

Quarterly Financial Status Report

FY 2023/24

4th Quarter

Executive Summary:

The City of Mesa has closed the fourth quarter of the 2023/24 fiscal year, April through June. This snapshot shows the financial projections compared to the Adopted Budget.

Overall, the General Governmental Funds revenue year end estimate is above the Adopted Budget. The increased year end estimate is primarily due to increased Local Sales Tax from construction activity in the Contracting category. Increased construction activity has also increased the year end estimate for Sales and Charges for Services from Engineering inspection fees as well as the Licenses, Fees, and Permits from commercial building permit revenues. The Fines and Forfeitures category year end estimates are below budget due to reduced defensive driving fees and court filings.

The General Governmental Funds expenditure year end estimate is slightly above the Adopted Budget. The increased estimate is due to greater than anticipated personnel costs relating to overtime expenses within the Police Department and Fire & Medical Department.

The Utility Fund net sources and uses is slightly improved from budget. The Wastewater revenue estimate is slightly below budget due to reduced residential revenues, which are determined by the customer's winter water average. However, Wastewater uses are below budget due to lower than anticipated operating expenses at the water reclamation plants.

For additional information on the City's budget, revenue, and expenditure data, please visit the City of Mesa Open Data Financial Transparency Page at data.mesaaz.gov.

FY 2023/24 4th Quarter: Financial Status Summary

The data below represents the financial status of the General Governmental Funds and the Utility Fund.

Legend

Exceeding
On Track
Caution
Monitoring

General Government Funds		Utility Fund
Revenues	Expenditures	Net Sources and Uses
Taxes	Community Development and Services	District Cooling
Intergovernmental	Parks and Library	Electric
Sales and Charges for Services	Law Enforcement	Natural Gas
Licenses, Fees, and Permits	Fire and Medical	Solid Waste
Fines and Forfeitures	Other Departments	Wastewater
Other Revenues	Transfers Out	Water
Transfer In		

	General Government Funds		Net
	Revenues	Expenditures	Net
Adopted Budget	\$ 637,661	\$ 665,307	\$ (27,646)
Year to Date Actuals	\$ 664,853	\$ 604,881	\$ 59,972
Year End Estimate	\$ 702,455	\$ 668,167	\$ 34,288

(In Thousands)

	Utility Fund*		Net
	Sources	Uses	Net
Adopted Budget	\$ 467,375	\$498,563	\$ (31,188)
Year to Date Actuals	\$ 465,966	\$469,301	\$ (3,336)
Year End Estimate	\$ 466,451	\$492,958	\$ (26,507)

(In Thousands)

*Beginning in FY 2021/22, the Electric Cost Adjustment Factor and Natural Gas Cost Adjustment Factor subfunds were created for better tracking of commodity cost recovery. Prior to FY 2021/22, the Cost Adjustment Factor activities were recorded in the Electric and Natural Gas subfunds. The Electric Summary combines the Electric and Electric Cost Adjustment Factor subfunds, and the Natural Gas Summary combines the Natural Gas and Natural Gas Cost Adjustment Factor subfunds. The Utility Fund Sources and Uses amounts do not contain the one-time Electric subfund balance transfer to the Electric Cost Adjustment Factor subfund, as well as the one-time Natural Gas subfund balance transfer to the Natural Gas Cost Adjustment Factor subfund.

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General Fund and Quality of Life - FY 2023/24 4th Quarter Revenues

Revenue Categories	Adopted Budget	Year to Date Actuals	Year End Estimate
Taxes	\$ 205,781	\$ 213,128	\$ 239,133
Intergovernmental	\$ 237,785	\$ 245,278	\$ 249,472
Sales and Charges for Services	\$ 26,808	\$ 30,450	\$ 31,326
Licenses, Fees, and Permits	\$ 17,030	\$ 22,891	\$ 23,827
Fines and Forfeitures	\$ 4,642	\$ 3,373	\$ 3,440
Other Revenues	\$ 4,281	\$ 13,639	\$ 13,923
Transfers In	\$ 141,334	\$ 136,094	\$ 141,334
Total	\$ 637,661	\$ 664,853	\$ 702,455

(In Thousands)

Exceeding
On Track
Caution
Monitoring

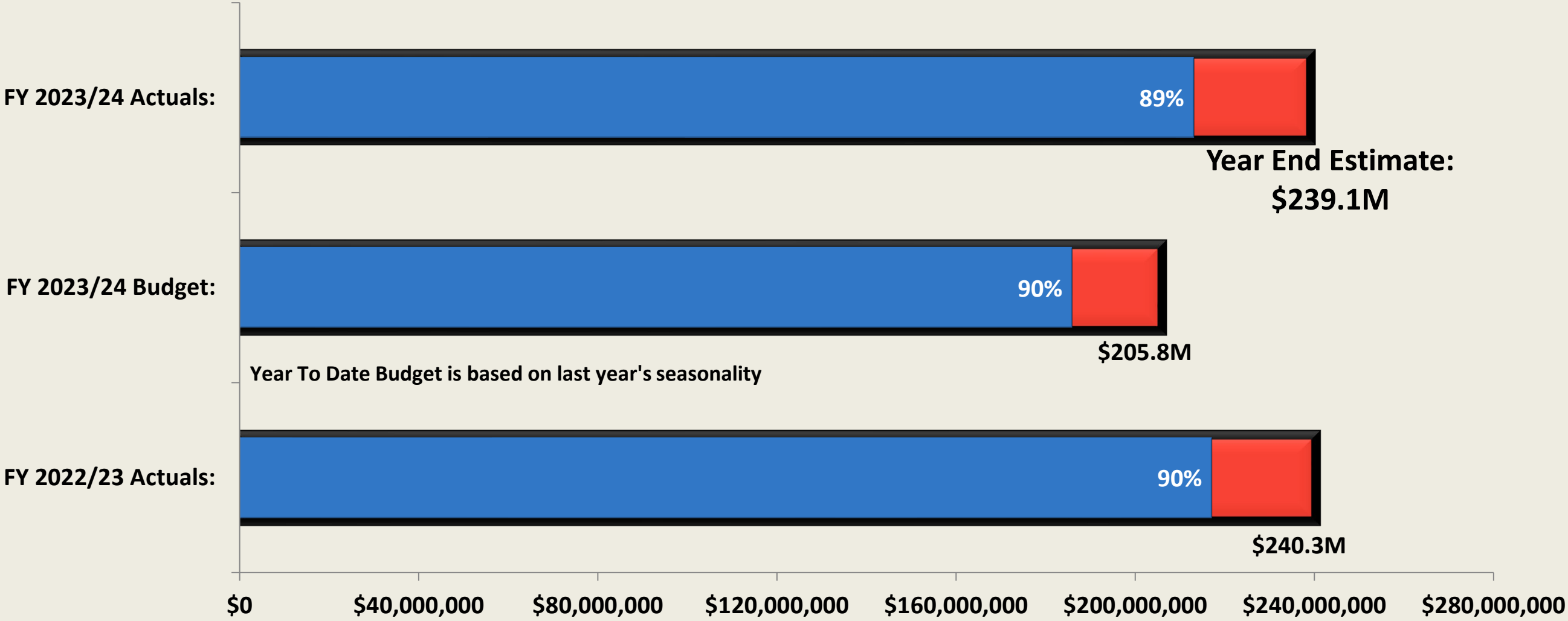
FY 2023/24 4th Quarter Revenues: Taxes Summary

The data below represents revenue collections from sales and use taxes in the General Fund and Quality of Life Fund.

	Adopted Budget	Year to Date Actuals	Year End Estimate
General Fund	\$ 170,308	\$ 178,671	\$ 197,914
Quality of Life Fund	\$ 35,473	\$ 34,457	\$ 41,219
Total Tax Revenue	\$ 205,781	\$ 213,128	\$ 239,133

(In Thousands)

Taxes - Revenues



The Taxes year end estimate is above budget due to increased construction category activity. The budgeted amount anticipated a slowdown in economic activity due to the impact of inflation and increased interest rates.

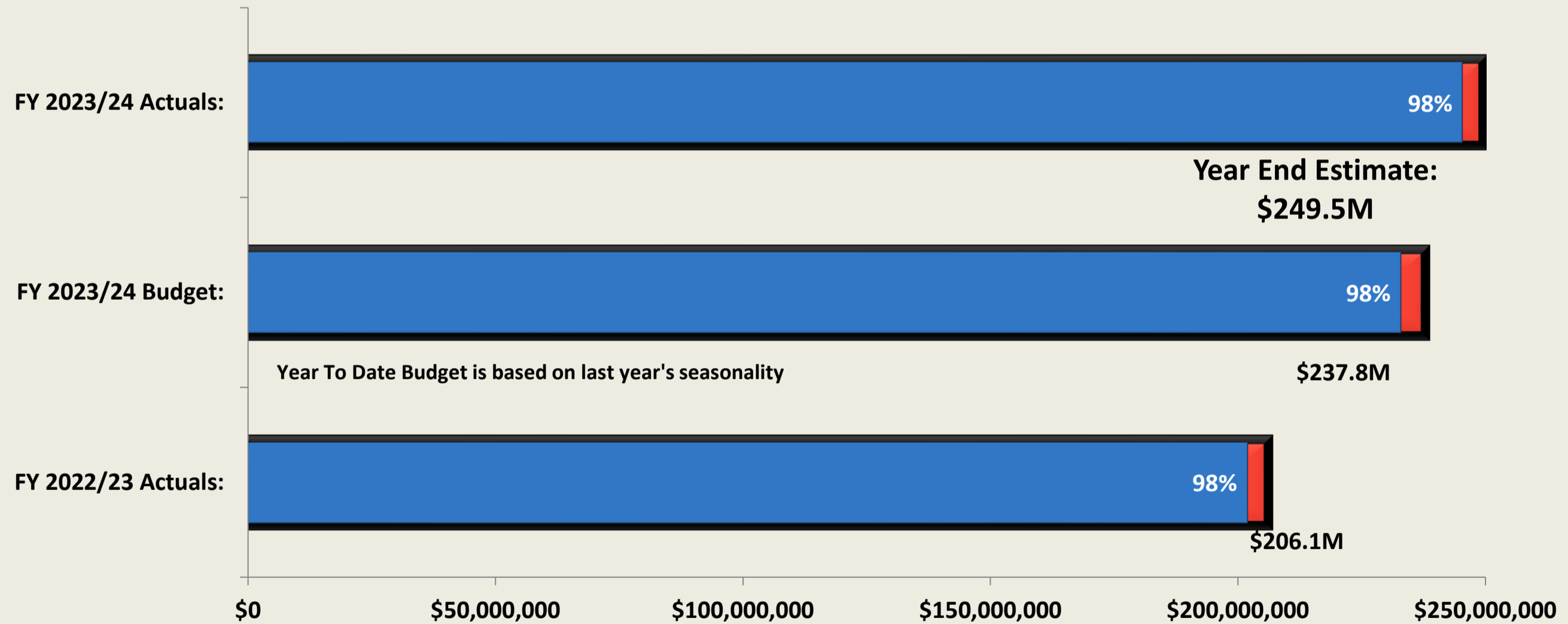
FY 2023/24 4th Quarter Revenues: Intergovernmental Summary

The data below represents revenue collections from federal grants and reimbursements, urban revenue sharing (state income tax), state shared sales tax, vehicle license tax, state grants and reimbursements, and county and other government revenues in the General Fund and Quality of Life Fund.

	Adopted Budget	Year to Date Actuals	Year End Estimate
Urban Revenue Sharing	\$ 137,548	\$ 135,808	\$ 135,808
State Shared Sales Tax	\$ 65,515	\$ 74,943	\$ 77,355
Vehicle License Tax	\$ 24,789	\$ 25,287	\$ 26,284
Other	\$ 9,934	\$ 9,241	\$ 10,026
Total Intergovt Revenue	\$ 237,785	\$ 245,278	\$ 249,472

(In Thousands)

Intergovernmental - Revenues



Similar to the City Sales Tax, Intergovernmental revenues are slightly above the adopted budget due to increased State Sales Tax revenues from increased construction activity.

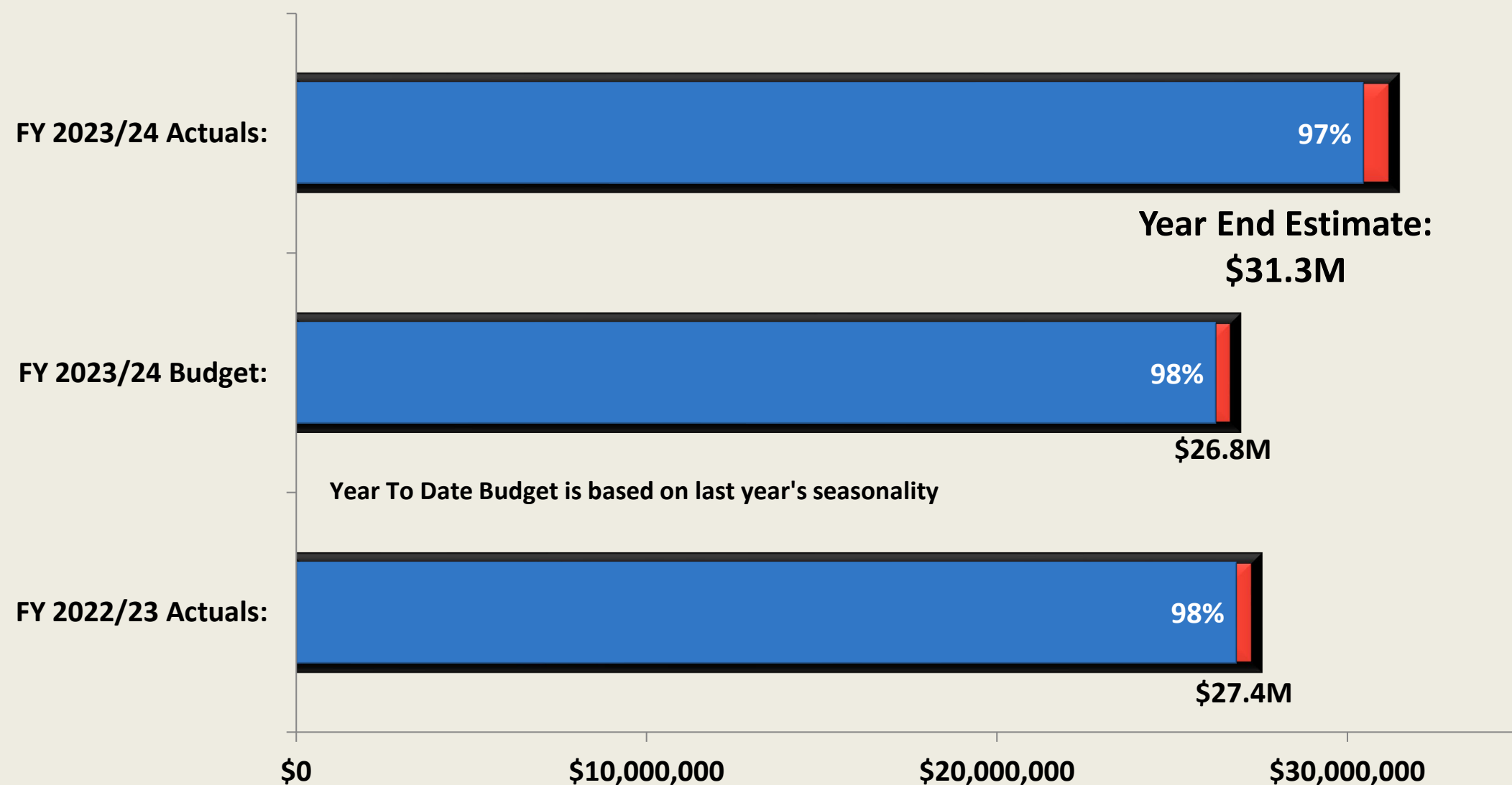
FY 2023/24 4th Quarter Revenues: Sales and Charges for Services Summary

The data below represents revenue collections from general services, recreation services, and enterprise services in the General Fund and Quality of Life Fund.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 26,808	\$ 30,450	\$31,326

(In Thousands)

Sales and Charges for Services - Revenues



The Sales and Charges for Services year end estimate is above budget. The increase is primarily due to greater than anticipated revenue from Engineering inspections fees and charges related to increased construction activity.

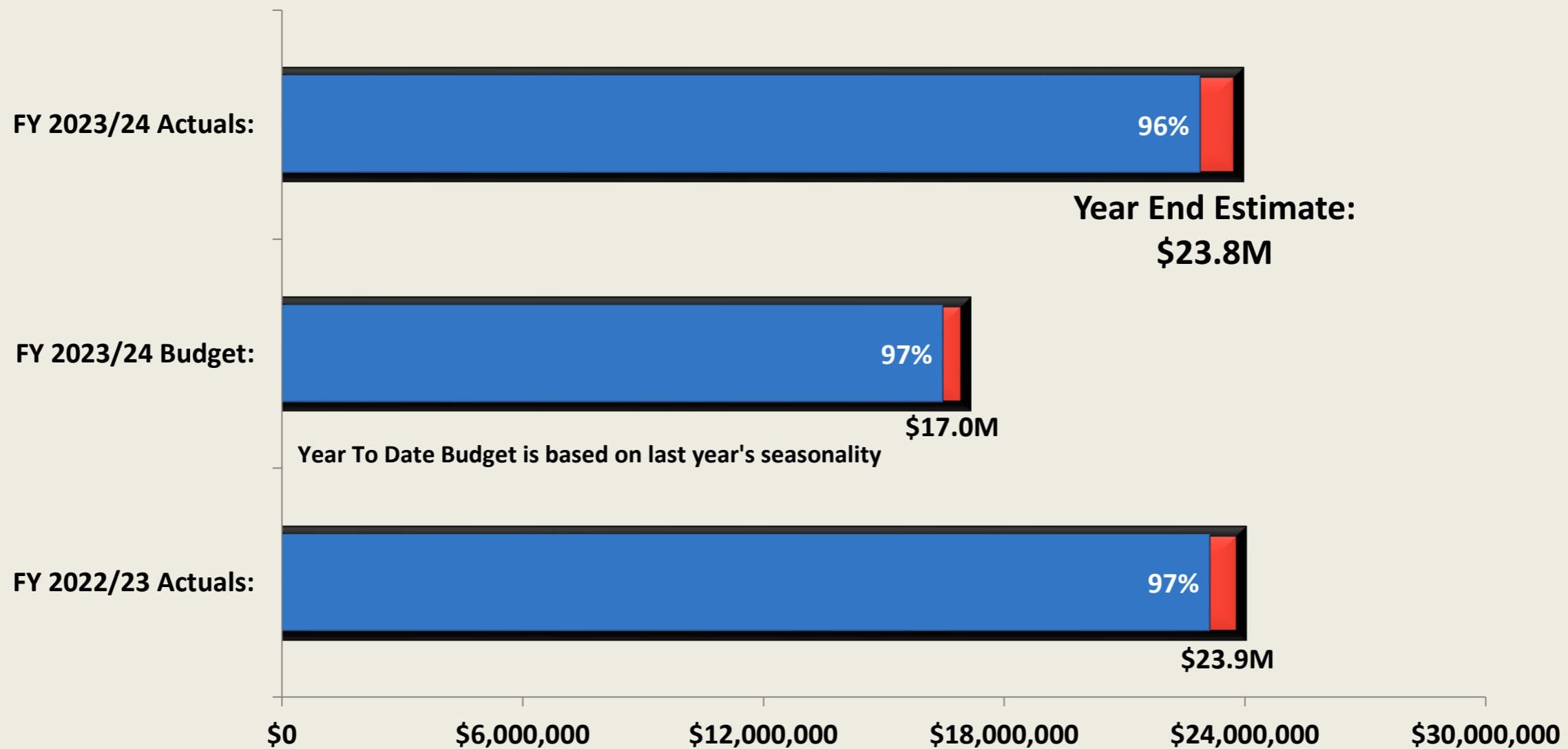
FY 2023/24 4th Quarter Revenues: Licenses, Fees, and Permits Summary

The data below represents revenue collections from business licenses, permits, fees, court fees, and culture and recreation fees in the General Fund and Quality of Life Fund.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 17,030	\$ 22,891	\$ 23,827

(In Thousands)

Licenses, Fees, and Permits - Revenues



The License, Fees, and Permits revenue year end estimate is above budget due to increased collections from residential and commercial building permits.

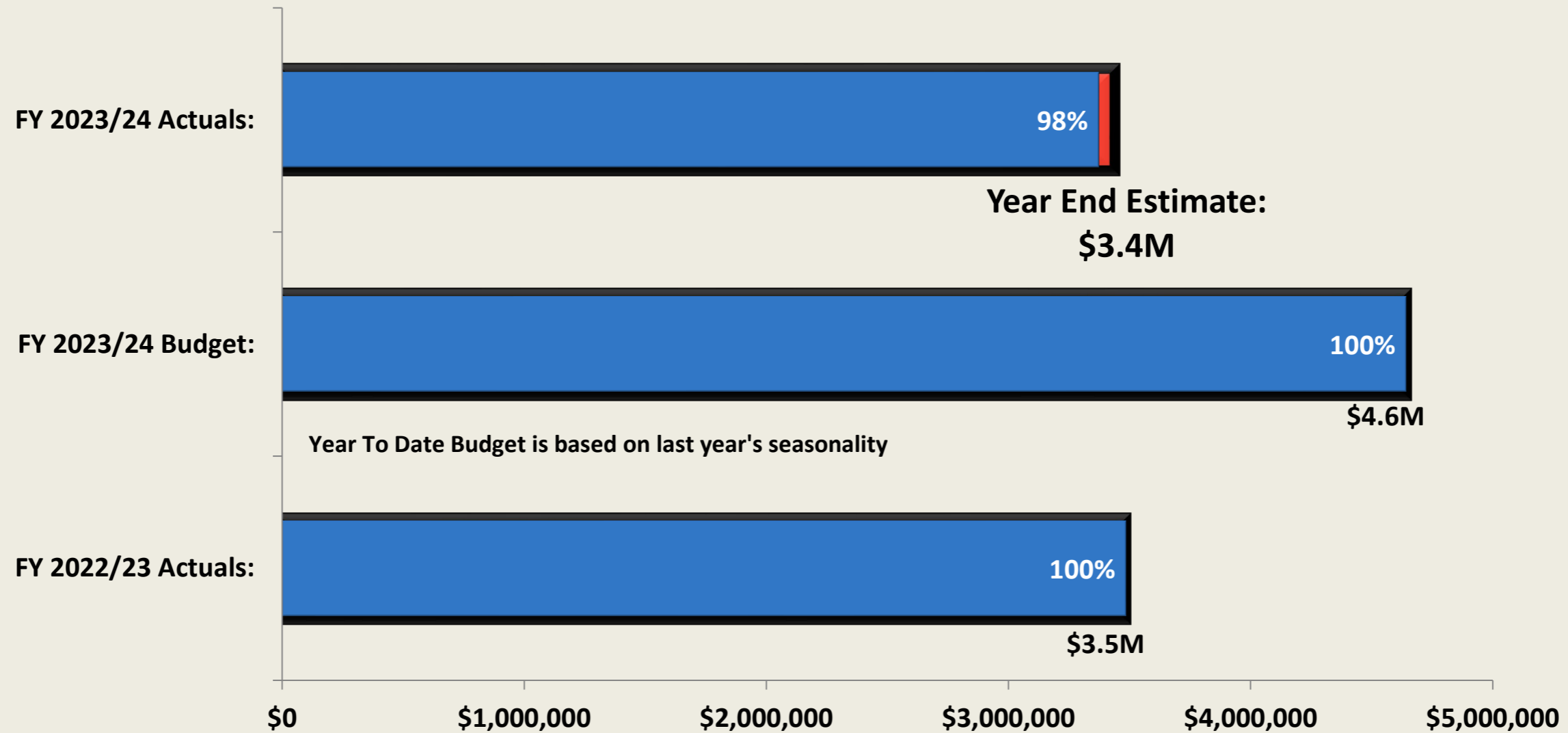
FY 2023/24 4th Quarter Revenues: Fines and Forfeitures Summary

The data below represents revenue collections from court and other fines in the General Fund and Quality of Life Fund.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 4,642	\$ 3,373	\$ 3,440

(In Thousands)

Fines and Forfeitures - Revenues



The Fines and Forfeitures revenue year end estimate is below budget. This is primarily due to a reduction in court filings and related fines.

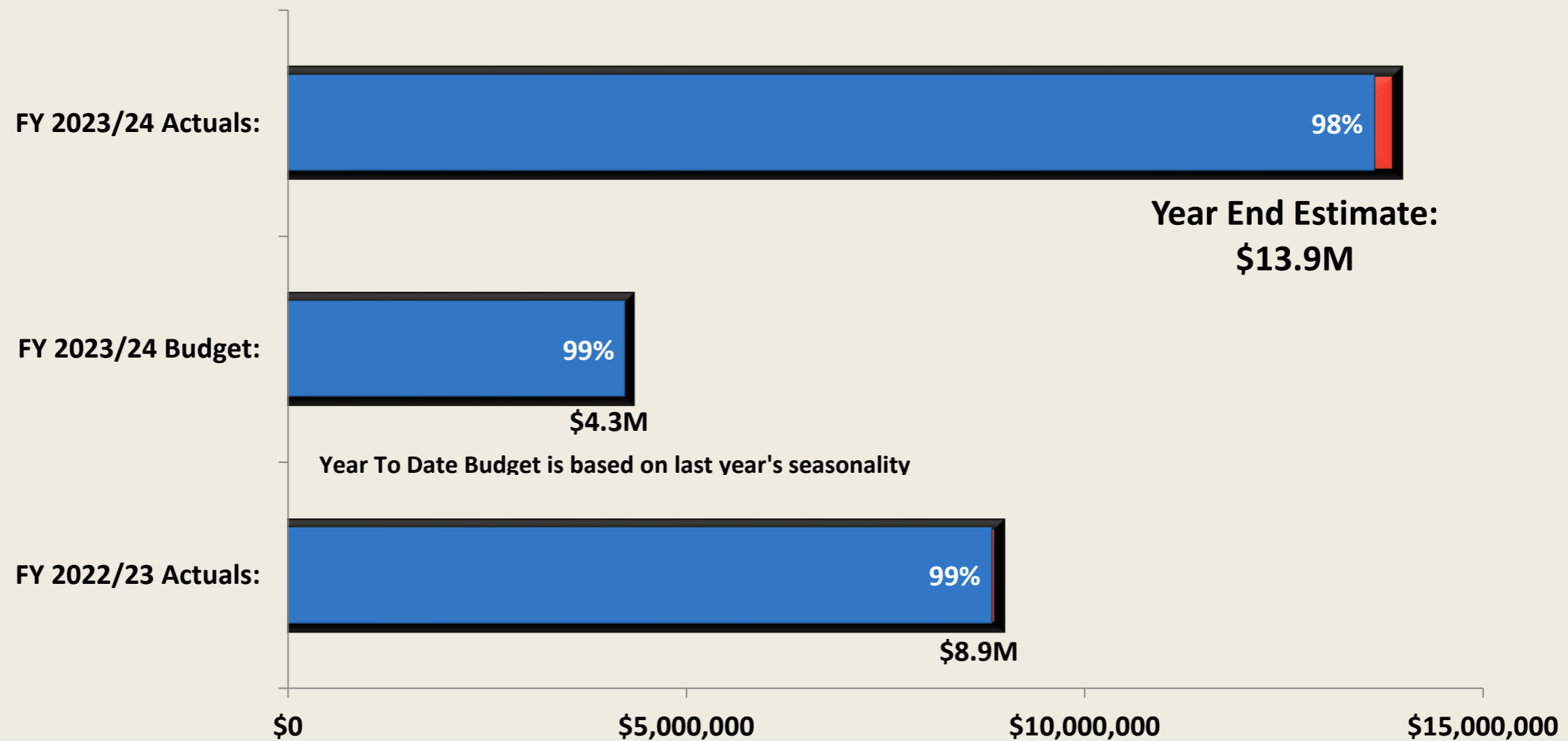
FY 2023/24 4th Quarter Revenues: Other Revenues Summary

The data below represents revenue collections from interest, contributions and donations, other financing sources, sale of property, self insurance contributions, and other revenues in the General Fund and Quality of Life Fund.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 4,281	\$ 13,639	\$ 13,923

(In Thousands)

Other Revenues - Revenues



The Other Revenues year end estimate is above budget due to increased interest on investments revenues. Interest on investments revenues fluctuate with short-term interest rates. As interest rates have risen, interest on investments revenues have also increased.

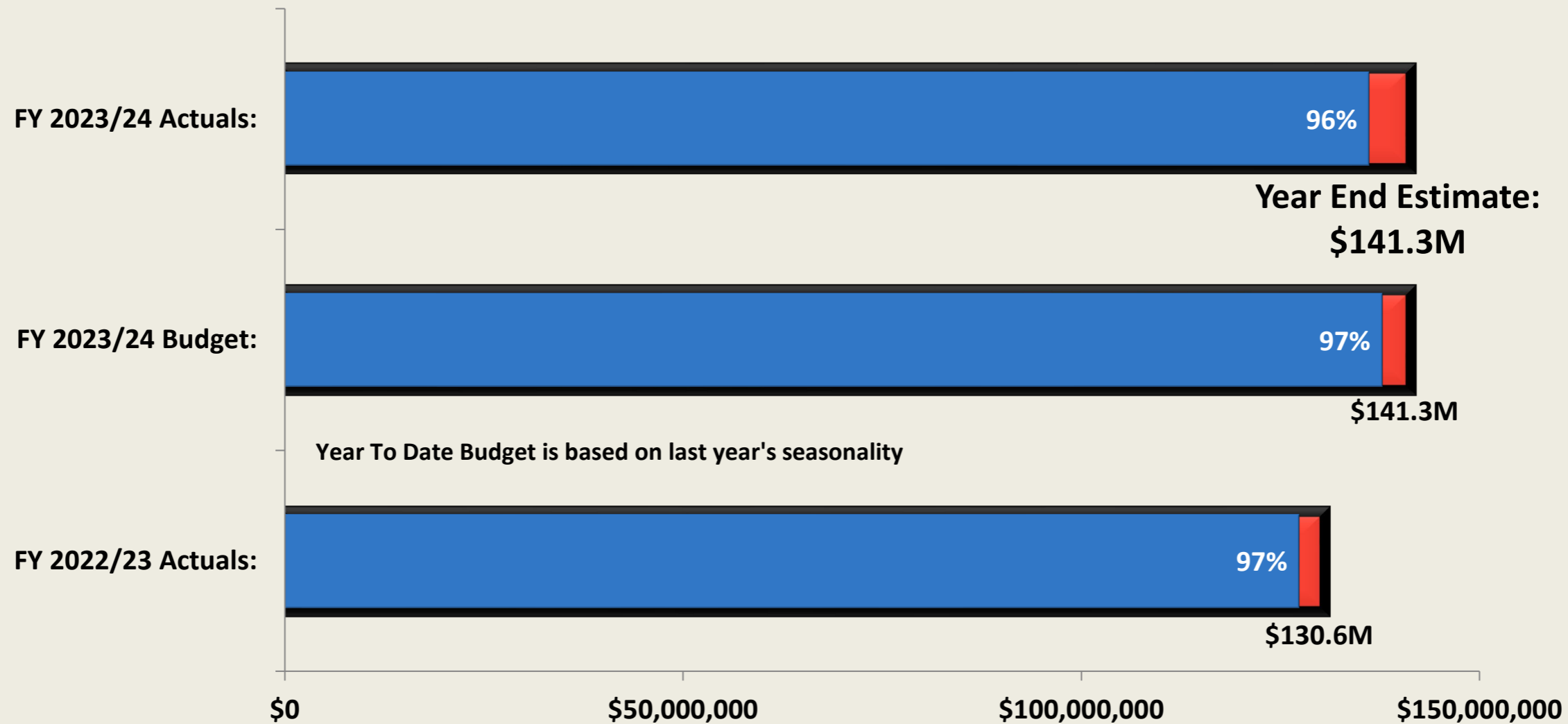
FY 2023/24 4th Quarter Revenues: Transfers In Summary

The data below represents transfers into the General Fund and Quality of Life Fund from other funds within the City.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 141,334	\$ 136,094	\$ 141,334

(In Thousands)

Transfers In - Revenues



Transfers into the General Fund are mainly comprised of quarterly contributions of 30% operating revenues from the Utility Fund. General Fund and Quality of Life Fund Transfers In are on track with the adopted budget.

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General Fund and Quality of Life - FY 2023/24 4th Quarter Expenditures

Expenditures	Adopted Budget	Year to Date Actuals	Year End Estimate
Community Development and Services	\$ 17,487	\$ 15,454	\$ 15,348
Parks and Library	\$ 41,630	\$ 35,203	\$ 40,608
Law Enforcement	\$ 245,507	\$ 254,664	\$ 266,185
Fire and Medical	\$ 111,071	\$ 110,936	\$ 112,226
Other Departments	\$ 134,285	\$ 104,297	\$ 120,231
Transfers Out	\$ 115,328	\$ 84,327	\$ 113,570
Total	\$ 665,307	\$ 604,881	\$ 668,167

(In Thousands)

Exceeding
On Track
Caution
Monitoring

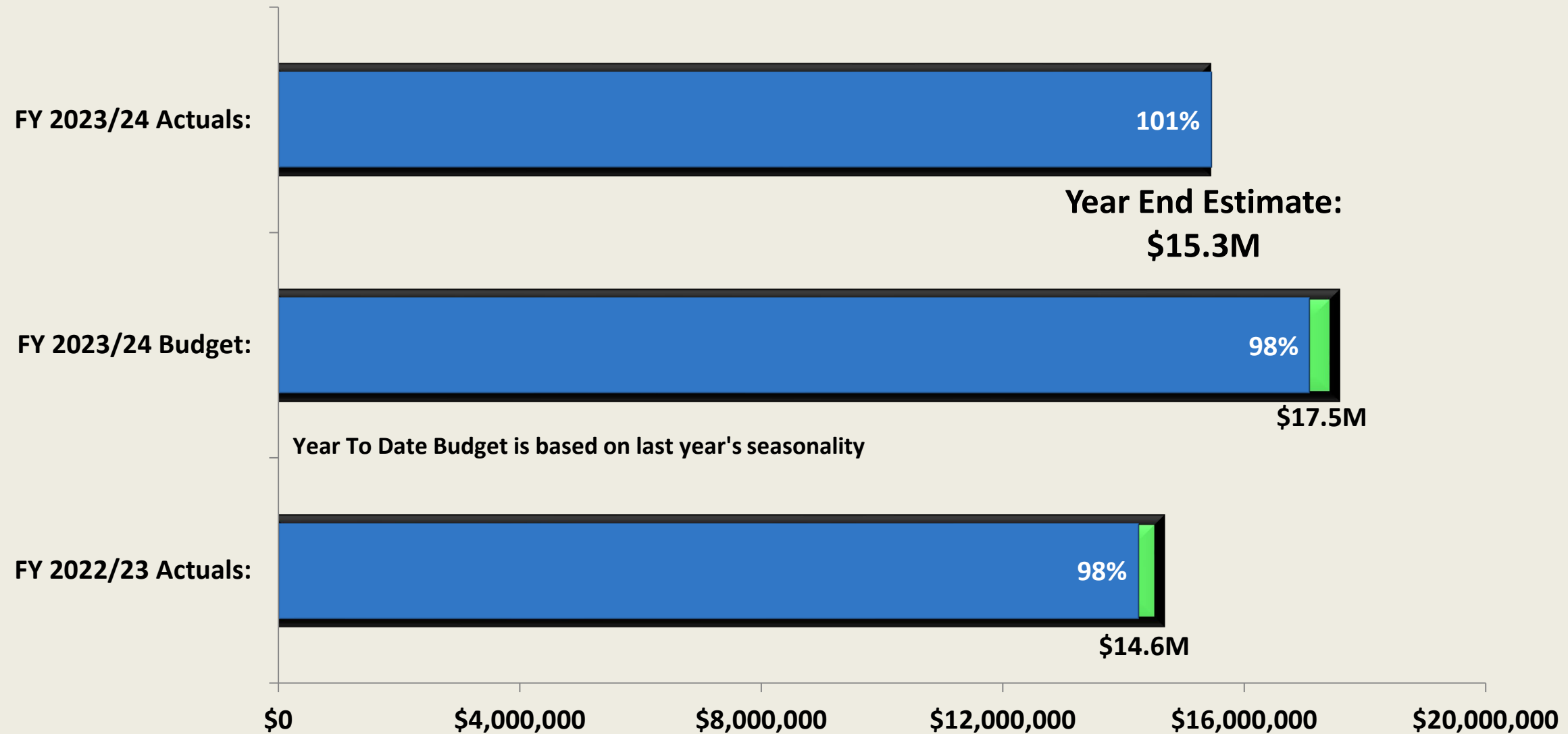
FY 2023/24 4th Quarter Expenditures: Community Development and Services Summary

The data below represents posted expenditures in the General Fund and Quality of Life Fund from the Development Services Department, Code Enforcement Department, and the Community Services Department.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 17,487	\$ 15,454	\$ 15,348

(In Thousands)

Community Development and Services - Expenditures



The Community Development and Services expenditure year end estimate is below the adopted budget. The decrease is largely due to anticipated personnel savings across these departments as well as shifting budget capacity for the Mesa Promise and Mesa K-Ready to the Other Departments section.

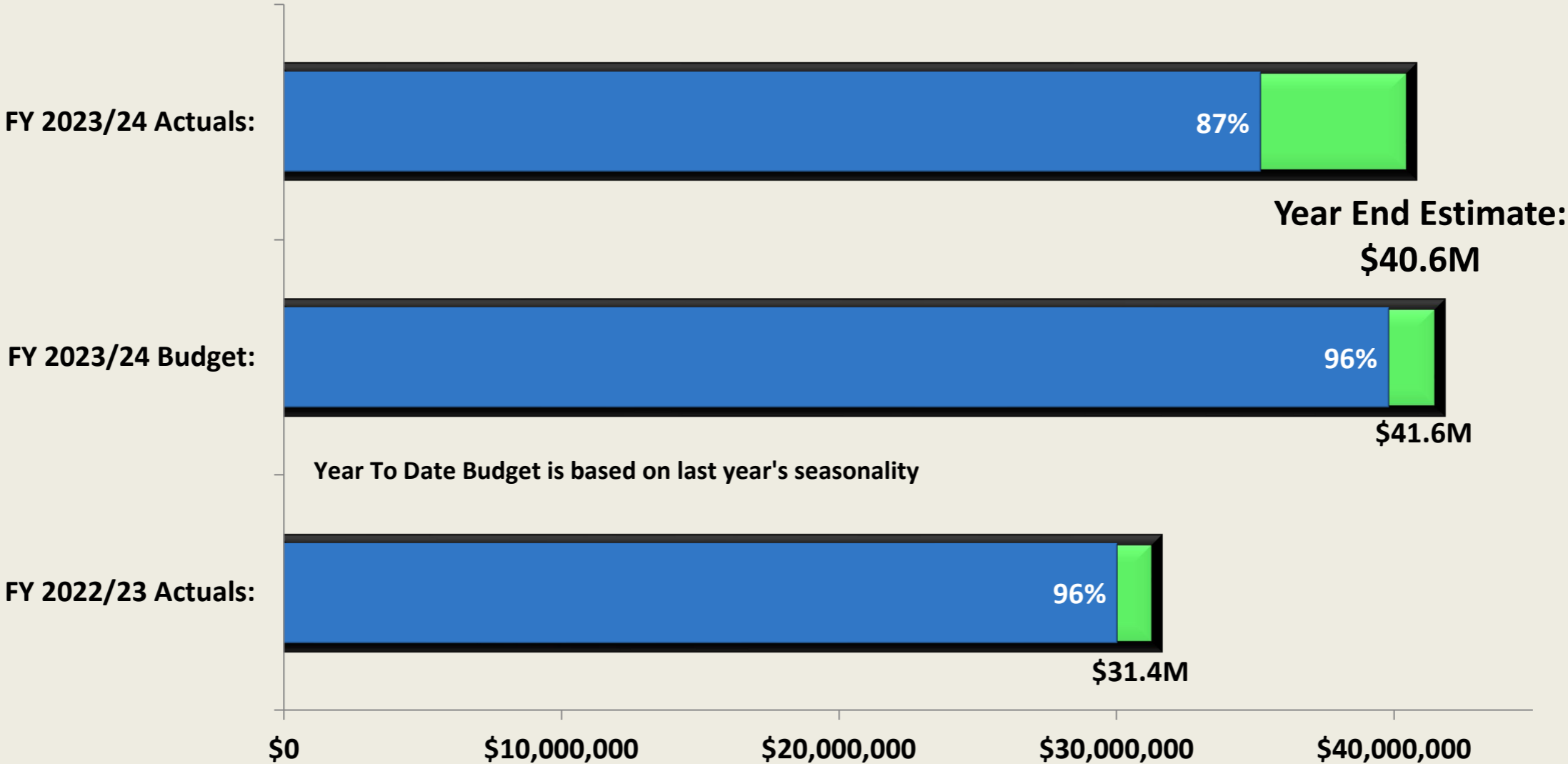
FY 2023/24 4th Quarter Expenditures: Parks and Library Summary

The data below represents posted expenditures in the General Fund and Quality of Life Fund from the Library Department and the Parks, Recreation and Community Facilities Department.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 41,630	\$ 35,203	\$ 40,608

(In Thousands)

Parks and Library - Expenditures



The Parks and Library year end estimate for expenditures is slightly below budget. The adopted budget included full funding for the operations and maintenance of the Gateway Library. Due to timing of the construction of the Gateway Library, not all positions will be filled in FY 2023/24, resulting in vacancy savings.

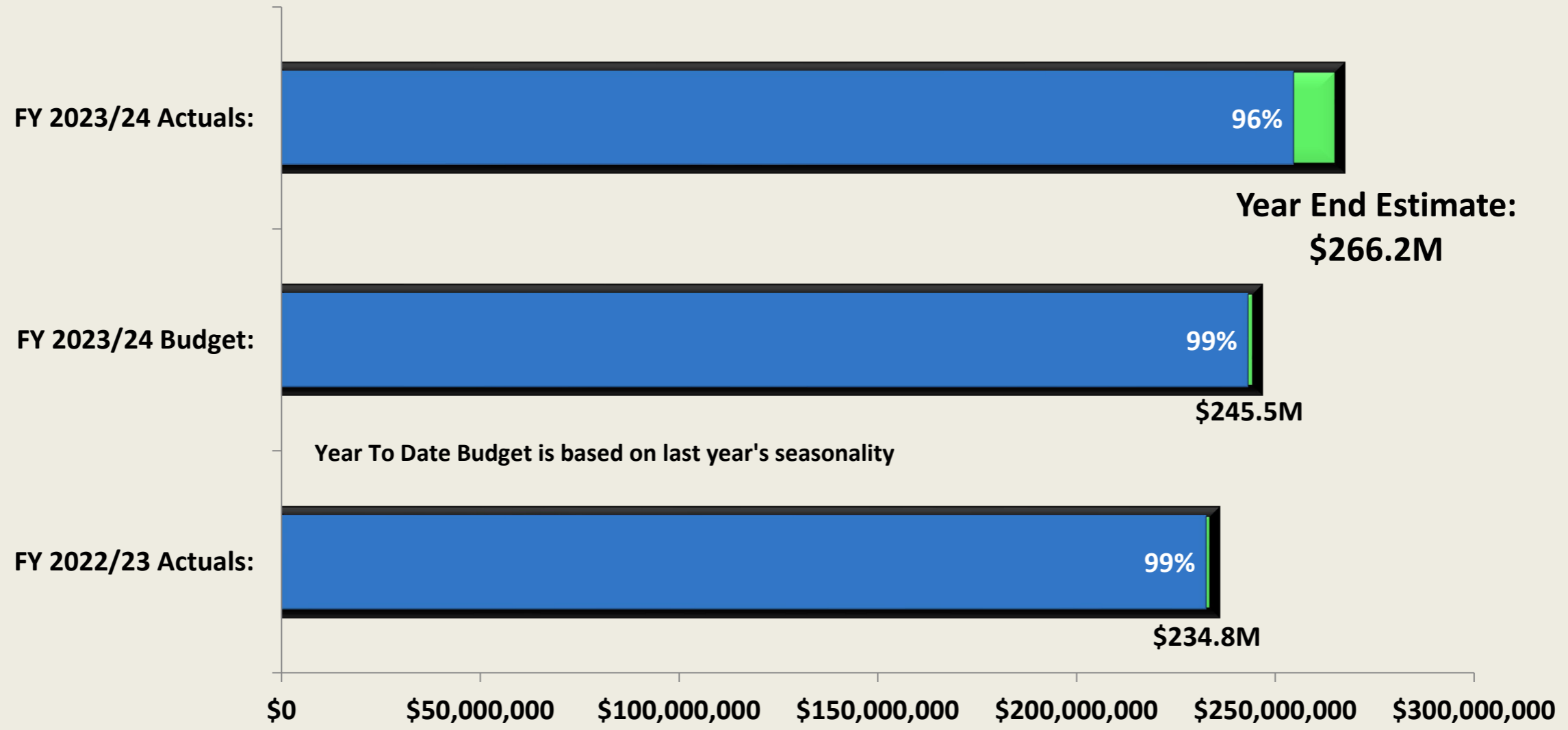
FY 2023/24 4th Quarter Expenditures: Law Enforcement Summary

The data below represents posted expenditures in the General Fund and Quality of Life Fund from the Police Department and the Municipal Court Department.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 245,507	\$ 254,664	\$ 266,185

(In Thousands)

Law Enforcement - Expenditures



The Law Enforcement expenditure year end estimate is above budget due to greater than anticipated personnel expenses primarily for overtime.

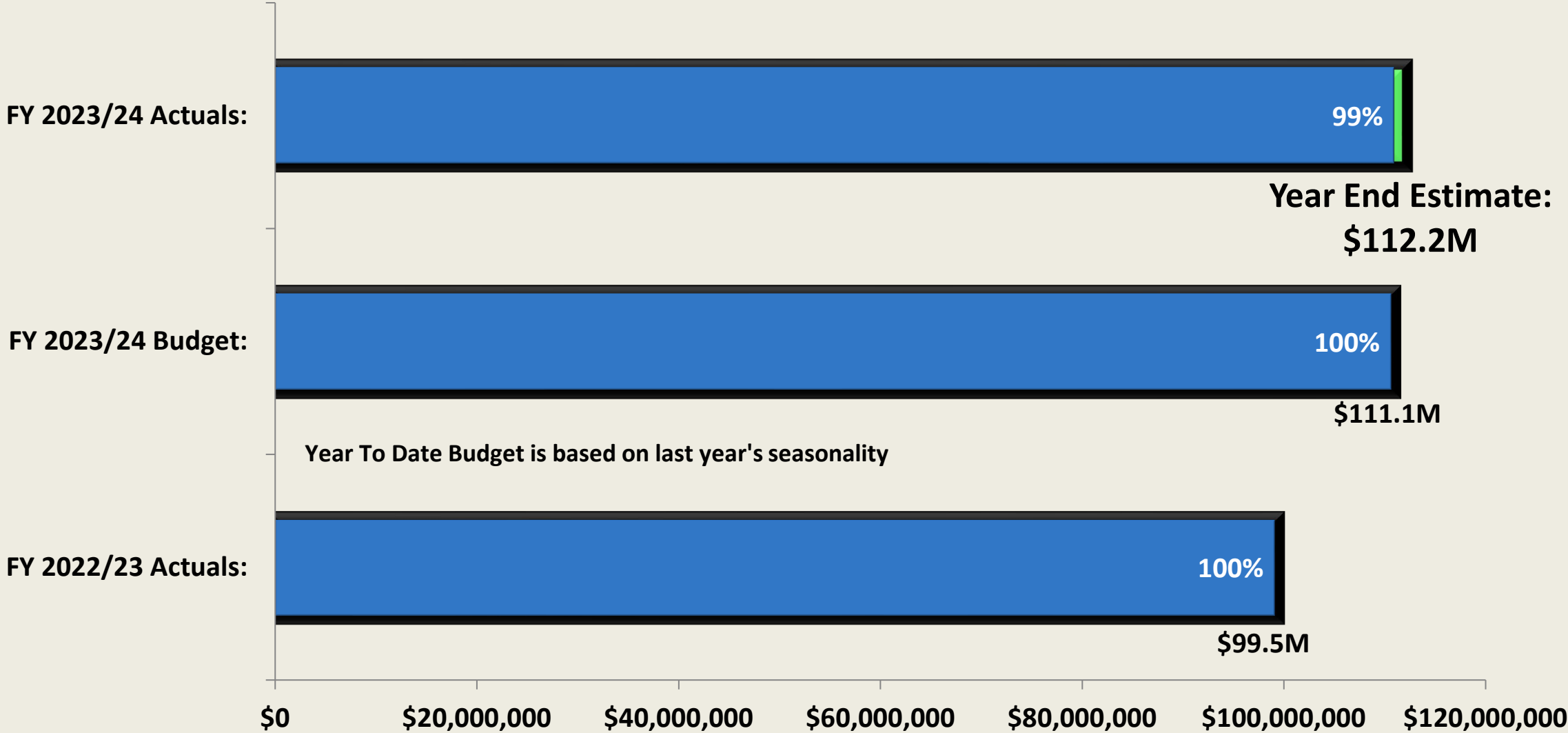
FY 2023/24 4th Quarter Expenditures: Fire and Medical Summary

The data below represents posted expenditures in the General Fund and Quality of Life Fund from the Fire and Medical Department.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 111,071	\$ 110,936	\$ 112,226

(In Thousands)

Fire and Medical - Expenditures



The Fire and Medical expenditure year end estimate is slightly above the adopted budget due to personnel overtime costs.

FY 2023/24 4th Quarter Expenditures: Other Departments Summary

The data below represents posted expenditures in the General Fund and Quality of Life Fund from the departments of:

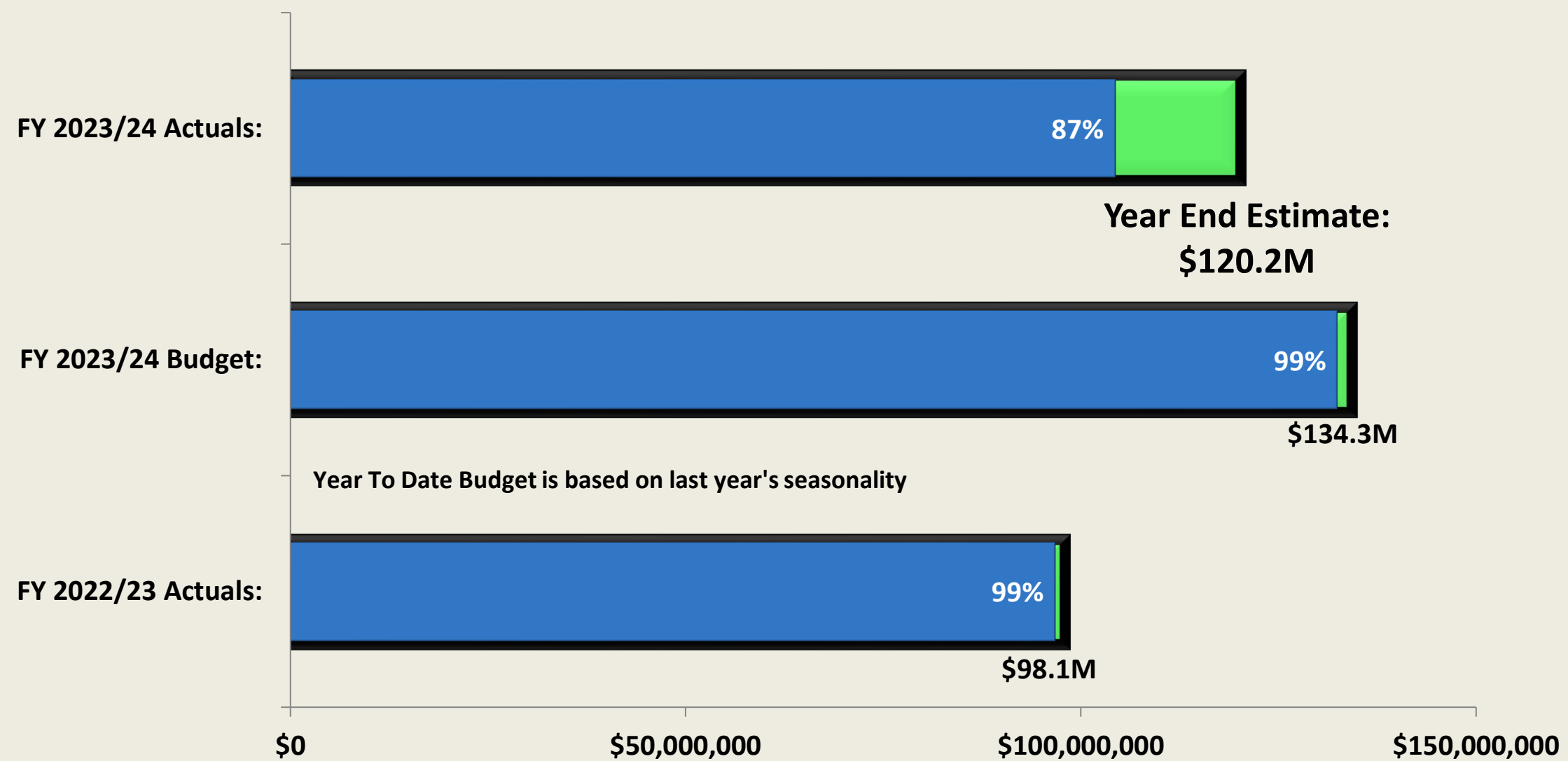
- | | | | |
|----------------------------|------------------------|--------------------------|---------------------------------------|
| Business Services | Communications | Financial Services | Office of Management and Budget |
| Centralized Appropriations | Economic Development | Fleet Services | Public Information and Communications |
| City Attorney | Energy Resources | Human Resources | Environmental Mgmt and Sustainability |
| City Auditor | Engineering | Innovation & Technology | Transit Services |
| City Clerk | Facilities Maintenance | Mayor and Council | Transportation |
| City Manager | Falcon Field Airport | Office of ERP Management | Water Resources |

Includes all departments not identified elsewhere. Some departments may not have expenditures in these funds.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 134,285	\$ 104,297	\$ 120,231

(In Thousands)

Other Departments - Expenditures



Expenditures for all other departments are under budget. These costs savings are primarily due to the the Department of Innovation and Technology's carryover of their subscriptions and educational materials, computer equipment, and software purchases to FY 2024/25. These funds will end up being spent over several years as they are a part of regular lifecycle upgrades.

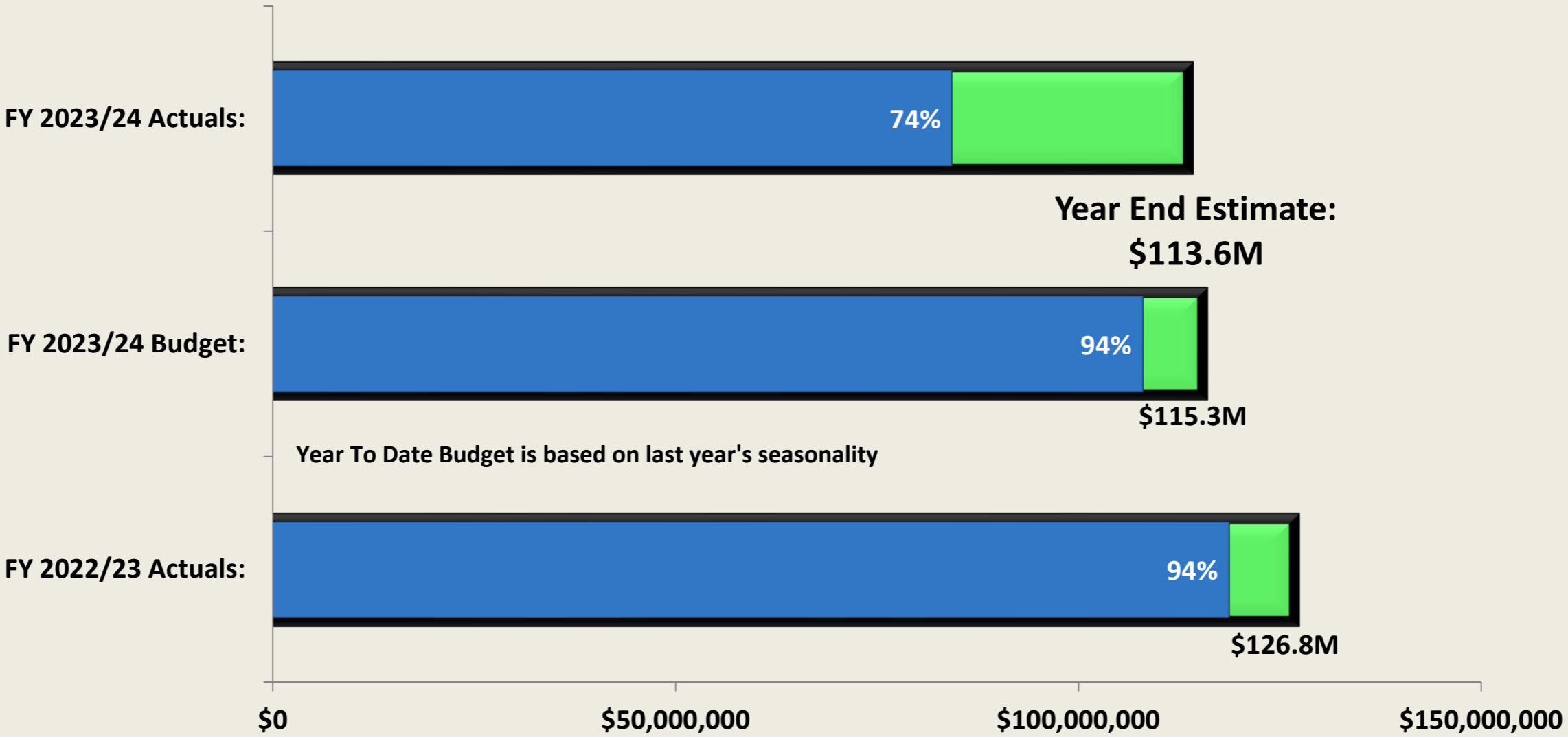
FY 2023/24 4th Quarter Expenditures: Transfers Out Summary

The data below represents transfers out of the General Fund and Quality of Life Fund to the Vehicle Replacement Fund, Capital - General Fund, Impact Fees Funds, General Obligation Debt, Transit Fund, and other funds.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 115,328	\$ 84,327	\$ 113,570

(In Thousands)

Transfers Out - Expenditures



With the exception of quarterly vehicle replacement and Arts & Culture, all other transfers from the General Fund occur at the end of the fiscal year. The Transfers Out year end estimate is on track with budget.

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FY 2023/24 4th Quarter Net Sources and Uses - Utility Fund

Utility Net Sources and Uses	Adopted Budget	Year to Date Actuals	Year End Estimate
District Cooling	\$ (298)	\$ (272)	\$ (369)
Electric	\$ (2,130)	\$ 2,420	\$ (365)
Natural Gas	\$ (6,580)	\$ (2,980)	\$ (5,385)
Solid Waste	\$ (7,525)	\$ (2,700)	\$ (6,578)
Wastewater	\$ (13,901)	\$ (7,412)	\$ (12,334)
Water	\$ (753)	\$ 7,609	\$ (1,477)
Total Utility Fund	\$ (30,889)	\$ (3,064)	\$ (26,507)

(In Thousands)

Exceeding
On Track
Caution
Monitoring

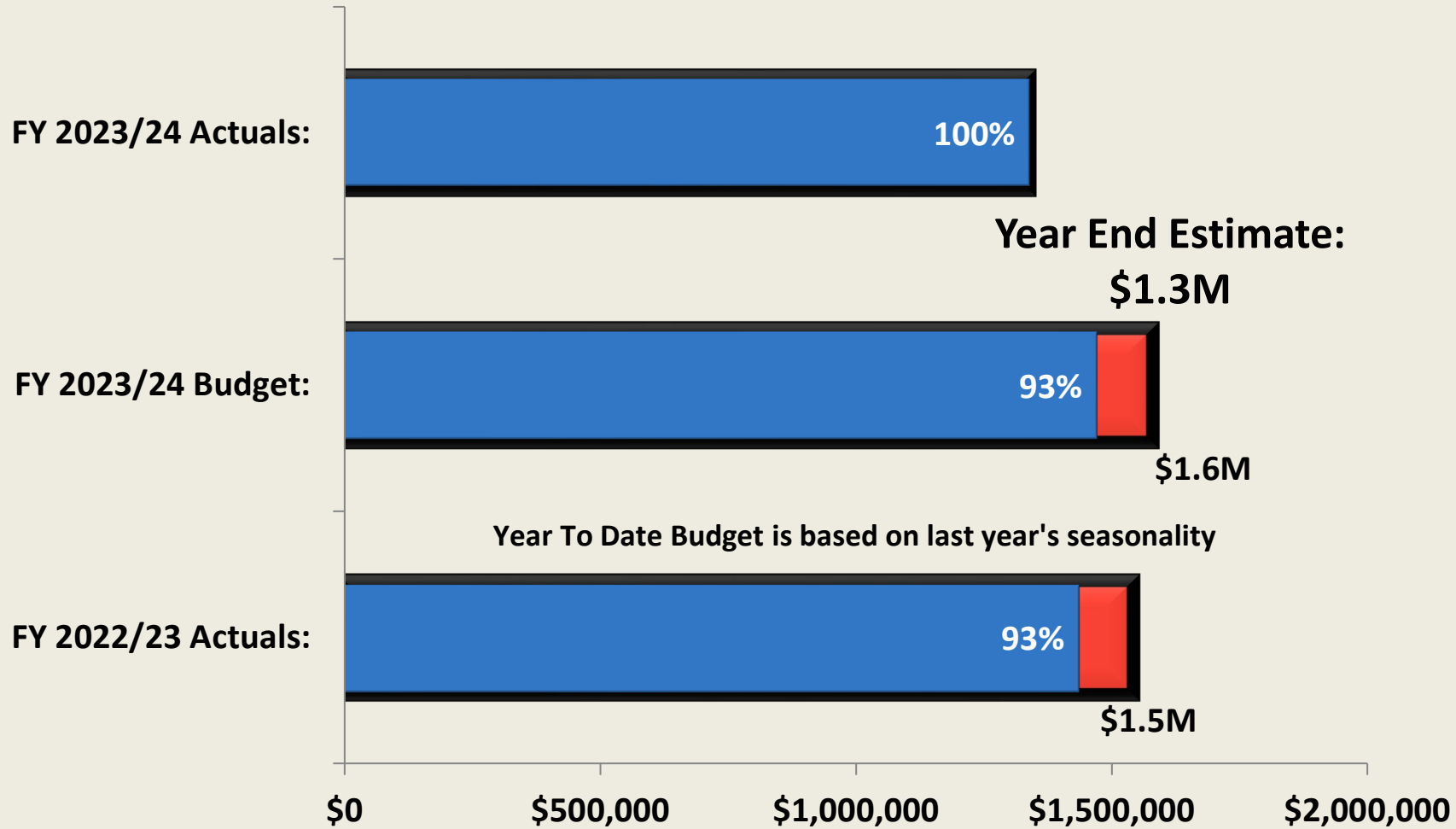
FY 2023/24 4th Quarter District Cooling Summary

The data below represents financial information from the Utility Fund for District Cooling sub-fund. Both direct (Facilities Maintenance Department) and indirect (citywide) expenses are included.

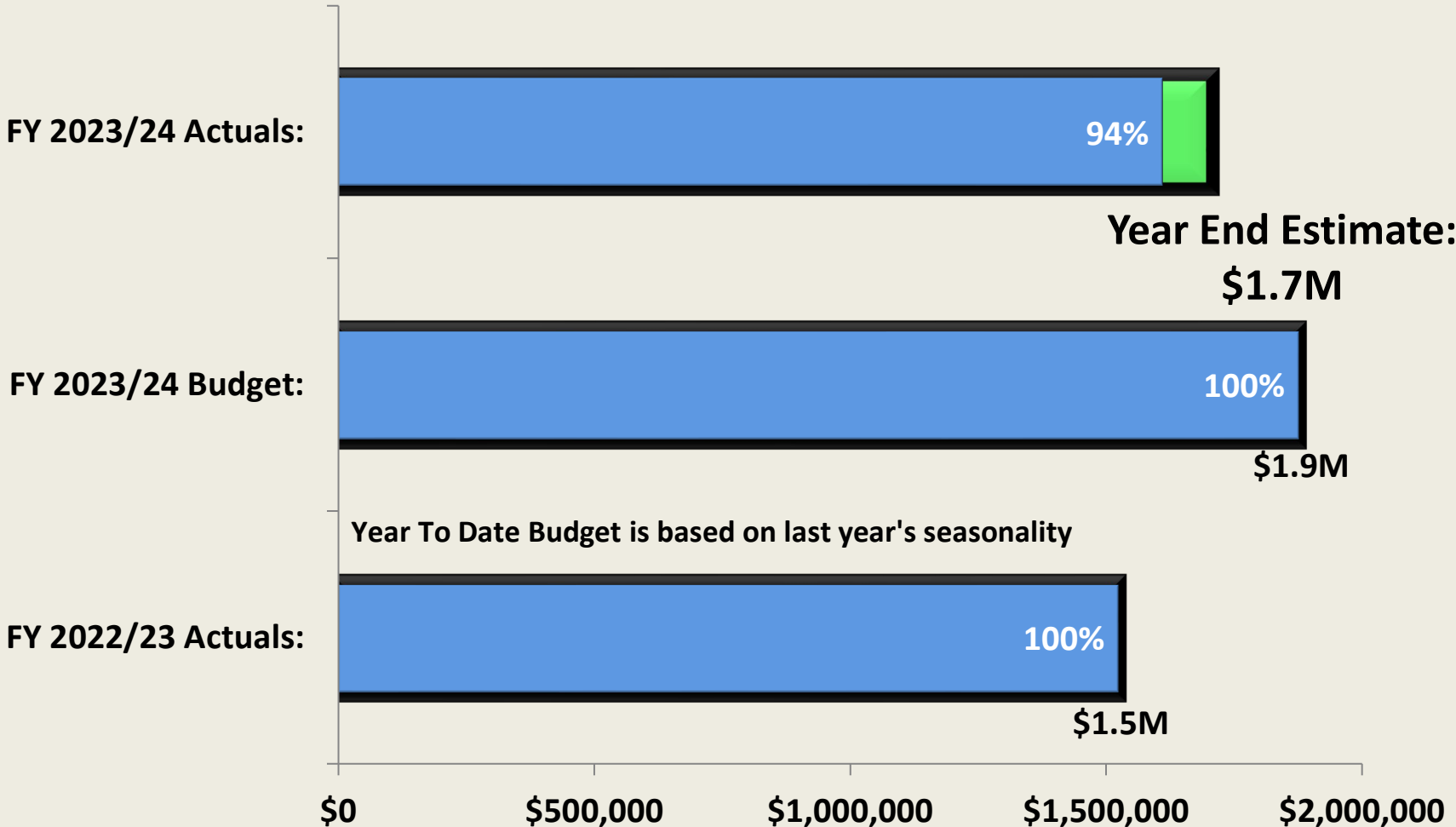
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 1,579	\$ 1,338	\$ 1,338
Uses	\$ 1,402	\$ 1,096	\$ 1,119
Debt/Capital Transfers Out	\$ 1	\$ 95	\$ 186
General Fund Transfers Out	\$ 474	\$ 419	\$ 402
Net Sources and Uses	\$ (298)	\$ (272)	\$ (369)

(In Thousands)

District Cooling - Sources



District Cooling - Uses and Transfers



The sources and uses year end estimates are both below budget. The decrease in the sources and uses is due to lower than anticipated expenses for the chilled water cost adjustment factor. The chilled water cost adjustment factor passes on the cost of the producing the chilled water to the customer.

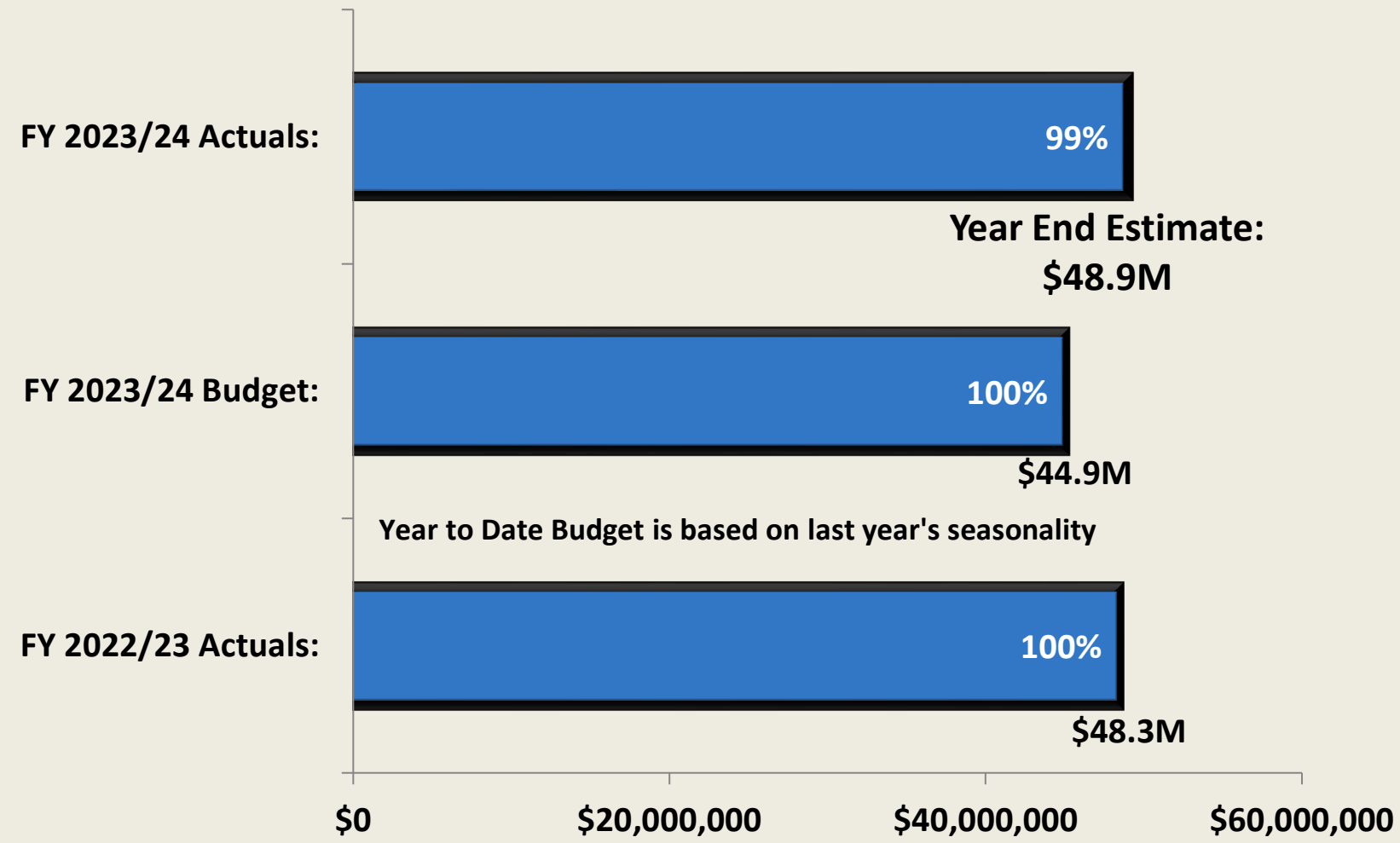
FY 2023/24 4th Quarter Electric Summary

The data below represents financial information for the Utility Fund for the Electric sub-fund.
Both direct (Energy Resources Department) and indirect (citywide) expenses are included.

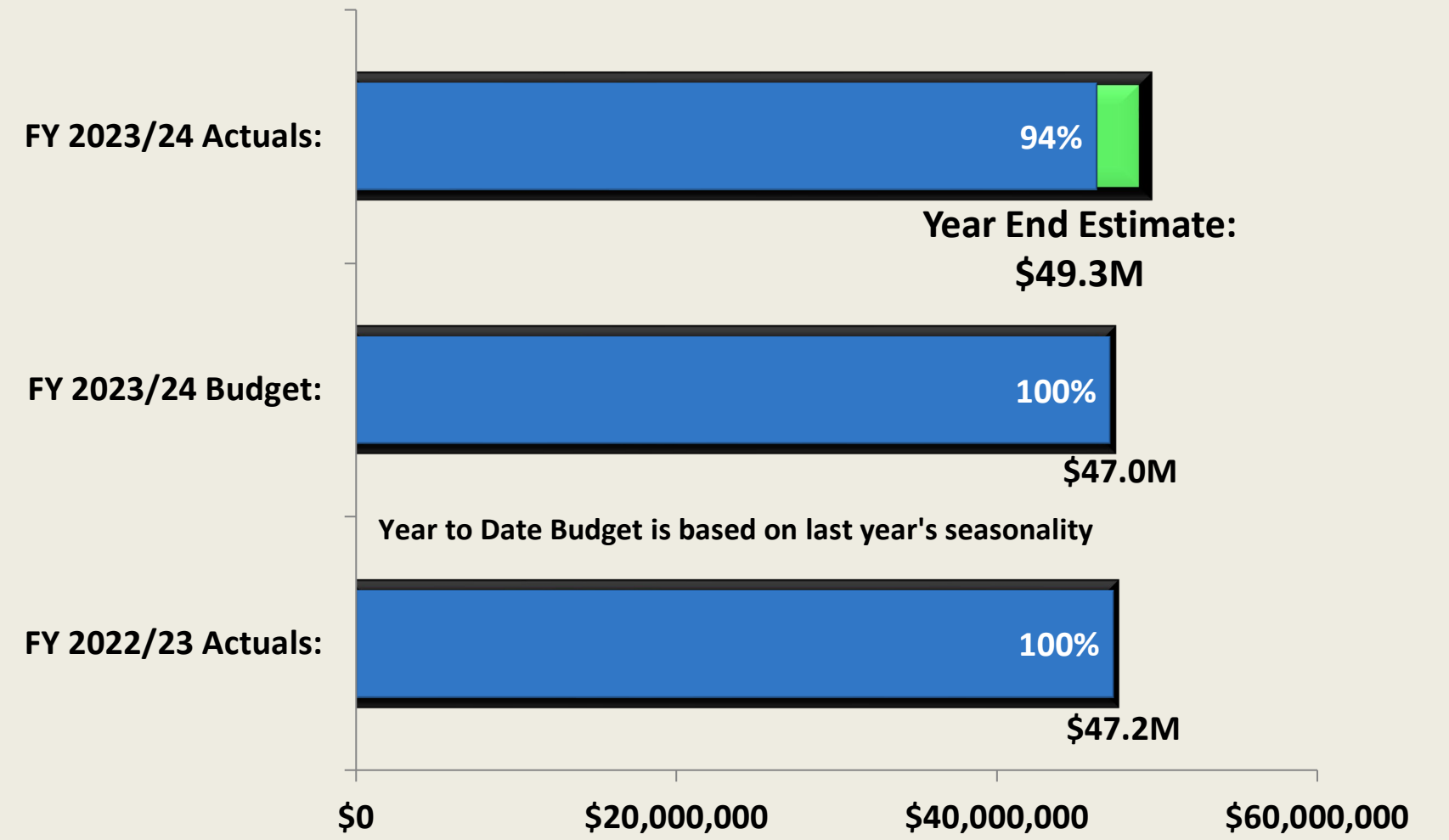
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 44,878	\$ 48,645	\$ 48,907
Uses	\$ 35,360	\$ 34,600	\$ 37,452
Debt/Capital Transfers Out	\$ 5,807	\$ 5,804	\$ 5,836
General Fund Transfers Out	\$ 5,842	\$ 5,820	\$ 5,984
Net Sources and Uses	\$ (2,130)	\$ 2,420	\$ (365)

(In Thousands)

Electric - Sources



Electric - Uses and Transfers



Both the sources and uses year end estimate are above budget due to increased costs for electric energy purchases, which is passed through to the customer.

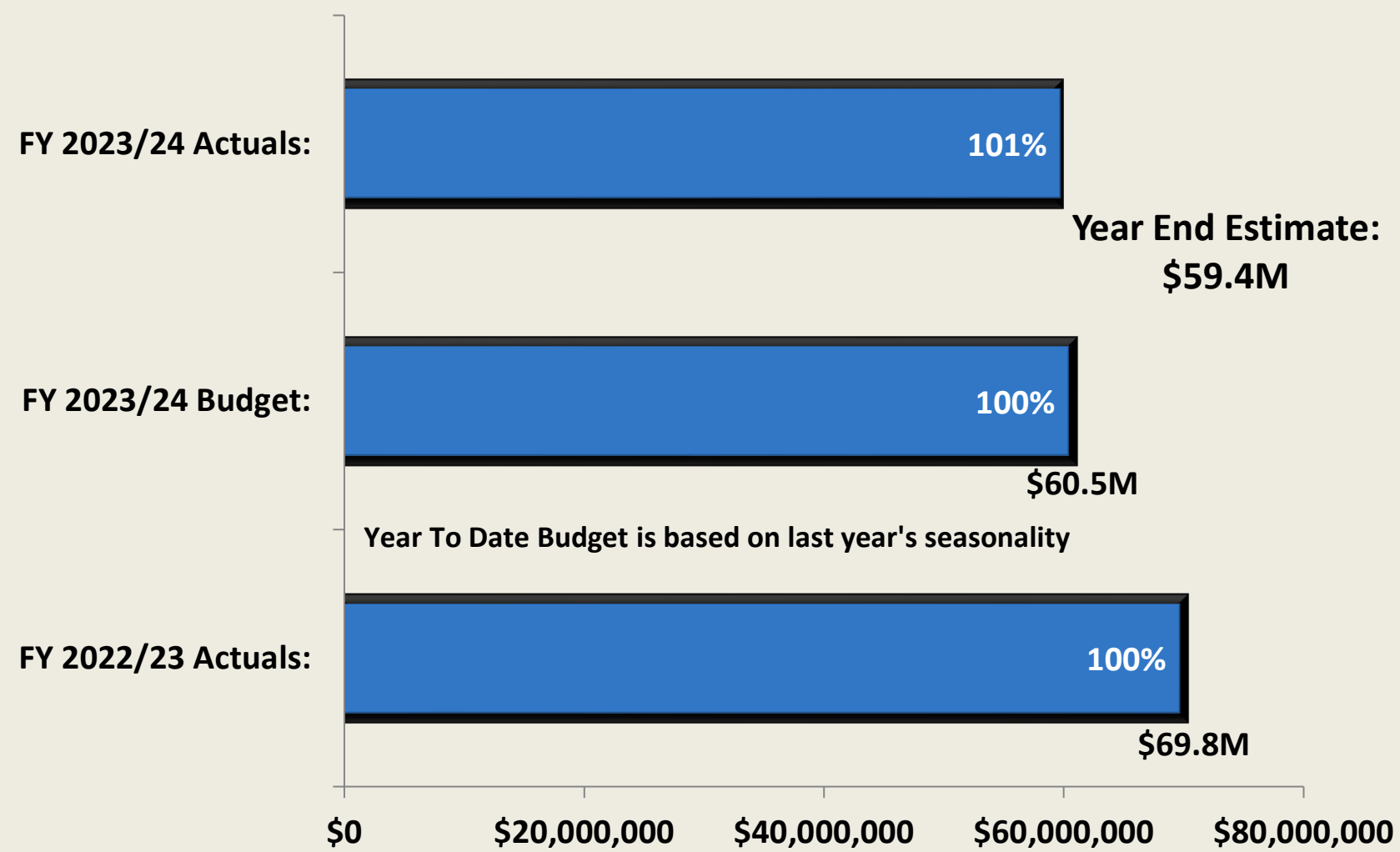
FY 2023/24 4th Quarter Natural Gas Summary

The data below represents financial information for the Utility Fund for the Natural Gas sub-fund. Both direct (Energy Resources Department) and indirect (citywide) expenses are included.

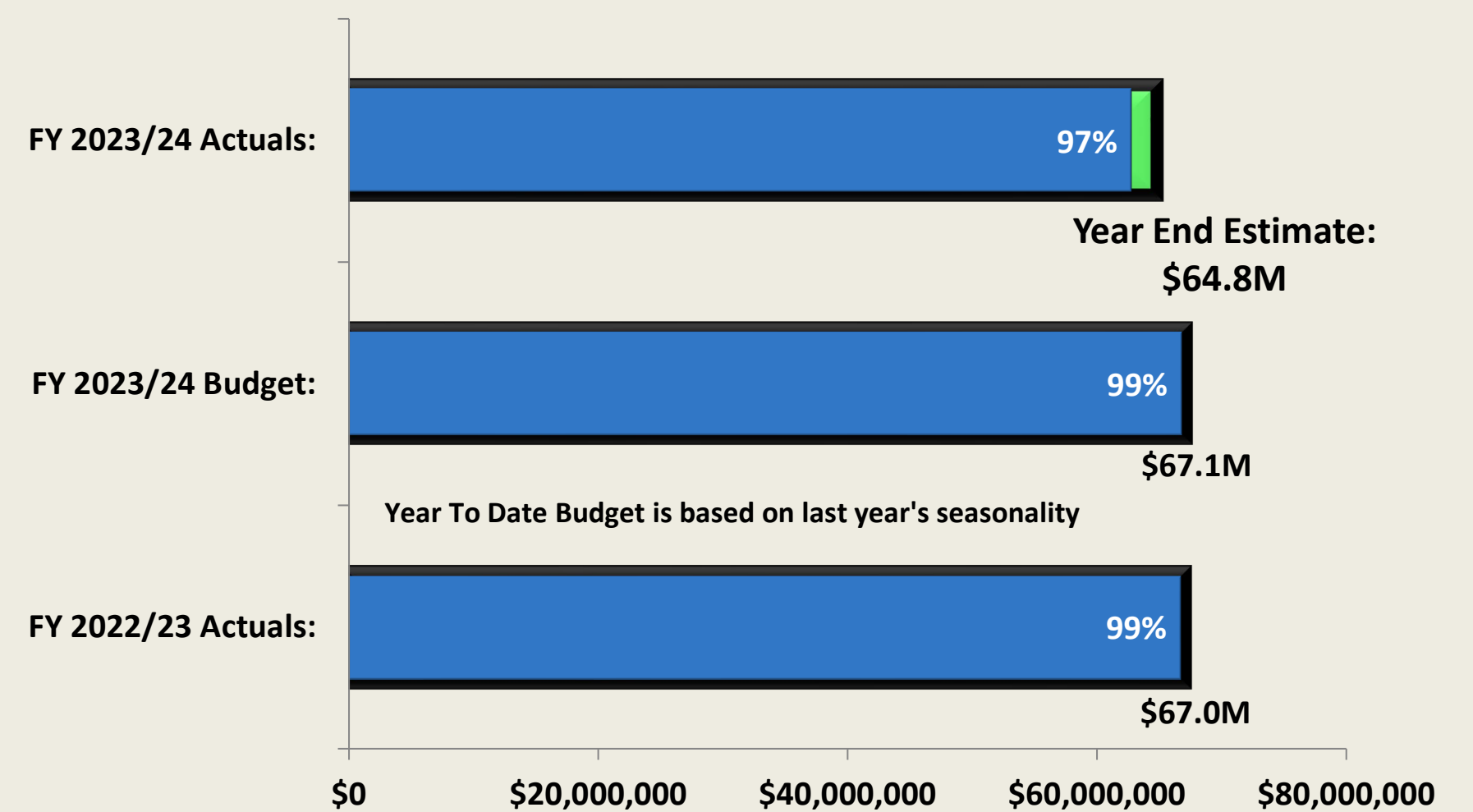
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 60,541	\$ 59,738	\$ 59,391
Uses	\$ 38,669	\$ 33,478	\$ 34,766
Debt/Capital Transfers Out	\$ 16,015	\$ 15,967	\$ 16,144
General Fund Transfers Out	\$ 12,436	\$ 13,272	\$ 13,866
Net Sources and Uses	\$ (6,580)	\$ (2,980)	\$ (5,385)

(In Thousands)

Natural Gas - Sources



Natural Gas - Uses and Transfers



The Natural Gas sources and uses are slightly below budget due to lower than anticipated expenses for the natural gas commodity, which is passed through to the customer. Additionally, the year end estimate for the General Fund Transfer is projected to be above budget due to increased operating revenues.

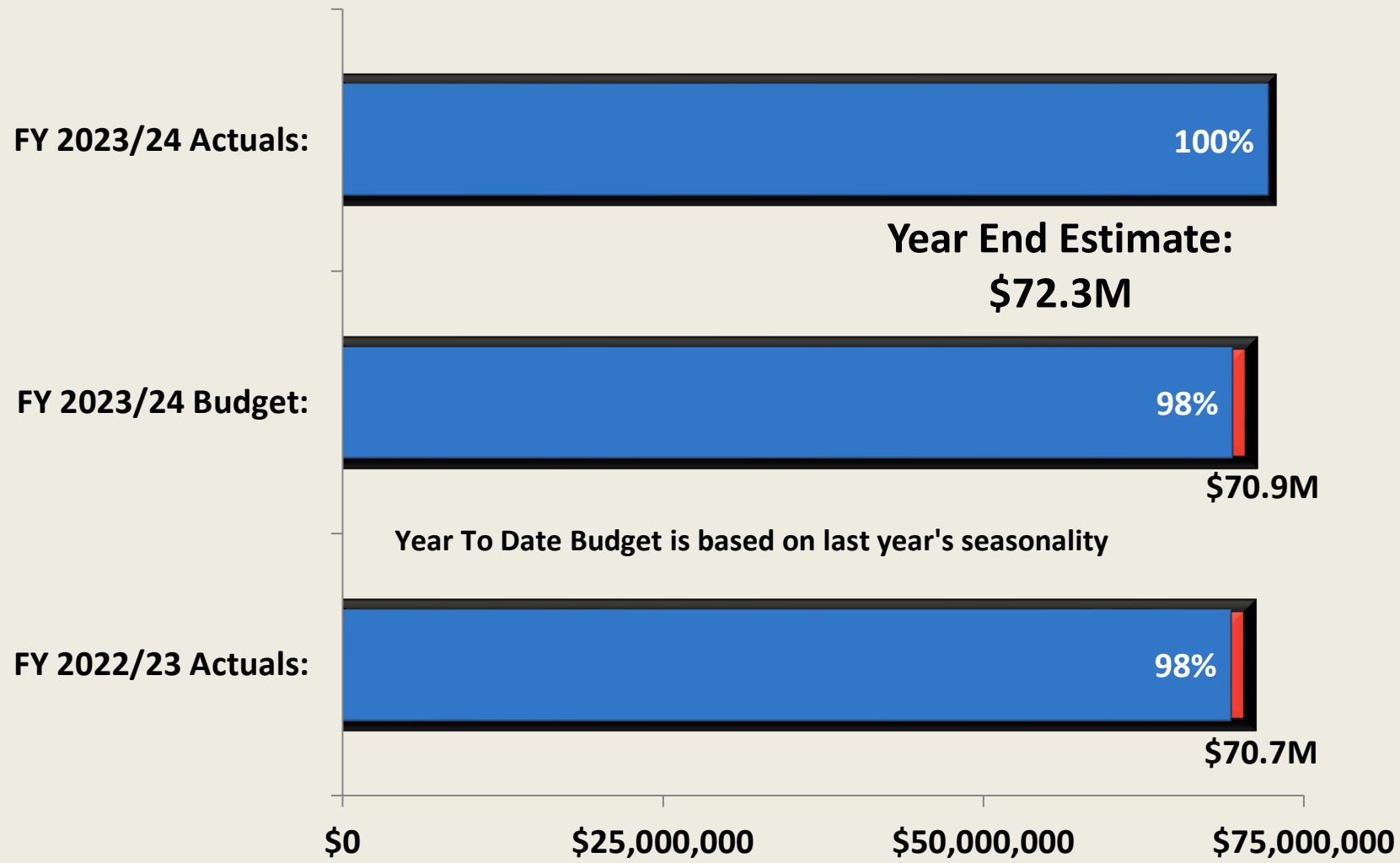
FY 2023/24 4th Quarter Solid Waste Summary

The data below represents financial information from the Utility Fund for the Solid Waste sub fund. Both direct (Environmental Management and Sustainability Department) and indirect (citywide) expenses are included.

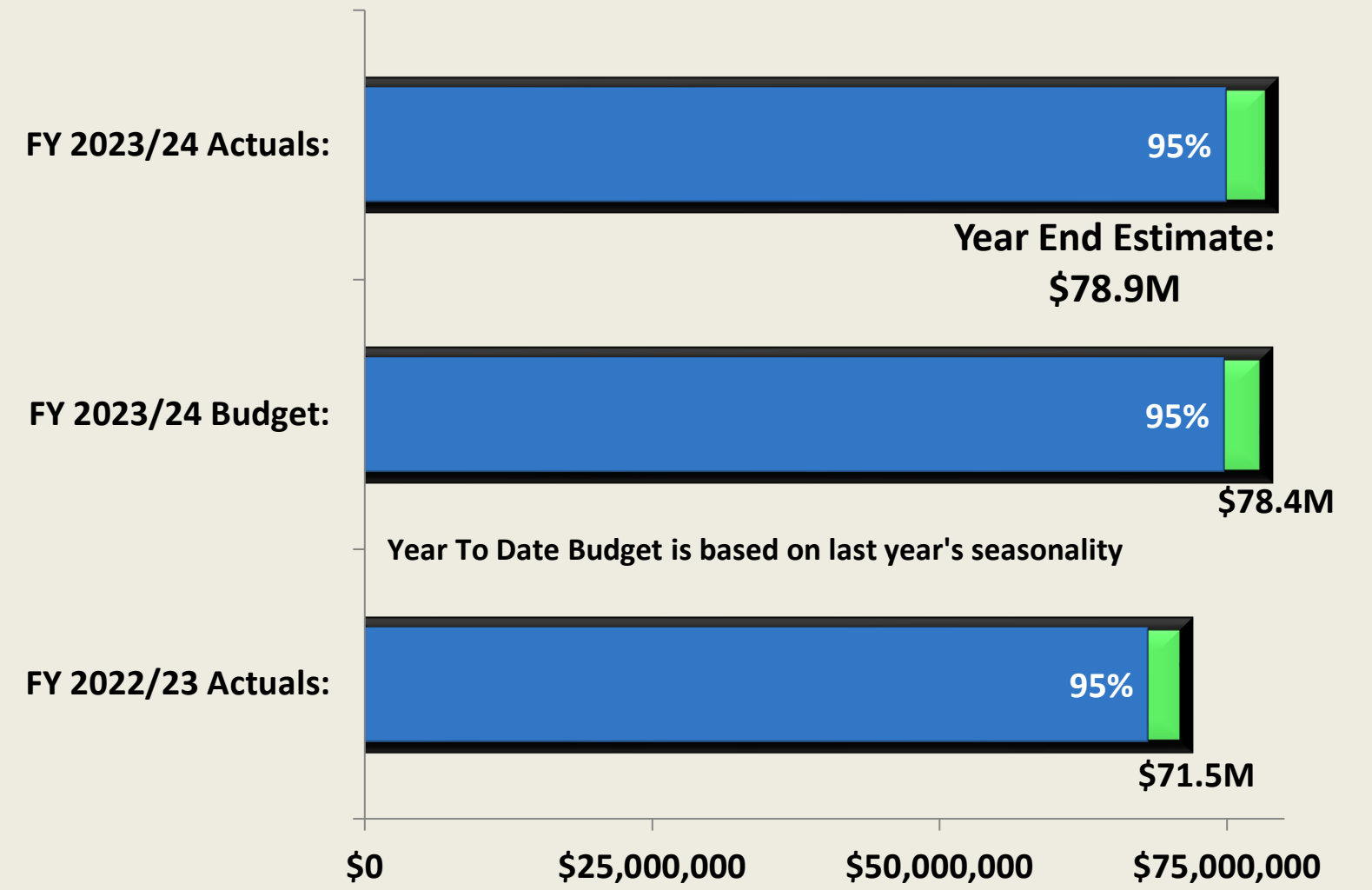
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 70,862	\$ 72,186	\$ 72,303
Uses	\$ 51,620	\$ 44,688	\$ 49,955
Debt/Capital Transfers Out	\$ 5,508	\$ 9,491	\$ 7,236
General Fund Transfers Out	\$ 21,259	\$ 20,708	\$ 21,691
Net Sources and Uses	\$ (7,525)	\$ (2,700)	\$ (6,578)

(In Thousands)

Solid Waste - Sources



Solid Waste - Uses and Transfers



The year end estimate for sources is on track with budget. The year end estimate for Debt/Capital Transfers Out is above budget due to unanticipated vehicle expenses. The estimate is increased above budget due to the purchase of two replacement vehicles that were totaled as well as additional funding to cover increased costs for ordered vehicles.

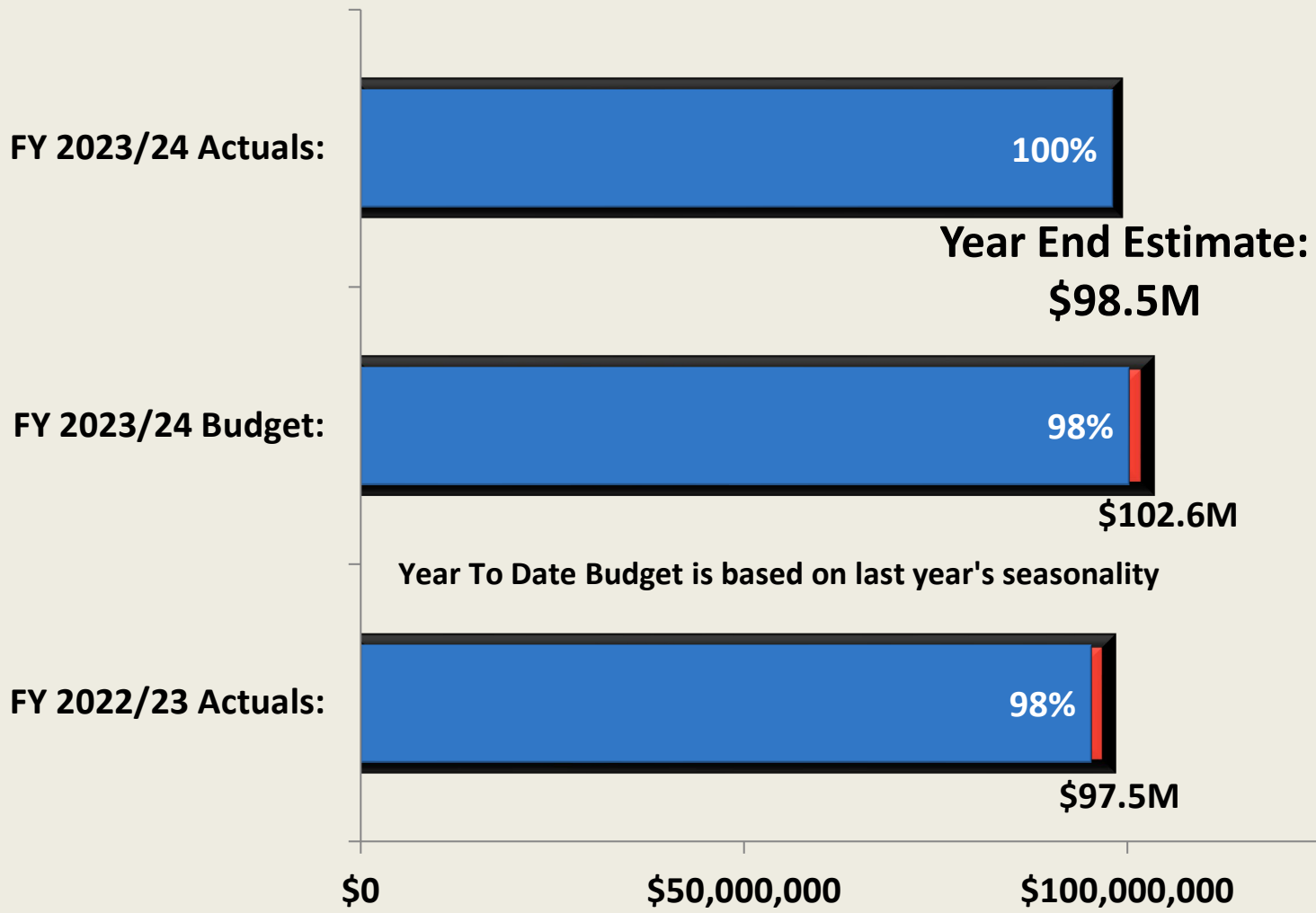
FY 2023/24 4th Quarter Wastewater Summary

The data below represents financial information from the Utility Fund for the Wastewater Sub-fund. Both direct (Water Resources Department) and indirect (citywide) expenses are included.

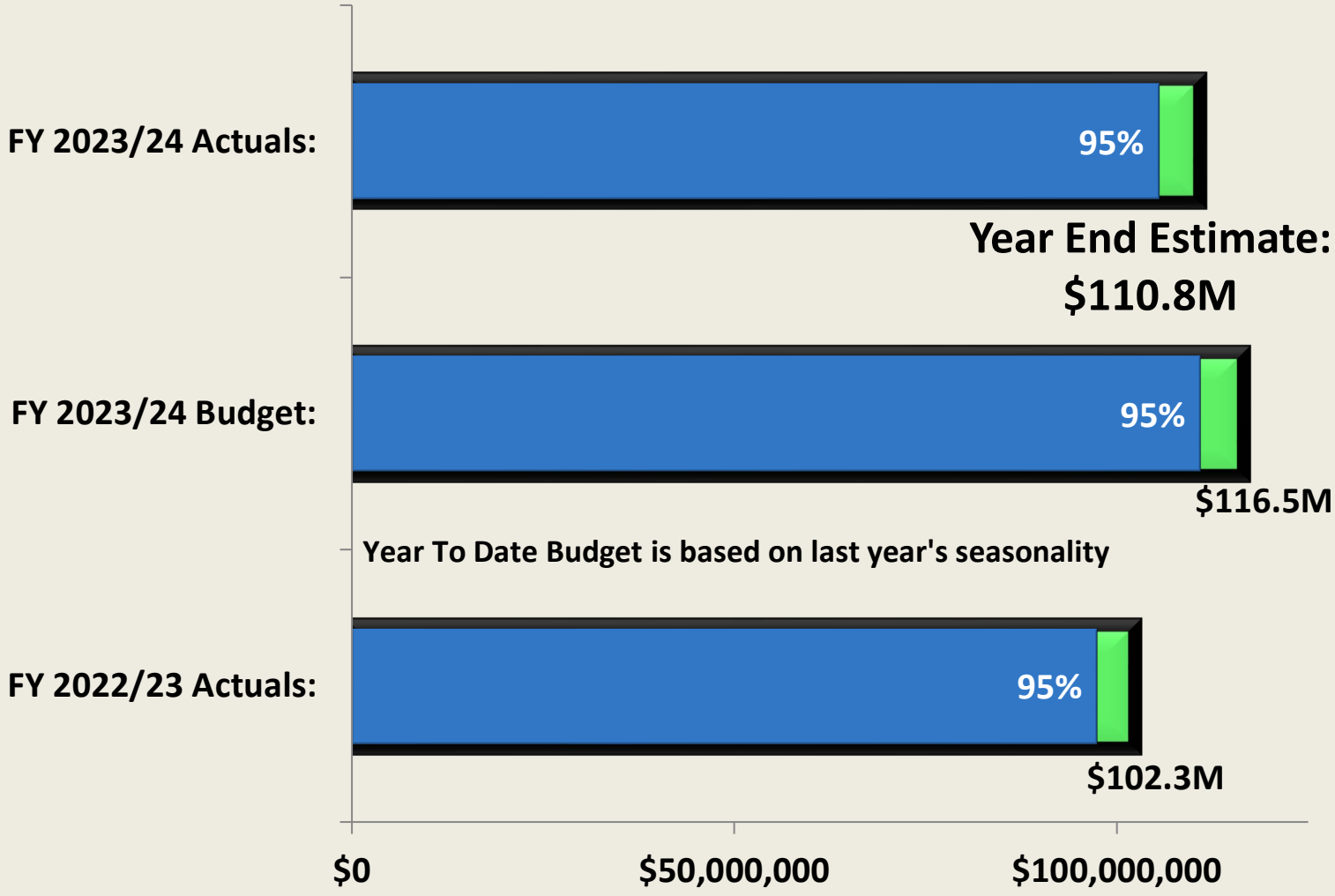
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 102,612	\$ 97,996	\$ 98,464
Uses	\$ 40,708	\$ 32,210	\$ 36,587
Debt/Capital Transfers Out	\$ 45,021	\$ 44,972	\$ 44,671
General Fund Transfers Out	\$ 30,784	\$ 28,226	\$ 29,539
Net Sources and Uses	\$ (13,901)	\$ (7,412)	\$ (12,334)

(In Thousands)

Wastewater - Sources



Wastewater - Uses and Transfers



The Wastewater uses year end estimate is below budget due to lower than anticipated operating costs at the water reclamation plants. The sources year end estimate is slightly below budget due to reduced residential revenues, which are determined by the customer's winter water average.

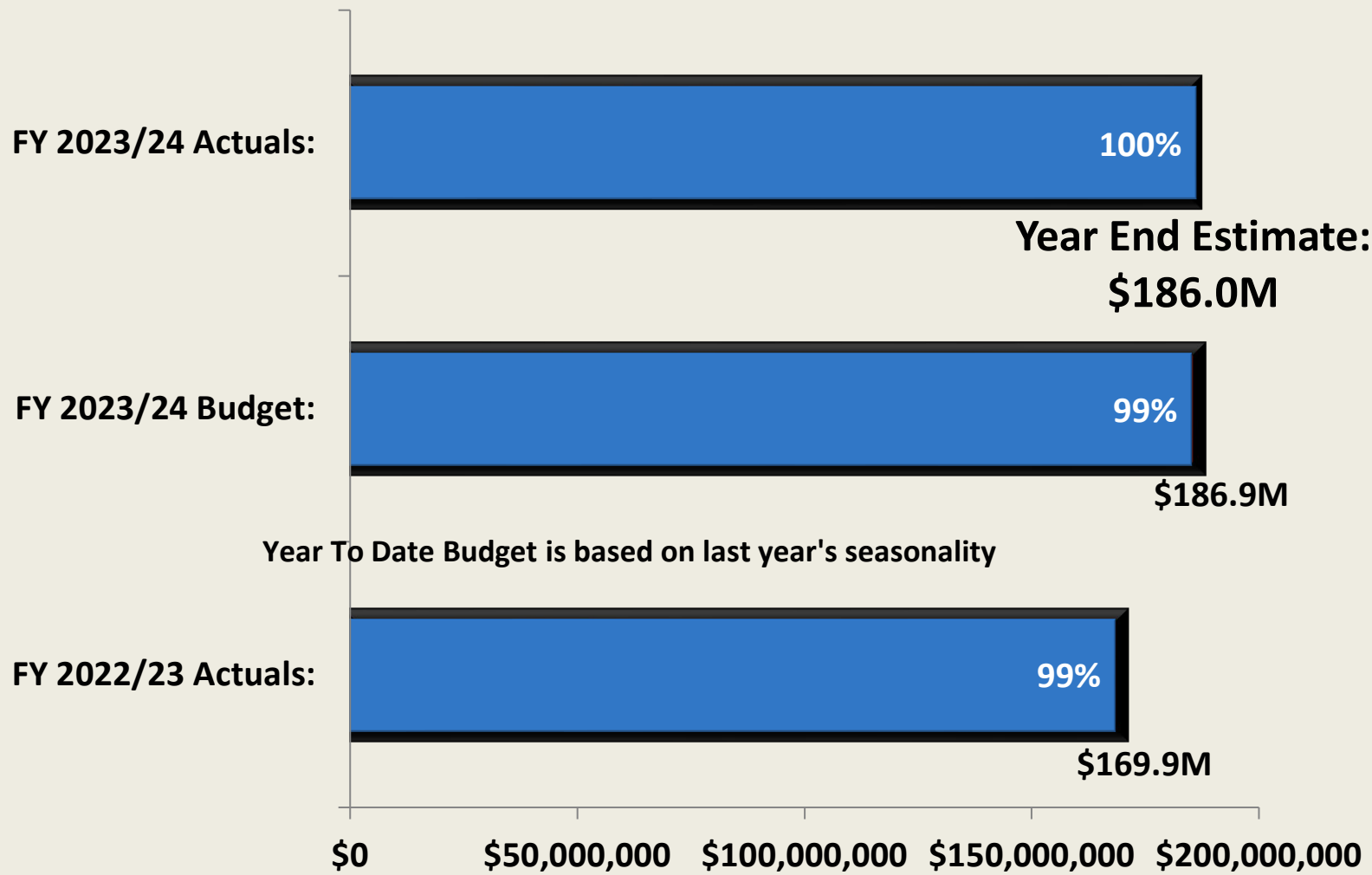
FY 2023/24 4th Quarter Water Summary

The data below represents financial information from the Utility Fund for the Water Sub-fund.
Both direct (Water Resources Department) and indirect (citywide) expenses are included.

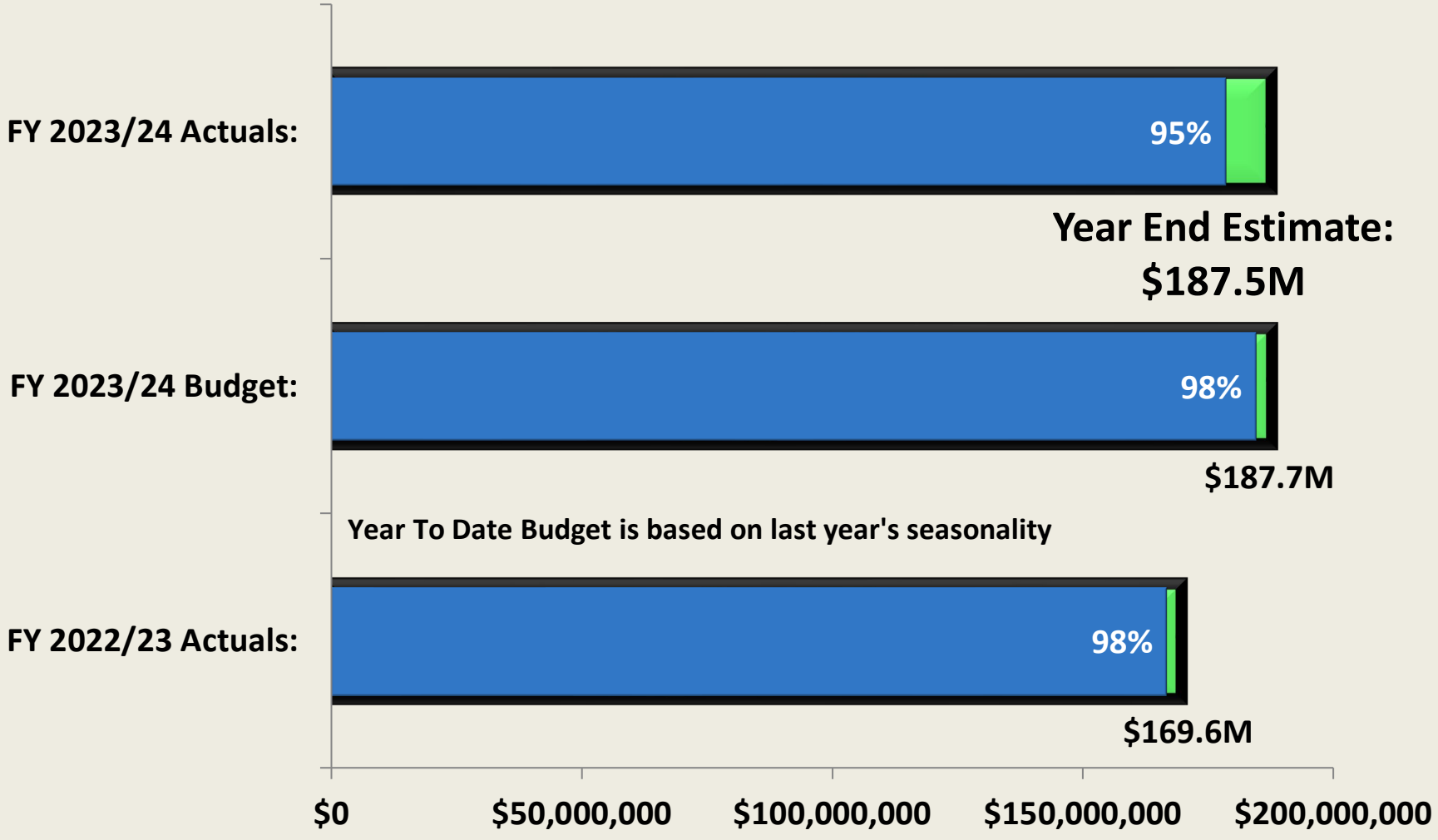
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 186,903	\$ 186,063	\$ 186,047
Uses	\$ 76,122	\$ 69,494	\$ 74,897
Debt/Capital Transfers Out	\$ 56,083	\$ 57,402	\$ 57,385
General Fund Transfers Out	\$ 55,450	\$ 51,559	\$ 55,241
Net Sources and Uses	\$ (753)	\$ 7,609	\$ (1,477)

(In Thousands)

Water - Sources



Water - Uses and Transfers



The year end estimates for sources and uses are on track with budget.