



## CITY OF TUCSON

ACCOUNTING  
DIVISION

### Monthly Financial Statements For August 31, 2017

This financial report is presented as required by Chapter XXIX, §3(4), of the City Charter. It is prepared to meet the needs of citizens, those charged with governance and various other stakeholders. In addition, a more detailed set of monthly data is also available to the public. The data being presented in two sources is done to increase both the readability and the transparency for all interested parties.

The financial statements included herein present the results of the City's chief governmental operations and certain other significant operations as well. The statements focus on those activities which are most significant to the City, or are individually significant to the Mayor and Council; for example, this report includes the financial statements of the Golf activities since the results of financial operations have been of specific interest to Mayor and Council. This report excludes certain funds which appear less significant; for example, it excludes the activities of the Park Tucson fund since the revenues and expenditures are less than 5% of that fund type. Each of the financial statements included has been organized and compared to the legally adopted budget of the Mayor and Council.

The detailed financial data, available on the same web page as this financial statement report, is prepared on a monthly basis. It contains a working trial balance for each fund operated by the City, showing the balance in each general ledger account code. The financial data has not been summarized or adjusted for presentation, and therefore information in the data may not equal the financial statement presented here.

The general government statements report the revenues and expenditures for the General Fund, and the Mass Transit Fund (which includes the Sun Link Fund in this presentation). The General Fund serves as the City's chief operating fund and is used to account for all financial resources not accounted for in another fund. The Mass Transit Fund is used to account for the proceeds of specific revenue sources related to the operations of the City's SunTran, SunVan, and Sun Link services.

Enterprise funds include Water Utility, and Tucson Golf. The Water Utility Fund accounts for the financing and operation of all activities necessary to provide water services to the Tucson metropolitan area. The Tucson Golf Fund accounts for the operation and maintenance of the City's golf courses, driving ranges, pro shops and clubhouses.

Significant variances between current year actual amounts vs. legally budgeted amounts are indicated by an icon, for example,  is an icon of a roadway and refers to the Transportation Department. Explanations for these variances can be found on report itself. Suggestions and comments are welcome and should be directed to Pete Saxton, Finance Director, at [Pete.Saxton@tucsonaz.gov](mailto:Pete.Saxton@tucsonaz.gov).

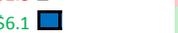
# City of Tucson

## General Fund

For the period August 1, 2017 through August 31, 2017

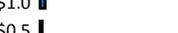
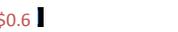
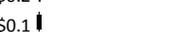
### Overall Evaluation of Revenues:

The overall revenue is slightly below budgeted expectations, due to seasonal variations and timing of property tax collections.

Revenues	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Primary Property Taxes	\$0.3		10.8%
Business Privilege Tax	\$34.4		103.6%
Other Local Taxes	\$8.9		101.8%
Contributions and Subsidies	\$1.7		166.7%
State-Shared Income Tax	\$11.0		98.5%
State-Shared Sales Tax	\$8.3		100.5%
State Auto Lieu Tax	\$2.8		67.1%
Licenses and Permits	\$6.1		122.5%
Charges for Current Services	\$5.8		82.5%
Miscellaneous Revenue	\$1.5		46.7%
<b>Total:</b>	<b>\$80.7</b>		<b>95.9%</b>

### Overall Evaluation of Expenditures:

The majority of department expenditure totals are below the budgeted values; some are above. Overall, the sum of all general fund expenditures are below current expectations.

Expenditures by Dept for Operations	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Mayor and Council	\$0.3		79.4%
City Manager	\$0.5		60.7%
Housing & Community Developmen	\$0.1		30.0%
Finance	\$1.0		74.5%
City Attorney	\$1.0		75.3%
Procurement	\$0.5		96.1%
City Court	\$1.1		74.8%
City Public Defender	\$0.4		78.5%
City Clerk	\$0.6		107.6%
Information Technology	\$5.1		148.0%
Human Resources	\$0.3		74.8%
Planning & Development Services	\$0.7		66.6%
General Government	\$2.5		43.0%
Police Department	\$20.1		75.6%
Fire Department	\$12.4		73.9%
General Services Department	\$3.0		95.5%
Environmental Services	\$0.2		78.1%
Transportation Department	\$0.1		59.5%
Parks & Recreation	\$3.5		68.4%
Net Transfers	\$8.2		106.9%
<b>Total Operations:</b>	<b>\$61.7</b>		<b>79.1%</b>

Expenditures for Capital & Debt	YTD Actuals (in millions)	% of Prorated (Y- T-D) Budget
Debt	\$0.2	4.8%
Capital	\$0.0	0.0%
<b>Total Capital &amp; Debt:</b>	<b>\$0.2</b>	<b>3.6%</b>

Explanations for individually significant variances are discussed on next page.

Sources:

"YTD Actuals" are made up of amounts recorded as of the end of the month; any future changes will be reflected in future YTD amounts.

"% of Prorated Budget" is based on a straight line formula for budget expectations (months elapsed / 12 months in the year) applied to total budget and compared to YTD Actuals

# City of Tucson

## General Fund

For the period August 1, 2017 through August 31, 2017

### Explanation of Revenue Variances



Primary Property Taxes are lower than budget by \$2.2 million due to timing of collections. We are currently in between semi-annual billing cycles.



State Auto Lieu Tax revenues are \$1.3 million lower than anticipated, due to timing of receipts from the State of Arizona and seasonal fluctuations.



Charges for Current Services revenues are \$1.2 million lower than budgeted, less than expected Paramedic Service Charges (\$0.55 million), zoo admissions (\$0.144 million). Administration fees are \$0.76 million lower than expected in August due to timing of payments that will be received in September.



Miscellaneous Revenues are \$1 million lower than budgeted for August, due to a lack of sales of Real Property (\$0.4 million), lower than expected Court Fees and Fines (\$0.3 million), Forfeitures from Anti-Racketeering (\$0.1 million), and Rebates (\$0.1 million).

### Explanation of Expenditure Variances



The City Clerk is approximately \$26,000 over budget for July 2017 due to mass mailings and ballot materials for the upcoming general elections. Additionally, the City Clerk has made campaign matching fund contributions in July.



Information Technology expenditures for August are \$1.7 million higher than the monthly average due to annual software maintenance contract costs. Some of the City's software agreements renew each fiscal year, while some renew based on a calendar year.



Transfers into the General Fund are less than expected. This is due to \$3.5 million budgeted for irrigation improvement payments from Tucson Water to Parks and Recreation which have yet to occur in the current fiscal year.



When analyzed on a monthly basis debt payments are less than budgeted because debt service payments only occur twice a year, at the mid-point and final annual periods. Annual budgeted amount is built to be in alignment with the scheduled annual payments.



Capital expenditures are less than expected due to scheduling of capital project expenditures. These projects include the Access Tucson real estate acquisition and the Permits Plus upgrade.

# City of Tucson

Mass Transit including Sun Tran, Sun Van and Sun Link  
For the period August 1, 2017 through August 31, 2017

## Overall Evaluation of Revenues:

While individual line items are either above or below the expected budgetary value, the sum of all Sun Link & Sun Van revenue is less than the current expectation.



## Overall Evaluation of Expenditures:

While individual line items are either above or below the expected budgetary value, the sum of all expenditures meets the current expectation.



### Data for Sun Tran and Sun Van

Sun Tran and Sun Van combined			
Revenues	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
Rental and Lease Revenue	\$0.0		25.4%
Grant Revenue	1.6		67.9%
Operating Revenue - Other Agencies	0.0		1.9%
Fare Revenue	1.8		79.1%
General Fund Subsidy	7.3		100.0%
Advertising Revenue	0.0		0.0%
Miscellaneous Revenue	0.1		186.3%
<b>Total:</b>	<b>\$10.9</b>		<b>75.6%</b>

#### Revenue Performance



Rental and lease revenue has decreased due to reduction in square footage. Budget is based on previous year revenues.



Grant Revenue is below budget by \$777 thousand due to projects budgeted but not yet in progress. This includes new Sun Vans, a CNG fueling station and storm water projects.



Operating Revenue - Other Agencies billings are two months behind pending an approved IGA. Fare Revenue is lower than budget by \$530 thousand due to a reduction in ridership.

Sun Tran			
Operating Expenditures	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
City Personnel Costs	\$0.0		21.3%
Contractor Personnel Costs	6.7		103.2%
Outside Services	1.1		61.7%
Supplies	1.4		69.8%
<b>Total:</b>	<b>\$9.3</b>		<b>88.8%</b>

Sun Van			
Operating Expenditures	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
City Personnel Costs	\$0.0		No Budget
Contractor Personnel Costs	1.9		109.0%
Outside Services	0.5		80.4%
Supplies	0.0		-3.1%
<b>Total:</b>	<b>\$2.4</b>		<b>91.5%</b>

Sun Tran and Sun Van combined			
Non-Operating Expenditures	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
Debt	\$0.0		0.0%
Capital	0.5		37.1%
<b>Total:</b>	<b>\$0.5</b>		<b>31.4%</b>

#### Expenditure Performance



There is a new contract for SunTran contractor personnel that was approved by the City Manager which cost approximately \$ 366,000 more than budget YTD 8-31-17. A budget adjustment will be processed in the 1st quarter projections to update for this contract.



Capital Outlay is below budget by \$872 thousand due to grant related projects not yet in progress. This includes new Sun Vans, a CNG fueling station, and storm water projects.

# City of Tucson

Mass Transit including Sun Tran, Sun Van and Sun Link  
For the period August 1, 2017 through August 31, 2017

## Overall Evaluation of Revenues:

While individual line items are either above or below the expected budgetary value, the sum of all Sun Link revenue meets the current expectation.



## Overall Evaluation of Expenditures:

While individual line items are either above or below the expected budgetary value, the sum of all Sun Link expenditures meets the current expectation.



### Data for Sun Link

#### Sun Link

Revenues	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
Grant Revenue	\$0.0		No Budget
Operating Revenue - Other Agencies	0.0		0.0%
Fare Revenue	0.1		45.3%
General Fund Subsidy	\$0.5		100.0%
Advertising Revenue	0.0		0.0%
Miscellaneous Revenue	0.0		263.5%
<b>Total:</b>	<b>\$0.6</b>		<b>66.7%</b>

#### Revenue Performance



Currently, Fare Revenue for Sun Link consists of only regular farebox revenue. Other revenues should be seen with the start of fall classes at the University of Arizona and the tourist season.



Budgeted operating transfers due from the General Fund are in the process of being recorded.

#### Sun Link

Operating Expenditures	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
City Personnel Costs	\$0.0		No Budget
Contractor Personnel Costs	0.2		82.0%
Outside Services	0.2		70.3%
Supplies	0.0		1.3%
<b>Total:</b>	<b>\$0.4</b>		<b>72.2%</b>

#### Sun Link

Non-Operating Expenditures	YTD Actuals (in millions)	% of Prorated (Y-T-D) Budget
Debt	\$0.0	0.0%
Capital	0.0	0.0%
<b>Total:</b>	<b>\$0.0</b>	<b>0.0%</b>

#### Expenditure Performance



A double payment for services from Fiscal Year 2017 was refunded in 2018.

# City of Tucson

## Water Utility Fund

For the period August 1, 2017 through August 31, 2017

### Overall Evaluation of Revenues:

All revenue line items meet or exceed the current expectation.



### Overall Evaluation of Expenditures:

In total, expenditures are within the current expectation.



Revenues	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Metered Water Sales	\$31.4		129.7%
Other Fees Charged for Service	9.4		113.2%
Capital Contributions	0.5		103.7%
Investment Income	0.4		564.1%
Grants	0.0		0.0%
Miscellaneous Revenue	0.2		43.1%
<b>Total:</b>	<b>\$41.9</b>		<b>124.3%</b>

Operating Expenditures	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Salaries, Wages, Benefits	\$5.4		86.5%
Contractual Services	11.9		91.2%
Commodities	1.0		61.8%
Interest Expense	2.8		30.3%
Miscellaneous Expense	0.3		No Budget
Net Transfers	0.3		No Budget
<b>Total:</b>	<b>\$21.8</b>		<b>73.6%</b>

Depreciation does not require the use of funds, so it is not budgeted.

Depreciation Expense	YTD Actuals (in millions)	YTD Actuals Graphed
Depreciation/Amortization	0.0	

Depreciation will generate once year end

#### Revenue Performance



At the beginning of fiscal year 2018, water rates were increased on metered and reclaimed sales.



Other fees charged for service is higher than budget for fiscal year 2018 due to \$1.3 million in Central Arizona Project surcharge fees and reclaimed water sales.

#### Expense Performance



Salaries, Wages, Benefits actual expenditures are lower by \$839 thousand as compared to budget due to unfilled budgeted positions.



Contractual Service expenses are less than budget by \$1.2 million of which the majority of the reductions are coming from \$318 thousand in property tax payments, \$409 thousand in surveys and consultants, \$187 thousand in CAP capital charges as well as \$286 thousand in repairs and maintenance.

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF NET POSITION**  
**TUCSON GOLF ENTERPRISE FUND**  
**August 31, 2017**

**ASSETS**

Current assets:	
Cash and Cash Equivalents	\$ 986,650
Accounts Receivable, Net	409,222
Inventories	202,580
Total current assets	1,598,452
Noncurrent assets:	
Other Assets - Restricted	64,913
Land and Construction in Progress	2,701,865
Other Capital Assets, Net	11,267,070
Total noncurrent assets	14,033,848
<b>Total assets</b>	<b>15,632,300</b>

**LIABILITIES**

Current liabilities:	
Accounts Payable	80,236
Accrued Payroll Liabilities	103,493
Interfund Payable	1,386,745
Due to Other Agencies	31,517
Accrued Interest Payable	4,006
Refundable Deposits	17,444
Current Portion of Contracts Payable	86,154
Advances From Customers	77,114
Total current liabilities	1,786,709
Noncurrent liabilities:	
Contracts Payable	89,004
Loans and Notes Payable	1,554,656
Total noncurrent liabilities	1,643,660
<b>Total liabilities</b>	<b>3,430,369</b>

**NET POSITION**

Net Investment in capital assets	13,793,777
Unrestricted Amounts (deficit)	(1,591,846)
<b>Total net position</b>	<b>\$ 12,201,931</b>

CITY OF TUCSON, ARIZONA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
TUCSON GOLF ENTERPRISE FUND  
FOR THE TWO MONTHS ENDED AUGUST 31, 2017

	Randolph	El Rio	Silverbell	Enke	Combined	Total Budget	Budget
<b>COURSE OPERATIONS:</b>							
<b>Operating revenues:</b>							
Green Fees	\$ 140,581	\$ 38,208	\$ 44,371	\$ 39,470	\$ 262,630	\$ 8,454,280	
Cart Rentals	113,428	37,803	31,065	33,490	215,786		
Driving Range	37,709	1,053	14,023	16,468	69,253		
Clubhouse	42,621	22,871	18,303	21,140	104,935		
Other Revenue	84,916	9,748	6,023	7,841	108,528		
<b>Total Operating Revenues</b>	<u>419,255</u>	<u>109,683</u>	<u>113,785</u>	<u>118,409</u>	<u>761,132</u>	<u>8,454,280</u>	<u>9.0%</u>
<b>Operating expenses:</b>							
Salaries, Wages and Benefits	2,523	1,471	1,472	1,471	6,937	51,460	
Contractual Services	354,864	193,479	116,557	180,131	845,031	5,896,120	
Commodities	130,726	49,514	55,974	70,054	306,268	1,217,150	
Cost of Goods Sold	41,845	11,570	9,217	13,054	75,686	687,480	
Depreciation/Amortization	41,437	19,019	39,001	20,167	119,624		
<b>Total Operating Expenses</b>	<u>571,395</u>	<u>275,053</u>	<u>222,221</u>	<u>284,877</u>	<u>1,353,546</u>	<u>7,852,210</u>	<u>17%</u>
<b>Operating Income (Loss)</b>	<u>(152,140)</u>	<u>(165,370)</u>	<u>(108,436)</u>	<u>(166,468)</u>	<u>(592,414)</u>	<u>602,070</u>	
<b>Nonoperating revenues (expenses):</b>							
Interest Expense	(974)	(488)	(488)	(488)	(2,438)	15,770	
Other						16,340	
<b>Total nonoperating revenues (expenses)</b>	<u>(974)</u>	<u>(488)</u>	<u>(488)</u>	<u>(488)</u>	<u>(2,438)</u>	<u>32,110</u>	
<b>Changes in net position</b>	<u>(153,114)</u>	<u>(165,858)</u>	<u>(108,924)</u>	<u>(166,956)</u>	<u>(594,852)</u>	<u>\$ 634,180</u>	
<b>Total net position, beginning of year</b>	<u>3,839,035</u>	<u>3,455,131</u>	<u>2,559,357</u>	<u>2,943,260</u>	<u>12,796,783</u>		
<b>Total net position</b>	<u>\$ 3,685,921</u>	<u>\$ 3,289,273</u>	<u>\$ 2,450,433</u>	<u>\$ 2,776,304</u>	<u>\$ 12,201,931</u>		