



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For March 31, 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.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual *	\$ Change CFY vs PFY	% Change CFY vs PFY
General Fund Revenues and Other Financing Sources:		Straight-line Budget	75.0%			
Revenues:						
Primary Property Taxes	\$ 8,677,245	\$ 14,350,250	60.5%	\$ 8,081,707	\$ 595,538	7.4%
Business Privilege Tax	143,947,456	197,118,630	73.0%	142,967,312	980,144	0.7%
Other Local Taxes	32,886,031	40,308,200	81.6%	30,719,608	2,166,423	7.1%
Grants and Shared Taxes	4,157,284	4,925,650	84.4%	2,494,088	1,663,196	66.7%
State-Shared Income Tax Revenue	46,966,423	63,205,510	74.3%	47,222,444	(256,021)	-0.5%
State-Shared Sales Tax	36,483,566	48,935,140	74.6%	34,709,814	1,773,752	5.1%
State Auto Lieu Tax	17,149,548	21,968,250	78.1%	14,374,517	2,775,031	19.3%
Licenses and Permits	21,797,141	28,349,160	76.9%	22,113,475	(316,334)	-1.4%
Fines, Forfeitures, and Penalties	9,339,833	14,331,870	65.2%	11,507,881	(2,168,048)	-18.8%
Use of Money and Property	413,283	648,930	63.7%	157,492	255,791	162.4%
Charges for Current Services	31,008,484	39,053,170	79.4%	28,134,611	2,873,873	10.2%
Miscellaneous Revenue	9,249,671	10,382,120	89.1%	4,850,661	4,399,010	90.7% 1a
Total Revenues:	<u>362,075,965</u>	<u>483,576,880</u>		<u>347,333,610</u>	<u>14,742,355</u>	
Other Financing Sources	<u>1,200,000</u>	<u>1,600,000</u>	75.0%	<u>2,465,000</u>	<u>(1,265,000)</u>	-51.3%
Total Revenues and Other Financing Sources	<u>\$ 363,275,965</u>	<u>\$ 485,176,880</u>		<u>\$ 349,798,610</u>	<u>\$ 13,477,355</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 1,824,128	\$ 2,464,880	74.0%	\$ 1,780,764	\$ 43,364	2.4%
City Manager	3,425,969	4,728,240	72.5%	5,990,336	(2,564,367)	-42.8%
City Attorney	5,485,592	7,717,080	71.1%	5,858,712	(373,120)	-6.4%
City Clerk	2,197,666	3,773,960	58.2%	1,697,072	500,594	29.5%
Total Elected and Official	<u>12,933,355</u>	<u>18,684,160</u>		<u>15,326,884</u>	<u>(2,393,529)</u>	
Public Safety & Justice Services						
City Court	7,648,801	11,669,160	65.5%	8,137,292	(488,491)	-6.0%
Public Defender	2,171,143	3,091,610	70.2%	2,169,249	1,894	0.1%
Tucson Fire	70,870,508	93,826,730	75.5%	63,764,269	7,106,239	11.1% 1b
Tucson Police	113,385,006	156,762,250	72.3%	107,197,773	6,187,233	5.8% 1b
Total Public Safety & Justice Services	<u>194,075,458</u>	<u>265,349,750</u>		<u>181,268,583</u>	<u>12,806,875</u>	
Community Enrichment & Development						
Housing & Community Development	1,596,625	2,596,180	61.5%	1,495,976	100,649	6.7%
Office of Integrated Planning	1,170,197	1,780,980	65.7%	1,137,431	32,766	2.9%
Parks and Recreation	25,204,558	35,728,200	70.5%	25,814,953	(610,395)	-2.4%
Planning & Development Services	6,050,780	8,482,250	71.3%	6,488,957	(438,177)	-6.8%
Transportation	1,363,792	2,777,320	49.1%	1,363,979	(187)	0.0%
Total Community Enrichment & Development	<u>35,385,952</u>	<u>51,364,930</u>		<u>36,301,296</u>	<u>(915,344)</u>	
Support Services						
Budget and Internal Audit	898,863	1,293,020	69.5%	936,148	(37,285)	-4.0%
Finance	6,240,816	8,246,560	75.7%	7,887,064	(1,646,248)	-20.9%
General Services	7,976,313	10,587,550	75.3%	8,641,785	(665,472)	-7.7%
Human Resources	1,554,488	2,394,950	64.9%	1,669,067	(114,579)	-6.9%
Information Technology	14,277,997	19,222,180	74.3%	12,110,551	2,167,446	17.9%
Procurement	2,309,946	2,915,060	79.2%	2,476,948	(167,002)	-6.7%
Total Support Services	<u>33,258,423</u>	<u>44,659,320</u>		<u>33,721,563</u>	<u>(463,140)</u>	
Total General Government	<u>15,243,233</u>	<u>27,532,840</u>	55.4%	<u>13,751,850</u>	<u>1,491,383</u>	10.8%
Capital Outlay	<u>1,178,456</u>	<u>3,377,700</u>	34.9%	<u>5,001,324</u>	<u>(3,822,868)</u>	-76.4%
Capital Projects	<u>640,351</u>	<u>1,031,800</u>	62.1%	<u>5,775</u>	<u>634,576</u>	10988.3%
Debt Service and Fiscal Agent Fees	<u>5,198,969</u>	<u>23,884,000</u>	21.8%	<u>5,513,071</u>	<u>(314,102)</u>	-5.7%
Other Financing Uses	<u>40,158,554</u>	<u>52,571,400</u>	76.4%	<u>38,467,781</u>	<u>1,690,773</u>	4.4%
Total Expenditures & Other Financing Uses	<u>\$ 338,072,751</u>	<u>\$ 488,455,900</u>		<u>\$ 329,358,127</u>	<u>\$ 8,714,624</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 NINE MONTHS ENDED MARCH 31, 2016

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Mass Transit Revenues and Other Financing Sources:		Straight-line Budget	75.0%			
Revenues:						
Federal Grants and Contributions	\$ 14,764,642	\$ 28,303,470	52.2%	\$ 15,463,339	\$ (698,697)	-4.5%
Other Agencies	8,427,181	13,829,020	60.9%	8,577,923	(150,742)	-1.8%
Use of Money and Property	391,143	360,000	108.7%	345,859	45,284	13.1%
Charges for Current Services	7,031,135	13,156,630	53.4%	10,091,961	(3,060,826)	-30.3%
Miscellaneous Revenue	609,273	100,370	607.0%	238,584	370,689	155.4%
Total Revenues:	<u>31,223,374</u>	<u>55,749,490</u>		<u>34,717,666</u>	<u>(3,494,292)</u>	
Other Financing Sources	<u>34,112,303</u>	<u>45,483,070</u>	75.0%	<u>33,209,355</u>	<u>902,948</u>	2.7%
Total Revenues and Other Financing Sources	<u>\$ 65,335,677</u>	<u>\$ 101,232,560</u>		<u>\$ 67,927,021</u>	<u>\$ (2,591,344)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 52,870,221.64	\$ 77,603,120.00	68.1%	\$ 52,935,285.00	\$ (65,063.36)	-0.1%
Total Community Enrichment & Development	<u>52,870,222</u>	<u>77,603,120</u>		<u>52,935,285</u>	<u>(65,063)</u>	
Capital Outlay	<u>8,597,398</u>	<u>12,568,560</u>	68.4%	<u>11,604,335</u>	<u>(3,006,937)</u>	-25.9%
Capital Projects	<u>3,742,890</u>	<u>11,185,700</u>	33.5%	<u>1,073,775</u>	<u>2,669,115</u>	248.6%
Total Expenditures	<u>\$ 65,210,510</u>	<u>\$ 101,357,380</u>		<u>\$ 65,613,395</u>	<u>\$ (402,885)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Sun Link Revenues and Other Financing Sources:		Straight-line Budget	75.0%			
Revenues:						
Other Agencies	\$ 1,007,600.00	\$ 2,000,000.00	50.4%	\$ 68,990.00	\$ 938,610.00	1360.5%
Use of Money and Property		1,396,280				
Charges for Current Services	948,417			823,285	125,132	15.2%
Miscellaneous Revenue	12,364			4,533	7,831	172.8%
Total Revenues:	<u>1,968,381</u>	<u>3,396,280</u>		<u>896,808</u>	<u>1,071,573</u>	
Other Financing Sources	<u>1,733,828</u>	<u>2,311,770</u>	75.0%	<u>1,623,742</u>	<u>110,086</u>	6.8%
Total Revenues and Other Financing Sources	<u>\$ 3,702,209</u>	<u>\$ 5,708,050</u>		<u>\$ 2,520,550</u>	<u>\$ 1,181,659</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 2,785,256	\$ 4,220,800	66.0%	\$ 3,081,229	\$ (295,973)	-9.6%
Total Community Enrichment & Development	<u>2,785,256</u>	<u>4,220,800</u>		<u>3,081,229</u>	<u>(295,973)</u>	
Capital Outlay	<u>2,551</u>		0.0%	<u>2,551</u>		0.0%
Debt Service and Fiscal Agent Fees	<u>378,714</u>	<u>1,512,430</u>	25.0%	<u>378,714</u>		0.0%
Total Expenditures	<u>\$ 3,166,521</u>	<u>\$ 5,733,230</u>		<u>\$ 3,081,229</u>	<u>\$ 85,292</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
HURF Revenues:						
Revenues:						
Licenses and Permits	\$ 413,995	\$ 543,000	76.2%	\$ 429,917	\$ (15,922)	-3.7%
Other Agencies	27,772,239	36,492,310	76.1%	26,351,724	1,420,515	5.4%
Use of Money and Property	426,087	635,840	67.0%	320,679	105,408	32.9%
Charges for Current Services	32,580		0.0%	28,112	4,468	15.9%
Miscellaneous Revenue	848,335	500,000		1,108,681	(260,346)	-23.5%
Total Revenues	<u>\$ 29,493,236</u>	<u>\$ 38,171,150</u>		<u>\$ 28,239,113</u>	<u>\$ 1,254,123</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	\$ 20,976,957	\$ 31,890,360	65.8%	\$ 19,977,004	\$ 999,953	5.0%
Total Community Enrichment and Development	<u>20,976,957</u>	<u>31,890,360</u>		<u>19,977,004</u>	<u>999,953</u>	
Non-Departmental						
Outside Agencies	157,458	100,580	156.6%	50,290	107,168	213.1%
Total Non-Departmental	<u>157,458</u>	<u>100,580</u>		<u>50,290</u>	<u>107,168</u>	
Capital Outlay	<u>604,834</u>	<u>1,092,650</u>	55.4%	<u>11,221</u>	<u>593,613</u>	5290.2%
Capital Projects	<u>617,165</u>	<u>1,998,620</u>	30.9%	<u>1,136,995</u>	<u>(519,830)</u>	-45.7%
Other Financing Uses		<u>(9,821,590)</u>	0.0%			0.0%
Total Expenditures & Other Financing Uses	<u>\$ 22,356,414</u>	<u>\$ 25,260,620</u>		<u>\$ 21,175,510</u>	<u>\$ 1,180,904</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
MARCH 31, 2016

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
<u>ASSETS</u>			
Current assets:			
Cash and Cash Equivalents	\$ 52,188,458	\$ 30,860,445	\$ 1,605,233
Cash and Investments - Restricted	21,028,481		
Cash and Investments with Fiscal Agent - Restricted	25,333,384		
Accounts Receivable, Net	22,980,718	3,584,030	407,601
Due from Other Agencies		82,349	
Interest Receivable	104,212	53,991	
Inventories	5,771,108		271,488
Other Assets	2,502,583		
Total current assets	129,908,944	34,580,815	2,284,322
Noncurrent assets:			
Long Term Accounts Receivable	208,172		
Other Assets - Restricted	254,986		44,579
Land and Construction in Progress	152,183,437	19,341,519	2,701,865
Other Capital Assets, Net	1,066,819,647	25,970,289	12,217,597
Water Rights	52,126,968		
Total noncurrent assets	1,271,593,210	45,311,808	14,964,041
Total assets	1,401,502,154	79,892,623	17,248,363
<u>DEFERRED OUTFLOWS</u>			
Loss on Refunding of Debt	15,820,606		
Pension Plans	3,162,060	1,205,606	
Total deferred outflows	18,982,666	1,205,606	
Total assets and deferred outflows	1,420,484,820	81,098,229	17,248,363
<u>LIABILITIES</u>			
Current liabilities:			
Accounts Payable	2,540,283	287,358	115,159
Accrued Payroll Liabilities	51,109	50,674	117,848
Interfund Payable	31,898		1,913,665
Due to Other Agencies	300,440	2,145	74,215
Accrued Interest Payable			3,611
Refundable Deposits	2,133,190	86,755	6,595
Current Portion of Bonds Payable	36,946,587		
Current Portion of Contracts Payable		268,000	81,954
Current Portion of Compensated Absences	1,760,284	609,062	
Advances From Customers			86,029
Current Portion of Long Term Liabilities		750,551	
Total current liabilities	43,763,791	2,054,545	2,399,076
Noncurrent liabilities:			
Bonds Payable	518,354,636		
Contracts Payable		10,349,118	212,189
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	573,137,986	87,640,114	8,766,804
Total liabilities	616,901,777	89,694,659	11,165,880
<u>DEFERRED INFLOWS</u>			
Deferred Revenue	92,714		
Pension Plans	5,461,526	2,082,329	
Total deferred inflows	5,554,240	2,082,329	
Total liabilities and deferred inflows	622,456,017	91,776,988	
<u>NET POSITION</u>			
Net Investment in capital assets	756,094,962	34,694,690	14,625,319
Amounts Restricted for:			
Debt Service	25,333,384		
Unrestricted Amounts (deficit)	16,600,457	(64,414,296)	(8,542,836)
Closure/Post Closure Liability		7,894,247	
New Landfill Cell Construction		11,146,600	
Total net position	\$ 798,028,803	\$ (10,678,759)	\$ 6,082,483

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER UTILITY FUND
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Fiscal Year 2016	Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY	
	Actual	Actual			
Operating revenues:					
Charges for Services	\$ 137,786,969	\$ 131,650,432	\$ 6,136,537	4.7%	3a
Total operating revenues	<u>137,786,969</u>	<u>131,650,432</u>	<u>6,136,537</u>		
Operating expenses:					
Salaries, Wages and Benefits	25,938,537	25,109,505	829,032	3.3%	
Contractual Services	49,920,410	46,464,513	3,455,897	7.4%	3b
Commodities	6,576,111	5,792,420	783,691	13.5%	
Depreciation/Amortization	25,311,557	26,703,054	(1,391,497)	-5.2%	
Total operating expenses	<u>107,746,615</u>	<u>104,069,492</u>	<u>3,677,123</u>		
Operating Income (Loss)	<u>30,040,354</u>	<u>27,580,940</u>	<u>2,459,414</u>		
Nonoperating revenues (expenses):					
Investment Income	867,267	147,362	719,905	488.5%	
Gain (Loss) on Sale of Property/Equipment	259,434	(66,754)	326,188	-488.6%	
Federal Grants and Contributions		367,309	(367,309)	-100.0%	
Interest Expense	(13,937,974)	(14,600,866)	662,892	-4.5%	
Other Nonoperating Income (Expenses)	(1,150,237)	(5,436,895)	4,286,658	-78.8%	3c
Total nonoperating revenues (expenses)	<u>(13,961,510)</u>	<u>(19,589,844)</u>	<u>5,628,334</u>		
Income (loss) before transfers	<u>16,078,844</u>	<u>7,991,096</u>	<u>8,087,748</u>		
Transfers In	2,155,715	3,344,745	(1,189,030)	-35.5%	
Transfers Out	(1,200,000)	(1,200,000)		0.0%	
Changes in net position	<u>17,034,559</u>	<u>10,135,841</u>	<u>6,898,718</u>		
Total net position, beginning of year	780,994,244	760,457,882 *	20,536,362		
Total net position	<u>\$ 798,028,803</u>	<u>\$ 770,593,723</u>	<u>\$ 27,435,080</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 NINE MONTHS ENDED MARCH 31, 2016

	Fiscal Year 2016	Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 36,554,185	\$ 35,727,212	\$ 826,973	2.3%
Miscellaneous	785,345	691,055	94,290	13.6%
Total operating revenues	<u>37,339,530</u>	<u>36,418,267</u>	<u>921,263</u>	
Operating expenses:				
Salaries, Wages and Benefits	11,167,836	11,041,202	126,634	1.1%
Contractual Services	13,761,087	12,753,412	1,007,675	7.9%
Commodities	2,542,217	3,142,870	(600,653)	-19.1%
Cost of Goods Sold				0.0%
Depreciation/Amortization	3,550,568	2,627,742	922,826	35.1%
Total operating expenses	<u>31,021,708</u>	<u>29,565,226</u>	<u>1,456,482</u>	
Operating Income (Loss)	<u>6,317,822</u>	<u>6,853,041</u>	<u>(535,219)</u>	
Nonoperating revenues (expenses):				
Investment Income	249,937	(58,874)	308,811	-524.5%
Gain (Loss) on Sale of Property/Equipment	(105,988)	372,373	(478,361)	-128.5%
Other Agencies	88,026	97,038	(9,012)	-9.3%
Interest Expense	(244,476)	(247,840)	3,364	-1.4%
Other Nonoperating Income (Expenses)				0.0%
Total nonoperating revenues (expenses)	<u>(12,501)</u>	<u>162,697</u>	<u>(175,198)</u>	
Changes in net position	<u>6,305,321</u>	<u>7,015,738</u>	<u>(710,417)</u>	
Total net position, beginning of year	(16,984,080)	(25,318,874) *	8,334,794	
Total net position	<u>\$ (10,678,759)</u>	<u>\$ (18,303,136)</u>	<u>\$ 7,624,377</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 NINE MONTHS ENDED MARCH 31, 2016

	Randolph	El Rio	Silverbell	Enke	Combined	Total Budget	% Budget
COURSE OPERATIONS:							
Operating revenues:							
Green Fees	\$ 1,169,450.00	\$ 329,406.00	\$ 441,209.00	\$ 287,061.00	\$ 2,227,126.00	\$ 7,688,730.00	
Cart Rentals	592,860	242,558	201,637	209,669	1,246,724		
Driving Range	227,455	6,540	61,422	101,578	396,995		
Clubhouse	233,435	140,673	140,411	132,461	646,980		
Other Revenue	754,302	119,754	121,522	103,049	1,098,627	10,130	
Total Operating Revenues	<u>2,977,502</u>	<u>838,931</u>	<u>966,201</u>	<u>833,818</u>	<u>5,616,452</u>	<u>7,698,860</u>	<u>73.0%</u>
Operating expenses:							
Salaries, Wages and Benefits	13,244	7,725	7,726	7,725	36,420	45,840	
Contractual Services	1,536,239	815,416	638,483	770,186	3,760,324	5,537,470	
Commodities	576,126	235,284	339,412	284,002	1,434,824	1,297,850	
Cost of Goods Sold	245,037	81,433	78,739	75,661	480,870	646,280	
Depreciation/Amortization	188,182	88,249	176,026	90,846	543,303		
Total Operating Expenses	<u>2,558,828</u>	<u>1,228,107</u>	<u>1,240,386</u>	<u>1,228,420</u>	<u>6,255,741</u>	<u>7,527,440</u>	<u>83%</u>
Operating Income (Loss)	<u>418,674</u>	<u>(389,176)</u>	<u>(274,185)</u>	<u>(394,602)</u>	<u>(639,289)</u>	<u>171,420</u>	
Nonoperating revenues (expenses):							
Interest Expense	(3,200)	(1,600)	(1,600)	(1,600)	(8,000)	7,970	
Other	1,389				1,389	94,250	
Total nonoperating revenues (expenses)	<u>(1,811)</u>	<u>(1,600)</u>	<u>(1,600)</u>	<u>(1,600)</u>	<u>(6,611)</u>	<u>102,220</u>	
Changes in net position	<u>416,863</u>	<u>(390,776)</u>	<u>(275,785)</u>	<u>(396,202)</u>	<u>(645,900)</u>	<u>\$ 273,640</u>	
Total net position, beginning of year	2,018,515	1,816,663	1,345,677	1,547,528	6,728,383		
Total net position	<u>\$ 2,435,378</u>	<u>\$ 1,425,887</u>	<u>\$ 1,069,892</u>	<u>\$ 1,151,326</u>	<u>\$ 6,082,483</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 NINE MONTHS ENDED MARCH 31, 2016

	Fleet Services	Self Insurance	General Services
Operating revenues:			
Charges for Services	\$ 15,609,411	\$ 10,033,470	\$ 13,612,550
Miscellaneous	138,035	15,342	3,647
Total operating revenues	<u>15,747,446</u>	<u>10,048,812</u>	<u>13,616,197</u>
Operating expenses:			
Salaries, Wages and Benefits	4,228,547	872,796	6,719,350
Contractual Services	4,226,925	2,843,394	4,160,697
Commodities	7,184,757	55,641	1,391,248
Benefits and Claims		4,009,154	
Depreciation	1,498,988	9,127	43,235
Total operating expenses	<u>17,139,217</u>	<u>7,790,112</u>	<u>12,314,530</u>
Operating income (loss)	<u>(1,391,771)</u>	<u>2,258,700</u>	<u>1,301,667</u>
Nonoperating revenues (expenses):			
Property Taxes		1,496,603	
Investment Income	11,866	95,990	15,920
Gain (loss) on Sale of Property/Equipment	145,205		
Federal Non Grant Contributions			146,780
Interest Expense			(241,116)
Total nonoperating revenues (expenses)	<u>157,071</u>	<u>1,592,593</u>	<u>(78,416)</u>
Income (loss) before transfers	<u>(1,234,700)</u>	<u>3,851,293</u>	<u>1,223,251</u>
Transfers In			<u>280,065</u>
Changes in net position	<u>(1,234,700)</u>	<u>3,851,293</u>	<u>1,503,316</u>
Total net position, beginning of year	11,322,038	830,874	(10,781,094)
Total net position	<u>\$ 10,087,338</u>	<u>\$ 4,682,167</u>	<u>\$ (9,277,778)</u>

City of Tucson, Arizona
Variance Explanations
For March, 2016

General Fund:

- (1a) The City sold real estate property in March 2016.
- (1b) 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) Charges for current services revenue decreased in fiscal year 2016 due to a halt in services caused by an economic strike of unionized bus drivers and mechanics.
- (2b) In fiscal year 2015 mass transit increased their fleet with twenty-nine new compressed natural gas buses.
- (2c) Capital project costs have increased due to the construction of a compressed natural gas plant; much of the cost is reimbursed from federal grants.

Water Utility Fund:

- (3a) At the beginning of fiscal year 2016, water rates were increased on metered and reclaimed sales.
- (3b) The majority of the contractual services increase is due to \$1.6 million in system upgrades, \$938,000 in conservation rebates and \$900,000 in repairs, tools and city administrative fees.
- (3c) \$4.7 million in construction in progress reclassifications occurred in fiscal year 2015.

Environmental Services Fund:

- (5a) Contractual services expense increased due to a landfill compactor rebuild and vehicle maintenance costs.