



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For October 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 FOUR MONTHS ENDED OCTOBER 31, 2016

	Fiscal Year 2017		%	Fiscal Year 2016	\$ Change	% Change
	Actual	Revised Budget	Budget	Actual	CFY vs PFY	CFY vs PFY
General Fund Revenues and Other Financing Sources:		Straight-line Budget	33.3%			
Revenues:						
Primary Property Taxes	\$ 1,330,242	\$ 14,494,430	9.2%	\$ 1,254,246	\$ 75,996	6.1%
Business Privilege Tax	65,431,590	192,539,300	34.0%	61,158,249	4,273,341	7.0% 1a
Other Local Taxes	16,070,426	50,093,750	32.1%	15,245,511	824,915	5.4%
Grants and Shared Taxes	2,748,641	6,170,640	44.5%	1,356,187	1,392,454	102.7%
State-Shared Income Tax Revenue	21,694,674	65,118,880	33.3%	20,873,966	820,708	3.9%
State-Shared Sales Tax	15,283,310	50,099,800	30.5%	15,832,843	(549,533)	-3.5%
State Auto Lieu Tax	7,616,681	22,790,790	33.4%	8,400,203	(783,522)	-9.3%
Licenses and Permits	12,982,580	29,074,730	44.7%	10,897,072	2,085,508	19.1% 1b
Fines, Forfeitures, and Penalties	2,883,689	10,478,630	27.5%	4,399,524	(1,515,835)	-34.5%
Use of Money and Property	(11,260)	448,790	-2.5%	127,099	(138,359)	-108.9%
Charges for Current Services	12,516,928	43,327,230	28.9%	13,515,889	(998,961)	-7.4%
Miscellaneous Revenue	152,021	9,026,410	1.7%	277,215	(125,194)	-45.2%
Total Revenues:	158,699,522	493,663,380		153,338,004	5,361,518	
Other Financing Sources	639,435	1,918,300	33.3%	533,333	106,102	19.9%
Total Revenues and Other Financing Sources	\$ 159,338,957	\$ 495,581,680		\$ 153,871,337	\$ 5,467,620	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 731,765	\$ 2,386,810	30.7%	\$ 841,444	\$ (109,679)	-13.0%
City Manager	1,175,534	4,156,670	28.3%	1,825,935	(650,401)	-35.6%
City Attorney	2,480,645	7,435,540	33.4%	2,676,312	(195,667)	-7.3%
City Clerk	620,506	3,172,710	19.6%	1,027,563	(407,057)	-39.6%
Total Elected and Official	5,008,450	17,151,730		6,371,254	(1,362,804)	
Public Safety & Justice Services						
City Court	2,887,031	9,193,940	31.4%	3,582,875	(695,844)	-19.4%
Public Defender	844,284	2,700,840	31.3%	995,435	(151,151)	-15.2%
Tucson Fire	29,785,358	90,901,700	32.8%	32,919,177	(3,133,819)	-9.5% 1c
Tucson Police	48,262,642	146,698,520	32.9%	53,885,787	(5,623,145)	-10.4% 1c, 1d
Total Public Safety & Justice Services	81,779,315	249,495,000		91,383,274	(9,603,959)	
Community Enrichment & Development						
Housing & Community Development	632,678	2,553,900	24.8%	561,158	71,520	12.7%
Parks and Recreation	8,352,764	27,034,310	30.9%	12,627,491	(4,274,727)	-33.9% 1c
Planning & Development Services	2,000,821	5,853,130	34.2%	3,441,097	(1,440,276)	-41.9% 1e
Transportation	184,736	2,361,620	7.8%	578,774	(394,038)	-68.1%
Environmental Services	575,399	2,061,600		575,399		100.0%
Total Community Enrichment & Development	11,746,398	37,802,960		17,208,520	(5,462,122)	
Support Services						
Finance	2,667,384	8,363,620	31.9%	5,474,363	(2,806,979)	-51.3% 1f
General Services	9,594,294	29,076,870	33.0%	3,812,816	5,781,478	151.6% 1f
Human Resources	652,446	2,325,420	28.1%	764,234	(111,788)	-14.6%
Information Technology	7,644,436	20,093,220	38.0%	6,135,366	1,509,070	24.6% 1f
Procurement	1,116,599	3,311,340	33.7%	1,203,172	(86,573)	-7.2%
Total Support Services	21,675,159	63,170,470		17,389,951	4,285,208	
Total General Government	7,057,498	34,012,990	20.7%	6,376,711	680,787	10.7%
Capital Outlay	242,901	6,730,910	3.6%	548,858	(305,957)	-55.7%
Capital Projects	20,195	890,900	2.3%	120,284	(100,089)	-83.2%
Debt Service and Fiscal Agent Fees	202,854	24,717,140	0.8%	39,889	162,965	408.5%
Other Financing Uses	17,405,253	53,394,380	32.6%	17,762,378	(357,125)	-2.0%
Total Expenditures & Other Financing Uses	\$ 145,138,023	\$ 489,428,080		\$ 157,201,119	\$ (12,063,096)	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2016

	Fiscal Year 2017		% Budget	Fiscal Year 2016	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Revised Budget		Actual		
Mass Transit Revenues and Other Financing Sources:	Straight-line Budget		33.3%			
Revenues:						
Federal Grants and Contributions	\$ 401,829	\$ 18,527,880	2.2%	\$ 8,893,967	\$ (8,492,138)	-95.5%
Other Agencies	4,150,588	13,960,980	29.7%	3,642,015	508,573	14.0%
Use of Money and Property	148,781	414,100	35.9%	133,958	14,823	11.1%
Charges for Current Services	4,039,433	12,821,400	31.5%	3,080,386	959,047	31.1%
Miscellaneous Revenue	204,406	650,360	31.4%	108,922	95,484	87.7%
Total Revenues:	<u>8,945,037</u>	<u>46,374,720</u>		<u>15,859,248</u>	<u>(6,914,211)</u>	
Other Financing Sources	<u>14,854,640</u>	<u>44,563,920</u>	33.3%	<u>15,161,023</u>	<u>(306,383)</u>	-2.0%
Total Revenues and Other Financing Sources	<u>\$ 23,799,677</u>	<u>\$ 90,938,640</u>		<u>\$ 31,020,271</u>	<u>\$ (7,220,594)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 23,365,842	\$ 77,750,280	30.1%	\$ 22,835,271	\$ 530,571	2.3%
Total Community Enrichment & Development	<u>23,365,842</u>	<u>77,750,280</u>		<u>22,835,271</u>	<u>530,571</u>	
Capital Outlay	<u>134,105</u>	<u>4,366,660</u>	3.1%	<u>8,378,956</u>	<u>(8,244,851)</u>	-98.4%
Capital Projects	<u>120,528</u>	<u>8,821,700</u>	1.4%	<u>614,928</u>	<u>(494,400)</u>	-80.4%
Total Expenditures	<u>\$ 23,620,475</u>	<u>\$ 90,938,640</u>		<u>\$ 31,829,155</u>	<u>\$ (8,208,680)</u>	

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

	Fiscal Year 2017		% Budget	Fiscal Year 2016	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Revised Budget		Actual		
Sun Link Revenues and Other Financing Sources:	Straight-line Budget		33.3%			
Revenues:						
Other Agencies	\$ 500,000	\$ 1,207,600	0.0%	\$ 503,800	\$ (3,800)	-0.8%
Charges for Current Services	321,719	1,085,340	29.6%	484,110	(162,391)	-33.5%
Miscellaneous Revenue	724		100.0%	568	156	27.5%
Total Revenues:	<u>822,443</u>	<u>2,292,940</u>		<u>988,478</u>	<u>(166,035)</u>	
Other Financing Sources	<u>1,058,427</u>	<u>3,175,280</u>	33.3%	<u>770,590</u>	<u>287,837</u>	37.4%
Total Revenues and Other Financing Sources	<u>\$ 1,880,870</u>	<u>\$ 5,468,220</u>		<u>\$ 1,759,068</u>	<u>\$ 121,802</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 1,234,358	\$ 3,992,100	30.9%	\$ 1,050,180	\$ 184,178	17.5%
Total Community Enrichment & Development	<u>1,234,358</u>	<u>3,992,100</u>		<u>1,050,180</u>	<u>184,178</u>	
Debt Service and Fiscal Agent Fees	<u></u>	<u>1,514,120</u>	0.0%	<u></u>	<u></u>	0.0%
Total Expenditures	<u>\$ 1,234,358</u>	<u>\$ 5,506,220</u>		<u>\$ 1,050,180</u>	<u>\$ 184,178</u>	

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

	Fiscal Year 2015		% Budget	Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Revised Budget		Actual		
HURF Revenues:						
Revenues:						
Licenses and Permits	\$ 143,353	\$ 674,800	21.2%	\$ 264,949	\$ (121,596)	-45.9%
Other Agencies	12,498,436	38,274,480	32.7%	12,519,302	(20,866)	-0.2%
Use of Money and Property	138,421	630,000	22.0%	282,047	(143,626)	-50.9%
Miscellaneous Revenue	603,784	600,000	100.6%	214,192	389,592	181.9%
Total Revenues	<u>\$ 13,383,994</u>	<u>\$ 40,179,280</u>		<u>\$ 13,280,490</u>	<u>\$ 103,504</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	\$ 9,609,684	\$ 34,809,230	27.6%	\$ 9,240,360	\$ 369,324	4.0%
Total Community Enrichment and Development	<u>9,609,684</u>	<u>34,809,230</u>		<u>9,240,360</u>	<u>369,324</u>	
Non-Departmental						
Outside Agencies		100,580	0.0%	84,500	(84,500)	-100.0%
Total Non-Departmental		<u>100,580</u>		<u>84,500</u>	<u>(84,500)</u>	
Capital Outlay	215,420	1,396,500	15.4%	78,260	137,160	175.3%
Capital Projects	6,467,409	10,377,600	62.3%	291,489	6,175,920	2118.7% 3a
Other Financing Uses (Sources)		<u>9,939,640</u>	0.0%			0.0%
Total Expenditures & Other Financing Uses	<u>\$ 16,292,513</u>	<u>\$ 56,623,550</u>		<u>\$ 9,694,609</u>	<u>\$ 6,597,904</u>	

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

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 67,052,429	\$ 34,481,584	\$ 1,639,467
Cash and Investments - Restricted			
Cash and Investments with Fiscal Agent - Restricted	15,016,287		
Accounts Receivable, Net	25,550,026	3,644,773	403,638
Due from Other Agencies		10,349	
Interest Receivable	139,341	62,500	
Inventories	5,108,210		249,411
Other Assets	10,112,609		
Total current assets	<u>122,978,902</u>	<u>38,199,206</u>	<u>2,292,516</u>
Noncurrent assets:			
Long Term Accounts Receivable	176,022		
Other Assets - Restricted			43,987
Land and Construction in Progress	185,173,920	14,532,435	2,701,865
Other Capital Assets, Net	1,056,150,844	26,981,369	11,860,310
Water Rights	52,126,968		
Total noncurrent assets	<u>1,293,627,754</u>	<u>41,513,804</u>	<u>14,606,162</u>
Total assets	<u>1,416,606,656</u>	<u>79,713,010</u>	<u>16,898,678</u>
DEFERRED OUTFLOWS			
Loss on Refunding of Debt	15,676,631	1,217,512	
Pension Plans	8,065,463	2,873,383	
Total deferred outflows	<u>23,742,094</u>	<u>4,090,895</u>	
LIABILITIES			
Current liabilities:			
Accounts Payable	1,381,542	180,035	114,993
Accrued Payroll Liabilities	1,531,499	555,806	137,399
Interfund Payable			2,507,649
Due to Other Agencies	282,591	1,182	48,953
Accrued Interest Payable			5,011
Refundable Deposits	2,282,001	93,210	3,966
Current Portion of Bonds Payable	36,685,480		
Current Portion of Contracts Payable		192,600	84,026
Current Portion of Compensated Absences	1,769,251	514,889	
Advances From Customers			68,423
Current Portion of Long Term Liabilities		758,158	
Total current liabilities	<u>43,932,364</u>	<u>2,295,880</u>	<u>2,970,420</u>
Noncurrent liabilities:			
Bonds Payable	504,778,811		
Contracts Payable		11,522,842	161,661
Compensated Absences	1,835,388	608,387	
Other Postemployment Benefits	1,485,509	584,846	
Pension Liability	59,877,724	21,331,898	
Loans and Notes Payable			1,626,413
Long Term Liabilities		57,350,501	
Total noncurrent liabilities	<u>567,977,432</u>	<u>91,398,474</u>	<u>1,788,074</u>
Total liabilities	<u>611,909,796</u>	<u>93,694,354</u>	<u>4,758,494</u>
DEFERRED INFLOWS			
Deferred Revenue	92,902		
Pension Plans	5,055,230	1,800,965	
Total deferred inflows	<u>5,148,132</u>	<u>1,800,965</u>	
NET POSITION			
Net Investment in capital assets	775,729,536	29,798,362	14,316,488
Amounts Restricted for:			
Debt Service	15,016,287		
Capital			
Unrestricted Amounts (deficit)	32,544,999	(59,531,489)	(2,176,304)
Closure/Post Closure Liability		6,145,628	
New Landfill Cell Construction		11,896,085	
Total net position	<u>\$ 823,290,822</u>	<u>\$ (11,691,414)</u>	<u>\$ 12,140,184</u>

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

	Fiscal Year 2017 Actual	Fiscal Year 2016 Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 73,296,839	\$ 72,335,388	\$ 961,451	1.3%
Total operating revenues	<u>73,296,839</u>	<u>72,335,388</u>	<u>961,451</u>	
Operating expenses:				
Salaries, Wages and Benefits	12,178,203	12,223,651	(45,448)	-0.4%
Contractual Services	24,145,004	22,458,056	1,686,948	7.5%
Commodities	3,261,256	2,854,626	406,630	14.2%
Depreciation/Amortization	11,193,748	11,732,000	(538,252)	-4.6%
Total operating expenses	<u>50,778,211</u>	<u>49,268,333</u>	<u>1,509,878</u>	
Operating Income (Loss)	<u>22,518,628</u>	<u>23,067,055</u>	<u>(548,427)</u>	
Nonoperating revenues (expenses):				
Investment Income	239,785	729,033	(489,248)	-67.1%
Gain (Loss) on Sale of Property/Equipment	63,484	54,183	9,301	17.2%
Interest Expense	(6,399,517)	(6,094,977)	(304,540)	5.0%
Other Nonoperating Income (Expenses)	(29,861)	(29,861)	(29,861)	0.0%
Total nonoperating revenues (expenses)	<u>(6,126,109)</u>	<u>(5,311,761)</u>	<u>(814,348)</u>	
Income (loss) before transfers	<u>16,392,519</u>	<u>17,755,294</u>	<u>(1,362,775)</u>	
Transfers In	1,070,013	1,038,804	31,209	3.0%
Transfers Out	<u>(639,435)</u>	<u>(533,333)</u>	<u>(106,102)</u>	19.9%
Changes in net position	<u>16,823,097</u>	<u>18,260,765</u>	<u>(1,437,668)</u>	
Total net position, beginning of year *	806,467,725	780,994,245	25,473,480	
Total net position	<u>\$ 823,290,822</u>	<u>\$ 799,255,010</u>	<u>\$ 24,035,812</u>	

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENVIRONMENTAL SERVICES FUND
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2016

	Fiscal Year 2017 Actual	Fiscal Year 2016 Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 16,650,163	\$ 17,022,093	\$ (371,930)	-2.2%
Miscellaneous	324,544	231,191	93,353	40.4%
Total operating revenues	<u>16,974,707</u>	<u>17,253,284</u>	<u>(278,577)</u>	
Operating expenses:				
Salaries, Wages and Benefits	4,945,468	5,026,348	(80,880)	-1.6%
Contractual Services	4,402,417	6,754,650	(2,352,233)	-34.8% 4a
Commodities	922,762	1,085,246	(162,484)	-15.0%
Depreciation/Amortization	1,675,386	1,235,529	439,857	35.6%
Total operating expenses	<u>11,946,033</u>	<u>14,101,773</u>	<u>(2,155,740)</u>	
Operating Income (Loss)	<u>5,028,674</u>	<u>3,151,511</u>	<u>1,877,163</u>	
Nonoperating revenues (expenses):				
Investment Income	21,365	242,669	(221,304)	-91.2%
Gain (Loss) on Sale of Property/Equipment	206,318	88,072	118,246	134.3%
Other Agencies	10,349	73,157	(62,808)	-85.9%
Interest Expense	6,274		6,274	100.0%
Total nonoperating revenues (expenses)	<u>244,306</u>	<u>403,898</u>	<u>(159,592)</u>	
Changes in net position	<u>5,272,980</u>	<u>3,555,409</u>	<u>1,717,571</u>	
Total net position, beginning of year *	<u>(16,964,394)</u>	<u>(16,984,080)</u>	<u>19,686</u>	
Total net position	<u>\$ (11,691,414)</u>	<u>\$ (13,428,671)</u>	<u>\$ 1,737,257</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2016

	Randolph	El Rio	Silverbell	Enke	Combined	Total Budget	Budget
COURSE OPERATIONS:							
Operating revenues:							
Green Fees	\$ 302,078	\$ 100,663	\$ 96,784	\$ 83,340	\$ 582,865	\$ 8,130,370	
Cart Rentals	241,754	88,643	54,156	71,092	455,645		
Driving Range	95,984	2,352	28,243	40,080	166,659		
Clubhouse	94,623	58,395	41,043	52,596	246,657		
Other Revenue	233,442	37,035	23,875	39,404	333,756	13,730	
Total Operating Revenues	<u>967,881</u>	<u>287,088</u>	<u>244,101</u>	<u>286,512</u>	<u>1,785,582</u>	<u>8,144,100</u>	<u>21.9%</u>
Operating expenses:							
Salaries, Wages and Benefits	6,154	3,590	3,590	3,590	16,924	50,530	
Contractual Services	678,274	366,964	239,052	350,091	1,634,381	5,843,450	
Commodities	389,431	144,493	177,199	165,012	876,135	1,238,580	
Cost of Goods Sold	95,858	31,692	25,558	36,175	189,283	669,710	
Depreciation/Amortization	83,127	38,410	78,144	40,115	239,796		
Total Operating Expenses	<u>1,252,844</u>	<u>585,149</u>	<u>523,543</u>	<u>594,983</u>	<u>2,956,519</u>	<u>7,802,270</u>	<u>38%</u>
Operating Income (Loss)	<u>(284,963)</u>	<u>(298,061)</u>	<u>(279,442)</u>	<u>(308,471)</u>	<u>(1,170,937)</u>	<u>341,830</u>	
Nonoperating revenues (expenses):							
Interest Expense	(3,801)	(1,901)	(1,901)	(1,901)	(9,504)	6,740	
Other	1,000				1,000	93,400	
Total nonoperating revenues (expenses)	<u>(2,801)</u>	<u>(1,901)</u>	<u>(1,901)</u>	<u>(1,901)</u>	<u>(8,504)</u>	<u>100,140</u>	
Changes in net position	<u>(287,764)</u>	<u>(299,962)</u>	<u>(281,343)</u>	<u>(310,372)</u>	<u>(1,179,441)</u>	<u>\$ 441,970</u>	
Total net position, beginning of year	<u>3,995,887</u>	<u>3,596,299</u>	<u>2,663,925</u>	<u>3,063,514</u>	<u>13,319,625</u>		
Total net position	<u>\$ 3,708,123</u>	<u>\$ 3,296,337</u>	<u>\$ 2,382,582</u>	<u>\$ 2,753,142</u>	<u>\$ 12,140,184</u>		

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FOUR MONTHS ENDED OCTOBER 31,2016

	Fleet Services	Self Insurance	General Services
Operating revenues:			
Charges for Services	\$ 6,559,089	\$ 3,789,562	\$ 5,637,753
Miscellaneous	29,679	10,000	6,871
Total operating revenues	<u>6,588,768</u>	<u>3,799,562</u>	<u>5,644,624</u>
Operating expenses:			
Salaries, Wages and Benefits	1,918,118	407,794	2,648,820
Contractual Services	1,799,268	1,441,344	2,036,305
Commodities	3,286,856	32,788	576,782
Benefits and Claims		1,815,934	
Depreciation	901,506	3,761	233,368
Total operating expenses	<u>7,905,748</u>	<u>3,701,621</u>	<u>5,495,275</u>
Operating income (loss)	<u>(1,316,980)</u>	<u>97,941</u>	<u>149,349</u>
Nonoperating revenues (expenses):			
Property Taxes		231,764	
Investment Income	770	20,231	1,909
Gain (loss) on Sale of Property/Equipment	54,557		
Total nonoperating revenues (expenses)	<u>55,327</u>	<u>251,995</u>	<u>1,909</u>
Changes in net position	<u>(1,261,653)</u>	<u>349,936</u>	<u>151,258</u>
Total net position, beginning of year *	<u>10,283,998</u>	<u>8,490,035</u>	<u>(8,826,287)</u>
Total net position	<u>\$ 9,022,345</u>	<u>\$ 8,839,971</u>	<u>\$ (8,675,029)</u>

City of Tucson, Arizona
Variance Explanations
For October 31, 2016

General Fund:

- (1a) The timing of business privilege tax collections in fiscal year 2016 caused an increase of \$4.3 million when compared to fiscal year 2015.
- (1b) Permits and inspection fees revenue increased \$2.1 million over fiscal year 2016.
- (1c) Water, electric and vehicle maintenance expenditures related to non-internal service areas are recorded in the General Services department for fiscal year 2017 instead of being allocated to various departments as done in fiscal year 2016.
- (1d) \$3 million pension contribution for Tucson Police made in fiscal year 2016 from car impound proceeds; was not repeated in fiscal year 2017.
- (1e) The code enforcement program was moved from Planning & Development Services to Environmental Services for fiscal year 2017. Additional position reduction resulted in fewer expenditures in fiscal year 2017.
- (1f) ERP software maintenance of \$ 2,018,975 paid in Finance department in fiscal year 2016 but was paid by the Information Technology department in fiscal year 2017.

Mass Transit:

- (2a) Capital outlay and the related federal grants and contributions were higher in fiscal year 2016 due to \$5.8 million in replacement buses and vans, the construction of the compressed natural gas plant of \$498,783, the Regional Paratransit Expansion of \$250,288 and the Greyhound Transit Center of \$114,319.

Highway User Revenue Fund:

- (3a) Fiscal year 2016 includes the LED light conversion project not present in fiscal year 2015; expenditures to date are \$6.1 million.

Environmental Services Fund:

- (4a) Water, electric and vehicle maintenance expenditures related to non-internal service areas are recorded in the General Services department for fiscal year 2017 instead of being allocated to various departments as done in fiscal year 2016.