



CITY OF
TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements
For September 30, 2015

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 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.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

	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	25.0%			
Revenues:						
Primary Property Taxes	\$ 299,733	\$ 14,350,250	2.1%	\$ 353,432	\$ (53,699)	-15.2%
Business Privilege Tax	47,214,548	197,118,630	24.0%	45,243,279	1,971,269	4.4%
Other Local Taxes	10,661,002	40,308,200	26.4%	10,280,125	380,877	3.7%
Grants and Shared Taxes	1,273,507	6,075,650	21.0%	679,193	594,314	87.5%
State-Shared Income Tax Revenue	15,655,474	63,205,510	24.8%	15,740,814	(85,340)	-0.5%
State-Shared Sales Tax	11,978,671	48,935,140	24.5%	11,233,199	745,472	6.6%
State Auto Lieu Tax	6,491,542	21,968,250	29.5%	4,470,354	2,021,188	45.2% 1a
Licenses and Permits	5,742,400	27,199,160	21.1%	5,852,349	(109,949)	-1.9%
Fines, Forfeitures, and Penalties	2,994,506	14,331,870	20.9%	3,357,171	(362,665)	-10.8%
Use of Money and Property	118,800	648,930	18.3%	15,727	103,073	655.4%
Charges for Current Services	9,766,766	39,053,170	25.0%	9,042,973	723,793	8.0%
Miscellaneous Revenue	254,849	10,382,120	2.5%	505,268	(250,419)	-49.6%
Total Revenues:	<u>112,451,798</u>	<u>483,576,880</u>		<u>106,773,884</u>	<u>5,677,914</u>	
Other Financing Sources	<u>400,000</u>	<u>1,600,000</u>	25.0%	<u>400,000</u>		
Total Revenues and Other Financing Sources	<u>\$ 112,851,798</u>	<u>\$ 485,176,880</u>		<u>\$ 107,173,884</u>	<u>\$ 5,677,914</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 564,300	\$ 2,559,710	22.0%	\$ 563,525	\$ 775	0.1%
City Manager	1,391,493	5,426,800	25.6%	1,823,753	(432,260)	-23.7%
City Attorney	1,768,695	8,191,610	21.6%	1,931,074	(162,379)	-8.4%
City Clerk	705,008	4,300,410	16.4%	619,037	85,971	13.9%
Total Elected and Official	<u>4,429,496</u>	<u>20,478,530</u>		<u>4,937,389</u>	<u>(507,893)</u>	
Public Safety & Justice Services						
City Court	2,486,372	11,878,640	20.9%	2,436,186	50,186	2.1%
Public Defender	663,248	3,191,360	20.8%	674,255	(11,007)	-1.6%
Tucson Fire	22,141,294	93,856,190	23.6%	19,756,160	2,385,134	12.1% 1b
Tucson Police	37,063,915	157,093,060	23.6%	33,266,690	3,797,225	11.4% 1c
Total Public Safety & Justice Services	<u>62,354,829</u>	<u>266,019,250</u>		<u>56,133,291</u>	<u>6,221,538</u>	
Community Enrichment & Development						
Housing & Community Development	368,804	3,042,460	12.1%	289,701	79,103	27.3%
Office of Integrated Planning	364,757	1,902,190	19.2%	347,098	17,659	5.1%
Parks and Recreation	9,135,850	36,454,370	25.1%	9,399,534	(263,684)	-2.8%
Planning & Development Services	1,957,535	8,953,620	21.9%	1,997,288	(39,753)	-2.0%
Transportation	336,978	2,916,810	11.6%	378,177	(41,199)	-10.9%
Total Community Enrichment & Development	<u>12,163,924</u>	<u>53,269,450</u>		<u>12,411,798</u>	<u>(247,874)</u>	
Support Services						
Budget and Internal Audit	287,855	1,482,770	19.4%	295,270	(7,415)	-2.5%
Finance	4,177,347	10,492,840	39.8%	3,779,357	397,990	10.5%
General Services	2,968,520	10,678,790	27.8%	2,967,105	1,415	0.0%
Human Resources	519,891	2,614,020	19.9%	488,439	31,452	6.4%
Information Technology	4,451,925	17,901,270	24.9%	5,088,420	(636,495)	-12.5%
Procurement	820,471	3,156,990	26.0%	886,039	(65,568)	-7.4%
Total Support Services	<u>13,226,009</u>	<u>46,326,680</u>		<u>13,504,630</u>	<u>(278,621)</u>	
Total Non-Departmental	<u>4,251,128</u>	<u>27,477,840</u>	15.5%	<u>2,711,782</u>	<u>1,539,346</u>	56.8%
Capital Outlay	<u>341,215</u>	<u>3,063,540</u>	11.1%	<u>284,588</u>	<u>56,627</u>	19.9%
Capital Projects	<u>66,389</u>	<u>1,031,800</u>	6.4%	<u>5,826</u>	<u>60,563</u>	1039.5%
Debt Service and Fiscal Agent Fees	<u>39,139</u>	<u>23,884,000</u>	0.2%	<u>9,720</u>	<u>29,419</u>	302.7%
Other Financing Uses	<u>13,381,428</u>	<u>52,571,400</u>	25.5%	<u>12,504,297</u>	<u>877,131</u>	7.0%
Total Expenditures & Other Financing Uses	<u>\$ 110,253,557</u>	<u>\$ 494,122,490</u>		<u>\$ 102,503,321</u>	<u>\$ 7,750,236</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 THREE MONTHS ENDED SEPTEMBER 30, 2015

	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	25.0%			
Revenues:						
Federal Grants and Contributions	\$ 7,597,725	\$ 28,303,470	26.8%	\$ 5,489,285	\$ 2,108,440	38.4% 2a
Other Agencies	493,507	13,829,020	3.6%	2,699,587	(2,206,080)	-81.7% 2b
Use of Money and Property	1,543	360,000	0.4%	40,792	(39,249)	-96.2%
Charges for Current Services	2,483,872	13,156,630	18.9%	3,238,851	(754,979)	-23.3% 2b
Miscellaneous Revenue	103,854	100,370	103.5%	49,843	54,011	108.4%
Total Revenues:	<u>10,680,501</u>	<u>55,749,490</u>		<u>11,518,358</u>	<u>(837,857)</u>	
Other Financing Sources	<u>11,370,768</u>	<u>45,483,070</u>	25.0%	<u>7,379,856</u>	<u>3,990,912</u>	54.1%
Total Revenues and Other Financing Sources	<u>\$ 22,051,269</u>	<u>\$ 101,232,560</u>		<u>\$ 18,898,214</u>	<u>\$ 3,153,055</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 16,694,791	\$ 77,585,280	21.5%	\$ 18,058,076	\$ (1,363,285)	-7.5% 2b
Total Community Enrichment & Development	<u>16,694,791</u>	<u>77,585,280</u>		<u>18,058,076</u>	<u>(1,363,285)</u>	
Capital Outlay	<u>8,710,350</u>	<u>23,622,100</u>	36.9%	<u>9,068,511</u>	<u>(358,161)</u>	-3.9%
Total Expenditures & Other Financing Uses	<u>\$ 25,405,141</u>	<u>\$ 101,207,380</u>		<u>\$ 27,126,587</u>	<u>\$ (1,721,446)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

	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	25.0%			
Revenues:						
Other Agencies	\$	\$ 2,000,000		\$	\$	
Charges for Current Services	140,169	1,396,280	10.0%	159,683	(19,514)	-12.2%
Miscellaneous Revenue	568			568		
Total Revenues:	<u>140,737</u>	<u>3,396,280</u>		<u>159,683</u>	<u>(18,946)</u>	
Other Financing Sources	<u>577,943</u>	<u>2,311,770</u>	25.0%	<u>150,862</u>	<u>427,081</u>	283.1%
Total Revenues and Other Financing Sources	<u>\$ 718,680</u>	<u>\$ 5,708,050</u>		<u>\$ 310,545</u>	<u>\$ 408,135</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 899,474	\$ 4,220,800	21.3%	\$ 680,922	\$ 218,552	32.1%
Total Community Enrichment & Development	<u>899,474</u>	<u>4,220,800</u>		<u>680,922</u>	<u>218,552</u>	
Debt Service and Fiscal Agent Fees		<u>1,512,430</u>	0.0%			
Total Expenditures & Other Financing Uses	<u>\$ 899,474</u>	<u>\$ 5,733,230</u>		<u>\$ 680,922</u>	<u>\$ 218,552</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

	Fiscal Year 2016			Fiscal Year 2015		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
HURF Revenues and Other Financing Sources:		Straight-line Budget	25.0%			
Revenues:						
Licenses and Permits	\$ 41,836	\$ 403,000	10.4%	\$ 67,751	\$ (25,915)	-38.3%
Other Agencies	9,481,850	36,492,310	26.0%	9,027,568	454,282	5.0%
Use of Money and Property	145,911	635,840	22.9%	68,735	77,176	112.3%
Charges for Current Services	44,475	140,000	31.8%	144,826	(100,351)	-69.3%
Miscellaneous Revenue	65,890	500,000	13.2%	537,175	(471,285)	-87.7%
Total Revenues	<u>\$ 9,779,962</u>	<u>\$ 38,171,150</u>		<u>\$ 9,846,055</u>	<u>\$ (66,093)</u>	
HURF Expenditures:						
Public Safety & Justice Services						
Neighborhood Resources Department	\$ 6,070,971	\$ 31,947,360	19.0%	\$ 6,035,531	\$ 35,440	0.6%
Total Public Safety & Justice Services	<u>6,070,971</u>	<u>31,947,360</u>		<u>6,035,531</u>	<u>35,440</u>	
Community Enrichment and Development						
Transportation		100,580	0.0%	50,290	(50,290)	-100.0%
Total Community Enrichment and Development		<u>100,580</u>		<u>50,290</u>	<u>(50,290)</u>	
Capital Expenditures	3,140	1,035,650	0.3%		3,140	100.0%
Capital Projects	111,205	1,998,620	5.6%	9,231	101,974	1104.7%
Other Financing Uses		<u>(9,821,590)</u>	0.0%			0.0%
Total Expenditures & Other Financing Uses	<u>\$ 6,185,316</u>	<u>\$ 25,260,620</u>		<u>\$ 6,095,052</u>	<u>\$ 90,264</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
September 30, 2015

	<u>Water Utility Fund</u>	<u>Environmental Services</u>	<u>Tucson Golf Enterprise Fund</u>
<u>ASSETS</u>			
Current assets:			
Cash and Cash Equivalents	\$ 61,635,390	\$ 32,230,321	\$ 9,550
Cash and Investments - Restricted	29,549,107		
Cash and Investments with Fiscal Agent - Restricted	11,993,493		
Accounts Receivable, Net	26,442,535	3,863,174	407,464
Due from Other Agencies		2,975	
Interest Receivable	134,293	78,882	
Inventories	4,407,831		208,733
Other Assets	2,502,584		
Total current assets	<u>136,665,233</u>	<u>36,175,352</u>	<u>625,747</u>
Noncurrent assets:			
Long Term Accounts Receivable	208,172		
Other Assets - Restricted	337,842		50,589
Land and Construction in Progress	175,287,680	21,167,830	2,701,865
Other Capital Assets, Net	1,044,170,900	19,446,565	12,580,206
Water Rights	52,126,968		
Total noncurrent assets	<u>1,272,131,562</u>	<u>40,614,395</u>	<u>15,332,660</u>
Total assets	<u>1,408,796,795</u>	<u>76,789,747</u>	<u>15,958,407</u>
<u>DEFERRED OUTFLOWS</u>			
Loss on Refunding of Debt	16,668,601		
Total deferred outflows	<u>16,668,601</u>		
<u>LIABILITIES</u>			
Current liabilities:			
Accounts Payable	2,116,613	411,515	206,100
Accrued Payroll Liabilities	8,889	14,129	41,711
Interfund Payable			978,731
Due to Other Agencies	3,362,768	2,123	35,751
Accrued Interest Payable			1,689
Refundable Deposits	2,311,648	77,877	2,759
Current Portion of Bonds Payable	37,171,746	268,000	
Current Portion of Contracts Payable			81,954
Current Portion of Compensated Absences	1,760,284	609,062	
Liabilities Payable from Restricted Assets	989,201	750,551	
Advances From Customers			74,704
Total current liabilities	<u>47,721,149</u>	<u>2,133,257</u>	<u>1,423,399</u>

**CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
September 30, 2015**

LIABILITIES (continued)

Noncurrent liabilities:

Bonds Payable	520,151,594		
Contracts Payable		10,349,118	253,166
Compensated Absences	1,734,448	663,493	
Other Postemployment Benefits	1,447,762	598,024	
Loans and Notes Payable			8,554,615
Long Term Liabilities		56,355,386	
Total noncurrent liabilities	<u>523,333,804</u>	<u>67,966,021</u>	<u>8,807,781</u>
Total liabilities	<u>571,054,953</u>	<u>70,099,278</u>	<u>10,231,180</u>

DEFERRED INFLOWS

Deferred Revenue	<u>11,694,103</u>		
Total deferred inflows	<u>11,694,103</u>		

NET POSITION

Net Investment in capital assets	760,817,757	27,873,417	14,946,951
Amounts Restricted for:			
Debt Service	11,993,493		
Unrestricted Amounts (deficit)	69,905,090	(40,223,795)	(9,219,724)
Closure/Post Closure Liability		7,894,247	
New Landfill Cell Construction		11,146,600	
Total net position	<u>\$ 842,716,340</u>	<u>\$ 6,690,469</u>	<u>\$ 5,727,227</u>

* Net position will change once fiscal year 2015 Comprehensive Annual Financial Report is finalized.

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER UTILITY FUND
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

	Fiscal Year 2016	Fiscal Year 2015	\$ Change	% Change
	Actual	Actual	CFY vs PFY	CFY vs PFY
Operating revenues:				
Charges for Services	\$ 45,532,336	\$ 41,544,604	\$ 3,987,732	9.6%
Total operating revenues	<u>45,532,336</u>	<u>41,544,604</u>	<u>3,987,732</u>	
Operating expenses:				
Salaries, Wages and Benefits	8,169,146	8,558,983	(389,837)	-4.6%
Contractual Services	13,757,256	18,590,870	(4,833,614)	-26.0%
Commodities	1,774,933	2,142,715	(367,782)	-17.2%
Depreciation/Amortization	8,799,000	7,500,000	1,299,000	17.3%
Total operating expenses	<u>32,500,335</u>	<u>36,792,568</u>	<u>(4,292,233)</u>	
Operating Income (Loss)	<u>13,032,001</u>	<u>4,752,036</u>	<u>8,279,965</u>	
Nonoperating revenues (expenses):				
Investment Income	258,149	(246,607)	504,756	-204.7%
Gain (Loss) on Sale of Property/Equipment	51,320	81,766	(30,446)	-37.2%
Interest Expense	(4,643,674)	(4,605,336)	(38,338)	0.8%
Other Nonoperating Income (Expenses)	(1,205,394)	(1,503,576)	298,182	-19.8%
Total nonoperating revenues (expenses)	<u>(5,539,599)</u>	<u>(6,273,753)</u>	<u>734,154</u>	
Income (loss) before capital contributions and transfers	<u>7,492,402</u>	<u>(1,521,717)</u>	<u>9,014,119</u>	
Capital Contributions	729,386	587,208	142,178	24.2%
Transfers Out	<u>(400,000)</u>	<u>(400,000)</u>		0.0%
Changes in net position	<u>7,821,788</u>	<u>(1,334,509)</u>	<u>9,156,297</u>	
Total net position, beginning of year	834,894,552	817,068,643	17,825,909	
Total net position	<u>\$ 842,716,340</u>	<u>\$ 815,734,134</u>	<u>\$ 26,982,206</u>	

* Beginning of year net position is subject to change until final audit of the fiscal year 2015 Comprehensive Annual Financial Report.

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENVIRONMENTAL SERVICES FUND
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

	Fiscal Year 2016	Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 12,685,026	\$ 12,647,942	\$ 37,084	0.3%
Miscellaneous	174,418	280,207	(105,789)	-37.8%
Total operating revenues	<u>12,859,444</u>	<u>12,928,149</u>	<u>(68,705)</u>	
Operating expenses:				
Salaries, Wages and Benefits	3,311,205	3,541,141	(229,936)	-6.5%
Contractual Services	4,655,379	4,152,275	503,104	12.1%
Commodities	843,645	890,200	(46,555)	-5.2%
Depreciation/Amortization	1,030,818	1,132,368	(101,550)	-9.0%
Total operating expenses	<u>9,841,047</u>	<u>9,715,984</u>	<u>125,063</u>	
Operating Income (Loss)	<u>3,018,397</u>	<u>3,212,165</u>	<u>(193,768)</u>	
Nonoperating revenues (expenses):				
Investment Income	88,289	(138,909)	227,198	-163.6%
Gain (Loss) on Sale of Property/Equipment	14,072	363,568	(349,496)	-96.1%
Other Agencies	2,975	5,570	(2,595)	-46.6%
Total nonoperating revenues (expenses)	<u>105,336</u>	<u>230,229</u>	<u>(124,893)</u>	
Income (loss) before capital contributions and transfers	<u>3,123,733</u>	<u>3,442,394</u>	<u>(318,661)</u>	
Changes in net position	<u>3,123,733</u>	<u>3,442,394</u>	<u>(318,661)</u>	
Total net position, beginning of year	3,566,736	(4,625,002)	8,191,738	
Total net position	<u>\$ 6,690,469</u>	<u>\$ (1,182,608)</u>	<u>\$ 7,873,077</u>	

* Beginning of year net position is subject to change until final audit of the fiscal year 2015 Comprehensive Annual Financial Report.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF ENTERPRISE FUND
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

	Randolph	El Rio	Silverbell	Enke	Combined	Total Straight- line Budget	% Budget
<u>COURSE OPERATIONS:</u>							
Operating revenues:							
Green Fees	\$ 188,914	\$ 47,919	\$ 74,564	\$ 45,842	\$ 357,239	\$ 7,688,730	
Cart Rentals	200,600	63,264	54,168	64,050	382,082		
Driving Range	69,799	1,669	17,198	30,656	119,322		
Clubhouse	83,026	39,315	38,211	36,930	197,482		
Other Revenue	134,085	17,840	13,155	24,405	189,485	10,130.00	
Total Operating Revenues	<u>676,424</u>	<u>170,007</u>	<u>197,296</u>	<u>201,883</u>	<u>1,245,610</u>	<u>7,698,860</u>	<u>16.2%</u>
Operating expenses:							
Salaries, Wages and Benefits	4,111	2,397	2,397	2,397	11,302		
Contractual Services	696,106	331,739	239,256	325,583	1,592,684	5,537,470	
Commodities	195,991	58,121	42,613	42,614	339,339	1,297,850	
Cost of Goods Sold	62,246	18,879	18,785	17,698	117,608	646,280	
Depreciation/Amortization	61,023	33,201	57,627	28,842	180,693		
Total Operating Expenses	<u>1,019,477</u>	<u>444,337</u>	<u>360,678</u>	<u>417,134</u>	<u>2,241,626</u>	<u>7,527,440</u>	<u>30%</u>
Operating Income (Loss)	<u>(343,053)</u>	<u>(274,330)</u>	<u>(163,382)</u>	<u>(215,251)</u>	<u>(996,016)</u>	<u>171,420</u>	
Nonoperating revenues (expenses):							
Interest Expense	(2,056)	(1,028)	(1,028)	(1,028)	(5,140)	7,970	
Other					-	94,250	
Total nonoperating revenues (expenses)	<u>(2,056)</u>	<u>(1,028)</u>	<u>(1,028)</u>	<u>(1,028)</u>	<u>(5,140)</u>	<u>102,220</u>	
Income (Loss) before capital contributions and transfers	<u>(345,109)</u>	<u>(275,358)</u>	<u>(164,410)</u>	<u>(216,279)</u>	<u>(1,001,156)</u>	<u>273,640</u>	
Changes in net position	<u>(345,109)</u>	<u>(275,358)</u>	<u>(164,410)</u>	<u>(216,279)</u>	<u>(1,001,156)</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>\$ 1,673,406</u>	<u>\$ 1,541,305</u>	<u>\$ 1,181,267</u>	<u>\$ 1,331,249</u>	<u>\$ 5,727,227</u>		

* Beginning of year net position is subject to change until final audit of the fiscal year 2015 Comprehensive Annual Financial Report.

Note: OB Sports and City of Tucson statements will report immaterial differences 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, 2015

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 5,674,617	\$ 3,651,736	\$ 4,306,855
Miscellaneous	47,171	8,726	1,420
Total operating revenues	<u>5,721,788</u>	<u>3,660,462</u>	<u>4,308,275</u>
Operating expenses:			
Salaries, Wages and Benefits	1,296,850	271,362	2,013,031
Contractual Services	1,393,250	1,215,231	1,355,465
Commodities	2,605,019	23,075	496,905
Benefits and Claims		1,533,630	
Depreciation	421,598	3,780	15,923
Total operating expenses	<u>5,716,717</u>	<u>3,047,078</u>	<u>3,881,324</u>
Operating income (loss)	<u>5,071</u>	<u>613,384</u>	<u>426,951</u>
Nonoperating revenues (expenses):			
Property Taxes		30,395	
Investment Income	1,995	24,797	8,423
Gain (loss) on Sale of Property/Equipment	115,277		
Total nonoperating revenues (expenses)	<u>117,272</u>	<u>55,192</u>	<u>8,423</u>
Income (loss) before capital contributions and transfers	<u>122,343</u>	<u>668,576</u>	<u>435,374</u>
Changes in net position	<u>122,343</u>	<u>668,576</u>	<u>435,374</u>
Total net position, beginning of year	7,731,660	830,874	(10,715,962)
Total net position	<u>\$ 7,854,003</u>	<u>\$ 1,499,450</u>	<u>\$ (10,280,588)</u>

City of Tucson, Arizona
Variance Explanations
For SEPTEMBER 2015

General Fund:

- (1a) The State Auto Lieu Tax revenue increased \$1 million compared to Fiscal Year 2015.
- (1b) Tucson Fire pension expense increased \$552,567 and the overtime increased \$367,361.
- (1c) Tucson Police expenditures increased \$4.4 million due to higher pension cost for fiscal year 2016.

Mass Transit:

- (2a) Increase in fiscal year 2016 is due to federal grant funding spent for nineteen buses and thirty five vans.
- (2b) Revenue charges for current services decreased in fiscal year 2016 due to a halt in services caused by an economic strike of unionized bus drivers and mechanics.