



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For May 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 ELEVEN MONTHS ENDED MAY 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	91.7%			
Revenues:						
Primary Property Taxes	\$ 9,322,690	\$ 14,350,250	65.0%	\$ 11,127,693	\$ (1,805,003)	-16.2%
Business Privilege Tax	177,072,792	197,118,630	89.8%	174,497,147	2,575,645	1.5%
Other Local Taxes	40,367,988	40,308,200	100.1%	38,529,524	1,838,464	4.8%
Grants and Shared Taxes	4,904,446	4,925,650	99.6%	4,366,645	537,801	12.3%
State-Shared Income Tax Revenue	57,403,406	63,205,510	90.8%	57,716,320	(312,914)	-0.5%
State-Shared Sales Tax	45,148,620	48,935,140	92.3%	43,212,743	1,935,877	4.5%
State Auto Lieu Tax	20,850,556	21,968,250	94.9%	18,896,494	1,954,062	10.3%
Licenses and Permits	28,387,858	28,349,160	100.1%	26,423,375	1,964,483	7.4%
Fines, Forfeitures, and Penalties	10,634,414	14,331,870	74.2%	14,279,795	(3,645,381)	-25.5%
Use of Money and Property	615,089	648,930	94.8%	641,881	(26,792)	-4.2%
Charges for Current Services	38,346,678	39,053,170	98.2%	34,843,791	3,502,887	10.1%
Miscellaneous Revenue	11,121,879	10,382,120	107.1%	4,996,092	6,125,787	122.6%
Total Revenues:	<u>444,176,416</u>	<u>483,576,880</u>		<u>429,531,500</u>	<u>14,644,916</u>	
Other Financing Sources	<u>1,466,667</u>	<u>1,600,000</u>	91.7%	<u>2,731,667</u>	<u>(1,265,000)</u>	-46.3%
Total Revenues and Other Financing Sources	<u>\$ 445,643,083</u>	<u>\$ 485,176,880</u>		<u>\$ 432,263,167</u>	<u>\$ 13,379,916</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 2,253,050	\$ 2,464,880	91.4%	\$ 2,244,991	\$ 8,059	0.4%
City Manager	4,227,904	4,728,240	89.4%	7,221,892	(2,993,988)	-41.5%
City Attorney	6,917,179	7,717,080	89.6%	7,435,529	(518,350)	-7.0%
City Clerk	2,519,964	3,773,960	66.8%	2,132,022	387,942	18.2%
Total Elected and Official	<u>15,918,097</u>	<u>18,684,160</u>		<u>19,034,434</u>	<u>(3,116,337)</u>	
Public Safety & Justice Services						
City Court	9,583,317	11,669,160	82.1%	10,234,052	(650,735)	-6.4%
Public Defender	2,685,377	3,091,610	86.9%	2,732,317	(46,940)	-1.7%
Tucson Fire	87,073,187	93,682,740	92.9%	80,803,634	6,269,553	7.8%
Tucson Police	140,342,739	156,702,290	89.6%	135,210,875	5,131,864	3.8%
Total Public Safety & Justice Services	<u>239,684,620</u>	<u>265,145,800</u>		<u>228,980,878</u>	<u>10,703,742</u>	
Community Enrichment & Development						
Housing & Community Development	1,982,692	2,596,180	76.4%	2,020,525	(37,833)	-1.9%
Office of Integrated Planning	1,461,021	1,780,980	82.0%	1,438,097	22,924	1.6%
Parks and Recreation	30,646,296	35,728,200	85.8%	32,279,556	(1,633,260)	-5.1%
Planning & Development Services	7,310,426	8,482,250	86.2%	8,147,454	(837,028)	-10.3%
Transportation	1,732,266	2,777,320	62.4%	1,589,829	142,437	9.0%
Total Community Enrichment & Development	<u>43,132,701</u>	<u>51,364,930</u>		<u>45,475,461</u>	<u>(2,342,760)</u>	
Support Services						
Budget and Internal Audit	1,086,005	1,293,020	84.0%	1,187,163	(101,158)	-8.5%
Finance	7,448,645	8,246,560	90.3%	9,168,756	(1,720,111)	-18.8%
General Services	9,828,035	10,587,550	92.8%	10,328,770	(500,735)	-4.8%
Human Resources	1,929,278	2,394,950	80.6%	2,138,255	(208,977)	-9.8%
Information Technology	16,635,483	18,995,110	87.6%	14,574,392	2,061,091	14.1%
Procurement	2,731,088	2,915,060	93.7%	3,120,150	(389,062)	-12.5%
Total Support Services	<u>39,658,534</u>	<u>44,432,250</u>		<u>40,517,486</u>	<u>(858,952)</u>	
Total General Government	<u>21,403,072</u>	<u>27,532,840</u>	77.7%	<u>17,554,516</u>	<u>3,848,556</u>	21.9%
Capital Outlay	<u>1,688,629</u>	<u>3,793,020</u>	44.5%	<u>5,214,312</u>	<u>(3,525,683)</u>	-67.6%
Capital Projects	<u>787,855</u>	<u>1,031,800</u>	76.4%	<u>409,075</u>	<u>378,780</u>	92.6%
Debt Service and Fiscal Agent Fees	<u>5,208,719</u>	<u>23,884,000</u>	21.8%	<u>5,522,071</u>	<u>(313,352)</u>	-5.7%
Other Financing Uses	<u>49,338,941</u>	<u>52,571,400</u>	93.9%	<u>47,181,925</u>	<u>2,157,016</u>	4.6%
Total Expenditures & Other Financing Uses	<u>\$ 416,821,168</u>	<u>\$ 488,440,200</u>		<u>\$ 409,890,158</u>	<u>\$ 6,931,010</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 ELEVEN MONTHS ENDED MAY 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		91.7%			
Revenues:						
Federal Grants and Contributions	\$ 16,444,684	\$ 28,303,470	58.1%	\$ 16,751,522	\$ (306,838)	-1.8%
Other Agencies	10,471,179	13,829,020	75.7%	10,725,689	(254,510)	-2.4%
Use of Money and Property	590,423	360,000	164.0%	430,304	160,119	37.2%
Charges for Current Services	8,102,580	13,156,630	61.6%	12,086,842	(3,984,262)	-33.0%
Miscellaneous Revenue	636,626	100,370	634.3%	613,141	23,485	3.8%
Total Revenues:	<u>36,245,492</u>	<u>55,749,490</u>		<u>40,607,498</u>	<u>(4,362,006)</u>	
Other Financing Sources	<u>41,692,814</u>	<u>45,483,070</u>	91.7%	<u>40,589,212</u>	<u>1,103,602</u>	2.7%
Total Revenues and Other Financing Sources	<u>\$ 77,938,306</u>	<u>\$ 101,232,560</u>		<u>\$ 81,196,710</u>	<u>\$ (3,258,404)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 64,867,989	\$ 77,638,450	83.6%	\$ 66,441,224	\$ (1,573,235)	-2.4%
Total Community Enrichment & Development	<u>64,867,989</u>	<u>77,638,450</u>		<u>66,441,224</u>	<u>(1,573,235)</u>	
Capital Outlay	<u>9,637,252</u>	<u>12,529,180</u>	76.9%	<u>11,801,101</u>	<u>(2,163,849)</u>	-18.3%
Capital Projects	<u>3,573,042</u>	<u>11,189,750</u>	31.9%	<u>1,679,951</u>	<u>1,893,091</u>	112.7%
Total Expenditures	<u>\$ 78,078,283</u>	<u>\$ 101,357,380</u>		<u>\$ 79,922,276</u>	<u>\$ (1,843,993)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK
FOR THE ELEVEN MONTHS ENDED MAY 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		91.7%			
Revenues:						
Other Agencies	\$ 1,507,600	\$ 2,000,000	75.4%	\$ 68,990	\$ 1,438,610	2085.2%
Charges for Current Services	1,024,998	1,396,280	73.4%	936,138	88,860	9.5%
Miscellaneous Revenue	22,996		100.0%	4,533	18,463	407.3%
Total Revenues:	<u>2,555,594</u>	<u>3,396,280</u>		<u>1,009,661</u>	<u>1,545,933</u>	
Other Financing Sources	<u>2,119,123</u>	<u>2,311,770</u>	91.7%	<u>2,152,550</u>	<u>(33,427)</u>	-1.6%
Total Revenues and Other Financing Sources	<u>\$ 4,674,717</u>	<u>\$ 5,708,050</u>		<u>\$ 3,162,211</u>	<u>\$ 1,512,506</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 3,105,154	\$ 4,220,800	73.6%	\$ 3,567,033	\$ (461,879)	-12.9%
Total Community Enrichment & Development	<u>3,105,154</u>	<u>4,220,800</u>		<u>3,567,033</u>	<u>(461,879)</u>	
Capital Outlay	<u>2,551</u>		100.0%	<u>2,551</u>		100.0%
Debt Service and Fiscal Agent Fees	<u>378,714</u>	<u>1,512,430</u>	25.0%	<u>378,714</u>		100.0%
Total Expenditures	<u>\$ 3,486,419</u>	<u>\$ 5,733,230</u>		<u>\$ 3,567,033</u>	<u>\$ (80,614)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE ELEVEN MONTHS ENDED MAY 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	\$ 533,349	\$ 543,000	98.2%	\$ 497,148	\$ 36,201	7.3%
Other Agencies	35,131,039	36,492,310	96.3%	33,345,995	1,785,044	5.4%
Use of Money and Property	485,503	635,840	76.4%	579,581	(94,078)	-16.2%
Charges for Current Services	32,580		0.0%	28,112	4,468	15.9%
Miscellaneous Revenue	965,501	500,000		1,138,522	(173,021)	-15.2%
Total Revenues	<u>\$ 37,147,972</u>	<u>\$ 38,171,150</u>		<u>\$ 35,589,358</u>	<u>\$ 1,558,614</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	\$ 26,555,574	\$ 31,890,360	83.3%	\$ 25,073,560	\$ 1,482,014	5.9%
Total Community Enrichment and Development	<u>26,555,574</u>	<u>31,890,360</u>		<u>25,073,560</u>	<u>1,482,014</u>	
Non-Departmental						
Outside Agencies	217,755	100,580	216.5%	50,290	167,465	333.0%
Total Non-Departmental	<u>217,755</u>	<u>100,580</u>		<u>50,290</u>	<u>167,465</u>	
Capital Outlay	<u>791,546</u>	<u>1,092,650</u>	<u>72.4%</u>	<u>130,727</u>	<u>660,819</u>	<u>505.5%</u>
Capital Projects	<u>750,757</u>	<u>1,998,620</u>	<u>37.6%</u>	<u>1,260,891</u>	<u>(510,134)</u>	<u>-40.5%</u>
Debt Service and Fiscal Agent Fees	<u>64,312</u>		<u>100.0%</u>		<u>64,312</u>	<u>100.0%</u>
Other Financing Uses (Sources)	<u>(14,948,962)</u>	<u>9,821,590</u>	<u>-152.2%</u>		<u>(14,948,962)</u>	<u>100.0%</u> 4a
Total Expenditures & Other Financing Uses	<u>\$ 13,430,982</u>	<u>\$ 44,903,800</u>		<u>\$ 26,515,468</u>	<u>\$ (13,084,486)</u>	

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

	Water Utility	Environmental Services	Tucson City Golf
<u>ASSETS</u>			
Current assets:			
Cash and Cash Equivalents	\$ 47,082,897	\$ 30,820,171	\$ 2,059,516
Cash and Investments - Restricted	15,060,297		
Cash and Investments with Fiscal Agent - Restricted	33,184,326		
Accounts Receivable, Net	25,170,842	3,574,642	408,672
Due from Other Agencies		16,507	
Interest Receivable	107,187	57,511	
Inventories	5,648,998		231,914
Other Assets	2,088,954		
Total current assets	128,343,501	34,468,831	2,700,102
Noncurrent assets:			
Long Term Accounts Receivable	208,172		
Other Assets - Restricted	299,319		88,696
Land and Construction in Progress	159,665,082	19,213,712	2,701,865
Other Capital Assets, Net	1,068,377,331	26,655,456	12,115,648
Water Rights	52,126,968		
Total noncurrent assets	1,280,676,872	45,869,168	14,906,209
Total assets	1,409,020,373	80,337,999	17,606,311
<u>DEFERRED OUTFLOWS</u>			
Loss on Refunding of Debt	16,963,592		
Pension Plans	3,162,060	1,205,606	
Total deferred outflows	20,125,652	1,205,606	
Total assets and deferred outflows	1,429,146,025	81,543,605	17,606,311
<u>LIABILITIES</u>			
Current liabilities:			
Accounts Payable	1,494,662	191,507	107,541
Accrued Payroll Liabilities	1,521,708	550,359	153,959
Interfund Payable			2,241,130
Due to Other Agencies	295,829	1,333	55,294
Accrued Interest Payable			3,800
Refundable Deposits	2,281,010	89,486	7,735
Current Portion of Bonds Payable	40,269,960		
Current Portion of Contracts Payable		268,000	81,954
Current Portion of Compensated Absences	1,760,284	609,062	
Liabilities Payable from Restricted Assets	14,583		
Advances From Customers			88,019
Current Portion of Long Term Liabilities		750,551	
Total current liabilities	47,638,036	2,460,298	2,739,432
Noncurrent liabilities:			
Bonds Payable	519,439,962		
Contracts Payable		10,349,118	198,417
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	574,223,312	87,640,114	8,753,032
Total liabilities	621,861,348	90,100,412	11,492,464
<u>DEFERRED INFLOWS</u>			
Deferred Revenue	92,902		
Pension Plans	5,461,526	2,082,329	
Total deferred inflows	5,554,428	2,082,329	
Total liabilities and deferred inflows	627,415,776	92,182,741	11,492,464
<u>NET POSITION</u>			
Net Investment in capital assets	755,944,727	35,252,050	14,537,142
Amounts Restricted for:			
Debt Service	33,184,326		
Capital	12,601,196		
Unrestricted Amounts (deficit)		(64,932,033)	(8,423,295)
Closure/Post Closure Liability		7,894,247	
New Landfill Cell Construction		11,146,600	
Total net position	\$ 801,730,249	\$ (10,639,136)	\$ 6,113,847

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

	Fiscal Year 2016	Fiscal Year 2015	\$ Change	% Change
	Actual	Actual	CFY vs PFY	CFY vs PFY
Operating revenues:				
Charges for Services	\$ 168,119,616	\$ 167,684,959	\$ 434,657	0.3%
Total operating revenues	<u>168,119,616</u>	<u>167,684,959</u>	<u>434,657</u>	
Operating expenses:				
Salaries, Wages and Benefits	32,928,532	30,676,791	2,251,741	7.3%
Contractual Services	62,978,662	60,359,428	2,619,234	4.3%
Commodities	8,045,777	7,246,452	799,325	11.0%
Depreciation/Amortization	31,161,036	32,455,417	(1,294,381)	-4.0%
Total operating expenses	<u>135,114,007</u>	<u>130,738,088</u>	<u>4,375,919</u>	
Operating Income (Loss)	<u>33,005,609</u>	<u>36,946,871</u>	<u>(3,941,262)</u>	
Nonoperating revenues (expenses):				
Investment Income	879,364	842,551	36,813	4.4%
Gain (Loss) on Sale of Property/Equipment	258,906	(303,494)	562,400	-185.3%
Federal Grants and Contributions	369,718	367,309	2,409	0.7%
Interest Expense	(17,037,822)	(17,561,634)	523,812	-3.0%
Other Nonoperating Income (Expenses)	(1,422,461)	(8,211,859)	6,789,398	-82.7%
Total nonoperating revenues (expenses)	<u>(16,952,295)</u>	<u>(24,867,127)</u>	<u>7,914,832</u>	5a
Income (loss) before transfers	<u>16,053,314</u>	<u>12,079,744</u>	<u>3,973,570</u>	
Transfers In	6,149,357	3,815,747	2,333,610	61.2%
Transfers Out	<u>(1,466,667)</u>	<u>(1,466,667)</u>		0.0%
Changes in net position	<u>20,736,004</u>	<u>14,428,824</u>	<u>6,307,180</u>	
Total net position, beginning of year	780,994,245	760,457,882 *	20,536,363	
Total net position	<u>\$ 801,730,249</u>	<u>\$ 774,886,706</u>	<u>\$ 26,843,543</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 ELEVEN MONTHS ENDED MAY 31, 2016

	Fiscal Year 2016	Fiscal Year 2015	\$ Change	% Change
	Actual	Actual	CFY vs PFY	CFY vs PFY
Operating revenues:				
Charges for Services	\$ 44,124,235	\$ 44,185,957	\$ (61,722)	-0.1%
Miscellaneous	805,041	822,835	(17,794)	-2.2%
Total operating revenues	<u>44,929,276</u>	<u>45,008,792</u>	<u>(79,516)</u>	
Operating expenses:				
Salaries, Wages and Benefits	13,981,850	13,873,282	108,568	0.8%
Contractual Services	17,399,959	16,134,455	1,265,504	7.8%
Commodities	2,849,092	3,718,254	(869,162)	-23.4%
Depreciation/Amortization	4,276,541	3,365,377	911,164	27.1%
Total operating expenses	<u>38,507,442</u>	<u>37,091,368</u>	<u>1,416,074</u>	
Operating Income (Loss)	<u>6,421,834</u>	<u>7,917,424</u>	<u>(1,495,590)</u>	
Nonoperating revenues (expenses):				
Investment Income	250,183	260,711	(10,528)	-4.0%
Gain (Loss) on Sale of Property/Equipment	(187,130)	363,808	(550,938)	-151.4%
Other Agencies	104,533	104,877	(344)	-0.3%
Interest Expense	(244,476)	(247,840)	3,364	-1.4%
Other Nonoperating Income (Expenses)				0.0%
Total nonoperating revenues (expenses)	<u>(76,890)</u>	<u>481,556</u>	<u>(558,446)</u>	
Changes in net position	<u>6,344,944</u>	<u>8,398,980</u>	<u>(2,054,036)</u>	
Total net position, beginning of year	(16,984,080)	(25,318,874) *	8,334,794	
Total net position	<u>\$ (10,639,136)</u>	<u>\$ (16,919,894)</u>	<u>\$ 6,280,758</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 ELEVEN MONTHS ENDED MAY 31, 2016

	Randolph	El Rio	Silverbell	Enke	Combined	Total Budget	% Budget
COURSE OPERATIONS:							
Operating revenues:							
Green Fees	\$ 1,515,996	\$ 415,887	\$ 555,128	\$ 362,512	\$ 2,849,523	\$7,688,730	
Cart Rentals	748,798	290,308	248,086	250,856	1,538,048		
Driving Range	283,824	8,231	77,455	128,708	498,218		
Clubhouse	291,689	173,366	176,595	161,937	803,587		
Other Revenue	919,181	151,648	153,924	149,078	1,373,831	10,130	
Total Operating Revenues	<u>3,759,488</u>	<u>1,039,440</u>	<u>1,211,188</u>	<u>1,053,091</u>	<u>7,063,207</u>	<u>7,698,860</u>	<u>91.7%</u>
Operating expenses:							
Salaries, Wages and Benefits	16,759	9,776	9,776	9,776	46,087	45,840	
Contractual Services	1,875,217	1,013,711	763,473	964,614	4,617,015	5,537,470	
Commodities	686,864	293,826	404,018	347,090	1,731,798	1,297,850	
Cost of Goods Sold	307,814	103,797	99,189	95,263	606,063	646,280	
Depreciation/Amortization	229,407	107,788	214,780	110,741	662,716		
Total Operating Expenses	<u>3,116,061</u>	<u>1,528,898</u>	<u>1,491,236</u>	<u>1,527,484</u>	<u>7,663,679</u>	<u>7,527,440</u>	<u>102%</u>
Operating Income (Loss)	<u>643,427</u>	<u>(489,458)</u>	<u>(280,048)</u>	<u>(474,393)</u>	<u>(600,472)</u>	<u>171,420</u>	
Nonoperating revenues (expenses):							
Interest Expense	(4,453)	(2,226)	(2,226)	(2,226)	(11,131)	7,970	
Other	(2,933)				(2,933)	94,250	
Total nonoperating revenues (expenses)	<u>(7,386)</u>	<u>(2,226)</u>	<u>(2,226)</u>	<u>(2,226)</u>	<u>(14,064)</u>	<u>102,220</u>	
Changes in net position	<u>636,041</u>	<u>(491,684)</u>	<u>(282,274)</u>	<u>(476,619)</u>	<u>(614,536)</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>\$ 2,654,556</u>	<u>\$ 1,324,979</u>	<u>\$ 1,063,403</u>	<u>\$ 1,070,909</u>	<u>\$ 6,113,847</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 ELEVEN MONTHS ENDED MAY 31, 2016

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 19,399,642	\$ 11,983,067	\$ 16,678,184
Miscellaneous	111,304	25,778	11,834
Total operating revenues	<u>19,510,946</u>	<u>12,008,845</u>	<u>16,690,018</u>
Operating expenses:			
Salaries, Wages and Benefits	5,295,941	1,058,294	8,319,342
Contractual Services	5,226,393	3,316,732	5,045,730
Commodities	8,850,038	79,590	1,637,951
Benefits and Claims		5,418,929	
Depreciation	1,798,174	10,992	52,600
Total operating expenses	<u>21,170,546</u>	<u>9,884,537</u>	<u>15,055,623</u>
Operating income (loss)	<u>(1,659,600)</u>	<u>2,124,308</u>	<u>1,634,395</u>
Nonoperating revenues (expenses):			
Property Taxes		1,607,188	
Investment Income	12,167	96,732	16,508
Gain (loss) on Sale of Property/Equipment	178,474		
Federal Non Grant Contributions			146,780
Interest Expense			(241,116)
Total nonoperating revenues (expenses)	<u>190,641</u>	<u>1,703,920</u>	<u>(77,828)</u>
Income (loss) before capital contributions and transfers	<u>(1,468,959)</u>	<u>3,828,228</u>	<u>1,556,567</u>
Capital Contributions Transfers In	<u>297,979</u>		<u>280,065</u>
Changes in net position	<u>(1,170,980)</u>	<u>3,828,228</u>	<u>1,836,632</u>
Total net position, beginning of year	11,322,038	830,874	(10,781,094)
Total net position	<u>\$ 10,151,058</u>	<u>\$ 4,659,102</u>	<u>\$ (8,944,462)</u>

City of Tucson, Arizona
Variance Explanations
For May, 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.

Sun Link:

- (3a) Quarterly payments from the Regional Transit Authority (RTA) are being received more timely in fiscal year 2016 when compared to the prior fiscal year. Sun Link receives \$500,000 quarterly from the RTA, for an annual total of \$2,000,000. Sun Link received this entire annual total in June of fiscal year 2015.

Highway User Revenue Fund:

- (4a) Other financing sources in fiscal year 2016 are lease proceeds to be used for the LED lighting.

Water Utility Fund:

- (5a) \$4.7 million in construction in progress reclassifications occurred in fiscal year 2015.

Environmental Services Fund:

- (6a) Contractual services expense increased due to a landfill compactor rebuild and vehicle maintenance costs.