

MEMORANDUM



TO: Mayor and Council
FROM: Mark Day, Municipal Budget Director
THROUGH: Ken Jones, Deputy City Manager - CFO
DATE: February 12, 2021
SUBJECT: Quarterly Financial Report for FY 2020-21 Q1

Attached is the Quarterly Financial Report for the first quarter of Fiscal Year 2020-21, the quarter ending September 30, 2020. 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.



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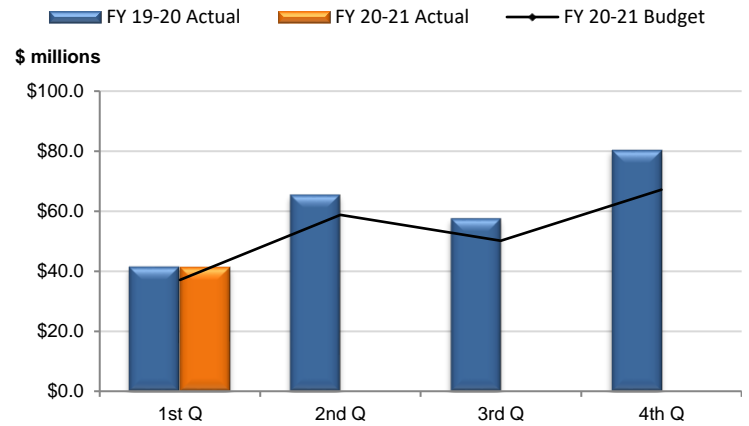
Performance Ratings Key

- 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 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 37,094,341	\$ 41,369,261	19.4%	17.4%
2nd Q	Oct-Dec 20	58,801,957			
3rd Q	Jan-Mar 21	50,088,561			
4th Q	Apr-Jun 21	67,161,753			
Total		\$ 213,146,611	\$ 41,369,261	19.4%	17.4%
Variance from Budget			\$ 4,274,920	2.0%	

Positive



Through the first quarter of FY 2020-21, General Fund revenue is 19.4% of budget, compared with a historical percentage of 17.4%. In terms of budget-to-actual variance, total collections are above the anticipated revenue target for the first quarter by \$4.3 million. 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 reports.



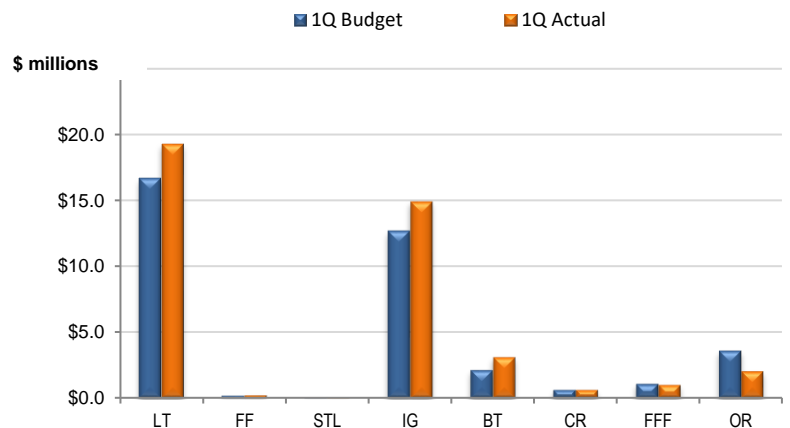
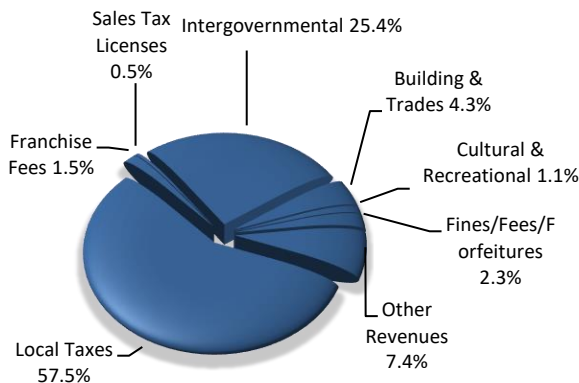
General Fund Revenue by Category

Revenue Categories	FY 20-21 Annual Budget	% of Annual Budget
Local Taxes	\$ 122,532,779	57.5%
Franchise Fees	3,191,124	1.5%
Sales Tax Licenses	1,023,523	0.5%
Intergovernmental	54,206,994	25.4%
Building & Trades	9,129,224	4.3%
Cultural & Recreational	2,386,698	1.1%
Fines/Fees/Forfeitures	4,924,665	2.3%
Other Revenues	15,751,604	7.4%
Total	\$ 213,146,611	100.0%

Cumulative Revenue through 1Q 2020-2021

	1Q Budget Target	1Q Actual Revenue	% of Budget Target
Local Taxes (LT)	\$ 16,669,426	\$ 19,306,577	116%
Franchise Fees (FF)	191,559	228,200	119%
Sales Tax Licenses (STL)	84,731	93,736	111%
Intergovernmental (IG)	12,684,235	14,924,839	118%
Building & Trades (BT)	2,139,046	3,124,925	146%
Cultural & Recreational (CR)	616,388	622,661	101%
Fines/Fees/Forfeitures (FFF)	1,091,800	1,012,032	93%
Other Revenues (OR)	3,617,156	2,056,290	57%
Total	\$ 37,094,341	\$ 41,369,261	112%

FY 20-21 Budget

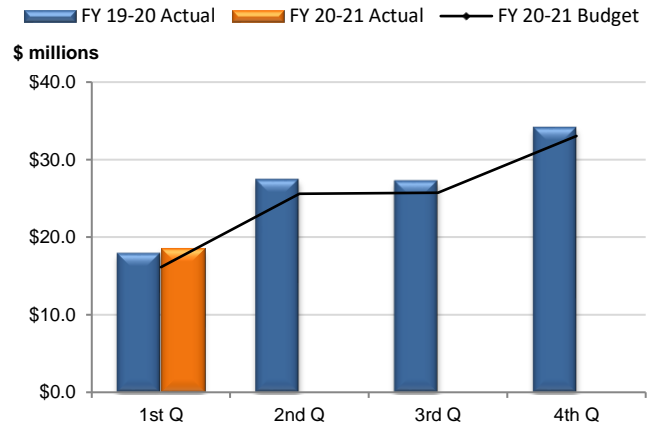


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Sales Tax

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 16,138,894	\$ 18,528,437	18.4%	16.1%
2nd Q	Oct-Dec 20	25,583,751			
3rd Q	Jan-Mar 21	25,740,388			
4th Q	Apr-Jun 21	33,050,311			
Total		\$ 100,513,344	\$ 18,528,437	18.4%	16.1%
Variance from Budget			\$ 2,389,543	2.3%	



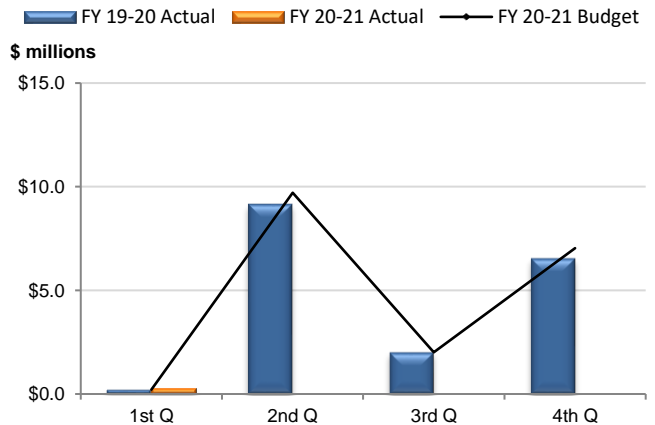
Positive

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 Arts & Cultural Fund. The amount deposited in the General Fund is depicted in the table and graph above. This revenue source contributes 47.2% of the General Fund budget in FY 2020-21 making it the City's largest revenue source. Through the first quarter of FY 2020-21, Sales Tax collections are 18.4% of budget, which is above the historical average of 16.1%. In terms of budget-to-actual variance, collections are 2.3% above the budgeted value.



Property Tax

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 209,939	\$ 272,736	1.4%	1.1%
2nd Q	Oct-Dec 20	9,708,665			
3rd Q	Jan-Mar 21	2,020,330			
4th Q	Apr-Jun 21	7,041,541			
Total		\$ 18,980,475	\$ 272,736	1.4%	1.1%
Variance from Budget			\$ 62,798	0.3%	



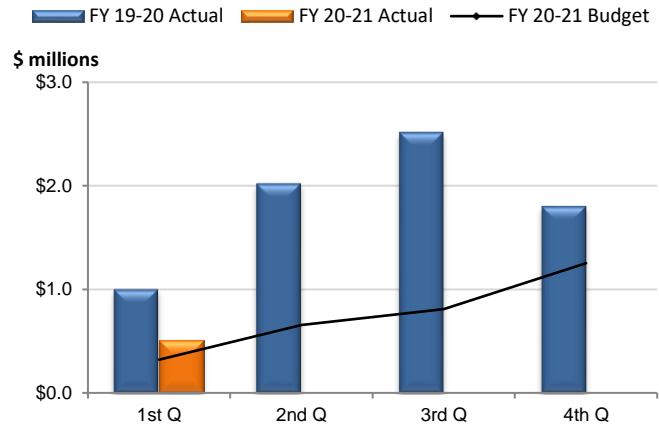
Positive

Property Tax revenue in the General Fund is generated by a \$0.89 charge per \$100 of the primary assessed valuation of real and personal property. In FY 2020-21, Property Tax contributes 8.9% of budgeted General Fund revenue. Through the first quarter of FY 2020-21, Property Tax collections are 1.4% of budget, which is above the historical average of 1.1%. In terms of budget-to-actual variance, Property Tax is 0.3% above the budgeted value.



Bed Tax

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 320,594	\$ 505,404	16.6%	10.5%
2nd Q	Oct-Dec 20	655,493			
3rd Q	Jan-Mar 21	810,338			
4th Q	Apr-Jun 21	1,252,535			
Total		\$ 3,038,960	\$ 505,404	16.6%	10.5%
Variance from Budget			\$ 184,810	6.1%	



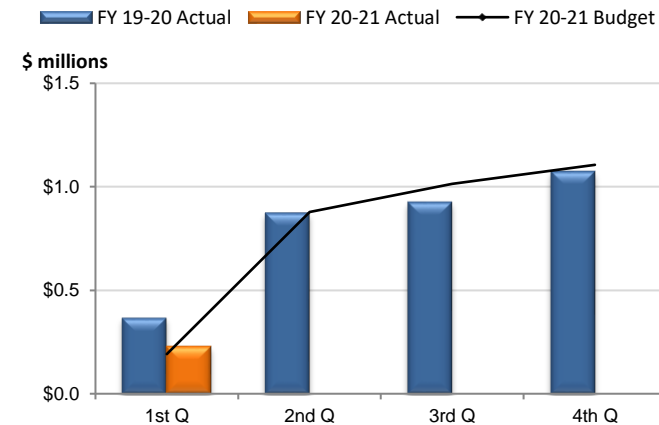
Positive

The Transient Lodging Tax, or Bed Tax, is a 5.0% levy on hotel and motel sales that contributes approximately 1.4% of budgeted General Fund revenue in FY 2020-21. This revenue category normally contributes approximately 3% to 4% of budgeted General Fund revenue, however, the budgeted amount for FY 2020-21 reflects the economic impact of the COVID-19 pandemic on transient lodging revenues. Bed Tax collections through the first quarter of FY 2020-21 are 16.6% of budget, which is higher than the historical average of 10.5%. In terms of budget-to-actual variance, collections are \$185 thousand above the budgeted value.



Franchise Fees

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 191,559	\$ 228,200	7.2%	6.0%
2nd Q	Oct-Dec 20	878,731			
3rd Q	Jan-Mar 21	1,014,867			
4th Q	Apr-Jun 21	1,105,967			
Total		\$ 3,191,124	\$ 228,200	7.2%	6.0%
Variance from Budget			\$ 36,642	1.2%	



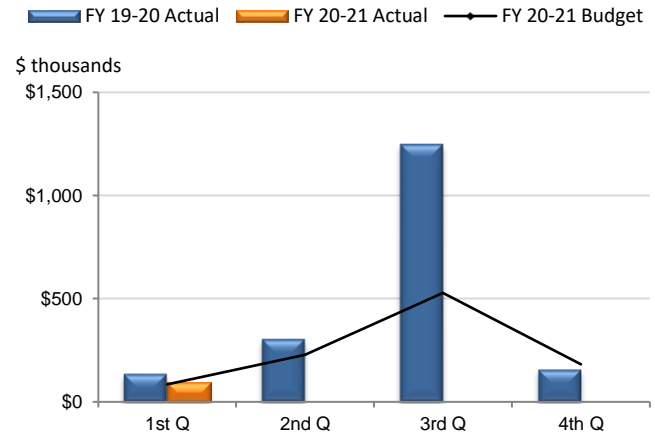
Positive

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 7.2% of the budgeted amount through the first quarter of FY 2020-21, compared to 6.0% historically. In terms of budget-to-actual variance, collections are \$37 thousand above the expected amount.



Sales Tax Licenses

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 84,731	\$ 93,736	9.2%	8.3%
2nd Q	Oct-Dec 20	228,641			
3rd Q	Jan-Mar 21	527,860			
4th Q	Apr-Jun 21	182,291			
Total		\$ 1,023,523	\$ 93,736	9.2%	8.3%
Variance from Budget			\$ 9,005	0.9%	



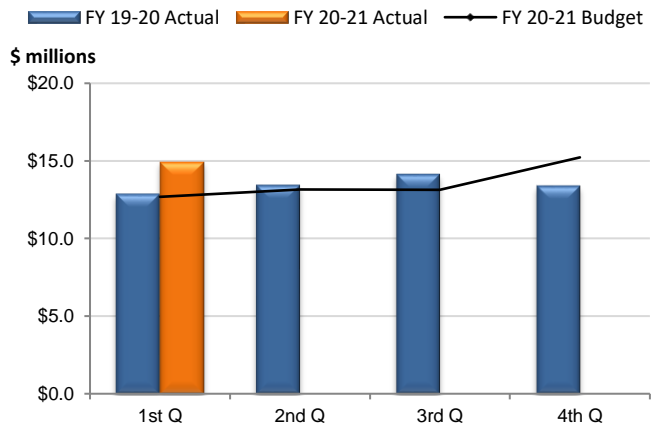
Positive

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. Sales Tax License collections through the first quarter of FY 2020-21 were 9.2% of budget, compared to the historical average of 8.3%. Sales Tax Licenses contribute 0.5% of annual General Fund revenue. In terms of budget-to-actual variance, collections are 0.9% above budget, or \$9 thousand.



Intergovernmental

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 12,684,235	\$ 14,924,839	27.5%	23.4%
2nd Q	Oct-Dec 20	13,154,709			
3rd Q	Jan-Mar 21	13,142,803			
4th Q	Apr-Jun 21	15,225,247			
Total		\$ 54,206,994	\$ 14,924,839	27.5%	23.4%
Variance from Budget			\$ 2,240,604	4.1%	



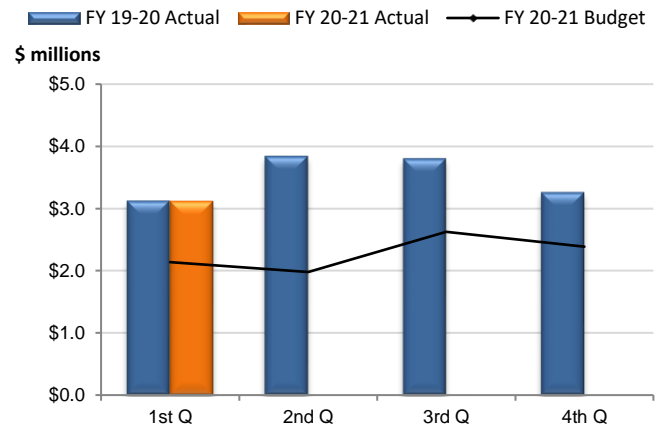
Positive

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 25.4% of budgeted revenue for FY 2020-21, making this the second largest General Fund revenue source after Sales Taxes. Through the first quarter of FY 2020-21, actual collections are 27.5% of budget, compared to a historical average of 23.4%. In terms of budget-to-actual variance, collections are 4.1% above budget.



Building & Trades

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 2,139,046	\$ 3,124,925	34.2%	23.4%
2nd Q	Oct-Dec 20	1,979,327			
3rd Q	Jan-Mar 21	2,625,660			
4th Q	Apr-Jun 21	2,385,192			
Total		\$ 9,129,224	\$ 3,124,925	34.2%	23.4%
Variance from Budget			\$ 985,879	10.8%	



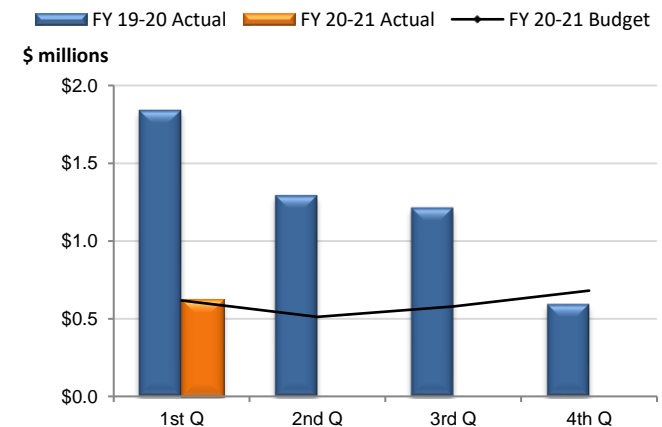
Positive

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 2020-21, this revenue source contributes 4.3% of budgeted General Fund revenue. Through the first quarter of FY 2020-21, actual collections are 34.2% of budget, compared to a historical average of 23.4%. Thus far, in terms of budget-to-actual variance, collections are 10.8% above the budgeted estimate. This is due to the level of development activity that has continued to outperform revenue estimates.



Cultural & Recreational

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 616,388	\$ 622,661	26.1%	25.8%
2nd Q	Oct-Dec 20	511,418			
3rd Q	Jan-Mar 21	578,660			
4th Q	Apr-Jun 21	680,232			
Total		\$ 2,386,698	\$ 622,661	26.1%	25.8%
Variance from Budget			\$ 6,273	0.3%	



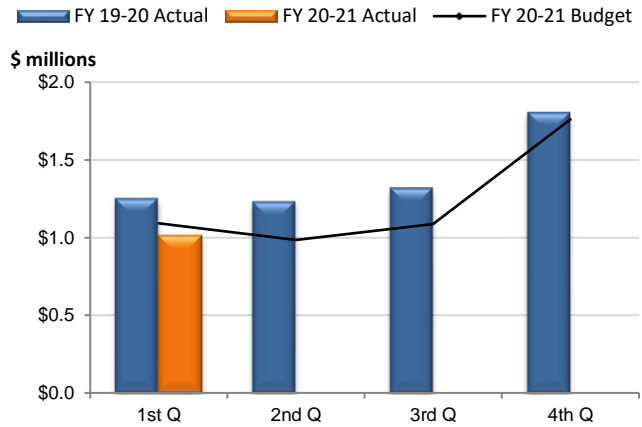
Positive

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 1.1% of total budgeted General Fund revenue for FY 2020-21. This revenue category normally represents 3% of the total budgeted General Fund revenue, however the FY 2020-21 revenue amount was adjusted to reflect impact of the COVID-19 pandemic on structured recreational classes and limited cultural activities. Through the first quarter of FY 2020-21, Cultural and Recreational fee collections are 26.1% of budget, compared to the historical average of 25.8%, for a total positive variance of 0.3%. In terms of budget-to-actual variance, collections are \$6 thousand above the budgeted estimate.



Fines, Fees & Forfeitures

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 1,091,800	\$ 1,012,032	20.6%	22.2%
2nd Q	Oct-Dec 20	984,737			
3rd Q	Jan-Mar 21	1,087,022			
4th Q	Apr-Jun 21	1,761,105			
Total		\$ 4,924,665	\$ 1,012,032	20.6%	22.2%
Variance from Budget			\$ (79,768)	-1.6%	



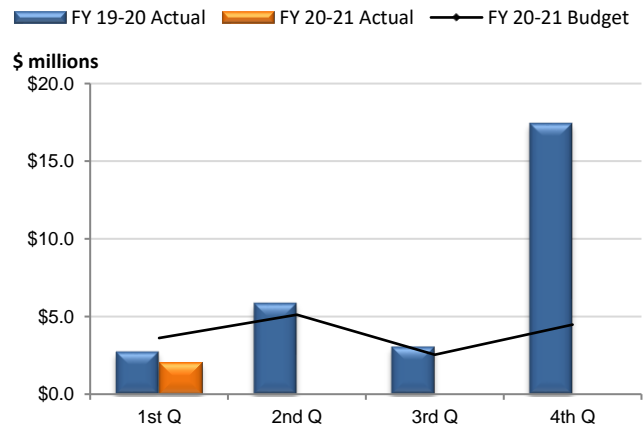
Positive

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 2020-21. Through the first quarter of FY 2020-21, 20.6% of budgeted revenues have been collected, compared to a historical average of 22.2%. In terms of budget-to-actual variance, this category is 1.6% below the expected value through the first quarter.



Other Revenues

		FY 20-21 Adopted Budget	FY 20-21 Actual Revenue	% of Budget Collected	% of Budget Hist
1st Q	Jul-Sep 20	\$ 3,617,156	\$ 2,056,290	13.1%	23.0%
2nd Q	Oct-Dec 20	5,116,484			
3rd Q	Jan-Mar 21	2,540,633			
4th Q	Apr-Jun 21	4,477,332			
Total		\$ 15,751,604	\$ 2,056,290	13.1%	23.0%
Variance from Budget			\$ (1,560,866)	-9.9%	



Negative

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 2020-21, this revenue source contributes 7.4% of budgeted General Fund revenue. Through the first quarter of the fiscal year, collections of Other Revenue are 13.1% of the FY 2020-21 budget, compared to a historical tracking percentage of 23%. The variance appears to be due primarily to the timing of receipt of payments and that this negative variance will be resolved as the fiscal year progresses.

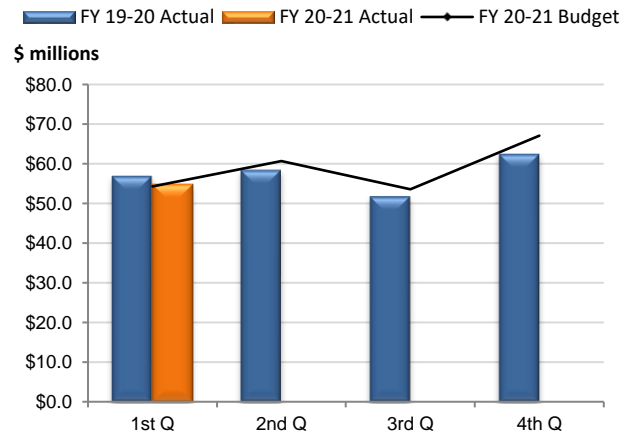


		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 54,300,649	\$ 54,779,793	23.2%	23.0%
2nd Q	Oct-Dec 20	60,719,660			
3rd Q	Jan-Mar 21	53,576,333			
4th Q	Apr-Jun 21	67,088,506			
Total		\$ 235,685,149	\$ 54,779,793	23.2%	23.0%

Variance from Budget \$ (479,143) -0.2%

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

Positive

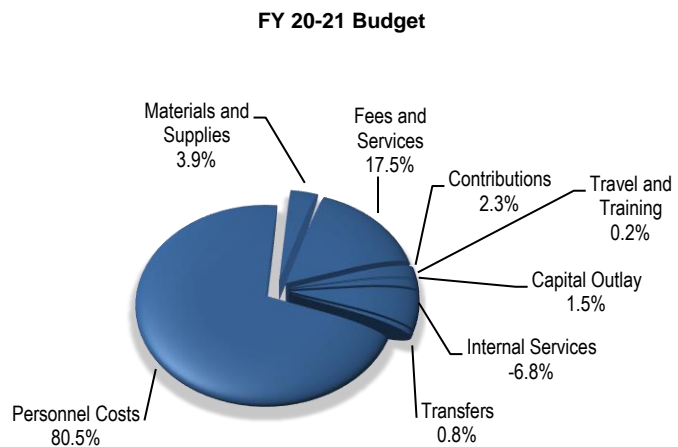


Through the first quarter of FY 2020-21, General Fund expenditures are 23.3% of budget, compared with a historical percentage of 23.0%. In terms of budget-to-actual variance, General Fund expenditures are 0.2% above budget through the first quarter. Departmental quarterly expenditure tracking data can be found on pages 8 through 17 of this report.



General Fund Expenditures By Category

Categories	FY 20-21 Adopted Budget	% of Adopted Budget
Personnel Costs	\$ 189,794,575	80.5%
Materials and Supplies	9,110,923	3.9%
Fees and Services	41,154,178	17.5%
Contributions	5,516,261	2.3%
Travel and Training	573,723	0.2%
Capital Outlay	3,588,287	1.5%
Internal Services	(16,010,465)	-6.8%
Transfers	1,957,667	0.8%
Total	\$ 235,685,149	100.0%



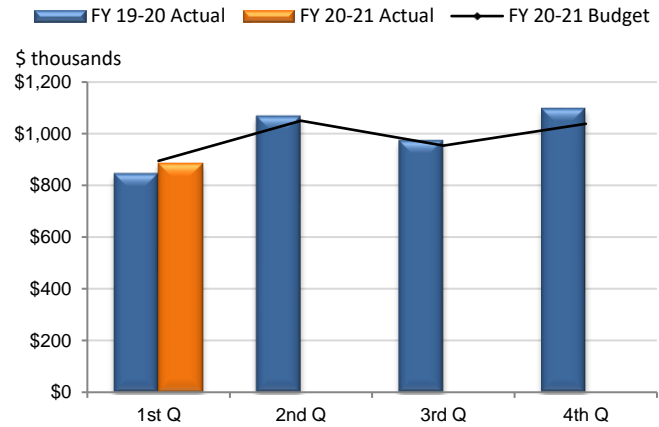


City Attorney's Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 20	\$ 895,122	\$ 885,291	22.5%	22.7%
2nd Q	Oct-Dec 20	1,050,457			
3rd Q	Jan-Mar 21	954,928			
4th Q	Apr-Jun 21	1,039,057			
Total		\$ 3,939,564	\$ 885,291	22.5%	22.7%

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

Variance from Budget \$ 9,831 0.2%



Positive

The City Attorney's Office spent 22.5% of its FY 2020-21 budget through the first quarter, compared to a historical average of 22.7%. In terms of budget-to-actual variance, expenditures are \$10 thousand or 0.2% more than budgeted through the first quarter.

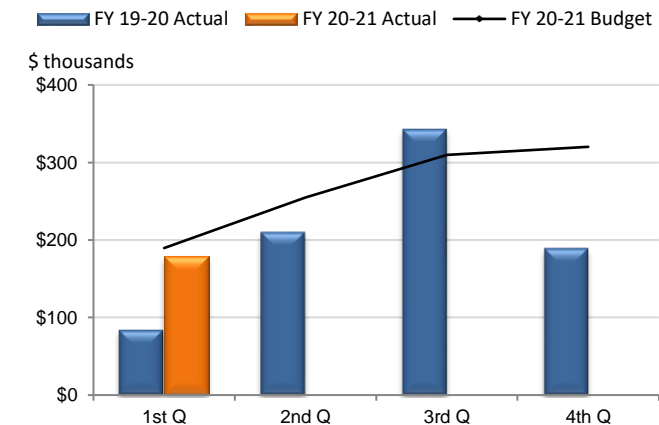


City Clerk's Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Spent	% of Budget Hist
1st Q	Jul-Sep 20	\$ 189,579	\$ 178,450	16.6%	17.6%
2nd Q	Oct-Dec 20	254,664			
3rd Q	Jan-Mar 21	309,922			
4th Q	Apr-Jun 21	320,154			
Total		\$ 1,074,319	\$ 178,450	16.6%	17.6%

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

Variance from Budget \$ 11,129 1.0%



Positive

The City Clerk's Office has spent 16.6% of its FY 2020-21 budget through the first quarter, compared to a historical average of 17.6%. In terms of variance from the budget through the first quarter, expenditures are \$11 thousand or 1.0% below the expected amount.



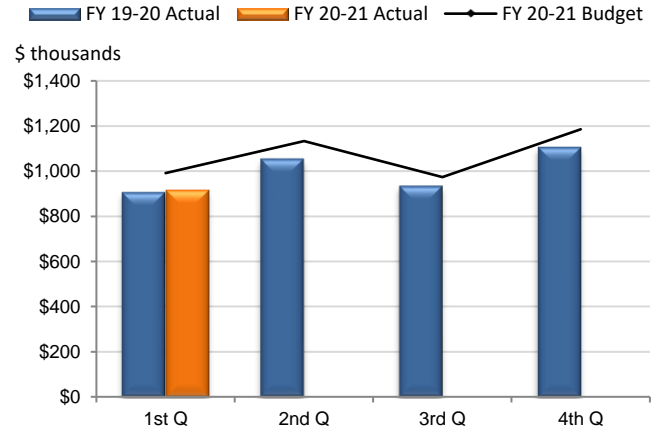
City Court

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 991,651	\$ 917,724	21.4%	23.1%
2nd Q	Oct-Dec 20	1,133,470			
3rd Q	Jan-Mar 21	973,637			
4th Q	Apr-Jun 21	1,185,546			
Total		\$ 4,284,305	\$ 917,724	21.4%	23.1%

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

Variance from Budget \$ 73,927 1.7%

Positive



The City Court has spent 21.4% of its FY 2020-21 budget through the first quarter compared to the historical average of 23.1%. In terms of variance from the budget through the first quarter, expenditures are \$74 thousand or 1.7% below the budgeted amount.



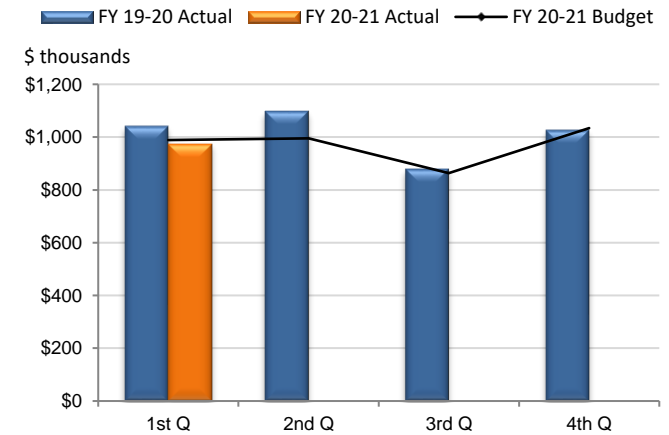
City Manager's Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 989,446	\$ 974,112	25.1%	25.5%
2nd Q	Oct-Dec 20	995,227			
3rd Q	Jan-Mar 21	863,468			
4th Q	Apr-Jun 21	1,033,973			
Total		\$ 3,882,114	\$ 974,112	25.1%	25.5%

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

Variance from Budget \$ 15,334 0.4%

Positive



The City Manager's Office has spent 25.1% of its FY 2020-21 budget through the first quarter, compared to the historical average of 25.5%. In terms of variance from the budget in the first quarter, expenditures are \$15 thousand or 0.4% below the expected amount.



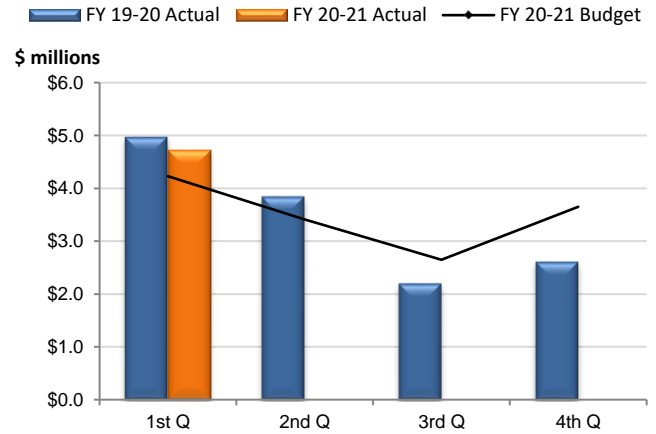
Community Development

		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 4,228,349	\$ 4,723,912	33.9%	30.3%
2nd Q	Oct-Dec 20	3,412,151			
3rd Q	Jan-Mar 21	2,647,667			
4th Q	Apr-Jun 21	3,651,901			
Total		\$ 13,940,068	\$ 4,723,912	33.9%	30.3%

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

Variance from Budget \$ (495,563) -3.6%

Watch



The Community Development Department has spent 33.9% of its FY 2020-21 budget through the first quarter, compared to the historical value of 30.3%. In terms of variance from the budget, expenditures are \$496 thousand or 3.6% above the expected amount. It is anticipated that this variance will normalize as the year progresses.



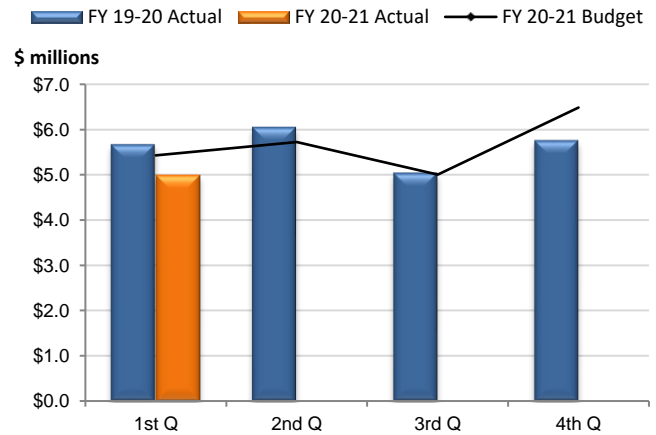
Community Services

		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 5,425,963	\$ 4,985,476	22.0%	24.0%
2nd Q	Oct-Dec 20	5,723,870			
3rd Q	Jan-Mar 21	5,004,550			
4th Q	Apr-Jun 21	6,486,295			
Total		\$ 22,640,678	\$ 4,985,476	22.0%	24.0%

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

Variance from Budget \$ 440,487 2.0%

Positive



The Community Services Department spent 22.0% of its FY 2020-21 budget through the first quarter, compared to the historical average of 24.0%. In terms of variance from the budget through the first quarter, expenditures are \$440 thousand or 2.0% below the expected amount.



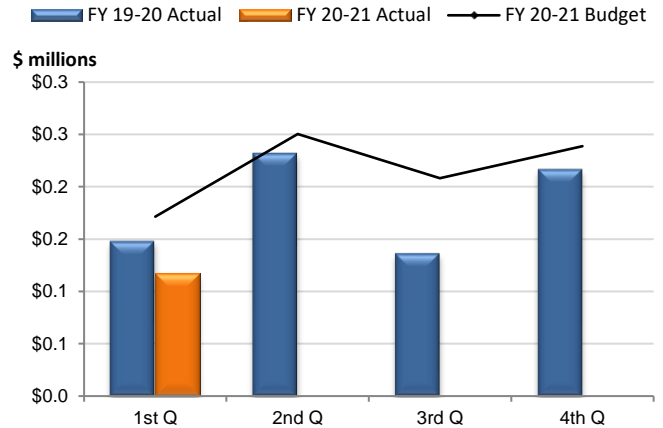
Economic Development Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 171,458	\$ 116,932	13.5%	19.7%
2nd Q	Oct-Dec 20	250,433			
3rd Q	Jan-Mar 21	208,086			
4th Q	Apr-Jun 21	238,891			
Total		\$ 868,868	\$ 116,932	13.5%	19.7%

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

Variance from Budget \$ 54,526 6.2%

Positive



The Economic Development Office has spent 13.5% of its FY 2020-21 budget through the first quarter, compared with a historical percentage of 19.7%. In terms of variance from the budget through the first quarter, expenditures are \$54 thousand or 6.2% below the expected amount.



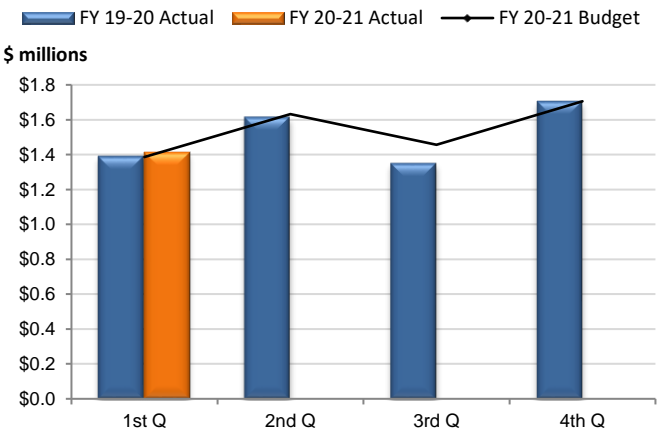
Engineering & Transportation

		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 1,386,331	\$ 1,414,121	22.9%	22.4%
2nd Q	Oct-Dec 20	1,632,242			
3rd Q	Jan-Mar 21	1,457,055			
4th Q	Apr-Jun 21	1,705,687			
Total		\$ 6,181,315	\$ 1,414,121	22.9%	22.4%

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

Variance from Budget \$ (27,790) -0.5%

Positive



The Engineering and Transportation Department spent 22.9% of its FY 2020-21 budget through the first quarter, compared to a historical average of 22.4%. In terms of variance from the budget in the first quarter, expenditures are \$28 thousand or 0.5% above the expected amount.



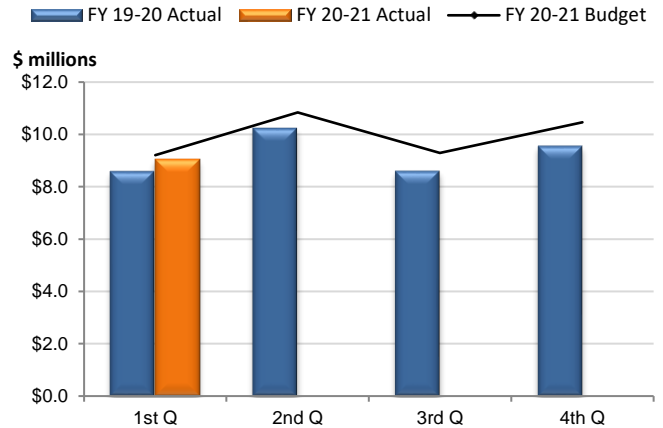
Fire Medical Rescue

		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 9,208,566	\$ 9,036,908	22.7%	23.1%
2nd Q	Oct-Dec 20	10,841,352			
3rd Q	Jan-Mar 21	9,287,786			
4th Q	Apr-Jun 21	10,463,466			
Total		\$ 39,801,169	\$ 9,036,908	22.7%	23.1%

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

Variance from Budget \$ 171,658 0.4%

Positive



The Fire Medical Rescue Department has spent 22.7% of its FY 2020-21 budget through the first quarter, compared with a historical percentage of 23.1%. In terms of variance from the budget through the first quarter, expenditures are \$172 thousand or 0.4% below the expected amount.



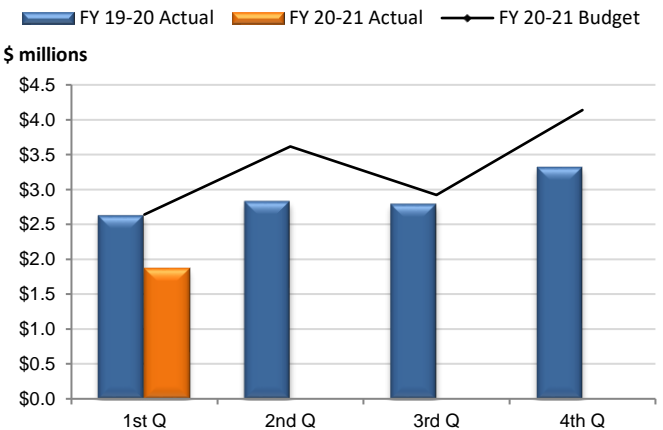
Human Services

		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 2,641,433	\$ 1,871,693	14.1%	19.8%
2nd Q	Oct-Dec 20	3,615,292			
3rd Q	Jan-Mar 21	2,919,298			
4th Q	Apr-Jun 21	4,138,642			
Total		\$ 13,314,665	\$ 1,871,693	14.1%	19.8%

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

Variance from Budget \$ 769,740 5.7%

Positive



The Human Services Department spent 14.1% of its FY 2020-21 budget through the first quarter, compared to a historical average of 19.8%. In terms of variance from the budget in the first quarter, expenditures are \$770 thousand or 5.7% below the expected amount.



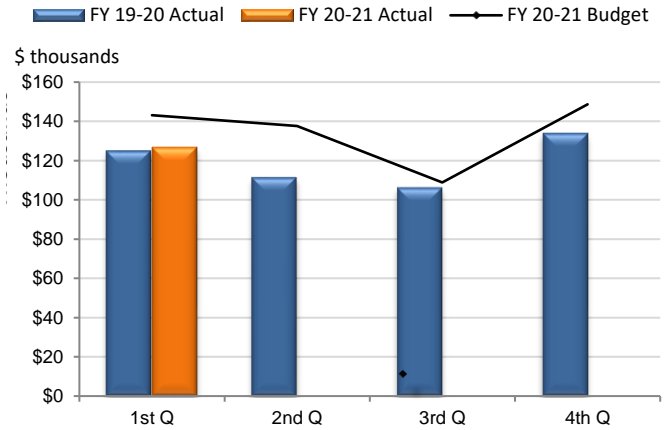
Internal Audit Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Exp*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 143,177	\$ 126,507	23.5%	26.6%
2nd Q	Oct-Dec 20	137,600			
3rd Q	Jan-Mar 21	108,872			
4th Q	Apr-Jun 21	148,678			
Total		\$ 538,327	\$ 126,507	23.5%	26.6%

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

Variance from Budget \$ 16,670 3.1%

Positive



The Internal Audit Office has spent 23.6% of its FY 2020-21 budget through the first quarter, compared with a historical average of 26.6%. In terms of variance from the budget through the first quarter, expenditures are \$17 thousand or 3.1% below the expected amount.



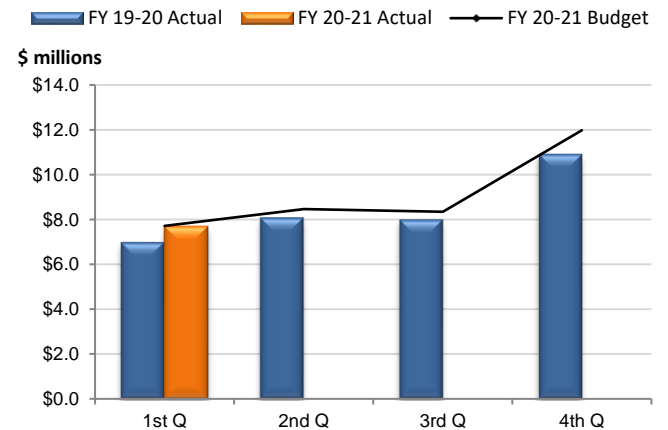
Internal Services

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 7,714,412	\$ 7,677,449	21.0%	21.1%
2nd Q	Oct-Dec 20	8,468,415			
3rd Q	Jan-Mar 21	8,351,806			
4th Q	Apr-Jun 21	11,979,081			
Total		\$ 36,513,714	\$ 7,677,449	21.0%	21.1%

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

Variance from Budget \$ 36,963 0.1%

Positive



The Internal Services Department has spent 21.0% of its FY 2020-21 budget through the end of the first quarter, compared to the historical pattern of 21.1% during this period. In terms of variance from the budget in the first quarter, expenditures are \$37 thousand or 0.1% below the expected amount.



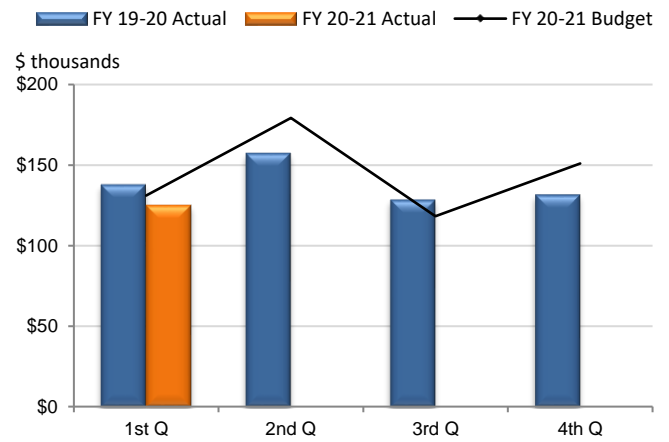
Mayor & Council

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 131,023	\$ 124,584	21.5%	22.6%
2nd Q	Oct-Dec 20	179,264			
3rd Q	Jan-Mar 21	118,233			
4th Q	Apr-Jun 21	150,954			
Total		\$ 579,474	\$ 124,584	21.5%	22.6%

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

Variance from Budget \$ 6,439 1.1%

Positive



The Mayor and Council has spent 21.5% of its FY 2020-21 budget through the first quarter, compared with a historical average of 22.6%. In terms of variance from the budget in the first quarter, expenditures are \$6 thousand or 1.1% below the expected amount.



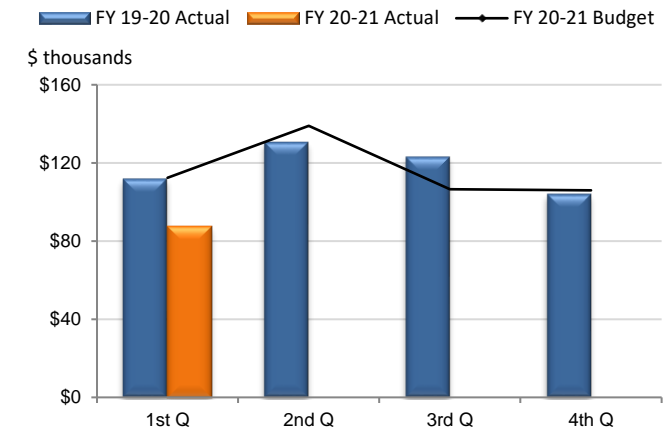
Municipal Budget Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 112,341	\$ 87,607	18.9%	24.2%
2nd Q	Oct-Dec 20	138,987			
3rd Q	Jan-Mar 21	106,547			
4th Q	Apr-Jun 21	105,976			
Total		\$ 463,851	\$ 87,607	18.9%	24.2%

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

Variance from Budget \$ 24,734 5.3%

Positive



The Municipal Budget Office has spent 18.9% of its FY 2020-21 budget through the first quarter, compared to a historical average of 24.2%. In terms of variance from the budget through the first quarter, expenditures are \$25 thousand or 5.3% below the expected amount.



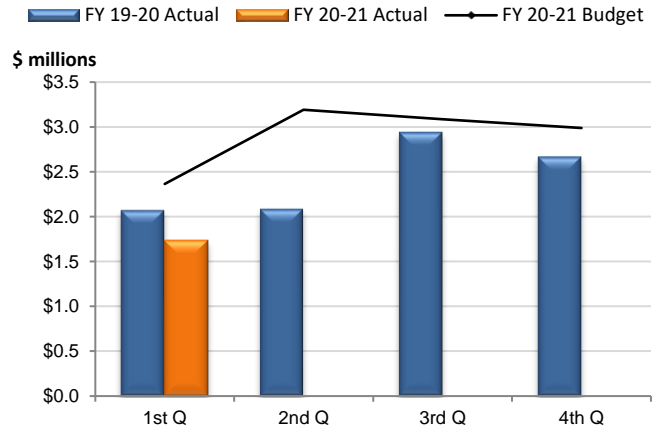
Municipal Utilities

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 2,364,804	\$ 1,734,311	14.9%	20.3%
2nd Q	Oct-Dec 20	3,191,805			
3rd Q	Jan-Mar 21	3,085,120			
4th Q	Apr-Jun 21	2,988,396			
Total		\$ 11,630,125	\$ 1,734,311	14.9%	20.3%

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

Variance from Budget \$ 630,493 5.4%

Positive



The Municipal Utilities Department has spent 14.9% of its FY 2020-21 budget through the first quarter, compared to a historical average of 20.3%. In terms of variance from the budget through the first quarter, expenditures are \$633 thousand or 5.4% below the expected amount.



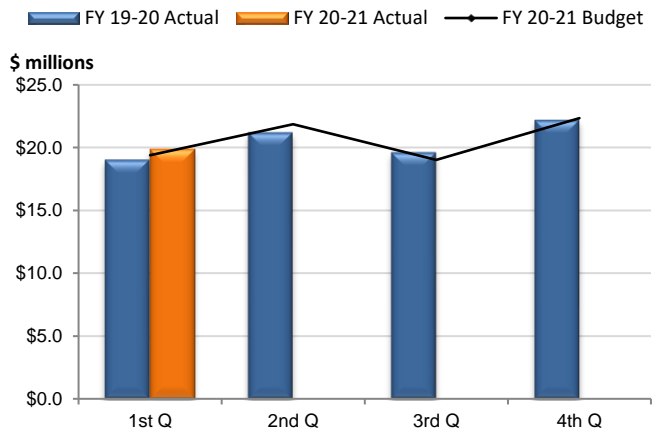
Police

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 19,395,486	\$ 19,863,729	24.0%	23.5%
2nd Q	Oct-Dec 20	21,863,584			
3rd Q	Jan-Mar 21	19,025,412			
4th Q	Apr-Jun 21	22,347,421			
Total		\$ 82,631,903	\$ 19,863,729	24.0%	23.5%

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

Variance from Budget \$ (468,242) -0.5%

Positive



The Police Department has spent 24.0% of its FY 2020-21 General Fund budget through the first quarter, compared with a historical average of 23.5%. In terms of variance from the budget through the first quarter, expenditures are \$468 thousand or 0.5% above the expected amount. It is anticipated that this variance will normalize as the year progresses.



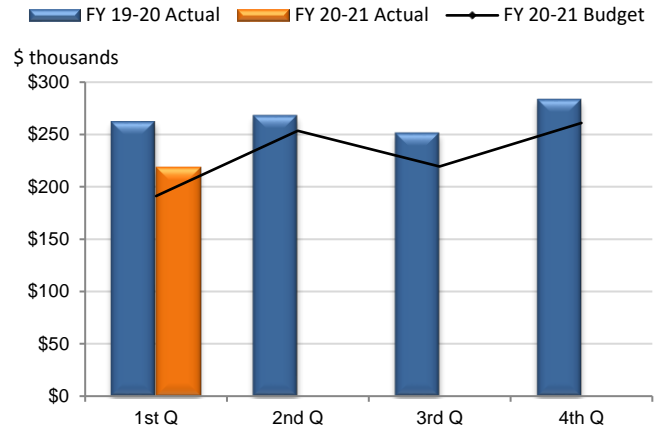
Strategic Management & Diversity Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 191,200	\$ 218,410	23.6%	20.7%
2nd Q	Oct-Dec 20	253,562			
3rd Q	Jan-Mar 21	219,577			
4th Q	Apr-Jun 21	261,030			
Total		\$ 925,368	\$ 218,410	23.6%	20.7%

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

Variance from Budget \$ (27,210) -2.9%

Watch



The Strategic Management and Diversity Office has spent 23.6% of its FY 2020-21 budget through the first quarter, compared to a historical average of 20.7%. In terms of variance from the budget through the first quarter, expenditures are \$27 thousand or 2.9% above the expected amount. It is anticipated that this variance will normalize as the year progresses.



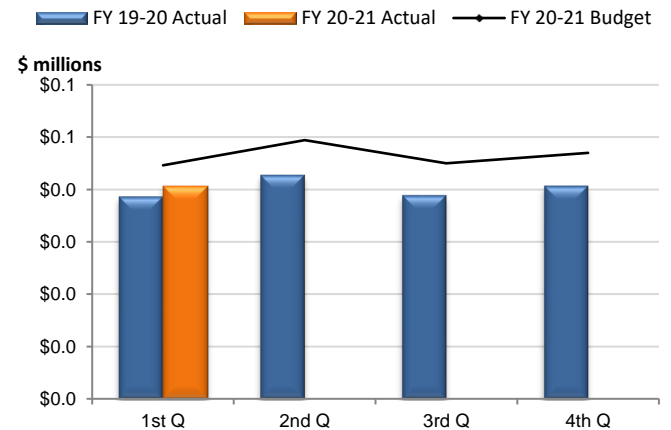
Sustainability Office

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 44,623	\$ 40,674	21.9%	24.0%
2nd Q	Oct-Dec 20	49,437			
3rd Q	Jan-Mar 21	44,974			
4th Q	Apr-Jun 21	47,015			
Total		\$ 186,049	\$ 40,674	21.9%	24.0%

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

Variance from Budget \$ 3,949 2.1%

Positive



The Sustainability Office has spent 21.9% of its FY 2020-21 budget through the first quarter, compared to a historical average of 24.0%. In terms of variance from the budget through the first quarter, expenditures are \$4 thousand or 2.1% below the expected amount.



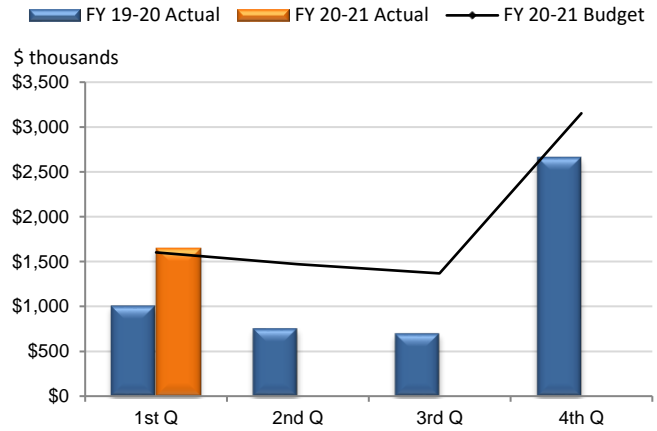
Non-Departmental

		FY 20-21 Adopted Budget*	FY 20-21 Actual Expend*	% of Budget Exp	% of Budget Hist
1st Q	Jul-Sep 20	\$ 1,602,010	\$ 1,651,017	21.7%	21.1%
2nd Q	Oct-Dec 20	1,471,029			
3rd Q	Jan-Mar 21	1,368,684			
4th Q	Apr-Jun 21	3,153,125			
Total		\$ 7,594,848	\$ 1,651,017	21.7%	21.1%

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

Variance from Budget \$ (49,007) -0.6%

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 20-21, Non-Departmental expenditures are 21.7% of the budget compared to the historical pattern of 21.1%. In terms of variance from the budget through the first quarter, expenditures are \$49 thousand or 0.6% above budget.

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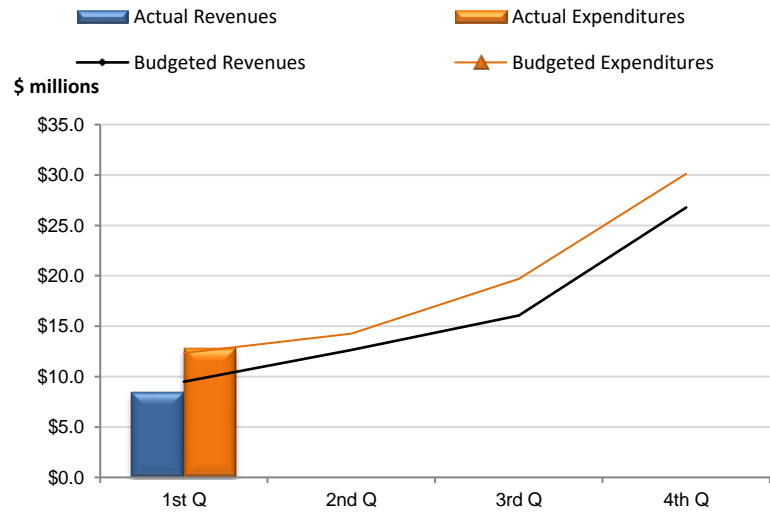


Transit Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$ 64,982,102	\$ 8,459,671	13.0%
Transfers In	-	-	0.0%
Total Revenues	\$ 64,982,102	\$ 8,459,671	13.0%
Operating	\$ 63,044,798	\$ 4,485,495	7.1%
Capital	111,000	4,187	3.8%
Debt Service	4,983,620	(6,147)	-0.1%
Transfers Out	8,286,787	8,286,787	100.0%
Total Expenses	\$ 76,426,205	\$ 12,770,322	16.7%
Net Rev/Exp	\$ (11,444,103)	\$ (4,310,651)	

*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 \$4.3 million. Transit Fund revenue is at 13.0% of budget which is lower than the historical tracking percentage of 14.6. Expenditures are 16.7% of budget while the historical tracking percentage is 16.1%. 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 and timing for the receipt of revenues from outside sources. It is anticipated that the revenue to expense variance will normalize as the year progresses.

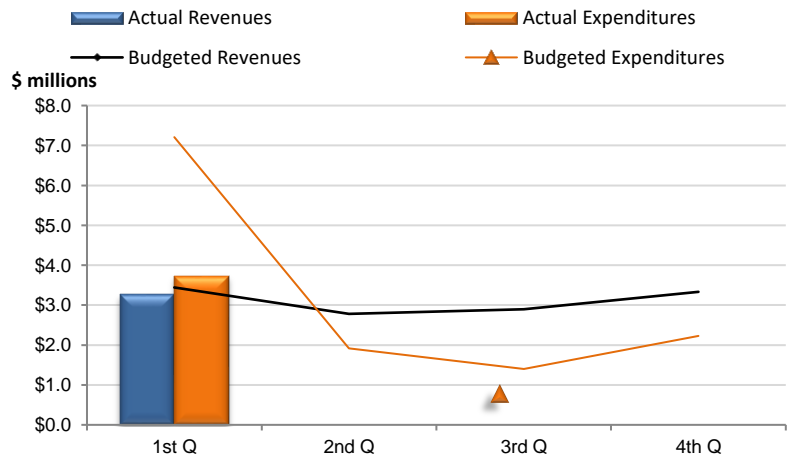


Highway User Revenue Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$ 10,952,134	\$ 3,268,363	29.8%
Transfers In	1,500,000	-	0.0%
Total Revenues	\$ 12,452,134	\$ 3,268,363	26.2%
Operating	\$ 11,220,352	\$ 2,199,696	19.6%
Capital	197,074	3,478	1.8%
Debt Service	-	-	0.0%
Transfers Out	1,335,571	1,528,940	114.5%
Total Expenses	\$ 12,752,997	\$ 3,732,114	29.3%
Net Rev/Exp	\$ (300,863)	\$ (463,751)	

*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 29.8% of budget compared to a historical average of 27.6%, expenditures are 29.3% of budget compared to the three year historical trend of 56.5%.

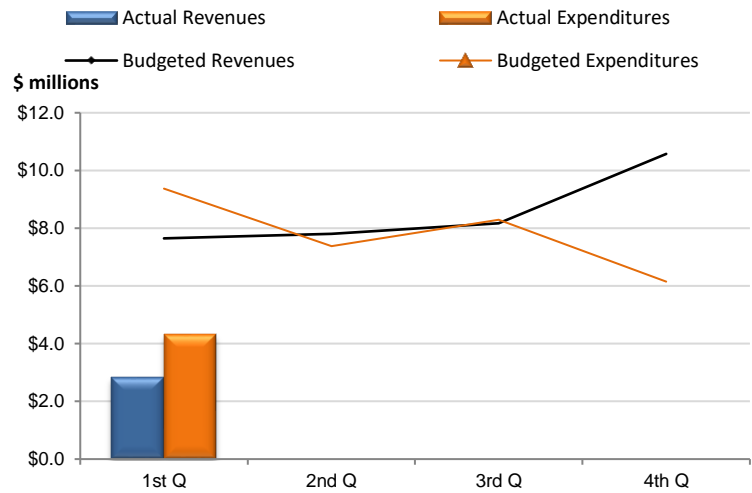


CDBG/Section 8 Funds

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$ 34,192,320	\$ 2,845,778	8.3%
Transfers In	-	-	0.0%
Total Revenues	\$ 34,192,320	\$ 2,845,778	8.3%
Operating	\$ 30,559,351	\$ 3,860,587	12.6%
Capital	113,000	615	0.5%
Debt Service	520,651	467,269	89.7%
Transfers Out	-	-	0.0%
Total Expenses	\$ 31,193,002	\$ 4,328,471	13.9%
Net Rev/Exp	\$ 2,999,318	\$ (1,482,693)	

*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 8.3% of the FY 2020-21 budget, compared to the historical percentage of 22.4%. Expenditures through the first quarter total 13.9% of the FY 2020-21 budget, compared to the historical percentage of 30.0%. The net effect on the fund status through the first quarter is an operating deficit of \$1.5 million. This is largely due to the timing of grant revenue receipts from the federal government.

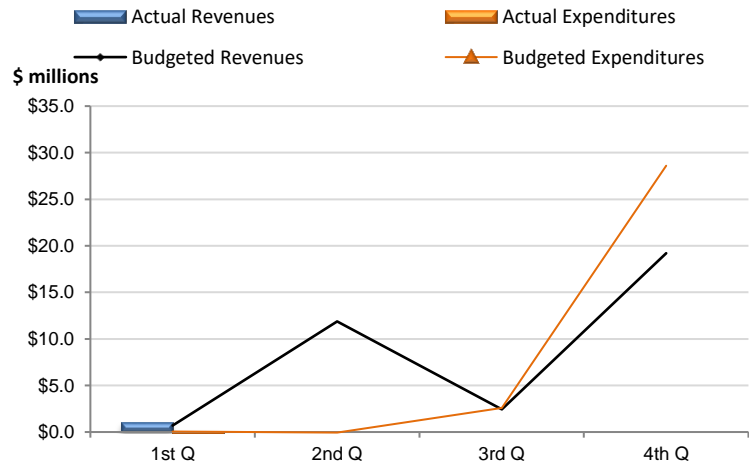


Debt Service Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$ 32,017,977	\$ 460,575	1.4%
Transfers In	6,166,005	549,363	8.9%
Total Revenues	\$ 38,183,982	\$ 1,009,938	2.6%
Operating	\$ -	\$ -	0.0%
Capital	-	-	0.0%
Debt Service	27,786,948	(133,588)	-0.5%
Transfers Out	8,323,261	-	0.0%
Total Expenses	\$ 36,110,209	\$ (133,588)	-0.4%
Net Rev/Exp	\$ 2,073,773	\$ 1,143,525	

*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 due 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.

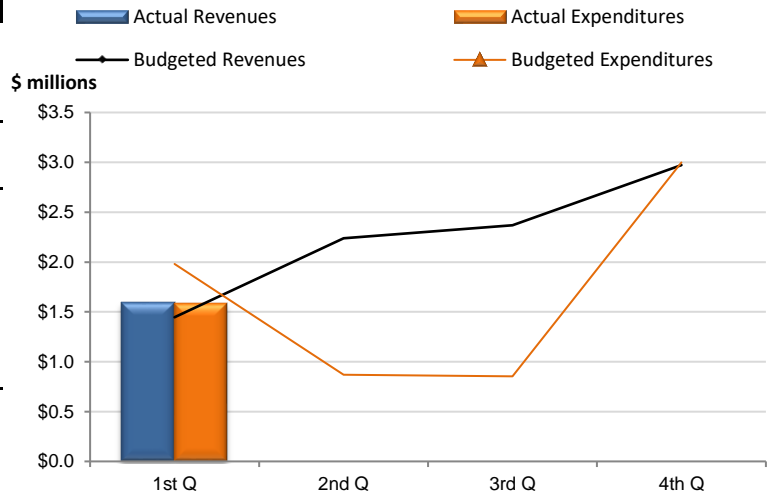


Arts & Cultural Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$8,776,080	\$1,590,921	18.1%
Transfers In	250,000	-	0.0%
Total Revenues	\$9,026,080	\$1,590,921	17.6%
Operating	\$ 6,928,164	\$ 1,119,380	16.2%
Capital	-	5,970	100.0%
Debt Service	-	-	0.0%
Transfers Out	(225,650)	456,464	0.0%
Total Expenses	\$ 6,702,514	\$ 1,581,814	23.6%
Net Rev/Exp	\$ 2,323,566	\$ 9,107	

*amounts exclude encumbrances

Positive



The Arts & Cultural Fund accounts for the receipt of the 0.1% Arts & Cultural Sales Tax, which is used to fund operating expenses associated with the Tempe Center for the Arts (TCA), Tempe History Museum, Edna Vihel Arts Center and other arts and cultural programming. Revenues through the first quarter of FY 2020-21 are 17.6% of budget, compared to the historical tracking percentage of 16.0%. Total expenditures are 23.6% of budget, compared to a historical average of 29.6%. The net result is an operating surplus of \$9 thousand.

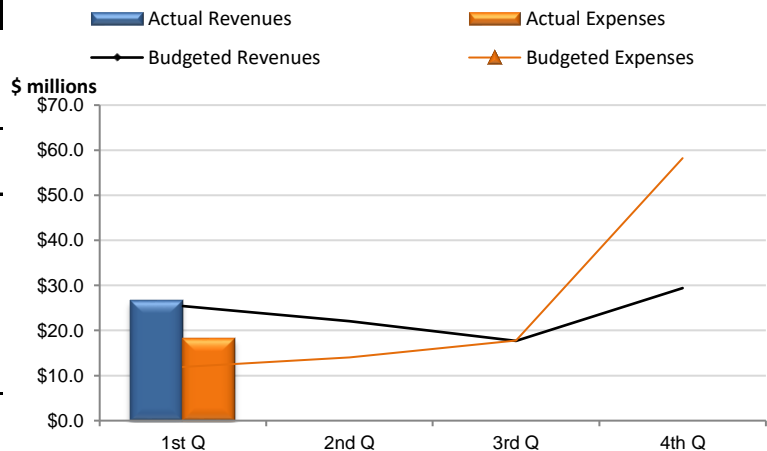


Water/ Wastewater Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$ 88,928,732	\$ 26,634,258	30.0%
Transfers In	5,601,520	-	0.0%
Total Revenues	\$ 94,530,252	\$ 26,634,258	28.2%
Operating	\$ 50,166,414	\$ 11,616,518	23.2%
Capital	1,446,244	262,089	18.1%
Debt Service	38,767,374	(100,544)	-0.3%
Transfers Out	11,507,013	6,488,090	0.0%
Total Expenses	\$ 101,887,045	\$ 18,266,154	17.9%
Net Rev/Exp	\$ (7,356,793)	\$ 8,368,104	

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

Negative



The Water/Wastewater Fund is an enterprise fund used to account for all water and wastewater treatment operations in the City. Total revenues through the first quarter of FY 2020-21 are 28.2%, which is in line with historical averages. Total expenses through the first quarter are 17.9% of budget compared to 11.7% historically. Through the first quarter, the fund posted a \$8.4 million surplus, however, expenses are trending higher than historical trends. It is anticipated that this variance will normalize as the year progresses.

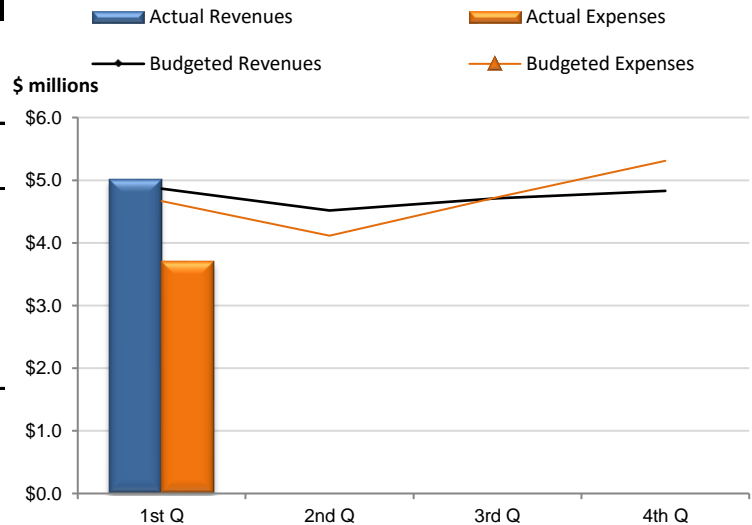


Solid Waste Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$18,920,395	\$5,017,357	26.5%
Transfers In	-	-	#DIV/0!
Total Revenues	\$18,920,395	\$5,017,357	26.5%
Operating	\$ 16,574,215	\$ 3,288,797	19.8%
Capital	1,835,375	1,784	0.1%
Debt Service	-	-	0.0%
Transfers Out	408,324	408,123	100.0%
Total Expenses	\$ 18,817,914	\$ 3,698,704	19.7%
Net Rev/Exp	\$ 102,481	\$ 1,318,653	

*Budget excludes a contingency appropriation and encumbrances

Positive



The Solid Waste Fund is an enterprise fund that accounts for the operating, maintenance, and capital costs of providing residential and commercial solid waste services. Total revenues through the first quarter of FY 2020-21 are 26.5% of budget compared to 25.7% historically. Total expenses through the first quarter are 19.7% of budget compared to 24.8% historically. Through the first quarter, the fund posted a \$1.3 million surplus.

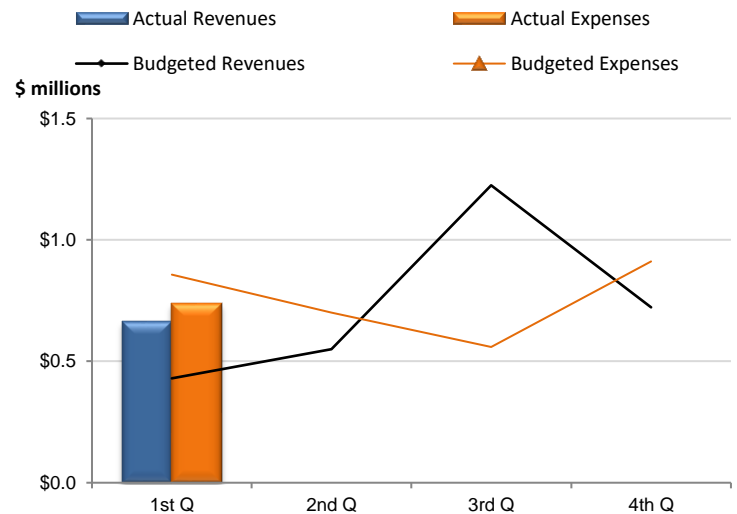


Golf Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$2,853,250	\$588,861	20.6%
Transfers In	74,000	74,000	100.0%
Total Revenues	\$2,927,250	\$662,861	22.6%
Operating	\$ 2,391,598	\$ 562,575	23.5%
Capital	455,108	174,863	38.4%
Debt Service	-	-	0.0%
Transfers Out	182,450	-	0.0%
Total Expenses	\$ 3,029,156	\$ 737,438	24.3%
Net Rev/Exp	\$ (101,906)	\$ (74,577)	

*amounts exclude encumbrances

Positive



The Golf Fund is an enterprise fund that accounts for the operations of the city's two municipal golf courses. Revenues generated are used to support the operations of the golf courses, while capital projects on the courses and buildings are funded with bond funds and repaid with secondary property tax. Total revenues through the first quarter of FY 2020-21 are 22.6% compared to the historical tracking percentage of 14.7%. Total expenses through the first quarter are 24.3% of budget compared to the historical tracking percentage of 28.3%. Through the first quarter, the fund has an operating deficit of \$75 thousand. Due to the seasonal nature of golf, where green fees are significantly depressed during the summer months, expenses historically outpace revenues from the beginning of the fiscal year through the end of peak season in April. The Community Services Department will be monitoring revenue and expenses during the remainder of the fiscal year and will address variances from budget.

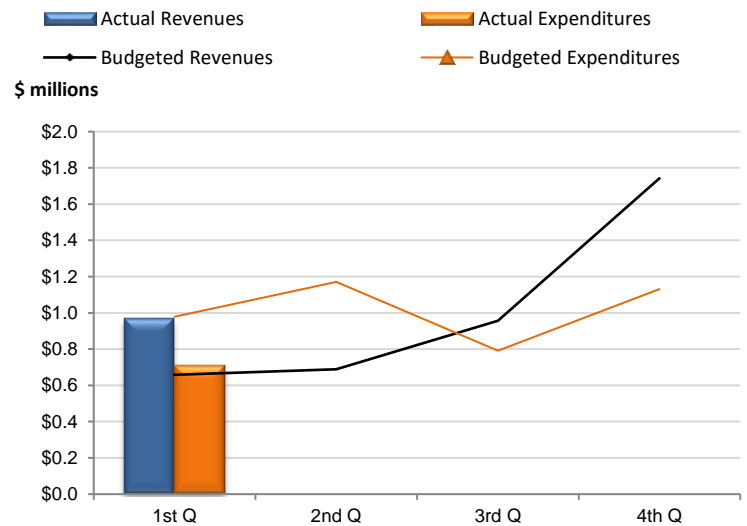


Emergency Medical Transport

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Revenues	\$ 4,045,000	\$ 971,211	24.0%
Transfers In	-	-	0.0%
Total Revenues	\$ 4,045,000	\$ 971,211	24.0%
Operating	\$ 3,886,201	\$ 709,882	18.3%
Capital	60,500	-	0.0%
Debt Service	-	-	0.0%
Transfers Out	127,000	-	0.0%
Total Expenses	\$ 4,073,701	\$ 709,882	17.4%
Net Rev/Exp	\$ (28,701)	\$ 261,328	

*amounts exclude contingencies and encumbrances

Positive



The Emergency Medical Transport Fund is in its fourth year as an 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 2020-21 are 24.0% of budget compared to the historical average of 16.3%. Total expenses through the first quarter are 17.4% of budget compared to the historical average of 17.4%. Through the first quarter, the fund has an operating surplus of \$261 thousand.

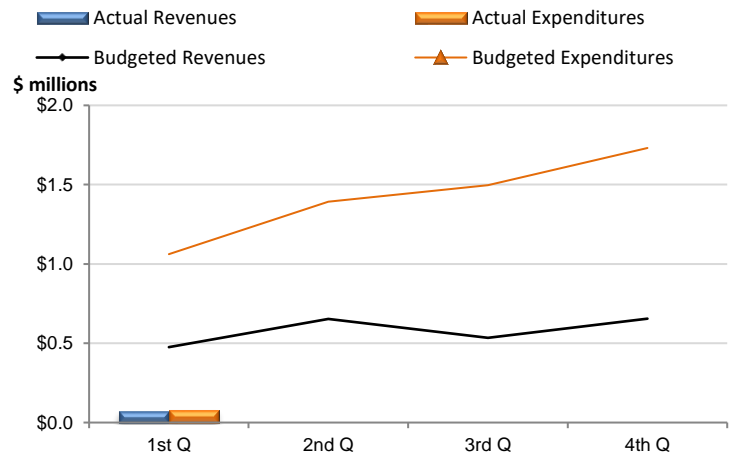


Restricted Revenue and Donations

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Total Revenues	\$ 2,318,547	\$ 68,066	2.9%
Total Expenses	\$ 5,682,991	\$ 78,910	1.4%
Net Rev/Exp	\$ (3,364,444)	\$ (10,844)	

*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 2.9%, while expenditures total 1.4% of budget. The slight deficit through the first quarter is mostly due to timing of receipt of funds for incurred expenses.

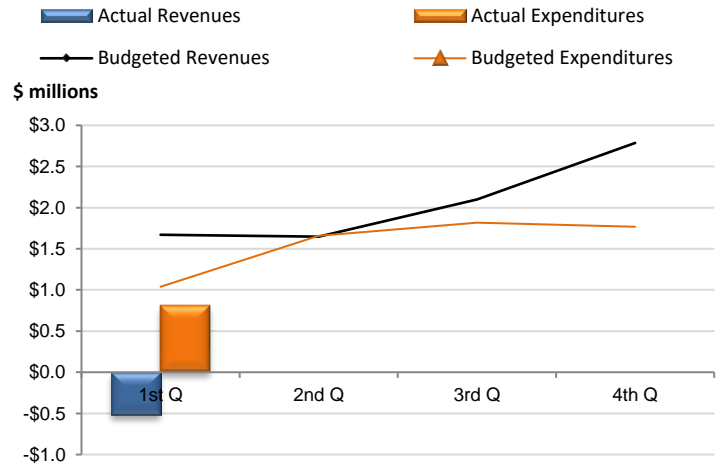


Police Dept-RICO & Grants

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Total Revenues	\$ 8,203,716	\$ (519,910)	-6.3%
Total Expenses	\$ 6,285,448	\$ 816,598	13.0%
Net Rev/Exp	\$ 1,918,268	\$ (1,336,508)	

*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 2020-21 budget, compared to the historical percentage of 20.4%. Expenditures through the first quarter total 13.0% of the FY 2020-21 budget, compared to the historical percentage of 16.5%. The net result on the fund's status through the first quarter is an operating deficit of \$1.3 million. The negative revenue is due largely to receivable grant revenue for funds expended in the prior fiscal year pending receipt of funds to reimburse these expenses. The Police Department will be monitoring revenue and expenditures during the remainder of the fiscal year and will address variances from budget.

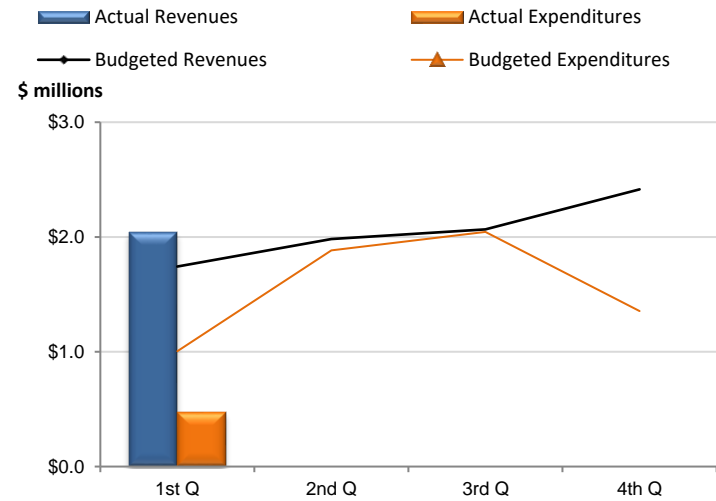


Governmental Grants

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Total Revenues	\$ 14,143,137	\$ 2,039,685	14.4%
Total Expenses	\$ 9,098,957	\$ 470,085	5.2%
Net Rev/Exp	\$ 5,044,180	\$ 1,569,600	

*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 2020-21 total 14.4%, compared to the historical percentage of 16.0%. Expenditures through the first quarter total 5.2% of the FY 2020-21 budget, compared to the historical percentage of 21.2%. The Departments that receive Governmental Grants will be monitoring revenue and expenditures during the fiscal year and will address variances from budget.

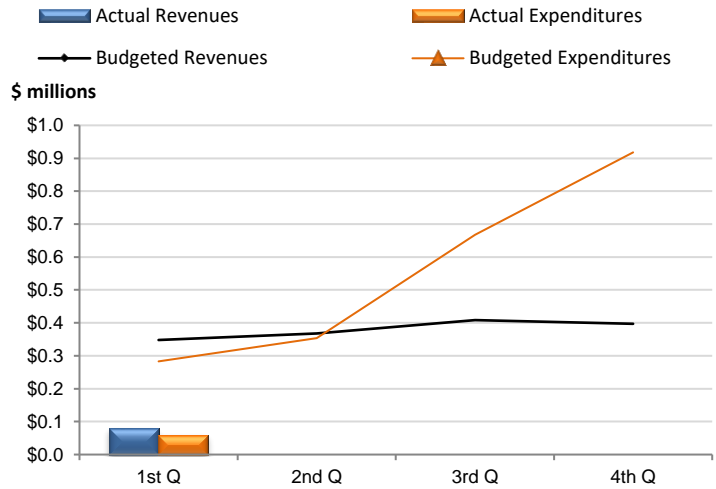


Court Enhancement Fund

	FY 20-21 Budget	FY 20-21 1Q Actual*	% Budget to Date
Total Revenues	\$ 1,521,711	\$ 81,238	5.3%
Total Expenses	\$ 2,221,940	\$ 59,590	2.7%
Net Rev/Exp	\$ (700,229)	\$ 21,648	

*amounts exclude encumbrances and contingency appropriations

Negative



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 5.3% of the FY 2020-21 budget, compared to the historical percentage of 22.9%. Expenditures through the first quarter total 2.7% of the FY 2020-21 budget, compared to the historical percentage of 12.7%. This results in a slight surplus of \$22 thousand. The revenue and expense variances from historical trends is due primarily to the impact of the COVID-19 pandemic on court activity which has resulted in lower than normal fee collections. The City Court will monitor revenue collections to ensure that expenditures in this fund do not exceed available revenue.