



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For August 31, 2016

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 Utility, Environmental Services, and Tucson 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 Tucson Golf 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 or Shane.Oman@tucsonaz.gov.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	Fiscal Year 2017		%	Fiscal Year 2016	\$ Change	% Change
	Actual	Revised Budget	Budget	Actual	CFY vs PFY	CFY vs PFY
General Fund Revenues and Other Financing Sources:		Straight-line Budget	8.3%			
Revenues:						
Primary Property Taxes	\$ 244,393	\$ 14,494,430	1.7%	\$ 209,419	\$ 34,974	16.7%
Business Privilege Tax	32,101,825	192,539,300	16.7%	28,693,070	3,408,755	11.9% 1a
Other Local Taxes	7,718,062	50,093,750	15.4%	7,189,567	528,495	7.4%
Grants and Shared Taxes	1,371,202	6,170,640	22.2%	980,214	390,988	39.9%
State-Shared Income Tax Revenue	10,847,337	65,118,880	16.7%	10,436,983	410,354	3.9%
State-Shared Sales Tax	7,585,316	50,099,800	15.1%	8,056,840	(471,524)	-5.9%
State Auto Lieu Tax	3,765,858	22,790,790	16.5%	4,711,264	(945,406)	-20.1%
Licenses and Permits	6,791,582	29,074,730	23.4%	5,138,616	1,652,966	32.2%
Fines, Forfeitures, and Penalties	1,536,745	10,478,630	14.7%	2,089,077	(552,332)	-26.4%
Use of Money and Property	(53,961)	448,790	-12.0%	102,752	(156,713)	-152.5%
Charges for Services	6,037,169	43,327,230	13.9%	6,753,962	(716,793)	-10.6%
Miscellaneous Revenue	27,745	9,026,410	0.3%	126,876	(99,131)	-78.1%
Total Revenues:	<u>77,973,273</u>	<u>493,663,380</u>		<u>74,488,640</u>	<u>3,484,633</u>	
Other Financing Sources	<u>319,718</u>	<u>1,918,300</u>	16.7%	<u>266,667</u>	<u>53,051</u>	19.9%
Total Revenues and Other Financing Sources	<u>\$ 78,292,991</u>	<u>\$ 495,581,680</u>		<u>\$ 74,755,307</u>	<u>\$ 3,537,684</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 312,228	\$ 2,386,810	13.1%	\$ 376,546	\$ (64,318)	-17.1%
City Manager	487,433	4,156,670	11.7%	848,822	(361,389)	-42.6%
City Attorney	1,041,196	7,435,540	14.0%	1,161,551	(120,355)	-10.4%
City Clerk	288,910	3,172,710	9.1%	502,781	(213,871)	-42.5%
Total Elected and Official	<u>2,129,767</u>	<u>17,151,730</u>		<u>2,889,700</u>	<u>(759,933)</u>	
Public Safety & Justice Services						
City Court	1,296,652	9,193,940	14.1%	1,602,620	(305,968)	-19.1%
Public Defender	359,351	2,700,840	13.3%	429,010	(69,659)	-16.2%
Tucson Fire	13,047,360	90,901,700	14.4%	14,579,386	(1,532,026)	-10.5%
Tucson Police	21,159,184	146,698,520	14.4%	25,540,989	(4,381,805)	-17.2% 1b
Total Public Safety & Justice Services	<u>35,862,547</u>	<u>249,495,000</u>		<u>42,152,005</u>	<u>(6,289,458)</u>	
Community Enrichment & Development						
Housing & Community Development	163,900	2,553,900	6.4%	140,999	22,901	16.2%
Parks and Recreation	3,974,158	27,034,310	14.7%	6,159,860	(2,185,702)	-35.5% 1c
Planning & Development Services	854,034	5,853,130	14.6%	1,494,815	(640,781)	-42.9%
Transportation	65,735	2,361,620	2.8%	197,310	(131,575)	-66.7%
Environmental Services	237,950	2,061,600	11.5%	237,950	237,950	100.0%
Total Community Enrichment & Development	<u>5,295,777</u>	<u>39,864,560</u>		<u>7,992,984</u>	<u>(2,697,207)</u>	
Support Services						
Finance	1,177,769	8,363,620	14.1%	3,391,268	(2,213,499)	-65.3% 1d
General Services	4,917,278	29,076,870	16.9%	1,923,956	2,993,322	155.6% 1c
Human Resources	276,451	2,325,420	11.9%	330,835	(54,384)	-16.4%
Information Technology	5,065,394	20,093,220	25.2%	3,188,250	1,877,144	58.9% 1d
Procurement	607,067	3,311,340	18.3%	569,667	37,400	6.6%
Total Support Services	<u>12,043,959</u>	<u>63,170,470</u>		<u>9,403,976</u>	<u>2,639,983</u>	
Total General Government	<u>2,769,849</u>	<u>34,012,990</u>	8.1%	<u>1,702,058</u>	<u>1,067,791</u>	62.7%
Capital Outlay	<u>52,360</u>	<u>6,730,910</u>	0.8%	<u>61,377</u>	<u>(9,017)</u>	-14.7%
Capital Projects	<u>8,981</u>	<u>890,900</u>	1.0%	<u>37,165</u>	<u>(28,184)</u>	-75.8%
Debt Service and Fiscal Agent Fees	<u>202,354</u>	<u>24,717,140</u>	0.8%	<u>39,139</u>	<u>163,215</u>	417.0%
Other Financing Uses	<u>8,702,627</u>	<u>53,394,380</u>	16.3%	<u>8,761,900</u>	<u>(59,273)</u>	-0.7%
Total Expenditures & Other Financing Uses	<u>\$ 67,068,221</u>	<u>\$ 489,428,080</u>		<u>\$ 73,040,304</u>	<u>\$ (5,972,083)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	Fiscal Year 2017		% Budget	Fiscal Year 2016 Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Revised Budget				
Mass Transit Revenues and Other Financing Sources:	Straight-line Budget		8.3%			
Revenues:						
Federal Grants and Contributions	\$ 151,324	\$ 18,527,880	0.8%	\$ 6,951,106	\$ (6,799,782)	-97.8%
Other Agencies	34,721	13,960,980	0.2%	31,360	3,361	10.7%
Use of Money and Property	21,220	414,100	5.1%	1,033	20,187	1954.2%
Charges for Current Services	1,953,916	12,821,400	15.2%	1,927,681	26,235	1.4%
Miscellaneous Revenue	65,170	650,360	10.0%	73,746	(8,576)	-11.6%
Total Revenues:	<u>2,226,351</u>	<u>46,374,720</u>		<u>8,984,926</u>	<u>(6,758,575)</u>	
Other Financing Sources	<u>7,427,320</u>	<u>44,563,920</u>	16.7%	<u>7,580,512</u>	<u>(153,192)</u>	-2.0%
Total Revenues and Other Financing Sources	<u>\$ 9,653,671</u>	<u>\$ 90,938,640</u>		<u>\$ 16,565,438</u>	<u>\$ (6,911,767)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 10,626,774	\$ 77,750,280	13.7%	\$ 10,664,168	\$ (37,394)	-0.4%
Total Community Enrichment & Development	<u>10,626,774</u>	<u>77,750,280</u>		<u>10,664,168</u>	<u>(37,394)</u>	
Capital Outlay		4,366,660	0.0%	7,325,598	(7,325,598)	-100.0%
Capital Projects	28,674	8,821,700	0.3%	154,409	(125,735)	-81.4%
Total Expenditures	<u>\$ 10,655,448</u>	<u>\$ 90,938,640</u>		<u>\$ 18,144,175</u>	<u>\$ (7,488,727)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	Fiscal Year 2017		% Budget	Fiscal Year 2016 Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Revised Budget				
Sun Link Revenues and Other Financing Sources:	Straight-line Budget		8.3%			
Revenues:						
Other Agencies	\$	\$ 1,207,600	0.0%	\$	\$	0.0%
Charges for Current Services	70,251	1,085,340	6.5%	96,257	(26,006)	-27.0%
Miscellaneous Revenue	724		100.0%	568	156	27.5%
Total Revenues:	<u>70,975</u>	<u>2,292,940</u>		<u>96,825</u>	<u>(25,850)</u>	
Other Financing Sources	<u>529,213</u>	<u>3,175,280</u>	16.7%	<u>385,295</u>	<u>143,918</u>	37.4%
Total Revenues and Other Financing Sources	<u>\$ 600,188</u>	<u>\$ 5,468,220</u>		<u>\$ 482,120</u>	<u>\$ 118,068</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 224,012	\$ 3,954,100	5.7%	\$ 534,698	\$ (310,686)	-58.1%
Total Community Enrichment & Development	<u>224,012</u>	<u>3,954,100</u>		<u>534,698</u>	<u>(310,686)</u>	
Debt Service and Fiscal Agent Fees		1,514,120	0.0%			0.0%
Total Expenditures	<u>\$ 224,012</u>	<u>\$ 5,468,220</u>		<u>\$ 534,698</u>	<u>\$ (310,686)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	Fiscal Year 2017		% Budget	Fiscal Year 2016	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Revised Budget		Actual		
HURF Revenues:		Straight-line Budget	8.3%			
Revenues:						
Licenses and Permits	\$ 102,964	\$ 674,800	15.3%	\$ 66,602	\$ 36,362	54.6%
Other Agencies	6,514,799	38,274,480	17.0%	6,526,310	(11,511)	-0.2%
Use of Money and Property	67,181	630,000	10.7%	81,755	(14,574)	-17.8%
Miscellaneous Revenue	456,170	600,000		41,330	414,840	1003.7%
Total Revenues	<u>\$ 7,141,114</u>	<u>\$ 40,179,280</u>		<u>\$ 6,715,997</u>	<u>\$ 425,117</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	\$ 3,989,653	\$ 34,959,230	11.4%	\$ 3,865,754	\$ 123,899	3.2%
Total Community Enrichment and Development	<u>3,989,653</u>	<u>34,959,230</u>		<u>3,865,754</u>	<u>123,899</u>	
Non-Departmental						
Outside Agencies		100,580	0.0%			100.0%
Total Non-Departmental		<u>100,580</u>				
Capital Outlay		796,500	0.0%	3,140	(3,140)	-100.0%
Capital Projects	130,742	15,777,900	0.8%	177,386	(46,644)	-26.3%
Other Financing (Uses) Sources		<u>(9,939,640)</u>	0.0%			0.0%
Total Expenditures & Other Financing Uses	<u>\$ 4,120,395</u>	<u>\$ 41,694,570</u>		<u>\$ 4,046,280</u>	<u>\$ 74,115</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
August 31, 2016

	Water Utility Fund	Environmental Services	Tucson Golf
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 67,430,252	\$ 31,767,290	\$ 1,699,075
Cash and Investments - Restricted			
Cash and Investments with Fiscal Agent - Restricted	8,143,606		
Accounts Receivable, Net	25,885,818	3,422,198	421,426
Due from Other Agencies			
Interest Receivable	143,709	59,026	
Inventories	6,115,691		235,333
Other Assets	9,752,444		
Total current assets	<u>117,471,520</u>	<u>35,248,514</u>	<u>2,355,834</u>
Noncurrent assets:			
Long Term Accounts Receivable	176,022		
Other Assets - Restricted			59,909
Land and Construction in Progress	179,940,025	14,532,435	2,701,865
Other Capital Assets, Net	1,061,603,580	27,050,853	11,979,850
Water Rights	52,126,968		
Total noncurrent assets	<u>1,293,846,595</u>	<u>41,583,288</u>	<u>14,741,624</u>
Total assets	<u>1,411,318,115</u>	<u>76,831,802</u>	<u>17,097,458</u>
DEFERRED OUTFLOWS			
Loss on Refunding of Debt	16,122,526	1,233,532	
Pension Plans	3,162,060	1,205,606	
Total deferred outflows	<u>19,284,586</u>	<u>2,439,138</u>	
LIABILITIES			
Current liabilities:			
Accounts Payable	5,362,660	174,070	114,991
Accrued Payroll Liabilities	55,321	30,118	99,772
Interfund Payable			2,299,275
Due to Other Agencies	282,378	256	30,376
Accrued Interest Payable			5,338
Refundable Deposits	2,487,888	92,037	2,098
Current Portion of Bonds Payable	33,646,119		
Current Portion of Contracts Payable		192,600	84,026
Current Portion of Compensated Absences	1,769,251	514,889	
Advances From Customers			83,262
Current Portion of Long Term Liabilities		758,158	
Total current liabilities	<u>43,603,617</u>	<u>1,762,128</u>	<u>2,719,138</u>
Noncurrent liabilities:			
Bonds Payable	505,649,670		
Contracts Payable		11,541,998	175,749
Compensated Absences	1,835,388	608,388	
Other Postemployment Benefits	1,485,509	584,846	
Pension Liability	51,601,140	19,674,093	
Loans and Notes Payable			1,626,413
Long Term Liabilities		57,350,501	
Total noncurrent liabilities	<u>560,571,707</u>	<u>89,759,826</u>	<u>1,802,162</u>
Total liabilities	<u>604,175,324</u>	<u>91,521,954</u>	<u>4,521,300</u>
DEFERRED INFLOWS			
Deferred Revenue	92,902		
Pension Plans	5,461,526	2,082,329	
Total deferred inflows	<u>5,554,428</u>	<u>2,082,329</u>	
NET POSITION			
Net Investment in capital assets	771,821,773	29,848,689	14,421,940
Amounts Restricted for:			
Debt Service	8,143,606		
Capital			
Unrestricted Amounts (deficit)	40,907,570	(62,223,745)	(1,845,782)
Closure/Post Closure Liability		6,145,628	
New Landfill Cell Construction		11,896,085	
Total net position	<u>\$ 820,872,949</u>	<u>\$ (14,333,343)</u>	<u>\$ 12,576,158</u>

* Amounts are subject to change until final audit of the fiscal year 2016 Comprehensive Annual Financial Report.

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER UTILITY
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	Fiscal Year 2017 Actual	Fiscal Year 2016 Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 38,525,357	\$ 40,092,338	\$ (1,566,981)	-3.9%
Total operating revenues	<u>38,525,357</u>	<u>40,092,338</u>	<u>(1,566,981)</u>	
Operating expenses:				
Salaries, Wages and Benefits	5,055,757	5,227,547	(171,790)	-3.3%
Contractual Services	11,846,517	10,428,387	1,418,130	13.6%
Commodities	1,441,888	1,206,750	235,138	19.5%
Depreciation/Amortization	5,700,710	5,866,000	(165,290)	-2.8%
Total operating expenses	<u>24,044,872</u>	<u>22,728,684</u>	<u>1,316,188</u>	
Operating Income (Loss)	<u>14,480,485</u>	<u>17,363,654</u>	<u>(2,883,169)</u>	
Nonoperating revenues (expenses):				
Investment Income	96,613	23,310	73,303	314.5%
Gain (Loss) on Sale of Property/Equipment	33,339	35,447	(2,108)	-5.9%
Federal Grants and Contributions				0.0%
Interest Expense	(3,396,517)	(2,850,906)	(545,611)	19.1%
Other Nonoperating Income (Expenses)	(29,861)	(521,485)	491,624	-94.3%
Total nonoperating revenues (expenses)	<u>(3,296,426)</u>	<u>(3,313,634)</u>	<u>17,208</u>	
Income (loss) before transfers	<u>11,184,059</u>	<u>14,050,020</u>	<u>(2,865,961)</u>	
Transfers In	573,999	526,044	47,955	9.1%
Transfers Out	(319,717)	(266,667)	(53,050)	19.9%
Changes in net position	<u>11,438,341</u>	<u>14,309,397</u>	<u>(2,871,056)</u>	
Total net position, beginning of year *	809,434,608	780,994,245	28,440,363	
Total net position, August 31	<u>\$ 820,872,949</u>	<u>\$ 795,303,642</u>	<u>\$ 25,569,307</u>	

* Beginning of year net position is subject to change until final audit of the fiscal year 2016 Comprehensive Annual Financial Report.

CITY OF TUCSON, ARIZONA
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
ENVIRONMENTAL SERVICES
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	Fiscal Year 2017 Actual	Fiscal Year 2016 Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Operating revenues:				
Charges for Services	\$ 8,319,509	\$ 8,613,933	\$ (294,424)	-3.4%
Miscellaneous	145,318	111,867	33,451	29.9%
Total operating revenues	<u>8,464,827</u>	<u>8,725,800</u>	<u>(260,973)</u>	
Operating expenses:				
Salaries, Wages and Benefits	2,137,407	2,172,203	(34,796)	-1.6%
Contractual Services	2,177,243	2,792,475	(615,232)	-22.0%
Commodities	336,104	416,912	(80,808)	-19.4%
Depreciation/Amortization	1,036,067	1,007,184	28,883	2.9%
Total operating expenses	<u>5,686,821</u>	<u>6,388,774</u>	<u>(701,953)</u>	
Operating Income (Loss)	<u>2,778,006</u>	<u>2,337,026</u>	<u>440,980</u>	
Nonoperating revenues (expenses):				
Investment Income	(8,181)	12,337	(20,518)	-166.3%
Gain (Loss) on Sale of Property/Equipment	149,425	(80,928)	230,353	-284.6%
Other Agencies		2,975		0.0%
Interest Expense	3,137		3,137	0.0%
Total nonoperating revenues (expenses)	<u>144,381</u>	<u>(65,616)</u>	<u>209,997</u>	
Income (loss) before capital contributions and transfers	<u>2,922,387</u>	<u>2,271,410</u>	<u>650,977</u>	
Changes in net position	<u>2,922,387</u>	<u>2,271,410</u>	<u>650,977</u>	
Total net position, beginning of year *	(17,255,730)	(16,984,080)	(271,650)	
Total net position, August 31	<u>\$ (14,333,343)</u>	<u>\$ (14,712,670)</u>	<u>\$ 379,327</u>	

* Beginning of year net position is subject to change until final audit of the fiscal year 2016 Comprehensive Annual Financial Report.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
TUCSON GOLF
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	Randolph	El Rio	Silverbell	Enke	Fiscal Year 2017		%
					Combined Actual	Revised Budget	Budget
COURSE OPERATIONS:							
Operating revenues:							
Green Fees	\$ 121,253	\$ 38,921	\$ 37,712	\$ 31,288	\$ 229,174	\$ 8,130,370	
Cart Rentals	131,838	38,470	26,710	32,248	229,266		
Driving Range	47,099	1,137	13,239	19,808	81,283		
Clubhouse	47,089	27,847	18,854	24,059	117,849		
Other Revenue	97,594	13,189	4,694	11,793	127,270	13,730	
Total Operating Revenues	<u>444,873</u>	<u>119,564</u>	<u>101,209</u>	<u>119,196</u>	<u>784,842</u>	<u>8,144,100</u>	<u>9.6%</u>
Operating expenses:							
Salaries, Wages and Benefits	2,618	1,528	1,528	1,528	7,202	50,530	
Contractual Services	463,841	195,157	121,664	179,366	960,028	5,843,450	
Commodities	163,467	51,572	68,636	62,237	345,912	1,238,580	
Cost of Goods Sold	47,244	16,463	11,610	15,960	91,277	669,710	
Depreciation/Amortization	48,102	24,051	24,051	24,051	120,255		
Total Operating Expenses	<u>725,272</u>	<u>288,771</u>	<u>227,489</u>	<u>283,142</u>	<u>1,524,674</u>	<u>7,802,270</u>	<u>20%</u>
Operating Income (Loss)	<u>(280,399)</u>	<u>(169,207)</u>	<u>(126,280)</u>	<u>(163,946)</u>	<u>(739,832)</u>	<u>341,830</u>	
Nonoperating revenues (expenses):							
Interest Expense	(1,854)	(927)	(927)	(927)	(4,635)	6,740	
Other	1,000				1,000	93,400	
Total nonoperating revenues (expenses)	<u>(854)</u>	<u>(927)</u>	<u>(927)</u>	<u>(927)</u>	<u>(3,635)</u>	<u>100,140</u>	
Changes in net position	<u>(281,253)</u>	<u>(170,134)</u>	<u>(127,207)</u>	<u>(164,873)</u>	<u>(743,467)</u>	<u>\$ 441,970</u>	
Total net position, beginning of year *	3,995,887	3,596,299	2,663,925	3,063,514	13,319,625		
Total net position, August 31	<u>\$ 3,714,634</u>	<u>\$ 3,426,165</u>	<u>\$ 2,536,718</u>	<u>\$ 2,898,641</u>	<u>\$ 12,576,158</u>		

* Beginning of year net position is subject to change until final audit of the fiscal year 2016 Comprehensive Annual Financial Report.

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE TWO MONTHS ENDED AUGUST 31, 2016

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 3,233,071	\$ 1,742,321	\$ 2,883,066
Miscellaneous	12,064	10,000	6,026
Total operating revenues	<u>3,245,135</u>	<u>1,752,321</u>	<u>2,889,092</u>
Operating expenses:			
Salaries, Wages and Benefits	809,301	172,993	1,121,393
Contractual Services	929,653	881,555	848,670
Commodities	1,515,346	14,833	304,101
Benefits and Claims		804,453	
Depreciation	321,865	1,985	10,354
Total operating expenses	<u>3,576,165</u>	<u>1,875,819</u>	<u>2,284,518</u>
Operating income (loss)	<u>(331,030)</u>	<u>(123,498)</u>	<u>604,574</u>
Nonoperating revenues (expenses):			
Property Taxes		44,034	
Investment Income	(1,326)	2,350	(1,660)
Gain (loss) on Sale of Property/Equipment	20,106		
Interest Expense			(230,750)
Miscellaneous Income			845
Total nonoperating revenues (expenses)	<u>18,780</u>	<u>46,384</u>	<u>(231,565)</u>
Changes in net position	<u>(312,250)</u>	<u>(77,114)</u>	<u>373,009</u>
Total net position, beginning of year *	<u>10,283,998</u>	<u>8,121,967</u>	<u>(8,826,287)</u>
Total net position, August 31	<u>\$ 9,971,748</u>	<u>\$ 8,044,853</u>	<u>\$ (8,453,278)</u>

* Beginning of year net position is subject to change until final audit of the fiscal year 2016 Comprehensive Annual Financial Report.

City of Tucson, Arizona
Variance Explanations
For August 31, 2016

General Fund:

- (1a) Difference due to timing of revenue collections.
- (1b) \$3 million pension contribution made in fiscal year 2016 from impound proceeds, not repeated in fiscal year 2017.
- (1c) Water, electric and vehicle maintenance expenditures related to non-enterprise funds are recorded in the General Services department for fiscal year 2017 instead of being allocated to various departments as done in fiscal year 2016.
- (1d) ERP software maintenance of \$ 2,018,975 paid in finance department in fiscal year 2016 will be paid in information technology department in fiscal year 2017, period 2.

Mass Transit:

- (2a) Capital outlay and the related federal grants and contributions were higher in fiscal year 2016 due to \$5.8 million in replacement buses and vans, the construction of the compressed natural gas plant of \$498,783, the Regional Paratransit Expansion of \$250,288 and the Greyhound Transit Center of \$114,319.