



## CITY OF TUCSON

ACCOUNTING  
DIVISION

### Monthly Financial Statements For February 29, 2016

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 or [Shane.Oman@tucsonaz.gov](mailto:Shane.Oman@tucsonaz.gov).

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**GENERAL FUND**  
**FOR THE EIGHT MONTHS ENDED FEBRUARY, 2016**

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual*	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>General Fund Revenues and Other Financing Sources:</b>		Straight-line Budget	66.7%			
<b>Revenues:</b>						
Primary Property Taxes	\$ 8,225,029	\$ 14,350,250	57.3%	\$ 7,696,045	\$ 528,984	6.9%
Business Privilege Tax	128,115,102	197,118,630	65.0%	124,379,995	3,735,107	3.0%
Other Local Taxes	28,891,028	40,308,200	71.7%	26,966,910	1,924,118	7.1%
Grants and Shared Taxes	3,922,839	4,925,650	79.6%	2,326,230	1,596,609	68.6%
State-Shared Income Tax Revenue	41,747,932	63,205,510	66.1%	41,975,506	(227,574)	-0.5%
State-Shared Sales Tax	32,578,207	48,935,140	66.6%	30,976,172	1,602,035	5.2%
State Auto Lieu Tax	14,323,522	21,968,250	65.2%	12,636,877	1,686,645	13.3%
Licenses and Permits	20,956,764	28,349,160	73.9%	21,479,455	(522,691)	-2.4%
Fines, Forfeitures, and Penalties	8,013,913	14,331,870	55.9%	10,107,648	(2,093,735)	-20.7%
Use of Money and Property	409,467	648,930	63.1%	135,408	274,059	202.4%
Charges for Current Services	27,101,785	39,053,170	69.4%	24,611,512	2,490,273	10.1%
Miscellaneous Revenue	1,500,292	10,382,120	14.5%	4,811,189	(3,310,897)	-68.8%
<b>Total Revenues:</b>	<u>315,785,880</u>	<u>483,576,880</u>		<u>308,102,947</u>	<u>7,682,933</u>	
<b>Other Financing Sources</b>	<u>1,066,667</u>	<u>1,600,000</u>	66.7%	<u>1,066,667</u>		
<b>Total Revenues and Other Financing Sources</b>	<u>\$ 316,852,547</u>	<u>\$ 485,176,880</u>		<u>\$ 309,169,614</u>	<u>\$ 7,682,933</u>	
<b>General Fund Expenditures:</b>						
Elected and Official						
Mayor and Council	\$ 1,643,812	\$ 2,464,880	66.7%	\$ 1,591,867	\$ 51,945	3.3%
City Manager	3,201,172	4,728,240	67.7%	5,289,787	(2,088,615)	-39.5%
City Attorney	4,923,659	7,717,080	63.8%	5,142,561	(218,902)	-4.3%
City Clerk	2,006,564	3,773,960	53.2%	1,555,417	451,147	29.0%
<b>Total Elected and Official</b>	<u>11,775,207</u>	<u>18,684,160</u>		<u>13,579,632</u>	<u>(1,804,425)</u>	
Public Safety & Justice Services						
City Court	6,894,024	11,669,160	59.1%	7,216,313	(322,289)	-4.5%
Public Defender	1,977,088	3,091,610	64.0%	1,942,965	34,123	1.8%
Tucson Fire	63,852,969	93,856,190	68.0%	57,024,965	6,828,004	12.0% <b>1a</b>
Tucson Police	101,858,634	156,767,250	65.0%	95,911,287	5,947,347	6.2% <b>1a</b>
<b>Total Public Safety &amp; Justice Services</b>	<u>174,582,715</u>	<u>265,384,210</u>		<u>162,095,530</u>	<u>12,487,185</u>	
Community Enrichment & Development						
Housing & Community Development	1,426,664	2,594,780	55.0%	1,274,393	152,271	11.9%
Office of Integrated Planning	1,054,216	1,780,980	59.2%	1,010,710	43,506	4.3%
Parks and Recreation	22,824,858	35,728,200	63.9%	23,260,601	(435,743)	-1.9%
Planning & Development Services	5,536,185	8,482,250	65.3%	5,804,133	(267,948)	-4.6%
Transportation	1,208,307	2,777,320	43.5%	1,110,572	97,735	8.8%
<b>Total Community Enrichment &amp; Development</b>	<u>32,050,230</u>	<u>51,363,530</u>		<u>32,460,409</u>	<u>(410,179)</u>	
Support Services						
Budget and Internal Audit	832,200	1,293,020	64.4%	843,925	(11,725)	-1.4%
Finance	5,669,816	8,246,560	68.8%	7,315,410	(1,645,594)	-22.5%
General Services	7,122,840	10,587,550	67.3%	7,604,705	(481,865)	-6.3%
Human Resources	1,403,451	2,394,950	58.6%	1,443,066	(39,615)	-2.7%
Information Technology	13,084,105	19,539,620	67.0%	11,093,252	1,990,853	17.9%
Procurement	2,083,163	2,915,060	71.5%	2,198,403	(115,240)	-5.2%
<b>Total Support Services</b>	<u>30,195,575</u>	<u>44,976,760</u>		<u>30,498,761</u>	<u>(303,186)</u>	
<b>Total General Government</b>	<u>12,768,240</u>	<u>27,532,840</u>	46.4%	<u>12,098,267</u>	<u>669,973</u>	5.5%
<b>Capital Outlay</b>	<u>706,611</u>	<u>3,025,800</u>	23.4%	<u>4,579,792</u>	<u>(3,873,181)</u>	-84.6%
<b>Capital Projects</b>	<u>329,777</u>	<u>1,031,800</u>	32.0%	<u>5,775</u>	<u>324,002</u>	5610.4%
<b>Debt Service and Fiscal Agent Fees</b>	<u>5,198,969</u>	<u>23,884,000</u>	21.8%	<u>5,512,321</u>	<u>(313,352)</u>	-5.7%
<b>Other Financing Uses</b>	<u>35,777,604</u>	<u>52,571,400</u>	68.1%	<u>34,110,709</u>	<u>1,666,895</u>	4.9%
<b>Total Expenditures &amp; Other Financing Uses</b>	<u>\$ 303,384,928</u>	<u>\$ 488,454,500</u>		<u>\$ 294,941,196</u>	<u>\$ 8,443,732</u>	

\*In order to align year-to-year comparisons and revenue reporting, fiscal year 2015 numbers have been revised to eliminate revenue accrual transactions.

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**MASS TRANSIT FUND**  
**FOR THE EIGHT MONTHS ENDED FEBRUARY, 2016**

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>Mass Transit Revenues and Other Financing Sources:</b>	Straight-line Budget		66.7%			
<b>Revenues:</b>						
Federal Grants and Contributions	\$14,168,657	\$ 28,303,470	50.1%	\$ 12,004,712	\$ 2,163,945	18.0%
Other Agencies	7,379,307	13,829,020	53.4%	7,557,894	(178,587)	-2.4%
Use of Money and Property	334,803	360,000	93.0%	308,932	25,871	8.4%
Charges for Current Services	5,939,942	13,156,630	45.1%	8,776,087	(2,836,145)	-32.3%
Miscellaneous Revenue	181,837	100,370	181.2%	191,661	(9,824)	-5.1%
<b>Total Revenues:</b>	<u>28,004,546</u>	<u>55,749,490</u>		<u>28,839,286</u>	<u>(834,740)</u>	
<b>Other Financing Sources</b>	<u>30,322,047</u>	<u>45,483,070</u>	66.7%	<u>29,519,427</u>	<u>802,620</u>	2.7%
<b>Total Revenues and Other Financing Sources</b>	<u>\$58,326,593</u>	<u>\$101,232,560</u>		<u>\$ 58,358,713</u>	<u>\$ (32,120)</u>	
<b>Mass Transit Expenditures:</b>						
Community Enrichment & Development						
Transportation	\$47,153,143	\$ 77,602,020	60.8%	\$ 47,341,327	\$ (188,184)	-0.4%
<b>Total Community Enrichment &amp; Development</b>	<u>47,153,143</u>	<u>77,602,020</u>		<u>47,341,327</u>	<u>(188,184)</u>	
<b>Capital Outlay</b>	<u>11,810,057</u>	<u>23,755,360</u>	49.7%	<u>9,827,443</u>	<u>1,982,614</u>	20.2%
<b>Total Expenditures</b>	<u>\$58,963,200</u>	<u>\$101,357,380</u>		<u>\$ 57,168,770</u>	<u>\$ 1,794,430</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**SUN LINK**  
**FOR THE EIGHT MONTHS ENDED FEBRUARY, 2016**

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>Sun Link Revenues and Other Financing Sources:</b>	Straight-line Budget		66.7%			
<b>Revenues:</b>						
Other Agencies	\$ 1,007,600	\$ 2,000,000	50.4%	\$ 68,990	\$ 938,610	1360.5%
Use of Money and Property		1,396,280	0%			0%
Charges for Current Services	882,327		100.0%	749,275	133,052	17.8%
Miscellaneous Revenue	11,256		100.0%	4,533	6,723	148.3%
<b>Total Revenues:</b>	<u>1,901,183</u>	<u>3,396,280</u>		<u>822,798</u>	<u>1,078,385</u>	
<b>Other Financing Sources</b>	<u>1,541,180</u>	<u>2,311,770</u>	66.7%	<u>1,359,339</u>	<u>181,841</u>	13.4%
<b>Total Revenues and Other Financing Sources</b>	<u>\$ 3,442,363</u>	<u>\$ 5,708,050</u>		<u>\$ 2,182,137</u>	<u>\$ 1,260,226</u>	
<b>Sun Link Expenditures:</b>						
Community Enrichment & Development						
Transportation	\$ 2,444,078	\$ 4,220,800	57.9%	\$ 2,776,220	\$ (332,142)	-12.0%
<b>Total Community Enrichment &amp; Development</b>	<u>2,444,078</u>	<u>4,220,800</u>		<u>2,776,220</u>	<u>(332,142)</u>	
<b>Capital Outlay</b>	<u>2,551</u>		100.0%		<u>2,551</u>	100.0%
<b>Debt Service and Fiscal Agent Fees</b>	<u>378,714</u>	<u>1,512,430</u>	25.0%		<u>378,714</u>	100.0%
<b>Total Expenditures</b>	<u>\$ 2,825,343</u>	<u>\$ 5,733,230</u>		<u>\$ 2,776,220</u>	<u>\$ 49,123</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**HIGHWAY USER REVENUE FUND (HURF)**  
**FOR THE EIGHT MONTHS ENDED FEBRUARY, 2016**

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>HURF Revenues:</b>						
<b>Revenues:</b>						
Licenses and Permits	\$ 388,778	\$ 543,000	71.6%	\$ 386,305	\$ 2,473	0.6%
Other Agencies	24,679,176	36,492,310	67.6%	23,362,217	1,316,959	5.6%
Use of Money and Property	341,769	635,840	53.8%	332,877	8,892	2.7%
Charges for Current Services	28,401		100.0%	28,112	289	1.0%
Miscellaneous Revenue	807,533	500,000	161.5%	1,067,503	(259,970)	-24.4%
<b>Total Revenues</b>	<u>\$26,245,657</u>	<u>\$38,171,150</u>		<u>\$ 25,177,014</u>	<u>\$ 1,068,643</u>	
<b>HURF Expenditures:</b>						
Community Enrichment and Development						
Transportation	\$ 18,604,642	\$31,890,360	58.3%	\$ 17,494,033	\$ 1,110,609	6.3%
<b>Total Community Enrichment and Development</b>	<u>18,604,642</u>	<u>31,890,360</u>		<u>17,494,033</u>	<u>1,110,609</u>	
Non-Departmental						
Outside Agencies	155,995	100,580	155.1%	50,290	105,705	210.2%
<b>Total Non-Departmental</b>	<u>155,995</u>	<u>100,580</u>		<u>50,290</u>	<u>105,705</u>	
<b>Capital Outlay</b>	<u>391,892</u>	<u>1,092,650</u>	35.9%	<u>10,000</u>	<u>381,892</u>	3818.9%
<b>Capital Projects</b>	<u>557,566</u>	<u>1,998,620</u>	27.9%	<u>974,405</u>	<u>(416,839)</u>	-42.8%
<b>Other Financing Uses</b>	<u></u>	<u>(9,821,590)</u>	0.0%	<u></u>	<u></u>	0.0%
<b>Total Expenditures &amp; Other Financing Uses</b>	<u>\$19,710,095</u>	<u>\$25,260,620</u>		<u>\$ 18,528,728</u>	<u>\$ 1,181,367</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUNDS**  
**FEBRUARY 29, 2016**

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 53,206,423	\$ 30,953,759	\$ 1,165,023
Cash and Investments - Restricted	23,660,614		
Cash and Investments with Fiscal Agent - Restricted	21,410,846		
Accounts Receivable, Net	21,936,083	3,045,971	422,111
Due from Other Agencies		82,349	
Interest Receivable	142,427	70,919	
Inventories	3,175,334		261,010
Other Assets	2,502,583		
Total current assets	126,034,310	34,152,998	1,848,144
Noncurrent assets:			
Long Term Accounts Receivable	208,172		
Other Assets - Restricted	271,579		19,684
Land and Construction in Progress	153,485,456	19,341,519	2,701,865
Other Capital Assets, Net	1,065,514,495	26,285,277	12,278,281
Water Rights	52,126,968		
Total noncurrent assets	1,271,606,670	45,626,796	14,999,830
<b>Total assets</b>	1,397,640,980	79,779,794	16,847,974
<b>DEFERRED OUTFLOWS</b>			
Loss on Refunding of Debt	15,961,938		
Pension Plans	3,162,060	1,205,606	
<b>Total deferred outflows</b>	19,123,998	1,205,606	
<b>Total assets and deferred outflows</b>	1,416,764,978	80,985,400	16,847,974
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	2,149,464	2,102,911	81,454
Accrued Payroll Liabilities		799	91,269
Interfund Payable			1,793,307
Due to Other Agencies			66,931
Accrued Interest Payable		2,136	4,894
Refundable Deposits	1,881,439	85,284	5,793
Current Portion of Bonds Payable	35,284,901		
Current Portion of Contracts Payable		268,000	81,954
Current Portion of Compensated Absences	1,760,284	609,062	
Liabilities Payable from Restricted Assets	298,304		
Advances From Customers			89,966
Current Portion of Long Term Liabilities		750,551	
Total current liabilities	41,374,392	3,818,743	2,215,568
<b>LIABILITIES (continued)</b>			
Noncurrent liabilities:			
Bonds Payable	518,654,129		
Contracts Payable		10,349,118	219,054
Compensated Absences	1,734,448	663,493	
Other Postemployment Benefits	1,447,762	598,024	
Pension Liability	51,601,140	19,674,093	
Loans and Notes Payable			8,554,615
Long Term Liabilities		56,355,386	
Total noncurrent liabilities	573,437,479	87,640,114	8,773,669
<b>Total liabilities</b>	614,811,871	91,458,857	10,989,237
<b>DEFERRED INFLOWS</b>			
Deferred Revenue	92,526		
Pension Plans	5,461,526	2,082,329	
<b>Total deferred inflows</b>	5,554,052	2,082,329	
<b>Total liabilities and deferred inflows</b>	620,365,923	93,541,186	10,989,237
<b>NET POSITION</b>			
Net Investment in capital assets	760,244,080	45,330,798	14,679,138
Amounts Restricted for:			
Debt Service	21,410,846		
Capital			
Unrestricted Amounts (deficit)	14,725,463	(76,927,431)	(8,820,401)
Closure/Post Closure Liability		7,894,247	
New Landfill Cell Construction		11,146,600	
<b>Total net position</b>	\$ 796,380,389	\$ (12,555,786)	\$ 5,858,737

**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**WATER UTILITY FUND**  
**FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2016**

	Fiscal Year 2016	Fiscal Year 2015	\$ Change	% Change	
	Actual	Actual	CFY vs PFY	CFY vs PFY	
<b>Operating revenues:</b>					
Charges for Services	\$ 122,410,312	\$ 120,167,880	\$ 2,242,432	1.9%	<b>3a</b>
<b>Total operating revenues</b>	<u>122,410,312</u>	<u>120,167,880</u>	<u>2,242,432</u>		
<b>Operating expenses:</b>					
Salaries, Wages and Benefits	23,325,200	22,703,446	621,754	2.7%	
Contractual Services	43,834,894	41,479,826	2,355,068	5.7%	<b>3b</b>
Commodities	5,471,793	5,262,122	209,671	4.0%	
Depreciation/Amortization	22,480,622	23,079,419	(598,797)	-2.6%	
<b>Total operating expenses</b>	<u>95,112,509</u>	<u>92,524,813</u>	<u>2,587,696</u>		
<b>Operating Income (Loss)</b>	<u>27,297,803</u>	<u>27,643,067</u>	<u>(345,264)</u>		
<b>Nonoperating revenues (expenses):</b>					
Investment Income	634,194	193,945	440,249	227.0%	
Gain (Loss) on Sale of Property/Equipment	232,975	224,161	8,814	3.9%	
Federal Grants and Contributions		367,309	(367,309)	-100.0%	
Interest Expense	(12,434,448)	(13,120,482)	686,034	-5.2%	
Other Nonoperating Income (Expenses)	(1,147,687)	(5,578,701)	4,431,014	-79.4%	<b>3c</b>
<b>Total nonoperating revenues (expenses)</b>	<u>(12,714,966)</u>	<u>(17,913,768)</u>	<u>5,198,802</u>		
<b>Income (loss) before transfers</b>	<u>14,582,837</u>	<u>9,729,299</u>	<u>4,853,538</u>		
<b>Transfers In</b>	1,869,974	1,562,507	307,467	19.7%	
<b>Transfers Out</b>	<u>(1,066,667)</u>	<u>(1,066,667)</u>		0.0%	
<b>Changes in net position</b>	<u>15,386,144</u>	<u>10,225,139</u>	<u>5,161,005</u>		
<b>Total net position, beginning of year</b>	780,994,245	760,457,882 *	20,536,363		
<b>Total net position</b>	<u>\$ 796,380,389</u>	<u>\$ 770,683,021</u>	<u>\$ 25,697,368</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 EIGHT MONTHS ENDED FEBRUARY 29, 2016**

	Fiscal Year 2016	Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
<b>Operating revenues:</b>				
Charges for Services	\$ 31,833,227	\$ 32,053,301	\$ (220,074)	-0.7%
Miscellaneous	489,439	635,170	(145,731)	-22.9%
<b>Total operating revenues</b>	<u>32,322,666</u>	<u>32,688,471</u>	<u>(365,805)</u>	
<b>Operating expenses:</b>				
Salaries, Wages and Benefits	10,015,504	9,857,365	158,139	1.6%
Contractual Services	12,237,512	11,197,543	1,039,969	9.3%
Commodities	2,383,887	2,554,948	(171,061)	-6.7%
Depreciation/Amortization	3,178,264	2,348,995	829,269	35.3%
<b>Total operating expenses</b>	<u>27,815,167</u>	<u>25,958,851</u>	<u>1,856,316</u>	
<b>Operating Income (Loss)</b>	<u>4,507,499</u>	<u>6,729,620</u>	<u>(2,222,121)</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income	183,233	13,572	169,661	1250.1%
Gain (Loss) on Sale of Property/Equipment	(105,988)	370,291	(476,279)	-128.6%
Other Agencies	88,026	59,317	28,709	48.4%
Interest Expense	(244,476)	(247,840)	3,364	-1.4%
<b>Total nonoperating revenues (expenses)</b>	<u>(79,205)</u>	<u>195,340</u>	<u>(274,545)</u>	
<b>Changes in net position</b>	<u>4,428,294</u>	<u>6,924,960</u>	<u>(2,496,666)</u>	
<b>Total net position, beginning of year</b>	(16,984,080)	(25,318,874) *	8,334,794	
<b>Total net position</b>	<u>\$ (12,555,786)</u>	<u>\$ (18,393,914)</u>	<u>\$ 5,838,128</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 EIGHT MONTHS ENDED FEBRUARY 29, 2016**

	<u>Randolph</u>	<u>El Rio</u>	<u>Silverbell</u>	<u>Enke</u>	<u>Combined</u>	<u>Total Straight- line Budget</u>	<u>% Budget</u>
<b><u>COURSE OPERATIONS:</u></b>							
<b>Operating revenues:</b>							
Green Fees	\$ 917,711	\$ 266,676	\$ 352,928	\$ 224,423	\$ 1,761,738	\$ 7,688,730	22.9%
Cart Rentals	500,794	209,165	165,923	177,977	1,053,859		
Driving Range	196,677	5,733	51,555	86,720	340,685		
Clubhouse	200,997	122,199	119,511	114,729	557,436		
Other Revenue	670,928	108,263	111,087	91,898	982,176	10,130	9695.7%
<b>Total Operating Revenues</b>	<u>2,487,107</u>	<u>712,036</u>	<u>801,004</u>	<u>695,747</u>	<u>4,695,894</u>	<u>7,698,860</u>	<u>61.0%</u>
<b>Operating expenses:</b>							
Salaries, Wages and Benefits	11,838	6,905	6,905	6,905	32,553	45,840	71.0%
Contractual Services	1,366,192	734,073	574,811	694,627	3,369,703	5,537,470	60.9%
Commodities	500,642	210,180	304,562	250,605	1,265,989	1,297,850	97.5%
Cost of Goods Sold	214,615	67,623	66,679	64,043	412,960	646,280	63.9%
Depreciation/Amortization	167,231	78,319	156,331	80,736	482,617		
<b>Total Operating Expenses</b>	<u>2,260,518</u>	<u>1,097,100</u>	<u>1,109,288</u>	<u>1,096,916</u>	<u>5,563,822</u>	<u>7,527,440</u>	<u>74%</u>
<b>Operating Income (Loss)</b>	<u>226,589</u>	<u>(385,064)</u>	<u>(308,284)</u>	<u>(401,169)</u>	<u>(867,928)</u>	<u>171,420</u>	
<b>Nonoperating revenues (expenses):</b>							
Interest Expense	(2,416)	(1,208)	(1,208)	(1,208)	(6,040)	7,970	
Other	4,322				4,322	94,250	
<b>Total nonoperating revenues (expenses)</b>	<u>1,906</u>	<u>(1,208)</u>	<u>(1,208)</u>	<u>(1,208)</u>	<u>(1,718)</u>	<u>102,220</u>	
<b>Changes in net position</b>	<u>228,495</u>	<u>(386,272)</u>	<u>(309,492)</u>	<u>(402,377)</u>	<u>(869,646)</u>	<u>\$ 273,640</u>	
<b>Total net position, beginning of year</b>	2,018,515	1,816,663	1,345,677	1,547,528	6,728,383		
<b>Total net position</b>	<u>\$ 2,247,010</u>	<u>\$ 1,430,391</u>	<u>\$ 1,036,185</u>	<u>\$ 1,145,151</u>	<u>\$ 5,858,737</u>		

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

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2016**

	Fleet Services	Self Insurance	General Services
<b>Operating revenues:</b>			
Charges for Services	\$ 14,041,549	\$ 9,068,826	\$ 12,058,721
Miscellaneous	115,431	8,742	3,039
<b>Total operating revenues</b>	<u>14,156,980</u>	<u>9,077,568</u>	<u>12,061,760</u>
<b>Operating expenses:</b>			
Salaries, Wages and Benefits	3,793,497	780,307	6,052,352
Contractual Services	3,657,131	2,621,725	3,894,421
Commodities	6,514,206	44,207	1,240,884
Benefits and Claims		3,706,156	
Depreciation	1,352,116	8,179	38,475
<b>Total operating expenses</b>	<u>15,316,950</u>	<u>7,160,574</u>	<u>11,226,132</u>
<b>Operating income (loss)</b>	<u>(1,159,970)</u>	<u>1,916,994</u>	<u>835,628</u>
<b>Nonoperating revenues (expenses):</b>			
Property Taxes		1,417,725	
Investment Income	7,181	56,693	12,327
Gain (loss) on Sale of Property/Equipment	149,928		
Federal Non Grant Contributions			146,780
Interest Expense			(241,116)
<b>Total nonoperating revenues</b>	<u>157,109</u>	<u>1,474,418</u>	<u>(82,009)</u>
<b>Income (loss) before transfers</b>	<u>(1,002,861)</u>	<u>3,391,412</u>	<u>753,619</u>
<b>Transfers In</b>			<u>280,065</u>
<b>Changes in net position</b>	<u>(1,002,861)</u>	<u>3,391,412</u>	<u>1,033,684</u>
<b>Total net position, beginning of year</b>	11,322,038	830,874	(10,781,094)
<b>Total net position</b>	<u>\$ 10,319,177</u>	<u>\$ 4,222,286</u>	<u>\$ (9,747,410)</u>

City of Tucson, Arizona  
Variance Explanations  
For February, 2016

**General Fund:**

- (1a) Public Safety Pension for Tucson Fire and Tucson Police increased from fiscal year 2015 due to an increase to the employer pension contribution rate.

**Mass Transit:**

- (2a) Capital outlay costs increased in fiscal year 2016 due to the construction of a compressed natural gas plant; much of the cost is reimbursed from federal grants.
- (2b) 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

**Water Utility Fund:**

- (3a) At the beginning of fiscal year 2016, water rates were increased on metered and reclaimed sales.
- (3b) In fiscal year 2016 contractual services increased due to \$456,000 in environmental/risk consulting, \$223,000 in pavement replacement and \$757,000 in Central Arizona Project commodity charges.
- (3c) \$4.7 million in construction in progress reclassifications occurred in fiscal year 2015.

**Environmental Services Fund:**

- (4a) Contractual services expense increased due to a landfill compactor rebuild and increased vehicle maintenance costs.