



CITY OF TUCSON

ACCOUNTING
DIVISION

Monthly Financial Statements For August 31, 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 TWO MONTHS ENDED AUGUST 31, 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	16.7%			
Revenues:						
Primary Property Taxes	\$ 209,419	\$ 14,350,250	1.5%	\$ 316,510	\$ (107,091)	-33.8%
Business Privilege Tax	28,693,070	197,118,630	14.6%	29,886,396	(1,193,326)	-4.0%
Other Local Taxes	7,189,567	40,308,200	17.8%	6,879,079	310,488	4.5%
Grants and Shared Taxes	980,214	6,075,650	16.1%	567,406	412,808	72.8%
State-Shared Income Tax Revenue	10,436,983	63,205,510	16.5%	10,493,876	(56,893)	-0.5%
State-Shared Sales Tax	8,056,840	48,935,140	16.5%	7,560,213	496,627	6.6%
State Auto Lieu Tax	4,711,264	21,968,250	21.4%	3,659,292	1,051,972	28.7% 1a
Licenses and Permits	5,138,616	27,199,160	18.9%	5,254,135	(115,519)	-2.2%
Fines, Forfeitures, and Penalties	2,089,077	14,331,870	14.6%	2,418,683	(329,606)	-13.6%
Use of Money and Property	102,752	648,930	15.8%	1,635	101,117	6184.5%
Charges for Current Services	6,753,962	39,053,170	17.3%	6,090,492	663,470	10.9%
Miscellaneous Revenue	126,876	10,382,120	1.2%	322,637	(195,761)	-60.7%
Total Revenues:	<u>74,488,640</u>	<u>483,576,880</u>		<u>73,450,354</u>	<u>1,038,286</u>	
Other Financing Sources	<u>266,667</u>	<u>1,600,000</u>	16.7%	<u>266,667</u>		
Total Revenues and Other Financing Sources	<u>\$ 74,755,307</u>	<u>\$ 485,176,880</u>		<u>\$ 73,717,021</u>	<u>\$ 1,038,286</u>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 376,546	\$ 2,559,710	14.7%	\$ 363,786	\$ 12,760	3.5%
City Manager	848,822	5,426,800	15.6%	1,177,765	(328,943)	-27.9%
City Attorney	1,161,551	8,191,610	14.2%	1,323,828	(162,277)	-12.3%
City Clerk	502,781	4,300,410	11.7%	351,902	150,879	42.9%
Total Elected and Official	<u>2,889,700</u>	<u>20,478,530</u>		<u>3,217,281</u>	<u>(327,581)</u>	
Public Safety & Justice Services						
City Court	1,602,620	11,878,640	13.5%	1,551,117	51,503	3.3%
Public Defender	429,010	3,191,360	13.4%	448,427	(19,417)	-4.3%
Tucson Fire	14,579,386	93,856,190	15.5%	12,854,556	1,724,830	13.4% 1b
Tucson Police	25,540,989	157,107,060	16.3%	21,086,810	4,454,179	21.1% 1c
Total Public Safety & Justice Services	<u>42,152,005</u>	<u>266,033,250</u>		<u>35,940,910</u>	<u>6,211,095</u>	
Community Enrichment & Development						
Housing & Community Development	140,999	3,042,460	4.6%	137,836	3,163	2.3%
Office of Integrated Planning	235,177	1,902,190	12.4%	235,905	(728)	-0.3%
Parks and Recreation	6,159,860	36,454,370	16.9%	6,441,629	(281,769)	-4.4%
Planning & Development Services	1,259,638	8,953,620	14.1%	1,259,801	(163)	0.0%
Transportation	197,310	2,916,810	6.8%	256,049	(58,739)	-22.9%
Total Community Enrichment & Development	<u>7,992,984</u>	<u>53,269,450</u>		<u>8,331,220</u>	<u>(338,236)</u>	
Support Services						
Budget and Internal Audit	186,735	1,482,770	12.6%	190,365	(3,630)	-1.9%
Finance	3,204,533	10,492,840	30.5%	3,189,168	15,365	0.5%
General Services	1,923,956	10,678,790	18.0%	1,887,040	36,916	2.0%
Human Resources	330,835	2,614,020	12.7%	278,963	51,872	18.6%
Information Technology	3,188,250	17,992,270	17.7%	3,464,059	(275,809)	-8.0%
Procurement	569,667	3,156,990	18.0%	683,036	(113,369)	-16.6%
Total Support Services	<u>9,403,976</u>	<u>46,417,680</u>		<u>9,692,631</u>	<u>(288,655)</u>	
Total Non-Departmental	<u>1,702,058</u>	<u>27,477,840</u>	6.2%	<u>1,497,651</u>	<u>204,407</u>	13.6%
Capital Outlay	<u>61,377</u>	<u>2,972,540</u>	2.1%	<u>37,394</u>	<u>23,983</u>	64.1%
Capital Projects	<u>37,165</u>	<u>1,031,800</u>	3.6%	<u>21,826</u>	<u>15,339</u>	70.3%
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>8,761,900</u>	<u>52,571,400</u>	16.7%	<u>8,336,198</u>	<u>425,702</u>	5.1%
Total Expenditures & Other Financing Uses	<u>\$ 73,040,304</u>	<u>\$ 494,136,490</u>		<u>\$ 67,084,831</u>	<u>\$ 5,955,473</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 TWO MONTHS ENDED AUGUST 31, 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	16.7%			
Revenues:						
Federal Grants and Contributions	\$ 6,951,106	\$ 28,303,470	24.6%	\$ 5,266,814	\$ 1,684,292	32.0% 2a
Other Agencies	31,360	13,829,020	0.2%	1,770,969	(1,739,609)	-98.2%
Use of Money and Property	1,033	360,000	0.3%	1,033		
Charges for Current Services	1,530,639	13,156,630	11.6%	1,920,959	(390,320)	-20.3% 2b
Miscellaneous Revenue	73,746	100,370	73.5%	40,619	33,127	81.6%
Total Revenues:	<u>8,587,884</u>	<u>55,749,490</u>		<u>9,000,394</u>	<u>(412,510)</u>	
Other Financing Sources	<u>7,580,512</u>	<u>45,483,070</u>	16.7%	<u>7,379,856</u>	<u>200,656</u>	2.7%
Total Revenues and Other Financing Sources	<u>\$ 16,168,396</u>	<u>\$ 101,232,560</u>		<u>\$ 16,380,250</u>	<u>\$ (211,854)</u>	
Mass Transit Expenditures:						
Community Enrichment & Development						
Transportation	\$ 10,664,168	\$ 45,483,070	23.4%	\$ 11,913,368	\$ (1,249,200)	-10.5%
Total Community Enrichment & Development	<u>10,664,168</u>	<u>45,483,070</u>		<u>11,913,368</u>	<u>(1,249,200)</u>	
Capital Outlay	<u>7,676,198</u>	<u>23,622,100</u>	32.5%	<u>8,895,632</u>	<u>(1,219,434)</u>	-13.7% 2a
Total Expenditures & Other Financing Uses	<u>\$ 18,340,366</u>	<u>\$ 69,105,170</u>		<u>\$ 20,809,000</u>	<u>\$ (2,468,634)</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
SUN LINK
FOR THE TWO MONTHS ENDED AUGUST 31, 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	16.7%			
Revenues:						
Other Agencies	\$	\$ 2,000,000		\$	\$	
Use of Money and Property						
Charges for Current Services	96,257	1,396,280	6.9%	83,114	13,143	15.8%
Miscellaneous Revenue	568				568	
Total Revenues:	<u>96,825</u>	<u>3,396,280</u>		<u>83,114</u>	<u>13,711</u>	
Other Financing Sources	<u>385,295</u>	<u>2,311,770</u>	16.7%	<u>150,862</u>	<u>234,433</u>	155.4%
Total Revenues and Other Financing Sources	<u>\$ 482,120</u>	<u>\$ 5,708,050</u>		<u>\$ 233,976</u>	<u>\$ 248,144</u>	
Sun Link Expenditures:						
Community Enrichment & Development						
Transportation	\$ 534,698	\$ 4,220,800	12.7%	\$ 249,485	\$ 285,213	114.3%
Total Community Enrichment & Development	<u>534,698</u>	<u>4,220,800</u>		<u>249,485</u>	<u>285,213</u>	
Debt Service and Fiscal Agent Fees	<u></u>	<u>1,512,430</u>		<u></u>	<u></u>	
Total Expenditures & Other Financing Uses	<u>\$ 534,698</u>	<u>\$ 5,733,230</u>		<u>\$ 249,485</u>	<u>\$ 285,213</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF REVENUES AND EXPENDITURES
HIGHWAY USER REVENUE FUND (HURF)
FOR THE TWO MONTHS ENDED AUGUST 31, 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	16.7%			
Revenues:						
Licenses and Permits	\$ 23,302	\$ 403,000	5.8%	\$ 67,751	\$ (44,449)	-65.6%
Other Agencies	6,526,310	36,492,310	17.9%	6,177,543	348,767	5.6%
Use of Money and Property	81,755	635,840	12.9%	31,065	50,690	163.2%
Charges for Current Services	43,300	140,000	30.9%	77,627	(34,327)	-44.2%
Miscellaneous Revenue	46,782	500,000	9.4%	550,491	(503,709)	-91.5%
Total Revenues	<u>\$ 6,721,449</u>	<u>\$ 38,171,150</u>		<u>\$ 6,904,477</u>	<u>\$ (183,028)</u>	
HURF Expenditures:						
Community Enrichment and Development						
Transportation	3,959,139	31,947,360	12.4%	3,935,983	23,156	0.6%
Total Community Enrichment and Development	<u>3,959,139</u>	<u>31,947,360</u>		<u>3,935,983</u>	<u>23,156</u>	
Non-Departmental						
Outside Agencies		100,580	0.0%	50,290	(50,290)	-100.0%
Total Non-Departmental		<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	84,001	1,998,620	4.2%	6,527	77,474	1187.0%
Other Financing Uses		(9,821,590)	0.0%			0.0%
Total Expenditures & Other Financing Uses	<u>\$ 4,046,280</u>	<u>\$ 25,260,620</u>		<u>\$ 3,992,800</u>	<u>\$ 53,480</u>	

CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
AUGUST 31, 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	\$ 57,058,438	\$ 31,460,842	\$ 9,550
Cash and Investments - Restricted	29,276,859		
Cash and Investments with Fiscal Agent - Restricted	8,149,071		
Accounts Receivable, Net	26,837,120	3,911,686	409,467
Due from Other Agencies		2,975	
Interest Receivable	136,440	83,440	
Inventories	4,463,855		275,230
Other Assets	2,502,585		
Total current assets	<u>128,424,368</u>	<u>35,458,943</u>	<u>694,247</u>
Noncurrent assets:			
Long Term Accounts Receivable	208,172		
Other Assets - Restricted	344,267		29,855
Land and Construction in Progress	169,460,843	21,291,114	2,701,865
Other Capital Assets, Net	1,050,383,417	19,351,318	12,640,437
Water Rights	52,126,968		
Total noncurrent assets	<u>1,272,523,667</u>	<u>40,642,432</u>	<u>15,372,157</u>
Total assets	<u>1,400,948,035</u>	<u>76,101,375</u>	<u>16,066,404</u>
<u>DEFERRED OUTFLOWS</u>			
Loss on Refunding of Debt	16,809,934		
Total deferred outflows	<u>16,809,934</u>		
<u>LIABILITIES</u>			
Current liabilities:			
Accounts Payable	1,956,805	158,347	69,463
Accrued Payroll Liabilities		6,084	41,711
Interfund Payable			799,051
Due to Other Agencies		2,172	34,895
Accrued Interest Payable			1,508
Refundable Deposits	2,378,623	76,456	1,892
Current Portion of Bonds Payable	3,216,037		
Current Portion of Contracts Payable		268,000	
Current Portion of Compensated Absences	1,760,284	601,042	
Liabilities Payable from Restricted Assets	209,001		
Advances From Customers			73,104
Current Portion of Long Term Liabilities		737,937	
Total current liabilities	<u>9,520,750</u>	<u>1,850,038</u>	<u>1,021,624</u>

**CITY OF TUCSON, ARIZONA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
AUGUST 31, 2015**

LIABILITIES (continued)

Noncurrent liabilities:			
Bonds Payable	552,871,993		
Contracts Payable		10,361,136	341,899
Compensated Absences	1,734,448	651,474	
Other Postemployment Benefits	1,183,620	477,736	
Loans and Notes Payable		56,977,918	8,554,615
Total noncurrent liabilities	<u>555,790,061</u>	<u>68,468,264</u>	<u>8,896,514</u>
Total liabilities	<u>565,310,811</u>	<u>70,318,302</u>	<u>9,918,138</u>
<u>DEFERRED INFLOWS</u>			
Deferred Revenue	<u>11,693,163</u>		
Total deferred inflows	<u>11,693,163</u>		
<u>NET POSITION</u>			
Net Investment in capital assets	762,081,242	30,013,295	15,000,403
Amounts Restricted for:			
Debt Service	8,149,071		
Unrestricted Amounts (deficit)	70,523,682	(43,271,069)	(8,852,137)
Closure/Post Closure Liability		7,894,247	
New Landfill Cell Construction		11,146,600	
Total net position	<u>\$ 840,753,995</u>	<u>\$ 5,783,073</u>	<u>\$ 6,148,266</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 TWO MONTHS ENDED AUGUST 31, 2015

	Fiscal Year 2016	Fiscal Year 2015	\$ Change	% Change
	Actual	Actual	CFY vs PFY	CFY vs PFY
Operating revenues:				
Charges for Services	\$ 27,716,912	\$ 26,827,253	\$ 889,659	3.3%
Total operating revenues	<u>27,716,912</u>	<u>26,827,253</u>	<u>889,659</u>	
Operating expenses:				
Salaries, Wages and Benefits	5,227,547	5,546,795	(319,248)	-5.8%
Contractual Services	10,428,387	11,425,098	(996,711)	-8.7%
Commodities	1,206,750	1,263,996	(57,246)	-4.5%
Depreciation/Amortization	5,866,000	5,000,000	866,000	17.3%
Total operating expenses	<u>22,728,684</u>	<u>23,235,889</u>	<u>(507,205)</u>	
Operating Income (Loss)	<u>4,988,228</u>	<u>3,591,364</u>	<u>1,396,864</u>	
Nonoperating revenues (expenses):				
Investment Income	23,310	(281,224)	304,534	-108.3%
Gain (Loss) on Sale of Property/Equipment	35,447	62,295	(26,848)	-43.1%
Interest Expense	(2,850,906)	(3,077,952)	227,046	-7.4%
Other Nonoperating Income (Expenses)	(521,485)	(1,830,974)	1,309,489	-71.5%
Total nonoperating revenues (expenses)	<u>(3,313,634)</u>	<u>(5,127,855)</u>	<u>1,814,221</u>	
Income (loss) before capital contributions and transfers	<u>1,674,594</u>	<u>(1,536,491)</u>	<u>3,211,085</u>	
Capital Contributions	526,044	410,803	115,241	28.1%
Transfers Out	<u>(266,667)</u>	<u>(266,667)</u>		0.0%
Changes in net position	<u>1,933,971</u>	<u>(1,392,355)</u>	<u>3,326,326</u>	
Total net position, beginning of year	838,820,024	817,068,643	21,751,381	
Total net position, August 31, 2015	<u>\$ 840,753,995</u>	<u>\$ 815,676,288</u>	<u>\$ 25,077,707</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 TWO MONTHS ENDED AUGUST 31, 2015

	Fiscal Year 2016	Fiscal Year 2015	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
Operating revenues:				
Charges for Services	\$ 8,613,933	\$ 8,795,704	\$ (181,771)	-2.1%
Miscellaneous	111,867	185,913	(74,046)	-39.8%
Total operating revenues	<u>8,725,800</u>	<u>8,981,617</u>	<u>(255,817)</u>	
Operating expenses:				
Salaries, Wages and Benefits	2,172,203	2,332,908	(160,705)	-6.9%
Contractual Services	2,792,475	2,750,837	41,638	1.5%
Commodities	416,912	635,198	(218,286)	-34.4%
Depreciation/Amortization	694,396	754,912	(60,516)	-8.0%
Total operating expenses	<u>6,075,986</u>	<u>6,473,855</u>	<u>(397,869)</u>	
Operating Income (Loss)	<u>2,649,814</u>	<u>2,507,762</u>	<u>142,052</u>	
Nonoperating revenues (expenses):				
Investment Income	12,337	(140,145)	152,482	-108.8%
Gain (Loss) on Sale of Property/Equipment	(80,928)	154,600	(235,528)	-152.3%
Other Agencies	2,975	5,570	(2,595)	-46.6%
Income (loss) before capital contributions and transfers	<u>2,584,198</u>	<u>2,527,787</u>	<u>56,411</u>	
Changes in net position	<u>2,584,198</u>	<u>2,527,787</u>	<u>56,411</u>	
Total net position, beginning of year	3,198,875	(4,625,002)	7,823,877	
Total net position, August 31, 2015	<u>\$ 5,783,073</u>	<u>\$ (2,097,215)</u>	<u>\$ 7,880,288</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 TWO MONTHS ENDED AUGUST 31, 2015

	<u>Randolph</u>	<u>El Rio</u>	<u>Silverbell</u>	<u>Enke</u>	<u>Combined</u>	<u>Total Straight- line Budget</u>	<u>% Budget 17%</u>
<u>COURSE OPERATIONS:</u>							
Operating revenues:							
Green Fees	\$ 126,702	\$ 33,284	\$ 43,913	\$ 28,863	\$ 232,762	\$ 7,688,730	
Cart Rentals	135,979	45,050	31,176	40,627	252,832		
Driving Range	47,876	1,055	11,161	20,251	80,343		
Clubhouse	53,240	27,689	23,360	21,207	125,496		
Other Revenue	98,151	15,501	8,111	11,803	133,566	10,130	
Total Operating Revenues	<u>461,948</u>	<u>122,579</u>	<u>117,721</u>	<u>122,751</u>	<u>824,999</u>	<u>7,698,860</u>	<u>10.7%</u>
Operating expenses:							
Salaries, Wages and Benefits	2,703	1,577	1,577	1,577	7,434	45,840	
Contractual Services	477,609	235,940	168,500	228,435	1,110,484	5,537,470	
Commodities	81,703	18,412	26,276	26,850	153,241	1,297,850	
Cost of Goods Sold	(29,676)	12,247	15,512	12,199	10,282	646,280	
Depreciation/Amortization	40,682	22,134	38,418	19,228	120,462		
Total Operating Expenses	<u>573,021</u>	<u>290,310</u>	<u>250,283</u>	<u>288,289</u>	<u>1,401,903</u>	<u>7,527,440</u>	<u>19%</u>
Operating Income (Loss)	<u>(111,073)</u>	<u>(167,731)</u>	<u>(132,562)</u>	<u>(165,538)</u>	<u>(576,904)</u>	<u>171,420</u>	
Nonoperating revenues (expenses):							
Interest Expense	(1,284)	(643)	(643)	(643)	(3,213)	7,970	
Other					-	94,250	
Total nonoperating revenues (expenses)	<u>(1,284)</u>	<u>(643)</u>	<u>(643)</u>	<u>(643)</u>	<u>(3,213)</u>	<u>102,220</u>	
Income (Loss) before capital contributions and transfers	<u>(112,357)</u>	<u>(168,374)</u>	<u>(133,205)</u>	<u>(166,181)</u>	<u>(580,117)</u>	<u>273,640</u>	
Changes in net position	<u>(112,357)</u>	<u>(168,374)</u>	<u>(133,205)</u>	<u>(166,181)</u>	<u>(580,117)</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>\$ 1,906,158</u>	<u>\$ 1,648,289</u>	<u>\$ 1,212,472</u>	<u>\$ 1,381,347</u>	<u>\$ 6,148,266</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 TWO MONTHS ENDED AUGUST, 31, 2015

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
Operating revenues:			
Charges for Services	\$ 3,614,407	\$ 2,628,098	\$ 3,068,749
Miscellaneous	<u>37,054</u>	<u>8,726</u>	<u>1,426</u>
Total operating revenues	<u>3,651,461</u>	<u>2,636,824</u>	<u>3,070,175</u>
Operating expenses:			
Salaries, Wages and Benefits	850,765	179,735	1,315,466
Contractual Services	894,447	862,810	740,340
Commodities	1,732,309	19,330	289,000
Benefits and Claims		938,847	
Depreciation	<u>281,065</u>	<u>2,520</u>	<u>10,615</u>
Total operating expenses	<u>3,758,586</u>	<u>2,003,242</u>	<u>2,355,421</u>
Operating income (loss)	<u>(107,125)</u>	<u>633,582</u>	<u>714,754</u>
Nonoperating revenues (expenses):			
Investment Income	(2,524)	(1,634)	4,025
Property Taxes		21,144	
Gain (loss) on Sale of Property/Equipment	<u>26,241</u>		
Total nonoperating revenues (expenses)	<u>23,717</u>	<u>19,510</u>	<u>4,025</u>
Income (loss) before capital contributions and transfers	<u>(83,408)</u>	<u>653,092</u>	<u>718,779</u>
Changes in net position	<u>(83,408)</u>	<u>653,092</u>	<u>718,779</u>
Total net position, beginning of year	7,731,660	830,874	(10,715,962)
Total net position	<u>\$ 7,648,252</u>	<u>\$ 1,483,966</u>	<u>\$ (9,997,183)</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
Variance Explanations
For August, 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.