



CITY OF
TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements
For September 30, 2014

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 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 ENDING SEPTEMBER 2014

	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 (September, 30): 25.0%					
Revenues:						
Primary Property Taxes	\$ 353,432	\$ 13,599,560	2.6%	\$ 239,078	\$ 114,354	47.8%
Business Privilege Tax	28,090,861	192,114,160	14.6%	30,630,640	(2,539,779)	-8.3% 1a
Other Local Taxes	7,984,472	43,617,780	18.3%	7,763,092	221,380	2.9%
Grants and Shared Taxes	679,193	4,633,260	14.7%	528,083	151,110	28.6%
State-Shared Income Tax Revenue	5,246,938	63,620,670	8.2%	4,835,569	411,369	8.5%
State-Shared Sales Tax	3,672,986	47,151,760	7.8%	3,491,282	181,704	5.2%
State Auto Lieu Tax	811,063	20,719,540	3.9%	1,655,144	(844,081)	-51.0%
Licenses and Permits	227,072	20,531,520	1.1%	1,108,844	(881,772)	-79.5%
Fines, Forfeitures, and Penalties	3,357,171	14,799,250	22.7%	3,195,285	161,886	5.1%
Use of Money and Property	15,727	525,270	3.0%	384,956	(369,229)	-95.9%
Charges for Current Services	10,230,427	42,006,590	24.4%	8,279,610	1,950,817	23.6% 1b
Miscellaneous Revenue	505,268	4,613,640	11.0%	886,397	(381,129)	-43.0%
Total Revenues:	61,174,610	467,933,000		62,997,980	(1,823,370)	
Other Financing Sources	400,000	1,600,000	25.0%	400,000		
Total Revenues and Other Financing Sources	\$ 61,574,610	\$ 469,533,000		\$ 63,397,980	\$ (1,823,370)	
General Fund Expenditures:						
Elected and Official						
101 Mayor and Council	\$ 563,525	\$ 2,566,510	22.0%	\$ 590,245	\$ (26,720)	-4.5%
103 City Manager	1,823,753	7,800,290	23.4%	1,919,648	(95,895)	-5.0%
131 City Attorney	1,931,074	8,713,380	22.2%	1,987,524	(56,450)	-2.8%
151 City Clerk	619,037	2,971,150	20.8%	689,412	(70,375)	-10.2%
Total Elected and Official	4,937,389	22,051,330		5,186,829	(249,440)	
Public Safety & Justice Services						
141 City Court	2,436,186	11,644,260	20.9%	2,552,579	(116,393)	-4.6%
10E Equal Opportunity & Ind. Police Review	42,867			182,684	(139,817)	-76.5%
146 Public Defender	674,255	3,064,940	22.0%	695,928	(21,673)	-3.1%
301 Tucson Fire	19,756,160	89,179,330	22.2%	20,395,168	(639,008)	-3.1%
201 Tucson Police	33,266,690	147,402,290	22.6%	33,775,001	(508,311)	-1.5%
Total Public Safety & Justice Services	56,176,158	251,290,820		57,601,360	(1,425,202)	
Community Enrichment & Development						
114 Housing & Community Development	289,701	3,080,840	9.4%	1,268,919	(979,218)	-77.2% 1c
145 Office of Integrated Planning	347,098	1,632,540	21.3%		347,098	
601 Parks and Recreation	9,399,534	36,051,250	26.1%	9,400,781	(1,247)	0.0%
174 Planning & Development Services	1,997,288	9,265,070	21.6%	1,617,564	379,724	23.5%
491 Transportation	378,177	2,021,260	18.7%	457,546	(79,369)	-17.3%
Total Community Enrichment & Development	12,411,798	52,050,960		12,744,810	(333,012)	
Support Services						
126 Budget and Internal Audit	295,270	1,462,790	20.2%	389,568	(94,298)	-24.2%
120 Finance	3,779,357	10,181,420	37.1%	4,021,472	(242,115)	-6.0%
410 General Services	2,967,105	11,513,970	25.8%	2,027,809	939,296	46.3% 1d
161 Human Resources	445,572	2,595,390	17.2%	630,053	(184,481)	-29.3%
155 Information Technology	5,088,420	17,243,070	29.5%	4,799,313	289,107	6.0%
135 Procurement	886,039	3,216,530	27.5%	940,424	(54,385)	-5.8%
Total Support Services	13,461,763	46,213,170		12,808,639	653,124	
Total Non-Departmental	2,711,782	22,827,750	11.9%	1,973,165	738,617	37.4%
Capital Projects	290,414	6,095,370	4.8%	100,708	189,706	188.4%
Debt Service and Fiscal Agent Fees	9,720	25,231,870	0.0%	9,900	(180)	-1.8%
Other Financing Uses	12,504,297	50,017,190	25.0%	11,567,443	936,854	8.1% 1e
Total Expenditures & Other Financing Uses	\$ 102,503,321	\$ 475,778,460		\$ 101,992,854	\$ 510,467	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE THREE MONTHS ENDING SEPTEMBER 2014**

	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 (September, 30):			25.0%		
Revenues:						
Federal Grants and Contributions	\$ 5,489,285	\$ 26,415,740	20.8%	\$ 1,523,467	\$ 3,965,818	260.3% 2a
Other Agencies	2,699,587	12,786,510	21.1%	964,755	1,734,832	179.8% 2c
Use of Money and Property	40,792	366,400	11.1%	29,578	11,214	37.9%
Charges for Current Services	3,238,851	15,253,680	21.2%	1,189,338	2,049,513	172.3% 2b
Miscellaneous Revenue	49,843	328,200	15.2%	22,867	26,976	118.0%
Total Revenues:	<u>11,518,358</u>	<u>55,150,530</u>		<u>3,730,005</u>	<u>7,788,353</u>	
Other Financing Sources	<u>7,379,856</u>	<u>44,279,140</u>	16.7%	<u>10,683,258</u>	<u>(3,303,402)</u>	-30.9% 2d
Total Revenues and Other Financing Sources	<u>\$ 18,898,214</u>	<u>\$ 99,429,670</u>		<u>\$ 14,413,263</u>	<u>\$ 4,484,951</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 18,058,076	\$ 77,729,890	23.2%	\$ 17,995,566	\$ 352,270	2.0%
Total Community Enrichment & Development	<u>18,058,076</u>	<u>77,729,890</u>		<u>17,995,566</u>	<u>352,270</u>	
Capital Expenditures	<u>9,068,511</u>	<u>21,550,810</u>	42.1%	<u>461,836</u>	<u>7,624,018</u>	1650.8% 2a
Total Expenditures & Other Financing Uses	<u>\$ 27,126,587</u>	<u>\$ 99,280,700</u>		<u>\$ 18,457,402</u>	<u>\$ 7,976,288</u>	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK FUND
FOR THE THREE MONTHS ENDING SEPTEMBER 2014**

	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 (September, 30):			0.3%		
Revenues:						
Other Agencies	\$	2,000,000		\$		
Charges for Current Services	159,683	1,296,390				
Total Revenues:	<u>159,683</u>	<u>3,296,390</u>				
Other Financing Sources	<u>150,862</u>	<u>905,170</u>				
Total Revenues and Other Financing Sources	<u>\$ 310,545</u>	<u>\$ 4,201,560</u>		<u>\$</u>	<u>\$</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 680,922	\$ 4,201,560		\$	\$	
Total Community Enrichment & Development	<u>680,922</u>	<u>4,201,560</u>				
Capital Expenditures		<u>1,511,780</u>				
Total Expenditures & Other Financing Uses	<u>\$ 680,922</u>	<u>\$ 5,713,340</u>		<u>\$</u>	<u>\$</u>	

Sun Link was combined with Mass Transit for FY2014

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE THREE MONTHS ENDING SEPTEMBER 2014**

	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:	Straight-line Budget (September, 30):			25.0%		
Revenues:						
Licenses and Permits	\$ 67,751	\$	0.0%	\$	\$ 67,751	100.0%
Other Agencies	5,836,513	36,556,190	16.0%	5,341,454	495,059	9.3%
Use of Money and Property	68,735	570,070	12.1%	626,379	(557,644)	-89.0%
Charges for Current Services	144,826	690,000	21.0%	182,824	(37,998)	-20.8%
Miscellaneous Revenue	537,175	239,800		693,169	(155,994)	-22.5%
Total Revenues	<u>\$ 6,655,000</u>	<u>\$ 38,056,060</u>		<u>\$ 6,843,826</u>	<u>\$ (188,826)</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	\$ 6,035,531	\$ 28,530,830	21.2%	\$ 6,374,429	\$ (338,898)	-5.3%
Total Community Enrichment and Development	<u>6,035,531</u>	<u>28,530,830</u>		<u>6,374,429</u>	<u>(338,898)</u>	
Non-Departmental						
Outside Agencies	50,290	100,580	50.0%		50,290	100.0%
Total Non-Departmental	<u>50,290</u>	<u>100,580</u>			<u>50,290</u>	
Capital Expenditures		668,200	0.0%			0.0%
Capital Projects	9,231	228,370	4.0%	1,014,458	(1,005,227)	-99.1% 3a
Other Financing Uses		9,837,070	0.0%			0.0%
Total Expenditures & Other Financing Uses	<u>\$ 6,095,052</u>	<u>\$ 39,365,050</u>		<u>\$ 7,388,887</u>	<u>\$ (1,293,835)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
September 30, 2014

	<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	\$ 50,421,294	\$ 35,092,192	\$ 9,550
Cash and Investments - Restricted	28,333,835		
Cash and Investments with Fiscal Agent - Restricted	11,255,665		
Accounts Receivable, Net	12,825,008	3,849,015	433,095
Due from Other Agencies		5,570	
Interest Receivable	133,264	89,624	
Inventories	4,278,434		147,772
Other Assets	2,213,669		
Total current assets	<u>109,461,169</u>	<u>39,036,401</u>	<u>590,417</u>
Noncurrent assets:			
Long Term Accounts Receivable	239,372		
Other Assets - Restricted	304,405		
Land and Construction in Progress	201,308,762	13,052,165	2,701,865
Other Capital Assets, Net	1,008,718,567	17,146,272	13,313,858
Water Rights	52,126,968		
Total noncurrent assets	<u>1,262,698,074</u>	<u>30,198,437</u>	<u>16,015,723</u>
Total assets	<u>1,372,159,243</u>	<u>69,234,838</u>	<u>16,606,140</u>
Deferred Outflows			
Unamortized Loss on Refunding	12,720,074		
Total deferred outflows	<u>12,720,074</u>		
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Liabilities			
Current liabilities:			
Accounts Payable	2,408,321	137,936	87,847
Accrued Payroll Liabilities	40,806	12,826	4,430
Interfund Payable			1,237,486
Due to Other Agencies		619	32,038
Accrued Interest Payable			2,893
Refundable Deposits	3,378,606	66,822	
Current Portion of Bonds Payable	35,110,605	124,000	
Current Portion of Compensated Absences	1,630,059	601,042	
Liabilities Payable from Restricted Assets	149,011		
Advances From Customers			75,636
Current Portion of Long Term Liabilities		737,937	
Total current liabilities	<u>\$ 42,717,408</u>	<u>\$ 1,681,182</u>	<u>\$ 1,440,330</u>

**CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
September 30, 2014**

LIABILITIES AND DEFERRED INFLOWS (continued)	<u>Water Utility Fund</u>	<u>Environmental Services</u>	<u>Tucson Golf Enterprise Fund</u>
Noncurrent liabilities:			
Bonds Payable	\$ 523,360,594	\$	\$
Contracts Payable		10,629,136	415,758
Compensated Absences	1,804,759	651,474	
Other-Post-employment Benefits	1,183,620	477,736	
Loans and Notes Payable			7,906,447
Long Term Liabilities		56,977,918	
Total non-current liabilities	<u>526,348,973</u>	<u>68,736,264</u>	<u>8,322,205</u>
Total liabilities	<u>569,066,381</u>	<u>70,417,446</u>	<u>9,762,535</u>
Deferred Inflows			
Unavailable Revenue	78,802		
Total deferred inflows	<u>78,802</u>		
NET POSITION			
Net Investment in capital assets	745,040,290	19,445,301	15,599,965
Amounts Restricted for:			
Debt Service	11,255,665		
Unrestricted Amounts (deficit)	59,438,179	(37,544,896)	(8,756,360)
Closure/Post Closure Liability		6,870,387	
New Landfill Cell Construction		10,046,600	
Total net position	<u>\$ 815,734,134</u>	<u>\$ (1,182,608)</u>	<u>\$ 6,843,605</u>

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
WATER UTILITY FUND
FOR THE THREE MONTHS ENDED SEPTEMBER, 2014

	Fiscal Year 2015	Fiscal Year 2014	\$ Change CFY vs PFY	% Change CFY vs PFY	
	Actual	Actual			
Operating revenues:					
Charges for Services	\$ 41,544,604	\$ 40,049,391	\$ 1,495,213	3.7%	4a
Total operating revenues	<u>41,544,604</u>	<u>40,049,391</u>	<u>1,495,213</u>		
Operating expenses:					
Personal Services	8,558,983	8,383,088	175,895	2.1%	
Contractual Services	18,590,870	15,533,653	3,057,217	19.7%	4b
Commodities	2,142,715	2,044,386	98,329	4.8%	
Depreciation/Amortization	7,500,000	7,530,216	(30,216)	-0.4%	
Total operating expenses	<u>36,792,568</u>	<u>33,491,343</u>	<u>3,301,225</u>		
Operating Income (Loss)	<u>4,752,036</u>	<u>6,558,048</u>	<u>(1,806,012)</u>		
Nonoperating revenues (expenses):					
Investment Income(Loss)	(246,607)	169,301	(415,908)	-245.7%	
Gain (Loss) on Sale of Property/Equipment	81,766	9,700	72,066	742.9%	
Interest Expense	(4,605,336)	(3,943,331)	(662,005)	16.8%	
Other Nonoperating Income (Expenses)	(1,503,576)	(3,000)	(1,500,576)	50019.2%	4c
Total nonoperating revenues (expenses)	<u>(6,273,753)</u>	<u>(3,767,330)</u>	<u>(2,506,423)</u>		
Income (loss) before capital contributions and transfers	<u>(1,521,717)</u>	<u>2,790,718</u>	<u>(4,312,435)</u>		
Capital Contributions	587,208	770,765	(183,557)	-23.8%	
Transfers Out	<u>(400,000)</u>		<u>(400,000)</u>	0.0%	
Changes in net position	<u>(1,334,509)</u>	<u>3,561,483</u>	<u>(4,895,992)</u>		
Total net position, beginning of year	817,068,643	789,874,656	27,193,987		
Total net position	<u>\$ 815,734,134</u>	<u>\$ 793,436,139</u>	<u>\$ 22,297,995</u>		

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENVIRONMENTAL SERVICES FUND
FOR THE THREE MONTHS ENDED SEPTEMBER, 2014

	Fiscal Year 2015	Fiscal Year 2014	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 12,647,942	\$ 12,456,799	\$ 191,143	1.5%
Miscellaneous	280,207	360,703	(80,496)	-22.3%
Total operating revenues	<u>12,928,149</u>	<u>12,817,502</u>	<u>110,647</u>	
Operating expenses:				
Personal Services	3,541,141	3,754,663	(213,522)	-5.7%
Contractual Services	4,152,275	4,185,320	(33,045)	-0.8%
Commodities	890,200	914,765	(24,565)	-2.7%
Depreciation/Amortization	1,132,368	1,305,746	(173,378)	-13.3%
Total operating expenses	<u>9,715,984</u>	<u>10,160,494</u>	<u>(444,510)</u>	
Operating Income (Loss)	<u>3,212,165</u>	<u>2,657,008</u>	<u>555,157</u>	
Nonoperating revenues (expenses):				
Investment Income(Loss)	(138,909)	63,746	(202,655)	-317.9%
Gain (Loss) on Sale of Property/Equipment	363,568	10,235	353,333	3452.2%
Other Agencies	5,570	26,771	(21,201)	-79.2%
Total nonoperating revenues (expenses)	<u>230,229</u>	<u>100,752</u>	<u>129,477</u>	
Income (loss) before capital contributions and transfers	<u>3,442,394</u>	<u>2,757,760</u>	<u>684,634</u>	
Changes in net position	<u>3,442,394</u>	<u>2,757,760</u>	<u>684,634</u>	
Total net position, beginning of year	(4,625,002)	2,296,870	(6,921,872)	
Total net position	<u><u>\$ (1,182,608)</u></u>	<u><u>\$ 5,054,630</u></u>	<u><u>\$ (6,237,238)</u></u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION
TUCSON CITY GOLF FUND - BUDGET TO ACTUAL
FOR THE THREE MONTHS ENDED SEPTEMBER, 2014

	Randolph	El Rio	Silverbell	Enke	Combined	Sept. 30 Total Straight- line Budget	% Budget 25%
COURSE OPERATIONS:							
Operating revenues:							
Green Fees	\$ 236,924	\$ 65,692	\$ 77,367	\$ 56,688	\$ 436,671	\$ 8,130,050	
Cart Rentals	104,920	49,679	45,334	47,449	247,382		
Driving Range	60,656	1,384	20,126	27,434	109,600		
Clubhouse	106,624	27,903	32,205	23,931	190,663		
Other Revenue	36,866	10,555	12,439	17,374	77,234		
Total Operating Revenues	<u>545,990</u>	<u>155,213</u>	<u>187,471</u>	<u>172,876</u>	<u>1,061,550</u>	<u>8,130,050</u>	<u>13.1%</u>
Operating expenses:							
Personnel Services	2,873	1,436	1,436	1,436	7,181		
Contractual Services	724,931	318,657	231,184	299,553	1,574,325	6,048,720	26.0%
Commodities	103,096	38,313	41,919	46,768	230,096	1,238,130	18.6%
Cost of Goods Sold	50,224	11,393	18,226	11,739	91,582	709,240	12.9%
Depreciation/Amortization	56,682	32,463	55,631	25,033	169,809		
Total Operating Expenses	<u>937,806</u>	<u>402,262</u>	<u>348,396</u>	<u>384,529</u>	<u>2,072,993</u>	<u>7,996,090</u>	<u>26%</u>
Operating Income (Loss)	<u>(391,816)</u>	<u>(247,049)</u>	<u>(160,925)</u>	<u>(211,653)</u>	<u>(1,011,443)</u>	<u>133,960</u>	
Nonoperating revenues (expenses):							
Interest Expense	(1,224)	(611)	(611)	(611)	(3,057)		
Other	1,666				1,666		
Total nonoperating revenues (expenses)	<u>442</u>	<u>(611)</u>	<u>(611)</u>	<u>(611)</u>	<u>(1,391)</u>		
Income (Loss) before capital contributions and transfers	<u>(391,374)</u>	<u>(247,660)</u>	<u>(161,536)</u>	<u>(212,264)</u>	<u>(1,012,834)</u>	<u>133,960</u>	
Changes in net position	<u>(391,374)</u>	<u>(247,660)</u>	<u>(161,536)</u>	<u>(212,264)</u>	<u>(1,012,834)</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>\$ 2,005,421</u>	<u>\$ 1,851,612</u>	<u>\$ 1,404,017</u>	<u>\$ 1,582,555</u>	<u>\$ 6,843,605</u>		

Note: OB Sports and City of Tucson statements will not agree due to timing and reconciliation issues.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 6,305,683	\$ 4,595,389	\$ 5,005,638
Miscellaneous	109,910	444	4,562
Total operating revenues	<u>6,415,593</u>	<u>4,595,833</u>	<u>5,010,200</u>
Operating expenses:			
Personal Services	1,358,060	238,698	1,971,466
Contractual Services	1,219,733	1,279,331	1,147,708
Commodities	3,409,868	46,902	427,002
Benefits and Claims		1,402,110	
Depreciation	428,169	4,017	18,766
Total operating expenses	<u>6,415,830</u>	<u>2,971,058</u>	<u>3,564,942</u>
Operating income (loss)	<u>(237)</u>	<u>1,624,775</u>	<u>1,445,258</u>
Nonoperating revenues (expenses):			
Property Taxes		43,024	
Investment Income	(2,058)	(17,631)	(12,472)
Total nonoperating revenues (expenses)	<u>(2,058)</u>	<u>25,393</u>	<u>(12,472)</u>
Income (loss) before capital contributions and transfers	<u>(2,295)</u>	<u>1,650,168</u>	<u>1,432,786</u>
Changes in net position	<u>(2,295)</u>	<u>1,650,168</u>	<u>1,432,786</u>
Total net position, beginning of year	8,632,069	(2,386,650)	(12,951,155)
Total net position	<u>\$ 8,629,774</u>	<u>\$ (736,482)</u>	<u>\$ (11,518,369)</u>

**City of Tucson, Arizona
Variance Explanations
September 2014, Fiscal Year 2015**

General Fund (pg. 2):

- (1a) Timing difference with the receipt of Business Privilege Taxes compared to the prior fiscal year.
- (1b) Prior year accruals applied in October and not September.
- (1c) Code Enforcement and Planning divisions' expenses were moved from Housing and Community Development for this fiscal year to other departments.
- (1d) Security Charges for City Hall and the TPD portion of wireless integrated network charges were paid by General Services this year which is a change from last fiscal year.
- (1e) The subsidies to Mass Transit, TCC and Sun Link increased by \$312,285 per month.

Mass Transit (pg. 3):

- (2a) So far in FY15 \$7.6M has been spent on replacement buses.
- (2b) FY14 fare collections were lower due to implementation of a new fare collection system.
- (2c) FY15 RTA billings are occurring more timely compared to FY14.
- (2d) FY15 represents 2 months while FY14 shows 3 months.

Highway User Revenue Fund (pg. 4):

- (3a) Capital projects expenditures decreased from the prior year. Approximately \$986,410 are related to the Houghton Road/Irvington to Valencia project (SR1E).

Water Utility Fund (pg. 7):

- (4a) At the beginning of FY15 water rates increased on Metered Sales.
- (4b) In FY15 there are 2 catchup commodity charge payments.
- (4c) In FY15 there are currently \$2.1M in CIP write offs.