

City of Tucson, Arizona  
Monthly Financial Statement  
For August 31, 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 expend 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 TWO MONTHS ENDED AUGUST 31, 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 (August, 31): 17%					
Revenues:						
Primary Property Taxes	\$ 122,013	\$ 13,119,610	0.9%	\$ 242,218	\$ (120,205)	-49.6%
Business Privilege Tax	31,269,983	188,988,400	16.5%	29,693,272	1,576,711	5.3% a
Other Local Taxes	6,937,624	43,791,600	15.8%	7,028,897	(91,273)	-1.3%
Grants and Shared Taxes	441,164	3,882,980	11.4%	561,666	(120,502)	-21.5%
State-Shared Income Tax Revenue	9,671,138	57,800,600	16.7%	8,854,789	816,349	9.2%
State-Shared Sales Tax	7,350,614	44,563,600	16.5%	6,910,889	439,725	6.4%
State Auto Lieu Tax	3,318,150	19,693,400	16.8%	3,271,514	46,636	1.4%
Licenses and Permits	3,431,582	20,937,150	16.4%	4,316,000	(884,418)	-20.5%
Fines, Forfeitures, and Penalties	1,750,304	13,227,280	13.2%	1,740,029	10,275	0.6%
Use of Money and Property	325,733	694,450	46.9%	117,242	208,491	177.8%
Charges for Current Services	5,118,056	41,880,960	12.2%	5,297,937	(179,881)	-3.4%
Miscellaneous Revenue	260,024	3,475,640	7.5%	259,556	468	0.2%
<b>Total General City Revenues:</b>	<u>69,996,385</u>	<u>452,055,670</u>		<u>68,294,009</u>	<u>1,702,376</u>	
Other Financing Sources	<u>266,667</u>	<u>14,806,000</u>	1.80%	<u>266,667</u>		
<b>Total Revenues and Other Financing Sources</b>	<u>\$ 70,263,052</u>	<u>\$ 466,861,670</u>		<u>\$ 68,560,676</u>	<u>\$ 1,702,376</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 405,491	\$ 2,736,430	14.8%	\$ 536,187	\$ (130,696)	-24.4%
City Manager	1,300,534	8,641,450	15.0%	1,188,906	111,628	9.4%
City Attorney	1,350,545	8,428,210	16.0%	1,585,830	(235,285)	-14.8%
City Clerk	450,498	4,044,840	11.1%	701,938	(251,440)	-35.8%
<b>Total Elected and Official</b>	<u>3,507,068</u>	<u>23,850,930</u>		<u>4,012,861</u>	<u>(505,793)</u>	
Public Safety and Justice Services						
City Courts	1,710,257	11,081,480	15.4%	1,952,684	(242,427)	-12.4%
Equal Opportunity Programs and Independent Police Review	124,760	787,220	15.8%	129,816	(5,056)	-3.9%
Public Defender	470,200	3,157,720	14.9%	555,050	(84,850)	-15.3%
Tucson Fire	13,746,934	86,734,670	15.8%	15,548,347	(1,801,413)	-11.6% b
Tucson Police	22,528,496	146,741,930	15.4%	27,984,837	(5,456,341)	-19.5% c
<b>Total Public Safety and Justice Services</b>	<u>38,580,647</u>	<u>248,503,020</u>		<u>46,170,734</u>	<u>(7,590,087)</u>	
Community Enrichment and Development						
Housing & Community Development	756,463	6,506,630	11.6%	868,470	(112,007)	-12.9%
Parks and Recreation	6,633,560	35,963,095	18.4%	7,182,304	(548,744)	-7.6%
Planning & Development Services	1,075,199	7,247,040	14.8%	1,426,630	(351,431)	-24.6%
Transportation	298,481	2,184,600	13.7%	277,625	20,856	7.5%
<b>Total Community Enrichment and Development</b>	<u>8,763,703</u>	<u>51,901,365</u>		<u>9,755,029</u>	<u>(991,326)</u>	
Support Services						
Budget and Internal Audit	244,449	1,541,880	15.9%	271,447	(26,998)	-9.9%
Finance	3,401,934	10,339,910	32.9%	1,525,568	1,876,366	123.0% d
General Services	161,922	9,339,400	1.7%	271,590	(109,668)	-40.4%
Human Resources	318,506	2,174,940	14.6%	357,835	(39,329)	-11.0%
Information Technology	2,963,460	17,099,380	17.3%	3,778,713	(815,253)	-21.6%
Procurement	765,979	3,124,200	24.5%	694,113	71,866	10.4%
<b>Total Support Services</b>	<u>7,856,250</u>	<u>43,619,710</u>		<u>6,899,266</u>	<u>956,984</u>	
<b>Total Non-Departmental</b>	<u>1,049,668</u>	<u>27,408,890</u>	3.8%	<u>2,975,882</u>	<u>(1,926,214)</u>	-64.7% e
<b>Capital Projects</b>	<u>83,048</u>	<u>1,958,765</u>	4.2%	<u>440,192</u>	<u>(357,144)</u>	-81.1%
<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>7,711,628</u>	<u>46,269,770</u>	16.7%	<u>7,305,597</u>	<u>406,031</u>	5.6%
<b>Total Expenditures &amp; Other Financing Uses</b>	<u>\$ 67,561,912</u>	<u>\$ 467,873,170</u>		<u>\$ 77,705,524</u>	<u>\$ (10,143,612)</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**MASS TRANSIT FUND**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 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 (August, 31): 17%					
Revenues:						
Federal Grants and Contributions	\$ 2,014,322	\$ 19,325,820	10.4%	\$ 13,678,780	\$ (11,664,458)	-85.3% <b>2a</b>
Other Agencies	2,082,626	17,143,280	12.1%	(3,155,698)	5,238,324	-166.0% <b>2b</b>
Use of Money and Property	29,104	250,000	11.6%	1,543	27,561	1786.2%
Charges for Current Services	641,895	16,249,710	4.0%	2,246,182	(1,604,287)	-71.4% <b>2c</b>
Miscellaneous Revenue	22,060	480,050	4.6%	46,154	(24,094)	-52.2%
Total Revenues:	<u>4,790,007</u>	<u>53,448,860</u>		<u>12,816,961</u>	<u>(8,026,954)</u>	
Other Financing Sources	7,122,172	42,733,040	16.7%	6,738,465	383,707	5.7%
<b>Total Revenues and Other Financing Sources</b>	<b>\$ <u>11,912,179</u></b>	<b>\$ <u>96,181,900</u></b>		<b>\$ <u>19,555,426</u></b>	<b>\$ <u>(7,643,247)</u></b>	
Mass Transit Expenditures:						
Operations and Development						
Transportation	\$ 11,810,583	\$ 83,056,200	14.2%	\$ 11,587,843	\$ 222,740	1.9%
<b>Total Operations and Development</b>	<u>11,810,583</u>	<u>83,056,200</u>		<u>11,587,843</u>	<u>222,740</u>	
Capital Expenditures	1,271,614	15,878,500	8.0%	12,119,284	(10,847,670)	-89.5% <b>2a</b>
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$ <u>13,082,197</u></b>	<b>\$ <u>98,934,700</u></b>		<b>\$ <u>23,707,127</u></b>	<b>\$ <u>(10,624,930)</u></b>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**HIGHWAY USER REVENUE FUND (HURF)**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 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 (August, 31): 17.0%					
Revenues:						
Licenses and Permits	\$	\$	0.0%	\$ 8,600	\$ (8,600)	-100.0%
Other Agencies	5,955,966	34,042,290	17.5%	2,511,350	3,444,616	137.2%
Use of Money and Property	557,972	335,000	166.6%	87,925	470,047	534.6%
Charges for Current Services	142,334	542,000	26.3%	146,142	(3,808)	-2.6%
Miscellaneous Revenue	642,423	3,200,000	20.1%	253,050	389,373	153.9%
<b>Total Revenues</b>	<b>\$ <u>7,298,695</u></b>	<b>\$ <u>38,119,290</u></b>		<b>\$ <u>3,007,067</u></b>	<b>\$ <u>4,291,628</u></b>	
HURF Expenditures:						
Community Enrichment and Development						
Housing & Community Development	25,814		100.0%	5,061	20,753	410.1%
Transportation	5,257,504	32,561,860	16.1%	5,696,914	(439,410)	-7.7%
<b>Total Community Enrichment and Development</b>	<u>5,283,318</u>	<u>32,561,860</u>		<u>5,701,975</u>	<u>(418,657)</u>	
Non-Departmental						
Outside Agencies		100,580	0.0%			0.0%
<b>Total Non-Departmental</b>		<u>100,580</u>				
Capital Projects	552,954	2,705,270	20.4%	59,211	493,743	833.9%
Debt Service and Fiscal Agent Fees			0.0%	85,690	(85,690)	-100.0%
Other Financing Uses		10,413,290				0.0%
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$ <u>5,836,272</u></b>	<b>\$ <u>45,781,000</u></b>		<b>\$ <u>5,846,876</u></b>	<b>\$ <u>(10,604)</u></b>	

**CITY OF TUCSON, ARIZONA  
STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
AUGUST 31, 2013**

	Water Utility Fund	Environmental Services	Tucson Golf Enterprise Fund
<b><u>ASSETS AND DEFERRED OUTFLOWS</u></b>			
Assets			
Current assets:			
Pooled Cash and Investments	\$ 47,656,663	\$ 27,865,764	\$ 4,450
Cash and Investments - Restricted	20,508,035		
Cash and Investments with Fiscal Agent - Restricted	29,961,616		
Accounts Receivable, Net	15,953,311	4,247,006	23,941
Due from Other Agencies		16,215	
Interest Receivable	119,404	86,259	
Inventories	3,425,530		116,183
Other Assets	413,632		
<b>Total current assets</b>	<b>118,038,191</b>	<b>32,215,244</b>	<b>144,574</b>
Noncurrent assets:			
Long Term Accounts Receivable	451,895		
Other Assets - Restricted	314,520		
Land and Construction in Progress	186,350,230	11,196,009	2,701,865
Other Capital Assets, Net	1,003,398,003	19,238,722	13,584,759
Water Rights	52,126,968		
<b>Total noncurrent assets</b>	<b>1,242,641,616</b>	<b>30,434,731</b>	<b>16,286,624</b>
<b>Total assets</b>	<b>1,360,679,807</b>	<b>62,649,975</b>	<b>16,431,198</b>
Deferred Outflows			
Unamortized Loss on Refunding	14,143,490		
<b>Total deferred outflows</b>	<b>14,143,490</b>		
<b>Total assets and deferred outflows</b>	<b>1,374,823,297</b>	<b>62,649,975</b>	
<b><u>LIABILITIES AND DEFERRED INFLOWS</u></b>			
Liabilities			
Current liabilities:			
Accounts Payable	1,076,660	121,277	77,957
Accrued Payroll Liabilities	725,587	501,376	53,561
Interfund Payable			482,405
Due to Other Agencies	(378,363)		
Accrued Interest Payable			23,196
Refundable Deposits	3,200,421	55,798	
Current Portion of Bonds Payable	24,381,439		
Current Portion of Contracts Payable		121,000	
Current Portion of Compensated Absences	1,744,436	608,131	89,858
Liabilities Payable from Restricted Assets	31,496,812		
Advances from Customers			146,018
Current Portion of Long Term Liabilities		740,330	
<b>Total current liabilities</b>	<b>62,246,992</b>	<b>2,147,912</b>	<b>872,995</b>
<b><u>LIABILITIES AND DEFERRED INFLOWS (continued)</u></b>			
Noncurrent liabilities:			
Bonds Payable	518,584,586		
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>	<b>521,446,345</b>	<b>55,935,091</b>	<b>7,509,508</b>
<b>Total liabilities</b>	<b>583,693,337</b>	<b>58,083,003</b>	<b>8,382,503</b>
Deferred Inflows			
Unavailable Revenue	63,480		
<b>Total deferred inflows</b>	<b>63,480</b>		
<b>Total liabilities and deferred inflows</b>	<b>583,756,817</b>	<b>58,083,003</b>	<b>8,382,503</b>
<b><u>NET POSITION</u></b>			
Net Investment in capital assets	712,755,705	19,720,731	16,286,624
Restricted for Capital			
Amounts Restricted for:			
Debt Service	29,961,616		
Unrestricted Amounts (deficit)	48,349,159	(25,946,746)	(8,237,929)
Closure/Post Closure Liability		4,846,387	
New Landfill Cell Construction		5,946,600	
<b>Total net position</b>	<b>\$ 791,066,480</b>	<b>\$ 4,566,972</b>	<b>\$ 8,048,695</b>

**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**WATER UTILITY FUND**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 2013**

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY	
	Actual	Actual			
<b>Operating revenues:</b>					
Charges for Services	\$ 26,169,826	\$ 23,967,284	\$ 2,202,542	9.2%	<b>4a</b>
Miscellaneous	136,242	396,989	(260,747)	-65.7%	
<b>Total operating revenues</b>	<u>26,306,068</u>	<u>24,364,273</u>	<u>1,941,795</u>		
<b>Operating expenses:</b>					
Personal Services	5,791,320	6,344,264	(552,944)	-8.7%	
Contractual Services	12,049,750	11,995,573	54,177	0.5%	
Commodities	1,447,647	1,265,821	181,826	14.4%	
Depreciation/Amortization	5,000,646	4,791,882	208,764	4.4%	
<b>Total operating expenses</b>	<u>24,289,363</u>	<u>24,397,540</u>	<u>(108,177)</u>		
<b>Operating Income (Loss)</b>	<u>2,016,705</u>	<u>(33,267)</u>	<u>2,049,972</u>		
<b>Nonoperating revenues (expenses):</b>					
Investment Income	21,044	107,123	(86,079)	-80.4%	
Gain (Loss) on Sale of Property/Equipment		(100,479)	100,479	-100.0%	
Federal Grants and Contributions		1,839	(1,839)	-100.0%	
Interest Expense	(1,399,556)	(1,560,653)	161,097	-10.3%	
Amortization of Cost Issuance	-	(56,468)	56,468	-100.0%	
Other Nonoperating Income (Expenses)	(3,000)	(3,000)	-	0.0%	
<b>Total nonoperating revenues (expenses)</b>	<u>(1,381,512)</u>	<u>(1,611,638)</u>	<u>230,126</u>		
<b>Income (loss) before capital contributions and transfers</b>	<u>635,193</u>	<u>(1,644,905)</u>	<u>2,280,098</u>		
<b>Capital Contributions</b>	556,632	636,469	(79,837)	-12.5%	
<b>Transfers Out</b>		(266,667)	266,667	-100.0%	
<b>Changes in net position</b>	<u>1,191,825</u>	<u>(1,275,103)</u>	<u>2,466,928</u>		
<b>Total net position, beginning of year</b>	789,874,656	766,475,908	23,398,748		
<b>Total net position, August 31</b>	<u>\$ 791,066,480</u>	<u>\$ 765,200,805</u>	<u>\$ 25,865,675</u>		

**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**ENVIRONMENTAL SERVICES FUND**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 2013**

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
<b>Operating revenues:</b>				
Charges for Services	\$ 8,817,274	\$ 8,932,708	\$ (115,434)	-1.3%
Miscellaneous	271,098	131,521	139,577	106.1%
<b>Total operating revenues</b>	<u>9,088,372</u>	<u>9,064,229</u>	<u>24,143</u>	
<b>Operating expenses:</b>				
Personal Services	2,563,827	2,921,863	(358,036)	-12.3%
Contractual Services	2,897,345	3,680,618	(783,273)	-21.3%
Commodities	636,373	885,666	(249,293)	-28.1%
Depreciation/Amortization	870,498	898,943	(28,445)	-3.2%
<b>Total operating expenses</b>	<u>6,968,043</u>	<u>8,387,090</u>	<u>(1,419,047)</u>	
<b>Operating Income (Loss)</b>	<u>2,120,329</u>	<u>677,139</u>	<u>1,443,190</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income	3,080	23,219	(20,139)	-86.7%
Gain (Loss) on Sale of Property/Equipment	7,700	57,301	(49,601)	-86.6%
Other Agencies	16,215	47,090	(30,875)	-65.6%
Interest Expense	-	(9,601)	9,601	-100.0%
Amortization of Cost Issuance	-	(2,984)	2,984	-100.0%
<b>Total nonoperating revenues (expenses)</b>	<u>26,995</u>	<u>115,025</u>	<u>(88,030)</u>	
<b>Income (loss) before capital contributions and transfers</b>	<u>2,147,324</u>	<u>792,164</u>	<u>1,355,160</u>	
<b>Transfers In</b>			-	0.0%
<b>Changes in net position</b>	<u>2,147,324</u>	<u>792,164</u>	<u>1,355,160</u>	
<b>Total net position, beginning of year</b>	2,296,870	(3,479,259)	5,776,129	
<b>Total net position, August 31</b>	<u>\$ 4,444,194</u>	<u>\$ (2,687,095)</u>	<u>\$ 7,131,289</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 TWO MONTHS ENDED AUGUST 31, 2013**

	Fiscal Year 2014	Fiscal Year 2013	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
<b>Operating revenues:</b>				
Charges for Services	\$ 717,534	\$ 701,665	\$ 15,869	2.3%
<b>Total operating revenues</b>	<u>717,534</u>	<u>701,665</u>	<u>15,869</u>	
<b>Operating expenses:</b>				
Personnel Services	492,741	581,852	(89,111)	-15.3%
Contractual Services	435,532	510,192	(74,660)	-14.6%
Commodities	147,394	139,867	7,527	5.4%
Cost of Goods Sold	23,522	20,229	3,293	16.3%
Depreciation/Amortization	117,010	117,843	(833)	-0.7%
<b>Total operating expenses</b>	<u>1,216,199</u>	<u>1,369,983</u>	<u>(153,784)</u>	
<b>Operating Income (Loss)</b>	<u>(498,665)</u>	<u>(668,318)</u>	<u>169,653</u>	
<b>Nonoperating revenues (expenses):</b>				
Interest Expense	(15,033)	(4,478)	(10,555)	235.7%
Amortization of Cost Issuance		(1,219)	1,219	-100.0%
<b>Total nonoperating revenues (expenses)</b>	<u>(15,033)</u>	<u>(5,697)</u>	<u>(9,336)</u>	
<b>Income (loss) before capital contributions and transfers</b>	<u>(513,698)</u>	<u>(674,015)</u>	<u>160,317</u>	
<b>Changes in net position</b>	<u>(513,698)</u>	<u>(674,015)</u>	<u>160,317</u>	
<b>Total net position, beginning of year</b>	8,562,393	6,359,649	2,202,744	
<b>Total net position, August 31</b>	<u>\$ 8,048,695</u>	<u>\$ 5,685,634</u>	<u>\$ 2,363,061</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE TWO MONTHS ENDED AUGUST 31, 2013**

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
<b>Operating revenues:</b>			
Charges for Services	\$ 4,358,425	\$ 580,218	\$ 954,691
Miscellaneous	36,301		
<b>Total operating revenues</b>	<u>4,394,726</u>	<u>580,218</u>	<u>954,691</u>
<b>Operating expenses:</b>			
Personal Services	1,004,032	200,247	1,479,790
Contractual Services	772,523	724,183	640,524
Commodities	2,330,904	11,412	345,146
Benefits and Claims		2,711,026	
Depreciation	437,228	1,848	7,490
<b>Total operating expenses</b>	<u>4,544,687</u>	<u>3,648,716</u>	<u>2,472,950</u>
<b>Operating income (loss)</b>	<u>(149,961)</u>	<u>(3,068,498)</u>	<u>(1,518,259)</u>
<b>Nonoperating revenues (expenses):</b>			
Property Taxes		8227	
Investment Income	(2,592)	18,921	13,571
<b>Total nonoperating revenues (expenses)</b>	<u>(2,592)</u>	<u>27,148</u>	<u>13,571</u>
<b>Income (loss) before capital contributions and transfers</b>	<u>(152,553)</u>	<u>(3,041,350)</u>	<u>(1,504,688)</u>
<b>Capital Contributions</b>			
<b>Transfers In</b>			
<b>Transfers Out</b>			
<b>Changes in net position</b>	<u>(152,553)</u>	<u>(3,041,350)</u>	<u>(1,504,688)</u>
<b>Total net position, beginning of year</b>	10,361,694	(12,635,103)	(1,974,255)
<b>Total net position, August 31</b>	<u>\$ 10,209,141</u>	<u>\$ (15,676,453)</u>	<u>\$ (3,478,943)</u>

City of Tucson, Arizona  
Variance Explanations  
For August 31, 2013

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

- (1a) Business privilege tax increased more than \$1.6 million dollars due to an improvement in the economy.
- (1b) Due to an accounting system change the Fire Department's group insurance and workman's compensation will be expensed each month over this entire year. In the last fiscal year the department was charged in the beginning of year for the full amount instead of each month.
- (1c) Due to an accounting system change the Police Department's group insurance and workman's compensation will be expensed each month over this entire year. In the last fiscal year the department was charged in the beginning of year for the full amount instead of each month.
- (1d) In this current fiscal year \$2,000,000 was expensed for the new accounting software system that was not spent in the prior fiscal year.
- (1e) The ERRP Federal Stimulus payment for \$947,000 was made in August for this current fiscal year compared to the payment being made in November in the last fiscal year. The July and August payments for Pima County jail charges will be paid in November of this fiscal year, compared to both payments made before September of last fiscal year. This is \$1.2 million decrease from last year.

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

- (2a) Modern Streetcar construction project is completed. \$7,692,955 was spent on that project as of August, 2012.
- (2b) RTA Billings are occurring on a more timely basis. Reversals of accrued revenue amounted to \$4,497,034 in FY13.
- (2c) Timing of first quarter fare collections was impacted due to the implementation of a new fare collection system. After the first quarter, Revenue collections should be back to projected levels during the second quarter of FY14.

**Highway User Revenue Fund (pg. 3):**

- (3a) A HURF deposit was posted in a later period. The correction will be reflected on the next financial statements.

**Water Utility Fund (pg. 5):**

- (4a) Increase in Charges for Services represents increased water rates for Central Arizona Project (CAP) surcharges and Metered Sales.

**Environmental Services Fund (pg. 6):**

- (1) Workman's Compensation insurance was paid in total the first month for fiscal year 2013, compared to this fiscal year it will be charged to the departments on a quarterly basis. In addition, last year the total amount was \$597 thousand compared to \$491 thousand for fiscal year 2014, a decrease of \$106 thousand dollars.