



CITY OF  
TUCSON

ACCOUNTING  
DIVISION

Monthly Financial Statements  
For December 31, 2014

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 2014**

	Fiscal Year 2015			Fiscal Year 2014		
	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	\$ 6,866,136	13,599,560	50.5%	\$ 6,727,658	\$ 138,478	2.1%
Business Privilege Tax	75,971,022	192,114,160	39.5%	76,881,034	(910,012)	-1.2%
Other Local Taxes	18,232,942	43,617,780	41.8%	15,790,186	2,442,756	15.5% <b>1a</b>
Grants and Shared Taxes	1,803,093	4,633,260	38.9%	1,675,442	127,651	7.6%
State-Shared Income Tax Revenue	20,987,753	63,620,670	33.0%	19,342,276	1,645,477	8.5% <b>1b</b>
State-Shared Sales Tax	14,825,861	47,151,760	31.4%	14,150,672	675,189	4.8%
State Auto Lieu Tax	5,659,253	20,719,540	27.3%	5,547,186	112,067	2.0%
Licenses and Permits	6,597,889	20,531,520	32.1%	6,590,547	7,342	0.1%
Fines, Forfeitures, and Penalties	7,050,961	14,799,250	47.6%	6,439,393	611,568	9.5%
Use of Money and Property	153,827	433,020	35.5%	514,626	(360,799)	-70.1%
Charges for Current Services	19,606,621	42,006,590	46.7%	18,011,111	1,595,510	8.9% <b>1c</b>
Miscellaneous Revenue	3,803,338	4,613,640	82.4%	1,130,674	2,672,664	236.4% <b>1d</b>
Total Revenues:	181,558,696	467,840,750		172,800,805	8,757,891	
Other Financing Sources	800,000	1,600,000	50.0%	533,333	266,667	50.0%
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 182,358,696</b>	<b>\$ 469,440,750</b>		<b>\$ 173,334,138</b>	<b>\$ 9,024,558</b>	
General Fund Expenditures:						
Elected and Official						
101 Mayor and Council	\$ 1,214,731	\$ 2,566,510	47.3%	\$ 1,204,003	\$ 10,728	0.9%
103 City Manager	3,942,861	7,800,290	50.5%	3,944,663	(1,802)	0.0%
131 City Attorney	4,165,716	8,713,380	47.8%	4,095,174	70,542	1.7%
151 City Clerk	1,208,544	2,971,150	40.7%	2,170,909	(962,365)	-44.3% <b>1e</b>
<b>Total Elected and Official</b>	<b>10,531,852</b>	<b>22,051,330</b>		<b>11,414,749</b>	<b>(882,897)</b>	
Public Safety & Justice Services						
141 City Court	5,413,818	11,641,920	46.5%	5,117,030	296,788	5.8%
10E Equal Opportunity & Ind. Police Review				370,652	(370,652)	-100.0%
146 Public Defender	1,492,726	3,064,940	48.7%	1,431,614	61,112	4.3%
301 Tucson Fire	43,041,630	89,179,330	48.3%	41,644,960	1,396,670	3.4% <b>1f</b>
201 Tucson Police	72,331,783	147,438,290	49.1%	69,500,112	2,831,671	4.1% <b>1g</b>
<b>Total Public Safety &amp; Justice Services</b>	<b>122,279,957</b>	<b>251,324,480</b>		<b>118,064,368</b>	<b>4,215,589</b>	
Community Enrichment & Development						
114 Housing & Community Development	883,950	3,080,840	28.7%	2,482,671	(1,598,721)	-64.4% <b>1h</b>
145 Office of Integrated Planning	764,606	1,632,540	46.8%	163,541	601,065	367.5%
601 Parks and Recreation	18,251,299	36,051,250	50.6%	18,029,568	221,731	1.2%
174 Planning & Development Services	4,396,211	9,265,070	47.4%	3,524,953	871,258	24.7%
491 Transportation	999,643	2,021,260	49.5%	1,007,132	(7,489)	-0.7%
<b>Total Community Enrichment &amp; Development</b>	<b>25,295,709</b>	<b>52,050,960</b>		<b>25,207,865</b>	<b>87,844</b>	
Support Services						
126 Budget and Internal Audit	646,419	1,462,790	44.2%	746,680	(100,261)	-13.4%
120 Finance	6,021,745	10,181,420	59.1%	6,132,386	(110,641)	-1.8%
410 General Services	5,923,100	11,513,970	51.4%	4,117,504	1,805,596	43.9% <b>1i</b>
161 Human Resources	1,098,559	2,595,390	42.3%	1,148,768	(50,209)	-4.4%
155 Information Technology	8,745,605	17,131,390	51.1%	7,968,611	776,994	9.8%
135 Procurement	1,683,689	3,216,530	52.3%	1,580,019	103,670	6.6%
<b>Total Support Services</b>	<b>24,119,117</b>	<b>46,101,490</b>		<b>21,693,968</b>	<b>2,425,149</b>	
<b>Total Non-Departmental</b>	<b>8,122,009</b>	<b>22,827,750</b>	<b>35.6%</b>	<b>8,210,062</b>	<b>(88,053)</b>	<b>-1.1%</b>
<b>Capital Projects</b>	<b>1,642,100</b>	<b>6,061,710</b>	<b>27.1%</b>	<b>207,953</b>	<b>1,434,147</b>	<b>689.6% 1j</b>
<b>Debt Service and Fiscal Agent Fees</b>	<b>74,310</b>	<b>25,231,870</b>	<b>0.3%</b>	<b>247,101</b>	<b>(172,791)</b>	<b>-69.9%</b>
<b>Other Financing Uses</b>	<b>25,396,564</b>	<b>50,017,190</b>	<b>50.8%</b>	<b>23,170,346</b>	<b>2,226,218</b>	<b>9.6% 1k</b>
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$ 217,461,618</b>	<b>\$ 475,666,780</b>		<b>\$ 208,216,412</b>	<b>\$ 9,245,206</b>	

**CITY OF TUCSON, ARIZONA  
STATEMENT OF REVENUES AND EXPENDITURES  
MASS TRANSIT FUND  
FOR THE SIX MONTHS ENDED DECEMBER 2014**

	Fiscal Year 2015			Fiscal Year 2014		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Mass Transit Revenues and Other Financing Sources:	Straight-line Budget (December, 31):					
Revenues:						
Federal Grants and Contributions	\$ 10,744,444	\$ 26,415,740	40.7%	\$ 1,164,413	\$ 9,580,031	822.7% <b>2a</b>
Other Agencies	4,558,397	12,786,510	35.7%	4,760,661	(202,264)	-4.2%
Use of Money and Property	191,016	366,400	52.1%	169,147	21,869	12.9%
Charges for Current Services	6,595,604	15,253,680	43.2%	6,292,233	303,371	4.8%
Miscellaneous Revenue	133,140	328,200	40.6%	114,123	19,017	16.7%
Total Revenues:	<u>22,222,601</u>	<u>55,150,530</u>		<u>12,500,577</u>	<u>9,722,024</u>	
Other Financing Sources	<u>22,139,570</u>	<u>44,279,140</u>	50.0%	<u>21,366,520</u>	<u>773,050</u>	3.6%
<b>Total Revenues and Other Financing Sources</b>	<b><u>\$ 44,362,171</u></b>	<b><u>\$ 99,429,670</u></b>		<b><u>\$ 33,867,097</u></b>	<b><u>\$ 10,495,074</u></b>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 35,785,238	\$ 77,729,890	46.0%	\$ 38,171,754	\$ (2,386,516)	-6.3% <b>2b</b>
<b>Total Community Enrichment &amp; Development</b>	<u>35,785,238</u>	<u>77,729,890</u>		<u>38,171,754</u>	<u>(2,386,516)</u>	
<b>Capital Expenditures</b>	<u>9,575,001</u>	<u>21,550,810</u>	44.4%	<u>918,144</u>	<u>8,656,857</u>	942.9% <b>2a</b>
<b>Total Expenditures &amp; Other Financing Uses</b>	<b><u>\$ 45,360,239</u></b>	<b><u>\$ 99,280,700</u></b>		<b><u>\$ 39,089,898</u></b>	<b><u>\$ 6,270,341</u></b>	

**CITY OF TUCSON, ARIZONA  
STATEMENT OF REVENUES AND EXPENDITURES  
SUN LINK FUND  
FOR THE SIX MONTHS ENDED DECEMBER 2014**

	Fiscal Year 2015			Fiscal Year 2014		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Sun Link Revenues and Other Financing Sources:	Straight-line Budget (December, 31):					
Revenues:						
Other Agencies	\$	\$ 2,000,000		\$	\$	
Charges for Current Services	<u>541,066</u>	<u>1,296,390</u>	41.7%	<u>541,066</u>	<u>541,066</u>	
Total Revenues:	<u>541,066</u>	<u>3,296,390</u>		<u>541,066</u>	<u>541,066</u>	
Other Financing Sources	<u>830,531</u>	<u>905,170</u>	91.8%			
<b>Total Revenues and Other Financing Sources</b>	<b><u>\$ 1,371,597</u></b>	<b><u>\$ 4,201,560</u></b>		<b><u>\$ 541,066</u></b>	<b><u>\$ 541,066</u></b>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 1,849,223	\$ 4,201,560	44.0%	\$	\$	
<b>Total Community Enrichment &amp; Development</b>	<u>1,849,223</u>	<u>4,201,560</u>				
<b>Capital Expenditures</b>		<u>1,511,780</u>	0.0%			
<b>Total Expenditures &amp; Other Financing Uses</b>	<b><u>\$ 1,849,223</u></b>	<b><u>\$ 5,713,340</u></b>		<b><u>\$</u></b>	<b><u>\$</u></b>	

Sun Link was combined with Mass Transit in FY2014

**CITY OF TUCSON, ARIZONA  
STATEMENT OF REVENUES AND EXPENDITURES  
HIGHWAY USER REVENUE FUND (HURF)  
FOR THE SIX MONTHS ENDED DECEMBER 2014**

	Fiscal Year 2015			Fiscal Year 2014		
	Actual	Total FY Budget	% Budget	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	\$ 67,751	\$ 36,556,190	0.2%	\$ 128,639	\$ (60,888)	-47.3%
Other Agencies	14,278,035	36,556,190	39.1%	13,128,657	1,149,378	8.8% <b>3a</b>
Use of Money and Property	251,216	570,070	44.1%	768,137	(516,921)	-67.3% <b>3b</b>
Charges for Current Services	244,250	690,000	35.4%	353,920	(109,670)	-31.0%
Miscellaneous Revenue	1,030,152	239,800		1,221,459	(191,307)	-15.7%
<b>Total Revenues</b>	<u>\$ 15,871,404</u>	<u>\$ 74,612,250</u>		<u>\$ 15,600,812</u>	<u>\$ 270,592</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	13,263,502	28,530,830	46.5%	13,604,743	(341,241)	-2.5%
<b>Total Community Enrichment and Development</b>	<u>13,263,502</u>	<u>28,530,830</u>		<u>13,604,743</u>	<u>(341,241)</u>	
Non-Departmental						
Outside Agencies	50,290	100,580	50.0%	50,290		0.0%
<b>Total Non-Departmental</b>	<u>50,290</u>	<u>100,580</u>		<u>50,290</u>		
<b>Capital Expenditures</b>	10,000	668,200	1.5%	16,245	(6,245)	0.0%
<b>Capital Projects</b>	390,681	228,370	171.1%	1,716,804	(1,326,123)	-77.2% <b>3c</b>
<b>Other Financing Uses</b>		9,837,070	0.0%			0.0%
<b>Total Expenditures &amp; Other Financing Uses</b>	<u>\$ 13,714,473</u>	<u>\$ 39,365,050</u>		<u>\$ 15,388,082</u>	<u>\$ (1,673,609)</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUNDS**  
**December 31, 2014**

	<u>Water Utility Fund</u>	<u>Environmental Services</u>	<u>Tucson Golf Enterprise Fund</u>
<b><u>ASSETS AND DEFERRED OUTFLOWS</u></b>			
Assets			
Current assets:			
Pooled Cash and Investments	\$ 53,432,942	\$ 36,317,747	\$ 9,551
Cash and Investments - Restricted	21,735,875		
Cash and Investments with Fiscal Agent - Restricted	22,538,675		
Accounts Receivable, Net	9,535,038	3,451,365	308,467
Due from Other Agencies		51,737	
Interest Receivable	101,063	55,065	
Inventories	4,453,991		169,808
Other Assets	4,256,906		
<b>Total current assets</b>	<u>116,054,490</u>	<u>39,875,914</u>	<u>487,826</u>
Noncurrent assets:			
Long Term Accounts Receivable	239,372		
Other Assets - Restricted	1,819,794		
Land and Construction in Progress	210,119,788	13,052,165	2,701,865
Other Capital Assets, Net	1,000,871,294	18,622,947	13,145,015
Water Rights	52,126,968		
<b>Total noncurrent assets</b>	<u>1,265,177,216</u>	<u>31,675,112</u>	<u>15,846,880</u>
<b>Total assets</b>	<u>1,381,231,706</u>	<u>71,551,026</u>	<u>16,334,706</u>
Deferred Outflows			
Unamortized Loss on Refunding	12,446,004		
<b>Total deferred outflows</b>	<u>12,446,004</u>		
<b><u>LIABILITIES AND DEFERRED INFLOWS</u></b>			
Liabilities			
Current liabilities:			
Accounts Payable	1,887,912	334,764	52,450
Accrued Payroll Liabilities			
Interfund Payable			1,384,282
Due to Other Agencies			50,279
Accrued Interest Payable			2,108
Refundable Deposits	3,162,496	69,392	306
Current Portion of Bonds Payable	40,169,010		
Current Portion of Contracts Payable		124,000	
Current Portion of Compensated Absences	1,630,059	601,042	
Liabilities Payable from Restricted Assets	153,678		
Advances From Customers			77,523
Current Portion of Long Term Liabilities		737,937	
<b>Total current liabilities</b>	<u>47,003,155</u>	<u>1,867,135</u>	<u>1,566,948</u>

**CITY OF TUCSON, ARIZONA  
STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
December 31, 2014**

<b>LIABILITIES AND DEFERRED INFLOWS (continued)</b>	<u>Water Utility Fund</u>	<u>Environmental Services</u>	<u>Tucson Golf Enterprise Fund</u>
Noncurrent liabilities:			
Bonds Payable	524,239,450		
Contracts Payable		10,629,136	395,634
Compensated Absences	1,804,759	651,474	
Other-Post-employment Benefits	1,183,620	477,736	
Loans and Notes Payable			7,906,447
Long Term Liabilities		56,977,918	
<b>Total non-current liabilities</b>	<u>527,227,829</u>	<u>68,736,264</u>	<u>8,302,081</u>
<b>Total liabilities</b>	<u>574,230,984</u>	<u>70,603,399</u>	<u>9,869,029</u>
Deferred Inflows			
Unavailable Revenue	80,870		
<b>Total deferred inflows</b>	<u>80,870</u>		
<b>NET POSITION</b>			
Net Investment in capital assets	734,710,142	20,921,976	15,451,246
Restricted for Capital			
Amounts Restricted for:			
Debt Service	22,538,675		
Unrestricted Amounts (deficit)	62,117,039	(36,891,336)	(8,985,569)
Closure/Post Closure Liability		6,870,387	
New Landfill Cell Construction		10,046,600	
<b>Total net position</b>	<u>\$ 819,365,856</u>	<u>\$ 947,627</u>	<u>\$ 6,465,677</u>

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**WATER UTILITY FUND**  
**FOR THE SIX MONTHS ENDED DECEMBER, 2014**

	Fiscal Year 2015	Fiscal Year 2014	\$ Change CFY vs PFY	% Change CFY vs PFY	
	Actual	Actual			
<b>Operating revenues:</b>					
Charges for Services	\$ 85,484,954	\$ 81,474,387	\$ 4,010,567	4.9%	<b>4a</b>
<b>Total operating revenues</b>	<u>85,484,954</u>	<u>81,474,387</u>	<u>4,010,567</u>		
<b>Operating expenses:</b>					
Personal Services	17,395,898	17,497,107	(101,209)	-0.6%	
Contractual Services	34,105,988	31,910,411	2,195,577	6.9%	<b>4b</b>
Commodities	4,087,905	3,967,777	120,128	3.0%	
Depreciation/Amortization	15,600,145	15,054,509	545,636	3.6%	
<b>Total operating expenses</b>	<u>71,189,936</u>	<u>68,429,804</u>	<u>2,760,132</u>		
<b>Operating Income (Loss)</b>	<u>14,295,018</u>	<u>13,044,583</u>	<u>1,250,435</u>		
<b>Nonoperating revenues (expenses):</b>					
Investment Income(Loss)	(74,254)	382,497	(456,751)	-119.4%	
Gain (Loss) on Sale of Property/Equipment	200,252	154,204	46,048	29.9%	
Interest Expense	(9,702,820)	(8,451,474)	(1,251,346)	14.8%	<b>4d</b>
Non-Grant Contributions		1,138,039	(1,138,039)	-100.0%	<b>4c</b>
Other Nonoperating Income (Expenses)	(2,821,508)	(388,050)	(2,433,458)	627.1%	<b>4e</b>
<b>Total nonoperating revenues (expenses)</b>	<u>(12,398,330)</u>	<u>(7,164,784)</u>	<u>(5,233,546)</u>		
<b>Income (loss) before capital contributions and transfers</b>	<u>1,896,688</u>	<u>5,879,799</u>	<u>(3,983,111)</u>		
<b>Capital Contributions</b>	1,200,525	1,349,269	(148,744)	-11.0%	
<b>Transfers Out</b>	<u>(800,000)</u>	<u>(533,333)</u>	<u>(266,667)</u>	50.0%	
<b>Changes in net position</b>	<u>2,297,213</u>	<u>6,695,735</u>	<u>(4,398,522)</u>		
<b>Total net position, beginning of year</b>	817,068,643	789,874,656	27,193,987		
<b>Total net position</b>	<u>\$ 819,365,856</u>	<u>\$ 796,570,390</u>	<u>\$ 22,795,466</u>		

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**ENVIRONMENTAL SERVICES FUND**  
**FOR THE SIX MONTHS ENDED DECEMBER, 2014**

	Fiscal Year 2015		Fiscal Year 2014	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>Operating revenues:</b>				
Charges for Services	\$ 24,581,213	\$ 24,189,622	\$ 391,591	1.6%
Miscellaneous	517,095	675,067	(157,972)	-23.4%
<b>Total operating revenues</b>	<u>25,098,308</u>	<u>24,864,689</u>	<u>233,619</u>	
<b>Operating expenses:</b>				
Personal Services	7,576,129	7,451,755	124,374	1.7%
Contractual Services	8,486,467	8,504,006	(17,539)	-0.2%
Commodities	2,083,382	2,287,930	(204,548)	-8.9%
Depreciation/Amortization	1,813,158	2,584,425	(771,267)	-29.8%
<b>Total operating expenses</b>	<u>19,959,136</u>	<u>20,828,116</u>	<u>(868,980)</u>	
<b>Operating Income (Loss)</b>	<u>5,139,172</u>	<u>4,036,573</u>	<u>1,102,599</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income(Loss)	(77,839)	97,749	(175,588)	-179.6%
Gain (Loss) on Sale of Property/Equipment	453,990	296,823	157,167	52.9%
Other Agencies	57,306	39,999	17,307	43.3%
<b>Total nonoperating revenues (expenses)</b>	<u>433,457</u>	<u>434,571</u>	<u>(1,114)</u>	
<b>Income (loss) before capital contributions and transfers</b>	<u>5,572,629</u>	<u>4,471,144</u>	<u>1,101,485</u>	
<b>Changes in net position</b>	<u>5,572,629</u>	<u>4,471,144</u>	<u>1,101,485</u>	
<b>Total net position, beginning of year</b>	(4,625,002)	2,296,870	(6,921,872)	
<b>Total net position</b>	<u>\$ 947,627</u>	<u>\$ 6,768,014</u>	<u>\$ (5,820,387)</u>	

**City Of Tucson, Arizona**  
**Statement of Revenues, Expenses, and Change in Fund Net Position**  
**Tucson City Golf Fund - Budget to Actual**  
**For the Six Months Ended December 31, 2014**

	Randolph	El Rio	Silverbell	Enke	Combined	December 31 Total Straight- line Budget	% Budget 50%
<b>COURSE OPERATIONS:</b>							
<b>Operating revenues:</b>							
Green Fees	\$ 642,353	\$ 191,471	\$ 226,730	\$ 183,382	\$ 1,243,936	\$ 8,130,050	
Cart Rentals	232,810	104,906	91,188	110,044	538,948		
Driving Range	124,438	2,412	38,811	57,612	223,273		
Clubhouse	238,443	61,853	67,637	54,165	422,098		
Other Revenue	66,608	22,013	21,449	30,287	140,357		
<b>Total Operating Revenues</b>	<u>1,304,652</u>	<u>382,655</u>	<u>445,815</u>	<u>435,490</u>	<u>2,568,612</u>	<u>8,130,050</u>	<u>31.6%</u>
<b>Operating expenses:</b>							
Personnel Services	7,889	3,944	3,944	3,944	19,721		
Contractual Services	1,251,219	600,548	462,086	587,731	2,901,584	6,048,720	48.0%
Commodities	285,809	105,863	149,811	128,362	669,845	1,238,130	54.1%
Cost of Goods Sold	133,833	34,270	37,210	30,318	235,631	709,240	33.2%
Depreciation/Amortization	113,055	64,706	110,961	49,930	338,652		
<b>Total Operating Expenses</b>	<u>1,791,805</u>	<u>809,331</u>	<u>764,012</u>	<u>800,285</u>	<u>4,165,433</u>	<u>7,996,090</u>	<u>52%</u>
<b>Operating Income (Loss)</b>	<u>(487,153)</u>	<u>(426,676)</u>	<u>(318,197)</u>	<u>(364,795)</u>	<u>(1,596,821)</u>	<u>133,960</u>	
<b>Nonoperating revenues (expenses):</b>							
Interest Expense	(2,376)	(1,187)	(1,187)	(1,187)	(5,937)		
Other	211,996				211,996		
<b>Total nonoperating revenues (expenses)</b>	<u>209,620</u>	<u>(1,187)</u>	<u>(1,187)</u>	<u>(1,187)</u>	<u>206,059</u>		
<b>Income (Loss) before capital contributions and transfers</b>	<u>(277,533)</u>	<u>(427,863)</u>	<u>(319,384)</u>	<u>(365,982)</u>	<u>(1,390,762)</u>	<u>133,960</u>	
<b>Changes in net position</b>	<u>(277,533)</u>	<u>(427,863)</u>	<u>(319,384)</u>	<u>(365,982)</u>	<u>(1,390,762)</u>	<u>\$ 133,960</u>	
<b>Total net position, beginning of year</b>	2,396,795	2,099,272	1,565,553	1,794,819	7,856,439		
<b>Total net position</b>	<u>\$ 2,119,262</u>	<u>\$ 1,671,409</u>	<u>\$ 1,246,169</u>	<u>\$ 1,428,837</u>	<u>\$ 6,465,677</u>		

Note: OB Sports and City of Tucson statements will not agree 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, 2014**

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
<b>Operating revenues:</b>			
Charges for Services	\$ 12,027,028	\$ 9,108,925	\$ 10,135,717
Miscellaneous	195,408	1,082	5,876
<b>Total operating revenues</b>	<u>12,222,436</u>	<u>9,110,007</u>	<u>10,141,593</u>
<b>Operating expenses:</b>			
Personal Services	2,956,205	537,649	4,395,884
Contractual Services	2,195,743	2,002,803	2,750,087
Commodities	6,588,910	38,945	884,530
Benefits and Claims		3,038,269	
Depreciation	841,312	7,918	35,518
<b>Total operating expenses</b>	<u>12,582,170</u>	<u>5,625,584</u>	<u>8,066,019</u>
<b>Operating income (loss)</b>	<u>(359,734)</u>	<u>3,484,423</u>	<u>2,075,574</u>
<b>Nonoperating revenues (expenses):</b>			
Property Taxes		738,822	
Investment Income	(5,868)	(20,520)	(11,497)
Gain (loss) on Sale of Property/Equipment			
Federal Non Grant Contributions			
Interest Expense			(360,000)
<b>Total nonoperating revenues (expenses)</b>	<u>(5,868)</u>	<u>718,302</u>	<u>(371,497)</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(365,602)</u>	<u>4,202,725</u>	<u>1,704,077</u>
<b>Capital Contributions</b>			
Transfers In			
Transfers Out			
<b>Changes in net position</b>	<u>(365,602)</u>	<u>4,202,725</u>	<u>1,704,077</u>
<b>Total net position, beginning of year</b>	8,632,069	(2,386,650)	(12,951,155)
<b>Total net position</b>	<u>\$ 8,266,467</u>	<u>\$ 1,816,075</u>	<u>\$ (11,247,078)</u>

**City of Tucson, Arizona  
Variance Explanations  
December 2014, Fiscal Year 2015**

**General Fund (pg. 2):**

- (1a) A TEP utility transaction for \$1.7 million was accrued from FY14 to FY13 reducing the FY14 revenues.
- (1b) The State-Shared Income Tax increased by \$411,369 per month for fiscal year 2015.
- (1c) Permit/Inspection fees and Review fees increased \$948,465 over last year due to more development. The Zoo's revenue increased \$348,913 because of added attractions which increased attendance. Police has an increase in Impound fees due to more impounds this fiscal year and a \$5 a day storage fee from a vendor that started last March. Special Duty revenues increased over last year.
- (1d) The City sold parcels of land at 22<sup>nd</sup> Street and I-10 and on Park and Tyndall for \$1.5 million each.
- (1e) The decrease in expenditures was due to election expenses in fiscal year 2014.
- (1f) Tucson Fire pension expenditures have increased over prior fiscal year by \$549,998. The rates for public liability and Workman's Compensation have increased \$299,296 over last year. Retirement sick leave payments and the sick leave buyback payouts increased by \$169,414.
- (1g) Tucson Police pension expenses have increased over last fiscal year by \$1,161,857. The rates for public liability and Workman's Compensation increased by \$825,278 compared to last fiscal year. Tucson Police made their \$206,047 lease payment for vehicles.
- (1h) Code Enforcement and Planning divisions' expenses were moved from Housing and Community Development for this fiscal year to other departments.
- (1i) Security Charges for City Hall and the TPD portion of wireless integrated network charges were paid by General Services this year which is a change from last fiscal year.
- (1j) Police has purchased 23 new vehicles for \$980,585.
- (1k) The subsidies to Mass Transit, TCC and Sun Link increased by \$312,285 per month.

**Mass Transit (pg. 3):**

- (2a) In FY15 \$9.0M has been spent on replacement buses.
- (2b) FY15 costs decreased by \$2.3M which consisted of: Fuel \$520K, Equip Repair & Maintenance of \$1.3M, Trapeze software \$249K, Transit Survey of \$65K, and Legal of \$166K.

**Highway User Revenue Fund (pg. 4):**

- (3a) The State's HURF allocation increased by \$1,149,378 from prior year.
- (3b) The use of money and property has decreased from prior year. This is due to receiving late payments totaling \$499,131 from Western Emulsion which were applied in periods 1 and 2 of FY14.
- (3c) Capital project expenses decreased from prior year. Approximately, \$1,648,493 was related to Houghton Road/Irvington to Valencia project (SR1E).

**Water Utility Fund (pg. 7):**

- (4a) At the beginning of FY15 water rates increased on Metered Sales.
- (4b) In FY15 a \$2.2M increase was due to Electricity and CAP commodity purchases.
- (4c) In FY14 \$1.1M in Build America Bond interest was received.
- (4d) Increase in interest is due to the Series 2014 bond issuance.
- (4e) In FY15 there are \$2.4M in CIP write offs.