



CITY OF
TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements
For February 28, 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, 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 Shane Oman, Finance Administrator, at (520) 837-4330.

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

	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 (February, 28): 66.7%					
Revenues:						
Primary Property Taxes	\$ 7,696,045	\$ 13,599,560	56.6%	\$ 7,488,758	\$ 207,287	2.8%
Business Privilege Tax	107,227,546	191,948,090	55.9%	108,356,660	(1,129,114)	-1.0%
Other Local Taxes	25,083,684	43,102,160	58.2%	21,401,079	3,682,605	17.2% 1a
Grants and Shared Taxes	2,861,483	3,496,260	81.8%	2,978,313	(116,830)	-3.9%
State-Shared Income Tax Revenue	31,481,629	63,620,670	49.5%	28,966,764	2,514,865	8.7% 1b
State-Shared Sales Tax	23,415,958	47,151,760	49.7%	22,538,392	877,566	3.9%
State Auto Lieu Tax	8,977,585	20,719,540	43.3%	8,777,837	199,748	2.3%
Licenses and Permits	12,399,877	19,894,500	62.3%	11,032,334	1,367,543	12.4% 1c
Fines, Forfeitures, and Penalties	10,107,648	11,988,830	84.3%	8,465,306	1,642,342	19.4% 1d
Use of Money and Property	135,408	226,670	59.7%	545,235	(409,827)	-75.2%
Charges for Current Services	26,654,530	36,378,590	73.3%	24,850,255	1,804,275	7.3% 1e
Miscellaneous Revenue	4,811,189	4,329,640	111.1%	1,694,995	3,116,194	183.8% 1f
Total Revenues:	260,852,582	456,456,270		247,095,928	13,756,654	
Other Financing Sources	1,066,667	1,600,000	66.7%	533,333	533,334	100.0%
Total Revenues and Other Financing Sources	\$ 261,919,249	\$ 458,056,270		\$ 247,629,261	\$ 14,289,988	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 1,591,867	\$ 2,566,510	62.0%	\$ 1,582,805	\$ 9,062	0.6%
City Manager	5,289,787	7,800,290	67.8%	5,379,989	(90,202)	-1.7%
City Attorney	5,142,561	8,713,380	59.0%	5,412,547	(269,986)	-5.0%
City Clerk	1,555,417	2,874,886	54.1%	2,582,184	(1,026,767)	-39.8% 1g
Total Elected and Official	13,579,632	21,955,066		14,957,525	(1,377,893)	
Public Safety & Justice Services						
City Court	7,216,313	11,641,920	62.0%	6,877,313	339,000	4.9%
Equal Opportunity & Ind. Police Review				481,847	(481,847)	-100.0%
Public Defender	1,942,965	3,064,940	63.4%	1,900,780	42,185	2.2%
Tucson Fire	57,024,965	89,179,330	63.9%	55,281,860	1,743,105	3.2% 1h
Tucson Police	95,911,287	147,451,510	65.0%	92,278,862	3,632,425	3.9% 1i
Total Public Safety & Justice Services	162,095,530	251,337,700		156,820,662	5,274,868	
Community Enrichment & Development						
Housing & Community Development	1,274,393	3,080,840	41.4%	2,950,241	(1,675,848)	-56.8% 1j
Office of Integrated Planning	1,010,710	1,632,540	61.9%	395,550	615,160	155.5%
Parks and Recreation	23,260,601	36,051,250	64.5%	23,080,691	179,910	0.8%
Planning & Development Services	5,804,133	9,265,070	62.6%	4,912,933	891,200	18.1%
Transportation	1,110,572	2,021,260	54.9%	1,274,868	(164,296)	-12.9%
Total Community Enrichment & Development	32,460,409	52,050,960		32,614,283	(153,874)	
Support Services						
Budget and Internal Audit	843,925	1,462,790	57.7%	968,634	(124,709)	-12.9%
Finance	7,315,410	10,181,420	71.9%	7,346,213	(30,803)	-0.4%
General Services	7,604,705	11,513,970	66.0%	5,564,512	2,040,193	36.7% 1k
Human Resources	1,443,066	2,595,390	55.6%	1,234,471	208,595	16.9%
Information Technology	11,093,252	17,131,390	64.8%	10,442,957	650,295	6.2%
Procurement	2,198,403	3,216,530	68.3%	2,066,919	131,484	6.4%
Total Support Services	30,498,761	46,101,490		27,623,706	2,875,055	
Total Non-Departmental	12,098,267	22,827,750	53.0%	12,045,060	53,207	0.4%
Capital Outlay	4,585,567	6,144,754	74.6%	1,062,866	3,522,701	331.4% 1l
Debt Service and Fiscal Agent Fees	5,512,321	25,231,870	21.8%	5,491,506	20,815	0.4%
Other Financing Uses	34,110,709	50,017,190	68.2%	30,965,138	3,145,571	10.2% 1m
Total Expenditures & Other Financing Uses	\$ 294,941,196	\$ 475,666,780		\$ 281,580,746	\$ 13,360,450	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE EIGHT MONTHS ENDED FEBRUARY, 2015**

	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 (February, 28): 66.7%					
Revenues:						
Federal Grants and Contributions	\$ 12,004,712	\$ 26,415,740	45.4%	\$ 1,509,275	\$ 10,495,437	695.4% 2a
Other Agencies	7,557,894	12,786,510	59.1%	8,314,534	(756,640)	-9.1%
Use of Money and Property	308,932	366,400	84.3%	269,709	39,223	14.5%
Charges for Current Services	8,776,087	15,253,680	57.5%	8,718,772	57,315	0.7%
Miscellaneous Revenue	191,661	328,200	58.4%	148,972	42,689	28.7%
Total Revenues:	<u>28,839,286</u>	<u>55,150,530</u>		<u>18,961,262</u>	<u>9,878,024</u>	
Other Financing Sources	<u>29,519,427</u>	<u>44,279,140</u>	66.7%	<u>28,488,693</u>	<u>1,030,734</u>	3.6%
Total Revenues and Other Financing Sources	<u>\$ 58,358,713</u>	<u>\$ 99,429,670</u>		<u>\$ 47,449,955</u>	<u>\$ 10,908,758</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 47,341,327	\$ 78,355,550	60.4%	\$ 49,792,886	\$ (2,451,559)	-4.9% 2b
Total Community Enrichment & Development	<u>47,341,327</u>	<u>78,355,550</u>		<u>49,792,886</u>	<u>(2,451,559)</u>	
Capital Outlay	<u>9,827,443</u>	<u>20,925,150</u>	47.0%	<u>1,220,740</u>	<u>8,606,703</u>	705.0% 2a
Total Expenditures	<u>\$ 57,168,770</u>	<u>\$ 99,280,700</u>		<u>\$ 51,013,626</u>	<u>\$ 6,155,144</u>	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK*
FOR THE EIGHT MONTHS ENDED FEBRUARY, 2015**

	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 (February, 28): 66.7%					
Revenues:						
Federal Grants and Contributions	\$	\$		\$	\$	
Other Agencies	68,990	2,000,000	3.4%		68,990	
Use of Money and Property						
Charges for Current Services	749,275	1,296,390	57.8%		749,275	
Miscellaneous Revenue	<u>4,533</u>	<u></u>		<u></u>	<u>4,533</u>	
Total Revenues:	<u>822,798</u>	<u>3,296,390</u>		<u></u>	<u>822,798</u>	
Other Financing Sources	<u>1,359,339</u>	<u>905,170</u>	150.2%	<u></u>	<u>1,359,339</u>	
Total Revenues and Other Financing Sources	<u>\$ 2,182,137</u>	<u>\$ 4,201,560</u>		<u>\$</u>	<u>\$ 2,182,137</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 2,776,220	\$ 5,713,340	48.6%	\$	\$ 2,776,220	
Total Community Enrichment & Development	<u>2,776,220</u>	<u>5,713,340</u>		<u></u>	<u>2,776,220</u>	
Total Expenditures	<u>\$ 2,776,220</u>	<u>\$ 5,713,340</u>		<u>\$</u>	<u>\$ 2,776,220</u>	

*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 EIGHT MONTHS ENDED FEBRUARY, 2015**

	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 (February, 28): 66.7%					
Revenues:						
Licenses and Permits	\$ 67,751	\$	0.0%	\$ 220,233	\$ (152,482)	-69.2%
Other Agencies	20,171,162	36,556,190	55.2%	18,557,584	1,613,578	8.7% 3a
Use of Money and Property	332,877	570,070	58.4%	855,942	(523,065)	-61.1%
Charges for Current Services	346,666	690,000	50.2%	418,645	(71,979)	-17.2%
Miscellaneous Revenue	1,067,503	239,800		1,366,885	(299,382)	-21.9%
Total Revenues	\$ 21,985,959	\$ 38,056,060		\$ 21,419,289	\$ 566,670	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	17,823,389	28,530,830	62.5%	17,423,198	400,191	2.3%
Total Community Enrichment and Development	17,823,389	28,530,830		17,423,198	400,191	
Non-Departmental						
Outside Agencies	50,290	100,580	50.0%	50,290		0.0%
Total Non-Departmental	50,290	100,580		50,290		
Capital Outlay	10,000	657,200	1.5%	39,663	(29,663)	-74.8%
Capital Projects	645,049	228,370	282.5%	2,041,172	(1,396,123)	-68.4% 3b
Other Financing Uses		9,837,070	0.0%			0.0%
Total Expenditures & Other Financing Uses	\$ 18,528,728	\$ 39,354,050		\$ 19,554,323	\$ (1,025,595)	

**CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
FEBRUARY 28, 2015**

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Current assets:			
Pooled Cash and Investments	\$ 49,874,898	\$ 35,915,019	\$ 9,550
Cash and Investments - Restricted	19,863,373		
Cash and Investments with Fiscal Agent - Restricted	19,955,419		
Accounts Receivable, Net	10,623,423	3,638,075	439,304
Due from Other Agencies		2,011	
Interest Receivable	158,399	89,936	
Inventories	4,225,798		185,115
Other Assets	4,256,905		
Total current assets	<u>108,958,215</u>	<u>39,645,041</u>	<u>633,969</u>
Noncurrent assets:			
Long Term Accounts Receivable	239,372		
Other Assets - Restricted	248,055		
Land and Construction in Progress	185,271,036	13,052,165	2,701,865
Other Capital Assets, Net	1,022,428,238	20,136,971	13,036,455
Water Rights	52,126,968		
Total noncurrent assets	<u>1,260,313,669</u>	<u>33,189,136</u>	<u>15,738,320</u>
Total assets	<u>1,369,271,884</u>	<u>72,834,177</u>	<u>16,372,289</u>
Deferred Outflows			
Unamortized Loss on Refunding	17,822,858		
Total deferred outflows	<u>17,822,858</u>		
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Liabilities			
Current liabilities:			
Accounts Payable	1,148,904	263,297	49,284
Accrued Payroll Liabilities		29	
Interfund Payable			997,805
Due to Other Agencies		703	63,642
Refundable Deposits	2,952,799	70,947	2,793
Current Portion of Bonds Payable	33,436,086		
Current Portion of Contracts Payable		124,000	
Current Portion of Compensated Absences	1,630,059	601,042	
Liabilities Payable from Restricted Assets	184,332		
Advances From Customers			74,352
Current Portion of Long Term Liabilities		737,937	
Total current liabilities	<u>39,352,180</u>	<u>1,797,955</u>	<u>1,187,876</u>
Noncurrent liabilities:			
Bonds Payable	529,753,453		
Contracts Payable		10,629,136	382,284
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	
Total non-current liabilities	<u>532,741,832</u>	<u>68,736,264</u>	<u>8,288,731</u>
Total liabilities	<u>572,094,012</u>	<u>70,534,219</u>	<u>9,476,607</u>
Deferred Inflows			
Unavailable Revenue	82,374		
Total deferred inflows	<u>82,374</u>		
<u>NET POSITION</u>			
Net Investment in capital assets	734,570,989	22,436,000	15,356,036
Amounts Restricted for:			
Debt Service	19,955,419		
Capital			
Unrestricted Amounts (deficit)	60,391,948	(37,053,029)	(8,460,354)
Closure/Post Closure Liability		6,870,387	
New Landfill Cell Construction		10,046,600	
Total net position	<u>\$ 814,918,356</u>	<u>\$ 2,299,958</u>	<u>\$ 6,895,682</u>

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER UTILITY FUND
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2015

	Fiscal Year 2015	Fiscal Year 2014	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 106,521,706	\$ 101,566,599	\$ 4,955,107	4.9% (4a)
Miscellaneous	1,270,748	634,990	635,758	100.1%
Total operating revenues	<u>107,792,454</u>	<u>102,201,589</u>	<u>5,590,865</u>	
Operating expenses:				
Personal Services	22,703,446	22,860,999	(157,553)	-0.7%
Contractual Services	41,479,826	41,706,641	(226,815)	-0.5%
Commodities	5,262,122	5,174,653	87,469	1.7%
Depreciation/Amortization	23,079,419	19,890,866	3,188,553	16.0%
Total operating expenses	<u>92,524,813</u>	<u>89,633,159</u>	<u>2,891,654</u>	
Operating Income (Loss)	<u>15,267,641</u>	<u>12,568,430</u>	<u>2,699,211</u>	
Nonoperating revenues (expenses):				
Investment Income	193,945	580,979	(387,034)	-66.6%
Gain (Loss) on Sale of Property/Equipment	224,161	123,025	101,136	82.2%
Non-Grant Contributions	367,309	1,138,039		0.0%
Interest Expense	(13,120,482)	(12,860,995)	(259,487)	2.0%
Other Nonoperating Income (Expenses)	(5,578,701)	(389,725)	(5,188,976)	1331.4% (4b)
Total nonoperating revenues (expenses)	<u>(17,913,768)</u>	<u>(11,408,677)</u>	<u>(6,505,091)</u>	
Income (loss) before capital contributions and transfers	<u>(2,646,127)</u>	<u>1,159,753</u>	<u>(3,805,880)</u>	
Capital Contributions	1,562,507	1,686,903	(124,396)	-7.4%
Transfers Out	<u>(1,066,667)</u>	<u>(1,066,667)</u>		0.0%
Changes in net position	<u>(2,150,287)</u>	<u>1,779,989</u>	<u>(3,930,276)</u>	
Total net position, beginning of year	817,068,643	789,874,655	27,193,988	
Total net position	<u>\$ 814,918,356</u>	<u>\$ 791,654,644</u>	<u>\$ 23,263,712</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENVIRONMENTAL SERVICES FUND
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2015

	Fiscal Year 2015	Fiscal Year 2014	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 32,053,301	\$ 31,406,790	\$ 646,511	2.1%
Miscellaneous	635,170	850,058	(214,888)	-25.3%
Total operating revenues	<u>32,688,471</u>	<u>32,256,848</u>	<u>431,623</u>	
Operating expenses:				
Personal Services	9,857,365	9,799,068	58,297	0.6%
Contractual Services	11,197,543	11,117,077	80,466	0.7%
Commodities	2,554,948	3,107,355	(552,407)	-17.8%
Depreciation/Amortization	2,348,995	3,376,951	(1,027,956)	-30.4%
Total operating expenses	<u>25,958,851</u>	<u>27,400,451</u>	<u>(1,441,600)</u>	
Operating Income (Loss)	<u>6,729,620</u>	<u>4,856,397</u>	<u>1,873,223</u>	
Nonoperating revenues (expenses):				
Investment Income	13,572	172,181	(158,609)	-92.1%
Gain (Loss) on Sale of Property/Equipment	370,291	252,661	117,630	46.6%
Federal Grants and Contributions	59,317	62,764	(3,447)	-5.5%
Interest Expense	(247,840)	(248,203)	363	-0.1%
Total nonoperating revenues (expenses)	<u>195,340</u>	<u>239,403</u>	<u>(44,063)</u>	
Changes in net position	<u>6,924,960</u>	<u>5,095,800</u>	<u>1,829,160</u>	
Total net position, beginning of year	(4,625,002)	2,296,870	(6,921,872)	
Total net position	<u>\$ 2,299,958</u>	<u>\$ 7,392,670</u>	<u>\$ (5,092,712)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2015

	Randolph	El Rio	Silverbell	Enke	Combined	February 28	
						Total Straight-	% Budget
						line Budget	67%
<u>COURSE OPERATIONS:</u>							
Operating revenues:							
Green Fees	\$ 900,690	\$ 277,102	\$ 339,397	\$ 252,107	\$ 1,769,296	\$ 8,130,050	
Cart Rentals	338,064	153,050	139,887	158,752	789,753		
Driving Range	177,957	3,820	57,026	82,610	321,413		
Clubhouse	289,537	90,343	99,286	82,020	561,186		
Other Revenue	330,788	91,541	125,020	98,686	646,035		
Total Operating Revenues	<u>2,037,036</u>	<u>615,856</u>	<u>760,616</u>	<u>674,175</u>	<u>4,087,683</u>	<u>8,130,050</u>	<u>50.3%</u>
Operating expenses:							
Personnel Services	10,759	5,379	5,379	5,379	26,896		
Contractual Services	1,579,950	754,770	609,096	736,315	3,680,131	6,048,720	60.8%
Commodities	319,824	127,532	176,915	153,823	778,094	1,238,130	62.8%
Cost of Goods Sold	181,800	45,953	52,667	41,796	322,216	709,240	45.4%
Depreciation/Amortization	149,308	85,424	146,540	65,940	447,212		
Total Operating Expenses	<u>2,241,641</u>	<u>1,019,058</u>	<u>990,597</u>	<u>1,003,253</u>	<u>5,254,549</u>	<u>7,996,090</u>	<u>66%</u>
Operating Income (Loss)	<u>(204,605)</u>	<u>(403,202)</u>	<u>(229,981)</u>	<u>(329,078)</u>	<u>(1,166,866)</u>	<u>133,960</u>	
Nonoperating revenues (expenses):							
Interest Expense	(2,417)	(1,208)	(1,208)	(1,208)	(6,041)		
Other	212,150				212,150		
Total nonoperating revenues (expenses)	<u>209,733</u>	<u>(1,208)</u>	<u>(1,208)</u>	<u>(1,208)</u>	<u>206,109</u>		
Changes in net position	<u>5,128</u>	<u>(404,410)</u>	<u>(231,189)</u>	<u>(330,286)</u>	<u>(960,757)</u>	<u>\$ 133,960</u>	
Total net position, beginning of year	2,396,795	2,099,272	1,565,553	1,794,819	7,856,439		
Total net position	<u>\$ 2,401,923</u>	<u>\$ 1,694,862</u>	<u>\$ 1,334,364</u>	<u>\$ 1,464,533</u>	<u>\$ 6,895,682</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 EIGHT MONTHS ENDED FEBRUARY 28, 2015

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 15,215,698	\$ 11,753,782	\$ 13,270,540
Miscellaneous	170,600	6,782	13,087
Total operating revenues	<u>15,386,298</u>	<u>11,760,564</u>	<u>13,283,627</u>
Operating expenses:			
Personal Services	3,852,590	748,728	5,689,551
Contractual Services	3,064,717	2,693,292	3,928,195
Commodities	8,267,346	52,442	1,165,714
Benefits and Claims		3,934,631	
Depreciation	1,110,464	10,396	45,672
Total operating expenses	<u>16,295,117</u>	<u>7,439,489</u>	<u>10,829,132</u>
Operating income (loss)	<u>(908,819)</u>	<u>4,321,075</u>	<u>2,454,495</u>
Nonoperating revenues (expenses):			
Property Taxes		832,966	
Investment Expense	(4,196)	(477,161)	(2,786)
Gain (loss) on Sale of Property/Equipment	73,006		
Federal Non Grant Contributions			158,460
Interest Expense			(360,000)
Total nonoperating revenues (expenses)	<u>68,810</u>	<u>355,805</u>	<u>(204,326)</u>
Income (loss) before capital contributions and transfers	<u>(840,009)</u>	<u>4,676,880</u>	<u>2,250,169</u>
Changes in net position	<u>(840,009)</u>	<u>4,676,880</u>	<u>2,250,169</u>
Total net position, beginning of year	8,632,069	(2,386,650)	(12,951,155)
Total net position	<u>\$ 7,792,060</u>	<u>\$ 2,290,230</u>	<u>\$ (10,700,986)</u>

**City of Tucson, Arizona
Variance Explanations
For February, 2015**

General Fund:

- (1a) Utility revenue for \$1.7 million was accrued from fiscal year 2014 to fiscal year 2013 reducing the fiscal year 2014 revenues. Business license refunded \$1.0 million back to a customer in fiscal year 2014.
- (1b) The allocation of state-shared income tax revenue increased by \$411,369 per month for fiscal year 2015.
- (1c) The new municipal tax license fee approved by Mayor and Council for this fiscal year has increased revenue \$390,154. The franchise fee on the gross sales for the utility companies increased \$312,197 this year.
- (1d) The court base fine collection increased \$929,013 this year. The police department received \$554,841 from the Arizona Attorney General's forfeiture funds.
- (1e) Inspection fees and review fees increased \$968,481 over last year due to more development. The Reid Park Zoo's revenue increased \$252,055 over last year, because of added attractions which increased attendance. The police impound fees increased \$268,514 this fiscal year and in addition they had earnings from a \$5 a day storage fee from a vendor that started in March 2014. The fire department's transport revenue increased \$246,103 this fiscal year.
- (1f) The City sold parcels of land at 22nd Street and I-10 and on Park and Tyndall for \$1.5 million each.
- (1g) The decrease in expenditures was due to election expenses in fiscal year 2014, versus no election expenses in fiscal year 2015.
- (1h) Tucson Fire pension expense has increased over prior fiscal year by \$737,000. The rates for public liability and workers' compensation increased \$484,303 compared to last fiscal year. Retirement sick leave payments and sick leave buyback payouts increased \$187,506 over the prior fiscal year.
- (1i) Tucson Police pension expense has increased \$1.4 million over last fiscal year. The rates for public liability and workers' compensation increased the expense by \$1.0 million compared to the prior fiscal year. Police lease payments for vehicles was \$206,046 more than prior fiscal year. Salary and overtime increased \$463,852.
- (1j) Code Enforcement and Planning divisions' expenses were moved from Housing and Community Development to Planning & Development Services and Office of Integrated Planning.
- (1k) Security Charges for City Hall and the Tucson Police portion of wireless integrated network charges were paid by General Services this year which is a change from last fiscal year rather than the individual departments as in fiscal year 2014.
- (1l) Police purchased 23 new vehicles for \$980,585. The City Clerk's office purchased new election equipment for \$1.3 million this year. General Services Department purchased replacement vehicles for \$1.1 million.

- (1m) The subsidies to Mass Transit, TCC and Sun Link increased \$406,772 per month over the prior fiscal year.

Mass Transit:

- (2a) In fiscal year 2015, \$9 million has been spent on replacement buses.
- (2b) In fiscal year 2015, transportation costs decreased by \$2.4 million of which the majority was from fuel \$900,000 and repairs & maintenance of \$1.2 million.

Highway User Revenue Fund:

- (3a) Other Agencies revenues are generated from state-collected gasoline tax. The state distribution is higher in fiscal year 2015 as compared to fiscal year 2014.
- (3b) Capital project expenses decreased from prior year mainly due to a large decrease on the Houghton Road/Irvington to Valencia project.

Water Utility Fund:

- (4a) Water rates were increased July 1, 2014 on metered sales.
- (4b) A reclassification of capital improvement projects has resulted in an adjustment to prior year balances, recorded as Other Nonoperating Income (Expense).