



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For December 31, 2015

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, Sun Link 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 SunTran and SunVan services. The Sun Link Fund accounts for all financial resources related to the modern streetcar operations. The HURF Fund is used to record the state-shared gas tax revenue that can only be used for their authorized transportation purposes.

Enterprise funds include Water Utility, Environmental Services, 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 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 Tucson Golf 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 position 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 Shane Oman, Finance Administrator, at (520) 837-4330.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE SIX MONTHS ENDED DECEMBER, 2015

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
General Fund Revenues and Other Financing Sources:		Straight-line Budget	50.0%			
Revenues:						
Primary Property Taxes	\$ 7,236,620	\$ 14,350,250	50.4%	\$ 6,866,136	\$ 370,484	5.4%
Business Privilege Tax	94,518,234	197,118,630	47.9%	93,123,440	1,394,794	1.5%
Other Local Taxes	21,664,951	40,308,200	53.7%	20,294,943	1,370,008	6.8%
Grants and Shared Taxes	2,717,269	4,925,650	55.2%	1,394,834	1,322,435	94.8%
State-Shared Income Tax Revenue	31,310,949	63,205,510	49.5%	31,481,629	(170,680)	-0.5%
State-Shared Sales Tax	23,796,317	48,935,140	48.6%	22,386,074	1,410,243	6.3%
State Auto Lieu Tax	10,816,481	21,968,250	49.2%	9,318,544	1,497,937	16.1%
Licenses and Permits	14,517,437	28,349,160	51.2%	14,572,630	(55,193)	-0.4%
Fines, Forfeitures, and Penalties	6,104,622	14,331,870	42.6%	7,050,961	(946,339)	-13.4%
Use of Money and Property	386,028	648,930	59.5%	153,827	232,201	150.9%
Charges for Current Services	20,217,433	39,053,170	51.8%	18,362,671	1,854,762	10.1%
Miscellaneous Revenue	1,195,928	10,382,120	11.5%	3,803,338	(2,607,410)	-68.6%
Total Revenues:	<u>234,482,269</u>	<u>483,576,880</u>		<u>228,809,027</u>	<u>5,673,242</u>	
Other Financing Sources	<u>800,000</u>	<u>1,600,000</u>	50.0%	<u>800,000</u>		
Total Revenues and Other Financing Sources	<u>\$ 235,282,269</u>	<u>\$ 485,176,880</u>		<u>\$ 229,609,027</u>	<u>\$ 5,673,242</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 1,212,792	\$ 2,559,710	47.4%	\$ 1,214,731	\$ (1,939)	-0.2%
City Manager	2,417,636	5,426,800	44.5%	3,942,861	(1,525,225)	-38.7%
City Attorney	3,888,153	8,191,610	47.5%	4,165,716	(277,563)	-6.7%
City Clerk	1,717,790	4,300,410	39.9%	1,208,544	509,246	42.1%
Total Elected and Official	<u>9,236,371</u>	<u>20,478,530</u>		<u>10,531,852</u>	<u>(1,295,481)</u>	
Public Safety & Justice Services						
City Court	5,179,238	11,978,640	43.2%	5,413,818	(234,580)	-4.3%
Public Defender	1,441,995	3,191,360	45.2%	1,492,726	(50,731)	-3.4%
Tucson Fire	49,455,467	93,856,190	52.7%	43,041,630	6,413,837	1a 14.9%
Tucson Police	78,320,123	157,044,040	49.9%	72,331,783	5,988,340	1a 8.3%
Total Public Safety & Justice Services	<u>134,396,823</u>	<u>266,070,230</u>		<u>122,279,957</u>	<u>12,116,866</u>	
Community Enrichment & Development						
Housing & Community Development	1,034,574	3,042,460	34.0%	883,950	150,624	17.0%
Office of Integrated Planning	801,748	1,902,190	42.1%	764,606	37,142	4.9%
Parks and Recreation	17,574,036	36,454,370	48.2%	18,251,299	(677,263)	-3.7%
Planning & Development Services	4,116,803	8,953,620	46.0%	4,396,211	(279,408)	-6.4%
Transportation	889,395	2,916,810	30.5%	999,643	(110,248)	-11.0%
Total Community Enrichment & Development	<u>24,416,556</u>	<u>53,269,450</u>		<u>25,295,709</u>	<u>(879,153)</u>	
Support Services						
Budget and Internal Audit	630,453	1,482,770	42.5%	646,419	(15,966)	-2.5%
Finance	4,290,172	8,476,860	50.6%	6,021,745	(1,731,573)	-28.8%
General Services	5,580,080	10,678,790	52.3%	5,923,100	(343,020)	-5.8%
Human Resources	1,096,960	2,596,060	42.3%	1,098,559	(1,599)	-0.1%
Information Technology	11,153,713	19,960,250	55.9%	8,745,605	2,408,108	27.5%
Procurement	1,713,575	3,156,990	54.3%	1,683,689	29,886	1.8%
Total Support Services	<u>24,464,953</u>	<u>46,351,720</u>		<u>24,119,117</u>	<u>345,836</u>	
Total Non-Departmental	<u>9,448,434</u>	<u>27,477,840</u>	34.4%	<u>8,122,009</u>	<u>1,326,425</u>	16.3%
Capital Outlay	<u>671,808</u>	<u>3,002,560</u>	22.4%	<u>1,636,325</u>	<u>(964,517)</u>	-58.9%
Capital Projects	<u>245,353</u>	<u>1,031,800</u>	23.8%	<u>5,775</u>	<u>239,578</u>	4148.5%
Debt Service and Fiscal Agent Fees	<u>5,198,969</u>	<u>23,884,000</u>	21.8%	<u>74,310</u>	<u>5,124,659</u>	1b 6896.3%
Other Financing Uses	<u>26,735,638</u>	<u>52,571,400</u>	50.9%	<u>25,396,564</u>	<u>1,339,074</u>	5.3%
Total Expenditures & Other Financing Uses	<u>\$ 234,814,905</u>	<u>\$ 494,137,530</u>		<u>\$ 217,461,618</u>	<u>\$ 17,353,287</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE SIX MONTHS ENDED DECEMBER, 2015

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Mass Transit Revenues and Other Financing Sources:		Straight-line Budget	50.0%			
Revenues:						
Federal Grants and Contributions	\$ 10,949,889	\$ 28,303,470	38.7%	\$ 10,744,444	\$ 205,445	1.9%
Other Agencies	4,887,914	13,829,020	35.3%	4,558,397	329,517	7.2%
Use of Money and Property	351,554	360,000	97.7%	191,016	160,538	84.0%
Charges for Current Services	4,376,036	13,156,630	33.3%	6,595,604	(2,219,568) 2a	-33.7%
Miscellaneous Revenue	159,288	100,370	158.7%	133,140	26,148	19.6%
Total Revenues:	<u>20,724,681</u>	<u>55,749,490</u>		<u>22,222,601</u>	<u>(1,497,920)</u>	
Other Financing Sources	<u>22,741,535</u>	<u>45,483,070</u>	50.0%	<u>22,139,570</u>	<u>601,965</u>	2.7%
Total Revenues and Other Financing Sources	<u>\$ 43,466,216</u>	<u>\$ 101,232,560</u>		<u>\$ 44,362,171</u>	<u>\$ (895,955)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 35,905,960	\$ 77,653,910	46.2%	\$ 35,785,238	\$ 120,722	0.3%
Total Community Enrichment & Development	<u>35,905,960</u>	<u>77,653,910</u>		<u>35,785,238</u>	<u>120,722</u>	
Capital Outlay	<u>11,528,005</u>	<u>23,553,470</u>	48.9%	<u>9,575,001</u>	<u>1,953,004</u> 2b	20.4%
Total Expenditures & Other Financing Uses	<u>\$ 47,433,965</u>	<u>\$ 101,207,380</u>		<u>\$ 45,360,239</u>	<u>\$ 2,073,726</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK
FOR THE SIX MONTHS ENDED DECEMBER, 2015

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Sun Link Revenues and Other Financing Sources:		Straight-line Budget	50.0%			
Revenues:						
Other Agencies	\$ 503,800	\$ 2,000,000	25.2%	\$	\$ 503,800	100.0%
Use of Money and Property						
Charges for Current Services	728,254	1,396,280	52.2%	541,066	187,188	34.6%
Miscellaneous Revenue	568				568	
Total Revenues:	<u>1,232,622</u>	<u>3,396,280</u>		<u>541,066</u>	<u>691,556</u>	
Other Financing Sources	<u>1,155,885</u>	<u>2,311,770</u>	50.0%	<u>830,531</u>	<u>325,354</u>	39.2%
Total Revenues and Other Financing Sources	<u>\$ 2,388,507</u>	<u>\$ 5,708,050</u>		<u>\$ 1,371,597</u>	<u>\$ 1,016,910</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 1,904,630	\$ 4,220,800	45.1%	\$ 1,849,223	\$ 55,407	3.0%
Total Community Enrichment & Development	<u>1,904,630</u>	<u>4,220,800</u>		<u>1,849,223</u>	<u>55,407</u>	
Capital Outlay	<u>2,551</u>		0.0%		<u>2,551</u>	100.0%
Debt Service and Fiscal Agent Fees	<u>378,714</u>	<u>1,512,430</u>	25.0%		<u>378,714</u>	100.0%
Total Expenditures & Other Financing Uses	<u>\$ 2,285,895</u>	<u>\$ 5,733,230</u>		<u>\$ 1,849,223</u>	<u>\$ 436,672</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE SIX MONTHS ENDED DECEMBER, 2015

	Fiscal Year 2016			Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Total FY Budget	% Budget	Actual		
HURF Revenues and Other Financing Sources:		Straight-line Budget	50.0%			
Revenues:						
Licenses and Permits	\$ 274,861	\$ 543,000	50.6%	\$ 291,617	\$ (16,756)	-5.7%
Other Agencies	18,506,153	36,492,310	50.7%	17,469,090	1,037,063	5.9%
Use of Money and Property	236,379	635,840	37.2%	251,216	(14,837)	-5.9%
Charges for Current Services	24,802		0.0%	20,384	4,418	21.7%
Miscellaneous Revenue	678,699	500,000	135.7%	1,030,152	(351,453)	-34.1%
Total Revenues	<u>\$ 19,720,894</u>	<u>\$ 38,171,150</u>		<u>\$ 19,062,459</u>	<u>\$ 658,435</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	\$ 13,709,030	\$ 31,890,360	43.0%	\$ 12,997,347	\$ 711,683	5.5%
Total Community Enrichment and Development	<u>13,709,030</u>	<u>31,890,360</u>		<u>12,997,347</u>	<u>711,683</u>	
Non-Departmental						
Outside Agencies	134,790	100,580	134.0%	50,290	84,500	168.0%
Total Non-Departmental	<u>134,790</u>	<u>100,580</u>		<u>50,290</u>	<u>84,500</u>	
Capital Outlay	<u>97,390</u>	<u>1,092,650</u>	8.9%	<u>10,000</u>	<u>87,390</u>	873.9%
Capital Projects	<u>439,249</u>	<u>1,998,620</u>	22.0%	<u>656,836</u>	<u>(217,587)</u>	-33.1%
Other Financing Uses	<u></u>	<u>(9,821,590)</u>	0.0%	<u></u>	<u></u>	0.0%
Total Expenditures & Other Financing Uses	<u>\$ 14,380,459</u>	<u>\$ 35,082,210</u>		<u>\$ 13,714,473</u>	<u>\$ 665,986</u>	

**CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2015**

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
<u>ASSETS</u>			
Current assets:			
Cash and Cash Equivalents	\$ 54,046,671	\$ 31,462,045	\$ 461,922
Cash and Investments - Restricted	26,259,265		
Cash and Investments with Fiscal Agent - Restricted	13,565,943		
Accounts Receivable, Net	25,195,151	3,757,833	449,996
Due from Other Agencies		76,049	
Interest Receivable	101,137	44,202	
Inventories	5,195,373		251,467
Other Assets	2,502,584		
Total current assets	126,866,124	35,340,129	1,163,385
Noncurrent assets:			
Long Term Accounts Receivable	208,172		
Other Assets - Restricted	265,948		26,220
Land and Construction in Progress	179,514,402	19,341,519	2,701,865
Other Capital Assets, Net	1,036,997,119	22,972,057	12,396,702
Water Rights	52,126,968		
Total noncurrent assets	1,269,112,609	42,313,576	15,124,787
Total assets	1,395,978,733	77,653,705	16,288,172
<u>DEFERRED OUTFLOWS</u>			
Loss on Refunding of Debt	16,244,604		
Pension Plans	3,162,060	1,205,606	
Total deferred outflows	19,406,664	1,205,606	
Total assets and deferred outflows	1,415,385,397	78,859,311	16,288,172
<u>LIABILITIES</u>			
Current liabilities:			
Accounts Payable	1,381,266	510,297	101,970
Accrued Payroll Liabilities	49,313	(369)	53,571
Interfund Payable			1,634,896
Due to Other Agencies	292,284	14,220	48,122
Accrued Interest Payable			3,602
Refundable Deposits	2,124,162	81,129	5,331
Current Portion of Bonds Payable	31,961,529		
Current Portion of Contracts Payable		268,000	81,954
Current Portion of Compensated Absences	1,760,284	609,062	
Advances From Customers			93,620
Current Portion of Long Term Liabilities		750,551	
Total current liabilities	37,568,838	2,232,890	2,023,066

**CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2015**

LIABILITIES (continued)

Noncurrent liabilities:

Bonds Payable	519,253,115		
Contracts Payable		10,349,118	232,741
Compensated Absences	1,734,448	663,493	
Other Postemployment Benefits	1,447,762	598,024	
Loans and Notes Payable			8,554,615
Long Term Liabilities		56,355,386	
Pension Liability	51,601,140	19,674,093	
Total noncurrent liabilities	<u>574,036,465</u>	<u>87,640,114</u>	<u>8,787,356</u>
Total liabilities	<u>611,605,303</u>	<u>89,873,004</u>	<u>10,810,422</u>

DEFERRED INFLOWS

Deferred Revenue	92,150		
Pension Plans	5,461,526	2,082,329	
Total deferred inflows	<u>5,553,676</u>	<u>2,082,329</u>	
Total liabilities and deferred inflows	<u>617,158,979</u>	<u>91,955,333</u>	<u>10,810,422</u>

NET POSITION

Net Investment in capital assets	763,355,721	31,696,459	14,783,872
Amounts Restricted for:			
Debt Service	13,565,943		
Unrestricted Amounts (deficit)	21,304,753	(61,709,468)	(9,306,122)
Closure/Post Closure Liability		6,870,387	
New Landfill Cell Construction		10,046,600	
Total net position	<u>\$ 798,226,417</u>	<u>\$ (13,096,022)</u>	<u>\$ 5,477,750</u>

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER UTILITY FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

	Fiscal Year 2016	Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY
	<u>Actual</u>	<u>Actual</u>		
Operating revenues:				
Charges for Services	\$ 99,401,922	\$ 97,860,380	\$ 1,541,542	4a 1.6%
Total operating revenues	<u>99,401,922</u>	<u>97,860,380</u>	<u>1,541,542</u>	
Operating expenses:				
Salaries, Wages and Benefits	17,179,175	17,395,898	(216,723)	-1.2%
Contractual Services	34,857,799	34,105,988	751,811	2.2%
Commodities	4,311,215	4,087,905	223,310	5.5%
Depreciation/Amortization	16,373,512	15,600,145	773,367	5.0%
Total operating expenses	<u>72,721,701</u>	<u>71,189,936</u>	<u>1,531,765</u>	
Operating Income (Loss)	<u>26,680,221</u>	<u>26,670,444</u>	<u>9,777</u>	
Nonoperating revenues (expenses):				
Investment Income	187,977	(74,254)	262,231	-353.2%
Gain (Loss) on Sale of Property/Equipment	177,764	200,252	(22,488)	-11.2%
Federal Grants and Contributions				0.0%
Interest Expense	(9,412,006)	(9,702,820)	290,814	-3.0%
Amortization of Cost Issuance				0.0%
Other Nonoperating Income (Expenses)	(1,147,687)	(2,821,508)	1,673,821	4b -59.3%
Total nonoperating revenues (expenses)	<u>(10,193,952)</u>	<u>(12,398,330)</u>	<u>2,204,378</u>	
Income (loss) before capital contributions and transfers	<u>16,486,269</u>	<u>14,272,114</u>	<u>2,214,155</u>	
Transfers In	1,545,903	1,200,525	345,378	28.8%
Transfers Out	(800,000)	(800,000)		0.0%
Changes in net position	<u>17,232,172</u>	<u>14,672,639</u>	<u>2,559,533</u>	
Total net position, beginning of year	780,994,245	760,547,882 *	20,446,363	
Total net position	<u>\$ 798,226,417</u>	<u>\$ 775,220,521</u>	<u>\$ 23,005,896</u>	

*Fiscal year 2015 beginning net position restated. See fiscal year 2015 CAFR.

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENVIRONMENTAL SERVICES FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

	Fiscal Year 2016	Fiscal Year 2015	\$ Change	% Change
	Actual	Actual	CFY vs PFY	CFY vs PFY
Operating revenues:				
Charges for Services	\$ 24,842,254	\$ 24,581,213	\$ 261,041	1.1%
Miscellaneous	341,945	517,095	(175,150)	-33.9%
Total operating revenues	<u>25,184,199</u>	<u>25,098,308</u>	<u>85,891</u>	
Operating expenses:				
Salaries, Wages and Benefits	7,442,291	7,576,129	(133,838)	-1.8%
Contractual Services	9,470,164	8,486,467	983,697	11.6%
Commodities	1,890,453	2,083,382	(192,929)	-9.3%
Depreciation/Amortization	2,528,747	1,813,158	715,589	39.5%
Total operating expenses	<u>21,331,655</u>	<u>19,959,136</u>	<u>1,372,519</u>	
Operating Income (Loss)	<u>3,852,544</u>	<u>5,139,172</u>	<u>(1,286,628)</u>	
Nonoperating revenues (expenses):				
Investment Income	32,192	(77,839)	110,031	-141.4%
Gain (Loss) on Sale of Property/Equipment	166,072	453,990	(287,918)	-63.4%
Other Agencies	81,726	57,306	24,420	42.6%
Interest Expense	(244,476)		(244,476)	0.0%
Total nonoperating revenues (expenses)	<u>35,514</u>	<u>433,457</u>	<u>(397,943)</u>	
Changes in net position	<u>3,888,058</u>	<u>5,572,629</u>	<u>(1,684,571)</u>	
Total net position, beginning of year	(16,984,080)	(25,318,874) *	8,334,794	
Total net position	<u>\$ (13,096,022)</u>	<u>\$ (19,746,245)</u>	<u>\$ 6,650,223</u>	

*Fiscal year 2015 beginning net position restated. See fiscal year 2015 CAFR.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

	Randolph	El Rio	Silverbell	Enke	Combined	Total Straight- line Budget	% Budget
<u>COURSE OPERATIONS:</u>							
Operating revenues:							
Green Fees	\$ 529,474	\$ 153,462	\$ 197,370	\$ 119,858	\$ 1,000,164	\$ 7,688,730	
Cart Rentals	357,977	148,728	107,719	124,771	739,195		
Driving Range	143,398	3,965	33,968	59,822	241,153		
Clubhouse	148,883	87,400	80,707	83,387	400,377		
Other Revenue	534,419	65,837	72,450	66,653	739,359	10,130	
Total Operating Revenues	<u>1,714,151</u>	<u>459,392</u>	<u>492,214</u>	<u>454,491</u>	<u>3,120,248</u>	<u>7,698,860</u>	<u>40.5%</u>
Operating expenses:							
Salaries, Wages and Benefits	9,027	5,265	5,266	5,265	24,823	45,840	
Contractual Services	1,091,806	596,253	450,005	569,568	2,707,632	5,537,470	48.9%
Commodities	402,346	154,046	236,805	187,465	980,662	1,297,850	75.6%
Cost of Goods Sold	157,222	46,305	44,651	43,990	292,168	646,280	45.2%
Depreciation/Amortization	122,995	66,918	116,150	58,133	364,196		
Total Operating Expenses	<u>1,783,396</u>	<u>868,787</u>	<u>852,877</u>	<u>864,421</u>	<u>4,369,481</u>	<u>7,527,440</u>	<u>58%</u>
Operating Income (Loss)	<u>(69,245)</u>	<u>(409,395)</u>	<u>(360,663)</u>	<u>(409,930)</u>	<u>(1,249,233)</u>	<u>171,420</u>	
Nonoperating revenues (expenses):							
Interest Expense	(560)	(280)	(280)	(280)	(1,400)	7,970	
Other						94,250	
Total nonoperating revenues (expenses)	<u>(560)</u>	<u>(280)</u>	<u>(280)</u>	<u>(280)</u>	<u>(1,400)</u>	<u>102,220</u>	
Income (Loss) before capital contributions and transfers	<u>(69,805)</u>	<u>(409,675)</u>	<u>(360,943)</u>	<u>(410,210)</u>	<u>(1,250,633)</u>	<u>273,640</u>	
Changes in net position	<u>(69,805)</u>	<u>(409,675)</u>	<u>(360,943)</u>	<u>(410,210)</u>	<u>(1,250,633)</u>	<u>\$ 273,640</u>	
Total net position, beginning of year	2,018,515	1,816,663	1,345,677	1,547,528	6,728,383		
Total net position	<u>\$ 1,948,710</u>	<u>\$ 1,406,988</u>	<u>\$ 984,734</u>	<u>\$ 1,137,318</u>	<u>\$ 5,477,750</u>		

Note: OB Sports and City of Tucson statements will report immaterial differences due to timing and reconciliation issues.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2015

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 10,916,657	\$ 7,090,054	\$ 9,205,822
Miscellaneous	58,832	8,742	3,039
Total operating revenues	<u>10,975,489</u>	<u>7,098,796</u>	<u>9,208,861</u>
Operating expenses:			
Salaries, Wages and Benefits	2,849,214	598,590	4,480,087
Contractual Services	3,007,233	1,990,067	2,653,393
Commodities	5,011,829	36,844	963,214
Benefits and Claims		2,443,699	
Depreciation	1,062,157	6,344	29,263
Total operating expenses	<u>11,930,433</u>	<u>5,075,544</u>	<u>8,125,957</u>
Operating income (loss)	<u>(954,944)</u>	<u>2,023,252</u>	<u>1,082,904</u>
Nonoperating revenues (expenses):			
Property Taxes		1,272,579	
Investment Income	2,722	(5,718)	4,052
Gain (loss) on Sale of Property/Equipment	135,209		
Federal Non Grant Contributions			146,780
Interest Expense			(241,116)
Total nonoperating revenues (expenses)	<u>137,931</u>	<u>1,266,861</u>	<u>(90,284)</u>
Changes in net position	<u>(817,013)</u>	<u>3,290,113</u>	<u>992,620</u>
Total net position, beginning of year	11,322,038	830,874	(10,781,094)
Total net position	<u>\$ 10,505,025</u>	<u>\$ 4,120,987</u>	<u>\$ (9,788,474)</u>

City of Tucson, Arizona
Variance Explanations
For December, 2015

General Fund:

- (1a) Public Safety Pension for Tucson Fire and Tucson Police increased from fiscal year 2015 due to a pension rate change.
- (1b) Debt service payments of \$5.16 million are recorded in December of fiscal year 2016, but were recorded in January of fiscal year 2015.

Mass Transit:

- (2a) Revenue charges for current services and fuel expenses decreased in fiscal year 2016 due to a halt in services caused by an economic strike of unionized bus drivers and mechanics.
- (2b) Capital outlay costs increased in fiscal year 2016 due to the construction of a compressed natural gas plant.

Water Utility Fund:

- (4a) At the beginning of fiscal year 2016, water rates were increased on metered and reclaimed sales.
- (4b) \$2.4 million in construction in progress reclassifications occurred in fiscal year 2015.