

## Quarterly Financial Status Report

### FY 2023/24

### 1st Quarter

#### Executive Summary:

The City of Mesa has closed the first quarter of the 2023/24 fiscal year, July through September. 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. The Licenses, Fees, and Permits, and Fines and Forfeitures categories 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.

The Utility Fund estimated net sources and uses is slightly below budget. The decrease is primarily due to a reduction of the natural gas cost adjustment factor, which passes the cost of the natural gas commodity to the customer. The natural gas cost adjustment factor ended FY 2022/23 with a positive balance, therefore the factor will be reduced in FY 2023/24 to maintain a zero balance.

For any 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](https://data.mesaaz.gov).

## FY 2023/24 1st Quarter: Financial Status Summary

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

### Legend

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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			
	Revenues	Expenditures	Net
Adopted Budget	\$ 637,661	\$ 663,306	\$ (25,644)
Year to Date Actuals	\$ 140,497	\$ 149,622	\$ (9,126)
Year End Estimate	\$ 677,719	\$ 677,734	\$ (15)
(In Thousands)			
Utility Fund*			
	Sources	Uses	Net
Adopted Budget	\$ 467,375	\$498,563	\$ (31,188)
Year to Date Actuals	\$ 131,358	\$120,124	\$ 11,234
Year End Estimate	\$ 469,689	\$503,593	\$ (33,904)
(In Thousands)			

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**General Fund and Quality of Life - FY 2023/24 1st Quarter Revenues**

Revenue Categories	Adopted Budget	Year to Date Actuals	Year End Estimate
Taxes	\$ 205,781	\$ 35,492	\$ 239,224
Intergovernmental	\$ 237,785	\$ 58,087	\$ 243,426
Sales and Charges for Services	\$ 26,808	\$ 7,313	\$ 28,442
Licenses, Fees, and Permits	\$ 17,030	\$ 4,516	\$ 16,496
Fines and Forfeitures	\$ 4,642	\$ 742	\$ 3,469
Other Revenues	\$ 4,281	\$ 2,567	\$ 4,363
Transfers In	\$ 141,334	\$ 31,780	\$ 142,300
<b>Total</b>	<b>\$ 637,661</b>	<b>\$ 140,497</b>	<b>\$ 677,719</b>

(In Thousands)

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## FY 2023/24 1st 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	\$ 32,177	\$ 197,984
Quality of Life Fund	\$ 35,473	\$ 3,314	\$ 41,239
<b>Total Tax Revenue</b>	<b>\$ 205,781</b>	<b>\$ 35,492</b>	<b>\$ 239,224</b>

(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.

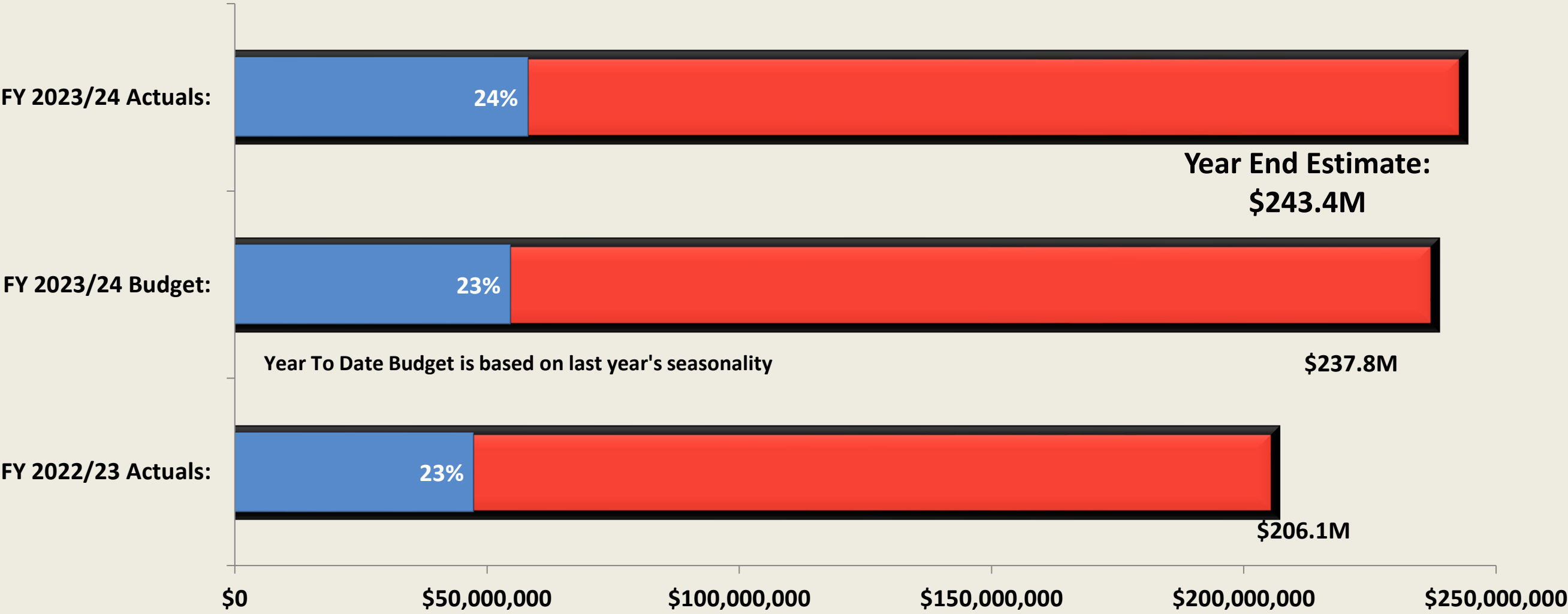
FY 2023/24 1st Quarter Revenues: Intergovernmental Summary

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	\$ 33,952	\$ 137,548
State Shared Sales Tax	\$ 65,515	\$ 15,884	\$ 70,413
Vehicle License Tax	\$ 24,789	\$ 5,245	\$ 25,274
Other	\$ 9,934	\$ 3,007	\$ 10,191
Total Intergovt Revenue	\$ 237,785	\$ 58,087	\$ 243,426

(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.

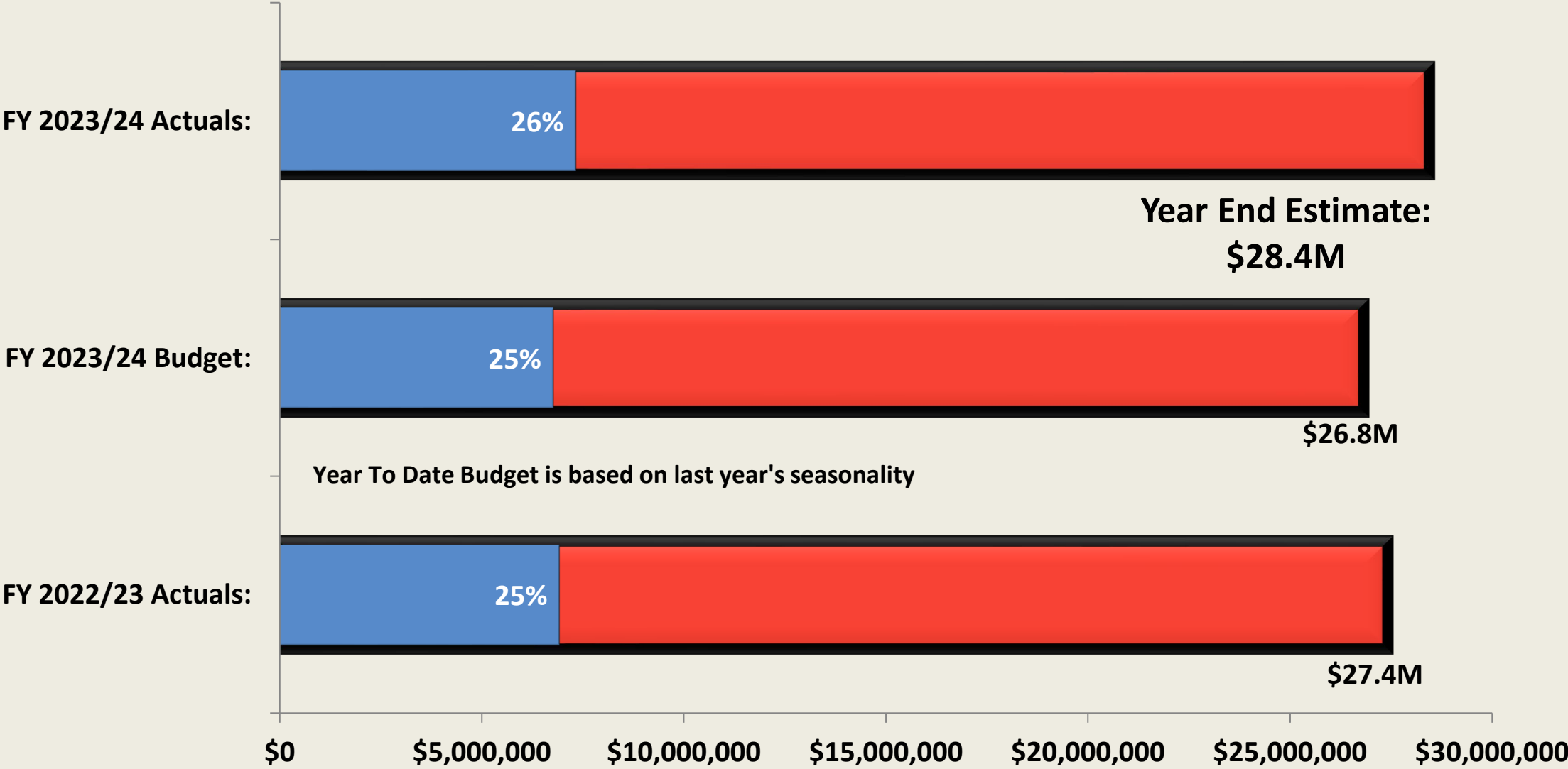
## FY 2023/24 1st Quarter Revenues: Sales and Charges for Services Summary

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	\$ 7,313	\$28,442

(In Thousands)

### Sales and Charges for Services - Revenues



The Sales and Charges for Services year end estimate is slightly above budget. The increase is primarily due to greater than anticipated revenue from Engineering inspections and charges related to increased construction activity and revenue from leases of City owned communication sites.

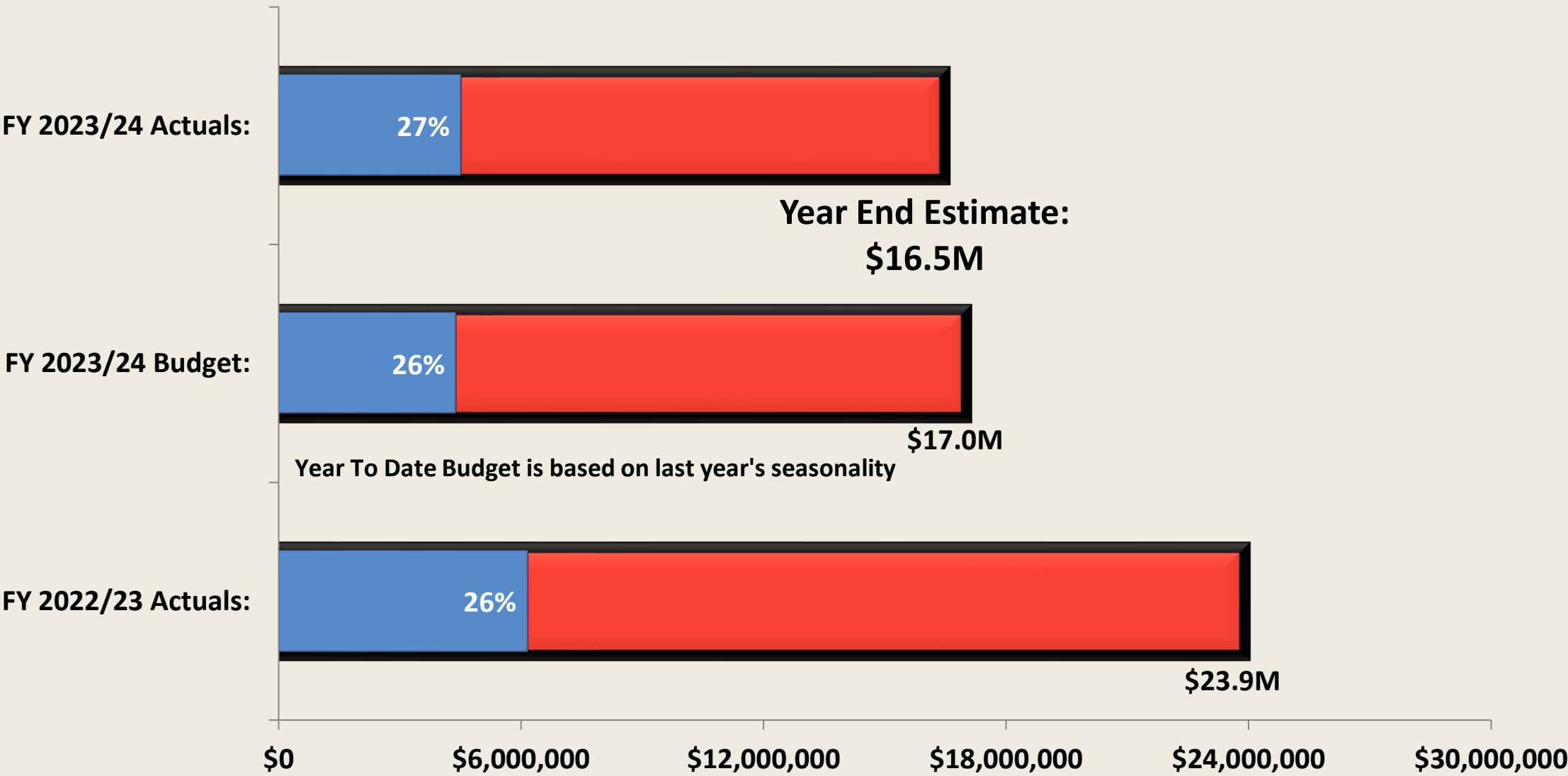
# FY 2023/24 1st Quarter Revenues: Licenses, Fees, and Permits Summary

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	\$ 4,516	\$ 16,496

(In Thousands)

## Licenses, Fees, and Permits - Revenues



The License, Fees, and Permits revenue year end estimate is projected to be slightly below budget due largely to reduced court filings, which has led to lower than anticipated defensive driving course fees and photo safety fees.

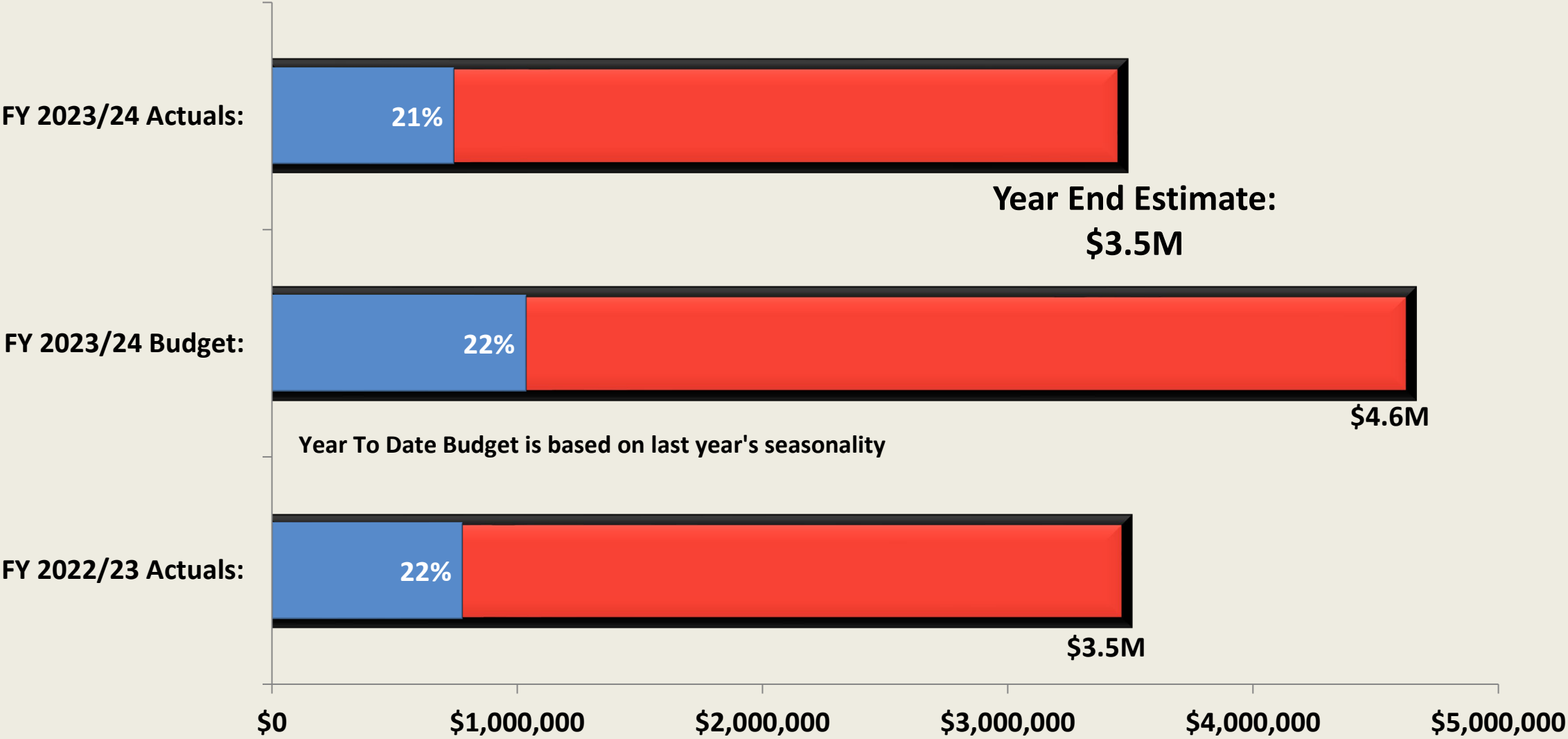
## FY 2023/24 1st Quarter Revenues: Fines and Forfeitures Summary

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	\$ 742	\$ 3,469

(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, as well as the temporary suspension of the Fines/Fees and Restitution Enforcement (FARE) program, which allows for more efficient collection of Court fines that are in arrears.



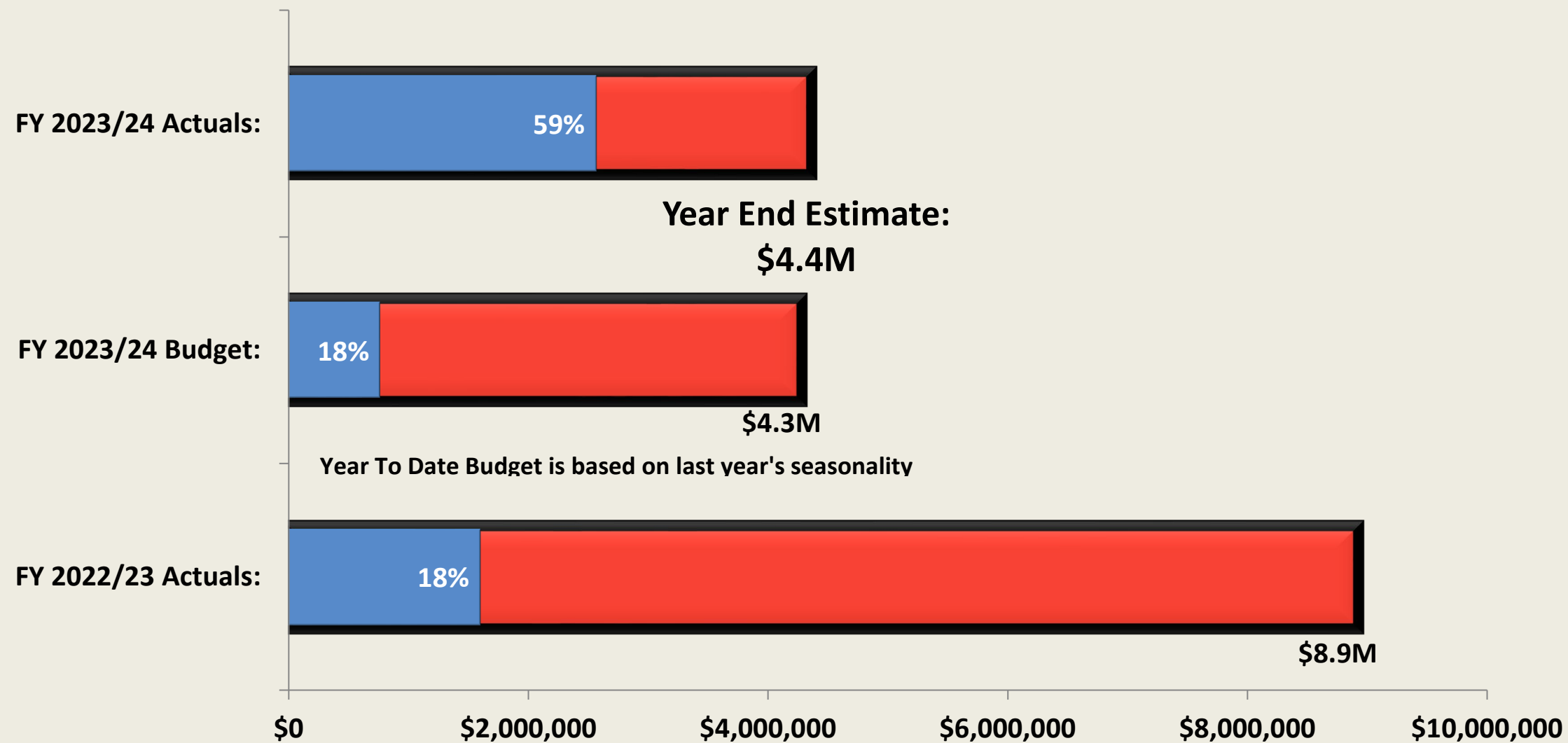
## FY 2023/24 1st Quarter Revenues: Other Revenues Summary

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	\$ 2,567	\$ 4,363

(In Thousands)

### Other Revenues - Revenues



The Other Revenues year end estimate is slightly above budget due to greater than anticipated interest on investments revenues. Year to date actuals for FY 2023/24 interest on investments is greater than FY 2022/23 due to sustained higher interest rates.

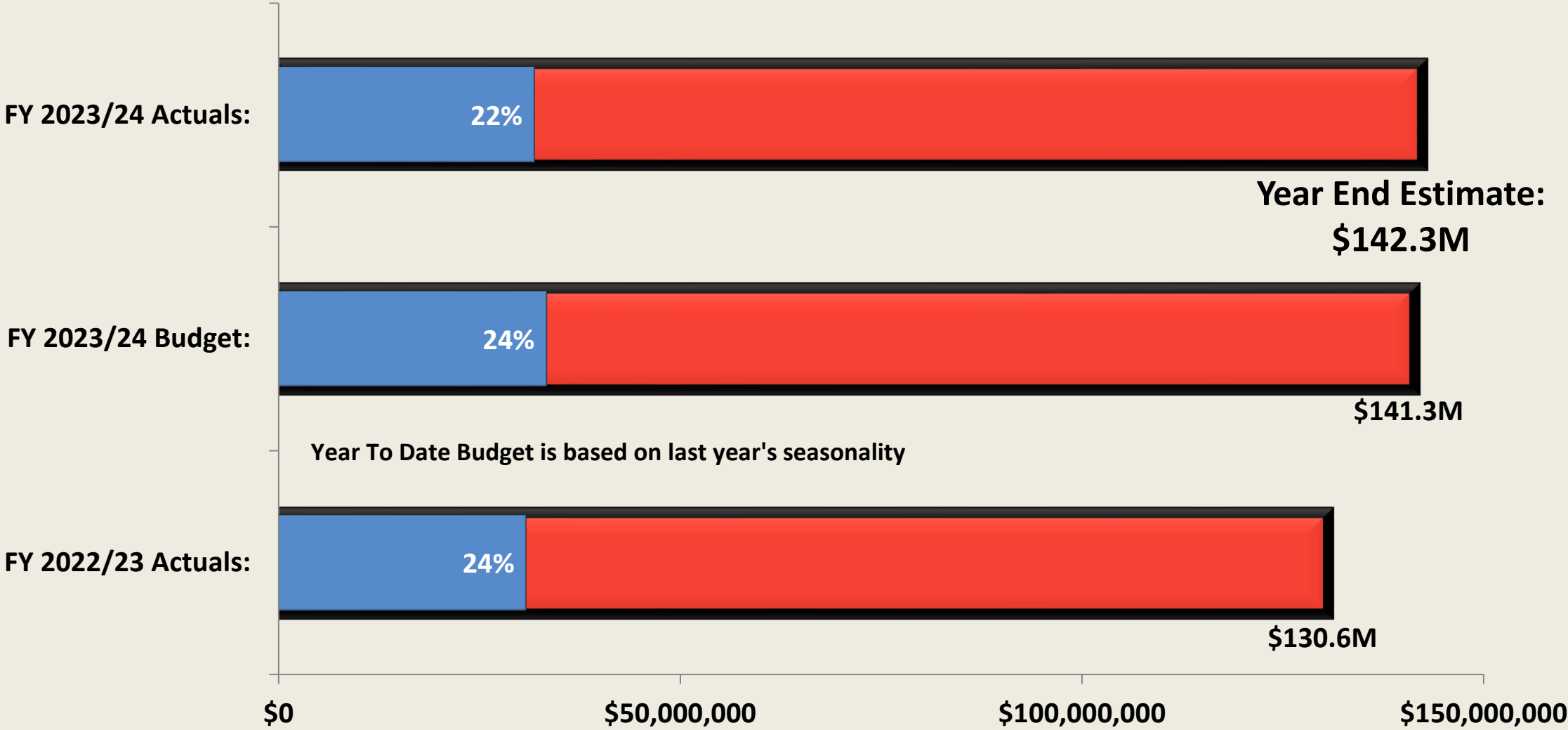
## FY 2023/24 1st Quarter Revenues: Transfers In Summary

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	\$ 31,780	\$ 142,300

(In Thousands)

### Transfers In - Revenues



Transfers into the General Fund are mainly comprised of quarterly contributions from the Utility Fund. The amount of the contribution is 30% of gross operating revenues. Year end estimates for Transfers In are on track with the adopted budget.

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## General Fund and Quality of Life - FY 2023/24 1st Quarter Expenditures

Expenditures	Adopted Budget	Year to Date Actuals	Year End Estimate
Community Development and Services	\$ 17,487	\$ 3,904	\$ 17,720
Parks and Library	\$ 41,630	\$ 9,556	\$ 40,621
Law Enforcement	\$ 245,507	\$ 74,057	\$ 261,751
Fire and Medical	\$ 111,071	\$ 30,741	\$ 111,607
Other Departments	\$ 132,283	\$ 27,884	\$ 132,502
Transfers Out	\$ 115,328	\$ 3,481	\$ 113,533
<b>Total</b>	<b>\$ 663,306</b>	<b>\$ 149,622</b>	<b>\$ 677,734</b>

(In Thousands)

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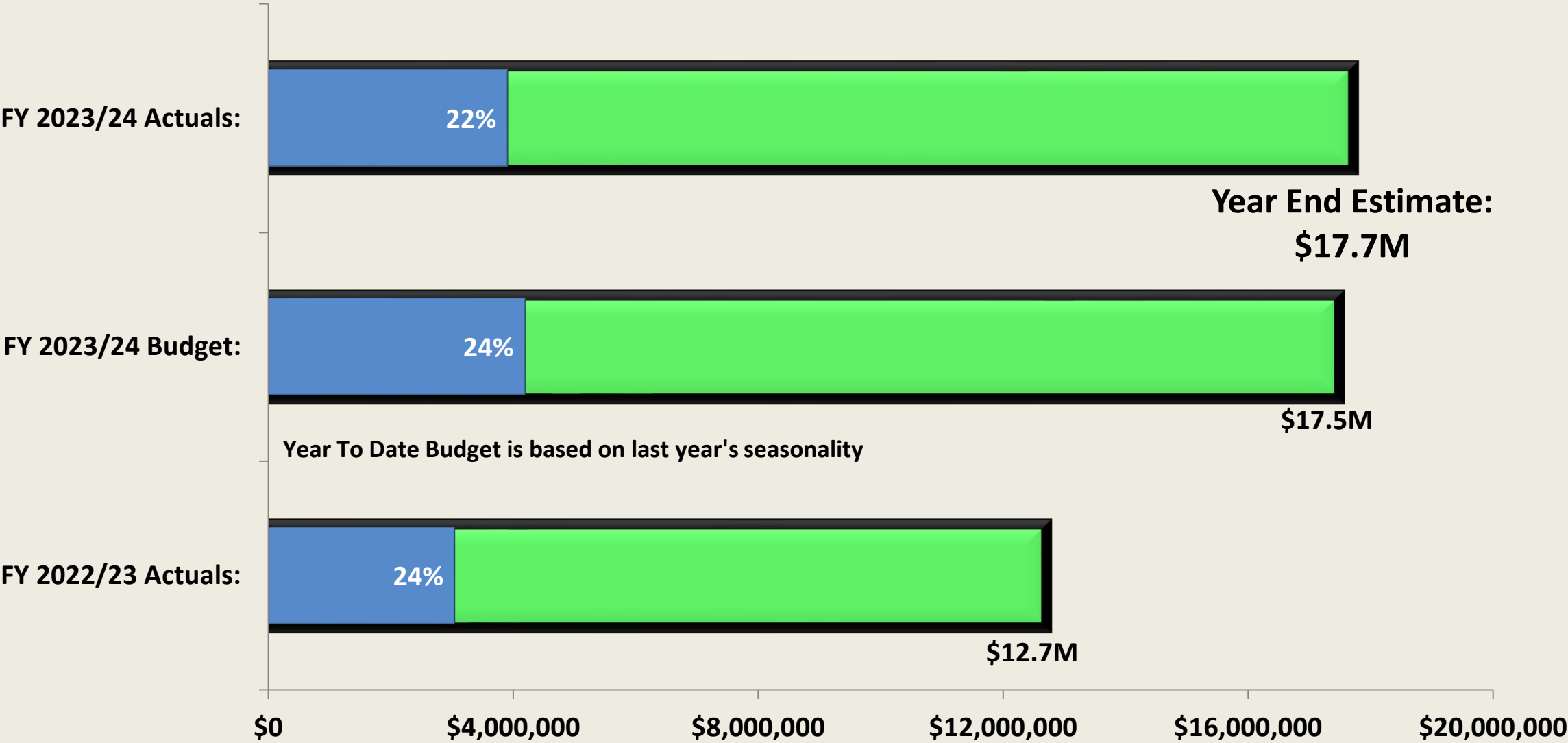
FY 2023/24 1st Quarter Expenditures: Community Development and Services Summary

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	\$ 3,904	\$ 17,720

(In Thousands)

Community Development and Services - Expenditures



The Community Development and Services expenditure year end estimate is on track with budget.

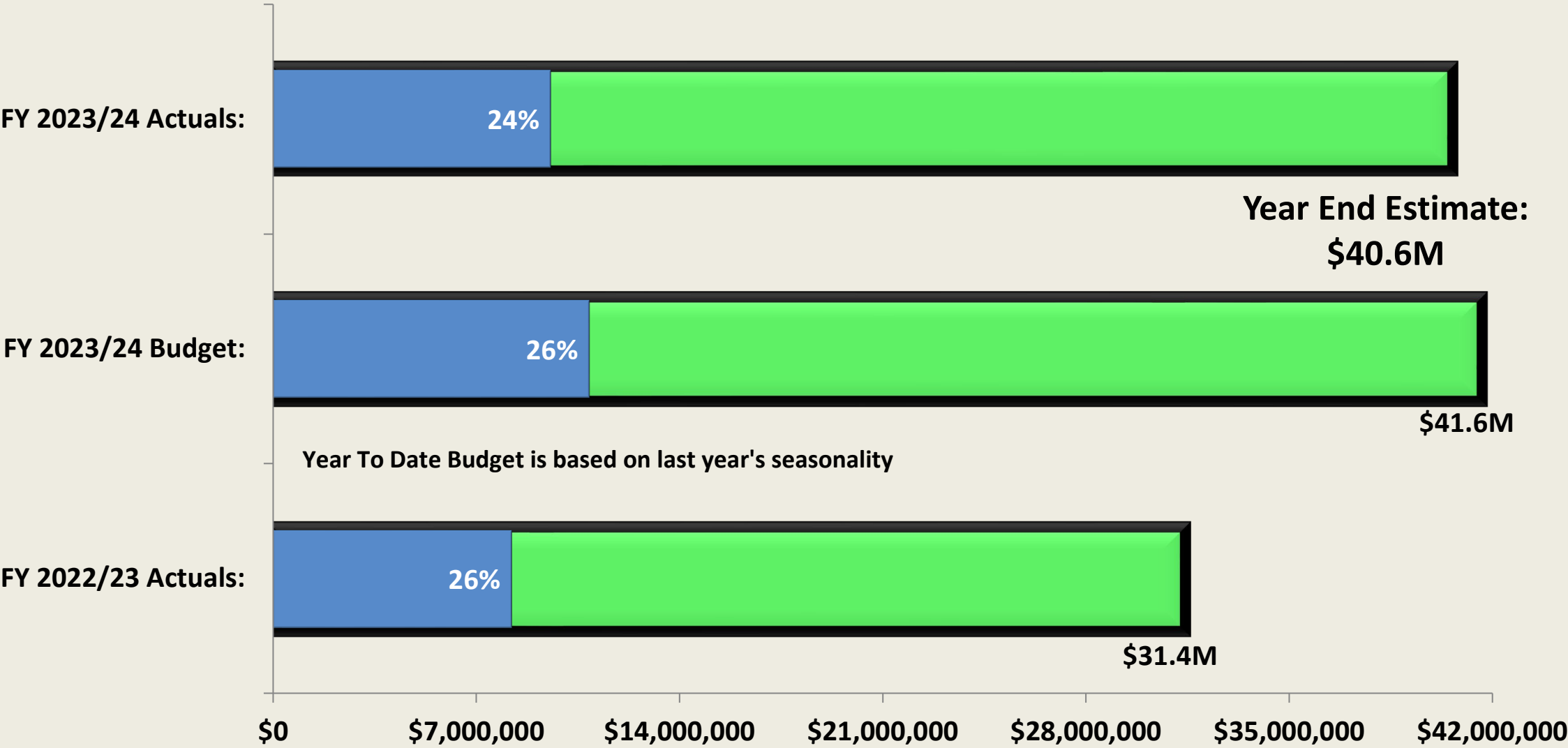
## FY 2023/24 1st Quarter Expenditures: Parks and Library Summary

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	\$ 9,556	\$ 40,621

(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.

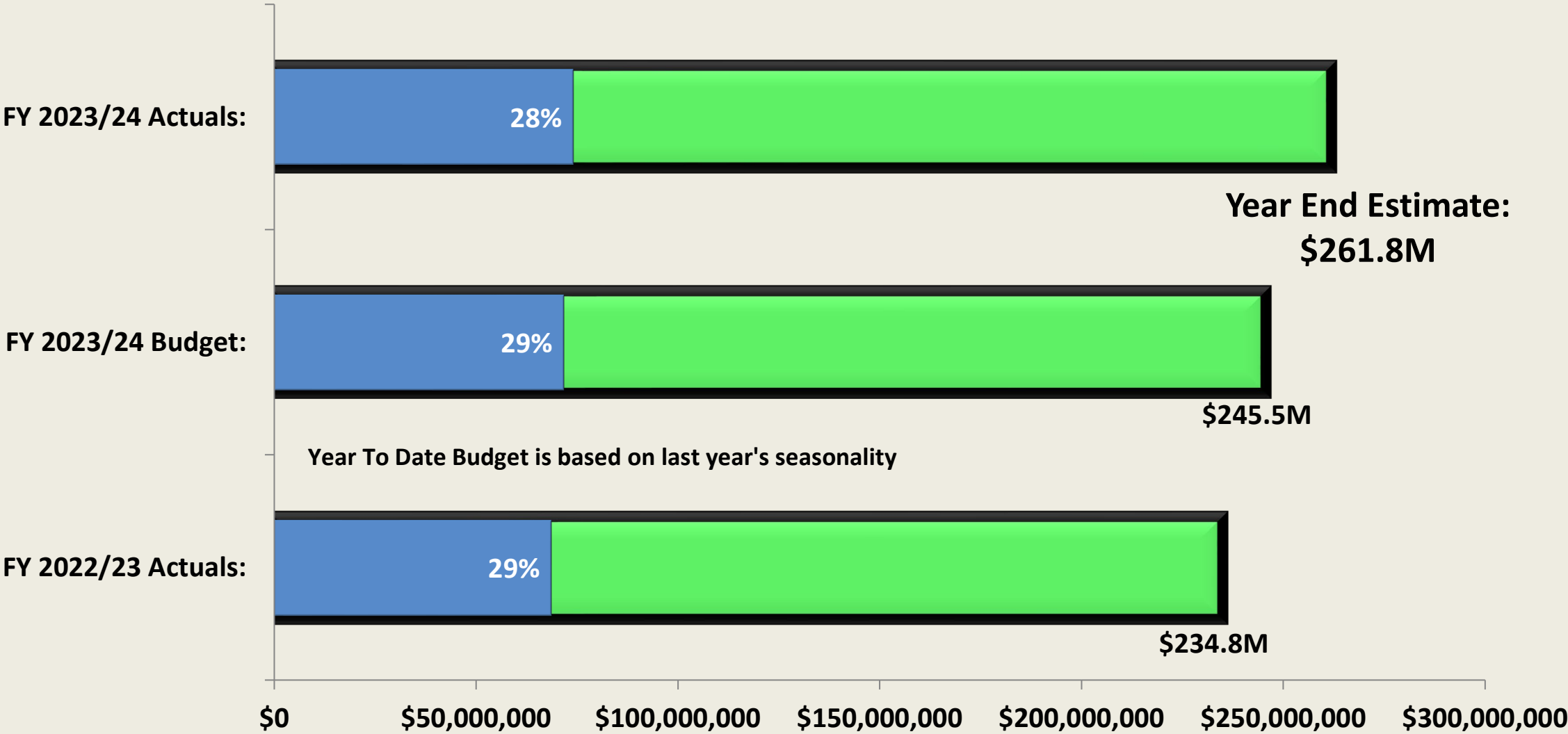
## FY 2023/24 1st Quarter Expenditures: Law Enforcement Summary

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	\$ 74,057	\$ 261,751

(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.

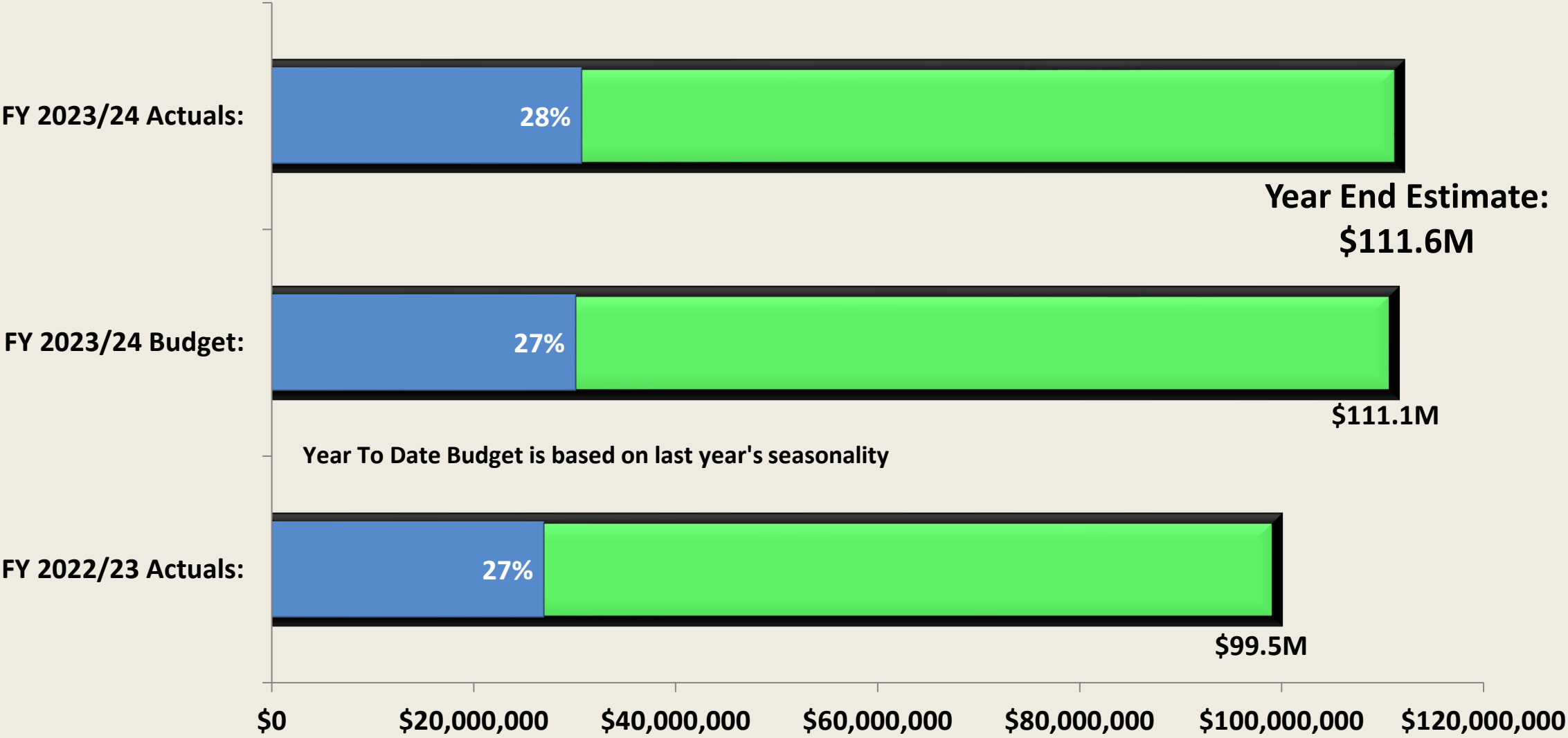
## FY 2023/24 1st Quarter Expenditures: Fire and Medical Summary

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	\$ 30,741	\$ 111,607

(In Thousands)

### Fire and Medical - Expenditures



The Fire and Medical expenditure year end estimate is on track with budget.

## FY 2023/24 1st Quarter Expenditures: Other Departments Summary

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

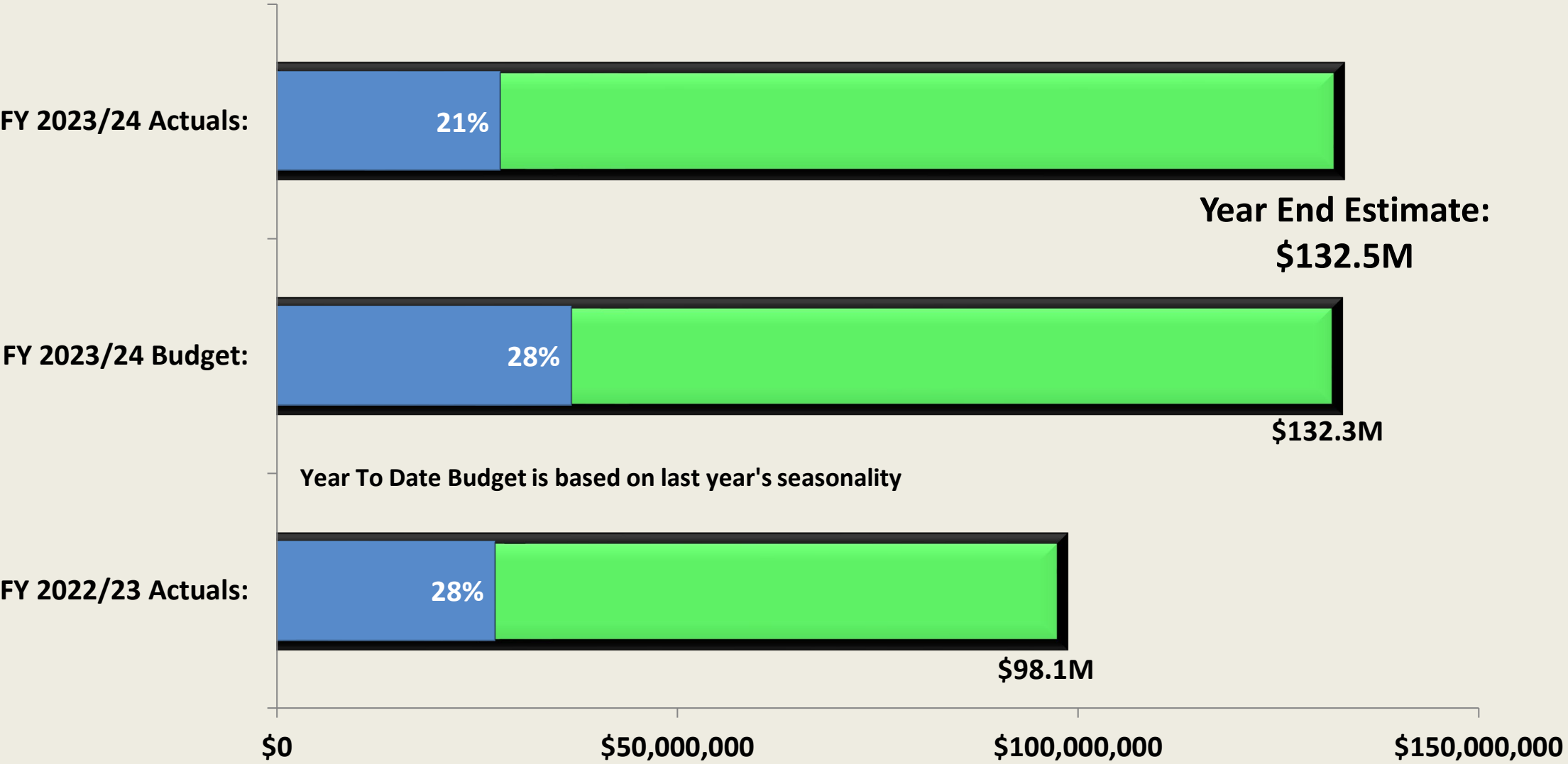
Business Services	Communications	Financial Services	Office of Management and Budget
Centralized Appropriations	Economic Development	Fleet Services	Public Information and Communications
City Attorney	Energy Resources	Human Resources	Environmental Mgmt and Sustainability
City Auditor	Engineering	Innovation & 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
\$ 132,283	\$ 27,884	\$ 132,502

(In Thousands)

### Other Departments - Expenditures



The Other Departments expenditure year end estimate is currently on track with the adopted budget.



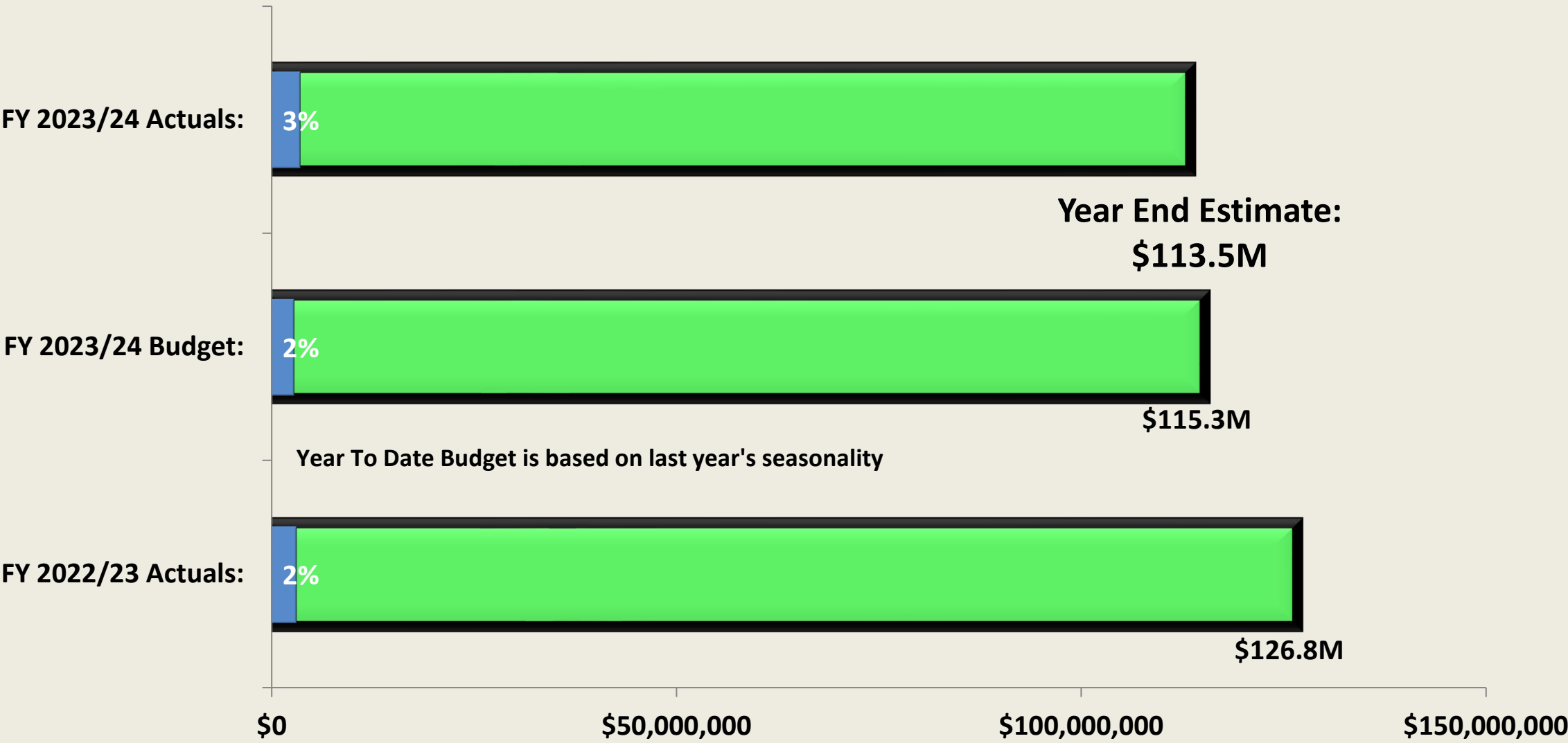
## FY 2023/24 1st Quarter Expenditures: Transfers Out Summary

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	\$ 3,481	\$ 113,533

(In Thousands)

### Transfers Out - Expenditures



The vehicle replacement and Arts & Culture transfers occur on a quarterly basis, 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 1st Quarter Net Sources and Uses - Utility Fund

Utility Net Sources and Uses	Adopted Budget	Year to Date Actuals	Year End Estimate
District Cooling	\$ (298)	\$ 6	\$ (212)
Electric	\$ (2,130)	\$ 28	\$ (1,484)
Natural Gas	\$ (6,580)	\$ (1,118)	\$ (9,548)
Solid Waste	\$ (7,525)	\$ 3,208	\$ (7,281)
Wastewater	\$ (13,901)	\$ (645)	\$ (12,126)
Water	\$ (753)	\$ 9,756	\$ (3,254)
Total Utility Fund	\$ (30,889)	\$ 11,228	\$ (33,904)

(In Thousands)

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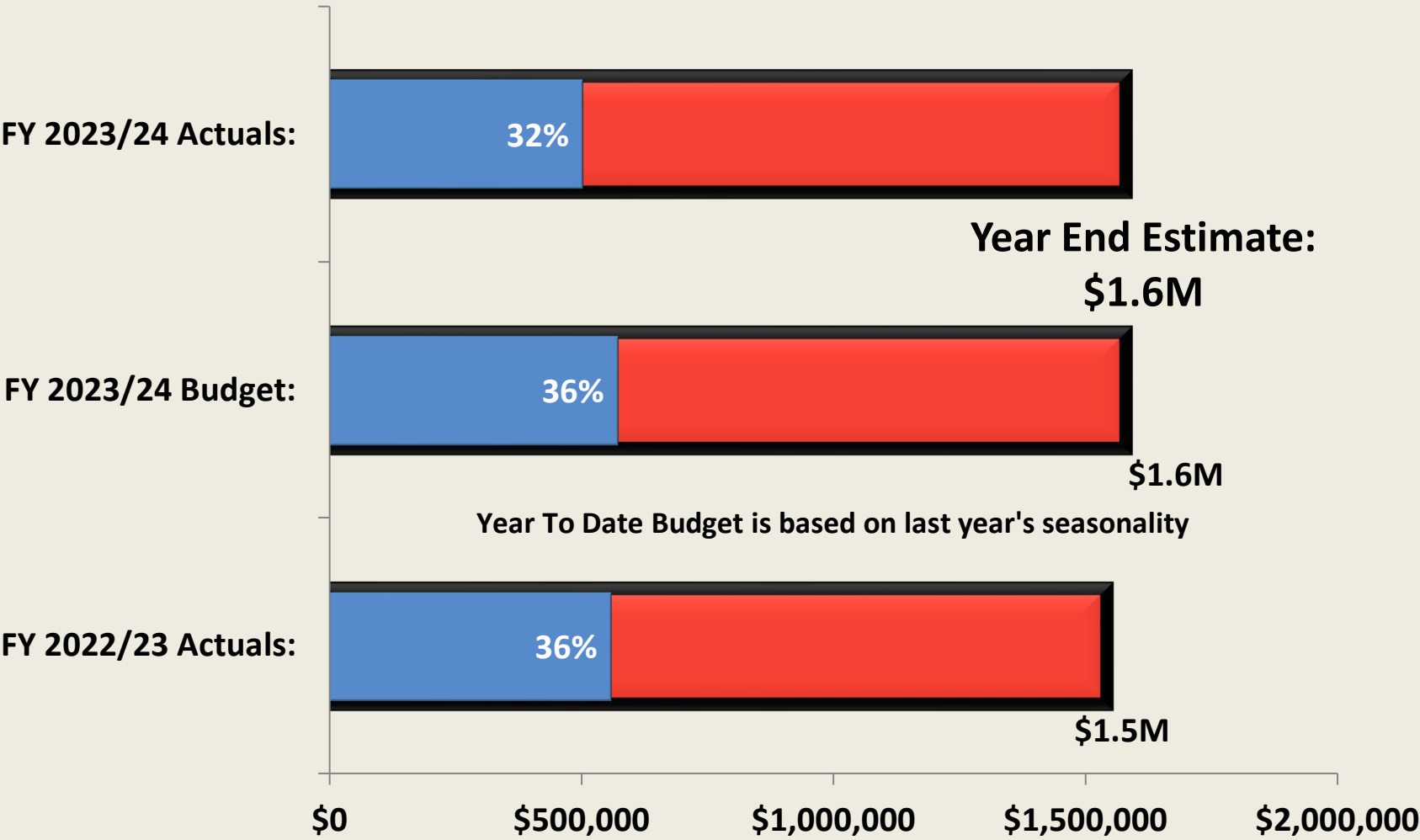
## FY 2023/24 1st Quarter District Cooling Summary

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.

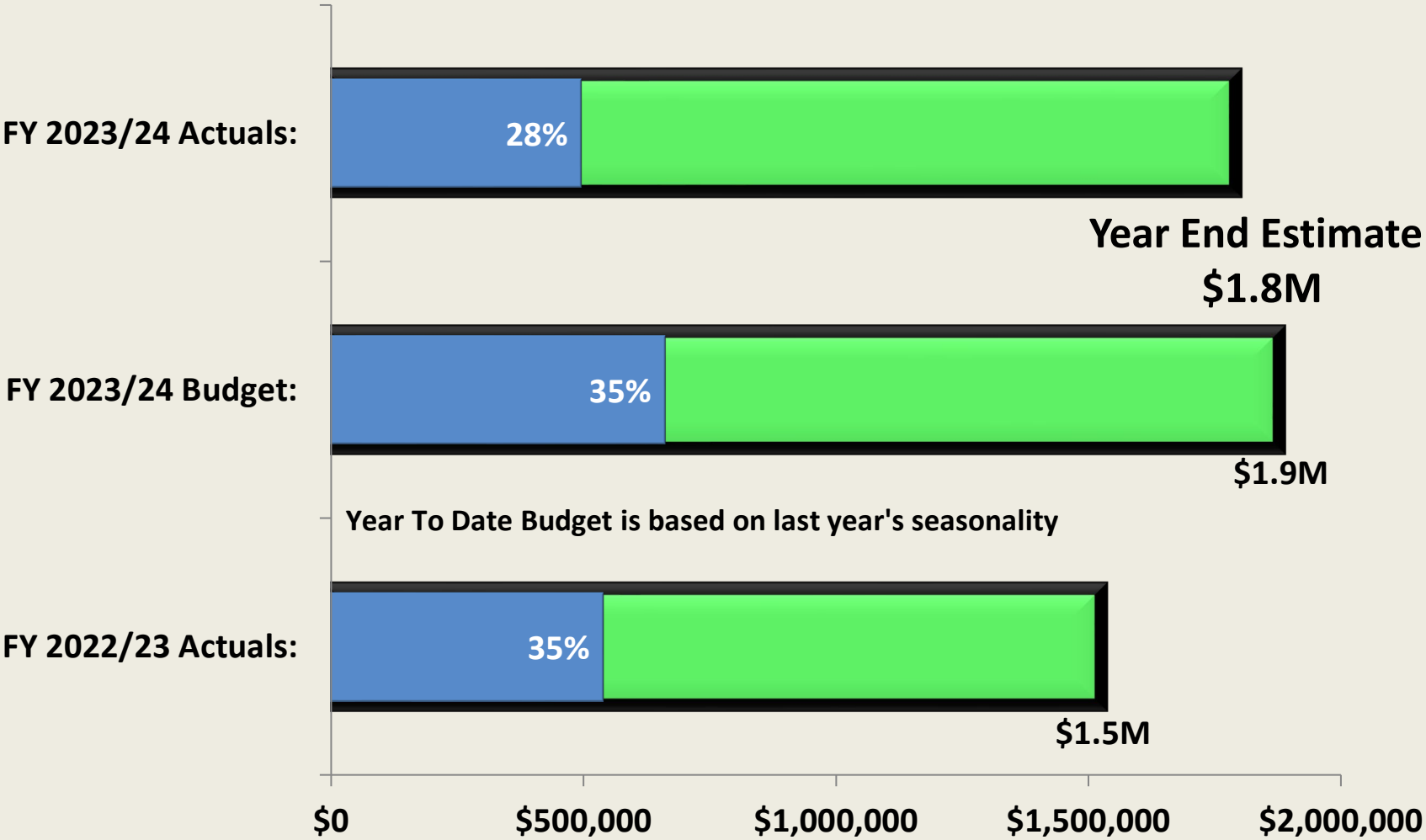
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 1,579	\$ 502	\$ 1,579
Uses	\$ 1,402	\$ 346	\$ 1,316
Debt/Capital Transfers Out	\$ 1	\$ -	\$ 1
General Fund Transfers Out	\$ 474	\$ 150	\$ 474
Net Sources and Uses	\$ (298)	\$ 6	\$ (212)

(In Thousands)

District Cooling - Sources



District Cooling - Uses and Transfers



The sources and uses year end estimate is on track with budget.

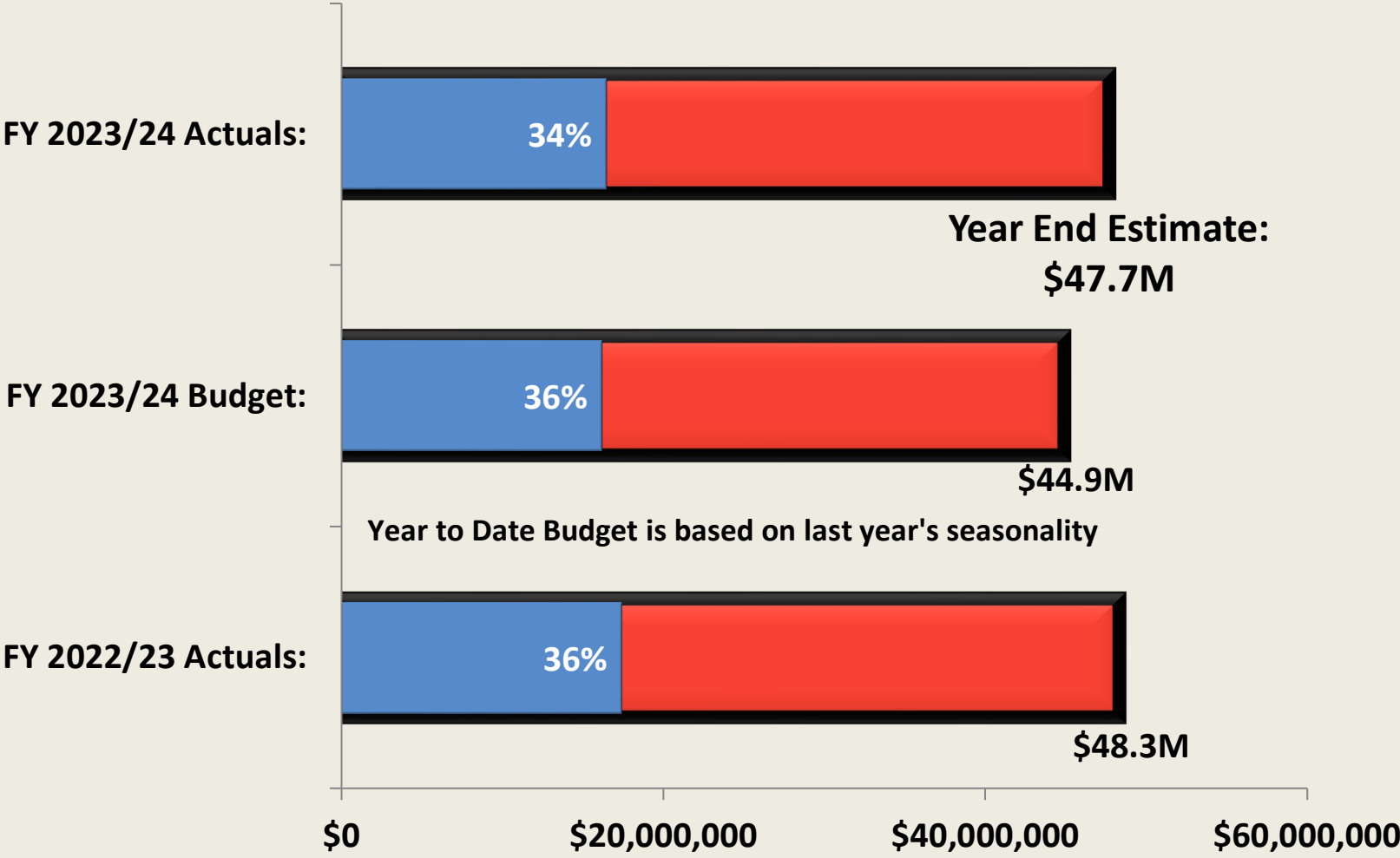
FY 2023/24 1st Quarter Electric Summary

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.

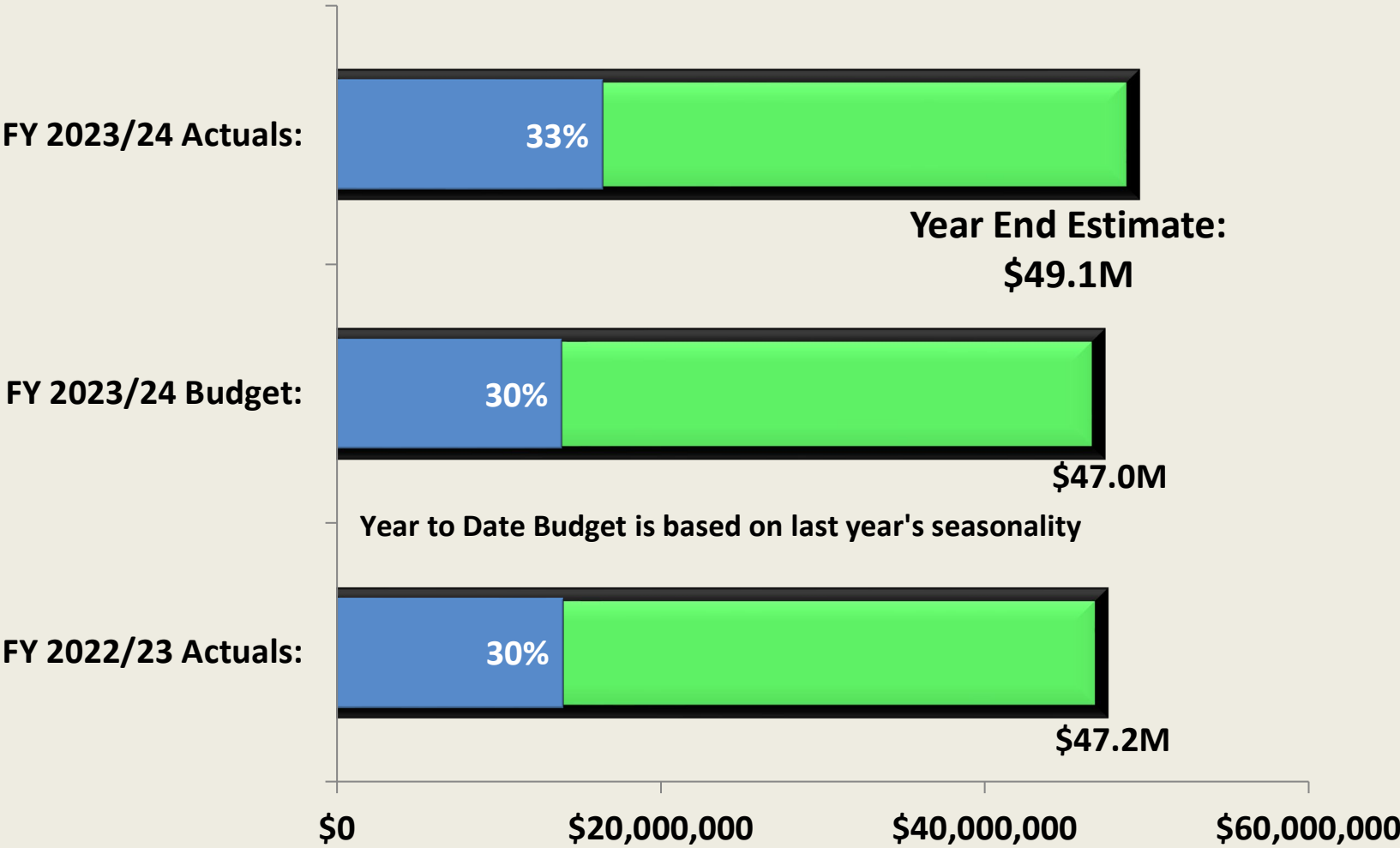
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 44,878	\$ 16,439	\$ 47,661
Uses	\$ 35,360	\$ 12,777	\$ 37,352
Debt/Capital Transfers Out	\$ 5,807	\$ 1,528	\$ 5,880
General Fund Transfers Out	\$ 5,842	\$ 2,106	\$ 5,913
Net Sources and Uses	\$ (2,130)	\$ 28	\$ (1,484)

(In Thousands)

Electric - Sources



Electric - Uses and Transfers



Both the sources and uses year end estimate are above budget due to higher than anticipated costs for the electric commodity, which are passed through the customer.

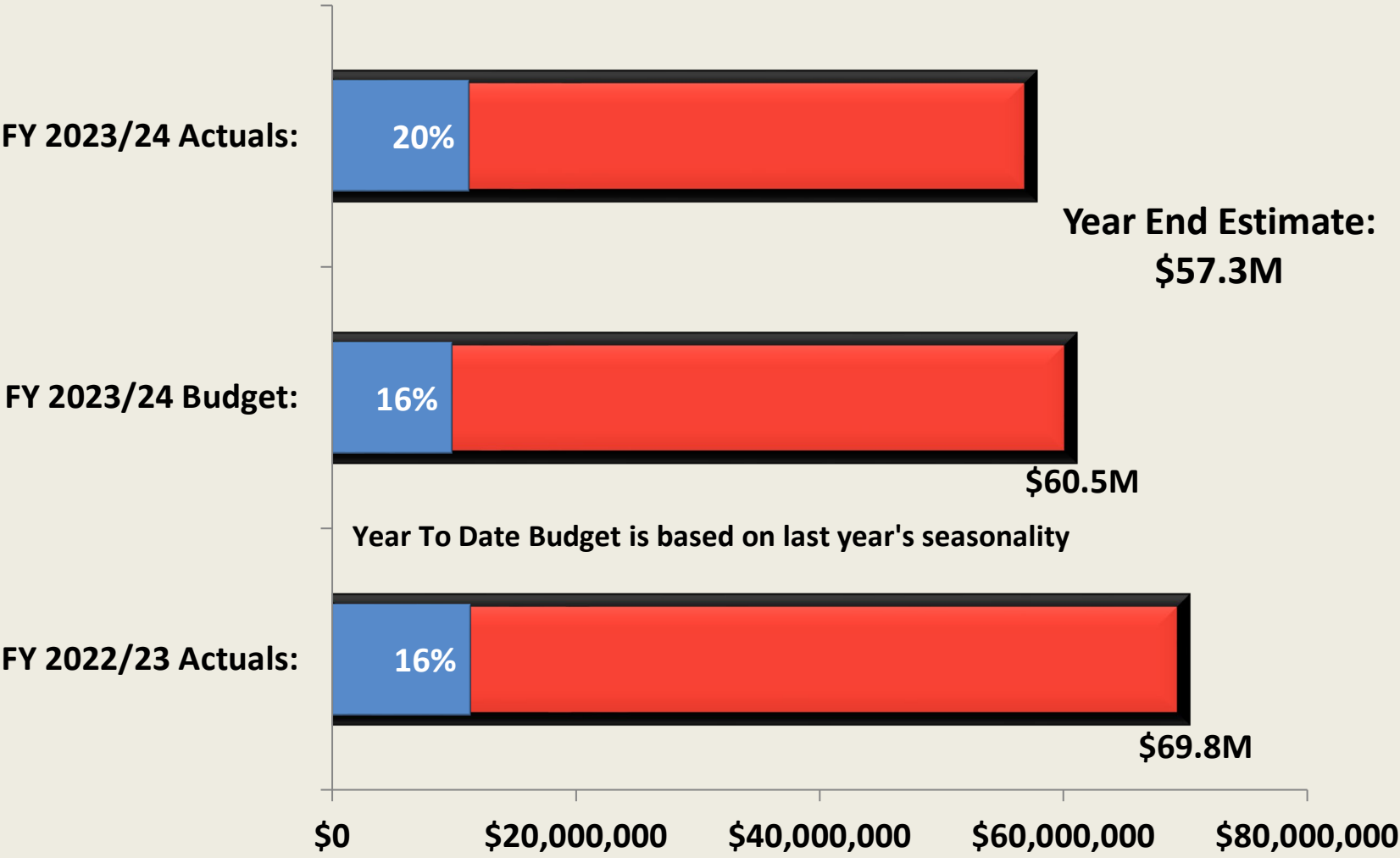
### FY 2023/24 1st Quarter Natural Gas Summary

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.

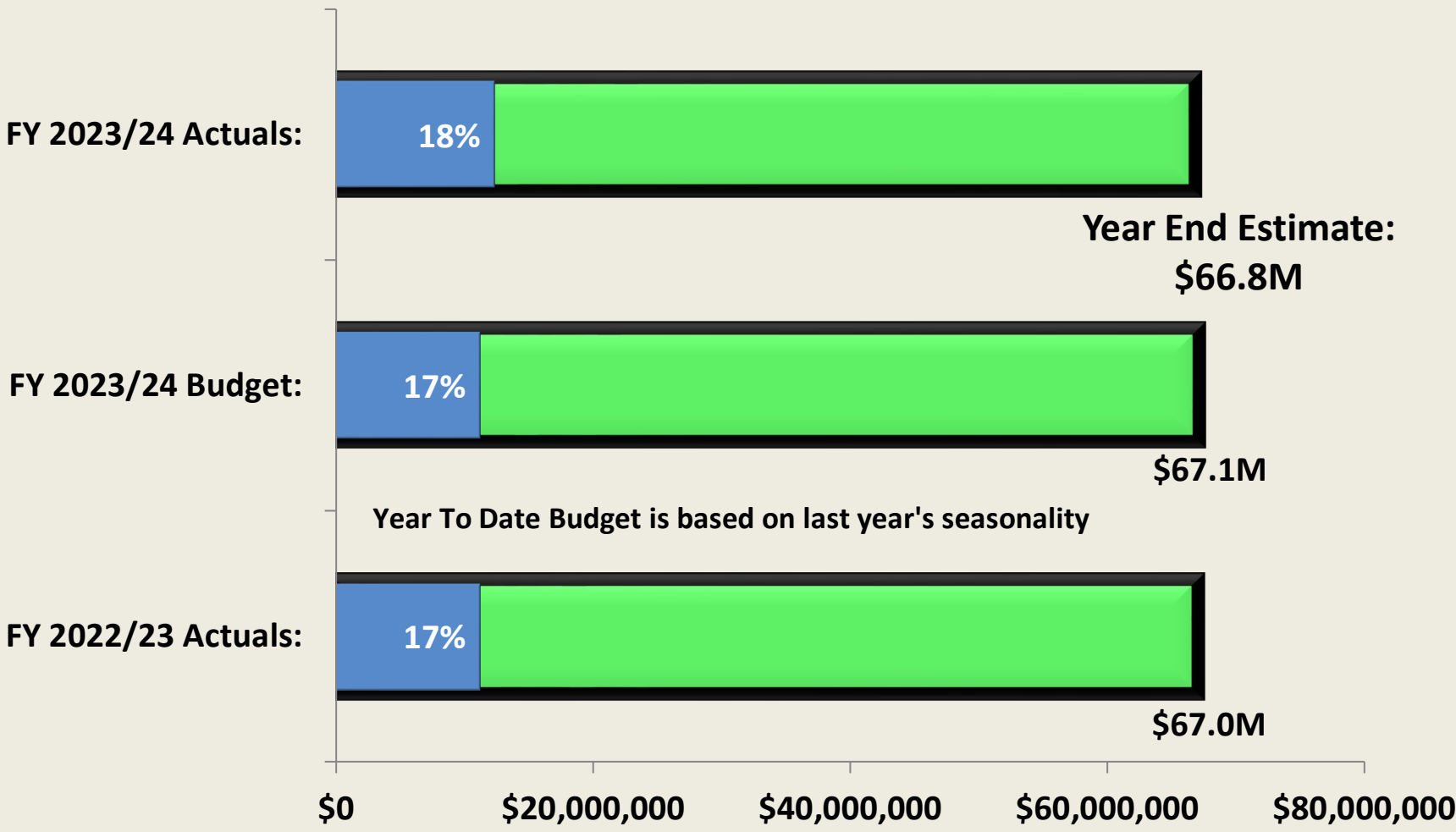
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 60,541	\$ 11,185	\$ 57,292
Uses	\$ 38,669	\$ 6,451	\$ 38,381
Debt/Capital Transfers Out	\$ 16,015	\$ 3,870	\$ 16,007
General Fund Transfers Out	\$ 12,436	\$ 1,982	\$ 12,452
Net Sources and Uses	\$ (6,580)	\$ (1,118)	\$ (9,548)

(In Thousands)

Natural Gas - Sources



Natural Gas - Uses and Transfers



Year end estimates for uses are on track with the adopted budget. Natural Gas sources are below budget due to reductions in the gas cost adjustment factor, which is passed through to the customer. The balance of cost adjustment factor was positive in FY 2022/23, therefore the FY 2023/24 cost adjustment factor will be reduced to achieve a zero balance.

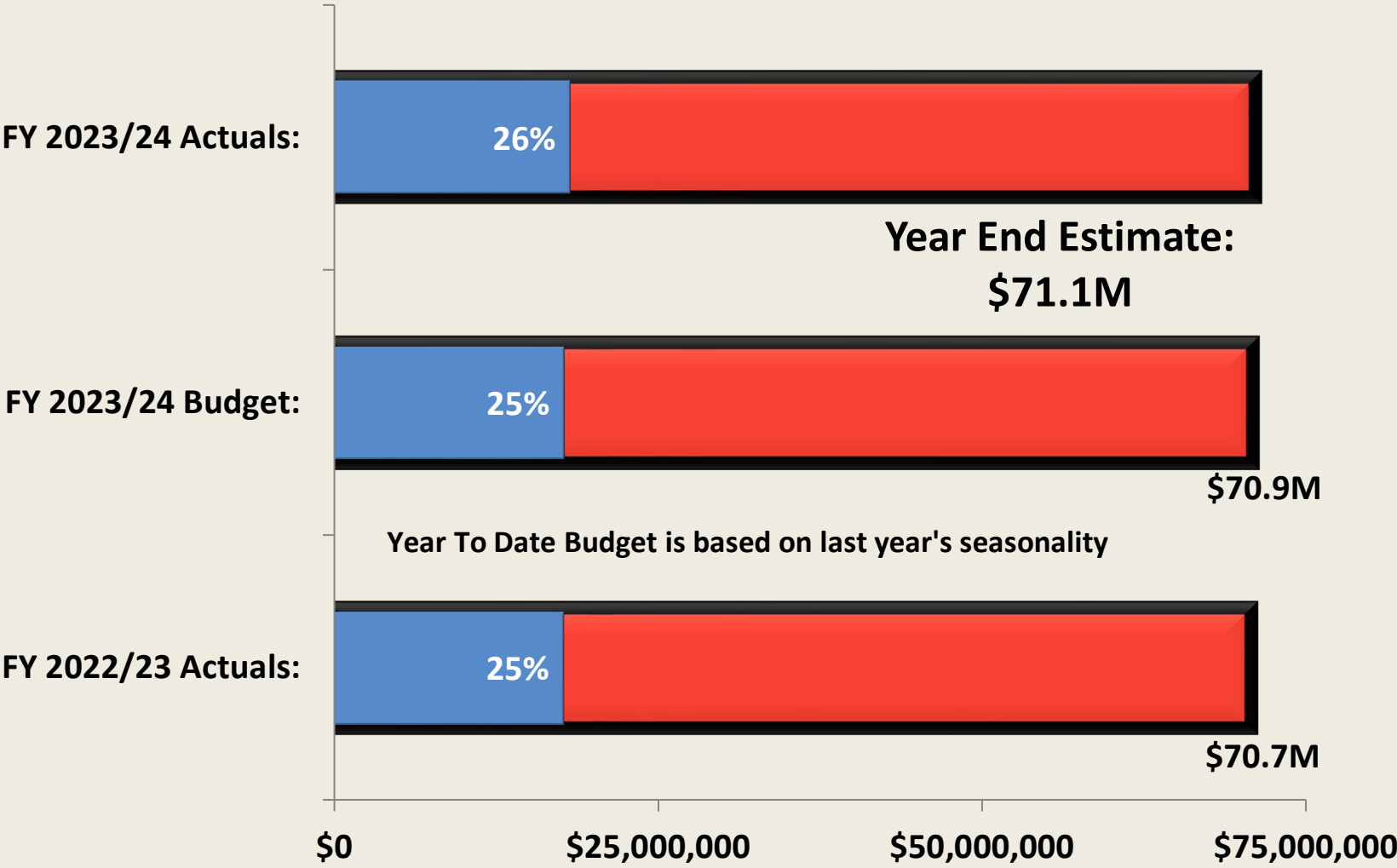
## FY 2023/24 1st Quarter Solid Waste Summary

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.

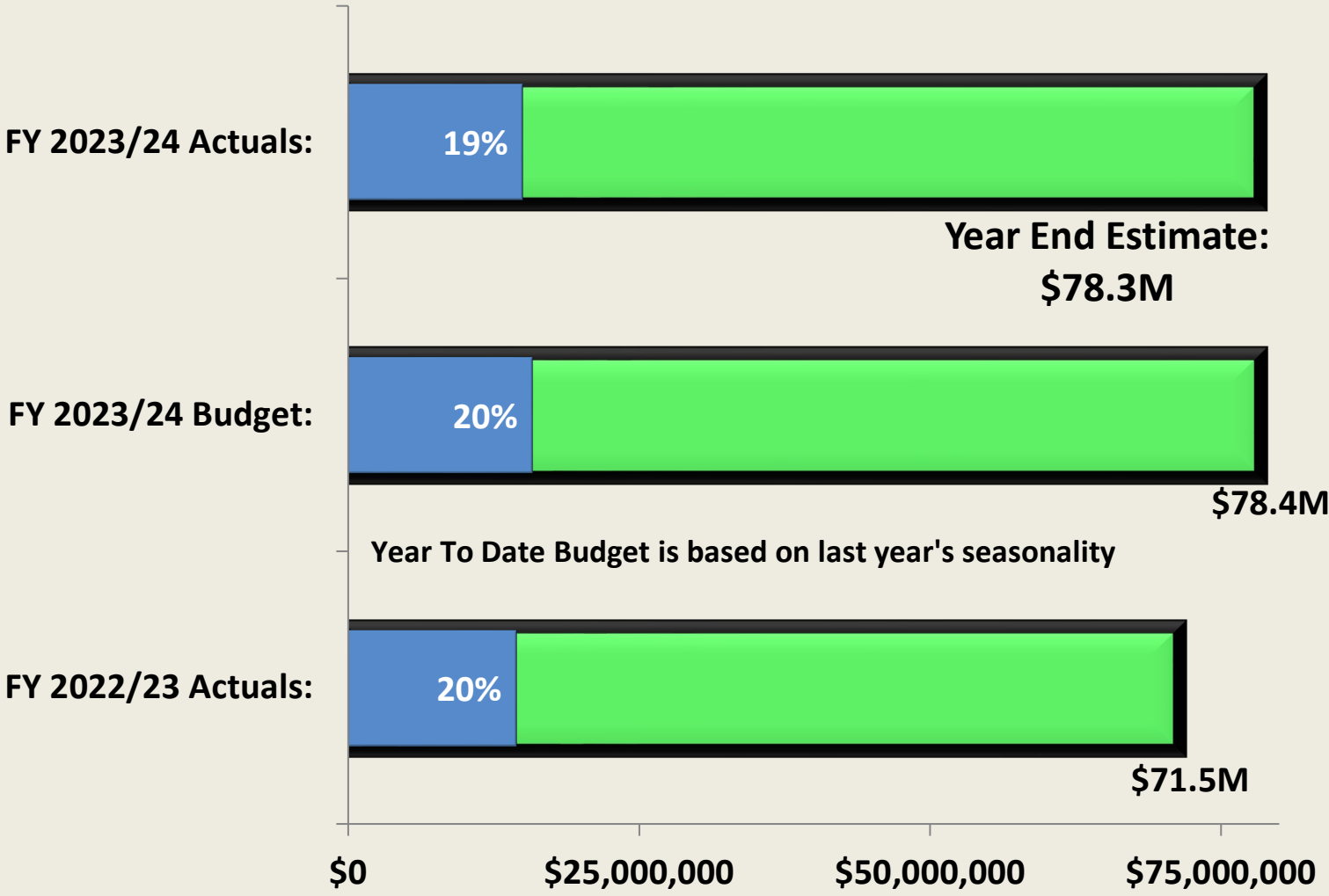
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 70,862	\$ 18,169	\$ 71,061
Uses	\$ 51,620	\$ 9,644	\$ 51,511
Debt/Capital Transfers Out	\$ 5,508	\$ 481	\$ 5,512
General Fund Transfers Out	\$ 21,259	\$ 4,836	\$ 21,318
Net Sources and Uses	\$ (7,525)	\$ 3,208	\$ (7,281)

(In Thousands)

Solid Waste - Sources



Solid Waste - Uses and Transfers



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

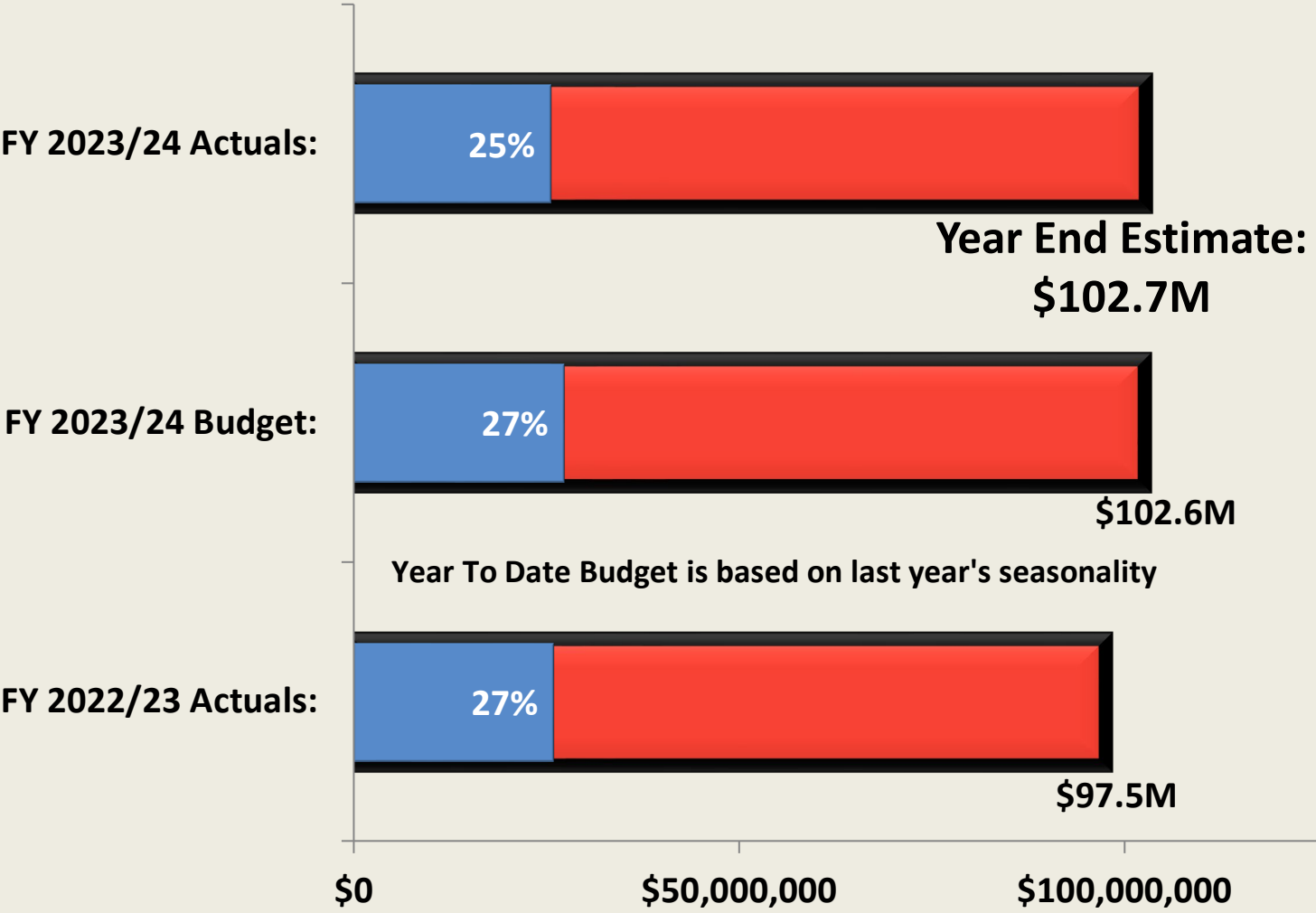
## FY 2023/24 1st Quarter Wastewater Summary

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.

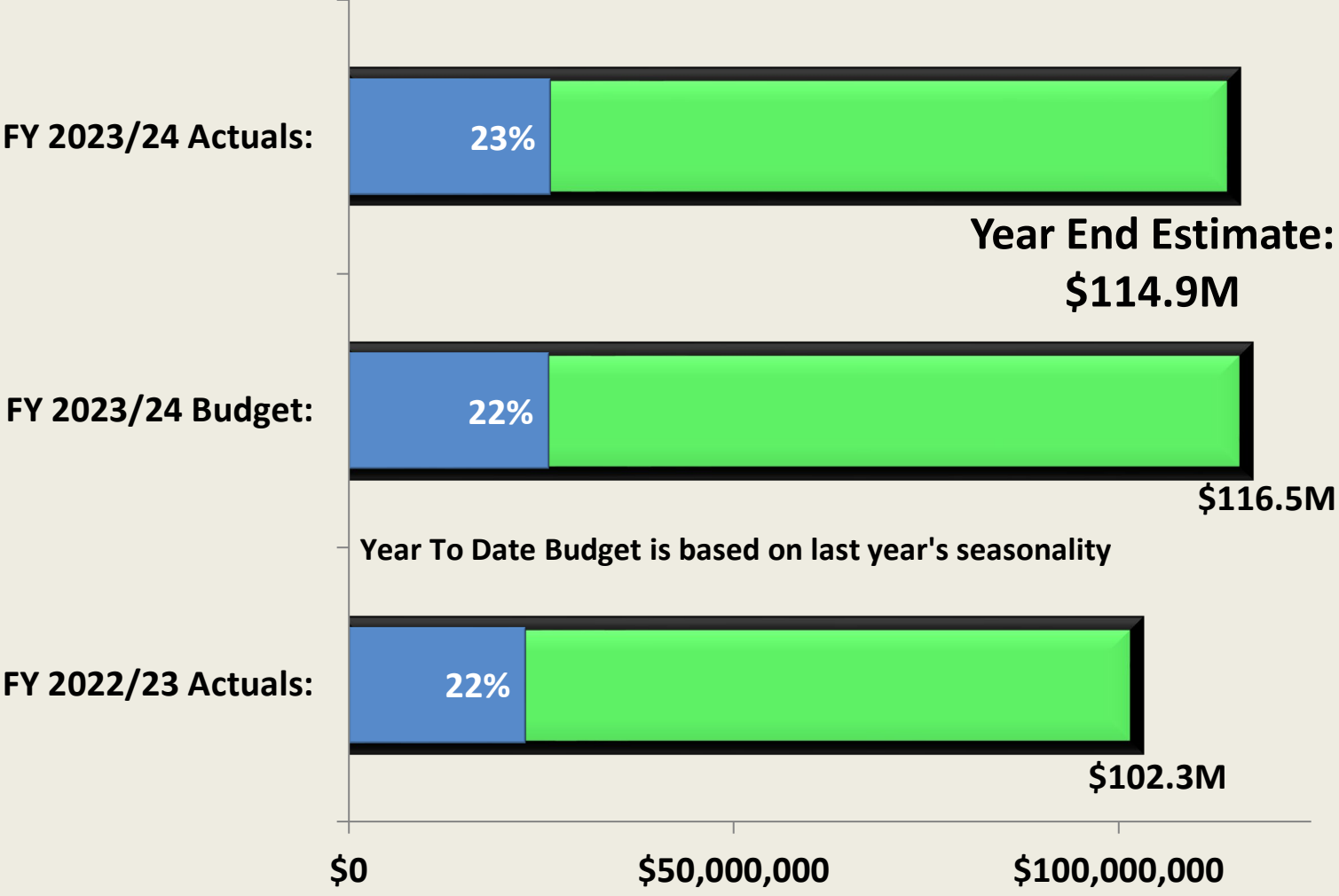
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 102,612	\$ 25,474	\$ 102,749
Uses	\$ 40,708	\$ 8,509	\$ 38,915
Debt/Capital Transfers Out	\$ 45,021	\$ 10,822	\$ 45,136
General Fund Transfers Out	\$ 30,784	\$ 6,788	\$ 30,824
Net Sources and Uses	\$ (13,901)	\$ (645)	\$ (12,126)

(In Thousands)

Wastewater - Sources



Wastewater - Uses and Transfers



Both sources and uses Wastewater year end estimate are on track with budget.

FY 2023/24 1st Quarter Water Summary

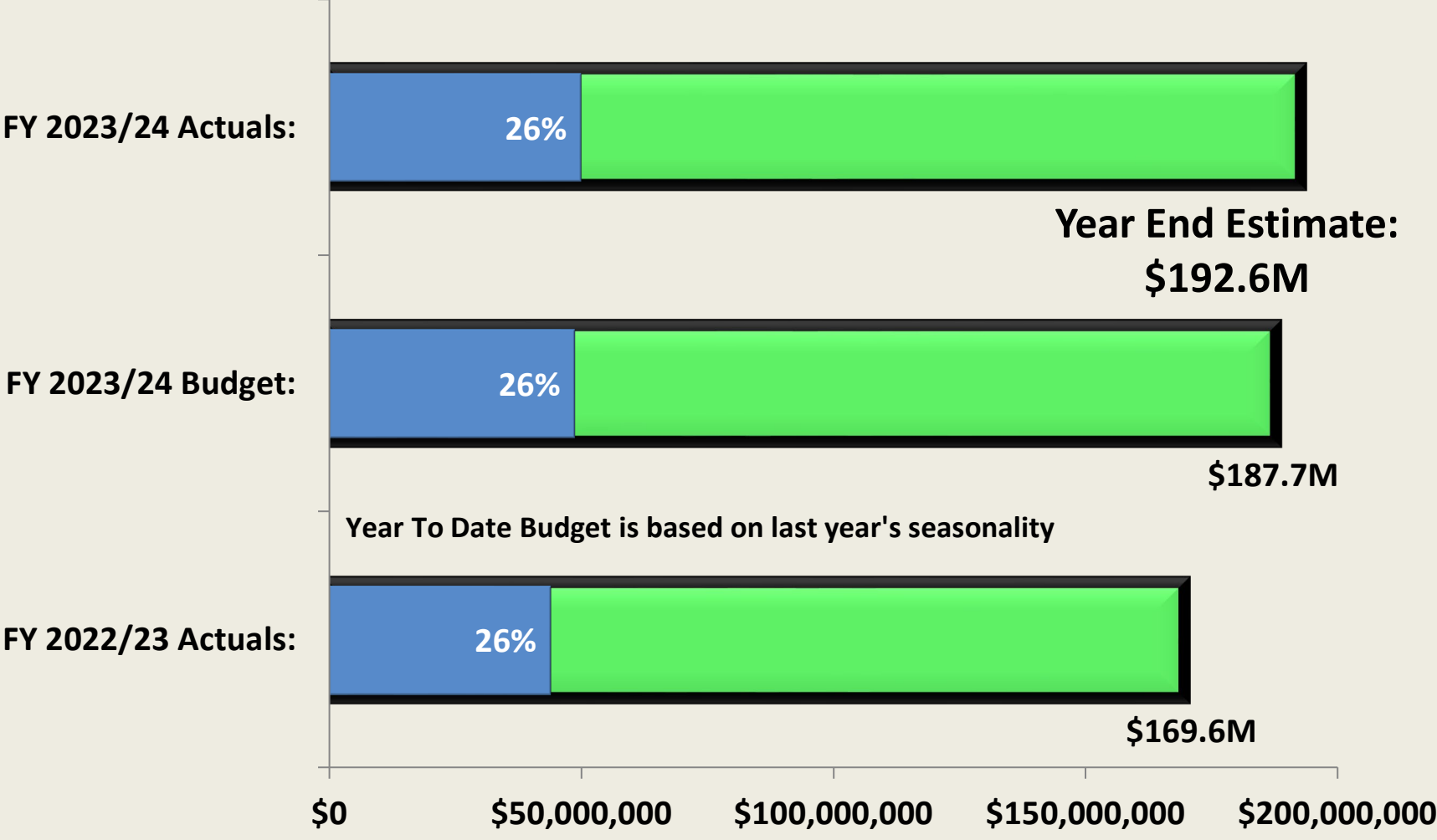
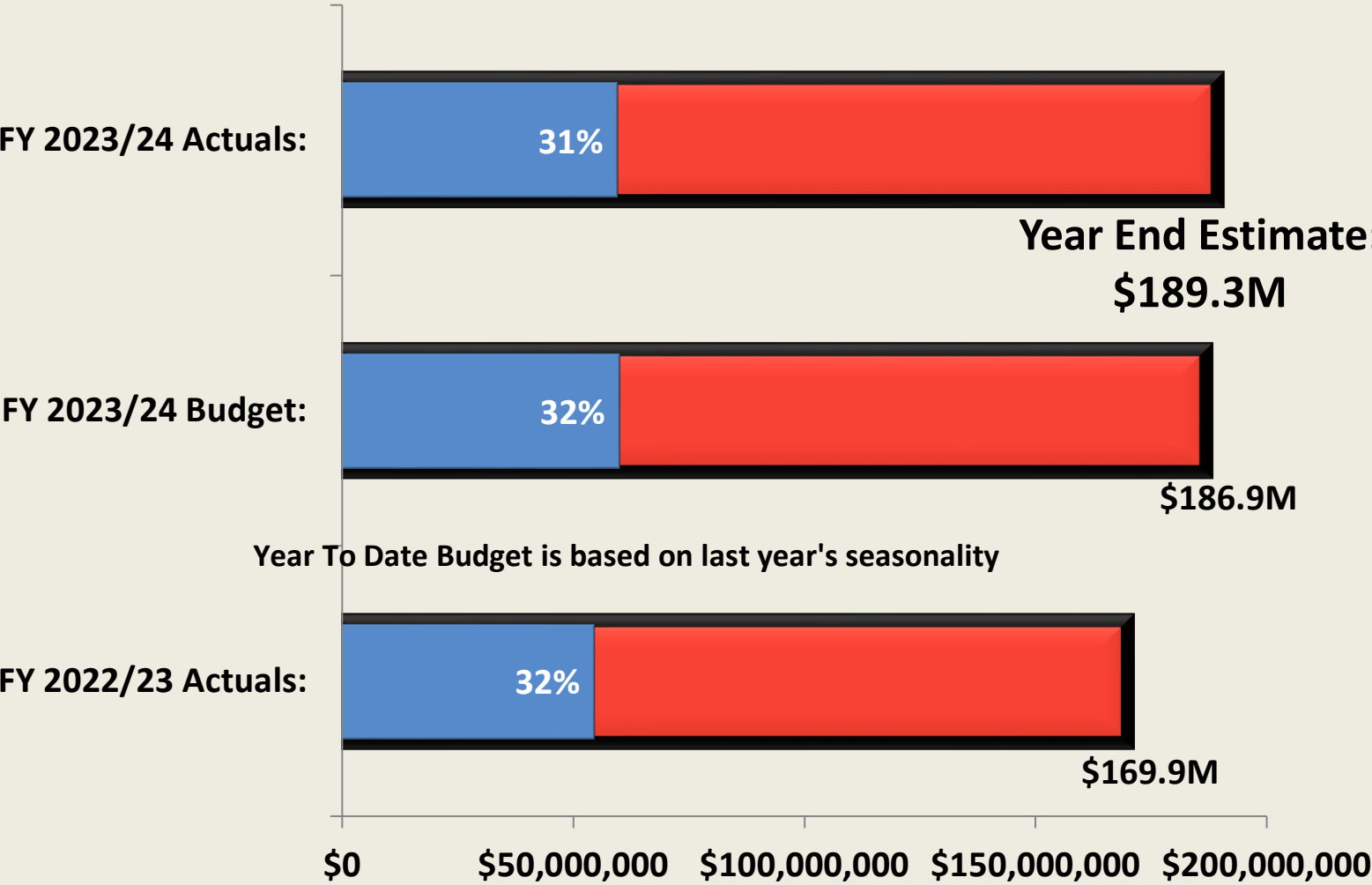
The data below represents financial information from the Utility Fund for the Water Sub-fund.  
Both direct (Water Resources Department) and indirect (citywide) expenses are included.

	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 186,903	\$ 59,588	\$ 189,348
Uses	\$ 76,122	\$ 19,876	\$ 78,373
Debt/Capital Transfers Out	\$ 56,083	\$ 14,039	\$ 58,000
General Fund Transfers Out	\$ 55,450	\$ 15,917	\$ 56,229
Net Sources and Uses	\$ (753)	\$ 9,756	\$ (3,254)

(In Thousands)

Water - Sources

Water - Uses and Transfers



The year end estimates for sources is on track with budget. The uses year end estimate is slightly above budget due to revised water commodity costs from the Colorado River System. The Debt/Capital Transfers Out is slightly above budget due to an increased debt issuance resulting from increased project costs.