

**CITY OF PEORIA, ARIZONA  
SCHEDULE OF OPERATIONS - BUDGET AND ACTUAL  
WASTEWATER UTILITY FUND  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(budgetary basis)</u>	<u>Over</u>
				<u>(Under)</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 19,348,140	\$ 19,348,140	\$ 19,638,862	\$ 290,722
Miscellaneous	55,000	55,000	36,720	(18,280)
Total operating revenues	<u>19,403,140</u>	<u>19,403,140</u>	<u>19,675,582</u>	<u>272,442</u>
<b>OPERATING EXPENSES:</b>				
Salaries, wages and benefits	2,505,163	2,505,163	2,387,274	(117,889)
Contractual services, materials and supplies	8,405,636	8,302,404	6,928,609	(1,373,795)
Capital outlay	10,401,054	9,004,286	6,034,324	(2,969,962)
Depreciation and amortization			-	-
Contingencies	1,634,355	3,134,355	-	(3,134,355)
Total operating expenses	<u>22,946,208</u>	<u>22,946,208</u>	<u>15,350,207</u>	<u>(7,596,001)</u>
Operating income (loss)	<u>(3,543,068)</u>	<u>(3,543,068)</u>	<u>4,325,375</u>	<u>7,868,443</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	55,250	55,179	23,848	(31,331)
Interest expense	(2,593,702)	(2,595,656)	(2,541,607)	54,049
Debt principal payments	(5,383,448)	(5,435,702)	(5,573,641)	(137,939)
Total nonoperating revenues (expenses)	<u>(7,921,900)</u>	<u>(7,976,179)</u>	<u>(8,091,400)</u>	<u>(115,221)</u>
Income (loss) before contributions and transfers	<u>(11,464,968)</u>	<u>(11,519,247)</u>	<u>(3,766,025)</u>	<u>7,753,222</u>
Capital contributions	330,000	330,000	1,096,764	766,764
Transfers in	2,699,123	2,699,123	2,672,707	(26,416)
Transfers out	(335,132)	(335,132)	(285,568)	49,564
Excess (deficit) revenues over expenses - budgetary basis	<u>\$ (8,770,977)</u>	<u>\$ (8,825,256)</u>	<u>\$ (282,122)</u>	<u>\$ 8,543,134</u>

**Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures**

The City budgets certain revenues on the cash basis, rather than on the accrual basis.	82,219
Interdepartmental service charges are revenue on a budgetary basis, but are eliminated from the financial statements under GASB34's allocation rules.	(1,292,532)
The expenses associated with the interdepartmental service charges are expenses on a budgetary basis but are eliminated along with the revenues above under GASB34's allocation rules.	1,292,532
The City budgets compensated absences on the cash basis, rather than the accrual basis.	(4,473)
The City budgets certain other expenditures on the cash basis, rather than the accrual basis.	(201,121)
Capital outlay is an expense for budgetary purposes, but assets are capitalized and are not an expense for GAAP purposes.	5,342,182
Donations of capital assets are an other financing source for GAAP purposes, but are not a revenue for budget purposes.	2,119,939
Debt principal payments are an expense for budgetary purposes, but are a reduction of long-term obligations, and therefore not an expense, for GAAP purposes.	5,573,641
Depreciation and amortization are not budgeted expenses, but are expenses for GAAP purposes.	(8,935,712)
Loss on refunding and bond premiums are expensed in the year of issuance for budgetary purposes but are amortized to interest expense over the life of the bonds for GAAP purposes.	(65,809)
Certain transfers in/(out)/out are not budgeted items, but are other financing sources(uses) for GAAP purposes.	77,263
Change in net position per the statement of revenues, expenses and changes in fund net position	<u>\$ 3,706,007</u>

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.