

City of Tucson, Arizona
Monthly Financial Statement
For January 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 SEVEN MONTHS ENDED JANUARY 31, 2014

	Fiscal Year 2014			Fiscal Year 2013		% Change CFY vs PFY	% Change CFY vs PFY
	Actual	Total FY Budget	% Budget	Actual			
General Fund Revenues and Other Financing Sources:	Straight-line Budget (January, 31):			58.3%			
Revenues:							
Primary Property Taxes	\$ 7,263,069	\$ 13,119,610	55.4%	\$ 7,609,591	\$ (346,522)	-4.6%	
Business Privilege Tax	94,491,893	188,988,400	50.0%	92,040,158	2,451,735	2.7%	1a
Other Local Taxes	18,153,780	43,791,600	41.5%	23,667,240	(5,513,460)	-23.3%	1b
Grants and Shared Taxes	2,232,418	3,882,980	57.5%	2,294,896	(62,478)	-2.7%	
State-Shared Income Tax Revenue	24,177,845	57,800,600	41.8%	22,136,972	2,040,873	9.2%	1c
State-Shared Sales Tax	17,853,621	44,563,600	40.1%	16,777,525	1,076,096	6.4%	
State Auto Lieu Tax	7,066,403	19,693,400	35.9%	6,778,226	288,177	4.3%	
Licenses and Permits	10,891,643	20,937,150	52.0%	10,928,390	(36,747)	-0.3%	
Fines, Forfeitures, and Penalties	7,545,252	13,227,280	57.0%	5,882,600	1,662,652	28.3%	
Use of Money and Property	567,141	694,450	81.7%	402,824	164,317	40.8%	
Charges for Current Services	21,202,697	41,880,960	50.6%	22,815,799	(1,613,102)	-7.1%	
Miscellaneous Revenue	1,093,941	3,475,640	31.5%	771,023	322,918	41.9%	
Total General City Revenues:	<u>212,539,703</u>	<u>452,055,670</u>		<u>212,105,244</u>	<u>434,459</u>		
Other Financing Sources	<u>533,333</u>	<u>14,806,000</u>	3.6%	<u>933,333</u>	<u>(400,000)</u>	-42.9%	
Total Revenues and Other Financing Sources	\$ <u>213,073,036</u>	\$ <u>466,861,670</u>		\$ <u>213,038,577</u>	\$ <u>34,459</u>		
General Fund Expenditures:							
Elected and Official							
Mayor and Council	\$ 1,392,737	\$ 2,736,430	50.9%	\$ 1,601,299	\$ (208,562)	-13.0%	
City Manager	4,680,674	8,641,450	54.2%	3,802,684	877,990	23.1%	
City Clerk	2,418,616	4,044,840	59.8%	1,627,639	790,977	48.6%	
City Attorney	4,770,926	8,428,210	56.6%	4,831,953	(61,027)	-1.3%	
Total Elected and Official	<u>13,262,953</u>	<u>23,850,930</u>		<u>11,863,575</u>	<u>1,399,378</u>		
Public Safety & Justice Services							
City Court	6,005,980	11,102,480	54.1%	6,033,629	(27,649)	-0.5%	
Equal Opportunity Programs and Independen	424,501	787,220	53.9%	416,615	7,886	1.9%	
Public Defender	1,670,378	3,157,720	52.9%	1,724,937	(54,559)	-3.2%	
Tucson Fire	48,676,841	86,956,562	56.0%	50,150,064	(1,473,223)	-2.9%	
Tucson Police	80,858,140	146,998,734	55.0%	85,978,397	(5,120,257)	-6.0%	1d
Total Public Safety & Justice Services	<u>137,635,840</u>	<u>249,002,716</u>		<u>144,303,642</u>	<u>(6,667,802)</u>		
Community Enrichment & Development							
Housing & Community Development	2,707,120	4,870,176	55.6%	3,475,955	(768,835)	-22.1%	
Office of Integrated Planning	277,662		0.0%				
Parks and Recreation	20,496,421	35,952,290	57.0%	22,127,890	(1,631,469)	-7.4%	
Planning & Development Services	4,219,510	8,920,518	47.3%	4,106,628	112,882	2.7%	
Transportation	1,216,178	2,195,900	55.4%	3,948,775	(2,732,597)	-69.2%	1e
Total Community Enrichment & Development	<u>28,916,891</u>	<u>51,938,884</u>		<u>33,659,248</u>	<u>(5,020,019)</u>		
Support Services							
Budget and Internal Audit	857,253	1,541,880	55.6%	847,807	9,446	1.1%	
Finance	6,721,774	10,339,910	65.0%	6,642,231	79,543	1.2%	
General Services	4,782,780	9,339,400	51.2%	1,304,661	3,478,119	266.6%	1f
Human Resources	1,112,486	2,174,940	51.2%	1,190,085	(77,599)	-6.5%	
Information Technology	9,623,278	17,099,380	56.3%	9,563,711	59,567	0.6%	
Procurement	1,916,997	3,124,200	61.4%	1,952,205	(35,208)	-1.8%	
Total Support Services	<u>25,014,568</u>	<u>43,619,710</u>		<u>21,500,700</u>	<u>3,513,868</u>		
Total Non-Departmental	<u>9,899,696</u>	<u>26,930,047</u>	36.8%	<u>10,591,641</u>	<u>(691,945)</u>	-6.5%	
Capital Projects	<u>916,105</u>	<u>1,948,717</u>	47.0%	<u>898,367</u>	<u>17,738</u>	2.0%	
Debt Service and Fiscal Agent Fees	<u>311,605</u>	<u>24,360,720</u>	1.3%	<u>5,707,623</u>	<u>(5,396,018)</u>	-94.5%	1g
Other Financing Uses	<u>27,109,324</u>	<u>46,269,770</u>	58.6%	<u>25,633,105</u>	<u>1,476,219</u>	5.8%	
Total Expenditures & Other Financing Uses	\$ <u>243,066,982</u>	\$ <u>467,921,494</u>		\$ <u>254,157,901</u>	\$ <u>(11,368,581)</u>		

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2014

	Fiscal Year 2014			Fiscal Year 2013		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Mass Transit Revenues and Other Financing Sources:	Straight-line Budget (January, 31): 58.3%					
Revenues:						
Federal Grants and Contributions	\$ 1,277,095	\$ 19,325,820	6.6%	\$ 61,039,579	\$ (59,762,484)	-97.9% 2a
Other Agencies	6,907,022	17,143,280	40.3%	1,682,767	5,224,255	310.5% 2b
Use of Money and Property	232,617	250,000	93.0%	183,332	49,285	26.9%
Charges for Current Services	7,394,407	16,249,710	45.5%	7,901,573	(507,166)	-6.4%
Miscellaneous Revenue	123,273	480,050	25.7%	181,995	(58,722)	-32.3%
Total Revenues:	<u>15,934,414</u>	<u>53,448,860</u>		<u>70,989,246</u>	<u>(55,054,832)</u>	
Other Financing Sources	<u>24,927,607</u>	<u>42,733,040</u>	58.3%	<u>23,584,628</u>	<u>1,342,979</u>	5.7%
Total Revenues and Other Financing Sources	<u>\$ 40,862,021</u>	<u>\$ 96,181,900</u>		<u>\$ 94,573,874</u>	<u>\$ (53,711,853)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 44,083,099	\$ 82,651,700	53.3%	\$ 40,678,806	\$ 3,404,293	8.4% 2c
Total Community Enrichment & Development	<u>44,083,099</u>	<u>82,651,700</u>		<u>40,678,806</u>	<u>3,404,293</u>	
Capital Expenditures	<u>999,465</u>	<u>16,109,900</u>	6.2%	<u>49,563,406</u>	<u>(48,563,941)</u>	-98.0% 2a
Total Expenditures & Other Financing Uses	<u>\$ 45,082,564</u>	<u>\$ 98,761,600</u>		<u>\$ 90,242,212</u>	<u>\$ (45,159,648)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2014

	Fiscal Year 2014			Fiscal Year 2013		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
HURF Revenues and Other Financing Sources:	Straight-line Budget (January, 31): 58.3%					
Revenues:						
Licenses and Permits	\$ 220,233			\$ 43,250	\$ 176,983	409.2%
Other Agencies	15,807,062	34,042,290	46.4%	15,408,107	398,955	2.6%
Use of Money and Property	842,914	335,000	251.6%	263,325	579,589	220.1%
Charges for Current Services	383,550	542,000	70.8%	391,927	(8,377)	-2.1%
Miscellaneous Revenue	1,355,420	3,179,020	42.6%	2,350,231	(994,811)	-42.3% 3a
Total Revenues	<u>\$ 18,609,179</u>	<u>\$ 38,098,310</u>		<u>\$ 18,456,840</u>	<u>\$ 152,339</u>	
HURF Expenditures:						
Public Safety & Justice Services						
Neighborhood Resources Department	\$ 46,367	\$ 28,113	164.9%	\$ 19,058	\$ 27,309	143.3%
Total Public Safety & Justice Services	<u>46,367</u>	<u>28,113</u>		<u>19,058</u>	<u>27,309</u>	
Community Enrichment and Development						
Transportation	15,558,922	32,529,080	47.8%	16,357,571	(798,649)	-4.9%
Total Community Enrichment and Development	<u>15,558,922</u>	<u>32,529,080</u>		<u>16,357,571</u>	<u>(798,649)</u>	
Non-Departmental						
Outside Agencies	50,290	100,580	50.0%	25,145	25,145	100.0%
Total Non-Departmental	<u>50,290</u>	<u>100,580</u>		<u>25,145</u>	<u>25,145</u>	
Capital Expenditures	<u>16,245</u>	<u>611,070</u>	2.7%	<u>7,180</u>	<u>9,065</u>	126.3%
Capital Projects	<u>1,880,946</u>	<u>2,066,587</u>	91.0%	<u>226,264</u>	<u>1,654,682</u>	731.3% 3b
Debt Service and Fiscal Agent Fees	<u></u>	<u></u>		<u>170,735</u>	<u>(170,735)</u>	-100.0%
Other Financing Uses	<u></u>	<u>10,413,290</u>	0.0%	<u></u>	<u></u>	
Total Expenditures & Other Financing Uses	<u>\$ 17,552,770</u>	<u>\$ 45,748,720</u>		<u>\$ 16,805,953</u>	<u>\$ 746,817</u>	

CITY OF TUCSON, ARIZONA
ENTERPRISE FUNDS
January 31, 2014

	<u>Water Utility Fund</u>	<u>Environmental Services</u>	<u>Tucson Golf Enterprise Fund</u>
<u>ASSETS AND DEFERRED OUTFLOWS</u>			
Assets			
Current assets:			
Pooled Cash and Investments	\$ 51,883,956	\$ 29,936,031	\$ 4,450
Cash and Investments - Restricted	4,331,470		
Cash and Investments with Fiscal Agent - Restricted	13,538,091		
Accounts Receivable, Net	11,746,628	4,094,078	22,981
Due from Other Agencies		19,680	
Interest Receivable	100,335	61,278	
Inventories	3,540,350		128,350
Other Assets	413,632		
Total current assets	<u>85,554,462</u>	<u>34,111,067</u>	<u>155,781</u>
Noncurrent assets:			
Long Term Accounts Receivable	451,895		
Other Assets - Restricted	217,619		
Land and Construction in Progress	203,823,205	11,196,009	2,701,865
Other Capital Assets, Net	991,436,426	20,382,362	13,295,834
Water Rights	52,126,968		
Total noncurrent assets	<u>1,248,056,113</u>	<u>31,578,371</u>	<u>15,997,699</u>
Total assets	<u>1,333,610,575</u>	<u>65,689,438</u>	<u>16,153,480</u>
Deferred Outflows			
Unamortized Loss on Refunding	13,590,046		
Total deferred outflows	<u>13,590,046</u>		
Total assets and deferred outflows	<u>1,347,200,621</u>	<u>65,689,438</u>	<u>16,153,480</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Liabilities			
Current liabilities:			
Accounts Payable	1,428,996	156,034	34,515
Accrued Payroll Liabilities	2,041	539,222	42,704
Interfund Payable			438,543
Due to Other Agencies	118	3,313	22
Accrued Interest Payable			4,662
Refundable Deposits	2,828,322	59,694	
Current Portion of Bonds Payable		121,000	
Current Portion of Contracts Payable	25,879,175	608,131	
Current Portion of Compensated Absences	1,744,436		89,858
Liabilities Payable from Restricted Assets	1,378,206		
Advances From Customers			152,413
Current Portion of Long Term Liabilities		740,330	
Total current liabilities	<u>33,261,294</u>	<u>2,227,724</u>	<u>762,717</u>

CITY OF TUCSON, ARIZONA
ENTERPRISE FUNDS
January 31, 2014

LIABILITIES AND DEFERRED INFLOWS (continued)

Noncurrent liabilities:			
Bonds Payable	517,261,017		
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 Liabilities		44,220,917	
Total non-current liabilities	<u>520,122,776</u>	<u>55,935,091</u>	<u>7,509,508</u>
Total liabilities	<u>553,384,070</u>	<u>58,162,815</u>	<u>8,272,225</u>
Deferred Inflows			
Unavailable Revenue	69,778		
Total deferred inflows	<u>69,778</u>		
Total liabilities and deferred inflows	<u>553,453,848</u>	<u>58,162,815</u>	<u>8,272,225</u>
<u>NET POSITION</u>			
Net Investment in capital assets	722,261,543	20,864,371	15,997,699
Restricted for Capital			
Amounts Restricted for:			
Debt Service	13,538,091		
Unrestricted Amounts (deficit)	57,947,139	(24,130,735)	(8,116,444)
Closure/Post Closure Liability		4,846,387	
New Landfill Cell Construction		5,946,600	
Total net position	<u>\$ 793,746,773</u>	<u>\$ 7,526,623</u>	<u>\$ 7,881,255</u>

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER UTILITY FUND
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2014

	Fiscal Year 2014		Fiscal Year 2013	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 92,108,843	\$ 83,418,784	\$ 8,690,059	10.4%
Miscellaneous	(163,949)	704,767	(868,716)	-123.3%
Total operating revenues	<u>91,944,894</u>	<u>84,123,551</u>	<u>7,821,343</u>	
Operating expenses:				
Personal Services	20,193,060	20,218,444	(25,384)	-0.1%
Contractual Services	36,572,521	30,849,209	5,723,312	18.6%
Commodities	4,652,353	4,627,342	25,011	0.5%
Depreciation/Amortization	17,603,775	16,806,993	796,782	4.7%
Total operating expenses	<u>79,021,709</u>	<u>72,501,988</u>	<u>6,519,721</u>	
Operating Income (Loss)	<u>12,923,185</u>	<u>11,621,563</u>	<u>1,301,622</u>	
Nonoperating revenues (expenses):				
Investment Income	522,980	287,783	235,197	81.7%
Gain (Loss) on Sale of Property/Equipment	154,204	(159,670)	313,874	-196.6%
Federal Grants and Contributions		147	(147)	-100.0%
Non-Grant Contributions	1,138,039		1,138,039	0.0%
Interest Expense	(11,476,694)	(12,006,806)	530,112	-4.4%
Amortization of Cost Issuance		(213,530)	213,530	-100.0%
Other Nonoperating Income (Expenses)	(389,175)	(352,760)	(36,415)	10.3%
Total nonoperating revenues (expenses)	<u>(10,050,646)</u>	<u>(12,444,836)</u>	<u>2,394,190</u>	
Income (loss) before capital contributions and transfers	<u>2,872,539</u>	<u>(823,273)</u>	<u>3,695,812</u>	
Capital Contributions	1,532,912	1,750,764	(217,852)	-12.4%
Transfers Out	<u>(533,333)</u>	<u>(933,333)</u>	<u>400,000</u>	<u>-42.9%</u>
Changes in net position	<u>3,872,118</u>	<u>(5,842)</u>	<u>3,877,960</u>	
Total net position, beginning of year	789,874,655	766,475,908	23,398,747	
Total net position, January 31, 2014	<u>\$ 793,746,773</u>	<u>\$ 766,470,066</u>	<u>\$ 27,276,707</u>	

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENVIRONMENTAL SERVICES FUND
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2014

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY	
	Actual	Actual			
Operating revenues:					
Charges for Services	\$ 28,096,893	\$ 28,298,476	\$ (201,583)	-0.7%	
Miscellaneous	830,819	878,238	(47,419)	-5.4%	
Total operating revenues	<u>28,927,712</u>	<u>29,176,714</u>	<u>(249,002)</u>		
Operating expenses:					
Personal Services	8,630,006	9,214,089	(584,083)	-6.3%	6a
Contractual Services	10,020,314	9,932,917	87,397	0.9%	
Commodities	2,653,728	2,927,241	(273,513)	-9.3%	6b
Depreciation/Amortization	3,007,369	3,192,162	(184,793)	-5.8%	
Total operating expenses	<u>24,311,417</u>	<u>25,266,409</u>	<u>(954,992)</u>		
Operating Income (Loss)	<u>4,616,295</u>	<u>3,910,305</u>	<u>705,990</u>		
Nonoperating revenues (expenses):					
Investment Income	139,226	47,648	91,578	192.2%	
Gain (Loss) on Sale of Property/Equipment	424,943	455,666	(30,723)	-6.7%	
Other Agencies	49,289	163,568	(114,279)	-69.9%	
Interest Expense		(43,279)	43,279	-100.0%	
Amortization of Cost Issuance		(10,446)	10,446	-100.0%	
Total nonoperating revenues (expenses)	<u>613,458</u>	<u>613,157</u>	<u>301</u>		
Income (loss) before capital contributions and transfers	<u>5,229,753</u>	<u>4,523,462</u>	<u>706,291</u>		
Changes in net position	<u>5,229,753</u>	<u>4,523,462</u>	<u>706,291</u>		
Total net position, beginning of year	2,296,870	(3,479,259)	5,776,129		
Total net position, January 31, 2014	<u>\$ 7,526,623</u>	<u>\$ 1,044,203</u>	<u>\$ 6,482,420</u>		

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
TUCSON GOLF ENTERPRISE FUND
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2014

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 3,284,442	\$ 3,107,772	\$ 176,670	5.7%
Miscellaneous	9,081	3,992	5,089	127.5%
Total operating revenues	<u>3,293,523</u>	<u>3,111,764</u>	<u>181,759</u>	
Operating expenses:				
Personnel Services	1,685,169	1,804,695	(119,526)	-6.6%
Contractual Services	1,170,879	1,213,734	(42,855)	-3.5%
Commodities	580,517	618,022	(37,505)	-6.1%
Cost of Goods Sold	114,147	98,055	16,092	16.4%
Depreciation/Amortization	405,935	414,155	(8,220)	-2.0%
Total operating expenses	<u>3,956,647</u>	<u>4,148,661</u>	<u>(192,014)</u>	
Operating Income (Loss)	<u>(663,124)</u>	<u>(1,036,897)</u>	<u>373,773</u>	
Nonoperating revenues (expenses):				
Gain (Loss) on Sale of Property/Equipment	144		144	0.0%
Interest Expense	(18,158)	(29,078)	10,920	-37.6%
Total nonoperating revenues (expenses)	<u>(18,014)</u>	<u>(29,078)</u>	<u>11,064</u>	
Income (loss) before capital contributions and transfers	<u>(681,138)</u>	<u>(1,065,975)</u>	<u>384,837</u>	
Changes in net position	<u>(681,138)</u>	<u>(1,065,975)</u>	<u>384,837</u>	
Total net position, beginning of year	8,562,393	6,359,649	2,202,744	
Total net position, January 31, 2014	<u>\$ 7,881,255</u>	<u>\$ 5,293,674</u>	<u>\$ 2,587,581</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2014

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 14,250,952	\$ 8,669,281	\$ 10,076,857
Miscellaneous	157,668	19,704	1,763
Total operating revenues	<u>14,408,620</u>	<u>8,688,985</u>	<u>10,078,620</u>
Operating expenses:			
Personal Services	3,433,827	668,089	5,167,503
Contractual Services	3,372,489	1,893,728	3,281,855
Commodities	8,023,824	81,973	1,159,001
Benefits and Claims		6,160,327	
Depreciation	1,237,796	8,091	275,630
Total operating expenses	<u>16,067,936</u>	<u>8,812,208</u>	<u>9,883,989</u>
Operating income (loss)	<u>(1,659,316)</u>	<u>(123,223)</u>	<u>194,631</u>
Nonoperating revenues (expenses):			
Property Taxes		1,601,052	
Investment Income	3,400		15,621
Federal Non Grant Contributions			131,412
Interest Expense		(5,200)	(350,000)
Total nonoperating revenues (expenses)	<u>3,400</u>	<u>1,595,852</u>	<u>(202,967)</u>
Income (loss) before capital contributions and transfers	<u>(1,655,916)</u>	<u>1,472,629</u>	<u>(8,336)</u>
Capital Contributions	78,079		
Transfers Out			(6,146,153)
Changes in net position	<u>(1,577,837)</u>	<u>1,472,629</u>	<u>(6,154,489)</u>
Total net position, beginning of year	10,361,694	(12,635,103)	(1,974,255)
Total net position, January 31, 2014	<u>\$ 8,783,857</u>	<u>\$ (11,162,474)</u>	<u>\$ (8,128,744)</u>

City of Tucson, Arizona
Variance Explanations
For January 2014

General Fund (pg. 2):

- (1a) Business Privilege tax collections have increased from last fiscal year by approximately 1%.
- (1b) Business License paid \$1 million to refund a customer who overpaid their taxes. There was a \$3.86 million revenue recognition change in the prior year.
- (1c) The Urban Revenue Sharing from State Shared Income Tax increased by \$408,174 per month over the previous year.
- (1d) 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 January the expenditures decreased \$2,625,543 over the last fiscal year. Salaries decreased \$741,377 compared to last fiscal year. Overtime decreased \$587,607 compared to last fiscal year due to the training that was needed last year for the new computer aided dispatch software. Police Pension increased \$742,115 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 \$810,309 less than last year.
- (1e) 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.
- (1f) 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 \$3,470,880 in additional expenses for this fiscal year in this department compared to last fiscal year.
- (1g) The COPS \$5 million dollar debt payment for the prior year was recorded in January compared to February of this current year.

Mass Transit (pg. 3):

- (2a) Modern Streetcar construction project and replacement buses are completed. \$38,116,925 and \$15,587,803 was spent on the Modern Streetcar and replacement buses respectively as of January 31, 2013.
- (2b) RTA Billings are occurring more timely compared to FY13 and additional grant money of \$926k for the operation of the Modern Streetcar.
- (2c) Operating expenditures increased by \$3.4M due to repairs and maintenance of vehicles, printing of transfer tickets, software upgrade, transit survey, transit operator wages and additional Modern Streetcar operating costs.

Highway User Revenue Fund (pg. 3):

- (3a) FY13, period 5 received payment in the amount of \$1,904,818.35 for the sale of Plaza Centro Greyhound.
- (3b) Houghton Road project expenditures.

Water Utility Fund (pg. 6):

- (4a) Increase in Charges for Services represents increased Central Arizona Project (CAP) surcharges and Metered Sales.
- (4b) Contractual Services increased by \$5.7M due to \$3.7M in FY13 CIP timing differences between fiscal years, \$1.3M in costs associated with CAP Commodity and Delivery Charges, \$288K in Bad Debt Write off from M&C, and \$372K in Tucson Water Administrative Fees.
- (4c) Decrease in Interest Expense due to bond refunding.

Environmental Services Fund (pg. 7):

- (6a) The Personal Services category had a decrease in salary and benefits expenses resulting from 14 full time positions being vacant as of December 31st.
- (6b) The vehicles using CNG and Diesel provided a fuel savings.