

City of Tucson, Arizona
Monthly Financial Statement
For October 31, 2013

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 FOUR MONTHS ENDED OCTOBER 31, 2013

	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 (October, 31):		33%			
Revenues:						
Primary Property Taxes	\$ 1,125,450	\$ 13,119,640	8.6%	\$ 1,028,581	\$ 96,869	9.4%
Business Privilege Tax	45,678,514	188,988,400	24.2%	46,858,234	(1,179,720)	-2.5%
Other Local Taxes	9,671,950	43,791,600	22.1%	11,580,869	(1,908,919)	-16.5%
Grants and Shared Taxes	799,462	3,882,980	20.6%	838,244	(38,782)	-4.6%
State-Shared Income Tax Revenue	9,671,138	57,800,600	16.7%	8,854,789	816,349	9.2%
State-Shared Sales Tax	7,060,923	44,563,600	15.8%	6,570,388	490,535	7.5%
State Auto Lieu Tax	2,496,555	19,693,400	12.7%	3,102,434	(605,879)	-19.5%
Licenses and Permits	5,432,138	20,937,150	25.9%	5,329,568	102,570	1.9%
Fines, Forfeitures, and Penalties	4,588,300	13,227,280	34.7%	3,370,550	1,217,750	36.1% a
Use of Money and Property	406,273	694,450	58.5%	138,843	267,430	192.6%
Charges for Current Services	11,635,065	41,880,960	27.8%	12,190,529	(555,464)	-4.6%
Miscellaneous Revenue	1,072,405	3,475,640	30.9%	423,315	649,090	153.3%
Total General City Revenues:	99,638,173	452,055,700		100,286,344	(648,171)	
Other Financing Sources	533,333	14,806,000	3.60%	533,333		
Total Revenues and Other Financing Sources	\$ 100,171,506	\$ 466,861,700		\$ 100,819,677	\$ (648,171)	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 825,007	\$ 2,736,430	30.1%	\$ 940,975	\$ (115,968)	-12.3%
City Manager	2,692,109	8,641,450	31.2%	2,055,235	636,874	31.0%
City Attorney	2,785,761	8,428,210	33.1%	2,778,227	7,534	0.3%
City Clerk	1,297,374	4,044,840	32.1%	869,719	427,655	49.2%
Total Elected and Official	7,600,251	23,850,930		6,644,156	956,095	
Public Safety and Justice Services						
City Courts	3,518,507	11,081,480	31.8%	3,540,831	(22,324)	-0.6%
Equal Opportunity Programs and Independence	250,990	787,220	31.9%	242,835	8,155	3.4%
Public Defender	971,607	3,157,720	30.8%	1,013,828	(42,221)	-4.2%
Tucson Fire	28,273,942	86,956,709	32.5%	29,271,104	(997,162)	-3.4%
Tucson Police	46,610,060	146,998,734	31.7%	50,901,126	(4,291,066)	-8.4% b
Total Public Safety and Justice Services	79,625,106	248,981,863		84,969,724	(5,344,618)	
Community Enrichment and Development						
Housing & Community Development	1,843,242	6,506,630	28.3%	1,842,910	332	0.0%
Planning & Development Services	2,231,703	7,247,040	30.8%	2,490,782	(259,079)	-10.4%
Parks and Recreation	12,806,984	35,963,095	35.6%	13,646,012	(839,028)	-6.1%
Transportation	640,352	2,184,600	29.3%	1,759,021	(1,118,669)	-63.6% c
Total Community Enrichment and Development	17,522,281	51,901,365		19,738,725	(2,216,444)	
Support Services						
Budget and Internal Audit	523,906	1,541,880	34.0%	489,934	33,972	6.9%
Finance	4,837,645	10,339,910	46.8%	2,788,644	2,049,001	73.5% d
General Services	2,797,592	9,339,400	30.0%	595,739	2,201,853	369.6% e
Human Resources	849,641	2,174,940	39.1%	642,752	206,889	32.2%
Information Technology	5,851,181	17,099,380	34.2%	6,615,855	(764,674)	-11.6%
Procurement	1,183,087	3,124,200	37.9%	1,221,361	(38,274)	-3.1%
Total Support Services	16,043,052	43,619,710		12,354,285	3,688,767	
Total Non-Departmental	3,070,972	26,930,047	11.4%	5,681,296	(2,610,324)	-45.9% f
Capital Projects	100,022	1,958,765	5.1%	553,136	(453,114)	-81.9%
Debt Service and Fiscal Agent Fees	9,900	24,360,720	0.0%	241,265	(231,365)	-95.9%
Other Financing Uses	15,458,715	46,269,770	33.4%	14,611,193	847,522	5.8%
Total Expenditures & Other Financing Uses	\$ 139,430,299	\$ 467,873,170		\$ 144,793,780	\$ (5,363,481)	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013**

	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 (October, 31): 33%					
Revenues:						
Federal Grants and Contributions	\$ 933,387	\$ 19,325,820	4.8%	\$ 23,813,006	\$ (22,879,619)	-96.1% 2a
Other Agencies	5,005,195	17,143,280	29.2%	20,513	4,984,682	24300.1% 2b
Use of Money and Property	94,308	250,000	37.7%	75,010	19,298	25.7%
Charges for Current Services	2,110,012	16,249,710	13.0%	4,732,898	(2,622,886)	-55.4% 2c
Miscellaneous Revenue	31,506	480,050	6.6%	94,527	(63,021)	-66.7%
Total Revenues:	<u>8,174,408</u>	<u>53,448,860</u>		<u>28,735,954</u>	<u>(20,561,546)</u>	
Other Financing Sources	<u>14,244,344</u>	<u>42,733,040</u>	33.3%	<u>13,476,930</u>	<u>767,414</u>	5.7%
Total Revenues and Other Financing Sources	\$ <u>22,418,752</u>	\$ <u>96,181,900</u>		\$ <u>42,212,884</u>	\$ <u>(19,794,132)</u>	
Mass Transit Expenditures:						
Operations and Development						
Transportation	\$ 25,139,236	\$ 83,056,200	30.3%	\$ 23,938,831	\$ 1,200,405	5.0%
Total Operations and Development	<u>25,139,236</u>	<u>83,056,200</u>		<u>23,938,831</u>	<u>1,200,405</u>	
Capital Expenditures	<u>631,350</u>	<u>15,878,500</u>	4.0%	<u>21,016,647</u>	<u>(20,385,297)</u>	-97.0% 2a
Total Expenditures & Other Financing Uses	\$ <u>25,770,586</u>	\$ <u>98,934,700</u>		\$ <u>44,955,478</u>	\$ <u>(19,184,892)</u>	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013**

	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 (October, 31): 33.0%					
Revenues:						
Licenses and Permits	\$	\$		\$ 42,850	\$ (42,850)	-100.0%
Other Agencies	7,940,297	34,042,290	23.3%	7,598,014	342,283	4.5%
Use of Money and Property	752,737	335,000	224.7%	164,597	588,140	357.3%
Charges for Current Services	275,837	542,000	50.9%	202,480	73,357	36.2%
Miscellaneous Revenue	986,051	3,200,000	30.8%	289,639	696,412	240.4%
Total Revenues	\$ <u>9,954,922</u>	\$ <u>38,119,290</u>		\$ <u>8,297,580</u>	\$ <u>1,657,342</u>	
HURF Expenditures:						
Public Safety & Justice Services						
Neighborhood Resources Department	\$ 46,367	\$	0.0%	\$ 18,103	\$ 28,264	156.1%
Total Public Safety & Justice Services	<u>46,367</u>			<u>18,103</u>	<u>28,264</u>	
Community Enrichment and Development						
Transportation	9,037,237	32,564,880	27.8%	10,098,996	(1,061,759)	-10.5% 3a
Total Community Enrichment and Development	<u>9,037,237</u>	<u>32,564,880</u>		<u>10,098,996</u>	<u>(1,061,759)</u>	
Non-Departmental						
Outside Agencies		100,580	0.0%	25,145	(25,145)	-100.0%
Total Non-Departmental		<u>100,580</u>		<u>25,145</u>	<u>(25,145)</u>	
Capital Projects	<u>1,239,425</u>	<u>2,702,250</u>	45.9%	<u>107,032</u>	<u>1,132,393</u>	1058.0% 3b
Debt Service and Fiscal Agent Fees				<u>129,557</u>	<u>(129,557)</u>	-100.0%
Other Financing Uses		<u>10,413,290</u>	0.0%			
Total Expenditures & Other Financing Uses	\$ <u>10,323,029</u>	\$ <u>45,781,000</u>		\$ <u>10,378,833</u>	\$ <u>(55,804)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
OCTOBER 31, 2013

	<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	\$ 51,538,029	\$ 29,498,601	\$ 4,450
Cash and Investments - Restricted	14,614,126		
Cash and Investments with Fiscal Agent - Restricted	12,180,123		
Accounts Receivable, Net	14,469,664	4,151,619	23,974
Due from Other Agencies		27,525	
Interest Receivable	132,801	91,769	
Inventories	3,726,860		146,919
Other Assets	413,635		
Total current assets	<u>97,075,238</u>	<u>33,769,514</u>	<u>175,343</u>
Noncurrent assets:			
Long Term Accounts Receivable	451,895		
Other Assets - Restricted	297,567		
Land and Construction in Progress	193,101,532	11,196,009	2,701,865
Other Capital Assets, Net	998,481,974	19,277,337	13,468,289
Water Rights	52,126,968		
Total noncurrent assets	<u>1,244,459,936</u>	<u>30,473,346</u>	<u>16,170,154</u>
Total assets	<u>1,341,535,174</u>	<u>64,242,860</u>	<u>16,345,497</u>
Deferred Outflows			
Unamortized Loss on Refunding	13,933,674		
Total deferred outflows	<u>13,933,674</u>		
Total assets and deferred outflows	<u>1,355,468,848</u>	<u>64,242,860</u>	<u>16,345,497</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Liabilities			
Current liabilities:			
Accounts Payable	833,993	161,275	143,781
Accrued Payroll Liabilities	1,251,426	709,289	88,899
Interfund Payable			886,485
Due to Other Agencies	1,191	237	
Accrued Interest Payable			18,313
Refundable Deposits	3,111,351	58,425	
Current Portion of Bonds Payable	30,077,346		
Current Portion of Contracts Payable		121,000	
Current Portion of Compensated Absences	1,744,436	608,131	89,858
Liabilities Payable from Restricted Assets	1,398,302		
Unearned Revenue			138,823
Current Portion of Long Term Liabilities		740,330	
Total current liabilities	<u>38,418,045</u>	<u>2,398,687</u>	<u>1,366,159</u>

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
OCTOBER 31, 2013

LIABILITIES AND DEFERRED INFLOWS (continued)

Noncurrent liabilities:			
Bonds Payable	517,944,949		
Contracts Payable		10,593,000	
Compensated Absences	1,889,495	701,672	93,821
Other-Post-employment Benefits	972,264	419,502	45,706
Loans and Notes Payable			7,369,981
Long Term Liabilities		44,220,917	
Total non-current liabilities	<u>520,806,708</u>	<u>55,935,091</u>	<u>7,509,508</u>
Total liabilities	<u>559,224,753</u>	<u>58,333,778</u>	<u>8,875,667</u>
Deferred Inflows			
Unavailable Revenue	68,086		
Total deferred inflows	<u>68,086</u>		
Total liabilities and deferred inflows	<u>559,292,839</u>	<u>58,333,778</u>	<u>10,241,826</u>
<u>NET POSITION</u>			
Net Investment in capital assets	724,409,548	19,759,346	16,170,154
Amounts Restricted for:			
Debt Service	12,180,123		
Unrestricted Amounts (deficit)	59,586,338	(24,643,251)	(8,700,324)
Closure/Post Closure Liability		4,846,387	
New Landfill Cell Construction		5,946,600	
Total net position	<u>\$ 796,176,009</u>	<u>\$ 5,909,082</u>	<u>\$ 7,469,830</u>

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER UTILITY FUND
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013**

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 56,106,278	\$ 51,093,065	\$ 5,013,213	9.8%
Miscellaneous	202,683	212,357	(9,674)	-4.6%
Total operating revenues	<u>56,308,961</u>	<u>51,305,422</u>	<u>5,003,539</u>	
Operating expenses:				
Personal Services	11,607,625	11,800,289	(192,664)	-1.6%
Contractual Services	21,023,565	21,311,174	(287,609)	-1.3%
Commodities	2,545,278	2,788,473	(243,195)	-8.7%
Depreciation/Amortization	10,066,911	9,583,763	483,148	5.0%
Total operating expenses	<u>45,243,379</u>	<u>45,483,699</u>	<u>(240,320)</u>	
Operating Income (Loss)	<u>11,065,582</u>	<u>5,821,723</u>	<u>5,243,859</u>	
Nonoperating revenues (expenses):				
Investment Income	637,423	152,523	484,900	317.9%
Gain (Loss) on Sale of Property/Equipment	90,885	(159,671)	250,556	-156.9%
Federal Grants and Contributions		147	(147)	-100.0%
Non-Grant Contributions	770,334		770,334	0.0%
Interest Expense	(6,665,642)	(6,554,739)	(110,903)	1.7%
Amortization of Cost Issuance	-	(128,129)	128,129	-100.0%
Other Nonoperating Income (Expenses)	(3,000)	(3,000)		0.0%
Total nonoperating revenues (expenses)	<u>(5,170,000)</u>	<u>(6,692,869)</u>	<u>1,522,869</u>	
Income (loss) before capital contributions and transfers	<u>5,895,582</u>	<u>(871,146)</u>	<u>6,766,728</u>	
Capital Contributions	939,104	1,000,650	(61,546)	-6.2%
Transfers In				0.0%
Transfers Out	<u>(533,333)</u>	<u>(533,333)</u>		0.0%
Changes in net position	<u>6,301,353</u>	<u>(403,829)</u>	<u>6,705,182</u>	
Total net position, beginning of year	789,874,656	766,475,908	23,398,748	
Total net position, October 31	<u>\$ 796,176,009</u>	<u>\$ 766,072,079</u>	<u>\$ 30,103,930</u>	

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENVIRONMENTAL SERVICES FUND
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 16,688,408	\$ 16,858,375	\$ (169,967)	-1.0%
Miscellaneous	438,151	455,375	(17,224)	-3.8%
Total operating revenues	<u>17,126,559</u>	<u>17,313,750</u>	<u>(187,191)</u>	
Operating expenses:				
Personal Services	5,109,108	5,364,174	(255,066)	-4.8%
Contractual Services	5,964,545	5,886,499	78,046	1.3%
Commodities	1,287,372	1,594,432	(307,060)	-19.3%
Depreciation/Amortization	1,740,435	1,797,887	(57,452)	-3.2%
Total operating expenses	<u>14,101,460</u>	<u>14,642,992</u>	<u>(541,532)</u>	
Operating Income (Loss)	<u>3,025,099</u>	<u>2,670,758</u>	<u>354,341</u>	
Nonoperating revenues (expenses):				
Investment Income	255,953	29,152	226,801	778.0%
Gain (Loss) on Sale of Property/Equipment	303,635	402,466	(98,831)	-24.6%
Other Agencies	27,525	69,529	(42,004)	-60.4%
Interest Expense		(9,601)	9,601	-100.0%
Amortization of Cost Issuance		(5,969)	5,969	-100.0%
Total nonoperating revenues (expenses)	<u>587,113</u>	<u>485,577</u>	<u>101,536</u>	
Income (loss) before capital contributions and transfers	<u>3,612,212</u>	<u>3,156,335</u>	<u>455,877</u>	
Changes in net position	<u>3,612,212</u>	<u>3,156,335</u>	<u>455,877</u>	
Total net position, beginning of year	2,296,870	(3,479,259)	5,776,129	
Total net position, October 31	<u>\$ 5,909,082</u>	<u>\$ (322,924)</u>	<u>\$ 6,232,006</u>	

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 1,527,164	\$ 1,497,967	\$ 29,197	1.9%
Miscellaneous	1,623	245	1,378	562.4%
Total operating revenues	<u>1,528,787</u>	<u>1,498,212</u>	<u>30,575</u>	
Operating expenses:				
Personnel Services	981,532	1,078,492	(96,960)	-9.0%
Contractual Services	891,519	856,574	34,945	4.1%
Commodities	458,782	398,128	60,654	15.2%
Cost of Goods Sold	40,393	48,834	(8,441)	-17.3%
Depreciation/Amortization	233,480	235,726	(2,246)	-1.0%
Total operating expenses	<u>2,605,706</u>	<u>2,617,754</u>	<u>(12,048)</u>	
Operating Income (Loss)	<u>(1,076,919)</u>	<u>(1,119,542)</u>	<u>42,623</u>	
Nonoperating revenues (expenses):				
Interest Expense	(15,644)	(13,240)	(2,404)	18.2%
Amortization of Cost Issuance		(2,438)	2,438	-100.0%
Total nonoperating revenues (expenses)	<u>(15,644)</u>	<u>(15,678)</u>	<u>34</u>	
Income (loss) before capital contributions and transfers	<u>(1,092,563)</u>	<u>(1,135,220)</u>	<u>42,657</u>	
Changes in net position	<u>(1,092,563)</u>	<u>(1,135,220)</u>	<u>42,657</u>	
Total net position, beginning of year	8,562,393	6,359,649	2,202,744	
Total net position, October 31	<u>\$ 7,469,830</u>	<u>\$ 5,224,429</u>	<u>\$ 2,245,401</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2013

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 8,720,690	\$ 5,005,801	\$ 5,794,973
Miscellaneous	88,935	5,334	75
Total operating revenues	<u>8,809,625</u>	<u>5,011,135</u>	<u>5,795,048</u>
Operating expenses:			
Personal Services	2,099,418	407,652	3,039,655
Contractual Services	2,225,956	1,558,072	1,832,409
Commodities	4,864,731	21,675	725,198
Benefits and Claims		4,068,335	
Depreciation	744,336	4,797	20,542
Total operating expenses	<u>9,934,441</u>	<u>6,060,531</u>	<u>5,617,804</u>
Operating income (loss)	<u>(1,124,816)</u>	<u>(1,049,396)</u>	<u>177,244</u>
Nonoperating revenues (expenses):			
Property Taxes		218,868	
Investment Income	4,632		18,186
Gain (loss) on Sale of Property/Equipment	3,025		
Interest Expense		(4,025)	
Total nonoperating revenues (expenses)	<u>7,657</u>	<u>214,843</u>	<u>18,186</u>
Income (loss) before capital contributions and transfers	<u>(1,117,159)</u>	<u>(834,553)</u>	<u>195,430</u>
Changes in net position	<u>(1,117,159)</u>	<u>(834,553)</u>	<u>195,430</u>
Total net position, beginning of year	10,361,694	(12,635,103)	(1,974,255)
Total net position, October 31, 2013	<u>\$ 9,244,535</u>	<u>\$ (13,469,656)</u>	<u>\$ (1,778,825)</u>

City of Tucson, Arizona
Variance Explanations
For October 31, 2013

General Fund (pg. 2):

- (1a) Due to an increase in citations the revenues for court fees and fines have increased over a million dollars. Defensive Driving went up \$200,660, Court Base Fines went up \$351,046, Photo fines increased \$117,027, Case Processing Fees increased \$273,863 and Civil Traffic increased \$68,293. The \$166,911 in revenues for the Arizona Criminal Justice Commission posted in October this fiscal year compared to January in the last fiscal year.
- (1b) Due to an accounting system change the Police Department's group insurance and Workman's Compensation will be expensed each month over this fiscal year. In the last fiscal year the department was charged in the beginning of the year for the full amount instead of each month. Through October the variance decreased \$3,681,749 compared to last fiscal year. Overtime decreased \$504,103 compared to last fiscal year due to the training for the new computer aided dispatch software. The monthly maintenance expense for all the departments is being paid in one central location in General Services instead of Police due to a change in policy. The variance is \$696,405 less than last year.
- (1c) In the last fiscal year, Transportation paid to outside contractors \$620,637 for a paving project on Oracle, between Miracle Mile and Drachman and \$351,247 for road Maintenance on Stone, between River and Wetmore. Chip sealing material was also used last fiscal year for a cost of \$202,033 for Golf Links and Harrison.
- (1d) Finance spent \$2,000,000 on the new accounting software system this fiscal year that was not expensed last year.
- (1e) For this fiscal year all general funded facility costs were moved to one central location under General Services instead of the individual departments. This is a total of \$1,308,470 addition expenses for this fiscal year compared to last fiscal year.
- (1f) The Federal Stimulus for Early Retiree Reinsurance Program reimbursed the general fund \$947,000 in August for this current fiscal year compared to the reimbursement being made in November in the last fiscal year. The July and August payments for Pima County jail charges will be paid in November for this fiscal year, compared to three payments made before November of last fiscal year. This is a \$1,693,692 decrease from last year.

Mass Transit (pg. 3):

- (2a) Modern Streetcar construction project and replacement buses are completed. \$16,741,512 and \$4,369,338 was spent on the Modern Streetcar and replacement buses respectively as of October 31, 2012.
- (2b) RTA billings are occurring more timely compared to FY13.
- (2c) Day Pass Farebox and the Regular/Economy monthly pass show lower revenues in FY 14 due to the new electronic Smartcard collection process. Smartcard processing should be caught up in the second quarter of FY14.

Highway User Revenue Fund (pg. 3):

- (3a) Lower personnel cost due to vacancy management.
- (3b) Houghton Road Project.

Water Utility Fund (pg. 6):

- (4a) Increase in Charges for Services represents increased water rates for Central Arizona Project (CAP) surcharges and Metered Sales.
- (4b) Decrease in Interest Expense due to bond refunding.