



## CITY OF TUCSON

ACCOUNTING  
DIVISION

### Monthly Financial Statements For July 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 July 1, 2017 through July 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	\$0.2		16.4%
Business Privilege Tax	\$15.5		93.4%
Other Local Taxes	\$3.7		85.6%
Contributions and Subsidies	\$1.1		192.5%
State-Shared Income Tax	\$5.5		98.5%
State-Shared Sales Tax	\$4.2		101.1%
State Auto Lieu Tax	\$1.8		87.3%
Licenses and Permits	\$4.4		175.2%
Charges for Current Services	\$2.8		52.2%
Miscellaneous Revenue	\$0.7		42.7%
<b>Total:</b>	<b>\$39.8</b>		<b>90.7%</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:

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	\$0.1		66.5%
City Manager	\$0.2		45.5%
Housing & Community Development	\$0.0		22.4%
Finance	\$0.4		65.5%
City Attorney	\$0.4		63.6%
Procurement	\$0.3		109.2%
City Court	\$0.5		62.5%
City Public Defender	\$0.1		66.5%
City Clerk	\$0.3		109.5%
Information Technology	\$0.9		51.9%
Human Resources	\$0.1		61.3%
Planning & Development Services	\$0.3		52.2%
General Government	\$1.5		54.7%
Police Department	\$8.5		63.9%
Fire Department	\$5.2		62.3%
General Services Department	\$1.7		113.1%
Environmental Services	\$0.1		61.3%
Transportation Department	\$0.0		19.5%
Parks & Recreation	\$1.4		55.3%
Net Transfers	\$3.5		90.8%
<b>Total Operations:</b>	<b>\$25.7</b>		<b>66.0%</b>

Expenditures for Capital & Debt	YTD Actuals (in millions)	% of Prorated (Y-T-D) Budget
Debt	\$0.2	9.6%
Capital	\$0.0	0.0%
<b>Total Capital &amp; Debt:</b>	<b>\$0.2</b>	<b>7.2%</b>

BOND



# City of Tucson

## General Fund

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

### Explanation of Revenue Variances



Primary Property Taxes are lower than budget by \$1 million due to timing of collections. We are currently in between semi-annual billing cycles.



Other local taxes are \$0.6 million lower than anticipated, due to lower than normal cell phone taxes collected, low summer temperatures driving down utility billings, and seasonal fluctuations. Fiscal year 2018 revenues are expected to be on target to match budget expectations as we get further into the fiscal year.



State Auto Lieu Tax revenues are \$0.3 million lower than anticipated, due to timing of receipts from the State of Arizona and seasonal fluctuations.



Charges for Current Services revenues are \$2.7 million lower than budgeted, less than expected Paramedic Service Charges (\$0.3 million), zoo admissions (\$0.045 million). Administration fees were \$2.0 million lower than expected in July due to timing of payments that were received in August.



Miscellaneous Revenues are \$0.9 million lower than budgeted for July, due to a lack of sales of Real Property (\$0.2 million), lower than expected General Revenues for various City services (\$0.4 million), Various Court Fees and Fines (\$0.2 million), Police revenues from Traffic and Forfeited Assets (\$0.1 million).

### Explanation of Expenditure Variances



Procurement expenditures exceed budgeted expectations by approximately \$25,000. This is due to the transition of the Procurement Card system to a new system. In August, there will be a \$36,893 correcting entry, which will bring total procurement expenses to 95.5% of the expected budgeted expenses.



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.



General Services Department expenditures for July were \$0.2 million higher than expected due to payroll and utility expenses that were paid from the General Fund although the budget appropriations for these expenses was moved to Fleet (Internal Services) and General Services Funds. Additionally, there were increased training costs due to changes made with Internal Service Funds.



Debt payments were less than budgeted because debt service payments are paid half in December/January and the remainder is paid at the end of the fiscal year.



Capital expenditures were 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 July 1, 2017 through July 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	1.5		126.2%
Operating Revenue - Other Agencies	0.0		1.5%
Fare Revenue	0.7		64.5%
General Fund Subsidy	3.6		100.0%
Advertising Revenue	0.0		0.0%
Miscellaneous Revenue	0.1		312.6%
<b>Total:</b>	<b>\$6.0</b>		<b>83.7%</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 above budget by \$317 thousand.



Operating Revenue - Other Agencies billings are one month behind. Fare Revenue is lower than budget by \$400 thousand due to a 19% 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		31.8%
Contractor Personnel Costs	3.3		102.3%
Outside Services	0.4		44.2%
Supplies	0.7		63.9%
<b>Total:</b>	<b>\$4.4</b>		<b>84.3%</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	0.8		97.2%
Outside Services	0.1		20.9%
Supplies	0.0		-43.3%
<b>Total:</b>	<b>\$0.9</b>		<b>65.4%</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	0.1		15.1%
<b>Total:</b>	<b>\$0.1</b>		<b>12.8%</b>

#### Expenditure Performance



Contractor Personnel actual costs are commingled with Sun Tran, Sun Van and Transit Services. When compared in total, actual costs are higher than budget by \$52 thousand.



Capital Outlay is below budget by \$583 thousand due to grant related projects not yet in progress. This would included 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 July 1, 2017 through July 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	0.0		20.7%
General Fund Subsidy	\$0.0		0.0%
Advertising Revenue	0.0		0.0%
Miscellaneous Revenue	0.0		399.2%
<b>Total:</b>	<b>\$0.0</b>		<b>5.2%</b>



#### 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	0.1		72.5%
Outside Services	0.1		82.4%
Supplies	0.0		-194.2%
<b>Total:</b>	<b>\$0.2</b>		<b>61.7%</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>

### Revenue Performance



As of July 1, 2017, Fare Revenue for Sun Link consisted 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.



July and August General Fund Subsidies will be recorded in August.

# City of Tucson

## Water Utility Fund

For the period July 1, 2017 through July 31, 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	\$17.8		147.4%
Other Fees Charged for Service	5.3		127.8%
Capital Contributions	0.3		124.0%
Investment Income	0.2		576.0%
Grants	0.0		0.0%
Miscellaneous Revenue	0.0		20.6%
<b>Total:</b>	<b>\$23.7</b>		<b>140.6%</b>

#### 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 \$1.2 million in Central Arizona Project surcharge fees and reclaimed water sales.

### 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	\$2.1		66.5%
Contractual Services	4.4		68.0%
Commodities	0.3		37.1%
Interest Expense	1.4		30.7%
Miscellaneous Expense	0.3		No Budget
Net Transfers	0.2		No Budget
<b>Total:</b>	<b>\$8.7</b>		<b>58.9%</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

#### Expense Performance

Salaries, Wages, Benefits actual expenditures are lower by \$1.1 million as compared to budget due to positions budgeted for (approximately 40 positions), but unfilled.

Contractual Service expenses are less than budget by \$2 million of which the majority of the reductions are coming from \$212 thousand in property tax payments, \$181 thousand in surveys and consultants, \$500 thousand in CAP

Net Transfers of \$158 thousand have been paid towards the In Lieu Tax. Budgeted amount will be revised going forward.

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

**ASSETS**

Current assets:	
Cash and Cash Equivalents	\$ 1,011,777
Accounts Receivable, Net	412,035
Inventories	214,327
Total current assets	<u>1,638,139</u>
Noncurrent assets:	
Other Assets - Restricted	80,835
Land and Construction in Progress	2,701,865
Other Capital Assets, Net	11,386,693
Total noncurrent assets	<u>14,169,393</u>
<b>Total assets</b>	<b><u>15,807,532</u></b>

**LIABILITIES**

Current liabilities:	
Accounts Payable	77,803
Accrued Payroll Liabilities	60,616
Interfund Payable	931,620
Due to Other Agencies	32,052
Accrued Interest Payable	3,482
Refundable Deposits	979
Current Portion of Contracts Payable	84,026
Advances From Customers	88,011
Total current liabilities	<u>1,278,589</u>
Noncurrent liabilities:	
Contracts Payable	105,411
Loans and Notes Payable	1,626,413
Total noncurrent liabilities	<u>1,731,824</u>
<b>Total liabilities</b>	<b><u>3,010,413</u></b>

**NET POSITION**

Net Investment in capital assets	13,899,121
Unrestricted Amounts (deficit)	<u>(1,102,002)</u>
<b>Total net position</b>	<b><u>\$ 12,797,119</u></b>

CITY OF TUCSON, ARIZONA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
TUCSON GOLF ENTERPRISE FUND  
FOR THE ONE MONTH ENDED JULY 31, 2017

	Randolph	El Rio	Silverbell	Enke	Combined	Total Budget	Budget
<b>COURSE OPERATIONS:</b>							
<b>Operating revenues:</b>							
Green Fees	\$ 76,604	\$ 18,633	\$ 23,268	\$ 20,253	\$ 138,758	\$ 8,454,280	
Cart Rentals	57,340	19,199	16,261	16,660	109,460		
Driving Range	17,966	420	7,364	7,992	33,742		
Clubhouse	21,675	11,395	9,425	10,799	53,294		
Other Revenue	44,735	3,548	3,199	4,884	56,366	-	
<b>Total Operating Revenues</b>	<u>218,320</u>	<u>53,195</u>	<u>59,517</u>	<u>60,588</u>	<u>391,620</u>	<u>8,454,280</u>	<u>4.6%</u>
<b>Operating expenses:</b>							
Salaries, Wages and Benefits	1,097	639	639	639	3,014	51,460	
Contractual Services	224,158	111,542	60,695	98,562	494,957	5,896,120	
Commodities	70,863	23,924	32,227	29,895	156,909	1,217,150	
Cost of Goods Sold	21,184	5,771	4,839	6,982	38,776	687,480	
Depreciation/Amortization	20,719	9,509	19,500	10,084	59,812		
<b>Total Operating Expenses</b>	<u>338,021</u>	<u>151,385</u>	<u>117,900</u>	<u>146,162</u>	<u>753,468</u>	<u>7,852,210</u>	<u>10%</u>
<b>Operating Income (Loss)</b>	<u>(119,701)</u>	<u>(98,190)</u>	<u>(58,383)</u>	<u>(85,574)</u>	<u>(361,848)</u>	<u>602,070</u>	
<b>Nonoperating revenues (expenses):</b>							
Interest Expense	(472)	(237)	(237)	(237)	(1,183)	15,770	
Other					-	16,340	
<b>Total nonoperating revenues (expenses)</b>	<u>(472)</u>	<u>(237)</u>	<u>(237)</u>	<u>(237)</u>	<u>(1,183)</u>	<u>32,110</u>	
<b>Changes in net position</b>	<u>(120,173)</u>	<u>(98,427)</u>	<u>(58,620)</u>	<u>(85,811)</u>	<u>(363,031)</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>\$ 3,718,862</u>	<u>\$ 3,356,704</u>	<u>\$ 2,500,737</u>	<u>\$ 2,857,449</u>	<u>\$ 12,433,752</u>		