

City of Tucson, Arizona  
Monthly Financial Statement  
For December 31, 2011

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 and SunVan. 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 a specified purpose.

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 Course 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 837-4330.

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**GENERAL FUND**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

	Fiscal Year 2012			Fiscal Year 2011		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
General Fund Revenues and Other Financing Sources:	Straight-line Budget (Dec 31): 50%					
Revenues:						
Primary Property Taxes	\$ 7,335,628	\$ 12,215,330	60.1%	\$ 6,184,722	\$ 1,150,906	18.6% <b>1a</b>
Business Privilege Tax	71,464,231	169,320,000	42.2%	71,575,927	(111,696)	-0.2%
Other Local Taxes	17,728,991	41,981,500	42.2%	19,888,356	(2,159,365)	-10.9% <b>1b</b>
Grants and Shared Taxes	1,425,366	4,762,260	29.9%	1,638,704	(213,338)	-13.0%
State-Shared Income Tax Revenue	14,633,329	43,899,990	33.3%	17,187,990	(2,554,661)	-14.9% <b>1c</b>
State-Shared Sales Tax	12,807,128	38,800,000	33.0%	12,549,898	257,230	2.0%
State Auto Lieu Tax	6,181,223	19,400,000	31.9%	6,599,065	(417,842)	-6.3%
Licenses and Permits	6,692,324	22,770,130	29.4%	6,780,574	(88,250)	-1.3%
Fines, Forfeitures, and Penalties	5,557,743	14,363,490	38.7%	6,525,656	(967,913)	-14.8%
Use of Money and Property	424,199	876,330	48.4%	790,071	(365,872)	-46.3%
Charges for Current Services	16,240,752	41,180,040	39.4%	16,955,415	(714,663)	-4.2%
Miscellaneous Revenue	437,270	814,510	53.7%	487,405	(50,135)	-10.3%
<b>Total General City Revenues:</b>	<b>160,928,184</b>	<b>410,383,580</b>		<b>167,163,783</b>	<b>(6,235,599)</b>	
Other Financing Sources	800,000	11,062,000	7.23%	2,018,634	(1,218,634)	-60.4%
<b>Total Revenue and Other Financing Sources</b>	<b>\$ 161,728,184</b>	<b>\$ 421,445,580</b>		<b>\$ 169,182,417</b>	<b>\$ (7,454,233)</b>	
General Fund Expenditures:						
Elected and Official						
Mayor and Council	\$ 1,337,989	\$ 2,663,570	50.2%	\$ 1,409,194	\$ (71,205)	-5.1%
City Manager	3,083,745	6,762,520	45.6%	3,015,693	68,052	2.3%
City Clerk	2,517,279	4,230,110	59.5%	1,378,016	1,139,263	82.7% <b>1d</b>
City Attorney	3,771,390	7,980,950	47.3%	4,086,204	(314,814)	-7.7%
<b>Total Elected and Official</b>	<b>10,710,403</b>	<b>21,637,150</b>		<b>9,889,107</b>	<b>821,296</b>	
Neighborhood Services						
City Courts	4,847,214	11,425,890	42.4%	5,190,269	(343,055)	-6.6%
Housing & Community Development	2,805,188	6,403,960	43.8%	2,246,445	558,743	24.9%
Fire	37,980,644	77,655,540	48.9%	36,699,107	1,281,537	3.5% <b>1e</b>
Parks and Recreation	18,653,448	38,680,070	48.2%	19,598,217	(944,769)	-4.8%
Police	65,301,141	134,110,300	48.7%	66,252,179	(951,038)	-1.4%
Equal Opportunity	402,954	823,250	48.9%	416,100	(13,146)	-3.2%
City Public Defender	1,275,402	2,797,640	45.6%	1,375,681	(100,279)	-7.3%
<b>Total Neighborhood Services</b>	<b>131,265,991</b>	<b>271,896,650</b>		<b>131,777,998</b>	<b>(512,007)</b>	
Environment and Development						
Development Services	3,387,949	7,578,500	44.7%	3,883,082	(495,133)	-12.8%
Transportation	590,486	1,174,780	50.3%	631,551	(41,065)	-6.5%
<b>Total Environment and Development</b>	<b>3,978,435</b>	<b>8,753,280</b>		<b>4,514,633</b>	<b>(536,198)</b>	
Support Services						
Budget and Internal Audit	652,353	1,416,390	46.1%	683,251	(30,898)	-4.5%
Finance	3,574,379	7,778,620	46.0%	3,452,224	122,155	3.5%
General Services	1,174,495	2,707,660	43.4%	3,845,462	(2,670,967)	-69.5% <b>1e</b>
Human Resources	843,337	1,766,520	47.7%	855,063	(11,726)	-1.4%
Information Technology	7,598,955	15,711,180	48.4%	8,260,524	(661,569)	-8.0%
Procurement	1,633,023	3,278,660	49.8%	2,055,406	(422,383)	-20.5%
<b>Total Support Services</b>	<b>15,476,542</b>	<b>32,659,030</b>		<b>19,151,930</b>	<b>(3,675,388)</b>	
<b>Total Non-Departmental</b>	<b>6,355,900</b>	<b>21,885,890</b>	29.0%	<b>6,736,369</b>	<b>(380,469)</b>	-5.6%
<b>Capital Projects</b>	<b>104,509</b>	<b>2,033,200</b>	5.1%	<b>474,275</b>	<b>(369,766)</b>	-78.0%
<b>Debt Service and Fiscal Agent Fees</b>	<b>1,534,139</b>	<b>21,825,920</b>	7.0%	<b>2,572,650</b>	<b>(1,038,511)</b>	-40.4% <b>1f</b>
<b>Other Financing Uses</b>	<b>23,169,070</b>	<b>45,538,140</b>	50.9%	<b>20,633,108</b>	<b>2,535,962</b>	12.3% <b>1g</b>
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$ 192,594,989</b>	<b>\$ 426,229,260</b>		<b>\$ 195,750,070</b>	<b>\$ (3,155,081)</b>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**MASS TRANSIT FUND**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

	Fiscal Year 2012			Fiscal Year 2011		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
Mass Transit Revenues and Other Financing Sources:	Straight-line Budget (Dec 31): 50%					
Revenues:						
Federal Grants and Contributions	\$ 13,928,104	\$ 80,455,000	17.3%	\$ 6,026,656	\$ 7,901,448	131.1%
Other Agencies	634,138	10,106,500	6.3%	4,191,991	(3,557,853)	-84.9%
Use of Money and Property	3,062	160,000	1.9%	79,067	(76,005)	-96.1%
Charges for Current Services	7,302,502	13,059,870	55.9%	5,448,817	1,853,685	34.0%
Miscellaneous Revenue	195,660	1,061,800	18.4%	385,802	(190,142)	-49.3%
<b>Total Revenues:</b>	<u>22,063,466</u>	<u>104,843,170</u>		<u>16,132,333</u>	<u>5,931,133</u>	
Other Financing Sources	19,747,850	39,495,700	50.0%	20,922,000	(1,174,150)	-5.6%
<b>Total Revenue and Other Financing Sources</b>	<u>\$ 41,811,316</u>	<u>\$ 144,338,870</u>		<u>\$ 37,054,333</u>	<u>\$ 4,756,983</u>	
Mass Transit Expenditures:						
Environment and Development						
Transportation	\$ 34,372,116	\$ 70,082,170	49.0%	\$ 32,523,315	\$ 1,848,801	5.7%
<b>Total Environment and Development</b>	<u>34,372,116</u>	<u>70,082,170</u>		<u>32,523,315</u>	<u>1,848,801</u>	
<b>Capital Expenditures</b>	<u>10,846,929</u>	<u>74,256,700</u>	14.6%	<u>2,253,025</u>	<u>8,593,904</u>	381.4%
<b>Total Expenditures &amp; Other Financing Uses</b>	<u>\$ 45,219,045</u>	<u>\$ 144,338,870</u>		<u>\$ 34,776,340</u>	<u>\$ 10,442,705</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**HIGHWAY USER REVENUE FUND (HURF)**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

	Fiscal Year 2012			Fiscal Year 2011		
	Actual	Total FY Budget	% Budget	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
HURF Revenues and Other Financing Sources:	Straight-line Budget (Dec 31): 50.0%					
Revenues:						
Licenses and Permits	\$ 60,446	\$	N/A	\$ 119,450	\$ (59,004)	-49.4%
Other Agencies	11,544,805	30,625,850	37.7%	10,855,251	689,554	6.4%
Use of Money and Property	113,877	291,280	39.1%	166,791	(52,914)	-31.7%
Charges for Current Services	381,074	478,000	79.7%	122,155	258,919	212.0%
Miscellaneous Revenue	182,813	2,000,000	9.1%	483,802	(300,989)	-62.2%
<b>Total Revenues:</b>	<u>\$ 12,283,015</u>	<u>\$ 33,395,130</u>		<u>\$ 11,747,449</u>	<u>\$ 535,566</u>	
HURF Expenditures:						
Neighborhood Services						
Housing & Community Development	101,079		N/A	149,010	(47,931)	-32.2%
<b>Total Neighborhood Services</b>	<u>101,079</u>			<u>149,010</u>	<u>(47,931)</u>	
Environment and Development						
Transportation	13,647,104	28,359,520	48.1%	12,952,040	695,064	5.4%
<b>Total Environment and Development</b>	<u>13,647,104</u>	<u>28,359,520</u>		<u>12,952,040</u>	<u>695,064</u>	
Non-Departmental						
Outside Agencies	25,145	100,580	25.0%	50,290	(25,145)	-50.0%
<b>Total Non-Departmental</b>	<u>25,145</u>	<u>100,580</u>		<u>50,290</u>	<u>(25,145)</u>	
<b>Capital Projects</b>	<u>259,100</u>	<u>3,898,480</u>	6.6%	<u>401,833</u>	<u>(142,733)</u>	-35.5%
<b>Debt Service and Fiscal Agent Fees</b>	<u>448,706</u>	<u>327,720</u>	136.9%	<u>572,116</u>	<u>(123,410)</u>	-21.6%
<b>Other Financing Uses</b>		<u>11,397,840</u>				
<b>Total Expenditures &amp; Other Financing Uses</b>	<u>\$ 14,481,134</u>	<u>\$ 44,084,140</u>		<u>\$ 14,125,289</u>	<u>\$ 355,845</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF NET ASSETS**  
**ENTERPRISE FUNDS**  
**DECEMBER 31, 2011**

	<u>Water Utility Fund</u>	<u>Environmental Services</u>	<u>Golf Course Fund</u>
<b><u>ASSETS</u></b>			
Current assets:			
Pooled Cash and Investments	\$ 30,893,417	\$ 16,509,091	\$ 4,450
Cash and Investments - Restricted	27,959,573	794,926	
Cash and Investments with Fiscal Agent - Restricted	19,659,099	121,822	
Accounts Receivable, Net	10,997,395	3,754,898	
Due from Other Agencies	26,173	23,323	
Interest Receivable	7,484	4,802	
Inventories	2,044,726		176,218
Other Assets	515,727		
Total current assets	<u>92,103,594</u>	<u>21,208,862</u>	<u>180,668</u>
Noncurrent assets:			
Long Term Accounts Receivable	519,458		
Other Assets - Restricted	188,152		
Deferred Charges	3,945,080	326,880	62,174
Land and Construction in Progress	153,678,026	10,462,760	3,411,006
Other Capital Assets, Net	959,566,054	21,778,818	14,744,297
Water Rights	52,126,968		
Total noncurrent assets	<u>1,170,023,738</u>	<u>32,568,458</u>	<u>18,217,477</u>
<b>Total Assets</b>	<u>1,262,127,332</u>	<u>53,777,320</u>	<u>18,398,145</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts Payable	436,971	409,218	36,272
Accrued Payroll Liabilities	766,770	325,014	45,935
Interfund Payable			8,555,916
Due to Other Agencies	2,918	1,293	
Accrued Interest Payable		253,652	84,497
Refundable Deposits	1,827,763	38,595	
Current Portion of Bonds Payable	31,178,692		
Current Portion of Contracts Payable		78,983	6,174
Current Portion of Compensated Absences	1,900,193	630,659	107,259
Liabilities Payable from Restricted Assets	1,190,511		
Unearned Revenue	30,277		176,477
Current Portion of Long Term Liabilities		1,103,057	
Total current liabilities	<u>37,334,095</u>	<u>2,840,471</u>	<u>9,012,530</u>
Noncurrent liabilities:			
Bonds Payable	476,659,582		
Contracts Payable		11,156,122	3,664,902
Compensated Absences	2,149,455	847,794	103,320
Other-Post-employment Benefits	159,195	73,668	10,348
Long Term Liabilities		43,411,587	
Total non-current liabilities	<u>478,968,232</u>	<u>55,489,171</u>	<u>3,778,570</u>
<b>Total Liabilities</b>	<u>516,302,327</u>	<u>58,329,642</u>	<u>12,791,100</u>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	688,481,959	21,333,352	14,484,227
Restricted for:			
Debt Service	19,659,099		
Capital		916,749	
Unrestricted	37,683,947	(30,479,165)	(8,877,182)
Closure/Post Closure Liability		1,870,742	
New Landfill Cell Construction		1,806,000	
<b>Total Net Assets</b>	<u>\$ 745,825,005</u>	<u>\$ (4,552,322)</u>	<u>\$ 5,607,045</u>

**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**WATER UTILITY FUND**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

	Fiscal Year 2012		Fiscal Year 2011	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>Operating revenues:</b>				
Charges for Services	\$ 70,027,167	\$ 68,294,705	\$ 1,732,462	2.5%
Miscellaneous	620,001	6,813	613,188	9000.3%
<b>Total operating revenues</b>	<u>70,647,168</u>	<u>68,301,518</u>	<u>2,345,650</u>	
<b>Operating expenses:</b>				
Personal Services	16,950,708	16,391,726	558,982	3.4%
Contractual Services	24,295,501	24,502,698	(207,197)	-0.8%
Commodities	4,207,700	3,310,067	897,633	27.1%
Depreciation/Amortization	14,519,618	14,064,456	455,162	3.2%
<b>Total operating expenses</b>	<u>59,973,527</u>	<u>58,268,947</u>	<u>1,704,580</u>	
<b>Operating Income (Loss)</b>	<u>10,673,641</u>	<u>10,032,571</u>	<u>641,070</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income	239,078	127,332	111,746	87.8%
Gain (Loss) on Sale of Property/Equipment	216,375	58,363	158,012	270.7%
Federal Grants and Contributions	15,898	52,890	(36,992)	-69.9%
Non-Grant Contributions (BABS)	396,234		396,234	0.0%
Interest Expense	(10,270,090)	(8,442,774)	(1,827,316)	21.6%
Amortization of Cost Issuance	(162,332)	(138,089)	(24,243)	17.6%
Other Nonoperating Income (Expenses)	(490,640)	(424,393)	(66,247)	15.6%
<b>Total nonoperating revenues (expenses)</b>	<u>(10,055,477)</u>	<u>(8,766,671)</u>	<u>(1,288,806)</u>	
<b>Income (Loss) before capital contributions and transfers</b>	<u>618,164</u>	<u>1,265,900</u>	<u>(647,736)</u>	
<b>Capital Contributions</b>	1,181,877	1,284,341	(102,464)	-8.0%
<b>Transfers Out</b>	(800,000)	(666,667)	(133,333)	20.0%
<b>Changes in net assets</b>	<u>1,000,041</u>	<u>1,883,574</u>	<u>(883,533)</u>	
<b>Total net assets, beginning of year</b>	744,824,964	721,450,295	23,374,669	
<b>Total net assets, December 31</b>	<u>\$ 745,825,005</u>	<u>\$ 723,333,869</u>	<u>\$ 22,491,136</u>	

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**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**ENVIRONMENTAL SERVICES FUND**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

	Fiscal Year 2012		Fiscal Year 2011	
	Actual	Actual	\$ Change CFY vs PFY	% Change CFY vs PFY
<b>Operating revenues:</b>				
Charges for Services	\$ 24,175,608	\$ 23,117,189	\$ 1,058,419	4.6%
Miscellaneous	1,185,056	824,708	360,348	43.7%
<b>Total operating revenues</b>	<u>25,360,664</u>	<u>23,941,897</u>	<u>1,418,767</u>	
<b>Operating expenses:</b>				
Personal Services	7,809,609	7,950,887	(141,278)	-1.8%
Contractual Services	8,990,282	7,587,478	1,402,804	18.5%
Commodities	2,637,580	2,196,391	441,189	20.1%
Depreciation/Amortization	2,757,767	3,249,624	(491,857)	-15.1%
<b>Total operating expenses</b>	<u>22,195,238</u>	<u>20,984,380</u>	<u>1,210,858</u>	
<b>Operating Income (Loss)</b>	<u>3,165,426</u>	<u>2,957,517</u>	<u>207,909</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income	45,738	10,942	34,796	318.0%
Gain (Loss) on Sale of Property/Equipment	192,200	167,485	24,715	14.8%
Federal Grants and Contributions	40,097	29,263	10,834	37.0%
Interest Expense	(287,153)	(8,958)	(278,195)	3105.5%
Amortization of Cost Issuance	(9,750)	(8,125)	(1,625)	20.0%
<b>Total nonoperating revenues (expenses)</b>	<u>(18,868)</u>	<u>190,607</u>	<u>(209,475)</u>	
<b>Changes in net assets</b>	<u>3,146,558</u>	<u>3,148,124</u>	<u>(1,566)</u>	
<b>Total net assets, beginning of year</b>	(7,698,880)	(12,306,243)	4,607,363	
<b>Total net assets, December 31</b>	<u>\$ (4,552,322)</u>	<u>\$ (9,158,119)</u>	<u>\$ 4,605,797</u>	

**CITY OF TUCSON, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**GOLF FUND**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

	Fiscal Year 2012	Fiscal Year 2011	\$ Change CFY vs PFY	% Change CFY vs PFY
	Actual	Actual		
<b>Operating revenues:</b>				
Charges for Services	\$ 2,128,491	\$ 3,022,039	\$ (893,548)	-29.6%
<b>Total operating revenues</b>	<u>2,128,491</u>	<u>3,022,039</u>	<u>(893,548)</u>	
<b>Operating expenses:</b>				
Personal Services	1,675,884	1,940,329	(264,445)	-13.6%
Contractual Services	1,078,232	1,128,581	(50,349)	-4.5%
Commodities	813,396	837,289	(23,893)	-2.9%
Cost of Goods Sold	86,414	104,991	(18,577)	-17.7%
Depreciation/Amortization	353,964	358,197	(4,233)	-1.2%
<b>Total operating expenses</b>	<u>4,007,890</u>	<u>4,369,387</u>	<u>(361,497)</u>	
<b>Operating Income (Loss)</b>	<u>(1,879,399)</u>	<u>(1,347,348)</u>	<u>(532,051)</u>	
<b>Nonoperating revenues (expenses):</b>				
Investment Income	(16,617)	(9,343)	(7,274)	77.9%
Gain (Loss) on Sale of Property/Equipment	2,400		2,400	0.0%
Interest Expense	(79,268)	(37,828)	(41,440)	109.5%
Amortization of Cost Issuance	(3,657)	(3,657)		0.0%
<b>Total nonoperating revenues (expenses)</b>	<u>(97,142)</u>	<u>(50,828)</u>	<u>(46,314)</u>	
<b>Changes in net assets</b>	<u>(1,976,541)</u>	<u>(1,398,176)</u>	<u>(578,365)</u>	
<b>Total net assets, beginning of year</b>	7,583,586	9,032,768	(1,449,182)	
<b>Total net assets, December 31</b>	<u>\$ 5,607,045</u>	<u>\$ 7,634,592</u>	<u>\$ (2,027,547)</u>	

**CITY OF TUCSON, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

	<u>Fleet Services</u>	<u>Self Insurance</u>	<u>General Services</u>
<b>Operating revenues:</b>			
Charges for Services	\$ 12,197,269	\$ 9,099,299	\$ 7,647,152
Miscellaneous	60,302		1,959
<b>Total operating revenues</b>	<u>12,257,571</u>	<u>9,099,299</u>	<u>7,649,111</u>
<b>Operating expenses:</b>			
Personal Services	2,719,913	549,227	4,328,104
Contractual Services	2,167,851	1,661,626	2,476,682
Commodities	6,963,204	22,308	1,033,626
Benefits and Claims		5,392,376	
Depreciation	1,933,652	5,791	22,854
<b>Total operating expenses</b>	<u>13,784,620</u>	<u>7,631,328</u>	<u>7,861,266</u>
<b>Operating income (loss)</b>	<u>(1,527,049)</u>	<u>1,467,971</u>	<u>(212,155)</u>
<b>Nonoperating revenues (expenses):</b>			
Investment Income	6,562	385	6,925
Gain (loss) on Sale of Property/Equipment	29,929		
Federal Non Grant Contributions			319,561
Interest Expense	(92)		(489,247)
Amortization of Issuance Costs			(8,938)
<b>Total nonoperating revenues (expenses)</b>	<u>36,399</u>	<u>385</u>	<u>(171,699)</u>
<b>Income (loss) before capital contributions</b>	<u>(1,490,650)</u>	<u>1,468,356</u>	<u>(383,854)</u>
<b>Capital contributions</b>	55,400		
<b>Transfers In</b>		400,000	
<b>Change in net assets</b>	<u>(1,435,250)</u>	<u>1,868,356</u>	<u>(383,854)</u>
<b>Total net assets, beginning of year</b>	16,869,043	(25,254,597)	(2,200,359)
<b>Total net assets, December 31</b>	<u>\$ 15,433,793</u>	<u>\$ (23,386,241)</u>	<u>\$ (2,584,213)</u>

City of Tucson, Arizona  
Variance Explanations  
For December 31, 2011

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

- (1a) The increase is due to an increase of Special Levy Judgments.
- (1b) Overpayment on Sales Tax return and return was amended in November 2011.
- (1c) The receipts from the State are approximately \$600,000 less each month compared to FY11 due to the continued economic downturn. The lower revenue was expected.
- (1d) Expenses incurred for City of Tucson General Election.
- (1e) In FY 2012 the 9-1-1 Communication Center expenditures are charged to the Tucson Fire Department (TFD) rather than the City's General Services Department (GSD). This explains the increase in TFD expenditures and the decrease in GSD expenditures.
- (1f) July and August of FY 2011 debt issuance had a costs of approximately \$1.2 million. No debt has been issued in FY 2012.
- (1g) An increase in subsidy funding for Mass Transit in the amount of \$353,808 per month.

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

- (2a) Increased spending on two capital projects lead to an increase of both Federal Grants and Contributions revenue and Capital Expenditures over FY 2011. The two projects are the Modern Streetcar and the new Bus Storage and Maintenance Facility.
- (2b) Other Agencies shows negative revenue due to reversing of accrued revenue in FY 2011 for intergovernmental agreements with Pima County.

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

- (5a) Increase in Charges for Services represents increased rates for water sales.
- (5b) Increase in Interest Expense is due to timing differences between fiscal years and escalating debt obligations.

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

- (6a) Increase in Charges for Services primarily reflects groundwater remediation fees collected. Environmental Services (ES) collected \$652,000 more in those fees this period compared to the pervious year.
- (6b) Increase in Contractual Services primarily reflects increased Administration Fees ES pays to the general fund and additional contracted outside services.