)	7,877,164	

*amounts exclude encumbrances



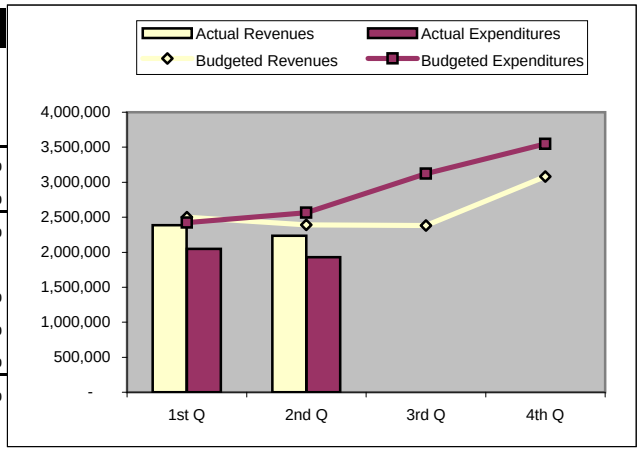
Positive

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 second quarter, there is an operating surplus in the Transit Fund of $7.9 million. Transit Fund revenue is at 66.4% of budget compared to a historical tracking percentage of 41.2%. Expenditures are 33.1% of budget compared to the historical tracking percentage of 44.9%.

Highway User Revenue Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Revenues	9,570,879	4,621,395	48.3%
Transfers In	785,824	-	0.0%
Total Revenues	10,356,703	4,621,395	44.6%
Operating	8,322,189	3,976,735	47.8%
Capital	255,500	-	0.0%
Transfers Out	3,079,862	-	0.0%
Total Exp	11,657,551	3,976,735	34.1%
Net Rev/Exp	(1,300,848)	644,661	

*amounts exclude encumbrances



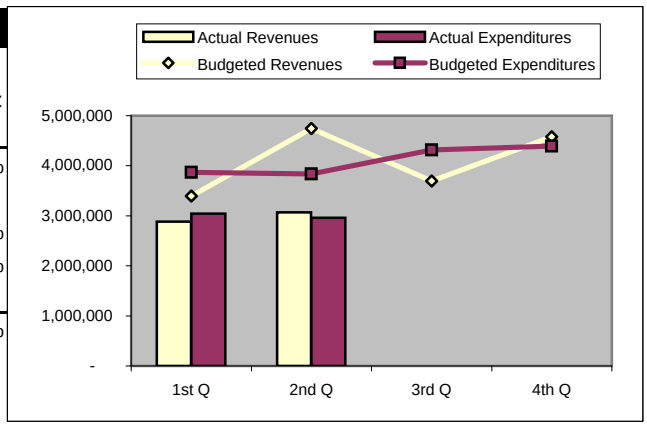
Positive

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 second quarter of FY 10-11, the fund is operating at a $644 thousand surplus. Revenues are 44.6% of budget, compared with 47.2% historically, while expenditures are 34.1% of budget compared to a historical trend of 43.2%.

CDBG/Section 8 Funds

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Total Revenues	16,417,949	5,952,559	36.3%
Operating Expenses	16,398,449	5,674,648	34.6%
Capital Expenses	19,500	-	0.0%
Debt Service	-	326,582	
Total Exp	16,417,949	6,001,230	36.6%
Net Rev/Exp	-	(48,671)	

*amounts exclude encumbrances



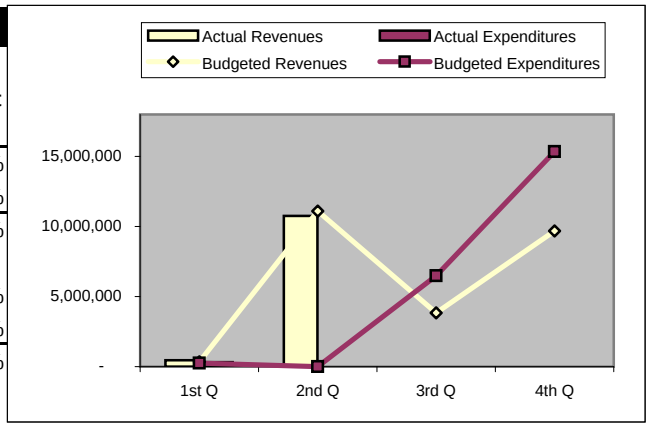
Positive

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 second quarter total 36.3% of the FY 10-11 budget, compared to the historical percentage of 49.6%. This variance is largely due to timing of the receipt of CDBG grants. Expenditures through the second quarter total 36.6% of the FY 10-11 budget, compared to the historical percentage of 47%. The net effect on fund status through the second quarter is a slight operating deficit of $49 thousand.

Debt Service Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Revenues	22,181,140	11,224,332	50.6%
Transfers In	2,770,000	-	0.0%
Total Revenues	24,951,140	11,224,332	45.0%
Debt Service	22,062,500	158,694	0.7%
Transfers Out	49,000	-	0.0%
Total Exp	22,111,500	158,694	0.7%
Net Rev/Exp	2,839,640	11,065,638	

*amounts exclude encumbrances

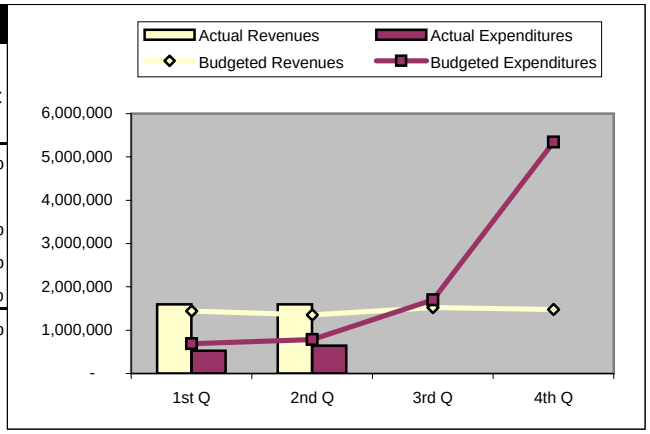


Positive

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. Actual revenues and expenditures through the second quarter are in line with historical budget comparisons and within budgeted parameters.

Performing Arts Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Total Revenues	5,796,368	3,196,603	55.1%
Operating	2,451,128	1,133,075	46.2%
Debt Service	6,060,000	2,160	0.0%
Transfers Out		30,635	0.0%
Total Exp	8,511,128	1,165,870	13.7%
Net Rev/Exp	(2,714,760)	2,030,733	



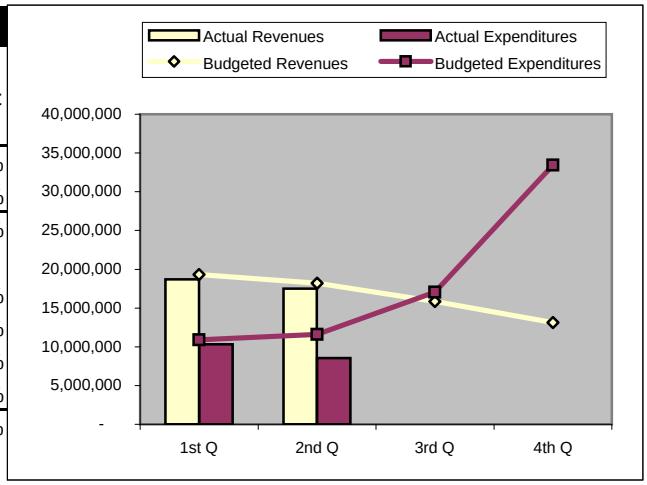
Positive

*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 second quarter of FY 10-11 are 55.1% of budget, compared to the historical tracking percentage of 48.2%. This is due to better than expected Performing Arts Tax collections. Total expenditures are 13.7% of budget; slightly below the historical percentage of 17.3%.

Water/Wastewater Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Revenues	$65,967,341	$36,184,766	54.9%
Transfers In	542,833		0.0%
Total Revenues	66,510,174	36,184,766	54.4%
Operating Expenses	39,840,917	17,796,856	44.7%
Capital Expenses	817,742	22,760	2.8%
Debt Service	31,900,000	550,895	1.7%
Transfers Out	436,463	497,649	114.0%
Total Expenses	$72,995,122	$18,868,159	25.8%
Net Rev/Exp	(6,484,948)	17,316,607	



*amounts exclude encumbrances

Positive

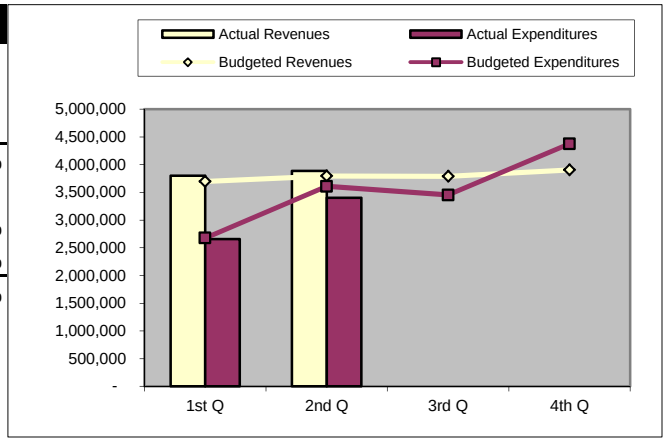
The Water/Waste Water Fund is a self-supporting enterprise fund used to account for all water and wastewater treatment operations in the city. Total revenues through the second quarter of FY 10-11 are 54.4% of budget compared to the historical average of 56.4%. Total expenses through the second quarter are 25.8% of budget compared to 30.8% historically. The adopted annual budget includes a $6.5 million planned drawdown of fund balance; through the second quarter the fund posted a $17.3 million operating surplus.

Solid Waste Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Total Revenues	15,189,163	7,687,201	50.6%
Operating Expenses	12,804,556	5,871,092	45.9%
Capital Expenses	1,310,000	189,038	14.4%
Total Expenses	14,114,556	6,060,130	42.9%
Net Rev/Exp	1,074,607	1,627,072	

*amounts exclude encumbrances

Positive



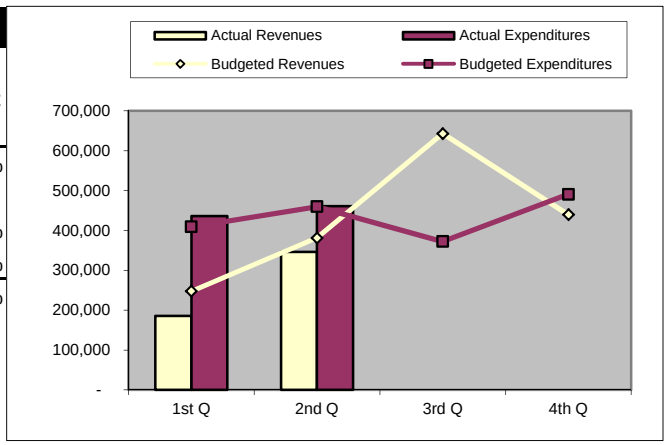
The Solid Waste Fund is a self-supporting enterprise fund intended to recover all operating, maintenance, and debt service costs of providing residential and commercial solid waste services. Total revenues through the second quarter of FY 10-11 are 50.6% of budget compared to 49.3% historically. Total expenses through the second quarter are 42.9% of budget compared to 44.5% historically. The adopted budget includes a $1.1 million operating surplus; through the second quarter, the operating surplus is $1.6 million.

Golf Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Total Revenues	1,711,195	531,641	31.1%
Operating Expenses	1,675,726	869,711	51.9%
Capital Expenses	55,627	27,814	50.0%
Total Expenses	1,731,353	897,524	51.8%
Net Rev/Exp	(20,158)	(365,883)	

*amounts exclude encumbrances

Negative



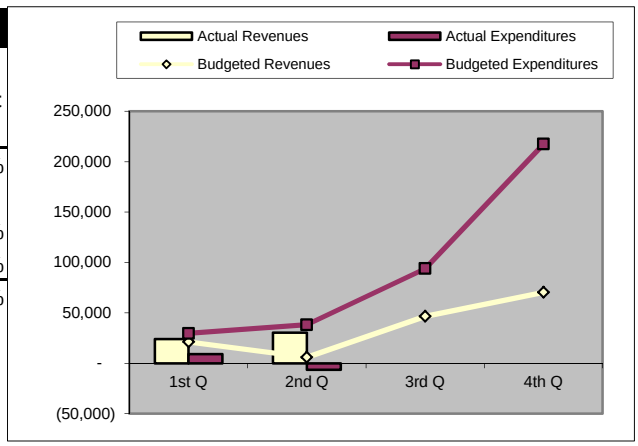
The Golf Fund is a self-supporting enterprise fund that provides for operation, maintenance, and debt services costs associated with two municipal golf courses. Total revenues through the second quarter of FY 10-11 are 31.1% of budget compared to 36.8% historically. Total expenses through the second quarter are 51.8% of budget compared to the historical tracking percentage of 50.2%. The adopted budget includes a $20 thousand operating deficit; through the second quarter, the operating deficit is $366 thousand due to low 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 Q2 Actual*	% Budget to Date
Total Revenues	144,420	54,395	37.7%
Operating Expenses	198,350	2,200	1.1%
Debt Service	181,000	497	0.3%
Total Expenses	379,350	2,697	0.7%
Net Rev/Exp	(234,930)	51,698	

*amounts exclude encumbrances

Positive



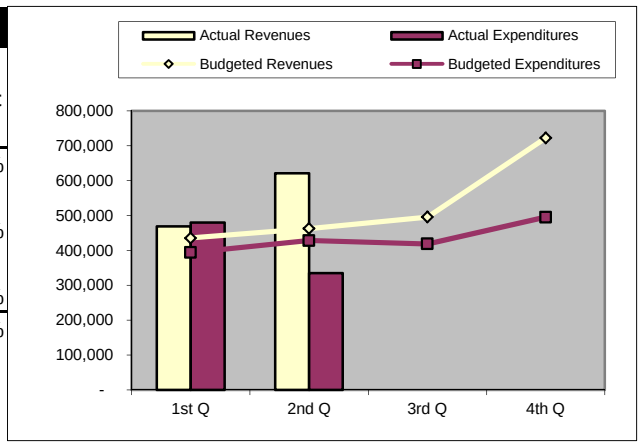
The Cemetery Fund is a self-supporting enterprise fund that provides for improvements, expansion, and operations of the Double Butte Cemetery. Total expenses through the second quarter are 0.7% of budget compared to 17.9% historically. Expenses to the fund show as a negative amount in the second quarter due to a reclassification of expenses that were charged to the fund in error. Total revenues through the second quarter of FY 10-11 are 37.7% of budget compared to the historical average of 18.9%. While the Cemetery Fund's performance is 'Positive' in terms of budgetary tracking, longer-term fiscal imbalances between revenues and expenses are expected to persist.

Rio Salado Fund

	FY 10-11 Budget	FY 10-11 Q2 Actual*	% Budget to Date
Total Revenues	2,117,130	1,090,563	51.5%
Operating Expenses	2,976,637	1,377,251	46.3%
Capital Expenses	-	21,968	
Transfers in	(1,240,107)	(584,187)	47.1%
Total Exp	1,736,530	815,032	46.9%
Net Rev/Exp	380,600	275,531	

*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 second quarter of FY 10-11 are 51.5% of budget compared to 42.5% historically. This positive variance is due to higher than expected Sales Tax collections. Total expenditures through the second quarter are 46.9% of budget compared to 47.4% historically.