

MEMORANDUM



TO: Mayor and Council
FROM: Mark Day, Municipal Budget Director
THROUGH: Ken Jones, Deputy City Manager - CFO
DATE: November 22, 2019
SUBJECT: Quarterly Financial Report for FY 2019-20 Q1

Attached is the Quarterly Financial Report for the first quarter of Fiscal Year 2019-20, the quarter ending September 30, 2019. The Municipal Budget Office prepares quarterly financial reports for all the major operating funds, revenue sources and departments that reflect budget to actual comparisons and highlight major variances that may require additional monitoring or action.

Although revenues and expenditures are not budgeted on a quarterly basis, the report applies a three-year historical average to the annual budget to gain insight into revenue and expenditure actual performance versus the estimated budget for the quarter.

We have included a quick-reference Table of Contents on the following page that will allow you to quickly navigate to areas of interest by clicking on titles or page numbers. The *table of contents* link at the bottom of every page will return you to the Table of Contents. The report can also be found on the Municipal Budget Office's Internet page.

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

TABLE OF CONTENTS



Quarterly Financial Performance Report

Through the First Quarter Ended September 30, 2019

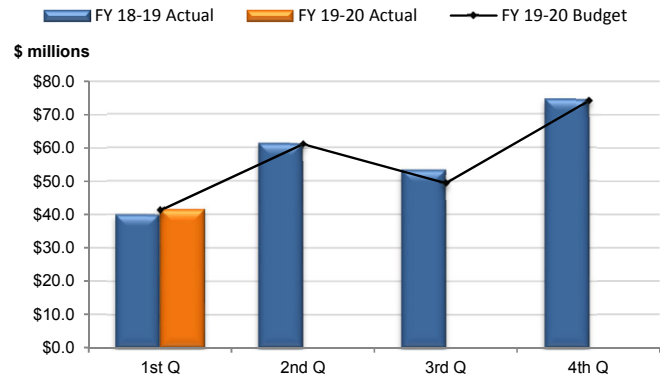
General Fund Revenue	Performance	Page
General Fund Revenue Quarterly Analysis	Positive	1
Sales Tax	Positive	2
Property Tax	Positive	2
Bed Tax	Positive	3
Franchise Fees	Positive	3
Sales Tax Licenses	Positive	4
Intergovernmental	Positive	4
Building & Trades	Positive	5
Cultural & Recreational	Positive	5
Fines, Fees & Forfeitures	Positive	6
Other Revenues	Watch	6
General Fund Expenditures		Page
General Fund Expenditures Quarterly Analysis	Positive	7
City Attorney's Office	Positive	8
City Clerk's Office	Positive	8
City Court	Positive	9
City Manager's Office	Positive	9
Community Development	Watch	10
Community Services	Positive	10
Economic Development Office	Positive	11
Engineering & Transportation	Positive	11
Fire Medical Rescue	Positive	12
Human Services	Positive	12
Internal Audit Office	Positive	13
Internal Services	Positive	13
Mayor & Council	Positive	14
Municipal Budget Office	Positive	14
Municipal Utilities	Positive	15
Police	Positive	15
Strategic Management & Diversity Office	Positive	16
Sustainability Office	Positive	16
Non-Departmental	Positive	17
Special Revenue Funds		Page
Transit Fund	Negative	18
Highway User Revenue Fund	Positive	18
CDBG/Section 8 Funds	Positive	19
Debt Service Fund	Positive	19
Performing Arts Fund	Positive	20
Enterprise Funds		Page
Water/Wastewater Fund	Positive	20
Solid Waste Fund	Positive	21
Golf Fund	Negative	21
Emergency Medical Transport Fund	Negative	22
Grant Funds		Page
Restricted Revenue and Donations	Positive	22
Police Dept-RICO & Grants	Negative	23
Governmental Grants	Positive	23
Court Enhancement Fund	Positive	24

Performance Ratings Key

- Positive** = A positive variance, or a negative variance of less than 2%, which shows the category is performing close to historical trends.
- Watch** = A negative variance between 2-5%, compared to historical trends.
- Negative** = A negative variance of greater than 5%, compared to historical trends.



		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 41,217,166	\$ 41,543,101	18.4%	18.3%
2nd Q	Oct-Dec 19	61,092,253			
3rd Q	Jan-Mar 20	49,373,319			
4th Q	Apr-Jun 20	74,062,150			
Total		\$ 225,744,888	\$ 41,543,101	18.4%	18.3%
Variance from Budget			\$ 325,935	0.1%	



Positive

Through the first quarter of FY 2019-20, General Fund revenue is 18.4% of budget, compared with a historical percentage of 18.3%. In terms of budget-to-actual variance, total collections are above the anticipated revenue target for the first quarter. 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.



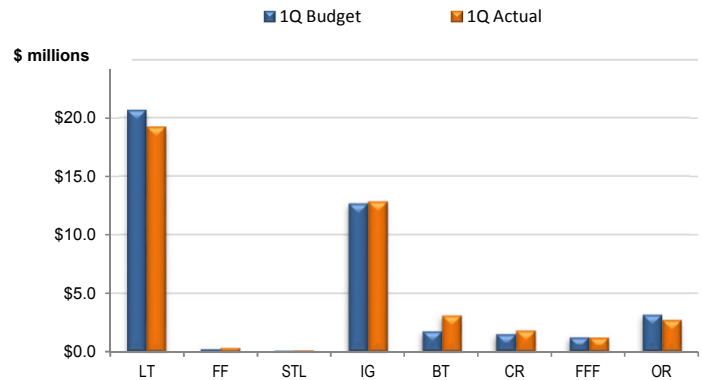
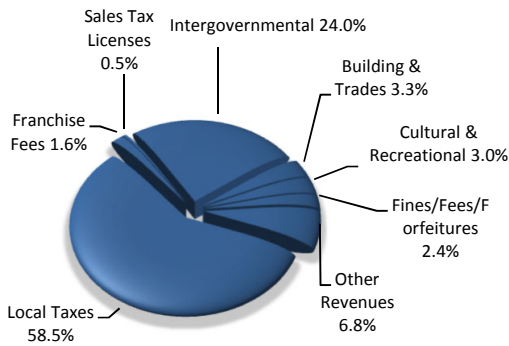
General Fund Revenue by Category

Revenue Categories	FY 19-20 Annual Budget	% of Annual Budget
Local Taxes	\$ 131,954,621	58.5%
Franchise Fees	3,604,170	1.6%
Sales Tax Licenses	1,055,000	0.5%
Intergovernmental	54,148,051	24.0%
Building & Trades	7,475,442	3.3%
Cultural & Recreational	6,751,048	3.0%
Fines/Fees/Forfeitures	5,389,064	2.4%
Other Revenues	15,367,492	6.8%
Total	\$ 225,744,888	100.0%

Cumulative Revenue through 1Q 2019-2020

	1Q Budget Target	1Q Actual Revenue	% of Budget Target
Local Taxes (LT)	\$ 20,634,905	\$ 19,207,317	93%
Franchise Fees (FF)	210,071	369,156	176%
Sales Tax Licenses (STL)	90,733	136,875	151%
Intergovernmental (IG)	12,682,722	12,860,569	101%
Building & Trades (BT)	1,748,403	3,126,351	179%
Cultural & Recreational (CR)	1,484,713	1,840,909	124%
Fines/Fees/Forfeitures (FFF)	1,214,204	1,253,174	103%
Other Revenues (OR)	3,151,415	2,748,749	87%
Total	\$ 41,217,166	\$ 41,543,101	101%

FY 19-20 Budget

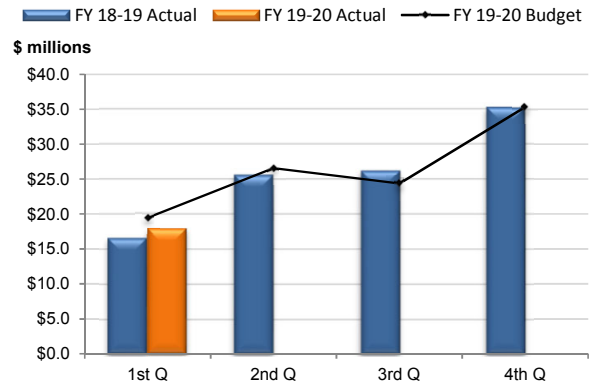


[table of contents](#)



Sales Tax

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 19,460,084	\$ 17,987,249	17.0%	18.4%
2nd Q	Oct-Dec 19	26,572,185			
3rd Q	Jan-Mar 20	24,384,210			
4th Q	Apr-Jun 20	35,323,910			
Total		\$ 105,740,389	\$ 17,987,249	17.0%	18.4%
Variance from Budget			\$ (1,472,834)	-1.4%	



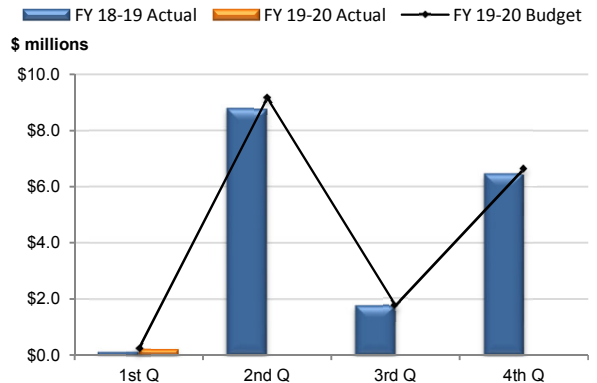
Positive

City Sales Taxes are generated by a 1.8% levy on sales transactions in the city. Of the total 1.8% rate, 1.2% 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 44.6% of the General Fund budget in FY 2019-20 making it the City's largest revenue source. Through the first quarter of FY 2019-20, Sales Tax collections are 17.0% of budget, which is below the historical average of 18.4%. In terms of budget-to-actual variance, collections are 1.4% below the budgeted value.



Property Tax

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 231,607	\$ 217,946	1.2%	1.3%
2nd Q	Oct-Dec 19	9,159,710			
3rd Q	Jan-Mar 20	1,775,233			
4th Q	Apr-Jun 20	6,637,028			
Total		\$ 17,803,579	\$ 217,946	1.2%	1.3%
Variance from Budget			\$ (13,661)	-0.1%	

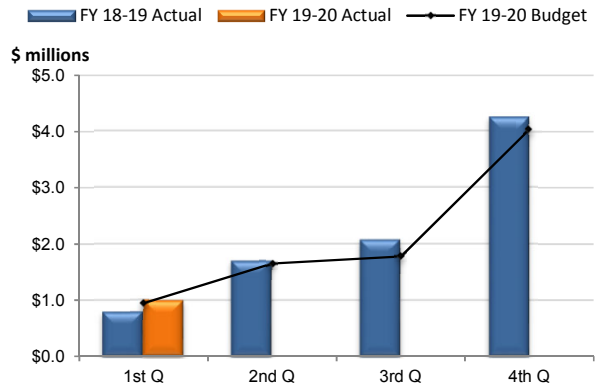


Positive

Property Tax revenue in the General Fund is generated by a \$0.90 charge per \$100 of the primary assessed valuation of real and personal property. In FY 2019-20, Property Tax contributes 7.5% of budgeted General Fund revenue. Through the first quarter of FY 2019-20, Property Tax collections are 1.2% of budget, which is in line with the historical average. In terms of budget-to-actual variance, Property Tax is 0.1% below the budgeted value.

Bed Tax

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 943,214	\$ 1,002,122	11.9%	11.2%
2nd Q	Oct-Dec 19	1,651,611			
3rd Q	Jan-Mar 20	1,776,832			
4th Q	Apr-Jun 20	4,038,997			
Total		\$ 8,410,653	\$ 1,002,122	11.9%	11.2%
Variance from Budget			\$ 58,907	0.7%	

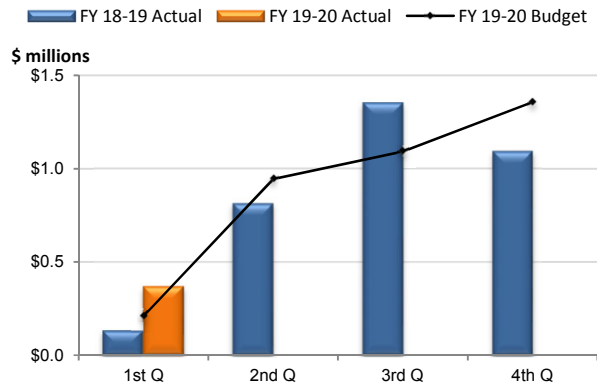


Positive

The Transient Lodging Tax, or Bed Tax, is a 5.0% levy on hotel and motel sales that contributes approximately 3.6% of budgeted General Fund revenue in FY 2019-20. Bed Tax collections through the first quarter of FY 2019-20 are 11.9% of budget, which is higher than the historical average of 11.2%. In terms of budget-to-actual variance, collections are \$58,907 above the budgeted value.

Franchise Fees

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 210,071	\$ 369,156	10.2%	5.8%
2nd Q	Oct-Dec 19	945,302			
3rd Q	Jan-Mar 20	1,092,360			
4th Q	Apr-Jun 20	1,356,436			
Total		\$ 3,604,170	\$ 369,156	10.2%	5.8%
Variance from Budget			\$ 159,085	4.4%	



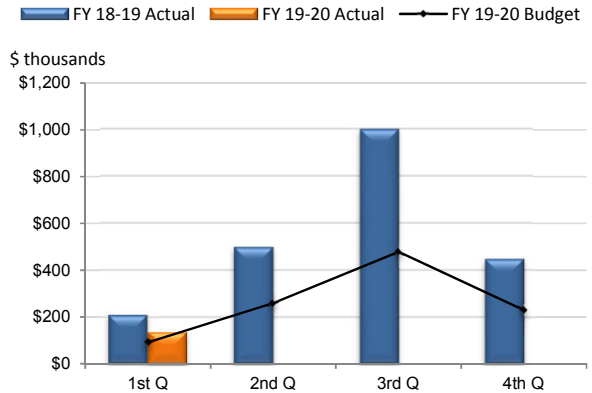
Positive

Franchise Fee revenues are collected based on specific agreements with service providers in the city, including Arizona Public Service (2.0% of revenue), Cox Communications (5.0% of gross revenue), and Southwest Gas (2.0% of gross revenue). These fees contribute 1.5% of annual General Fund revenue. Franchise Fee payments are 10.2% of the budgeted amount through the first quarter of FY 2019-20, compared to 5.8% historically. In terms of budget-to-actual variance, collections are \$159 thousand above the expected amount. Prior agreements with telecommunications service providers included an annual right-of-way fee of approximately \$250 thousand due in the first quarter. This annual fee is no longer collected.



Sales Tax Licenses

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 90,733	\$ 136,875	13.0%	8.6%
2nd Q	Oct-Dec 19	258,338			
3rd Q	Jan-Mar 20	477,730			
4th Q	Apr-Jun 20	228,199			
Total		\$ 1,055,000	\$ 136,875	13.0%	8.6%
Variance from Budget			\$ 46,143	4.4%	



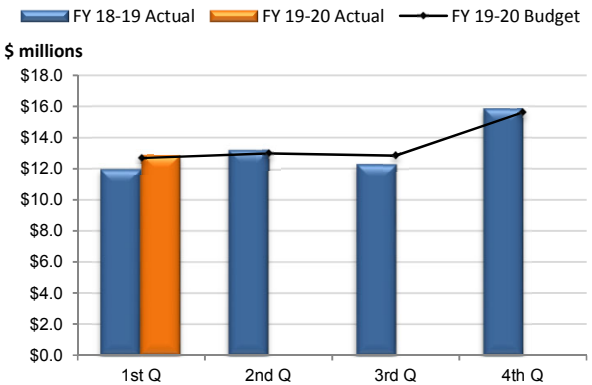
Positive

The City requires taxable business activities to be licensed, with the annual licensing fee amount varying by business type. Starting in 2017, the Arizona Department of Revenue (ADOR) began collecting the fees for Tempe's Sales Tax Licenses. Due to the change, the reporting of the revenue by ADOR has been delayed and past payments are now being received, creating a surplus of revenue. Sales Tax License collections through the first quarter of FY 2019-20 were 13.0% of budget, compared to the historical average of 8.6%. Sales Tax Licenses contribute 0.4% of annual General Fund revenue. In terms of budget-to-actual variance, collections are 4.4% above budget, or \$46,143.



Intergovernmental

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 12,682,722	\$ 12,860,569	23.8%	23.4%
2nd Q	Oct-Dec 19	12,986,626			
3rd Q	Jan-Mar 20	12,844,380			
4th Q	Apr-Jun 20	15,634,322			
Total		\$ 54,148,051	\$ 12,860,569	23.8%	23.4%
Variance from Budget			\$ 177,847	0.4%	



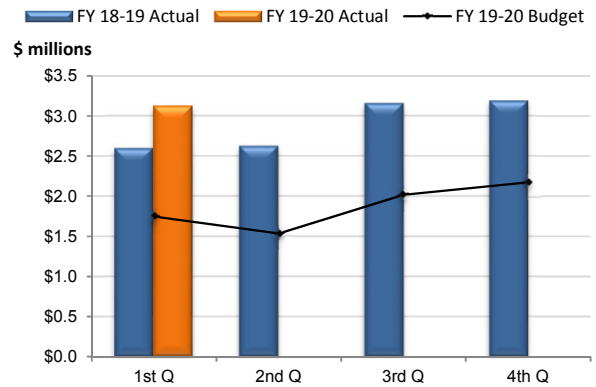
Positive

Intergovernmental Revenue includes 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 22.9% of budgeted revenue for FY 2019-20, making this the second largest General Fund revenue source after Sales Taxes. Through the first quarter of FY 2019-20, actual collections are 23.8% of budget, compared to a historical average of 23.4%. In terms of budget-to-actual variance, collections are 0.4% above budget.



Building & Trades

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 1,748,403	\$ 3,126,351	41.8%	23.4%
2nd Q	Oct-Dec 19	1,534,922			
3rd Q	Jan-Mar 20	2,018,400			
4th Q	Apr-Jun 20	2,173,717			
Total		\$ 7,475,442	\$ 3,126,351	41.8%	23.4%
Variance from Budget			\$ 1,377,948	18.4%	



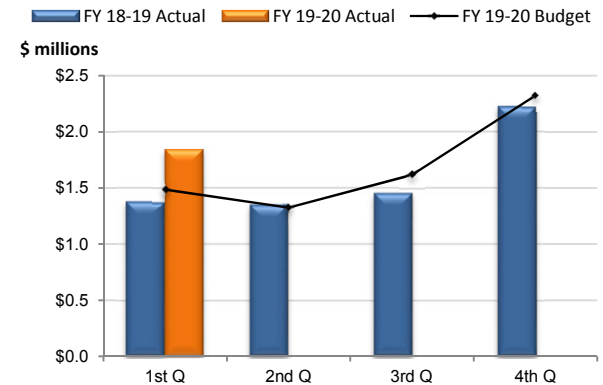
Positive

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. In FY 2019-20, this revenue source contributes 3.2% of budgeted General Fund revenue. Through the first quarter of FY 2019-20, actual collections are 41.8% of budget, compared to a historical average of 23.4%. Thus far, in terms of budget-to-actual variance, collections are 18.4% above the budgeted estimate.



Cultural & Recreational

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 1,484,713	\$ 1,840,909	27.3%	22.0%
2nd Q	Oct-Dec 19	1,324,655			
3rd Q	Jan-Mar 20	1,618,342			
4th Q	Apr-Jun 20	2,323,338			
Total		\$ 6,751,048	\$ 1,840,909	27.3%	22.0%
Variance from Budget			\$ 356,195	5.3%	



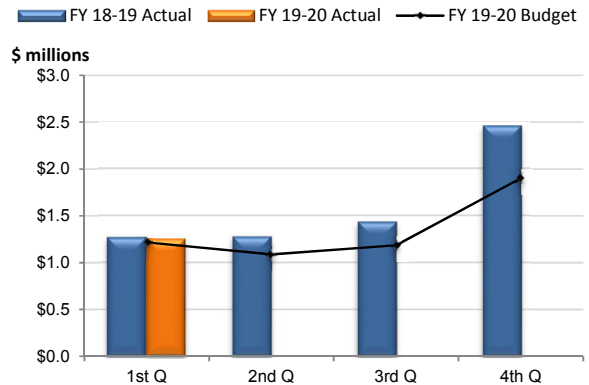
Positive

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 2.9% of total budgeted General Fund revenue for FY 2019-20. Through the first quarter of FY 2019-20, Cultural and Recreational fee collections are 27.3% of budget, compared to the historical average of 22.0%, for a total positive variance of 5.3%. In terms of budget-to-actual variance, collections are \$356 thousand above the budgeted estimate.



Fines, Fees & Forfeitures

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 1,214,204	\$ 1,253,174	23.3%	22.5%
2nd Q	Oct-Dec 19	1,087,311			
3rd Q	Jan-Mar 20	1,185,799			
4th Q	Apr-Jun 20	1,901,750			
Total		\$ 5,389,064	\$ 1,253,174	23.3%	22.5%
Variance from Budget			\$ 38,970	0.8%	



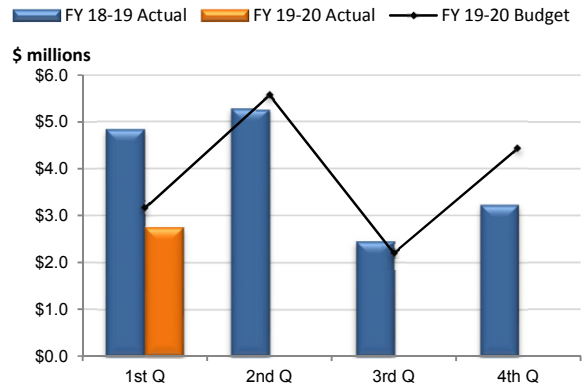
Positive

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 2.3% of total budgeted General Fund revenue for FY 2019-20. Through the first quarter of FY 2019-20, 23.3% of budgeted revenues have been collected, compared to a historical average of 22.5%. In terms of budget-to-actual variance, this category is 0.8% above the expected value through the first quarter.



Other Revenues

		FY 19-20 Adopted Budget	FY 19-20 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 19	\$ 3,151,415	\$ 2,748,749	17.9%	20.5%
2nd Q	Oct-Dec 19	5,571,593			
3rd Q	Jan-Mar 20	2,200,032			
4th Q	Apr-Jun 20	4,444,453			
Total		\$ 15,367,492	\$ 2,748,749	17.9%	20.5%
Variance from Budget			\$ (402,665)	-2.6%	



Watch

Other Revenues include collections from a variety of sources not otherwise accounted for in the major revenue categories. Primary components of Other Revenues are Land Sales, Interest Earnings, Land and Building Facility Rental, and SRP In-Lieu Payments. In FY 2019-20, this revenue source contributes 6.5% of budgeted General Fund revenue. Through the first quarter of the fiscal year, collections of Other Revenue are 17.9% of the FY 2019-20 budget, compared to a historical tracking percentage of 20.5%. This variance is primarily due to the variability of large one-time payments.

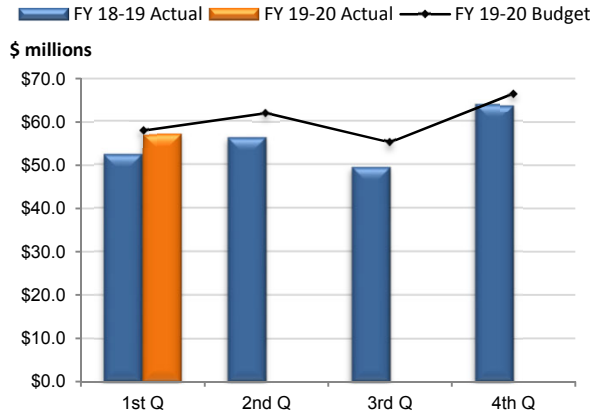


		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 57,970,125	\$ 57,027,283	23.6%	24.0%
2nd Q	Oct-Dec 19	62,087,551			
3rd Q	Jan-Mar 20	55,269,296			
4th Q	Apr-Jun 20	66,535,627			
Total		\$ 241,862,599	\$ 57,027,283	23.6%	24.0%

Variance from Budget \$ 942,842 0.4%

*Budget excludes a \$1.5 million contingency appropriation, encumbrances and inventory

Positive

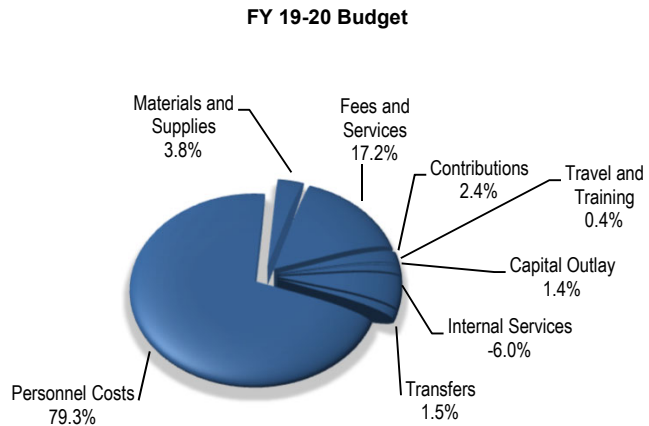


Through the first quarter of FY 2019-20, General Fund expenditures are 23.6% of budget, compared with a historical percentage of 24.0%. In terms of budget-to-actual variance, General Fund expenditures are 0.4% below budget through the first quarter. Departmental quarterly expenditure tracking data can be found on pages 8 through 17 of this report.



General Fund Expenditures By Category

Categories	FY 19-20 Adopted Budget	% of Adopted Budget
Personnel Costs	\$ 191,866,873	79.3%
Materials and Supplies	9,134,880	3.8%
Fees and Services	41,552,153	17.2%
Contributions	5,804,382	2.4%
Travel and Training	911,735	0.4%
Capital Outlay	3,427,044	1.4%
Internal Services	(14,573,706)	-6.0%
Transfers	3,739,238	1.5%
Total	\$ 241,862,599	100.0%



[table of contents](#)



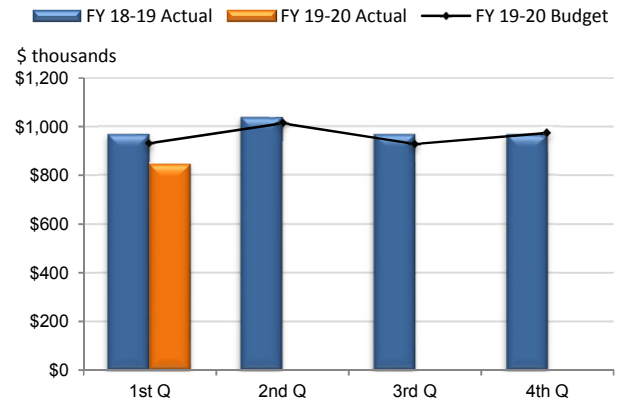
City Attorney's Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 19	\$ 931,592	\$ 844,907	22.0%	24.2%
2nd Q	Oct-Dec 19	1,013,637			
3rd Q	Jan-Mar 20	929,106			
4th Q	Apr-Jun 20	974,482			
Total		\$ 3,848,817	\$ 844,907	22.0%	24.2%

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

Variance from Budget \$ 86,685 2.2%

Positive



The City Attorney's Office spent 22.0% of its FY 2019-20 budget through the first quarter, compared to a historical average of 24.2%. In terms of budget-to-actual variance, expenditures are 2.2% less than budgeted through the first quarter.



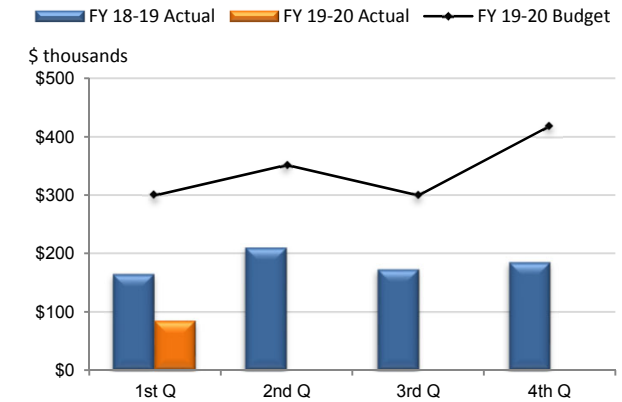
City Clerk's Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 19	\$ 299,452	\$ 84,409	6.2%	21.9%
2nd Q	Oct-Dec 19	351,462			
3rd Q	Jan-Mar 20	299,277			
4th Q	Apr-Jun 20	418,314			
Total		\$ 1,368,505	\$ 84,409	6.2%	21.9%

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

Variance from Budget \$ 215,043 15.7%

Positive



The City Clerk's Office has spent 6.2% of its FY 2019-20 budget through the first quarter, compared to a historical average of 21.9%. In terms of variance from the budget through the first quarter, expenditures are 15.7% below the expected amount. The variance is due primarily to vacancies.



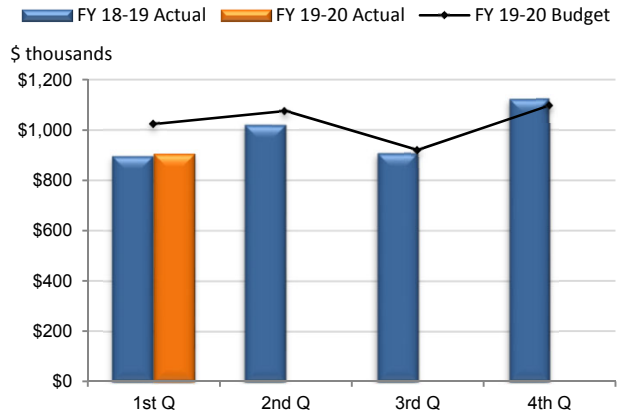
City Court

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 1,024,051	\$ 905,187	22.0%	24.9%
2nd Q	Oct-Dec 19	1,075,481			
3rd Q	Jan-Mar 20	920,259			
4th Q	Apr-Jun 20	1,097,994			
Total		\$ 4,117,786	\$ 905,187	22.0%	24.9%

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

Variance from Budget \$ 118,864 2.9%

Positive



The City Court has spent 22.0% of its FY 2019-20 budget through the first quarter compared to the historical average of 24.9%. In terms of variance from the budget through the first quarter, expenditures are 2.9% below the budgeted amount.



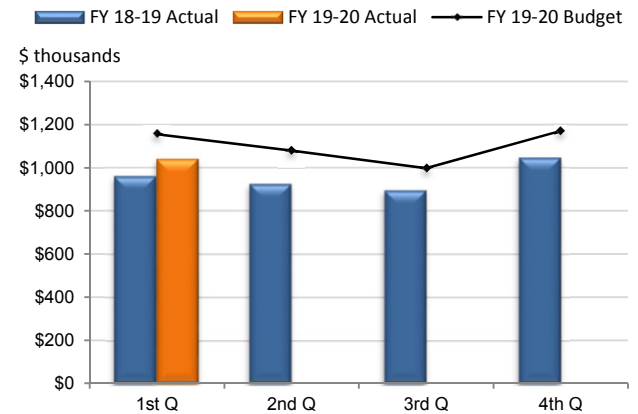
City Manager's Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 1,155,613	\$ 1,040,239	23.6%	26.2%
2nd Q	Oct-Dec 19	1,079,151			
3rd Q	Jan-Mar 20	997,434			
4th Q	Apr-Jun 20	1,170,522			
Total		\$ 4,402,719	\$ 1,040,239	23.6%	26.2%

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

Variance from Budget \$ 115,374 2.6%

Positive



The City Manager's Office has spent 23.6% of its FY 2019-20 budget through the first quarter, compared to the historical average of 26.2%. In terms of variance from the budget in the first quarter, expenditures are \$115 thousand or 2.6% below the expected amount.

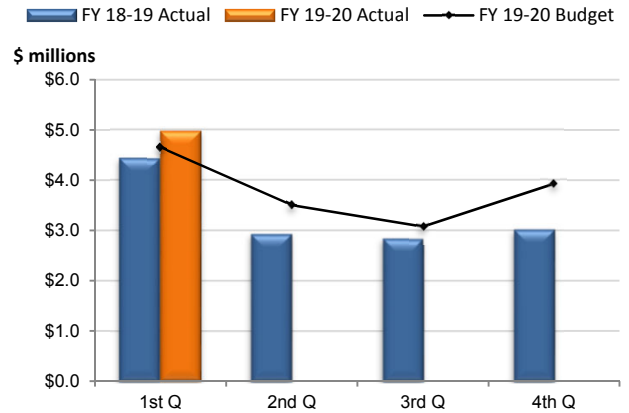


Community Development

		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 4,652,815	\$ 4,972,398	32.8%	30.7%
2nd Q	Oct-Dec 19	3,505,810			
3rd Q	Jan-Mar 20	3,075,535			
4th Q	Apr-Jun 20	3,930,114			
Total		\$ 15,164,275	\$ 4,972,398	32.8%	30.7%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ (319,582) -2.1%

Watch



The Community Development Department has spent 32.8% of its FY 2019-20 budget through the first quarter, compared to the historical value of 30.7%. In terms of variance from the budget, expenditures are \$320 thousand or 2.1% above the expected amount. It is anticipated that the expense variation will normalize as the year progresses.

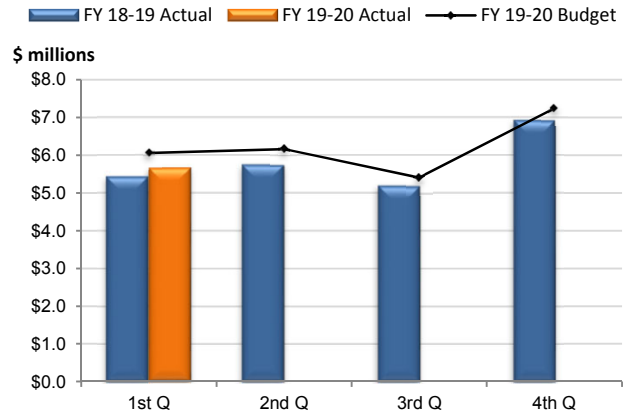


Community Services

		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 6,058,224	\$ 5,667,429	22.8%	24.4%
2nd Q	Oct-Dec 19	6,162,419			
3rd Q	Jan-Mar 20	5,405,103			
4th Q	Apr-Jun 20	7,241,822			
Total		\$ 24,867,568	\$ 5,667,429	22.8%	24.4%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ 390,795 1.6%

Positive

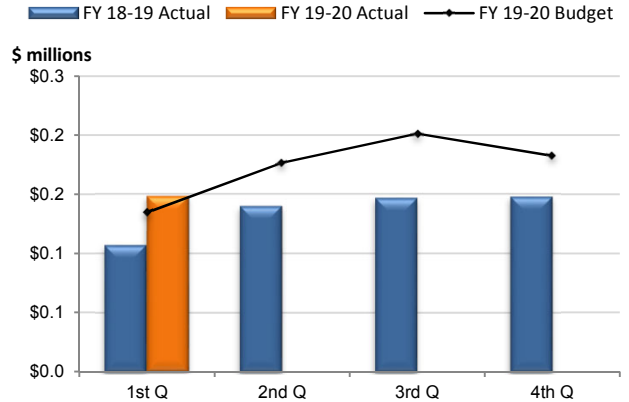


The Community Services Department spent 22.8% of its FY 2019-20 budget through the first quarter, compared to the historical average of 24.4%. In terms of variance from the budget through the first quarter, expenditures are \$391 thousand or 1.6% below the expected amount.



Economic Development Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 134,673	\$ 148,118	21.3%	19.4%
2nd Q	Oct-Dec 19	176,678			
3rd Q	Jan-Mar 20	201,323			
4th Q	Apr-Jun 20	182,558			
Total		\$ 695,232	\$ 148,118	21.3%	19.4%
*amounts are net of internal service charges, and exclude transfers					
Variance from Budget			\$ (13,445)	-1.9%	



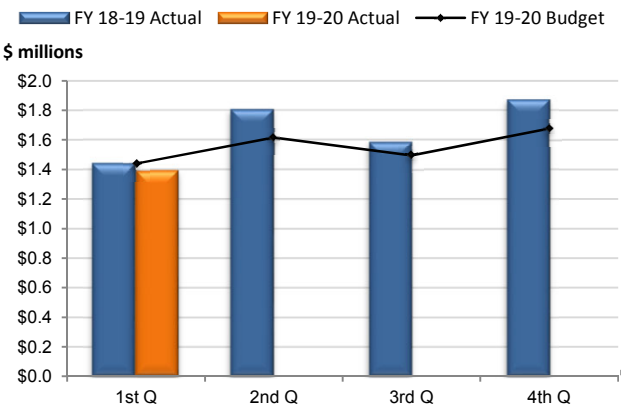
Positive

The Economic Development Office has spent 21.3% of its FY 2019-20 budget through the first quarter, compared with a historical percentage of 19.4%. In terms of variance from the budget through the first quarter, expenditures are \$13 thousand or 1.9% above the expected amount.



Engineering & Transportation

		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 1,439,445	\$ 1,392,003	22.4%	23.1%
2nd Q	Oct-Dec 19	1,616,472			
3rd Q	Jan-Mar 20	1,494,932			
4th Q	Apr-Jun 20	1,676,097			
Total		\$ 6,226,947	\$ 1,392,003	22.4%	23.1%
*amounts are net of internal service charges, and exclude transfers					
Variance from Budget			\$ 47,441	0.7%	



Positive

The Engineering and Transportation Department spent 22.4% of its FY 2019-20 budget through the first quarter, compared to a historical average of 23.1%. In terms of variance from the budget in the first quarter, expenditures are \$47 thousand or 0.7% below the expected amount.

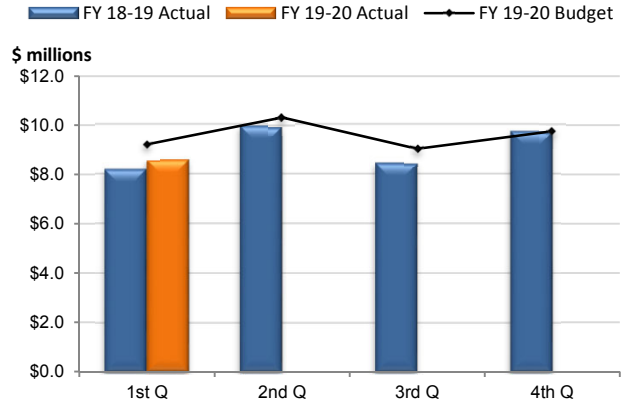


Fire Medical Rescue

		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 9,219,229	\$ 8,568,749	22.3%	24.0%
2nd Q	Oct-Dec 19	10,317,656			
3rd Q	Jan-Mar 20	9,044,808			
4th Q	Apr-Jun 20	9,761,417			
Total		\$ 38,343,109	\$ 8,568,749	22.3%	24.0%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ 650,480 1.7%

Positive



The Fire Medical Rescue Department has spent 22.3% of its FY 2019-20 budget through the first quarter, compared with a historical percentage of 24.0%. In terms of variance from the budget through the first quarter, expenditures are \$650 thousand or 1.7% below the expected amount.

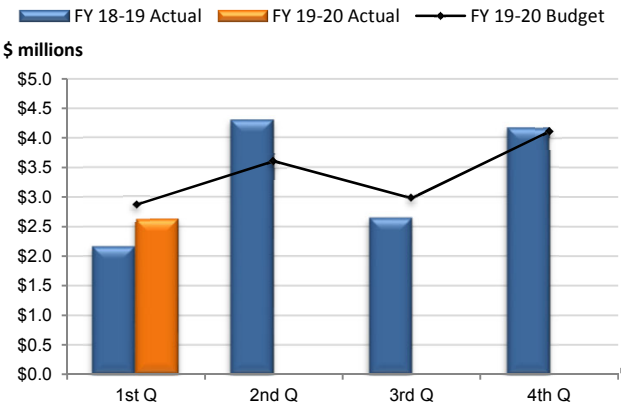


Human Services

		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 2,869,101	\$ 2,627,944	19.4%	21.2%
2nd Q	Oct-Dec 19	3,604,652			
3rd Q	Jan-Mar 20	2,980,784			
4th Q	Apr-Jun 20	4,109,076			
Total		\$ 13,563,613	\$ 2,627,944	19.4%	21.2%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ 241,157 1.8%

Positive



The Human Services Department spent 19.4% of its FY 2019-20 budget through the first quarter, compared to a historical average of 21.2%. In terms of variance from the budget in the first quarter, expenditures are \$241 thousand or 1.8% below the expected amount.



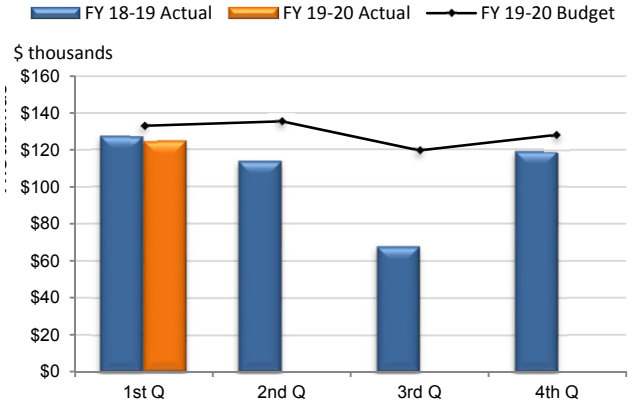
Internal Audit Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 133,039	\$ 124,736	24.1%	25.8%
2nd Q	Oct-Dec 19	135,525			
3rd Q	Jan-Mar 20	119,778			
4th Q	Apr-Jun 20	128,266			
Total		\$ 516,608	\$ 124,736	24.1%	25.8%

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

Variance from Budget \$ 8,303 1.7%

Positive



The Internal Audit Office has spent 24.1% of its FY 2019-20 budget through the first quarter, compared with a historical average of 25.8%. In terms of variance from the budget through the first quarter, expenditures are \$8 thousand or 1.7% below the expected amount.



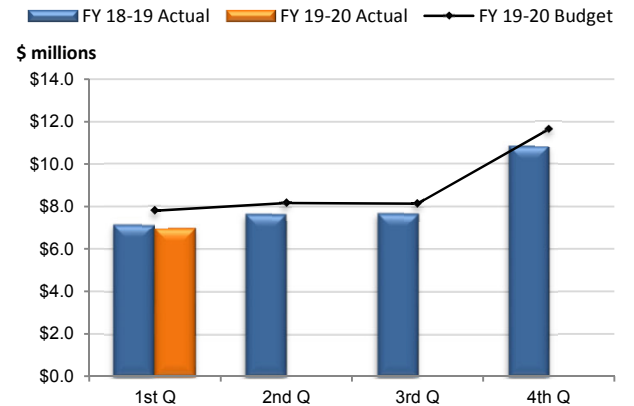
Internal Services

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 7,802,465	\$ 6,985,518	19.6%	21.8%
2nd Q	Oct-Dec 19	8,155,912			
3rd Q	Jan-Mar 20	8,128,668			
4th Q	Apr-Jun 20	11,636,812			
Total		\$ 35,723,858	\$ 6,985,518	19.6%	21.8%

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

Variance from Budget \$ 816,948 2.2%

Positive



The Internal Services Department has spent 19.6% of its FY 2019-20 budget through the end of the first quarter, compared to the historical pattern of 21.8% during this period. In terms of variance from the budget in the first quarter, expenditures are \$817 thousand or 2.2% below the expected amount.



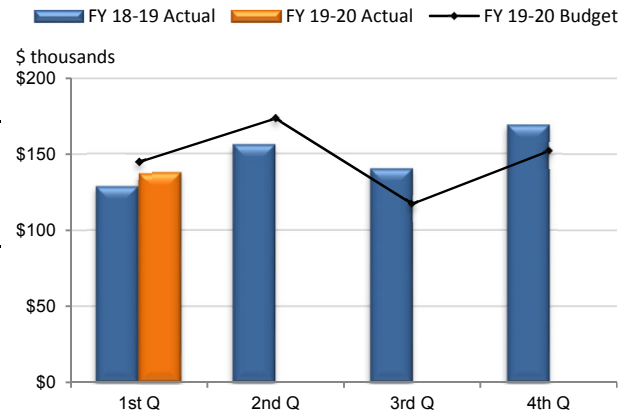
Mayor & Council

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 144,827	\$ 137,681	23.4%	24.6%
2nd Q	Oct-Dec 19	173,546			
3rd Q	Jan-Mar 20	117,352			
4th Q	Apr-Jun 20	152,044			
Total		\$ 587,769	\$ 137,681	23.4%	24.6%

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

Variance from Budget \$ 7,147 1.2%

Positive



The Mayor and Council has spent 23.4% of its FY 2019-20 budget through the first quarter, compared with a historical average of 24.6%. In terms of variance from the budget in the first quarter, expenditures are \$7 thousand or 1.2% below the expected amount.



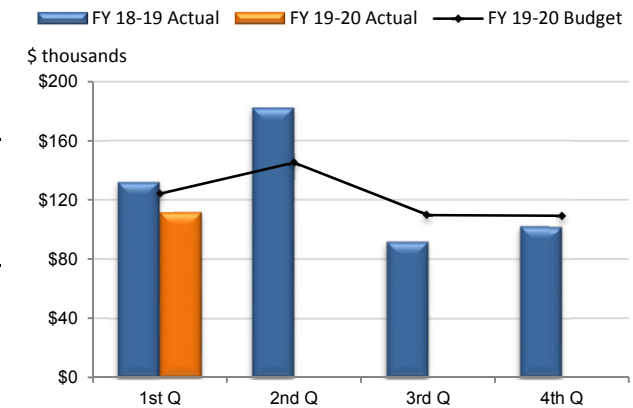
Municipal Budget Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 124,212	\$ 111,668	22.9%	25.4%
2nd Q	Oct-Dec 19	145,225			
3rd Q	Jan-Mar 20	109,793			
4th Q	Apr-Jun 20	109,255			
Total		\$ 488,485	\$ 111,668	22.9%	25.4%

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

Variance from Budget \$ 12,545 2.5%

Positive



The Municipal Budget Office has spent 22.9% of its FY 2019-20 budget through the first quarter, compared to a historical average of 25.4%. In terms of variance from the budget through the first quarter, expenditures are \$13 thousand or 2.5% below the expected amount.

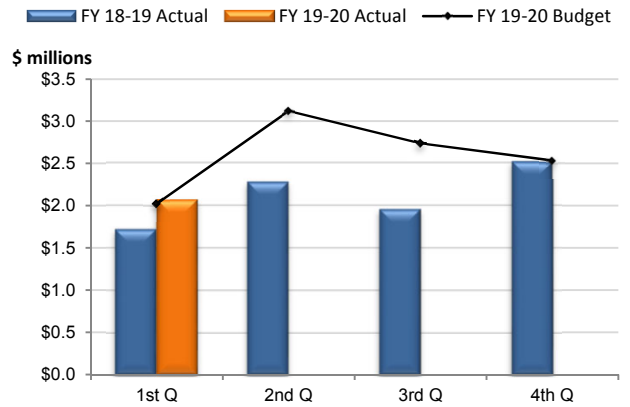


Municipal Utilities

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 2,024,471	\$ 2,070,265	19.9%	19.4%
2nd Q	Oct-Dec 19	3,121,603			
3rd Q	Jan-Mar 20	2,738,947			
4th Q	Apr-Jun 20	2,533,605			
Total		\$ 10,418,626	\$ 2,070,265	19.9%	19.4%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ (45,794) -0.5%

Positive



The Municipal Utilities Department has spent 19.9% of its FY 2019-20 budget through the first quarter, compared to a historical average of 19.4%. In terms of variance from the budget through the through the first quarter, expenditures are \$45 thousand or 0.5% above the expected amount.

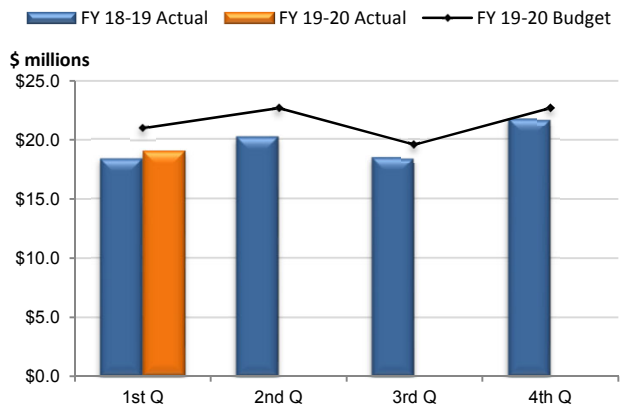


Police

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 20,970,882	\$ 19,019,736	22.1%	24.4%
2nd Q	Oct-Dec 19	22,689,169			
3rd Q	Jan-Mar 20	19,591,909			
4th Q	Apr-Jun 20	22,688,165			
Total		\$ 85,940,125	\$ 19,019,736	22.1%	24.4%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ 1,951,146 2.3%

Positive



The Police Department has spent 22.1% of its FY 2019-20 General Fund budget through the first quarter, compared with a historical average of 24.4%. In terms of variance from the budget through the first quarter, expenditures are \$1.9 million or 2.3% below the expected amount.

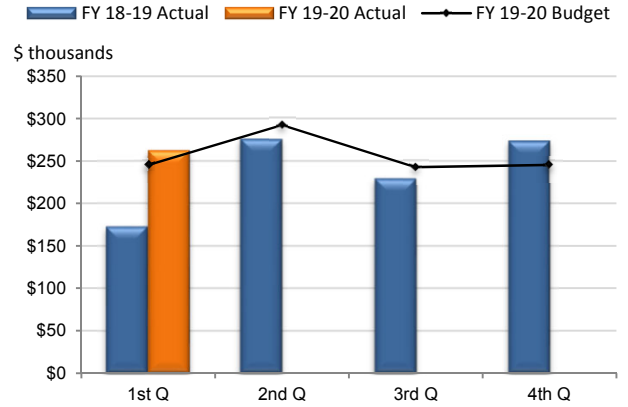


Strategic Management & Diversity Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 245,607	\$ 262,431	25.6%	23.9%
2nd Q	Oct-Dec 19	292,565			
3rd Q	Jan-Mar 20	242,766			
4th Q	Apr-Jun 20	245,607			
Total		\$ 1,026,546	\$ 262,431	25.6%	23.9%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ (16,824) -1.7%

Positive



The Strategic Management and Diversity Office has spent 25.6% of its FY 2019-20 budget through the first quarter, compared to a historical average of 23.9%. In terms of variance from the budget through the first quarter, expenditures are \$17 thousand or 1.7% above the expected amount.

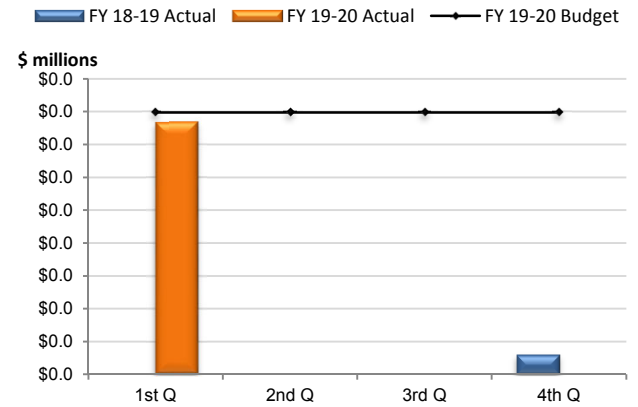


Sustainability Office

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 39,882	\$ 38,473	24.1%	25.0%
2nd Q	Oct-Dec 19	39,882			
3rd Q	Jan-Mar 20	39,882			
4th Q	Apr-Jun 20	39,882			
Total		\$ 159,529	\$ 38,473	24.1%	25.0%

*amounts are net of internal service charges, and exclude transfers
 Variance from Budget \$ 1,409 0.9%

Positive



The Sustainability Office has spent 24.1% of its FY 2019-20 budget through the first quarter, compared to a historical average of 25.0%. In terms of variance from the budget through the first quarter, expenditures are \$1 thousand or 0.9% below the expected amount.



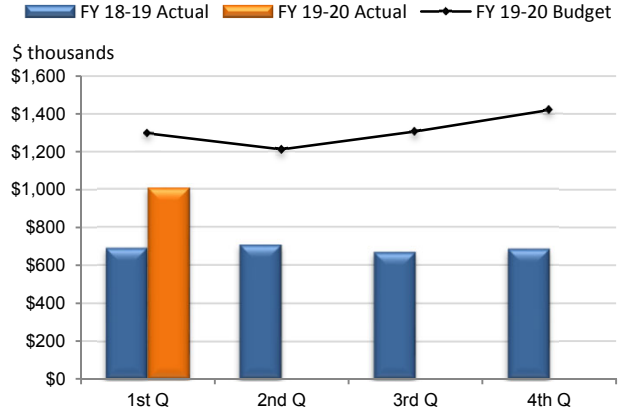
Non-Departmental

		FY 19-20 Adopted Budget*	FY 19-20 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 19	\$ 1,297,372	\$ 1,007,150	19.2%	24.8%
2nd Q	Oct-Dec 19	1,211,976			
3rd Q	Jan-Mar 20	1,307,481			
4th Q	Apr-Jun 20	1,420,121			
Total		\$ 5,236,950	\$ 1,007,150	19.2%	24.8%

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

Variance from Budget \$ 290,223 5.6%

Positive



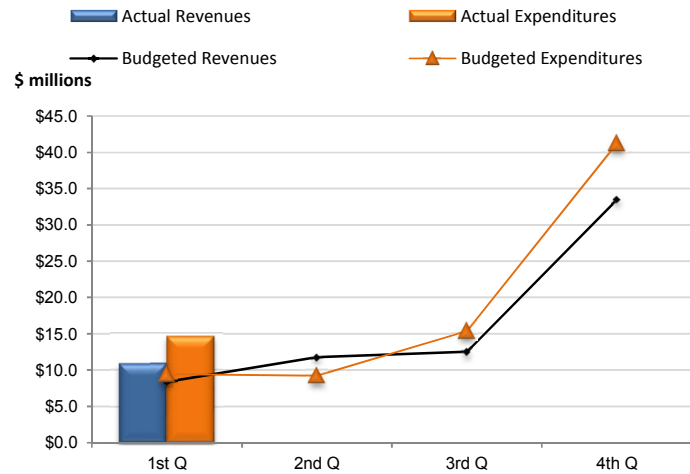
The Non-Departmental category of the budget includes items not directly related to the operations of any one City operating department. One example includes the payment of the Tempe Tourism Office's portion of the Bed Tax. Through the first quarter of FY 2019-20, Non-Departmental expenditures are 19.2% of the budget compared to the historical pattern of 24.8%. In terms of variance from the budget through the first quarter, expenditures are \$290 thousand or 5.6% below budget.

Transit Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$ 66,135,355	\$ 10,809,533	16.3%
Transfers In	-	50,000	0.0%
Total Revenues	\$ 66,135,355	\$ 10,859,533	16.4%
Operating	\$ 60,477,008	\$ 4,359,567	7.2%
Capital	32,000	4,368	13.7%
Debt Service	4,123,594	-	0.0%
Transfers Out	10,673,922	10,173,922	95.3%
Total Expenses	\$ 75,306,524	\$ 14,537,857	19.3%
Net Rev/Exp	\$ (9,171,169)	\$ (3,678,324)	

*amounts exclude contingencies and encumbrances

Negative



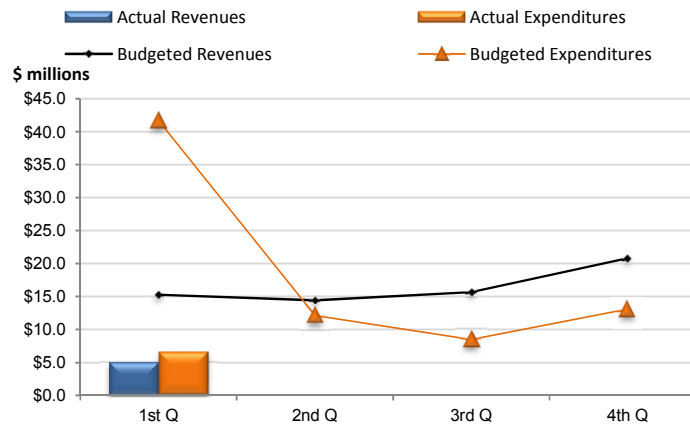
The Transit Fund accounts for the receipt of the Mass Transit Tax, a 0.5% tax on sales. Fund resources are dedicated to transit system planning, design, and operations, community outreach, and debt service. Through the end of the first quarter, there is an operating deficit in the Transit Fund of \$3.7 million. Transit Fund revenue is at 16.4% of budget which is higher than the historical tracking percentage of 12.7%. Expenditures are 19.3% of budget compared to the recent historical tracking percentage of 12.6%. The large deficit in the first quarter is primarily due to the transfer of cash from the Transit operating fund to the capital program to fund pay-as-you go (cash) CIP projects. It is anticipated that the revenue to expense variance will normalize as the year progresses.

Highway User Revenue Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$ 12,668,185	\$ 3,489,411	27.5%
Transfers In	1,500,000	1,500,000	0.0%
Total Revenues	\$ 14,168,185	\$ 4,989,411	35.2%
Operating	\$ 10,633,499	\$ 2,318,368	21.8%
Capital	582,067	-	0.0%
Debt Service	-	-	0.0%
Transfers Out	4,138,911	4,138,725	100.0%
Total Expenses	\$ 15,354,477	\$ 6,457,093	42.1%
Net Rev/Exp	\$ (1,186,292)	\$ (1,467,681)	

*amounts exclude encumbrances

Positive



The Highway User Revenue Fund (HURF) accounts for the receipt of HURF 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 as well as other factors. HURF resources are dedicated to Street and Traffic Operations, Maintenance, and Construction activities in the City. Revenues are 35.2% of budget compared to a historical average of 23.1%, while expenditures are 42.1% of budget compared to the three year historical trend of 55.3%. It is anticipated that the revenue to expense variance will normalize as the year progresses.

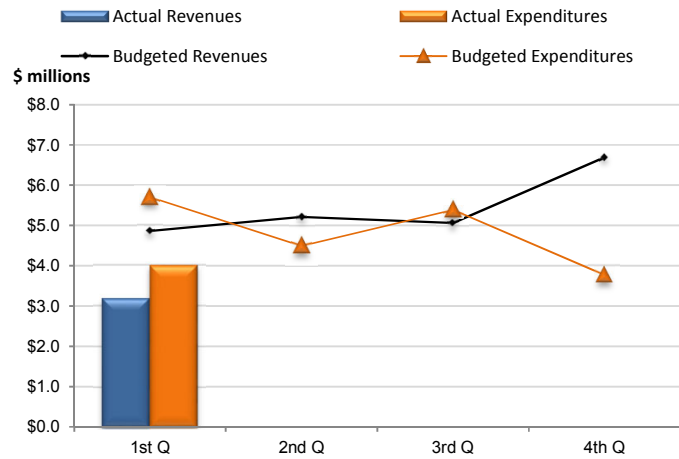


CDBG/Section 8 Funds

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$ 21,832,701	\$ 3,183,759	14.6%
Transfers In	-	-	0.0%
Total Revenues	\$ 21,832,701	\$ 3,183,759	14.6%
Operating	\$ 18,408,469	\$ 3,543,151	19.2%
Capital	442,000	-	0.0%
Debt Service	509,380	447,961	87.9%
Transfers Out	-	-	0.0%
Total Expenses	\$ 19,359,849	\$ 3,991,112	20.6%
Net Rev/Exp	\$ 2,472,852	\$ (807,353)	

*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 first quarter total 14.6% of the FY 2019-20 budget, compared to the historical percentage of 22.3%. Expenditures through the first quarter total 20.6% of the FY 2019-20 budget, compared to the historical percentage of 29.5%. The net effect on the fund status through the first quarter is an operating deficit, though this is largely due to the timing of grant revenue receipts from the federal government.

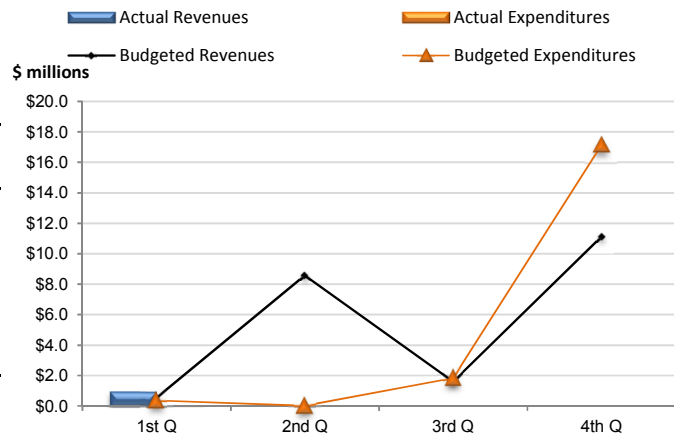


Debt Service Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$ 30,177,956	\$ 362,383	1.2%
Transfers In	6,796,755	551,113	8.1%
Total Revenues	\$ 36,974,711	\$ 913,496	2.5%
Operating	\$ -	\$ -	0.0%
Capital	-	-	0.0%
Debt Service	28,432,370	723	0.0%
Transfers Out	8,962,907	-	0.0%
Total Expenses	\$ 37,395,277	\$ 723	0.0%
Net Rev/Exp	\$ (420,566)	\$ 912,773	

*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 tax supported debt. Actual revenues and expenditures through the first quarter are in line with historical budget comparisons. The City receives significant revenue from the Maricopa County Treasurer's Office in October and May, coinciding with the property tax dues dates. The annual secondary tax levy includes the amount necessary to make the annual payments of principal and interest on existing bonds, payments of principal and interest on new debt planned for the ensuing year, plus a reasonable delinquency factor.

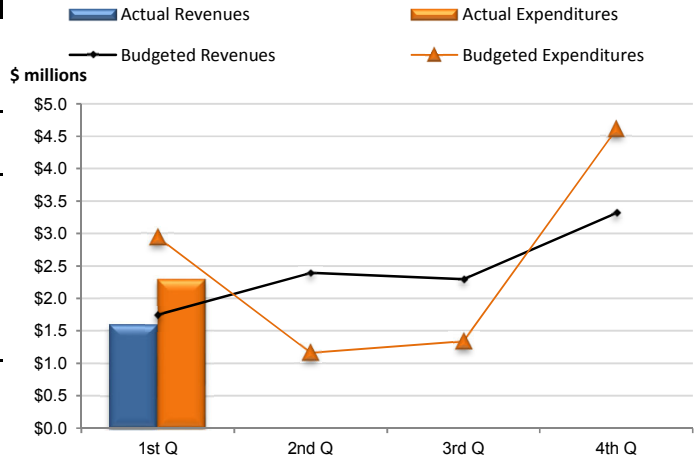


Performing Arts Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$9,754,211	\$1,601,344	16.4%
Transfers In	-	-	0.0%
Total Revenues	\$9,754,211	\$1,601,344	16.4%
Operating	\$ 5,352,434	\$ 1,057,814	19.8%
Capital	33,200	6,582	19.8%
Debt Service	3,437,250	-	0.0%
Transfers Out	1,226,438	1,226,438	0.0%
Total Expenses	\$ 10,049,322	\$ 2,290,835	22.8%
Net Rev/Exp	\$ (295,111)	\$ (689,491)	

*amounts exclude encumbrances

Positive



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 (TCA). Revenues through the first quarter of FY 2019-20 are 16.4% of budget, compared to the historical tracking percentage of 17.9%. Total expenditures are 22.8% of budget, compared to a historical average of 29.3%. The net result is a operating deficit of \$689 thousand. It is anticipated that the revenue to expense variance will normalize as the year progresses.

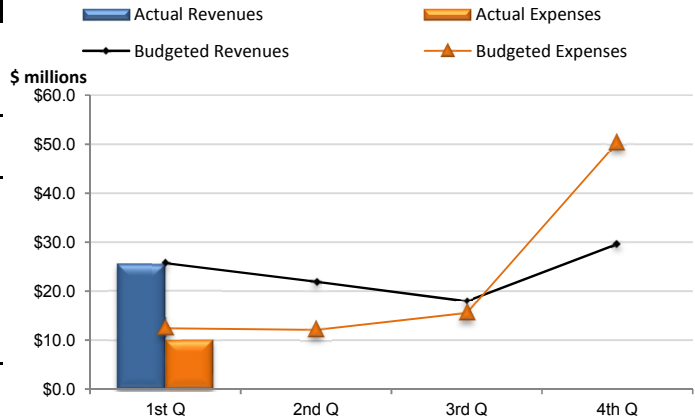


Water/ Wastewater Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$ 88,867,256	\$ 25,493,791	28.7%
Transfers In	6,232,151	-	0.0%
Total Revenues	\$ 95,099,407	\$ 25,493,791	26.8%
Operating	\$ 46,772,245	\$ 9,048,921	19.3%
Capital	437,853	84,510	19.3%
Debt Service	36,605,091	(13,139)	0.0%
Transfers Out	6,664,691	1,040,897	0.0%
Total Expenses	\$ 90,479,880	\$ 10,161,189	11.2%
Net Rev/Exp	\$ 4,619,527	\$ 15,332,602	

*Budget excludes a \$1 million contingency appropriation, encumbrances and inventory

Positive



The Water/Wastewater 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 2019-20 are 26.8% which is in line with historical averages. Total expenses through the first quarter are 11.2% of budget compared to 13.7% historically. Through the first quarter, the fund posted a \$15.0 million surplus. This is the result of the timing of debt service payments and payments for regional wastewater services, which occur in the fourth quarter.

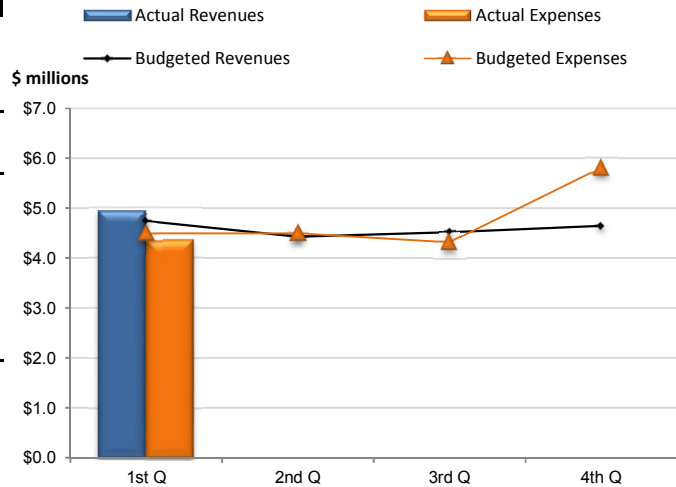


Solid Waste Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$17,938,984	\$4,533,082	25.3%
Transfers In	400,000	400,000	100.0%
Total Revenues	\$18,338,984	\$4,933,082	26.9%
Operating	\$ 15,490,162	\$ 3,768,039	24.3%
Capital	3,045,715	8,098	0.3%
Debt Service	-	-	0.0%
Transfers Out	582,033	581,847	100.0%
Total Expenses	\$ 19,117,910	\$ 4,357,984	22.8%
Net Rev/Exp	\$ (778,926)	\$ 575,098	

*Budget excludes a contingency appropriation and 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 first quarter of FY 2019-20 are 26.9% of budget compared to 25.9% historically. Total expenses through the first quarter are 22.8% of budget compared to 23.5% historically. Through the first quarter, the fund posted a \$575 thousand surplus.

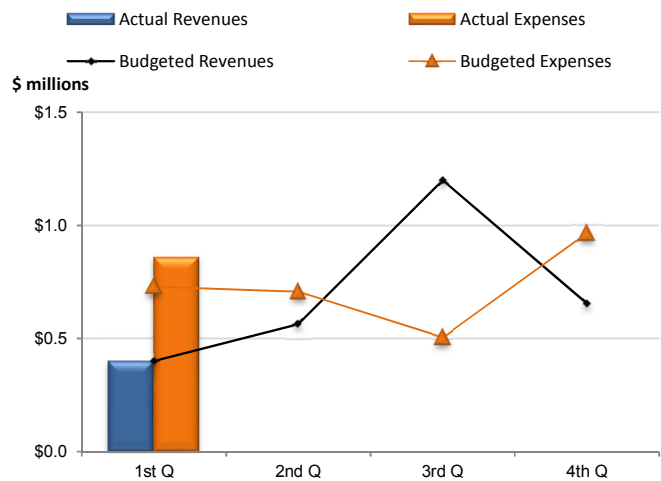


Golf Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$2,743,712	\$327,892	12.0%
Transfers In	74,000	74,000	100.0%
Total Revenues	\$2,817,712	\$401,892	14.3%
Operating	\$ 2,327,350	\$ 575,218	24.7%
Capital	399,374	283,569	71.0%
Debt Service	-	-	0.0%
Transfers Out	182,450	-	0.0%
Total Expenses	\$ 2,909,174	\$ 858,787	29.5%
Net Rev/Exp	\$ (91,462)	\$ (456,895)	

*amounts exclude encumbrances

Negative



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 first quarter of FY 2019-20 are 14.3% which is in line historically. Total expenses through the first quarter are 29.5% of budget compared to the historical tracking percentage of 25.1%. Through the first quarter, the fund has an operating deficit of \$457 thousand. The Community Services Department will be monitoring revenue and expenses during the remainder of the fiscal year and will address variances from budget.

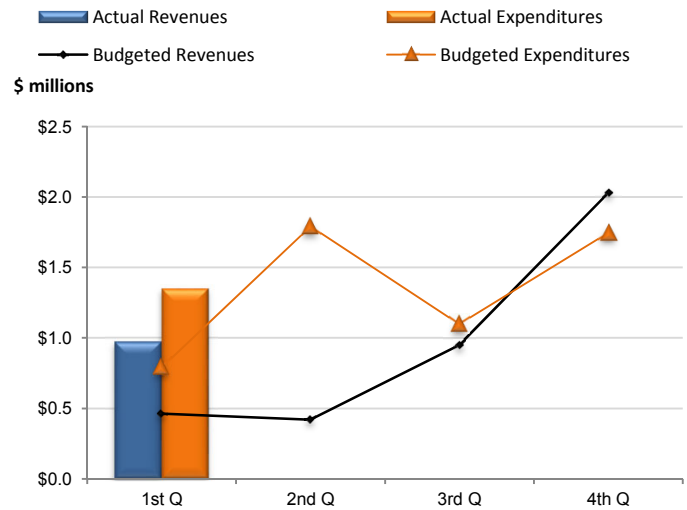


Emergency Medical Transport

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Revenues	\$ 3,863,939	\$ 973,278	25.2%
Transfers In	-	-	0.0%
Total Revenues	\$ 3,863,939	\$ 973,278	25.2%
Operating	\$ 3,836,923	\$ 647,945	16.9%
Capital	367,000	1,000	0.3%
Debt Service	13,155	-	0.0%
Transfers Out	1,211,925	700,000	57.8%
Total Expenses	\$ 5,429,003	\$ 1,348,945	24.8%
Net Rev/Exp	\$ (1,565,064)	\$ (375,667)	

*amounts exclude contingencies and encumbrances

Negative



The Emergency Medical Transport Fund is in its third year as a self-supporting enterprise fund that provides for operation, maintenance, and debt service costs associated with providing an ambulance service for medical emergencies within the community. Total revenues through the first quarter of FY 2019-20 are 25.2% of budget compared to the historical average of 12.0%. Total expenses through the first quarter are 24.8% of budget compared to the historical average of 14.6%. Through the first quarter, the fund has an operating deficit of \$376 thousand. The variance is due primarily to the growth of the operations from the addition of ambulance companies which has generated additional revenue and expenses compared to historical trends. The Fire and Medical Rescue Department will be monitoring revenue and expenses during the remainder of the fiscal year and will address variances from budget.

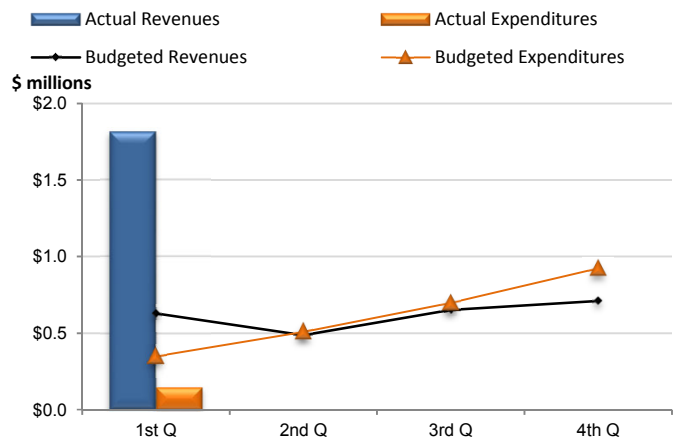


Restricted Revenue and Donations

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Total Revenues	\$ 2,474,905	\$ 1,812,518	73.2%
Total Expenses	\$ 2,474,905	\$ 148,343	6.0%
Net Rev/Exp	\$ -	\$ 1,664,174	

*amounts exclude encumbrances and contingency appropriations

Positive



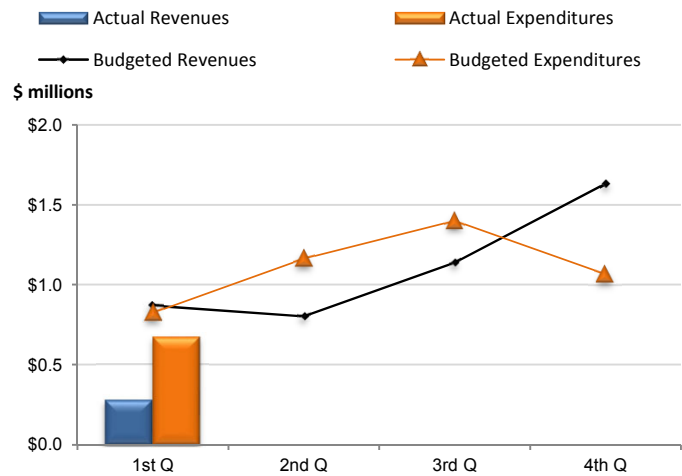
The Restricted Revenue and Donations Fund accounts for the receipt and expenditure of restricted revenue and donations related to general governmental activities. Revenues through the first quarter total 73.2%, while expenditures total 6.0%. The large operating surplus through the first quarter is mostly due to the carry forward of the prior year's revenues, which will be expended during the remainder of the year according to the provisions of the applicable agreements.

Police Dept-RICO & Grants

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Total Revenues	\$ 4,442,619	\$ 280,365	6.3%
Total Expenses	\$ 4,455,147	\$ 671,414	15.1%
Net Rev/Exp	\$ (12,528)	\$ (391,050)	

*amounts exclude encumbrances and contingency appropriations

Negative



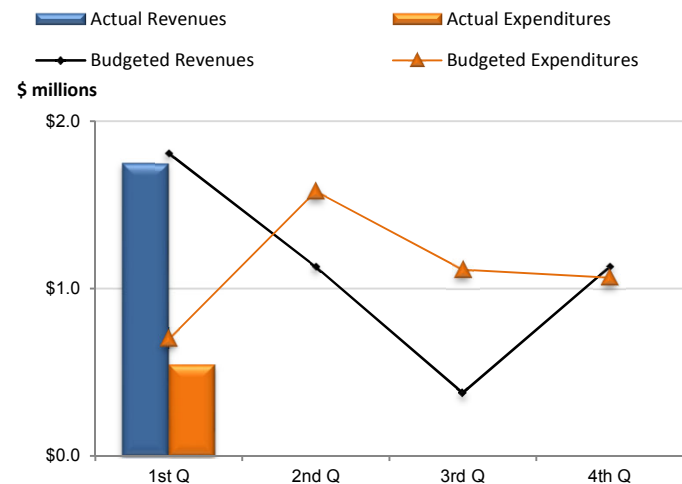
The Police Dept-RICO & Grants Fund accounts for the receipt and expenditure of grants, donations, asset forfeitures, and tow hearing fines associated with Police Department activities. Revenues through the first quarter total 6.3% of the FY 2019-20 budget, compared to the historical percentage of 19.6%. Expenditures through the first quarter total 15.1% of the FY 2019-20 budget, compared to the historical percentage of 18.5%. The net result on the fund's status through the first quarter is an operating deficit of \$391 thousand. The Police Department will be monitoring revenue and expenditures during the remainder of the fiscal year and will address variances from budget.

Governmental Grants

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Total Revenues	\$ 7,253,129	\$ 1,747,593	24.1%
Total Expenses	\$ 7,253,129	\$ 547,947	7.6%
Net Rev/Exp	\$ -	\$ 1,199,647	

*amounts exclude encumbrances and contingency appropriations

Positive



The Governmental Grants Fund accounts for the receipt and expenditure of grants related to general governmental activities. Revenues through the first quarter of FY 2019-20 total 24.1%, compared to the historical percentage of 40.7%. Expenditures through the first quarter total 7.6% of the FY 2019-20 budget, compared to the historical percentage of 15.7%. While the fund is showing an operating surplus due to lower spending through the first quarter, the receipt of grant funds is much lower than has historically been received through the first quarter. The Departments that receive Governmental Grants will be monitoring revenue and expenditures during the remainder of the fiscal year, and will address variances from budget.

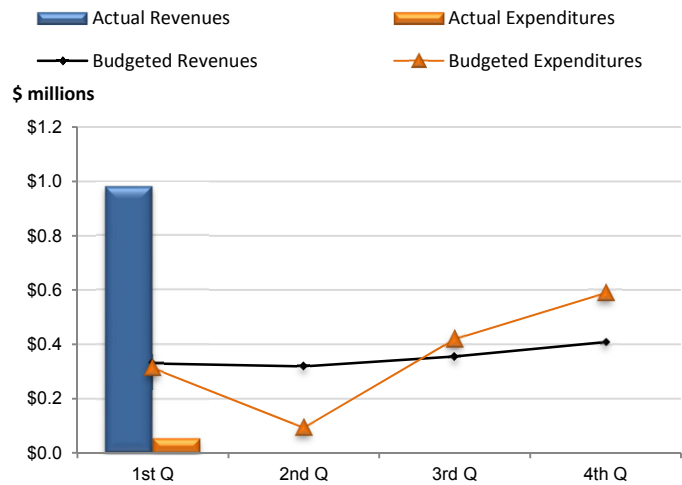


Court Enhancement Fund

	FY 19-20 Budget	FY 19-20 1Q Actual*	% Budget to Date
Total Revenues	\$ 1,411,232	\$ 978,222	69.3%
Total Expenses	\$ 1,411,232	\$ 55,048	3.9%
Net Rev/Exp	\$ -	\$ 923,174	

*amounts exclude encumbrances and contingency appropriations

Positive



The Court Enhancement Fund is established to account for fine, fee and forfeiture revenues dedicated for City Court purposes pursuant to state statute and city code. Revenues through the first quarter total 69.3% of the FY 2019-20 budget, compared to the historical percentage of 23.4%. Expenditures through the first quarter total 3.9% of the FY 2019-20 budget, compared to the historical percentage of 22.1%. The large operating surplus through the first quarter is mostly due to the carry forward of the prior year's grant revenues, which will be expended during the remainder of the year.