



CITY OF
TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements
For May 31, 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 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.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE ELEVEN MONTHS ENDED MAY 31, 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 | 91.7% | | | |
| Revenues: | | | | | | |
| Primary Property Taxes | \$ 11,127,693 | \$ 13,599,560 | 81.8% | \$ 11,230,961 | \$ (103,268) | -0.9% |
| Business Privilege Tax | 174,497,147 | 192,114,160 | 90.8% | 168,950,749 | 5,546,398 | 3.3% |
| Other Local Taxes | 38,529,524 | 43,617,780 | 88.3% | 34,256,559 | 4,272,965 | 12.5% 1a |
| Grants and Shared Taxes | 4,366,645 | 4,633,260 | 94.2% | 3,843,936 | 522,709 | 13.6% |
| State-Shared Income Tax Revenue | 57,716,320 | 63,620,670 | 90.7% | 53,139,623 | 4,576,697 | 8.6% 1b |
| State-Shared Sales Tax | 43,212,743 | 47,151,760 | 91.6% | 41,320,531 | 1,892,212 | 4.6% |
| State Auto Lieu Tax | 18,896,494 | 20,719,540 | 91.2% | 18,872,973 | 23,521 | 0.1% |
| Licenses and Permits | 22,183,330 | 25,520,120 | 86.9% | 19,790,393 | 2,392,937 | 12.1% 1c |
| Fines, Forfeitures, and Penalties | 14,279,795 | 14,799,250 | 96.5% | 13,484,576 | 795,219 | 5.9% |
| Use of Money and Property | 641,881 | 433,020 | 148.2% | 630,469 | 11,412 | 1.8% |
| Charges for Current Services | 33,192,734 | 37,017,990 | 89.7% | 31,669,556 | 1,523,178 | 4.8% |
| Miscellaneous Revenue | 4,996,092 | 4,613,640 | 108.3% | 9,693,594 | (4,697,502) | -48.5% 1d |
| Total Revenues: | 423,640,399 | 467,840,750 | | 406,883,920 | 16,756,479 | |
| Other Financing Sources | 2,731,667 | 1,600,000 | 170.7% | 2,073,319 | 658,348 | 31.8% 1e |
| Total Revenues and Other Financing Sources | \$ 426,372,066 | \$ 469,440,750 | | \$ 408,957,239 | \$ 17,414,827 | |
| General Fund Expenditures: | | | | | | |
| Elected and Official | | | | | | |
| Mayor and Council | \$ 2,244,991 | \$ 2,566,510 | 87.5% | \$ 2,230,770 | \$ 14,221 | 0.6% |
| City Manager | 7,221,892 | 7,800,290 | 92.6% | 7,449,466 | (227,574) | -3.1% |
| City Attorney | 7,435,529 | 8,713,380 | 85.3% | 7,264,682 | 170,847 | 2.4% |
| City Clerk | 2,132,022 | 2,874,886 | 74.2% | 3,128,125 | (996,103) | -31.8% 1f |
| Total Elected and Official | 19,034,434 | 21,955,066 | | 20,073,043 | (1,038,609) | |
| Public Safety & Justice Services | | | | | | |
| City Court | 10,234,052 | 11,679,020 | 87.6% | 9,749,320 | 484,732 | 5.0% |
| Equal Opportunity Programs | | | | 686,772 | (686,772) | -100.0% |
| Public Defender | 2,732,317 | 3,064,940 | 89.1% | 2,742,435 | (10,118) | -0.4% |
| Tucson Fire | 80,803,634 | 90,290,870 | 89.5% | 78,165,429 | 2,638,205 | 3.4% |
| Tucson Police | 135,210,875 | 147,436,110 | 91.7% | 129,918,911 | 5,291,964 | 4.1% |
| Total Public Safety & Justice Services | 228,980,878 | 252,470,940 | | 221,262,867 | 7,718,011 | |
| Community Enrichment & Development | | | | | | |
| Housing & Community Development | 2,020,525 | 3,080,840 | 65.6% | 3,670,003 | (1,649,478) | -44.9% 1g |
| Office of Integrated Planning | 1,438,097 | 1,626,720 | 88.4% | 860,755 | 577,342 | 67.1% |
| Parks and Recreation | 32,279,556 | 36,395,270 | 88.7% | 32,386,215 | (106,659) | -0.3% |
| Planning & Development Services | 8,147,454 | 9,265,070 | 87.9% | 7,315,965 | 831,489 | 11.4% |
| Transportation | 1,589,829 | 2,048,190 | 77.6% | 1,852,831 | (263,002) | -14.2% |
| Total Community Enrichment & Development | 45,475,461 | 52,416,090 | | 46,085,769 | (610,308) | |
| Support Services | | | | | | |
| Budget and Internal Audit | 1,187,163 | 1,455,790 | 81.5% | 1,332,813 | (145,650) | -10.9% |
| Finance | 9,168,756 | 10,181,420 | 90.1% | 9,508,548 | (339,792) | -3.6% |
| General Services | 10,328,770 | 11,513,970 | 89.7% | 8,582,512 | 1,746,258 | 20.3% 1h |
| Human Resources | 2,138,255 | 2,595,390 | 82.4% | 1,829,391 | 308,864 | 16.9% |
| Information Technology | 14,574,392 | 16,756,090 | 87.0% | 13,947,509 | 626,883 | 4.5% |
| Procurement | 3,120,150 | 3,216,530 | 97.0% | 2,921,090 | 199,060 | 6.8% |
| Total Support Services | 40,517,486 | 45,719,190 | | 38,121,863 | 2,395,623 | |
| Total Non-Departmental | 17,554,516 | 22,827,750 | 76.9% | 18,960,068 | (1,405,552) | -7.4% 1i |
| Capital Outlay | 5,214,312 | 5,343,634 | 97.6% | 584,857 | 4,629,455 | 791.6% 1j |
| Capital Projects | 409,075 | 888,000 | 46.1% | 658,839 | (249,764) | -37.9% |
| Debt Service and Fiscal Agent Fees | 5,522,071 | 25,231,870 | 21.9% | 5,494,056 | 28,015 | 0.5% |
| Other Financing Uses | 47,181,925 | 50,017,190 | 94.3% | 43,894,623 | 3,287,302 | 7.5% 1k |
| Total Expenditures & Other Financing Uses | \$ 409,890,159 | \$ 476,869,730 | | \$ 395,135,985 | \$ 14,754,174 | |

*In order to align year-to-year comparisons and revenue reporting, fiscal year 2014 numbers have been revised to eliminate revenue accrual transactions and to discreetly present Capital Outlay.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE ELEVEN MONTHS ENDED MAY 31, 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 | 91.7% | | | |
| Revenues: | | | | | | |
| Federal Grants and Contributions | \$ 16,751,522 | \$ 26,415,740 | 63.4% | \$ 8,497,122 | \$ 8,254,400 | 97.1% 2a |
| Other Agencies | 10,725,689 | 12,786,510 | 83.9% | 9,892,490 | 833,199 | 8.4% |
| Use of Money and Property | 430,304 | 36,640 | 1174.4% | 378,717 | 51,587 | 13.6% |
| Charges for Current Services | 12,086,842 | 15,253,680 | 79.2% | 12,144,239 | (57,397) | -0.5% |
| Miscellaneous Revenue | 613,141 | 328,200 | 186.8% | 197,369 | 415,772 | 210.7% |
| Total Revenues: | <u>40,607,498</u> | <u>54,820,770</u> | | <u>31,109,937</u> | <u>9,497,561</u> | |
| Other Financing Sources | <u>40,589,212</u> | <u>44,279,140</u> | 91.7% | <u>40,733,844</u> | <u>(144,632)</u> | -0.4% |
| Total Revenues and Other Financing Sources | <u>\$ 81,196,710</u> | <u>\$ 99,099,910</u> | | <u>\$ 71,843,781</u> | <u>\$ 9,352,929</u> | |
| Mass Transit Expenditures: | | | | | | |
| Community Enrichment & Development | | | | | | |
| Transportation | \$ 66,441,224 | \$ 79,351,450 | 83.7% | \$ 70,316,717 | \$ (3,875,493) | -5.5% 2b |
| Total Community Enrichment & Development | <u>66,441,224</u> | <u>79,351,450</u> | | <u>70,316,717</u> | <u>(3,875,493)</u> | |
| Capital Outlay | 13,481,052 | 18,691,870 | 72.1% | 1,497,064 | 11,983,988 | 800.5% 2a |
| Total Expenditures & Other Financing Uses | <u>\$ 79,922,276</u> | <u>\$ 98,043,320</u> | | <u>\$ 71,813,781</u> | <u>\$ 8,108,495</u> | |

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK
FOR THE ELEVEN MONTHS ENDED MAY 31, 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 | 91.7% | | | |
| Revenues: | | | | | | |
| Other Agencies | \$ 68,990 | \$ 2,000,000 | 3.4% | | \$ 68,990 | |
| Use of Money and Property | | | | | | |
| Charges for Current Services | 936,138 | 1,296,390 | 72.2% | | 936,138 | |
| Miscellaneous Revenue | 4,533 | | | | 4,533 | |
| Total Revenues: | 1,009,661 | 3,296,390 | | | 1,009,661 | |
| Other Financing Sources | 2,152,550 | 905,170 | 237.8% | | 2,152,550 | |
| Total Revenues and Other Financing Sources | \$ 3,162,211 | \$ 4,201,560 | | | \$ 3,162,211 | |
| Sun Link Expenditures: | | | | | | |
| Community Enrichment & Development | | | | | | |
| Transportation | \$ 3,567,033 | \$ 5,632,340 | 63.3% | | \$ 3,567,033 | |
| Total Community Enrichment & Development | 3,567,033 | 5,632,340 | | | 3,567,033 | |
| Capital Outlay | | 80,000 | 0.0% | | | |
| Total Expenditures & Other Financing Uses | \$ 3,567,033 | \$ 5,632,340 | | | \$ 3,567,033 | |

*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 ELEVEN MONTHS ENDED MAY 31, 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: | | | | | | |
| Revenues: | | | | | | |
| Licenses and Permits | \$ 93,603 | \$ 441,000 | 21.2% | \$ 235,233 | \$ (141,630) | -60.2% |
| Other Agencies | 30,154,940 | 36,556,190 | 82.5% | 27,754,261 | 2,400,679 | 8.6% |
| Use of Money and Property | 579,581 | 570,070 | 101.7% | 1,008,971 | (429,390) | -42.6% |
| Charges for Current Services | 431,657 | 249,000 | 173.4% | 1,041,814 | (610,157) | -58.6% |
| Miscellaneous Revenue | 1,138,522 | 239,800 | 474.8% | 1,677,104 | (538,582) | -32.1% |
| Total Revenues | <u>\$ 32,398,303</u> | <u>\$ 38,056,060</u> | | <u>\$ 31,717,383</u> | <u>\$ 680,920</u> | |
| HURF Expenditures: | | | | | | |
| Public Safety & Justice Services | | | | | | |
| Neighborhood Resources Department | | | 0.0% | \$ 24,258,221 | \$ (24,258,221) | -100.0% |
| Total Public Safety & Justice Services | | | | <u>24,258,221</u> | <u>(24,258,221)</u> | |
| Community Enrichment and Development | | | | | | |
| Transportation | \$ 25,536,120 | \$ 28,498,310 | 89.6% | | 25,536,120 | 100.0% |
| Total Community Enrichment and Development | <u>25,536,120</u> | <u>28,498,310</u> | | | <u>25,536,120</u> | |
| Non-Departmental | | | | | | |
| Outside Agencies | 50,290 | 100,580 | 50.0% | 100,580 | (50,290) | -50.0% |
| Total Non-Departmental | <u>50,290</u> | <u>100,580</u> | | <u>100,580</u> | <u>(50,290)</u> | |
| Capital Expenditures | <u>130,727</u> | <u>761,970</u> | 17.2% | <u>233,614</u> | <u>(102,887)</u> | -44.0% |
| Capital Projects | <u>798,331</u> | <u>228,370</u> | 349.6% | <u>2,082,850</u> | <u>(1,284,519)</u> | -61.7% |
| Other Financing Uses | | <u>9,837,070</u> | 0.0% | | | 100.0% |
| Total Expenditures & Other Financing Uses | <u>\$ 26,515,468</u> | <u>\$ 39,426,300</u> | | <u>\$ 26,675,265</u> | <u>\$ (159,797)</u> | |

**STATEMENT OF NET POSITION
ENTERPRISE FUNDS
FOR THE ELEVEN MONTHS ENDED MAY 31, 2015**

| | Water Utility Fund | Environmental Services | Tucson Golf Enterprise Fund |
|---|--------------------|---------------------------|--------------------------------|
| <u>ASSETS AND DEFERRED OUTFLOWS</u> | | | |
| Assets | | | |
| Current assets: | | | |
| Pooled Cash and Investments | \$ 52,084,389 | \$ 33,201,785 | \$ 9,550 |
| Cash and Investments - Restricted | 13,259,996 | | |
| Cash and Investments with Fiscal Agent - Restricted | 31,212,003 | | |
| Accounts Receivable, Net | 15,925,458 | 3,852,088 | 418,946 |
| Due from Other Agencies | | 47,571 | |
| Interest Receivable | 232,156 | 145,992 | |
| Inventories | 4,182,254 | | 170,644 |
| Other Assets | 2,502,583 | | |
| Total current assets | 119,398,839 | 37,247,436 | 599,140 |
| Noncurrent assets: | | | |
| Long Term Accounts Receivable | 239,372 | | |
| Other Assets - Restricted | 305,237 | | |
| Land and Construction in Progress | 180,454,191 | 11,313,747 | 2,701,865 |
| Other Capital Assets, Net | 1,028,231,494 | 26,209,681 | 12,820,279 |
| Water Rights | 52,126,968 | | |
| Total noncurrent assets | 1,261,357,262 | 37,523,428 | 15,522,144 |
| Total assets | 1,380,756,101 | 74,770,864 | 16,121,284 |
| Deferred Outflows | | | |
| Unamortized Loss on Refunding | 17,548,788 | | |
| Total deferred outflows | 17,548,788 | | |
| <u>LIABILITIES AND DEFERRED INFLOWS</u> | | | |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts Payable | 2,649,117 | 131,396 | 50,415 |
| Accrued Payroll Liabilities | 1,481,401 | 590,864 | 1,958 |
| Interfund Payable | | | 571,543 |
| Due to Other Agencies | | 2,040 | 50,106 |
| Accrued Interest Payable | | | 1,435 |
| Refundable Deposits | 2,235,480 | 73,343 | 2,380 |
| Current Portion of Bonds Payable | 38,438,831 | | |
| Current Portion of Contracts Payable | | 124,000 | |
| Current Portion of Compensated Absences | 1,630,059 | 601,042 | |
| Liabilities Payable from Restricted Assets | 24,779 | | |
| Advances From Customers | | | 75,472 |
| Current Portion of Long Term Liabilities | | 737,937 | |
| Total current liabilities | 46,459,667 | 2,260,622 | 753,309 |

**STATEMENT OF NET POSITION
ENTERPRISE FUNDS
FOR THE ELEVEN MONTHS ENDED MAY 31, 2015**

| LIABILITIES AND DEFERRED INFLOWS (continued) | <u>Water Utility Fund</u> | <u>Environmental Services</u> | <u>Tucson Golf Enterprise Fund</u> |
|---|---------------------------|-----------------------------------|--|
| Noncurrent liabilities: | | | |
| Bonds Payable | \$ 529,647,728 | | |
| Contracts Payable | | \$ 10,629,136 | \$ 362,154 |
| Compensated Absences | 1,804,759 | 651,474 | |
| Other-Post-employment Benefits | 1,183,620 | 477,736 | |
| Loans and Notes Payable | | | 7,906,448 |
| Long Term Liabilities | | 56,977,918 | |
| Total non-current liabilities | <u>532,636,107</u> | <u>68,736,264</u> | <u>8,268,602</u> |
| Total liabilities | <u>579,095,774</u> | <u>70,996,886</u> | <u>9,021,911</u> |
| Deferred Inflows | | | |
| Unavailable Revenue | 87,074 | | |
| Total deferred inflows | <u>87,074</u> | | |
| NET POSITION | | | |
| Net Investment in capital assets | 723,840,115 | 26,770,292 | 15,159,990 |
| Restricted for Capital | | | |
| Amounts Restricted for: | | | |
| Debt Service | 31,212,003 | | |
| Unrestricted Amounts (deficit) | 64,069,923 | (39,913,301) | (8,060,617) |
| Closure/Post Closure Liability | | 6,870,387 | |
| New Landfill Cell Construction | | 10,046,600 | |
| Total net position | <u>\$ 819,122,041</u> | <u>\$ 3,773,978</u> | <u>\$ 7,099,373</u> |

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER UTILITY FUND
FOR THE ELEVEN MONTHS ENDED MAY 31, 2015

| | Fiscal Year 2015 | Fiscal Year 2014 | \$ Change CFY vs PFY | % Change CFY vs PFY | |
|---|-----------------------|-----------------------|-------------------------|------------------------|-----------|
| | Actual | Actual | | | |
| Operating revenues: | | | | | |
| Charges for Services | \$ 147,104,031 | \$ 141,929,694 | \$ 5,174,337 | 3.6% | 4a |
| Miscellaneous | 8,205,502 | 763,824 | 7,441,678 | 974.3% | 4b |
| Total operating revenues | <u>155,309,533</u> | <u>142,693,518</u> | <u>12,616,015</u> | | |
| Operating expenses: | | | | | |
| Personal Services | 30,676,791 | 32,030,326 | (1,353,535) | -4.2% | |
| Contractual Services | 60,359,428 | 53,538,101 | 6,821,327 | 12.7% | 4c |
| Commodities | 7,246,452 | 7,147,954 | 98,498 | 1.4% | |
| Depreciation/Amortization | 32,455,417 | 28,641,114 | 3,814,303 | 13.3% | |
| Total operating expenses | <u>130,738,088</u> | <u>121,357,495</u> | <u>9,380,593</u> | | |
| Operating Income (Loss) | <u>24,571,445</u> | <u>21,336,023</u> | <u>3,235,422</u> | | |
| Nonoperating revenues (expenses): | | | | | |
| Investment Income | 842,551 | 840,285 | 2,266 | 0.3% | |
| Gain (Loss) on Sale of Property/Equipment | (303,494) | 272,846 | (576,340) | -211.2% | |
| Non-Grant Contributions | 367,309 | 1,138,039 | | 0.0% | |
| Interest Expense | (17,561,634) | (17,013,900) | (547,734) | 3.2% | |
| Other Nonoperating Income (Expenses) | (8,211,859) | (390,275) | (7,821,584) | 2004.1% | 4d |
| Total nonoperating revenues (expenses) | <u>(24,867,127)</u> | <u>(15,153,005)</u> | <u>(9,714,122)</u> | | |
| Income (loss) before capital contributions and transfers | <u>(295,682)</u> | <u>6,183,018</u> | <u>(6,478,700)</u> | | |
| Capital Contributions | 3,815,747 | 5,905,036 | (2,089,289) | -35.4% | |
| Transfers Out | <u>(1,466,667)</u> | <u>(1,466,667)</u> | | 0.0% | |
| Changes in net position | <u>2,053,398</u> | <u>10,621,387</u> | <u>(8,567,989)</u> | | |
| Total net position, beginning of year | 817,068,643 | 789,874,656 | 27,193,987 | | |
| Total net position | <u>\$ 819,122,041</u> | <u>\$ 800,496,043</u> | <u>\$ 18,625,998</u> | | |

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENVIRONMENTAL SERVICES FUND
FOR THE ELEVEN MONTHS ENDED MAY 31, 2015

| | Fiscal Year 2015 | Fiscal Year 2014 | \$ Change CFY vs PFY | % Change CFY vs PFY |
|---|---------------------|----------------------|-------------------------|------------------------|
| | Actual | Actual | | |
| Operating revenues: | | | | |
| Charges for Services | \$ 44,185,957 | \$ 44,052,138 | \$ 133,819 | 0.3% |
| Miscellaneous | 822,835 | 1,325,379 | (502,544) | -37.9% |
| Total operating revenues | <u>45,008,792</u> | <u>45,377,517</u> | <u>(368,725)</u> | |
| Operating expenses: | | | | |
| Personal Services | 13,873,282 | 13,776,340 | 96,942 | 0.7% |
| Contractual Services | 16,134,455 | 15,260,080 | 874,375 | 5.7% |
| Commodities | 3,718,254 | 3,954,952 | (236,698) | -6.0% |
| Depreciation/Amortization | 3,365,377 | 4,673,699 | (1,308,322) | -28.0% |
| Total operating expenses | <u>37,091,368</u> | <u>37,665,071</u> | <u>(573,703)</u> | |
| Operating Income (Loss) | <u>7,917,424</u> | <u>7,712,446</u> | <u>204,978</u> | |
| Nonoperating revenues (expenses): | | | | |
| Investment Income | 260,711 | 248,473 | 12,238 | 4.9% |
| Gain (Loss) on Sale of Property/Equipment | 363,808 | 557,861 | (194,053) | -34.8% |
| Other Agencies | 104,877 | 71,228 | 33,649 | 47.2% |
| Interest Expense | (247,840) | (248,203) | 363 | -0.1% |
| Total nonoperating revenues (expenses) | <u>481,556</u> | <u>629,359</u> | <u>(147,803)</u> | |
| Income (loss) before capital contributions and transfers | <u>8,398,980</u> | <u>8,341,805</u> | <u>57,175</u> | |
| Changes in net position | <u>8,398,980</u> | <u>8,341,805</u> | <u>57,175</u> | |
| Total net position, beginning of year | (4,625,002) | 2,296,870 | (6,921,872) | |
| Total net position | <u>\$ 3,773,978</u> | <u>\$ 10,638,675</u> | <u>\$ (6,864,697)</u> | |

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE ELEVEN MONTHS ENDED MAY 31, 2015

| | Randolph | El Rio | Silverbell | Enke | Combined | Total Straight-line Budget | % Budget 92% |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------------|-----------------|
| COURSE OPERATIONS: | | | | | | | |
| Operating revenues: | | | | | | | |
| Green Fees | \$ 1,471,169 | \$ 418,245 | \$ 549,121 | \$ 386,984 | \$ 2,825,519 | \$ 8,130,050 | |
| Cart Rentals | 590,665 | 234,540 | 226,760 | 237,103 | 1,289,068 | | |
| Driving Range | 271,855 | 6,663 | 85,444 | 126,847 | 490,809 | | |
| Clubhouse | 394,629 | 142,705 | 160,781 | 124,177 | 822,292 | | |
| Other Revenue | 578,560 | 117,685 | 186,199 | 148,569 | 1,031,013 | | |
| Total Operating Revenues | <u>3,306,878</u> | <u>919,838</u> | <u>1,208,305</u> | <u>1,023,680</u> | <u>6,458,701</u> | <u>8,130,050</u> | <u>79.4%</u> |
| Operating expenses: | | | | | | | |
| Personnel Services | 15,763 | 8,046 | 8,046 | 7,716 | 39,571 | | |
| Contractual Services | 2,236,067 | 1,054,953 | 859,676 | 1,044,787 | 5,195,483 | 6,048,720 | 85.9% |
| Commodities | 412,065 | 170,043 | 220,909 | 190,028 | 993,045 | 1,238,130 | 80.2% |
| Cost of Goods Sold | 284,052 | 74,306 | 90,808 | 77,130 | 526,296 | 709,240 | 74.2% |
| Depreciation/Amortization | 223,510 | 123,171 | 211,279 | 105,428 | 663,388 | | |
| Total Operating Expenses | <u>3,171,457</u> | <u>1,430,519</u> | <u>1,390,718</u> | <u>1,425,089</u> | <u>7,417,783</u> | <u>7,996,090</u> | <u>93%</u> |
| Operating Income (Loss) | <u>135,421</u> | <u>(510,681)</u> | <u>(182,413)</u> | <u>(401,409)</u> | <u>(959,082)</u> | <u>133,960</u> | |
| Nonoperating revenues (expenses): | | | | | | | |
| Interest Expense | (4,054) | (2,027) | (2,027) | (2,027) | (10,135) | | |
| Other | 212,151 | | | | 212,151 | | |
| Total nonoperating revenues (expenses) | <u>208,097</u> | <u>(2,027)</u> | <u>(2,027)</u> | <u>(2,027)</u> | <u>202,016</u> | | |
| Income (Loss) before capital contributions and transfers | <u>343,518</u> | <u>(512,708)</u> | <u>(184,440)</u> | <u>(403,436)</u> | <u>(757,066)</u> | <u>133,960</u> | |
| Changes in net position | <u>343,518</u> | <u>(512,708)</u> | <u>(184,440)</u> | <u>(403,436)</u> | <u>(757,066)</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>\$ 2,740,313</u> | <u>\$ 1,586,564</u> | <u>\$ 1,381,113</u> | <u>\$ 1,391,383</u> | <u>\$ 7,099,373</u> | | |

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

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE ELEVEN MONTHS ENDED MAY 31, 2015

| | <u>Fleet Services</u> | <u>Self Insurance</u> | <u>General Services</u> |
|---|-----------------------|-----------------------|-------------------------|
| Operating revenues: | | | |
| Charges for Services | \$ 21,289,722 | \$ 15,647,520 | \$ 18,212,077 |
| Miscellaneous | 327,267 | 111,049 | 19,758 |
| Total operating revenues | <u>21,616,989</u> | <u>15,758,569</u> | <u>18,231,835</u> |
| Operating expenses: | | | |
| Personal Services | 5,403,948 | 1,045,381 | 7,906,236 |
| Contractual Services | 4,505,735 | 3,892,060 | 5,576,329 |
| Commodities | 11,070,332 | 71,118 | 1,697,265 |
| Benefits and Claims | | 7,565,386 | |
| Depreciation | 1,583,060 | 14,259 | 61,450 |
| Total operating expenses | <u>22,563,075</u> | <u>12,588,204</u> | <u>15,241,280</u> |
| Operating income (loss) | <u>(946,086)</u> | <u>3,170,365</u> | <u>2,990,555</u> |
| Nonoperating revenues (expenses): | | | |
| Property Taxes | | 1,200,172 | |
| Investment Income | (306) | (484,145) | 13,763 |
| Gain (loss) on Sale of Property/Equipment | 91,712 | | (1,040) |
| Federal Non Grant Contributions | | | 158,460 |
| Interest Expense | | | (261,706) |
| Total nonoperating revenues (expenses) | <u>91,406</u> | <u>716,027</u> | <u>(90,523)</u> |
| Income (loss) before capital contributions and transfers | <u>(854,680)</u> | <u>3,886,392</u> | <u>2,900,032</u> |
| Changes in net position | <u>(854,680)</u> | <u>3,886,392</u> | <u>2,900,032</u> |
| Total net position, beginning of year | 8,632,069 | (2,386,650) | (12,951,155) |
| Total net position | <u>\$ 7,777,389</u> | <u>\$ 1,499,742</u> | <u>\$ (10,051,123)</u> |

City of Tucson, Arizona
Variance Explanations
May 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 division refunded \$1.0 million in fiscal year 2014.
- (1b) The allocation of state-shared income tax revenue increased \$411,369 per month for fiscal year 2015.
- (1c) The majority of the increase is from a new municipal tax license fee approved by Mayor and Council for this fiscal year. The franchise fee on gross sales for the utility companies increased this fiscal year.
- (1d) The City of Tucson received a settlement payment for an asbestos claim in the amount of \$7.5 million in fiscal year 2014. In fiscal year 2015 the City of Tucson sold two parcels of land for \$1.5 million each.
- (1e) Proceeds were received from a capital lease to purchase new election equipment for \$1.0 million.
- (1f) The decrease in expenditures was due to election expenses in fiscal year 2014 versus no election expenses in fiscal year 2015.
- (1g) The Office of Integrated Planning department functions were a part of the Housing and Community Development's department up until mid-fiscal year 2014.
- (1h) Security charges for City Hall and the Tucson Police portion of wireless integrated network charges were paid by General Services Department this year, whereas in the prior fiscal year these expenses were paid by the individual departments.
- (1i) Non-departmental expenditures decreased from a one-time payment for attorney fees that occurred in fiscal year 2014.
- (1j) Tucson 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 \$1.3 million.
- (1k) Subsidies to Mass Transit, the Tucson Convention Center and Sun Link increased \$406,772 per month over the prior fiscal year.

Mass Transit:

- (2a) In fiscal year 2015, \$11.6 million has been spent on replacement buses.
- (2b) In fiscal year 2015, costs decreased by \$3.9 million of which the majority was from fuel \$2.0 million, vehicle insurance of \$908,000 and repairs and maintenance of \$764,000.

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 expenditures decreased from prior year, mainly due to a large decrease of expenditures on the Houghton Road/Irvington to Valencia project.

Water Utility Fund:

- (4a) At the beginning of fiscal year 2015, water rates were increased on metered sales.
- (4b) In fiscal year 2015, \$3.0 million in Tucson ground water credits were sold to the Arizona Water Banking Authority, as well as \$2.6 million received from a pending lawsuit for construction issues.
- (4c) In fiscal year 2014, there was \$5.0 million in capitalized expense moved to construction in progress.
- (4d) A reclassification of capital improvement projects has resulted in an adjustment to prior year balances, recorded as other non-operating income (expense).