



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For February 28, 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.

City of Tucson

Major Performance Components

General Fund

Year to Date as of 2/28/17

Overall, revenues agree with expectations. 

Explanations:



Contributions, Agreements and Subsidies exceed budget by \$2.4 million mainly due to a contribution to offset debt service costs related to the Zoo's African Expansion.



Miscellaneous Revenue is higher than expected due to a regulatory settlement of \$8 million.



Licenses and Permits Revenue is higher than budget by \$2.9 million due to higher than expected commercial development activity.

Overall, expenditures agree with expectations. 



General Government expenditures includes payments for the Jail Board of inmates. These payments are currently \$1.4 million lower than budgeted, but are expected to be within 10% of budget by fiscal year end.



General Government budget contains an upgrade to the technology used by the Planning and Development Services Department. That project has not begun and is currently being evaluated.



Parks & Recreation expenditures related to Maintenance Personnel is \$0.4 million below budget due to vacancies.

Revenues	YTD Actuals (in millions)	% of Prorated Budget
Primary Property Taxes	\$8.2	84.9%
Business Privilege Tax	129.0	100.5%
Other Local Taxes	30.5	91.3%
Contributions, Agreements and Subsidies	6.5	159.0%
State-Shared Income Tax	43.4	100.0%
State-Shared Sales Tax	31.7	94.9%
State Auto Lieu Tax	15.0	98.7%
Licenses and Permits	22.3	115.0%
Charges for Current Services	27.6	95.6%
Miscellaneous Revenue	16.4	112.6%
Total:	\$330.6	114.4%

	YTD Actuals (in millions)	% of Prorated Budget
Debt	\$5.1	30.9%
Capital	1.2	19.0%
Total:	\$6.3	27.6%

Expenditures by Dept	YTD Actuals (in millions)	% of Prorated Budget
Mayor and Council	\$1.4	86.5%
City Manager	2.6	93.4%
Housing & Community Development	1.4	80.4%
Finance	5.2	93.3%
City Attorney	4.7	95.7%
Procurement	2.2	98.5%
City Court	5.7	92.1%
City Public Defender	1.7	92.7%
City Clerk	1.4	65.4%
Information Technology	12.3	92.0%
Human Resources	1.3	84.5%
Planning & Development Services Center	3.9	99.6%
Outside Agencies	0.0	0.0%
General Government	12.0	77.5%
Police Department	94.7	96.8%
Fire Department	58.9	97.0%
General Services Department	17.9	92.2%
Environmental Services	1.2	86.6%
Transportation Department	0.4	27.9%
Parks & Recreation	15.8	87.9%
Net Transfers/ Other Uses	34.8	97.8%
Total:	\$279.3	92.0%

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

Major Performance Components

Mass Transit

Year to Date as of 2/28/17

Overall Performance

Revenues are lower than budget by \$13.9 million and expenditures were less than budget by \$14 million.



Revenue Performance



Grant Revenue is below budget due to projects budgeted but not yet in progress.



Expenditure Performance

Capital Outlay is below budget by \$13.1 million due to grant related projects not yet in progress.



Revenues	YTD Actuals (in millions)	% of Prorated Budget
Rental and Lease Revenue	\$0.4	131.1%
Grant Revenue	0.9	7.0%
Operating Revenue - Other Agencies	9.1	85.8%
Fare Revenue	7.7	85.7%
General Fund Subsidy	29.7	100.0%
Advertising Revenue	0.6	237.5%
Miscellaneous Revenue	0.4	98.5%
Total:	\$48.8	77.8%

Expenditures	YTD Actuals (in millions)	% of Prorated Budget
City Personnel Costs	\$0.3	70.5%
Outside Services	8.8	81.0%
Supplies	7.3	76.5%
Capital Projects and Outlay	0.7	7.5%
Contractor Personnel Costs	33.0	98.5%
Debt Service	0.4	37.2%
Total:	\$50.1	78.2%

City of Tucson

Major Performance Components

Water Utility

Year to Date as of 2/28/17



Overall Performance

Revenues are higher than budget by \$31.5 million and expenses are lower than budget by \$8.6 million.



Revenue Performance

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



Expense Performance

Expenditures are below budget mainly due to Contractual Services being less than budget by \$10.1million.



Revenues	YTD Actuals (in millions)	% of Prorated Budget
Operating Revenue	\$128.0	104.9%
Investment Income	0.4	169.6%
Capital Contributions	6.8	364.8%
Miscellaneous Revenue	10.5	163.2%
Total:	\$145.7	127.6%

Expenses	YTD Actuals (in millions)	% of Prorated Budget
Salaries, Wages, Benefits	\$24.6	103.1%
Contractual Services	44.5	81.5%
Commodities	5.9	84.2%
Depreciation/Amortization	23.5	100.0%
Interest Expense	12.7	89.5%
Miscellaneous Expense	4.3	428.0%
Total:	\$115.5	93.0%

STATEMENT OF NET POSITION
TUCSON GOLF
FEBRUARY 28, 2017

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 2,672,259
Accounts Receivable, Net	410,941
Inventories	248,405
Total current assets	<u>3,331,605</u>

Noncurrent assets:

Other Assets - Restricted	21,931
Land and Construction in Progress	2,701,865
Other Capital Assets, Net	11,622,712
Total noncurrent assets	<u>14,346,508</u>
Total assets	<u><u>17,678,113</u></u>

LIABILITIES

Current liabilities:

Accounts Payable	134,693
Accrued Payroll Liabilities	96,123
Interfund Payable	2,939,754
Due to Other Agencies	62,536
Accrued Interest Payable	4,932
Refundable Deposits	5,652
Current Portion of Contracts Payable	84,026
Advances From Customers	84,728
Total current liabilities	<u>3,412,444</u>

Noncurrent liabilities:

Contracts Payable	133,654
Loans and Notes Payable	1,626,413
Total noncurrent liabilities	<u>1,760,067</u>
Total liabilities	<u><u>5,172,511</u></u>

NET POSITION

Net Investment in capital assets	14,106,897
Unrestricted Amounts (deficit)	<u>(1,601,295)</u>
Total net position	<u><u>\$ 12,505,602</u></u>

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2017

	Randolph	El Rio	Silverbell	Enke	Combined	Total Budget	% Budget
<u>COURSE OPERATIONS:</u>							
Operating revenues:							
Green Fees	\$ 935,008	\$ 291,806	\$ 350,496	\$ 275,811	\$ 1,853,121	\$ 8,130,370	
Cart Rentals	466,177	199,099	148,109	160,743	974,128		
Driving Range	182,219	5,797	69,095	86,986	344,097		
Clubhouse	183,679	122,480	98,685	109,892	514,736		
Other Revenue	567,919	131,018	108,785	120,189	927,911	13,730	
Total Operating Revenues	<u>2,335,002</u>	<u>750,200</u>	<u>775,170</u>	<u>753,621</u>	<u>4,613,993</u>	<u>8,144,100</u>	<u>56.7%</u>
Operating expenses:							
Salaries, Wages and Benefits	11,913	6,950	6,949	6,950	32,762	50,530	
Contractual Services	1,286,268	648,025	491,376	614,807	3,040,476	5,843,450	
Commodities	580,033	238,601	366,587	285,963	1,471,184	1,238,580	
Cost of Goods Sold	187,488	63,774	60,079	76,705	388,046	669,710	
Depreciation/Amortization	165,410	75,934	155,559	80,490	477,393		
Total Operating Expenses	<u>2,231,112</u>	<u>1,033,284</u>	<u>1,080,550</u>	<u>1,064,915</u>	<u>5,409,861</u>	<u>7,802,270</u>	<u>69%</u>
Operating Income (Loss)	<u>103,890</u>	<u>(283,084)</u>	<u>(305,380)</u>	<u>(311,294)</u>	<u>(795,868)</u>	<u>341,830</u>	
Nonoperating revenues (expenses):							
Interest Expense	(7,662)	(3,831)	(3,831)	(3,831)	(19,155)	6,740	
Other	1,000				1,000	93,400	
Total nonoperating revenues (expenses)	<u>(6,662)</u>	<u>(3,831)</u>	<u>(3,831)</u>	<u>(3,831)</u>	<u>(18,155)</u>	<u>100,140</u>	
Changes in net position	<u>97,228</u>	<u>(286,915)</u>	<u>(309,211)</u>	<u>(315,125)</u>	<u>(814,023)</u>	<u>\$ 441,970</u>	
Total net position, beginning of year	3,995,887	3,596,299	2,663,925	3,063,514	13,319,625		
Total net position	<u>\$ 4,093,115</u>	<u>\$ 3,309,384</u>	<u>\$ 2,354,714</u>	<u>\$ 2,748,389</u>	<u>\$ 12,505,602</u>		