



CITY OF
TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements
For August 31, 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 TWO MONTHS ENDED AUGUST 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 (August, 31): 16.7%					
Revenues:						
Primary Property Taxes	\$ 316,510	\$ 13,599,560	2.3%	\$ 122,013	\$ 194,497	159.4%
Business Privilege Tax	29,886,396	192,114,160	15.6%	31,269,983	(1,383,587)	-4.4%
Other Local Taxes	6,981,564	43,617,780	16.0%	6,937,624	43,940	0.6%
Grants and Shared Taxes	567,406	4,633,260	12.2%	441,164	126,242	28.6%
State-Shared Income Tax Revenue	10,493,876	63,620,670	16.5%	9,671,138	822,738	8.5%
State-Shared Sales Tax	7,560,213	47,151,760	16.0%	7,350,614	209,599	2.9%
State Auto Lieu Tax	2,733,539	20,719,540	13.2%	3,318,150	(584,611)	-17.6%
Licenses and Permits	4,366,426	20,531,520	21.3%	3,431,582	934,844	27.2%
Fines, Forfeitures, and Penalties	2,418,683	14,799,250	16.3%	1,750,304	668,379	38.2%
Use of Money and Property	1,635	525,270	0.3%	325,733	(324,098)	-99.5%
Charges for Current Services	5,224,659	42,006,590	12.4%	5,118,056	106,603	2.1%
Miscellaneous Revenue	322,637	4,613,640	7.0%	260,024	62,613	24.1%
Total Revenues:	70,873,544	467,933,000		69,996,385	877,159	
Other Financing Sources	266,667	1,600,000	16.7%	266,667		
Total Revenues and Other Financing Sources	\$ 71,140,211	\$ 469,533,000		\$ 70,263,052	\$ 877,159	
General Fund Expenditures:						
Elected and Official						
101 Mayor and Council	\$ 363,786	\$ 2,566,510	14.2%	\$ 405,491	\$ (41,705)	-10.3%
103 City Manager	1,177,765	7,800,290	15.1%	1,300,534	(122,769)	-9.4%
131 City Attorney	1,323,828	8,713,380	15.2%	1,350,545	(26,717)	-2.0%
151 City Clerk	351,902	2,971,150	11.8%	450,498	(98,596)	-21.9%
Total Elected and Official	3,217,281	22,051,330		3,507,068	(289,787)	
Public Safety & Justice Services						
141 City Court	1,551,117	11,644,260	13.3%	1,710,257	(159,140)	-9.3%
10E Equal Opportunity & Ind. Police Review				124,760	(124,760)	-100.0%
146 Public Defender	448,427	3,064,940	14.6%	470,200	(21,773)	-4.6%
301 Tucson Fire	12,854,556	89,211,330	14.4%	13,746,934	(892,378)	-6.5%
201 Tucson Police	21,086,810	147,050,540	14.3%	22,528,496	(1,441,686)	-6.4% 1a
Total Public Safety & Justice Services	35,940,910	250,971,070		38,580,647	(2,639,737)	
Community Enrichment & Development						
114 Housing & Community Development	137,836	3,104,840	4.4%	756,463	(618,627)	-81.8%
145 Office of Integrated Planning	235,905	1,632,540	14.5%		235,905	
601 Parks and Recreation	6,441,629	36,054,610	17.9%	6,633,560	(191,931)	-2.9%
174 Planning & Development Services	1,259,801	9,265,070	13.6%	1,075,199	184,602	17.2%
491 Transportation	256,049	2,021,260	12.7%	298,481	(42,432)	-14.2%
Total Community Enrichment & Development	8,331,220	52,078,320		8,763,703	(432,483)	
Support Services						
126 Budget and Internal Audit	190,365	1,462,790	13.0%	244,449	(54,084)	-22.1%
120 Finance	3,189,168	10,181,420	31.3%	3,401,934	(212,766)	-6.3%
410 General Services	1,887,040	11,513,970	16.4%	161,922	1,725,118	1065.4% 1b
161 Human Resources	278,963	2,595,390	10.7%	318,506	(39,543)	-12.4%
155 Information Technology	3,464,059	17,393,070	19.9%	2,963,460	500,599	16.9%
135 Procurement	683,036	3,216,530	21.2%	765,979	(82,943)	-10.8%
Total Support Services	9,692,631	46,363,170		7,856,250	1,836,381	
Total Non-Departmental	1,497,651	22,815,750	6.6%	1,049,668	447,983	42.7%
Capital Projects	59,220	5,898,010	1.0%	83,048	(23,828)	-28.7%
Debt Service and Fiscal Agent Fees	9,720	26,743,650	0.0%	9,900	(180)	-1.8%
Other Financing Uses	8,336,198	50,017,190	16.7%	7,711,628	624,570	8.1%
Total Expenditures & Other Financing Uses	\$ 67,084,831	\$ 476,938,490		\$ 67,561,912	\$ (477,081)	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
MASS TRANSIT FUND
FOR THE TWO MONTHS ENDED AUGUST 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 (August, 31): 16.7%					
Revenues:						
Federal Grants and Contributions	\$ 5,266,814	\$ 26,415,740	19.9%	\$ 2,014,322	\$ 3,252,492	161.5% 2a
Other Agencies	1,770,969	12,786,510	13.9%	2,082,626	(311,657)	-15.0%
Use of Money and Property	1,033	366,400	0.3%	29,104	(28,071)	-96.5%
Charges for Current Services	1,920,959	15,253,680	12.6%	641,895	1,279,064	199.3% 2b
Miscellaneous Revenue	40,619	328,200	12.4%	22,060	18,559	84.1%
Total Revenues:	<u>9,000,394</u>	<u>55,150,530</u>		<u>4,790,007</u>	<u>4,210,387</u>	
Other Financing Sources	<u>7,379,856</u>	<u>44,279,140</u>	16.7%	<u>7,122,172</u>	<u>408,546</u>	5.7%
Total Revenues and Other Financing Sources	<u>\$ 16,380,250</u>	<u>\$ 99,429,670</u>		<u>\$ 11,912,179</u>	<u>\$ 4,618,933</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 11,913,368	\$ 77,729,890	15.3%	\$ 11,810,583	\$ 352,270	3.0%
Total Community Enrichment & Development	<u>11,913,368</u>	<u>77,729,890</u>		<u>11,810,583</u>	<u>352,270</u>	
Capital Expenditures	<u>8,895,632</u>	<u>21,550,810</u>	41.3%	<u>1,271,614</u>	<u>7,624,018</u>	599.6% 2c
Total Expenditures & Other Financing Uses	<u>\$ 20,809,000</u>	<u>\$ 99,280,700</u>		<u>\$ 13,082,197</u>	<u>\$ 7,976,288</u>	

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK FUND
FOR THE TWO MONTHS ENDED AUGUST 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 (August, 31): 16.7%					
Revenues:						
Other Agencies	\$	2,000,000		\$		
Charges for Current Services	83,114	1,296,390				
Total Revenues:	<u>83,114</u>	<u>3,296,390</u>				
Other Financing Sources	<u>150,862</u>	<u>905,170</u>				
Total Revenues and Other Financing Sources	<u>\$ 233,976</u>	<u>\$ 4,201,560</u>		<u>\$</u>	<u>\$</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 249,485	\$ 4,201,560		\$		
Total Community Enrichment & Development	<u>249,485</u>	<u>4,201,560</u>				
Capital Expenditures		<u>1,511,780</u>				
Total Expenditures & Other Financing Uses	<u>\$ 249,485</u>	<u>\$ 5,713,340</u>		<u>\$</u>	<u>\$</u>	

Sun Link was combined with Mass Transit in FY2014

**CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE TWO MONTHS ENDED AUGUST 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 (August, 31): 16.7%					
Revenues:						
Licenses and Permits	\$ 67,751	\$	0.0%	\$	\$ 67,751	100.0%
Other Agencies	2,986,488	36,556,190	8.2%	5,955,966	(2,969,478)	-49.9% 3a
Use of Money and Property	31,065	570,070	5.4%	557,972	(526,907)	-94.4% 3b
Charges for Current Services	77,627	690,000	11.3%	142,334	(64,707)	-45.5% 3c
Miscellaneous Revenue	550,491	239,800		642,423	(91,932)	-14.3%
Total Revenues	<u>\$ 3,713,422</u>	<u>\$ 38,056,060</u>		<u>\$ 7,298,695</u>	<u>\$ (3,585,273)</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	3,935,983	28,530,830	13.8%	5,283,318	(1,347,335)	-25.5% 3d
Total Community Enrichment and Development	<u>3,935,983</u>	<u>28,530,830</u>		<u>5,283,318</u>	<u>(1,347,335)</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	6,527	228,370	2.9%	552,954	(546,427)	-98.8% 3e
Other Financing Uses		<u>9,837,070</u>	0.0%			0.0%
Total Expenditures & Other Financing Uses	<u>\$ 3,992,800</u>	<u>\$ 39,365,050</u>		<u>\$ 5,836,272</u>	<u>\$ (1,843,472)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
August 31, 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	\$ 55,596,133	\$ 33,840,491	\$ 9,550
Cash and Investments - Restricted	30,254,373		
Cash and Investments with Fiscal Agent - Restricted	2,076,703		
Accounts Receivable, Net	13,520,863	3,886,434	435,022
Due from Other Agencies		5,570	
Interest Receivable	116,367	76,983	
Inventories	4,020,366		146,712
Other Assets	2,167,954		
Total current assets	<u>107,752,759</u>	<u>37,809,478</u>	<u>591,284</u>
Noncurrent assets:			
Long Term Accounts Receivable	239,372		
Other Assets - Restricted	304,544		
Land and Construction in Progress	198,926,029	13,052,165	2,701,865
Other Capital Assets, Net	1,011,218,567	17,454,558	13,370,461
Water Rights	52,126,968		
Total noncurrent assets	<u>1,262,815,480</u>	<u>30,506,723</u>	<u>16,072,326</u>
Total assets	<u>1,370,568,239</u>	<u>68,316,201</u>	<u>16,663,610</u>
Deferred Outflows			
Unamortized Loss on Refunding	12,811,431		
Total deferred outflows	<u>12,811,431</u>		
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Liabilities			
Current liabilities:			
Accounts Payable	2,476,872	144,541	67,550
Accrued Payroll Liabilities			4,430
Interfund Payable			990,570
Due to Other Agencies	1,394,244	3,468	57,826
Accrued Interest Payable			2,595
Refundable Deposits	3,639,536	66,164	
Current Portion of Bonds Payable	31,757,790		
Current Portion of Contracts Payable		124,000	
Current Portion of Compensated Absences	1,630,059	601,042	
Liabilities Payable from Restricted Assets	137,101		
Advances From Customers			79,379
Current Portion of Long Term Liabilities		737,937	
Total current liabilities	<u>\$ 41,035,602</u>	<u>\$ 1,677,152</u>	<u>\$ 1,202,350</u>

**CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
August 31, 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	\$ 523,600,975	\$	\$
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		<u>56,977,918</u>	
Total non-current liabilities	<u>526,589,354</u>	<u>68,736,264</u>	<u>8,322,205</u>
Total liabilities	<u>567,624,956</u>	<u>70,413,416</u>	<u>9,524,555</u>
Deferred Inflows			
Unavailable Revenue	<u>78,426</u>		
Total deferred inflows	<u>78,426</u>		
NET POSITION			
Net Investment in capital assets	750,281,633	19,753,587	15,656,568
Restricted for Capital	393		
Amounts Restricted for:			
Debt Service	2,076,703		
Unrestricted Amounts (deficit)	63,317,559	(38,767,789)	(8,517,513)
Closure/Post Closure Liability		6,870,387	
New Landfill Cell Construction		<u>10,046,600</u>	
Total net position	<u>\$ 815,676,288</u>	<u>\$ (2,097,215)</u>	<u>\$ 7,139,055</u>

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

	Fiscal Year 2015	Fiscal Year 2014	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 26,827,253	\$ 26,306,068	\$ 521,185	2.0%
Total operating revenues	<u>26,827,253</u>	<u>26,306,068</u>	<u>521,185</u>	
Operating expenses:				
Personal Services	5,546,795	5,791,320	(244,525)	-4.2%
Contractual Services	11,425,098	12,049,750	(624,652)	-5.2% 4a
Commodities	1,263,996	1,447,647	(183,651)	-12.7%
Depreciation/Amortization	5,000,000	5,000,646	(646)	0.0%
Total operating expenses	<u>23,235,889</u>	<u>24,289,363</u>	<u>(1,053,474)</u>	
Operating Income (Loss)	<u>3,591,364</u>	<u>2,016,705</u>	<u>1,574,659</u>	
Nonoperating revenues (expenses):				
Investment Income(Loss)	(281,224)	21,044	(302,268)	-1436.4%
Gain (Loss) on Sale of Property/Equipment	62,295		62,295	0.0%
Interest Expense	(3,077,952)	(1,399,556)	(1,678,396)	119.9% 4b
Other Nonoperating Income (Expenses)	(1,830,974)	(3,000)	(1,827,974)	60932.5% 4c
Total nonoperating revenues (expenses)	<u>(5,127,855)</u>	<u>(1,381,512)</u>	<u>(3,746,343)</u>	
Income (loss) before capital contributions and transfers	<u>(1,536,491)</u>	<u>635,193</u>	<u>(2,171,684)</u>	
Capital Contributions	410,803	556,632	(145,829)	-26.2%
Transfers Out	<u>(266,667)</u>		<u>(266,667)</u>	0.0%
Changes in net position	<u>(1,392,355)</u>	<u>1,191,825</u>	<u>(2,584,180)</u>	
Total net position, beginning of year	817,068,643	789,874,656	27,193,987	
Total net position	<u>\$ 815,676,288</u>	<u>\$ 791,066,480</u>	<u>\$ 24,609,808</u>	

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

	Fiscal Year 2015	Fiscal Year 2014	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 8,795,704	\$ 8,817,274	\$ (21,570)	-0.2%
Miscellaneous	185,913	271,098	(85,185)	-31.4%
Total operating revenues	<u>8,981,617</u>	<u>9,088,372</u>	<u>(106,755)</u>	
Operating expenses:				
Personal Services	2,332,908	2,563,827	(230,919)	-9.0%
Contractual Services	2,750,837	2,897,345	(146,508)	-5.1%
Commodities	635,198	636,373	(1,175)	-0.2%
Depreciation/Amortization	754,912	870,498	(115,586)	-13.3%
Total operating expenses	<u>6,473,855</u>	<u>6,968,043</u>	<u>(494,188)</u>	
Operating Income (Loss)	<u>2,507,762</u>	<u>2,120,329</u>	<u>387,433</u>	
Nonoperating revenues (expenses):				
Investment Income(Loss)	(140,145)	3,080	(143,225)	-4650.2%
Gain (Loss) on Sale of Property/Equipment	154,600	7,700	146,900	1907.8%
Other Agencies	5,570	16,215	(10,645)	-65.6%
Total nonoperating revenues (expenses)	<u>20,025</u>	<u>26,995</u>	<u>(6,970)</u>	
Income (loss) before capital contributions and transfers	<u>2,527,787</u>	<u>2,147,324</u>	<u>380,463</u>	
Changes in net position	<u>2,527,787</u>	<u>2,147,324</u>	<u>380,463</u>	
Total net position, beginning of year	(4,625,002)	2,296,870	(6,921,872)	
Total net position	<u><u>\$ (2,097,215)</u></u>	<u><u>\$ 4,444,194</u></u>	<u><u>\$ (6,541,409)</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 TWO MONTHS ENDED AUGUST, 2014

	Randolph	El Rio	Silverbell	Enke	Combined	Aug 31 Total Straight- line Budget	% Budget 17%
COURSE OPERATIONS:							
Operating revenues:							
Green Fees	\$ 152,157	\$ 41,162	\$ 41,429	\$ 36,583	\$ 271,331	\$ 8,130,050	
Cart Rentals	67,580	33,134	25,905	28,361	154,980		
Driving Range	38,556	1,092	12,288	19,125	71,061		
Clubhouse	65,628	16,592	17,207	14,563	113,990		
Other Revenue	22,020	6,971	6,948	10,676	46,615		
Total Operating Revenues	<u>345,941</u>	<u>98,951</u>	<u>103,777</u>	<u>109,308</u>	<u>657,977</u>	<u>8,130,050</u>	<u>8.1%</u>
Operating expenses:							
Personnel Services	1,437	718	718	718	3,591		
Contractual Services	515,347	212,744	159,591	204,165	1,091,847	6,048,720	18.1%
Commodities	55,775	20,172	24,961	23,816	124,724	1,238,130	10.1%
Cost of Goods Sold	25,913	2,814	7,561	5,510	41,798	709,240	5.9%
Depreciation/Amortization	37,788	21,642	37,087	16,689	113,206		
Total Operating Expenses	<u>636,260</u>	<u>258,090</u>	<u>229,918</u>	<u>250,898</u>	<u>1,375,166</u>	<u>7,996,090</u>	<u>17%</u>
Operating Income (Loss)	<u>(290,319)</u>	<u>(159,139)</u>	<u>(126,141)</u>	<u>(141,590)</u>	<u>(717,189)</u>	<u>133,960</u>	
Nonoperating revenues (expenses):							
Interest Expense	(825)	(412)	(412)	(412)	(2,061)		
Other	1,866				1,866		
Total nonoperating revenues (expenses)	<u>1,041</u>	<u>(412)</u>	<u>(412)</u>	<u>(412)</u>	<u>(195)</u>		
Income (Loss) before capital contributions and transfers	<u>(289,278)</u>	<u>(159,551)</u>	<u>(126,553)</u>	<u>(142,002)</u>	<u>(717,384)</u>	<u>133,960</u>	
Changes in net position	<u>(289,278)</u>	<u>(159,551)</u>	<u>(126,553)</u>	<u>(142,002)</u>	<u>(717,384)</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>\$ 2,107,517</u>	<u>\$ 1,939,721</u>	<u>\$ 1,439,000</u>	<u>\$ 1,652,817</u>	<u>\$ 7,139,055</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 TWO MONTHS ENDED AUGUST 31, 2014

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 3,802,150	\$ 3,296,670	\$ 3,390,215
Miscellaneous	84,350	444	4,562
Total operating revenues	<u>3,886,500</u>	<u>3,297,114</u>	<u>3,394,777</u>
Operating expenses:			
Personal Services	891,861	156,312	1,311,252
Contractual Services	677,036	889,083	843,729
Commodities	2,204,375	39,091	300,847
Benefits and Claims		880,361	
Depreciation	285,445	2,244	12,511
Total operating expenses	<u>4,058,717</u>	<u>1,967,091</u>	<u>2,468,339</u>
Operating income (loss)	<u>(172,217)</u>	<u>1,330,023</u>	<u>926,438</u>
Nonoperating revenues (expenses):			
Property Taxes		34,106	
Investment Income	(1,243)	(15,482)	(9,441)
Total nonoperating revenues (expenses)	<u>(1,243)</u>	<u>18,624</u>	<u>(9,441)</u>
Income (loss) before capital contributions and transfers	<u>(173,460)</u>	<u>1,348,647</u>	<u>916,997</u>
Changes in net position	<u>(173,460)</u>	<u>1,348,647</u>	<u>916,997</u>
Total net position, beginning of year	8,632,069	(2,386,650)	(12,951,155)
Total net position	<u>\$ 8,458,609</u>	<u>\$ (1,038,003)</u>	<u>\$ (12,034,158)</u>

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

General Fund (pg. 2):

- (1a) Decrease of Tucson Police expenditures, primarily due to an increase of vacancies.
- (1b) Last fiscal year, all general funded building maintenance and custodial service costs were moved to General Services instead of the individual departments. There were no charges for maintenance in July and August as there were last year.

Mass Transit (pg. 3):

- (2a) Increase is due to federal grant funding spent for replacement buses.
- (2b) FY14 first quarter fare collections were impacted due to implementation of a new fare collection system.
- (2c) FY15 includes 2 months of catch-up RTA billings.

Highway User Revenue Fund (pg. 4):

- (3a) The Other Agencies had a decrease from prior year and it is related to the timing of an accrual reversal. The FY13 accrual totaling \$3,175,040 was eventually reversed in period 3.
- (3b) The Use of Money and Property decreased from the prior year. This is due to the Letter of Understanding (LOU) adjusting the start date for rental payments with Western Emulsion Inc to be paid in three consecutive equal monthly payments of \$249,565.
- (3c) The Charges for Current Services decreased from the prior year. In FY14 receipt of approximately \$48,000 related to annual barricade utility payments were received.
- (3d) Transportation's expenditures decreased from the prior year. Approximately \$1,227,867 are related to repair and maintenance of streets (residential repair program).
- (3e) Capital projects expenditures decreased from the prior year. Approximately \$363,749 are related to Houghton/Irvington to Valencia project (SR1E).

Water Utility Fund (pg. 7):

- (4a) In FY14 there was a catch up CAP Water Service Charge processed.
- (4b) In FY14 interest expense of \$1.5M was caught up in period 3.
- (4c) In FY15 there are \$2.1M in CIP write offs.