



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For May 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 ELEVEN MONTHS ENDED MAY 31, 2014

	Fiscal Year 2014			Fiscal Year 2013		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
General Fund Revenues and Other Financing Sources:	Straight-line Budget (May, 31st): 91.7%					
Revenues:						
Primary Property Taxes	\$ 11,230,961	\$ 13,119,610	85.6%	\$ 11,006,252	\$ 224,709	2.0%
Business Privilege Tax	154,977,358	188,988,400	82.0%	151,669,701	3,307,657	2.2%
Other Local Taxes	31,855,811	43,908,070	72.6%	37,558,404	(5,702,593)	-15.2% 1a
Grants and Shared Taxes	3,843,936	4,112,220	93.5%	3,653,915	190,021	5.2%
State-Shared Income Tax Revenue	43,468,485	58,908,030	73.8%	39,846,549	3,621,936	9.1% 1b
State-Shared Sales Tax	33,969,917	45,108,710	75.3%	31,818,434	2,151,483	6.8%
State Auto Lieu Tax	14,700,671	20,045,020	73.3%	13,211,411	1,489,260	11.3%
Licenses and Permits	15,815,080	19,890,750	79.5%	16,381,942	(566,862)	-3.5%
Fines, Forfeitures, and Penalties	13,484,576	13,227,280	101.9%	11,061,416	2,423,160	21.9% 1c
Use of Money and Property	630,469	694,450	90.8%	580,696	49,773	8.6%
Charges for Current Services	35,644,868	41,880,960	85.1%	37,365,094	(1,720,266)	-4.6%
Miscellaneous Revenue	9,693,594	9,926,140	97.7%	1,268,811	8,424,783	664.0% 1d
Total General City Revenues:	369,315,726	459,809,640		355,422,625	13,893,101	
Other Financing Sources	2,073,319	14,806,000	14.0%	1,466,667	606,652	41.4%
Total Revenues and Other Financing Sources	\$ 371,389,045	\$ 474,615,640		\$ 356,889,292	\$ 14,499,753	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 2,230,770	\$ 2,736,430	81.5%	\$ 2,448,545	\$ (217,775)	-8.9%
City Manager	7,449,466	8,641,450	86.2%	6,195,227	1,254,239	20.2%
City Attorney	7,299,647	8,137,900	89.7%	7,258,015	41,632	0.6%
City Clerk	3,128,125	4,044,840	77.3%	2,394,693	733,432	30.6%
Total Elected and Official	20,108,008	23,560,620		18,296,480	1,811,528	
Public Safety & Justice Services						
City Court	9,810,387	11,142,190	88.0%	9,710,555	99,832	1.0%
Equal Opportunity Programs and Independ	686,772	787,220	87.2%	654,914	31,858	4.9%
Public Defender	2,792,970	3,087,320	90.5%	2,631,702	161,268	6.1%
Tucson Fire	78,200,495	86,309,879	90.6%	76,406,514	1,793,981	2.3%
Tucson Police	130,042,907	148,870,234	87.4%	130,357,062	(314,155)	-0.2%
Total Public Safety & Justice Services	221,533,531	250,196,843		219,760,747	1,772,784	
Community Enrichment & Development						
Housing & Community Development	3,670,003	4,573,437	80.2%	5,600,466	(1,930,463)	-34.5%
Integrated Planning	860,755			860,755		100.0%
Parks and Recreation	32,404,532	35,962,290	90.1%	33,754,201	(1,349,669)	-4.0%
Planning & Development Services	7,320,450	8,075,638	90.6%	6,360,522	959,928	15.1%
Transportation	1,863,942	2,204,570	84.5%	5,312,738	(3,448,796)	-64.9% 1e
Total Community Enrichment & Development	46,119,682	50,815,935		51,027,927	(4,908,245)	
Support Services						
Budget and Internal Audit	1,332,813	1,541,880	86.4%	1,316,496	16,317	1.2%
Finance	9,508,548	10,339,910	92.0%	9,324,254	184,294	2.0%
General Services	8,642,592	9,918,520	87.1%	2,574,758	6,067,834	235.7% 1f
Human Resources	1,829,391	2,266,800	80.7%	1,953,795	(124,404)	-6.4%
Information Technology	14,107,304	16,425,203	85.9%	14,776,060	(668,756)	-4.5%
Procurement	2,946,530	3,031,260	97.2%	2,924,158	22,372	0.8%
Total Support Services	38,367,178	43,523,573		32,869,521	5,497,657	
Total Non-Departmental	18,960,068	25,131,030	75.4%	17,194,487	1,765,581	10.3%
Capital Projects	658,839	2,362,917	27.9%	801,441	(142,602)	-17.8%
Debt Service and Fiscal Agent Fees	5,494,056	24,360,720	22.6%	5,726,553	(232,497)	-4.1%
Other Financing Uses	43,894,623	46,269,770	94.9%	40,328,747	3,565,876	8.8% 1g
Total Expenditures & Other Financing Uses	\$ 395,135,985	\$ 466,221,408		\$ 386,005,903	\$ 9,130,082	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE ELEVEN MONTHS ENDED MAY 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 (May, 31st): 91.7%					
Revenues:						
Federal Grants and Contributions	\$ 8,497,122	\$ 19,325,820	44.0%	\$ 65,280,352	\$ (56,783,230)	-87.0% 2a
Other Agencies	9,892,490	17,143,280	57.7%	6,041,730	3,850,760	63.7% 2b
Use of Money and Property	378,717	250,000	151.5%	309,346	69,371	22.4%
Charges for Current Services	12,114,239	16,249,710	74.6%	12,818,237	(703,998)	-5.5%
Miscellaneous Revenue	197,369	480,050	41.1%	662,413	(465,044)	-70.2%
Total Revenues:	<u>31,079,937</u>	<u>53,448,860</u>		<u>85,112,078</u>	<u>(54,032,141)</u>	
Other Financing Sources	40,733,844	42,733,040	95.3%	37,061,558	3,672,286	9.9%
Total Revenues and Other Financing Sources	<u>\$ 71,813,781</u>	<u>\$ 96,181,900</u>		<u>\$ 122,173,636</u>	<u>\$ (50,359,855)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 70,316,717	\$ 83,702,700	84.0%	\$ 64,514,810	\$ 5,801,907	9.0% 2c
Total Community Enrichment & Development	<u>70,316,717</u>	<u>83,702,700</u>		<u>64,514,810</u>	<u>5,801,907</u>	
Capital Expenditures	1,497,064	15,058,900	9.9%	60,637,709	(59,140,645)	-97.5% 2a
Total Expenditures & Other Financing Uses	<u>\$ 71,813,781</u>	<u>\$ 98,761,600</u>		<u>\$ 125,152,519</u>	<u>\$ (53,338,738)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE ELEVEN MONTHS ENDED MAY 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 (May, 31st): 91.7%					
Revenues:						
Licenses and Permits	\$ 235,233	\$		\$ 43,250	\$ 191,983	443.9%
Other Agencies	27,754,261	34,042,290	81.5%	27,293,541	460,720	1.7%
Use of Money and Property	1,008,971	335,000	301.2%	183,639	825,332	449.4% 3a
Charges for Current Services	1,041,814	542,000	192.2%	687,901	353,913	51.4%
Miscellaneous Revenue	1,677,104	3,179,020		2,891,304	(1,214,200)	-42.0% 3b
Total Revenues	<u>\$ 31,717,383</u>	<u>\$ 38,098,310</u>		<u>\$ 31,099,635</u>	<u>\$ 617,748</u>	
HURF Expenditures:						
Public Safety & Justice Services						
Neighborhood Resources Department	\$	\$		\$ 37,294	\$ (37,294)	-100.0%
Total Public Safety & Justice Services				<u>37,294</u>	<u>(37,294)</u>	
Community Enrichment and Development						
Transportation	24,258,221	32,592,823	74.4%	30,892,072	(6,633,851)	-21.5% 3c
Total Community Enrichment and Development	<u>24,258,221</u>	<u>32,592,823</u>		<u>30,892,072</u>	<u>(6,633,851)</u>	
Non-Departmental						
Outside Agencies	100,580	100,580	100.0%	75,435	25,145	33.3%
Total Non-Departmental	<u>100,580</u>	<u>100,580</u>		<u>75,435</u>	<u>25,145</u>	
Capital Outlay	233,614	630,170	37.1%	7,757	225,857	2911.7%
Capital Projects	2,082,850	2,062,957	101.0%	807,553	1,275,297	157.9% 3d
Debt Service and Fiscal Agent Fees		17,588,650		170,735	(170,735)	-100.0%
Total Expenditures & Other Financing Uses	<u>\$ 26,675,265</u>	<u>\$ 52,975,180</u>		<u>\$ 31,990,846</u>	<u>\$ (5,315,581)</u>	

**CITY OF TUCSON, ARIZONA
ENTERPRISE FUNDS
MAY 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	\$ 43,742,827	\$ 32,329,673	
Cash and Investments with Fiscal Agent - Restricted	25,935,958		
Accounts Receivable, Net	13,506,171	4,235,023	669,549
Due from Other Agencies		31,229	
Interest Receivable	174,937	103,873	
Inventories	3,569,431		134,698
Other Assets	481,187		
Total current assets	<u>87,410,511</u>	<u>36,699,798</u>	<u>804,247</u>
Noncurrent assets:			
Long Term Accounts Receivable	451,895		
Other Assets - Restricted	248,712		
Land and Construction in Progress	211,542,005	11,196,009	2,701,865
Other Capital Assets, Net	995,880,556	20,885,230	13,075,603
Water Rights	52,126,968		
Total noncurrent assets	<u>1,260,250,136</u>	<u>32,081,239</u>	<u>15,777,468</u>
Total assets	<u>1,347,660,647</u>	<u>68,781,037</u>	<u>16,581,715</u>
Deferred Outflows			
Unamortized Loss on Refunding	13,131,874		
Total deferred outflows	<u>13,131,874</u>		
Total assets and deferred outflows	<u>1,360,792,521</u>	<u>68,781,037</u>	<u>16,581,715</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Liabilities			
Current liabilities:			
Accounts Payable	1,085,614	83,458	143,179
Accrued Payroll Liabilities	1,506,986	591,708	
Interfund Payable			311,476
Due to Other Agencies		256	38,207
Accrued Interest Payable			2,786
Refundable Deposits	3,400,926	62,388	
Current Portion of Bonds Payable	31,870,119	121,000	
Current Portion of Compensated Absences	1,744,436	608,131	
Liabilities Payable from Restricted Assets	1,401,549		
Advances From Customers			141,764
Current Portion of Long Term Liabilities		740,330	
Total current liabilities	<u>41,009,630</u>	<u>2,207,271</u>	<u>637,412</u>

**CITY OF TUCSON, ARIZONA
ENTERPRISE FUNDS
MAY 31, 2014**

LIABILITIES AND DEFERRED INFLOWS (continued)

Noncurrent liabilities:			
Bonds Payable	516,349,107		
Contracts Payable		10,593,000	
Compensated Absences	1,889,495	701,672	
Other-Post-employment Benefits	972,264	419,502	
Loans and Notes Payable			7,369,981
Long Term Liabilities		44,220,917	
Total non-current liabilities	<u>519,210,866</u>	<u>55,935,091</u>	<u>7,369,981</u>
Total liabilities	<u>560,220,496</u>	<u>58,142,362</u>	<u>8,007,393</u>
Deferred Inflows			
Unavailable Revenue	75,982		
Total deferred inflows	<u>75,982</u>		
Total liabilities and deferred inflows	<u>560,296,478</u>	<u>58,142,362</u>	<u>8,007,393</u>
<u>NET POSITION</u>			
Net Investment in capital assets	716,504,473	21,367,239	15,777,468
Restricted for:			
Debt Service	25,935,958		
Unrestricted Amounts (deficit)	58,055,612	(21,521,551)	(7,203,146)
Closure/Post Closure Liability		4,846,387	
New Landfill Cell Construction		5,946,600	
Total net position	<u>\$ 800,496,043</u>	<u>\$ 10,638,675</u>	<u>\$ 8,574,322</u>

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

	Fiscal Year 2014		Fiscal Year 2013	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 141,929,694	\$ 130,583,280	\$ 11,346,414	8.7%
Miscellaneous	763,824	531,568	232,256	43.7%
Total operating revenues	<u>142,693,518</u>	<u>131,114,848</u>	<u>11,578,670</u>	
Operating expenses:				
Personal Services	32,030,326	31,151,194	879,132	2.8%
Contractual Services	53,538,101	46,904,931	6,633,170	14.1%
Commodities	7,147,954	6,913,584	234,370	3.4%
Depreciation/Amortization	28,641,114	27,083,685	1,557,429	5.8%
Total operating expenses	<u>121,357,495</u>	<u>112,053,394</u>	<u>9,304,101</u>	
Operating Income (Loss)	<u>21,336,023</u>	<u>19,061,454</u>	<u>2,274,569</u>	
Nonoperating revenues (expenses):				
Investment Income	840,285	726,217	114,068	15.7%
Gain (Loss) on Sale of Property/Equipment	272,846	5,537	267,309	4827.7%
Federal Grants and Contributions		51,715	(51,715)	-100.0%
Non-Grant Contributions	1,138,039			0.0%
Interest Expense	(17,013,900)	(18,621,094)	1,607,194	-8.6%
Amortization of Cost Issuance		(327,398)	327,398	-100.0%
Other Nonoperating Income (Expenses)	(390,275)	(353,860)	(36,415)	10.3%
Total nonoperating revenues (expenses)	<u>(15,153,005)</u>	<u>(18,518,883)</u>	<u>3,365,878</u>	
Income (loss) before capital contributions and transfers	<u>6,183,018</u>	<u>542,571</u>	<u>5,640,447</u>	
Capital Contributions Transfers Out	<u>5,905,036</u> <u>(1,466,667)</u>	<u>5,081,652</u> <u>(1,466,667)</u>	<u>823,384</u>	16.2%
Changes in net position	<u>10,621,387</u>	<u>4,157,556</u>	<u>6,463,831</u>	
Total net position, beginning of year	<u>789,874,656</u>	<u>766,475,908</u>	<u>23,398,748</u>	
Total net position, May 31	<u>\$ 800,496,043</u>	<u>\$ 770,633,464</u>	<u>\$ 29,862,579</u>	

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

	Fiscal Year 2014		Fiscal Year 2013	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 44,052,138	\$ 43,492,440	\$ 559,698	1.3%
Miscellaneous	1,325,379	1,314,205	11,174	0.9%
Total operating revenues	<u>45,377,517</u>	<u>44,806,645</u>	<u>570,872</u>	
Operating expenses:				
Personal Services	13,776,340	14,025,934	(249,594)	-1.8%
Contractual Services	15,260,080	16,201,430	(941,350)	-5.8%
Commodities	3,954,952	4,530,387	(575,435)	-12.7%
Depreciation/Amortization	4,673,699	4,819,414	(145,715)	-3.0%
Total operating expenses	<u>37,665,071</u>	<u>39,577,165</u>	<u>(1,912,094)</u>	
Operating Income (Loss)	<u>7,712,446</u>	<u>5,229,480</u>	<u>2,482,966</u>	
Nonoperating revenues (expenses):				
Investment Income	248,473	140,171	108,302	77.3%
Gain (Loss) on Sale of Property/Equipment	557,861	281,199	276,662	98.4%
Other Agencies	71,228	196,943	(125,715)	-63.8%
Interest Expense	(248,203)	(43,279)	(204,924)	473.5%
Amortization of Cost Issuance		(16,415)	16,415	-100.0%
Total nonoperating revenues (expenses)	<u>629,359</u>	<u>558,619</u>	<u>70,740</u>	
Income (loss) before capital contributions and transfers	<u>8,341,805</u>	<u>5,788,099</u>	<u>2,553,706</u>	
Changes in net position	<u>8,341,805</u>	<u>5,788,099</u>	<u>2,553,706</u>	
Total net position, beginning of year	2,296,870	(3,479,259)	5,776,129	
Total net position, May 31	<u>\$ 10,638,675</u>	<u>\$ 2,308,840</u>	<u>\$ 8,329,835</u>	

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

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 5,680,226	\$ 5,669,160	\$ 11,066	0.2%
Miscellaneous	14,404	29,329	(14,925)	-50.9%
Total operating revenues	<u>5,694,630</u>	<u>5,698,489</u>	<u>(3,859)</u>	
Operating expenses:				
Personnel Services	1,596,394	2,752,825	(1,156,431)	-42.0% 5a
Contractual Services	2,392,534	1,665,995	726,539	43.6% 5b
Commodities	821,836	865,957	(44,121)	-5.1%
Cost of Goods Sold	227,199	191,637	35,562	18.6%
Depreciation/Amortization	626,166	645,158	(18,992)	-2.9%
Total operating expenses	<u>5,664,129</u>	<u>6,121,572</u>	<u>(457,443)</u>	
Operating Income (Loss)	<u>30,501</u>	<u>(423,083)</u>	<u>453,584</u>	
Nonoperating revenues (expenses):				
Investment Income	(18,572)		(18,572)	0.0%
Interest Expense		(48,237)	48,237	-100.0%
Total nonoperating revenues (expenses)	<u>(18,572)</u>	<u>(48,237)</u>	<u>29,665</u>	
Income (loss) before capital contributions and transfers	<u>11,929</u>	<u>(471,320)</u>	<u>483,249</u>	
Tranfers In		3,609,095	(3,609,095)	-100.0% 5c
Changes in net position	<u>11,929</u>	<u>3,137,775</u>	<u>(3,125,846)</u>	
Total net position, beginning of year	8,562,393	6,359,649	2,202,744	
Total net position, May 31	<u>\$ 8,574,322</u>	<u>\$ 9,497,424</u>	<u>\$ (923,102)</u>	

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

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 21,733,123	\$ 14,858,920	\$ 16,348,507
Miscellaneous	228,652	20,907	6,476
Total operating revenues	<u>21,961,775</u>	<u>14,879,827</u>	<u>16,354,983</u>
Operating expenses:			
Personal Services	5,467,087	1,052,237	8,317,313
Contractual Services	4,625,462	3,287,842	5,410,667
Commodities	12,790,799	145,423	1,828,568
Benefits and Claims		10,312,806	
Depreciation	1,855,556	12,387	381,790
Total operating expenses	<u>24,738,904</u>	<u>14,810,695</u>	<u>15,938,338</u>
Operating income (loss)	<u>(2,777,129)</u>	<u>69,132</u>	<u>416,645</u>
Nonoperating revenues (expenses):			
Property Taxes		2,499,393	
Investment Income	7,755.00	31,579	15,143
Gain (loss) on Sale of Property/Equipment	3,933		
Federal Non Grant Contributions			170,767
Interest Expense			(281,728)
Total nonoperating revenues (expenses)	<u>11,688</u>	<u>2,530,972</u>	<u>(95,818)</u>
Income (loss) before capital contributions and transfers	<u>(2,765,441)</u>	<u>2,600,104</u>	<u>320,827</u>
Capital Contributions	25,335		
Transfers In		1,000,000	
Transfers Out	52,744		(6,146,153)
Changes in net position	<u>(2,687,362)</u>	<u>3,600,104</u>	<u>(5,825,326)</u>
Total net position, beginning of year	10,361,694	(12,635,103)	(1,974,255)
Total net position, May 31	<u>\$ 7,674,332</u>	<u>\$ (9,034,999)</u>	<u>\$ (7,799,581)</u>

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General Fund (pg. 2):

- (1a) Due to milder winter months, Public Utility taxes decreased over prior fiscal year.
- (1b) The State-Shared Income Tax is based on income tax collections by the State from 2 years ago.
- (1c) Due to an increase in citations and tax intercepts the revenues for court fees and fines has increased over \$2.5 million dollars.
- (1d) City of Tucson received the settlement payment for the asbestos claim against W.R. Grace in the amount of \$7.5 million.
- (1e) In the last fiscal year, the Transportation Department completed the 2013 Pavement Preservation Program.
- (1f) This fiscal year, all general funded building maintenance and custodial service costs were moved to General Services instead of the individual departments. Also, this fiscal year has new expenses related to the Tucson Convention Center Arena improvements.
- (1g) The subsidy for Mass transit increased primarily due to an increased demand for Sun Van services.

Mass Transit (pg. 3):

- (2a) Decrease primarily due to prior year TIGER grant spending for Modern Streetcar construction and other federal grant funding was spent for replacement buses.
- (2b) The timeliness and amount of RTA billings has increased compared to prior fiscal year.
- (2c) Operating expenditures increased by \$5.8M due to printing of transfer tickets, software upgrade, transit survey, transit operator wages and Modern Streetcar pre-revenue costs.

Highway User Revenue Fund (pg. 3):

- (3a) Received Western Emulsion lease payments from previous years.
- (3b) Proceeds from land sales decreased from prior fiscal year.
- (3c) Decrease primarily due to shift in spending from the HURF operating fund to the 2014 Streets Pavement Program Capital Project fund.
- (3d) Increased spending for the Houghton Rd. Widening construction project.

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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 \$6.6M due to CAP commodity and Capital Charges \$2.5M, \$1.4M in Electric due to vendor price increases, \$41K in Bad Debt Write Off, \$588K in Tucson Water Administrative Fees, \$181K in Legal Fees, \$1.5M in Water Surveys/Studies/Professional Services, \$350K in R&M street repairs and service fees, \$40K in travel.
- (4c) Decrease in interest expense due to bond refunding.

Tucson Golf Fund (pg. 8):

- (5a) Salaries and benefits decreased due to the contracting of Tucson City Golf.
- (5b) Contractual services increased due to the contracting of Tucson City Golf.
- (5c) A transfer In transaction was posted in FY 2013 to move COPs debt obligation; the general fund will be paying the annual debt service payments.