



## CITY OF TUCSON

ACCOUNTING  
DIVISION

### Monthly Financial Statements For April 30, 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 Administrator, at (520) 837-4330 or [Pete.Saxton@tucsonaz.gov](mailto:Pete.Saxton@tucsonaz.gov).

# City of Tucson

## General Fund

For the period July 1, 2016 through April 30, 2017

### Overall Evaluation of Revenues:

The overall revenue is below expectations, this is likely due to delays created when the State took over collection and distribution of sales taxes.



Revenues	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Primary Property Taxes	\$9.4		78.2%
Business Privilege Tax	\$158.0		98.5%
Other Local Taxes	\$38.8		92.8%
Contributions, Agreements and Sub:	\$7.2		139.6%
State-Shared Income Tax	\$54.2		99.9%
State-Shared Sales Tax	\$39.5		94.5%
State Auto Lieu Tax	\$18.8		99.1%
Licenses and Permits	\$27.8		114.7%
Charges for Current Services	\$34.7		96.0%
Miscellaneous Revenue	\$17.2		103.3%
<b>Total:</b>	<b>\$405.5</b>		<b>98.6%</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

### Overall Evaluation of Expenditures:

Most departments' expenditure total is below the expected budgetary value, and the sum of all general fund expenditures is within current expectation.



Expenditures by Dept for Operations	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Mayor and Council	\$1.9		90.4%
City Manager	\$3.4		96.9%
Housing & Community Developmen	\$1.9		88.2%
Finance	\$6.5		93.4%
City Attorney	\$6.3		101.9%
Procurement	\$2.8		101.2%
City Court	\$7.2		93.6%
City Public Defender	\$2.2		96.6%
City Clerk	\$1.9		70.0%
Information Technology	\$14.9		89.2%
Human Resources	\$1.8		92.4%
Planning & Development Services	\$5.0		102.3%
General Government	\$15.8		78.1%
Police Department	\$121.9		99.8%
Fire Department	\$75.6		99.7%
General Services Department	\$22.3		92.0%
Environmental Services	\$1.6		90.3%
Transportation Department	\$0.5		30.9%
Parks & Recreation	\$20.1		89.4%
Net Transfers	\$42.2		98.3%
<b>Total Operations:</b>	<b>\$355.5</b>		<b>94.0%</b>

Expenditures for Capital & Debt	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Debt	\$5.1		24.8%
Capital	\$1.8		22.3%
<b>Total Capital &amp; Debt:</b>	<b>\$6.9</b>		<b>24.1%</b>

# City of Tucson

## General Fund

For the period July 1, 2016 through April 30, 2017

### Explanation of Revenue variances



Primary Property Taxes are lower than budget by \$2.6 million due to timing of collections. Semi-annual collections billed in March will be reflected in April and May.



Business Privilege Taxes are lower than budget by \$2.4 million due to a temporary delay in the timing of collections when the State took over all collections. We expect the total revenue to be higher when we have enough data to complete the accounting entries needed.



Contributions, Agreements and Subsidies exceed budget by \$2 million mainly due to a contribution to offset debt service costs related to the Zoo's African Expansion.



Licenses and Permits Revenue is higher than budget by \$3.6 million due to higher than expected commercial development activity.



Miscellaneous Revenue is higher than expected due to a recovery of \$8 million in March related to environmental clean up. April revenues are in line with budget.

### Explanation of expenditure variances



The City Clerk spent \$0.8 million less than expected due to amounts budgeted for election support and Election Campaign Matching Funds. A City special election will be held in May, so expenditures will increase during May and June. The city has not matched any candidate funds this fiscal year, so no funds have been spent from the Election Campaign Matching Funds account to-date.



General Government has spent \$4.4 million less than budget due to lower than expected business incentive payments, delay in budgeted improvements to buildings at Reid Park, timing of expenses for real estate acquisitions related to Access Tucson, and a delay in the Permits Plus Software upgrade project.



Three departments were above budget expectations, however, they are expected to be within budget by the end of the fiscal year. As the deviations are temporary and not individually material, no additional explanation is needed.



Transportation spent \$1.1 million less than budgeted due to being short staffed. Transportation has 47 unfilled Full Time Employee positions. There is also a timing delay in project expenditures relating to Capital Program Support and Roadside & Street Maintenance Contracts.



Debt payments were less than expected because the payment of principal and interest is due at June 30 and will be paid then.



Capital expenditures were less than expected due to timing of payments and temporary delays in projected spending. These expenditures are expected to reach budget by the end of the fiscal year.

# City of Tucson

Mass Transit including Sun Tran, Sun Van and Sun Link  
For the period July 1, 2016 through April 30, 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	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
<b>Revenues</b>			
Rental and Lease Revenue	\$0.5		132.4%
Grant Revenue	1.3		8.4%
Operating Revenue - Other Agencies	8.3		71.0%
Fare Revenue	9.7		93.5%
General Fund Subsidy	37.1		100.0%
Advertising Revenue	0.6		189.9%
Miscellaneous Revenue	0.5		90.3%
<b>Total:</b>	<b>\$57.9</b>		<b>76.4%</b>



Sun Tran	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
<b>Operating Expenditures</b>			
City Personnel Costs	\$0.4		81.2%
Contractor Personnel Costs	31.6		99.4%
Outside Services	6.7		73.4%
Supplies	8.0		76.6%
<b>Total:</b>	<b>\$46.6</b>		<b>89.8%</b>

Sun Van	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
<b>Operating Expenditures</b>			
City Personnel Costs	\$0.0		No Budget
Contractor Personnel Costs	8.7		101.7%
Outside Services	2.8		81.5%
Supplies	1.1		85.9%
<b>Total:</b>	<b>\$12.6</b>		<b>94.9%</b>



Sun Tran and Sun Van combined	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y-T-D) Budget
<b>Non-Operating Expenditures</b>			
Debt	\$0.0		0.0%
Capital	1.0		8.7%
<b>Total:</b>	<b>\$1.0</b>		<b>7.9%</b>



### Revenue Performance



Grant Revenue is below budget due to projects budgeted but not yet in progress. Specifically, \$2.4 million for 28 new Sun Vans will be purchased at the end of fiscal year 2017 and delivered in fiscal year 2018. \$4 million for a Compressed Natural Gas fueling station has been delayed to fiscal year 2019 and \$4 million in storm water projects will be ready for bid in fiscal year 2018.



Operating Revenue - Other Agencies billings are lagging by at least one month before posted to general ledger. Currently, the billings are two months behind, but \$1.3 million dollars for February and March have been submitted and will be posted in May, 2017.

### Expenditure Performance



Contractor Personnel actual costs are commingled with Sun Tran and Transit Services. When compared in total, the actual costs are within budgeted expectations.



Capital Outlay is below budget by \$13.1 million due to grant related projects not yet in progress. These expenditures are the same items described in Grant Revenues including new Sun Vans, a CNG fueling station, and storm water projects. Other projects, including \$121 thousand in Bus Driver partitions and \$300 thousand in Bus Stop Signage will be completed by the end of fiscal year 2017.

# City of Tucson

Mass Transit including Sun Tran, Sun Van and Sun Link  
For the period July 1, 2016 through April 30, 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	\$0.1		No Budget
Operating Revenue - Other Agencies	2.0		200.0%
Fare Revenue	0.5		63.8%
General Fund Subsidy	\$2.6		100.0%
Advertising Revenue	0.1		51.2%
Miscellaneous Revenue	0.0		No Budget
<b>Total:</b>	<b>\$5.3</b>		<b>117.3%</b>

Revenue Performance



Fare Revenue for Sun Link has seen a decline in actual student passes compared to budget.

#### 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	1.2		71.8%
Outside Services	1.5		101.3%
Supplies	0.2		76.8%
<b>Total:</b>	<b>\$2.8</b>		<b>84.5%</b>

#### Sun Link

Non-Operating Expenditures	YTD Actuals (in millions)	% of Prorated (Y-T-D) Budget
Debt	\$0.4	29.7%
Capital	0.1	16.6%
<b>Total:</b>	<b>\$0.4</b>	<b>1.1%</b>

Expenditure Performance



Sun Link outside expenses include payments made to the outside contracting company. These include monthly management fees and liability insurance that have exceeded budget in fiscal year 2017.

# City of Tucson

## Water Utility Fund

For the period July 1, 2016 through April 30, 2017

### Overall Evaluation of Revenues:

All revenue line items meet or exceed the current expectation.



Revenues	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Metered Water Sales	\$118.1		105.0%
Other Fees Charged for Service	40.7		101.8%
Capital Contributions	7.4		315.0%
Investment Income	0.6		197.6%
Grants	0.0		0.0%
Miscellaneous Revenue	11.9		147.3%
<b>Total:</b>	<b>\$178.6</b>		<b>109.0%</b>

### Overall Evaluation of Expenditures:

In total, expenditures are within the current expectation.



Operating Expenditures	YTD Actuals (in millions)	YTD Actuals Graphed	% of Prorated (Y- T-D) Budget
Salaries, Wages, Benefits	\$31.0		104.1%
Contractual Services	57.8		91.9%
Commodities	7.3		85.1%
Interest Expense	14.9		31.6%
Miscellaneous Expense	3.5		No Budget
Net Transfers	1.6		No Budget
<b>Total:</b>	<b>\$116.1</b>		<b>78.2%</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	29.6	

#### Revenue Performance

At the beginning of fiscal year 2017, water rates were increased on metered and reclaimed sales.

Miscellaneous revenue is higher than budget due to \$9 million lawsuit recovery.

#### Expense Performance

Salaries, Wages, Benefits actual expenditures are higher by 4% as compared to budget due to overtime, salaries for non-permanent employees and retirement medical and sick leave payouts.

Contractual Service expenses are less than budget by \$1.3 million with the majority of the reductions coming from fuel costs, chemicals, postage, non-office supplies and other equipment.

Miscellaneous Expense consists of \$3.1 million in construction in progress reclassifications which occurred in fiscal year 2017.

Net Transfers of \$1.6 million have been paid towards the In Lieu Tax.



STATEMENT OF NET POSITION

TUCSON GOLF

April 30, 2017

**ASSETS**

Current assets:

Cash and Cash Equivalents	\$	3,520,455
Accounts Receivable, Net		396,666
Inventories		231,561
Total current assets		<u>4,148,682</u>

Noncurrent assets:

Other Assets - Restricted		100,009
Land and Construction in Progress		2,701,865
Other Capital Assets, Net		11,502,430
Total noncurrent assets		<u>14,304,304</u>
<b>Total assets</b>		<u><u>18,452,986</u></u>

**LIABILITIES**

Current liabilities:

Accounts Payable		154,001
Accrued Payroll Liabilities		138,211
Interfund Payable		3,191,079
Due to Other Agencies		69,332
Accrued Interest Payable		6,703
Refundable Deposits		6,270
Current Portion of Contracts Payable		84,026
Advances From Customers		79,280
Total current liabilities		<u>3,728,902</u>

Noncurrent liabilities:

Contracts Payable		119,562
Loans and Notes Payable		1,626,413
Total noncurrent liabilities		<u>1,745,975</u>
<b>Total liabilities</b>		<u><u>5,474,877</u></u>

**NET POSITION**

Net Investment in capital assets		14,000,707
Unrestricted Amounts (deficit)		(1,022,598)
<b>Total net position</b>	\$	<u><u>12,978,109</u></u>

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**TUCSON GOLF ENTERPRISE FUND**  
**FOR THE TEN MONTHS ENDED APRIL 30, 2017**

	Randolph	El Rio	Silverbell	Enke	Combined	Total Budget	% Budget
<b><u>COURSE OPERATIONS:</u></b>							
<b>Operating revenues:</b>							
Green Fees	\$ 1,394,573	\$ 413,344	\$ 523,709	\$ 386,596	\$ 2,718,222	\$ 8,130,370	
Cart Rentals	632,672	268,699	207,213	213,301	1,321,885		
Driving Range	241,022	7,676	93,625	115,255	457,578		
Clubhouse	246,955	168,264	138,809	145,908	699,936		
Other Revenue	749,688	174,122	146,075	159,419	1,229,304	13,730	
<b>Total Operating Revenues</b>	<b>3,264,910</b>	<b>1,032,105</b>	<b>1,109,431</b>	<b>1,020,479</b>	<b>6,426,925</b>	<b>8,144,100</b>	<b>78.9%</b>
<b>Operating expenses:</b>							
Salaries, Wages and Benefits	15,403	8,985	8,984	8,985	42,357	50,530	
Contractual Services	1,594,836	816,163	623,004	759,189	3,793,192	5,843,450	
Commodities	705,671	294,075	432,660	354,992	1,787,398	1,238,580	
Cost of Goods Sold	258,957	85,130	81,960	99,208	525,255	669,710	
Depreciation/Amortization	207,111	95,035	194,783	100,746	597,675		
<b>Total Operating Expenses</b>	<b>2,781,978</b>	<b>1,299,388</b>	<b>1,341,391</b>	<b>1,323,120</b>	<b>6,745,877</b>	<b>7,802,270</b>	<b>86%</b>
<b>Operating Income (Loss)</b>	<b>482,932</b>	<b>(267,283)</b>	<b>(231,960)</b>	<b>(302,641)</b>	<b>(318,952)</b>	<b>341,830</b>	
<b>Nonoperating revenues (expenses):</b>							
Interest Expense	(9,425)	(4,713)	(4,713)	(4,713)	(23,564)	6,740	
Other	1,000				1,000	93,400	
<b>Total nonoperating revenues (expenses)</b>	<b>(8,425)</b>	<b>(4,713)</b>	<b>(4,713)</b>	<b>(4,713)</b>	<b>(22,564)</b>	<b>100,140</b>	
<b>Changes in net position</b>	<b>474,507</b>	<b>(271,996)</b>	<b>(236,673)</b>	<b>(307,354)</b>	<b>(341,516)</b>	<b>\$ 441,970</b>	
<b>Total net position, beginning of year</b>	<b>3,995,887</b>	<b>3,596,299</b>	<b>2,663,925</b>	<b>3,063,514</b>	<b>13,319,625</b>		
<b>Total net position</b>	<b>\$ 4,470,394</b>	<b>\$ 3,324,303</b>	<b>\$ 2,427,252</b>	<b>\$ 2,756,160</b>	<b>\$ 12,978,109</b>		