City of Tucson, Arizona
Monthly Financial Statement
For December 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, SunVan and SunLink. The HURF Fund is used to record the state-shared gas tax revenue. The latter two funds' revenue sources are legally restricted to be expended for specific purposes.

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 Enterprise 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 SIX MONTHS ENDED DECEMBER 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 (December, 31):		50.0%				
Revenues:							
Primary Property Taxes	$ 6,727,658	$ 13,119,610	51.3%	$ 7,085,319	$ (357,661)	-5.0%	
Business Privilege Tax	76,881,034	188,988,400	40.7%	74,473,880	2,407,154	3.2%	**1a**
Other Local Taxes	15,790,186	43,791,600	36.1%	20,188,430	(4,398,244)	-21.8%	**1b**
Grants and Shared Taxes	1,675,442	3,882,980	43.1%	1,550,188	125,254	8.1%	
State-Shared Income Tax Revenue	19,342,276	57,800,600	33.5%	17,709,577	1,632,699	9.2%	**1c**
State-Shared Sales Tax	14,150,672	44,563,600	31.8%	13,294,541	856,131	6.4%	
State Auto Lieu Tax	5,547,186	19,693,400	28.2%	5,379,198	167,988	3.1%	
Licenses and Permits	6,590,547	20,937,150	31.5%	6,599,188	(8,641)	-0.1%	
Fines, Forfeitures, and Penalties	6,439,393	13,227,280	48.7%	4,828,286	1,611,107	33.4%	**1d**
Use of Money and Property	514,626	694,450	74.1%	303,722	210,904	69.4%	
Charges for Current Services	18,011,111	41,880,960	43.0%	20,040,973	(2,029,862)	-10.1%	**1e**
Miscellaneous Revenue	1,130,674	3,475,640	32.5%	737,287	393,387	53.4%	
Total General City Revenues:	172,800,805	452,055,670		172,190,589	610,216		
Other Financing Sources	533,333	14,806,000	3.6%	800,000	(266,667)	-33.3%	
Total Revenues and Other Financing Sources	$ 173,334,138	$ 466,861,670		$ 172,990,589	$ 343,549		
General Fund Expenditures:							
Elected and Official							
Mayor and Council	$ 1,204,003	$ 2,736,430	44.0%	$ 1,368,205	$ (164,202)	-12.0%	
City Manager	3,944,663	8,641,450	45.6%	3,202,117	742,546	23.2%	
City Attorney	4,095,174	8,428,210	48.6%	4,115,154	(19,980)	-0.5%	
City Clerk	2,170,909	4,044,840	53.7%	1,420,542	750,367	52.8%	
Total Elected and Official	11,414,749	23,850,930		10,106,018	1,308,731		
Public Safety & Justice Services							
City Court	5,117,030	11,102,480	46.1%	5,167,384	(50,354)	-1.0%	
Equal Opportunity Programs and Independ	370,652	787,220	47.1%	356,712	13,940	3.9%	
Public Defender	1,431,614	3,157,720	45.3%	1,473,475	(41,861)	-2.8%	
Tucson Fire	41,644,960	86,956,562	47.9%	42,828,525	(1,183,565)	-2.8%	**1f**
Tucson Police	69,500,112	146,998,734	47.3%	74,040,617	(4,540,505)	-6.1%	**1g**
Total Public Safety & Justice Services	118,064,368	249,002,716		123,866,713	(5,802,345)		
Community Enrichment & Development							
Housing & Community Development	2,482,671	4,833,152	51.4%	2,915,677	(433,006)	-14.9%	
Office of Integrated Planning	163,541						
Parks and Recreation	18,029,568	35,952,290	50.1%	19,333,721	(1,304,153)	-6.7%	**1h**
Planning & Development Services	3,524,953	8,920,518	39.5%	3,560,210	(35,257)	-1.0%	
Transportation	1,007,132	2,195,900	45.9%	3,700,081	(2,692,949)	-72.8%	**1i**
Total Community Enrichment & Development	25,207,865	51,901,860		29,509,689	(4,465,365)		
Support Services							
Budget and Internal Audit	746,680	1,541,880	48.4%	724,335	22,345	3.1%	
Finance	6,132,386	10,339,910	59.3%	4,369,603	1,762,783	40.3%	**1j**
General Services	4,117,504	9,339,400	44.1%	1,167,525	2,949,979	252.7%	**1k**
Human Resources	1,148,768	2,174,940	52.8%	1,016,810	131,958	13.0%	
Information Technology	7,968,611	17,099,380	46.6%	8,286,834	(318,223)	-3.8%	
Procurement	1,580,019	3,124,200	50.6%	1,743,439	(163,420)	-9.4%	
Total Support Services	21,693,968	43,619,710		17,308,546	4,385,422		
Total Non-Departmental	8,210,062	26,930,047	30.5%	8,694,131	(484,069)	-5.6%	
Capital Projects	207,953	1,948,717	10.7%	687,624	(479,671)	-69.8%	
Debt Service and Fiscal Agent Fees	247,101	24,360,720	1.0%	614,751	(367,650)	-59.8%	
Other Financing Uses	23,170,346	46,269,770	50.1%	21,951,742	1,218,604	5.6%	
Total Expenditures & Other Financing Uses	$ 208,216,412	$ 467,884,470		$ 212,739,214	$ (4,686,343)		

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE SIX MONTHS ENDED DECEMBER 31,2013

	Fiscal Year 2014 Actual	Fiscal Year 2014 Total FY Budget	% Budget	Fiscal Year 2013 Actual	$ Change CFY vs PFY	% Change CFY vs PFY	
Mass Transit Revenues and Other Financing Sources:	Straight-line Budget (December, 31):		50.0%				
Revenues:							
Federal Grants and Contributions	$ 1,164,413	$ 19,325,820	6.0%	$ 55,231,151	$ (54,066,738)	-97.9%	**2a**
Other Agencies	4,760,661	17,143,280	27.8%	1,523,003	3,237,658	212.6%	**2b**
Use of Money and Property	169,147	250,000	67.7%	153,945	15,202	9.9%	
Charges for Current Services	6,292,233	16,249,710	38.7%	7,125,488	(833,255)	-11.7%	
Miscellaneous Revenue	114,123	480,050	23.8%	163,086	(48,963)	-30.0%	
Total Revenues:	12,500,577	53,448,860		64,196,673	(51,696,096)		
Other Financing Sources	21,366,520	42,733,040	50.0%	20,215,395	1,151,125	5.7%	
Total Revenues and Other Financing Sources	$ 33,867,097	$ 96,181,900		$ 84,412,068	$ (50,544,971)		
Mass Transit Expenditures:							
Community Enrichment & Development							
Transportation	$ 38,171,754	$ 83,056,200	46.0%	$ 35,462,167	$ 2,709,587	7.6%	**2c**
Total Community Enrichment & Development	38,171,754	83,056,200		35,462,167	2,709,587		
Capital Exenditures	918,144	15,878,500	5.8%	44,384,682	(43,466,538)	-97.9%	**2a**
Total Expenditures & Other Financing Uses	$ 39,089,898	$ 98,934,700		$ 79,846,849	$ (40,756,951)		

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE SIX MONTHS ENDED DECEMBER 31,2013

	Fiscal Year 2014 Actual	Fiscal Year 2014 Total FY Budget	% Budget	Fiscal Year 2013 Actual	$ Change CFY vs PFY	% Change CFY vs PFY	
HURF Revenues and Other Financing Sources:	Straight-line Budget (December, 31):		50.0%				
Revenues:							
Licenses and Permits	$ 128,639	$		$ 43,250	$ 85,389	197.4%	
Other Agencies	13,128,657	34,042,290	38.6%	10,099,885	3,028,772	30.0%	**3a**
Use of Money and Property	768,137	335,000	229.3%	242,479	525,658	216.8%	
Charges for Current Services	353,920	542,000	65.3%	325,917	28,003	8.6%	
Miscellaneous Revenue	1,221,459	3,200,000		2,338,758	(1,117,299)	-47.8%	**3b**
Total Revenues	$ 15,600,812	$ 38,119,290		$ 13,050,289	$ 2,550,523		
HURF Expenditures:							
Public Safety & Justice Services							
Neighborhood Resources Department	$ 46,367			$ 18,924	27,443	145.0%	
Total Public Safety & Justice Services	46,367			18,924	27,443		
Community Enrichment and Development							
Transportation	13,558,376	32,561,860	41.6%	14,187,339	(628,963)	-4.4%	
Total Community Enrichment and Development	13,558,376	32,561,860		14,187,339	(628,963)		
Non-Departmental							
Outside Agencies	50,290	100,580	50.0%	25,145	25,145	100.0%	
Total Non-Departmental	50,290	100,580		25,145	25,145		
Capital Expenditures	16,245	583,570	2.8%		16,245		
Capital Projects	1,716,804	2,121,700	80.9%	203,940	1,512,864	741.8%	**3c**
Debt Service and Fiscal Agent Fees				170,735	(170,735)	-100.0%	
Other Financing Uses		10,413,290	0.0%				
Total Expenditures & Other Financing Uses	$ 15,388,082	$ 45,781,000		$ 14,606,083	$ 781,999		

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
December 31, 2013

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
ASSETS AND DEFERRED OUTFLOWS			
Assets			
Current assets:			
Pooled Cash and Investments	$ 52,962,412	$ 31,101,110	$ 4,450
Cash and Investments - Restricted	8,019,887		
Cash and Investments with Fiscal Agent - Restricted	20,651,897		
Accounts Receivable, Net	12,361,189	4,066,148	21,666
Due from Other Agencies		12,998	
Interest Receivable	91,986	57,575	
Inventories	3,392,128		139,329
Other Assets	413,632		
Total current assets	97,893,131	35,237,831	165,445
Noncurrent assets:			
Long Term Accounts Receivable	451,895		
Other Assets - Restricted	229,834		
Land and Construction in Progress	200,667,579	11,196,009	2,701,865
Other Capital Assets, Net	993,739,711	18,477,245	13,352,727
Water Rights	52,126,968		
Total noncurrent assets	1,247,215,987	29,673,254	16,054,592
Total assets	1,345,109,118	64,911,085	16,220,037
Deferred Outflows			
Unamortized Loss on Refunding	13,704,589		
Total deferred outflows	13,704,589		
Total assets and deferred outflows	1,358,813,707	64,911,085	16,220,037
LIABILITIES AND DEFERRED INFLOWS			
Liabilities			
Current liabilities:			
Accounts Payable	1,509,391	93,034	21,310
Accrued Payroll Liabilities	1,497,366	586,569	105,910
Interfund Payable			802,512
Due to Other Agencies		1,598	
Accrued Interest Payable			6,390
Refundable Deposits	2,759,476	57,318	
Current Portion of Bonds Payable	32,953,828		
Current Portion of Contracts Payable		121,000	
Current Portion of Compensated Absences	1,744,436	608,131	89,858
Liabilities Payable from Restricted Assets	1,358,477		
Advances From Customers			172,290
Current Portion of Long Term Liabilities		740,330	
Total current liabilities	41,822,974	2,207,980	1,198,270

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
December 31, 2013

LIABILITIES AND DEFERRED INFLOWS (continued)

Noncurrent liabilities:			
Bonds Payable	517,488,994		
Contracts Payable		10,593,000	
Compensated Absences	1,889,495	701,672	93,821
Other-Post-employment Benefits	972,264	419,502	45,706
Loans and Notes Payable			7,369,981
Long Term Liabilties		44,220,917	
Total non-current liabilities	520,350,753	55,935,091	7,509,508
Total liabilities	562,173,727	58,143,071	8,707,778
Deferred Inflows			
Unavailable Revenue	69,590		
Total deferred inflows	69,590		
Total liabilities and deferred inflows	562,243,317	58,143,071	8,707,778
NET POSITION			
Net Investment in capital assets	717,921,746	18,959,254	16,054,592
Amounts Restricted for:			
Debt Service	20,651,897		
Unrestricted Amounts (deficit)	57,996,747	(22,984,227)	(8,542,333)
Closure/Post Closure Liability		4,846,387	
New Landfill Cell Construction		5,946,600	
Total net position	$ 796,570,390	$ 6,768,014	$ 7,512,259

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER UTILITY FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Fiscal Year 2014 Actual	Fiscal Year 2013 Actual	$ Change CFY vs PFY	% Change CFY vs PFY	
Operating revenues:					
Charges for Services	$ 81,223,749	$ 73,161,784	$ 8,061,965	11.0%	**4a**
Miscellaneous	250,638	473,882	(223,244)	-47.1%	
Total operating revenues	81,474,387	73,635,666	7,838,721		
Operating expenses:					
Personal Services	17,497,107	17,243,312	253,795	1.5%	
Contractual Services	31,910,411	27,969,639	3,940,772	14.1%	**4b**
Commodities	3,967,777	4,138,440	(170,663)	-4.1%	
Depreciation/Amortization	15,054,509	14,384,190	670,319	4.7%	
Total operating expenses	68,429,804	63,735,581	4,694,223		
Operating Income (Loss)	13,044,583	9,900,085	3,144,498		
Nonoperating revenues (expenses):					
Investment Income	382,497	210,326	172,171	81.9%	
Gain (Loss) on Sale of Property/Equipment	154,204	(159,670)	313,874	-196.6%	
Federal Grants and Contributions		147	(147)	-100.0%	
Interest Expense	(8,451,474)	(10,490,824)	2,039,350	-19.4%	**4c**
Non-Grant Contributions	1,138,039		1,138,039	0.0%	
Amortization of Cost Issuance		(185,063)	185,063	-100.0%	
Other Nonoperating Income (Expenses)	(388,050)	(351,635)	(36,415)	10.4%	
Total nonoperating revenues (expenses)	(7,164,784)	(10,976,719)	3,811,935		
Income (loss) before capital contributions and transfers	5,879,799	(1,076,634)	6,956,433		
Capital Contributions	1,349,269	1,531,931	(182,662)	-11.9%	
Transfers Out	(533,333)	(800,000)	266,667	-33.3%	
Changes in net position	6,695,735	(344,703)	7,040,438		
Total net position, beginning of year	789,874,655	766,475,908	23,398,747		
Total net position, December 31	$ 796,570,390	$ 766,131,205	$ 30,439,185		

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENVIRONMENTAL SERVICES FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Fiscal Year 2014 Actual	Fiscal Year 2013 Actual	$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	$ 24,189,622	$ 24,303,012	$ (113,390)	-0.5%
Miscellaneous	675,067	553,001	122,066	22.1%
Total operating revenues	24,864,689	24,856,013	8,676	
Operating expenses:				
Personal Services	7,451,755	7,851,179	(399,424)	-5.1%
Contractual Services	8,504,006	8,566,418	(62,412)	-0.7%
Commodities	2,287,930	2,577,238	(289,308)	-11.2%
Depreciation/Amortization	2,584,425	2,732,589	(148,164)	-5.4%
Total operating expenses	20,828,116	21,727,424	(899,308)	
Operating Income (Loss)	4,036,573	3,128,589	907,984	
Nonoperating revenues (expenses):				
Investment Income	97,749	42,751	54,998	128.6%
Gain (Loss) on Sale of Property/Equipment	296,823	402,466	(105,643)	-26.2%
Other Agencies	39,999	121,179	(81,180)	-67.0%
Interest Expense		(14,421)	14,421	-100.0%
Amortization of Cost Issuance		(8,953)	8,953	-100.0%
Total nonoperating revenues (expenses)	434,571	543,022	(108,451)	
Income (loss) before capital contributions and transfers	4,471,144	3,671,611	799,533	
Changes in net position	4,471,144	3,671,611	799,533	
Total net position, beginning of year	2,296,870	(3,479,259)	5,776,129	
Total net position, December 31	$ 6,768,014	$ 192,352	$ 6,575,662	

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
TUCSON GOLF ENTERPRISE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Fiscal Year 2014 Actual	Fiscal Year 2013 Actual	$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	$ 2,547,772	$ 2,481,313	$ 66,459	2.7%
Miscellaneous	7,721	245	7,476	3051.4%
Total operating revenues	2,555,493	2,481,558	73,935	
Operating expenses:				
Personnel Services	1,420,874	1,549,954	(129,080)	-8.3%
Contractual Services	1,196,421	1,134,805	61,616	5.4%
Commodities	538,024	538,308	(284)	-0.1%
Cost of Goods Sold	83,654	77,849	5,805	7.5%
Depreciation/Amortization	349,042	354,299	(5,257)	-1.5%
Total operating expenses	3,588,015	3,655,215	(67,200)	
Operating Income (Loss)	(1,032,522)	(1,173,657)	141,135	
Nonoperating revenues (expenses):				
Investment Income		3,747	(3,747)	-100.0%
Interest Expense	(17,612)	(23,852)	6,240	-26.2%
Total nonoperating revenues (expenses)	(17,612)	(20,105)	2,493	
Income (loss) before capital contributions and transfers	(1,050,134)	(1,193,762)	143,628	
Changes in net position	(1,050,134)	(1,193,762)	143,628	
Total net position, beginning of year	8,562,393	6,359,649	2,202,744	
Total net position, December 31	$ 7,512,259	$ 5,165,887	$ 2,346,372	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2013

	Fleet Services	Self Insurance	General Services
Operating revenues:			
Charges for Services	$ 12,401,813	$ 6,724,992	$ 8,604,709
Miscellaneous	140,614	7,429	1,719
Total operating revenues	12,542,427	6,732,421	8,606,428
Operating expenses:			
Personal Services	2,984,504	576,682	4,444,995
Contractual Services	3,006,366	1,797,999	2,782,319
Commodities	6,964,418	68,797	1,024,966
Benefits and Claims		5,597,649	
Depreciation	1,068,233	6,981	247,994
Total operating expenses	14,023,521	8,048,108	8,500,274
Operating income (loss)	(1,481,094)	(1,315,687)	106,154
Nonoperating revenues (expenses):			
Property Taxes		1,484,418	
Investment Income	2,181		10,410
Gain (loss) on Sale of Property/Equipment	3,933		
Federal Non Grant Contributions			131,412
Interest Expense		(14,251)	(350,000)
Total nonoperating revenues (expenses)	6,114	1,470,167	(208,178)
Income (loss) before capital contributions and transfers	(1,474,980)	154,480	(102,024)
Capital Contributions	25,335		
Transfers Out			(6,146,153)
Changes in net position	(1,449,645)	154,480	(6,248,177)
Total net position, beginning of year	10,361,694	(12,635,103)	(1,974,255)
Total net position, December 31	$ 8,912,049	$ (12,480,623)	$ (8,222,432)

City of Tucson, Arizona
Variance Explanations
For December 2013

General Fund (pg. 2):

(1a) Business Privilege tax collections are slightly behind last fiscal year collections by about 1%.

(1b) In FY13, $6,691,590.37 of secondary taxes were recorded in the General Fund that should have been recorded in the General Obligation Bond and Interest Fund. This transaction was corrected in January of 2013.

(1c) The Urban Revenue Sharing from State Shared Income Tax increased by $408,174.66 per month over the previous year.

(1d) Due to an increase in citations, the revenues for court fees and fines have increased over 1.6 million dollars. Defensive Driving increased $267,140, Court Base Fines increased $383,496, Photo fines increased $124,674, and Case Processing Fees increased $342,816. The City Prosecutor Diversion Program's revenues increased $212,943 and the City Civil revenues increased $115,246. The $166,911 in revenues for Arizona Criminal Justice Commission were posted in October for this fiscal year compared to January in the last fiscal year.

(1e) Planning and Development Service decreased $1,232,902 in revenues for permits, building plan reviews and other services compared to the previous year. This is due to the permits needed last fiscal year for construction of a large student housing building and some Walmart projects. This fiscal year's Fire department medical transports have a decrease in the number of trips compared to last year, decreasing the revenue by $1,026,248.

(1f) With the implementation of the new HR/Payroll system, Workman's Compensation, public liability, and unemployment insurance will be expensed each pay period over this fiscal year. In the last fiscal year the department was charged in the beginning of the year for the full amount instead of each month. Through December the expenditures decreased $1,300,676 over the last fiscal year due to this policy change. Pension increased $799,423 compared to last year. The monthly maintenance expense for all the departments is being paid in one central location in General Services instead of the individual departments due to a change in policy. The decrease in expenses compared to last year is $448,150.

(1g) With the implementation of the new HR/Payroll system, Workman's Compensation, public liability, and unemployment insurance will be expensed each pay period over this fiscal year. In the last fiscal year the department was charged in the beginning of the year for the full amount instead of each month. Through December the expenditures decreased $3,074,902 over the last fiscal year. Overtime decreased $542,509 compared to last fiscal year due to the training that was needed last year for the new computer aided dispatch software. Police Pension increased $888,655 compared to last year. The monthly maintenance expense for all the departments is being paid in one central location in General Services instead of Police due to a change in policy. The variance is $694,015 less than last year.

(1h) With the implementation of the new HR/Payroll system, Workman's Compensation, public liability, and unemployment insurance will be expensed each pay period over this fiscal year. In the last fiscal year the department was charged in the beginning of the year for the full amount instead of each month. Through December the expenditures decreased $569,729 over the last fiscal year due to this policy change. The monthly maintenance expense for all the departments is being paid in one central location in General Services instead of each department. The decrease from last year for this change is $1,131,965.

(1i) In the last fiscal year, transportation paid outside contractors $620,637 for a paving project on Oracle, between Miracle Mile and Drachman and $351,247 for road Maintenance on Stone, between River and Wetmore. Also, in December of the prior year $974,881 was paid for the overlay of Mission Road between Ajo and Starpass. $202,033 for chip sealing material was also purchased last fiscal year for use on Golf Links and Harrison.

(1j) Finance spent $2,000,000 on the new payroll software system this fiscal year that was not spent last year.

(1k) For this fiscal year all general funded facility costs were moved to one central location under General Services instead of the individual departments. This is a total of $2,961,749 in additional expenses for this fiscal year in this department compared to last fiscal year.

Mass Transit (pg. 3):

(2a) Modern Streetcar construction project and replacement buses are completed. $33,247,332 and $14,871,531 was spent on the Modern Streetcar and replacement buses respectively as of December 31, 2012.

(2b) RTA Billings are occurring more timely compared to FY13 and additional grant money of $716k for the operation of the Modern Streetcar .

(2c) Operating expenditures increased by $2.65M due to repairs and maintenance of vehicles and supplies, printing of transfer tickets, software upgrade, transit survey, auto insurance, employee benefits, gas and diesel fuel and additional Modern Streetcar operating costs.

Highway User Revenue Fund (HURF) (pg. 3):

(3a) The HURF allocation from the State increased from last year.

(3b) FY13, period 5 received payment in the amount of $1,904,818.35 for the Sale of Plaza Centro Greyhound.

(3c) Houghton Road project expenditures.

Water Utility Fund (pg. 5):

(4a) Increase in Charges for Services represents increased Central Arizona Project (CAP) surcharges and Metered Sales.

(4b) Contractual Services increased due to CAP Commodity and Delivery charges of $3.1M.

(4c) Decrease in Interest Expense due to bond refunding.