

City of Tucson, Arizona  
Monthly Financial Statement  
For September 30, 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 THREE MONTHS ENDED SEPTEMBER 30, 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 (September, 30):		25%			
Revenues:						
Primary Property Taxes	\$ 239,078	\$ 13,119,610	1.8%	\$ 377,001	\$ (137,923)	-36.6%
Business Privilege Tax	30,630,640	188,988,400	16.2%	30,064,114	566,526	1.9%
Other Local Taxes	7,763,092	43,791,600	17.7%	7,560,912	202,180	2.7%
Grants and Shared Taxes	528,083	3,882,980	13.6%	583,018	(54,935)	-9.4%
State-Shared Income Tax Revenue	4,835,569	57,800,600	8.4%	4,427,394	408,175	9.2%
State-Shared Sales Tax	3,491,282	44,563,600	7.8%	3,227,478	263,804	8.2%
State Auto Lieu Tax	1,655,144	19,693,400	8.4%	891,860	763,284	85.6%
Licenses and Permits	1,108,844	20,937,150	5.3%	1,660,829	(551,985)	-33.2%
Fines, Forfeitures, and Penalties	3,195,285	13,227,280	24.2%	2,622,959	572,326	21.8%
Use of Money and Property	384,956	694,450	55.4%	117,017	267,939	229.0%
Charges for Current Services	8,279,610	41,880,960	19.8%	8,337,704	(58,094)	-0.7%
Miscellaneous Revenue	886,397	3,475,640	25.5%	301,999	584,398	193.5%
<b>Total General City Revenues:</b>	<u>62,997,980</u>	<u>452,055,670</u>		<u>60,172,285</u>	<u>2,825,695</u>	
Other Financing Sources	400,000	14,806,000	2.70%	400,000		
<b>Total Revenues and Other Financing Sources</b>	<u>\$ 63,397,980</u>	<u>\$ 466,861,670</u>		<u>\$ 60,572,285</u>	<u>\$ 2,825,695</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 590,245	\$ 2,736,430	21.6%	\$ 722,293	\$ (132,048)	-18.3%
City Manager	1,919,648	8,641,450	22.2%	1,417,062	502,586	35.5%
City Attorney	1,987,524	8,428,210	23.6%	2,197,780	(210,256)	-9.6%
City Clerk	689,412	4,044,840	17.0%	681,173	8,239	1.2%
<b>Total Elected and Official</b>	<u>5,186,829</u>	<u>23,850,930</u>		<u>5,018,308</u>	<u>168,521</u>	
Public Safety and Justice Services						
City Courts	2,552,579	11,081,480	23.0%	2,691,720	(139,141)	-5.2%
Equal Opportunity Programs and Independence	182,684	787,220	23.2%	187,690	(5,006)	-2.7%
Public Defender	695,928	3,157,720	22.0%	779,383	(83,455)	-10.7%
Tucson Fire	20,395,168	86,956,709	23.5%	21,867,887	(1,472,719)	-6.7% <b>1a</b>
Tucson Police	33,775,001	146,998,734	23.0%	38,566,242	(4,791,241)	-12.4% <b>1b</b>
<b>Total Public Safety and Justice Services</b>	<u>57,601,360</u>	<u>248,981,863</u>		<u>64,092,922</u>	<u>(6,491,562)</u>	
Community Enrichment and Development						
Housing & Community Development	1,268,919	6,506,630	19.5%	1,351,332	(82,413)	-6.1%
Parks and Recreation	9,400,781	35,963,095	26.1%	10,478,922	(1,078,141)	-10.3% <b>1c</b>
Planning & Development Services	1,617,564	7,247,040	22.3%	1,914,984	(297,420)	-15.5%
Transportation	457,546	2,184,600	20.9%	958,566	(501,020)	-52.3%
<b>Total Community Enrichment and Development</b>	<u>12,744,810</u>	<u>51,901,365</u>		<u>14,703,804</u>	<u>(1,958,994)</u>	
Support Services						
Budget and Internal Audit	389,568	1,541,880	25.3%	371,732	17,836	4.8%
Finance	4,021,472	10,339,910	38.9%	2,115,468	1,906,004	90.1% <b>1d</b>
General Services	2,027,809	9,339,400	21.7%	390,250	1,637,559	419.6% <b>1e</b>
Human Resources	630,053	2,174,940	29.0%	483,429	146,624	30.3%
Information Technology	4,799,313	17,099,380	28.1%	5,368,027	(568,714)	-10.6%
Procurement	940,424	3,124,200	30.1%	937,329	3,095	0.3%
<b>Total Support Services</b>	<u>12,808,639</u>	<u>43,619,710</u>		<u>9,666,235</u>	<u>3,142,404</u>	
<b>Total Non-Departmental</b>	<u>1,973,165</u>	<u>26,930,047</u>	7.3%	<u>3,345,502</u>	<u>(1,372,337)</u>	-41.0% <b>1f</b>
<b>Capital Projects</b>	<u>100,708</u>	<u>1,958,765</u>	5.1%	<u>480,562</u>	<u>(379,854)</u>	-79.0%
<b>Debt Service and Fiscal Agent Fees</b>	<u>9,900</u>	<u>24,360,720</u>	0.0%	<u>145,963</u>	<u>(136,063)</u>	-93.2%
<b>Other Financing Uses</b>	<u>11,567,443</u>	<u>46,269,770</u>	25.0%	<u>10,958,395</u>	<u>609,048</u>	5.6%
<b>Total Expenditures &amp; Other Financing Uses</b>	<u>\$ 101,992,854</u>	<u>\$ 467,873,170</u>		<u>\$ 108,411,691</u>	<u>\$ (6,418,837)</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**MASS TRANSIT FUND**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 (September, 30): 25%					
Revenues:						
Federal Grants and Contributions	\$ 1,523,467	\$ 19,325,820	7.9%	\$ 19,685,638	\$ (18,162,171)	-92.3% <b>2a</b>
Other Agencies	964,755	17,143,280	5.6%	(315,949)	1,280,704	-405.4% <b>2b</b>
Use of Money and Property	29,578	250,000	11.8%	51,784	(22,206)	-42.9%
Charges for Current Services	1,189,338	16,249,710	7.3%	3,486,756	(2,297,418)	-65.9% <b>2c</b>
Miscellaneous Revenue	22,867	480,050	4.8%	72,104	(49,237)	-68.3%
Total Revenues:	<u>3,730,005</u>	<u>53,448,860</u>		<u>22,980,333</u>	<u>(19,250,328)</u>	
Other Financing Sources	10,683,258	42,733,040	25.0%	10,107,698	575,560	5.7%
<b>Total Revenues and Other Financing Sources</b>	<b>\$ <u>14,413,263</u></b>	<b>\$ <u>96,181,900</u></b>		<b>\$ <u>33,088,031</u></b>	<b>\$ <u>(18,674,768)</u></b>	
Mass Transit Expenditures:						
Community Enrichment and Development						
Transportation	\$ 17,995,566	\$ 83,056,200	21.7%	\$ 17,084,915	\$ 910,651	5.3%
<b>Total Operations and Development</b>	<u>17,995,566</u>	<u>83,056,200</u>		<u>17,084,915</u>	<u>910,651</u>	
<b>Capital Expenditures</b>	<u>461,836</u>	<u>15,878,500</u>	2.9%	<u>17,440,275</u>	<u>(16,978,439)</u>	-97.4% <b>2a</b>
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$ <u>18,457,402</u></b>	<b>\$ <u>98,934,700</u></b>		<b>\$ <u>34,525,190</u></b>	<b>\$ <u>(16,067,788)</u></b>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**HIGHWAY USER REVENUE FUND (HURF)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 (September, 30): 25.0%					
Revenues:						
Licenses and Permits	\$	\$		\$ 39,900	\$ (39,900)	-100.0%
Other Agencies	5,341,454	34,042,290	15.7%	4,968,184	373,270	7.5%
Use of Money and Property	626,379	335,000	187.0%	105,509	520,870	493.7%
Charges for Current Services	182,824	542,000	33.7%	167,773	15,051	9.0%
Miscellaneous Revenue	693,169	3,200,000	21.7%	262,808	430,361	163.8%
<b>Total Revenues</b>	<b>\$ <u>6,843,826</u></b>	<b>\$ <u>38,119,290</u></b>		<b>\$ <u>5,544,174</u></b>	<b>\$ <u>1,299,652</u></b>	
HURF Expenditures:						
Public Safety & Justice Services						
Neighborhood Resources Department	\$ 25,814	\$		\$ 8,616	\$ 17,198	199.6%
<b>Total Public Safety &amp; Justice Services</b>	<u>25,814</u>			<u>8,616</u>	<u>17,198</u>	
Community Enrichment and Development						
Transportation	6,348,615	32,561,860	19.5%	7,788,458	(1,439,843)	-18.5% <b>3a</b>
<b>Total Community Enrichment and Development</b>	<u>6,348,615</u>	<u>32,561,860</u>		<u>7,788,458</u>	<u>(1,439,843)</u>	
Non-Departmental						
Outside Agencies		100,580	0.0%			
<b>Total Non-Departmental</b>		<u>100,580</u>				
<b>Capital Projects</b>	<u>1,014,458</u>	<u>2,705,270</u>	37.5%	<u>88,968</u>	<u>925,490</u>	1040.3% <b>3b</b>
<b>Debt Service and Fiscal Agent Fees</b>				<u>85,690</u>	<u>(85,690)</u>	-100.0%
<b>Other Financing Uses</b>		<u>10,413,290</u>	0.0%			
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$ <u>7,388,887</u></b>	<b>\$ <u>45,781,000</u></b>		<b>\$ <u>7,971,732</u></b>	<b>\$ <u>(582,845)</u></b>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF NET POSITION - ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2013**

	<u>Water Utility Fund</u>	<u>Environmental Services</u>	<u>Tucson Golf Enterprise Fund</u>
<b><u>ASSETS AND DEFERRED OUTFLOWS</u></b>			
Assets			
Current assets:			
Pooled Cash and Investments	\$ 43,541,258	\$ 28,084,804	\$ 4,450
Cash and Investments - Restricted	17,179,444		
Cash and Investments with Fiscal Agent - Restricted	43,488,259		
Accounts Receivable, Net	15,051,357	4,296,852	24,416
Due from Other Agencies		26,771	
Interest Receivable	132,801	91,769	
Inventories	3,441,967		122,951
Other Assets	413,634		
<b>Total current assets</b>	<u>123,248,720</u>	<u>32,500,196</u>	<u>151,817</u>
Noncurrent assets:			
Long Term Accounts Receivable	451,895		
Other Assets - Restricted	306,655		
Land and Construction in Progress	189,859,156	11,196,009	2,701,865
Other Capital Assets, Net	1,001,018,668	19,467,938	13,527,017
Water Rights	52,126,968		
<b>Total noncurrent assets</b>	<u>1,243,763,342</u>	<u>30,663,947</u>	<u>16,228,882</u>
<b>Total assets</b>	<u>1,367,012,062</u>	<u>63,164,143</u>	<u>16,380,699</u>
Deferred Outflows			
Unamortized Loss on Refunding	14,036,135		
<b>Total deferred outflows</b>	<u>14,036,135</u>		
<b>Total assets and deferred outflows</b>	<u>1,381,048,197</u>	<u>63,164,143</u>	<u>16,380,699</u>
<b><u>LIABILITIES AND DEFERRED INFLOWS</u></b>			
Liabilities			
Current liabilities:			
Accounts Payable	867,723	93,985	150,516
Accrued Payroll Liabilities	850,151	552,511	63,836
Interfund Payable			693,789
Due to Other Agencies	1,339	1,405	
Accrued Interest Payable			18,313
Refundable Deposits	2,935,289	57,060	
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	30,034,852		
Unearned Revenue			154,679
Current Portion of Long Term Liabilities		740,330	
<b>Total current liabilities</b>	<u>66,511,136</u>	<u>2,174,422</u>	<u>1,170,991</u>

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF NET POSITION - ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2013**

**LIABILITIES AND DEFERRED INFLOWS (continued)**

Noncurrent liabilities:			
Bonds Payable	518,173,052		
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	
<b>Total non-current liabilities</b>	<u>521,034,811</u>	<u>55,935,091</u>	<u>7,509,508</u>
<b>Total liabilities</b>	<u>587,545,947</u>	<u>58,109,513</u>	<u>8,680,499</u>
Deferred Inflows			
Unavailable Revenue	66,112		
<b>Total deferred inflows</b>	<u>66,112</u>		
<b>Total liabilities and deferred inflows</b>	<u>587,612,059</u>	<u>58,109,513</u>	<u>8,680,499</u>
<b><u>NET POSITION</u></b>			
Net Investment in capital assets	706,681,631	19,949,947	16,228,882
Amounts Restricted for:			
Debt Service	43,488,259		
Unrestricted Amounts (deficit)	43,266,248	(25,688,304)	(8,528,682)
Closure/Post Closure Liability		4,846,387	
New Landfill Cell Construction		5,946,600	
<b>Total net position</b>	<u>\$ 793,436,138</u>	<u>\$ 5,054,630</u>	<u>\$ 7,700,200</u>

**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**WATER UTILITY FUND**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

	Fiscal Year 2014		Fiscal Year 2013	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>Operating revenues:</b>				
Charges for Services	\$ 39,907,993	\$ 36,830,185	\$ 3,077,808	8.4%
Miscellaneous	141,398	(211,464)	352,862	-166.9%
<b>Total operating revenues</b>	<u>40,049,391</u>	<u>36,618,721</u>	<u>3,430,670</u>	
<b>Operating expenses:</b>				
Personal Services	8,383,088	8,826,297	(443,209)	-5.0%
Contractual Services	15,533,653	15,929,831	(396,178)	-2.5%
Commodities	2,044,386	1,978,756	65,630	3.3%
Depreciation/Amortization	7,530,216	7,187,823	342,393	4.8%
<b>Total operating expenses</b>	<u>33,491,343</u>	<u>33,922,707</u>	<u>(431,364)</u>	
<b>Operating Income (Loss)</b>	<u>6,558,048</u>	<u>2,696,014</u>	<u>3,862,034</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income	169,301	125,878	43,423	34.5%
Gain (Loss) on Sale of Property/Equipment	9,700	(159,670)	169,370	-106.1%
Federal Grants and Contributions		1,424	(1,424)	-100.0%
Interest Expense	(3,943,331)	(4,985,742)	1,042,411	-20.9%
Amortization of Cost Issuance		(99,662)	99,662	-100.0%
Other Nonoperating Income (Expenses)	(3,000)	(3,000)		0.0%
<b>Total nonoperating revenues (expenses)</b>	<u>(3,767,330)</u>	<u>(5,120,772)</u>	<u>1,353,442</u>	
<b>Income (loss) before capital contributions and transfers</b>	<u>2,790,718</u>	<u>(2,424,758)</u>	<u>5,215,476</u>	-215.1%
<b>Transfers In</b>	770,765	799,087	(28,322)	-3.5%
<b>Transfers Out</b>		(400,000)	400,000	-100.0%
<b>Changes in net position</b>	<u>3,561,483</u>	<u>(2,025,671)</u>	<u>5,587,154</u>	
<b>Total net position, beginning of year</b>	789,874,656	766,475,908	23,398,748	
<b>Total net position, September 30</b>	<u>\$ 793,436,138</u>	<u>\$ 764,450,237</u>	<u>\$ 28,985,901</u>	

**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**ENVIRONMENTAL SERVICES FUND**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

	Fiscal Year 2014		Fiscal Year 2013	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>Operating revenues:</b>				
Charges for Services	\$ 12,456,799	\$ 12,809,578	\$ (352,779)	-2.8%
Miscellaneous	360,703	201,798	158,905	78.7%
<b>Total operating revenues</b>	<u>12,817,502</u>	<u>13,011,376</u>	<u>(193,874)</u>	
<b>Operating expenses:</b>				
Personal Services	3,754,663	4,033,713	(279,050)	-6.9%
Contractual Services	4,185,320	4,704,497	(519,177)	-11.0%
Commodities	914,765	1,234,127	(319,362)	-25.9%
Depreciation/Amortization	1,305,746	1,348,415	(42,669)	-3.2%
<b>Total operating expenses</b>	<u>10,160,494</u>	<u>11,320,752</u>	<u>(1,160,258)</u>	
<b>Operating Income (Loss)</b>	<u>2,657,008</u>	<u>1,690,624</u>	<u>966,384</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income	63,746	28,460	35,286	124.0%
Gain (Loss) on Sale of Property/Equipment	10,235	58,161	(47,926)	-82.4%
Other Agencies	26,771	61,393	(34,622)	-56.4%
Interest Expense		(9,601)	9,601	-100.0%
Amortization of Cost Issuance		(4,477)	4,477	-100.0%
<b>Total nonoperating revenues (expenses)</b>	<u>100,752</u>	<u>133,936</u>	<u>(33,184)</u>	
<b>Income (loss) before capital contributions and transfers</b>	<u>2,757,760</u>	<u>1,824,560</u>	<u>933,200</u>	
<b>Changes in net position</b>	<u>2,757,760</u>	<u>1,824,560</u>	<u>933,200</u>	
<b>Total net position, beginning of year</b>	2,296,870	(3,479,259)	5,776,129	
<b>Total net position, September 30</b>	<u>\$ 5,054,630</u>	<u>\$ (1,654,699)</u>	<u>\$ 6,709,329</u>	

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**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**TUCSON GOLF ENTERPRISE FUND**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
<b>Operating revenues:</b>				
Charges for Services	\$ 1,088,185	\$ 1,021,509	\$ 66,676	6.5%
Miscellaneous		245	(245)	-100.0%
<b>Total operating revenues</b>	<u>1,088,185</u>	<u>1,021,754</u>	<u>66,431</u>	
<b>Operating expenses:</b>				
Personnel Services	732,158	808,532	(76,374)	-9.4%
Contractual Services	678,077	689,370	(11,293)	-1.6%
Commodities	309,355	275,251	34,104	12.4%
Cost of Goods Sold	40,393	40,213	180	0.4%
Depreciation/Amortization	174,751	176,765	(2,014)	-1.1%
<b>Total operating expenses</b>	<u>1,934,734</u>	<u>1,990,131</u>	<u>(55,397)</u>	
<b>Operating Income (Loss)</b>	<u>(846,549)</u>	<u>(968,377)</u>	<u>121,828</u>	
<b>Nonoperating revenues (expenses):</b>				
Interest Expense	(15,644)	(9,068)	(6,576)	72.5%
Amortization of Cost Issuance		(1,829)	1,829	-100.0%
<b>Total nonoperating revenues (expenses)</b>	<u>(15,644)</u>	<u>(10,897)</u>	<u>(4,747)</u>	
<b>Income (loss) before capital contributions and transfers</b>	<u>(862,193)</u>	<u>(979,274)</u>	<u>117,081</u>	
<b>Changes in net position</b>	<u>(862,193)</u>	<u>(979,274)</u>	<u>117,081</u>	
<b>Total net position, beginning of year</b>	8,562,393	6,359,649	2,202,744	
<b>Total net position, September 30</b>	<u>\$ 7,700,200</u>	<u>\$ 5,380,375</u>	<u>\$ 2,319,825</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
<b>Operating revenues:</b>			
Charges for Services	\$ 6,539,998	\$ 739,009	\$ 4,088,761
Miscellaneous	50,636	5,334	
<b>Total operating revenues</b>	<u>6,590,634</u>	<u>744,343</u>	<u>4,088,761</u>
<b>Operating expenses:</b>			
Personal Services	1,479,968	298,794	2,202,381
Contractual Services	1,451,218	833,385	1,023,496
Commodities	3,589,910	14,159	501,798
Benefits and Claims		3,369,279	
Depreciation	574,544	3,687	15,429
<b>Total operating expenses</b>	<u>7,095,640</u>	<u>4,519,304</u>	<u>3,743,104</u>
<b>Operating income (loss)</b>	<u>(505,006)</u>	<u>(3,774,961)</u>	<u>345,657</u>
<b>Nonoperating revenues (expenses):</b>			
Property Taxes		10,362	
Investment Income	(562)		11,406
Gain (loss) on Sale of Property/Equipment	400		
Interest Expense		(4,025)	
<b>Total nonoperating revenues (expenses)</b>	<u>(162)</u>	<u>6,337</u>	<u>11,406</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(505,168)</u>	<u>(3,768,624)</u>	<u>357,063</u>
<b>Changes in net position</b>	<u>(505,168)</u>	<u>(3,768,624)</u>	<u>357,063</u>
<b>Total net position, beginning of year</b>	10,361,694	(12,635,103)	(1,974,255)
<b>Total net position, September 30, 2013</b>	<u>\$ 9,856,526</u>	<u>\$ (16,403,727)</u>	<u>\$ (1,617,192)</u>

City of Tucson, Arizona  
Variance Explanations  
For September 30, 2013

**General Fund (pg. 2):**

- (1a) With the implementation of the new HR/Payroll system, Workman's Compensation, public liability, and unemployment insurance will be expensed each pay period 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.
- (1b) With the implementation of the new HR/Payroll system, Workman's Compensation, public liability, and unemployment insurance will be expensed each pay period 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.
- (1c) With the implementation of the new HR/Payroll system, Workman's Compensation, public liability, and unemployment insurance will be expensed each pay period 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. The monthly maintenance expense is being paid in General Services instead of Parks and Recreation due to a change in policy. The variance is \$448,740 less than last year.
- (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 \$1,308,470.71 addition expenses for this fiscal year compared to last fiscal year.
- (1f) The Federal Stimulus for Early Retiree Reinsurance Program reimbursed the general fund for \$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 both payments being made before September of last fiscal year. This is a \$1.2 million decrease from last year.

**Mass Transit (pg. 3):**

- (2a) Modern Streetcar construction project and replacement buses are completed. \$13,270,862 and \$2,248,626 was spent on the Modern Streetcar and replacement buses respectively as of September 30, 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 second quarter 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 is due to bond refunding.

**Environmental Services Fund (pg. 7):**

- (5a) Workman's Compensation insurance was paid for the entire year in the first month of last fiscal year, compared to this fiscal year the 1<sup>st</sup> quarter amount will be expensed in October and after the new payroll system goes live in November it will be charged to the departments through the new system. In addition, last year the total amount paid was \$597,000 compared to \$491,000 for this fiscal year, a decrease of \$106,000 dollars.