

City of Tucson, Arizona
Monthly Financial Statement
For July 31, 2013

This financial report is presented as required by Chapter XXIX, §3(4), of the City Charter. It is prepared to meet the needs of management, citizens, investors, and numerous governmental agencies. The financial statements included present the results of the City's operations and includes financial statements for general government funds, enterprise funds and internal service funds.

The general government statements report the revenues and expenditures for the General Fund, the Mass Transit Fund and the Highway User Revenue Fund (HURF). 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 transit systems, SunTran and SunVan. The HURF Fund is used to record the state-shared gas tax revenue. The latter two funds' revenue sources are legally restricted to expend for a specified purpose.

Enterprise funds include Water, Environmental Services, and 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 Environmental Services Fund accounts for the financing and operation of all activities necessary to provide solid waste services to residential and commercial customers in the Tucson metropolitan area. The Golf Course Fund accounts for the operation and maintenance of the City's golf courses, driving ranges, pro shops and clubhouses.

Finally, the report presents the revenues, expenses and changes in net assets for the internal service funds: Fleet Services, Self-Insurance and General Services. These funds are full accrual funds that support core City functions and charge cost-recovery fees to the City departments they serve.

Significant variances between current year actual amounts vs. prior year actual amounts are indicated by a bolded number, for example: **1a**. Explanations for these variances can be found on the final page of the report. Suggestions and comments are welcome and should be directed to Michael Mason, Finance Administrator, at (520) 837-4330.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE ONE MONTH ENDED JULY 31, 2013

	Fiscal Year 2014			Fiscal Year 2013		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
General Fund Revenues and Other Financing Sources:	Straight-line Budget July, 31: 8.3%					
Revenues:						
Primary Property Taxes	\$ 85,393	\$ 13,119,610	0.7%	\$ 167,361	\$ (81,968)	-49.0%
Business Privilege Tax	13,973,391	188,988,400	7.4%	14,948,673	(975,282)	-6.5%
Other Local Taxes	3,262,883	43,791,600	7.5%	3,461,641	(198,758)	-5.7%
Grants and Shared Taxes	244,206	3,951,280	6.2%	329,470	(85,264)	-25.9%
State-Shared Income Tax Revenue	4,835,569	57,800,600	8.4%	4,427,394	408,175	9.2%
State-Shared Sales Tax	3,706,530	44,563,600	8.3%	3,451,425	255,105	7.4%
State Auto Lieu Tax	836,364	19,693,400	4.2%	1,476,411	(640,047)	-43.4%
Licenses and Permits	1,680,506	20,937,150	8.0%	3,983,654	(2,303,148)	-57.8% 1a
Fines, Forfeitures, and Penalties	1,048,013	13,227,280	7.9%	893,819	154,194	17.3%
Use of Money and Property	215,680	694,450	31.1%	57,941	157,739	272.2%
Charges for Current Services	3,480,300	41,880,960	8.3%	3,630,872	(150,572)	-4.1%
Miscellaneous Revenue	61,064	3,475,640	1.8%	31,883	29,181	91.5%
Total General City Revenues:	33,429,899	452,123,970		36,860,544	(3,430,645)	
Other Financing Sources	133,333	14,806,000	0.9%		133,333	
Total Revenues and Other Financing Sources	\$ 33,563,232	\$ 466,929,970		\$ 36,860,544	\$ (3,297,312)	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 217,715	\$ 2,736,430	8.0%	\$ 283,407	\$ (65,692)	-23.2%
City Manager	402,998	8,641,450	4.7%	559,187	(156,189)	-27.9%
City Attorney	679,443	8,428,210	8.1%	813,027	(133,584)	-16.4%
City Clerk	227,394	4,044,840	5.6%	224,469	2,925	1.3%
Total Elected and Official	1,527,550	23,850,930		1,880,090	(352,540)	
Public Safety and Justice Services						
City Court	893,154	11,042,520	8.1%	942,472	(49,318)	-5.2%
Equal Opportunity Programs and Independence	64,828	787,220	8.2%	81,362	(16,534)	-20.3%
Public Defender	233,125	3,157,720	7.4%	281,413	(48,288)	-17.2%
Tucson Fire	7,223,350	86,734,670	8.3%	7,669,117	(445,767)	-5.8%
Tucson Police	11,413,879	146,851,530	7.8%	13,892,333	(2,478,454)	-17.8% 1b
Total Public Safety and Justice Services	19,828,336	248,573,660		22,866,697	(3,038,361)	
Community Enrichment and Development						
Housing & Community Development	358,679	6,506,630	5.5%	422,163	(63,484)	-15.0%
Parks and Recreation	3,554,399	35,970,610	9.9%	3,722,988	(168,589)	-4.5%
Planning & Development Services	545,220	7,247,040	7.5%	700,406	(155,186)	-22.2%
Transportation	139,068	2,184,600	6.4%	117,523	21,545	18.3%
Total Community Enrichment and Development	4,597,366	51,908,880		4,963,080	(365,714)	
Support Services						
Budget and Internal Audit	121,797	1,456,320	8.4%	136,075	(14,278)	-10.5%
Finance	2,729,721	10,425,470	26.2%	768,631	1,961,090	255.1% 1c
General Services	46,861	9,339,400	0.5%	47,190	(329)	-0.7%
Human Resources	155,318	2,178,060	7.1%	176,101	(20,783)	-11.8%
Information Technology	967,269	17,099,380	5.7%	1,192,939	(225,670)	-18.9%
Procurement	445,391	3,124,200	14.3%	449,391	(4,000)	-0.9%
Total Support Services	4,466,357	43,622,830		2,770,327	1,696,030	
Total Non-Departmental	576,299	27,408,890	2.1%	1,268,026	(691,727)	-54.6%
Capital Projects	143,854	1,880,610	7.6%	316,946	(173,092)	-54.6%
Debt Service and Fiscal Agent Fees	9,900	24,360,720	0.0%	136,063	(126,163)	-92.7%
Other Financing Uses	3,855,814	46,269,770	8.3%	3,652,798	203,016	5.6%
Total Expenditures & Other Financing Uses	\$ 35,005,476	\$ 467,876,290		\$ 37,854,027	\$ (2,848,551)	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE ONE MONTH ENDED JULY 31, 2013

	Fiscal Year 2014			Fiscal Year 2013		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Mass Transit Revenues and Other Financing Sources:	Straight-line Budget July, 31: 8.3%					
Revenues:						
Federal Grants and Contributions	\$ 1,706,203	\$ 19,325,820	8.8%	\$ 1,156,514	\$ 549,689	47.5%
Other Agencies	4,832	12,626,590	0.0%	(800,788)	805,620	-100.6%
Use of Money and Property	523	250,000	0.2%	1,046	(523)	-50.0%
Charges for Current Services	120,572	16,249,710	0.7%	958,939	(838,367)	-87.4%
Miscellaneous Revenue	15,318	480,050	3.2%	15,110	208	1.4%
Total Revenues:	<u>1,847,448</u>	<u>48,932,170</u>		<u>1,330,821</u>	<u>516,627</u>	
Other Financing Sources	3,561,086	42,733,040	8.3%	3,369,233	191,853	5.7%
Total Revenues and Other Financing Sources	<u>\$ 5,408,534</u>	<u>\$ 91,665,210</u>		<u>\$ 4,700,054</u>	<u>\$ 708,480</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 5,393,916	\$ 78,539,510	6.9%	\$ 5,429,145	\$ (35,229)	-0.6%
Total Community Enrichment & Development	<u>5,393,916</u>	<u>78,539,510</u>		<u>5,429,145</u>	<u>(35,229)</u>	
Capital Expenditures	1,014,524	15,878,500	6.4%	797,404	217,120	27.2%
Total Expenditures & Other Financing Uses	<u>\$ 6,408,440</u>	<u>\$ 94,418,010</u>		<u>\$ 6,226,549</u>	<u>\$ 181,891</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE ONE MONTH ENDED JULY 31, 2013

	Fiscal Year 2014			Fiscal Year 2013		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
HURF Revenues and Other Financing Sources:	Straight-line Budget July, 31: 8.3%					
Revenues:						
Other Agencies	\$ 3,175,040	34,042,290	9.3%	\$ 3,078,316	96,724	3.1%
Use of Money and Property	284,682	335,000	85.0%	57,512	227,170	395.0%
Charges for Current Services	94,768	542,000	17.5%	66,763	28,005	41.9%
Miscellaneous Revenue	577,050	3,200,000	18.0%	160,817	416,233	258.8%
Total Revenues	<u>\$ 4,131,540</u>	<u>\$ 38,119,290</u>		<u>\$ 3,363,408</u>	<u>\$ 768,132</u>	
HURF Expenditures:						
Community Enrichment and Development						
Housing & Community Development	17,826		100.0%		17,826	100.0%
Transportation	2,884,764	32,561,860	8.9%	2,984,816	(100,052)	-3.4%
Total Community Enrichment and Development	<u>2,902,590</u>	<u>32,561,860</u>		<u>2,984,816</u>	<u>(82,226)</u>	
Non-Departmental						
Outside Agencies		100,580	0.0%			0.0%
Total Non-Departmental		<u>100,580</u>				
Capital Projects	6,018	2,705,270	0.2%	15,296	(9,278)	-60.7%
Debt Service and Fiscal Agent Fees			0.0%	85,690	(85,690)	-100.0%
Other Financing Uses		<u>10,413,290</u>				0.0%
Total Expenditures & Other Financing Uses	<u>\$ 2,908,608</u>	<u>\$ 45,781,000</u>		<u>\$ 3,085,802</u>	<u>\$ (177,194)</u>	

**CITY OF TUCSON, ARIZONA
ENTERPRISE FUNDS
JULY 31, 2013**

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
ASSETS AND DEFERRED OUTFLOWS			
Assets			
Current assets:			
Pooled Cash and Investments	\$ 39,033,111	\$ 27,391,355	\$ 4,450
Cash and Investments - Restricted	23,012,916		
Cash and Investments with Fiscal Agent - Restricted	29,961,616		
Accounts Receivable, Net	17,066,166	4,162,874	24,306
Due from Other Agencies	67,229	44,597	
Interest Receivable	77,662	58,008	
Inventories	3,322,929		110,392
Other Assets	413,632		
Total current assets	112,955,261	31,656,834	139,148
Noncurrent assets:			
Long Term Accounts Receivable	451,895		
Other Assets - Restricted	313,692		
Land and Construction in Progress	183,296,652	11,196,009	2,701,865
Other Capital Assets, Net	1,005,898,649	19,123,681	13,643,264
Water Rights	52,126,968		
Total noncurrent assets	1,242,087,856	30,319,690	16,345,129
Total assets	1,355,043,117	61,976,524	16,484,277
Deferred Outflows			
Unamortized Loss on Refunding	14,267,668		
Total deferred outflows	14,267,668		
Total assets and deferred outflows	1,369,310,785	61,976,524	
LIABILITIES AND DEFERRED INFLOWS			
Liabilities			
Current liabilities:			
Accounts Payable	1,384,267	310,540	67,376
Accrued Payroll Liabilities	996,191	395,507	32,407
Interfund Payable			7,679,229
Due to Other Agencies		1,215	
Accrued Interest Payable			15,570
Refundable Deposits	3,464,127	54,314	
Current Portion of Bonds Payable	24,381,439	121,000	
Current Portion of Contracts Payable			
Current Portion of Compensated Absences	1,744,436	608,131	89,858
Liabilities Payable from Restricted Assets	31,619,156		
Unearned Revenue			144,333
Current Portion of Long Term Liabilities		740,330	
Total current liabilities	63,589,616	2,231,037	8,028,773
LIABILITIES AND DEFERRED INFLOWS (continued)			
Noncurrent liabilities:			
Bonds Payable	518,720,972		
Contracts Payable		10,593,000	
Compensated Absences	1,889,495	701,672	93,821
Other-Post-employment Benefits	972,264	419,502	45,706
Long Term Liabilities		44,220,917	
Total non-current liabilities	521,582,731	55,935,091	139,527
Total liabilities	585,172,347	58,166,128	8,168,300
Deferred Inflows			
Unavailable Revenue	62,070		
Total deferred inflows	62,070		
Total liabilities and deferred inflows	585,234,417	58,166,128	8,168,300
NET POSITION			
Net Investment in capital assets	714,694,619	19,605,690	16,345,129
Restricted for Capital			
Amounts Restricted for:			
Debt Service	29,961,616		
Capital			
Unrestricted Amounts (deficit)	39,420,133	(26,588,281)	(8,029,152)
Closure/Post Closure Liability		4,846,387	
New Landfill Cell Construction		5,946,600	
Total net position	\$ 784,076,368	\$ 3,810,396	\$ 8,315,977

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER UTILITY FUND
FOR THE ONE MONTH ENDED JULY 31, 2013

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	<u>Actual</u>	<u>Actual</u>		
Operating revenues:				
Charges for Services	\$ 8,251,546	\$ 8,122,026	\$ 129,520	1.6%
Miscellaneous	77,853	137,206	(59,353)	-43.3%
Total operating revenues	<u>8,329,399</u>	<u>8,259,232</u>	<u>70,167</u>	
Operating expenses:				
Personal Services	2,779,747	2,799,782	(20,035)	-0.7%
Contractual Services	7,218,167	6,601,247	616,920	9.3%
Commodities	565,847	539,132	26,715	5.0%
Depreciation/Amortization	2,500,000	2,395,941	104,059	4.3%
Total operating expenses	<u>13,063,761</u>	<u>12,336,102</u>	<u>727,659</u>	
Operating Income (Loss)	<u>(4,734,362)</u>	<u>(4,076,870)</u>	<u>(657,492)</u>	
Nonoperating revenues (expenses):				
Investment Income	63,954	73,518	(9,564)	-13.0%
Gain (Loss) on Sale of Property/Equipment		1,839	(1,839)	-100.0%
Interest Expense	(1,411,767)	(1,737,416)	325,649	-18.7%
Amortization of Cost Issuance	-	(28,234)	28,234	-100.0%
Other Nonoperating Income (Expenses)	(3,000)		(3,000)	0.0%
Total nonoperating revenues (expenses)	<u>(1,350,813)</u>	<u>(1,690,293)</u>	<u>339,480</u>	
Income (loss) before capital contributions and transfers	<u>(6,085,175)</u>	<u>(5,767,163)</u>	<u>(318,012)</u>	
Capital Contributions	286,887	358,716	(71,829)	-20.0%
Changes in net position	<u>(5,798,288)</u>	<u>(5,408,447)</u>	<u>(389,841)</u>	
Total net position, beginning of year	789,874,656	766,475,908	23,398,748	
Total net position, July 31	<u>\$ 784,076,368</u>	<u>\$ 761,067,461</u>	<u>\$ 23,008,907</u>	

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENVIRONMENTAL SERVICES FUND
FOR THE ONE MONTH ENDED JULY 31, 2013

	Fiscal Year 2014		Fiscal Year 2013	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 4,599,701	\$ 4,389,781	\$ 209,920	4.8%
Miscellaneous	106,856	120,878	(14,022)	-11.6%
Total operating revenues	<u>4,706,557</u>	<u>4,510,659</u>	<u>195,898</u>	
Operating expenses:				
Personal Services	1,285,962	1,258,785	27,177	2.2%
Contractual Services	1,239,739	1,872,740	(633,001)	-33.8%
Commodities	318,204	322,562	(4,358)	-1.4%
Depreciation/Amortization	435,249	449,472	(14,223)	-3.2%
Total operating expenses	<u>3,279,154</u>	<u>3,903,559</u>	<u>(624,405)</u>	
Operating Income (Loss)	<u>1,427,403</u>	<u>607,100</u>	<u>820,303</u>	
Nonoperating revenues (expenses):				
Investment Income	38,926	14,414	24,512	170.1%
Gain (Loss) on Sale of Property/Equipment	2,600	57,301	(54,701)	-95.5%
Other Agencies	44,597	20,996	23,601	112.4%
Interest Expense		(9,601)	9,601	-100.0%
Amortization of Cost Issuance		(1,492)	1,492	-100.0%
Total nonoperating revenues (expenses)	<u>86,123</u>	<u>81,618</u>	<u>4,505</u>	
Changes in net position	<u>1,513,526</u>	<u>688,718</u>	<u>824,808</u>	
Total net position, beginning of year	2,296,870	(3,479,259)	5,776,129	
Total net position, July 31	<u>\$ 3,810,396</u>	<u>\$ (2,790,541)</u>	<u>\$ 6,600,937</u>	

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CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE ONE MONTH ENDED JULY 31, 2013

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 394,514	\$ 399,592	\$ (5,078)	-1.3%
Total operating revenues	<u>394,514</u>	<u>399,592</u>	<u>(5,078)</u>	
Operating expenses:				
Personnel Services	248,604	248,667	(63)	0.0%
Contractual Services	250,725	314,752	(64,027)	-20.3%
Commodities	52,715	58,012	(5,297)	-9.1%
Cost of Goods Sold	22,770	12,831	9,939	77.5%
Depreciation/Amortization	58,505	58,922	(417)	-0.7%
Total operating expenses	<u>633,319</u>	<u>693,184</u>	<u>(59,865)</u>	
Operating Income (Loss)	<u>(238,805)</u>	<u>(293,592)</u>	<u>54,787</u>	
Nonoperating revenues (expenses):				
Interest Expense	(7,611)	(2,675)	(4,936)	184.5%
Amortization of Cost Issuance		(610)	610	-100.0%
Total nonoperating revenues (expenses)	<u>(7,611)</u>	<u>(3,285)</u>	<u>(4,326)</u>	
Income (loss) before capital contributions and transfers	<u>(246,416)</u>	<u>(296,877)</u>	<u>50,461</u>	
Changes in net position	<u>(246,416)</u>	<u>(296,877)</u>	<u>50,461</u>	
Total net position, beginning of year	8,562,393	6,359,649	2,202,744	
Total net position, July 31	<u>\$ 8,315,977</u>	<u>\$ 6,062,772</u>	<u>\$ 2,253,205</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE ONE MONTH ENDED JULY 31, 2013

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 2,132,060	\$ 403,801	\$ 398,006
Miscellaneous	20,180		
Total operating revenues	<u>2,152,240</u>	<u>403,801</u>	<u>398,006</u>
Operating expenses:			
Personal Services	516,472	96,630	760,841
Contractual Services	385,423	211,807	170,249
Commodities	1,284,354	7,124	156,787
Benefits and Claims		2,202,861	
Depreciation	218,614	924	3,745
Total operating expenses	<u>2,404,863</u>	<u>2,519,346</u>	<u>1,091,622</u>
Operating income (loss)	<u>(252,623)</u>	<u>(2,115,545)</u>	<u>(693,616)</u>
Nonoperating revenues (expenses):			
Property Taxes		6,138	
Investment Income	(1,814)	12,029	7,694
Total nonoperating revenues (expenses)	<u>(1,814)</u>	<u>18,167</u>	<u>7,694</u>
Changes in net position	<u>(254,437)</u>	<u>(2,097,378)</u>	<u>(685,922)</u>
Total net position, beginning of year	10,361,694	(12,635,103)	(1,974,255)
Total net position, July 31	<u>\$ 10,107,257</u>	<u>\$ (14,732,481)</u>	<u>\$ (2,660,177)</u>

City of Tucson, Arizona
Variance Explanations
For July 2013

General Fund (pg. 2):

- (1a) A \$2.5 million dollar and a \$1.3 million dollar comparable interfund transaction hit in September and October last year to accrue fiscal year 2012 revenue instead of in July.
- (1b) Due to an accounting system change the Police Department's group insurance and Workman's Compensation will be expensed each month over the entire year.
- (1c) New accounting software system was paid \$2 million in July 2013 and comparatively not in July 2012.

Mass Transit (pg. 3):

- (2a) Monthly proceeds of \$3,516,087 not received as of July 13, 2013.

Highway User Revenue Fund (pg. 3):

- (3a) Real property sold totaling \$457 thousand

Environmental Services Fund (pg. 6):

- (4a) Workers' Compensation insurance was paid in total the first month for fiscal year 2013, compared to this fiscal year it will be charged to the departments on a quarterly basis. In addition, last year the total amount was \$597 thousand compared to \$491 thousand for fiscal year 2014, a decrease of \$106 thousand dollars.