

Quarterly Financial Status Report

FY 2018/2019

2nd Quarter

Executive Summary:

The City of Mesa has closed the second quarter of the 2018/19 fiscal year, July through December. This snapshot shows the financial projection for the year compared to the adopted budget.

The General Governmental Funds year end estimates for revenues are estimated slightly higher than budget due to sales tax revenues increasing. Fines and Forfeitures revenues for criminal and civil fines are below budget due to decreased filings at the Municipal Court. The year end estimate for expenditures is slightly higher than budget due to investments in public safety items, including heart rate monitors, improving radio communication and supporting additional recruits in the Fire and Medical Academy.

Overall, the Enterprise Fund net sources and uses is slightly higher than the adopted budget. Increased residential account growth has increased revenues above the adopted budget. Uses have decreased from the adopted budget due to lower than anticipated water commodity costs and reduced expenses at water treatment plants.

For additional detail on the City's budget and expenditure data, please visit the City of Mesa Open Data Portal at data.mesaaz.gov.

Legend

Exceeding
On Track
Caution
Monitoring

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

FY 18/19 1st Quarter: Net Financial Status Summary

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

	General Government Funds		Net
	Revenues	Expenditures	
Adopted Budget	\$ 432,534	\$ 450,251	\$ (17,717)
Year to Date Actuals	\$ 202,536	\$ 193,259	\$ 9,277
Year End Estimate	\$ 437,951	\$ 452,429	\$ (14,478)

(In Thousands)

	Enterprise Fund		Net
	Sources	Uses	
Adopted Budget	\$ 379,630	\$389,052	\$ (9,421)
Year to Date Actuals	\$ 201,100	\$174,522	\$ 26,578
Year End Estimate	\$ 381,200	\$384,992	\$ (3,792)

(In Thousands)

Exceeding
On Track
Caution
Monitoring

Return to Executive Summary

General Fund and Quality of Life - Revenues

Revenue Categories	Adopted Budget	Year to Date Actuals	Year End Estimate
Taxes	\$ 142,185	\$ 60,579	\$ 145,993
Intergovernmental	\$ 132,363	\$ 64,258	\$ 133,957
Sales and Charges for Services	\$ 11,695	\$ 5,251	\$ 11,594
Licenses, Fees, and Permits	\$ 20,502	\$ 10,276	\$ 20,735
Fines and Forfeitures	\$ 4,264	\$ 1,865	\$ 3,774
Other Revenues	\$ 1,260	\$ 887	\$ 1,283
Transfers In	\$ 120,265	\$ 59,421	\$ 120,615
Total	\$ 432,534	\$ 202,536	\$ 437,951

(In Thousands)

Exceeding
On Track
Caution
Monitoring

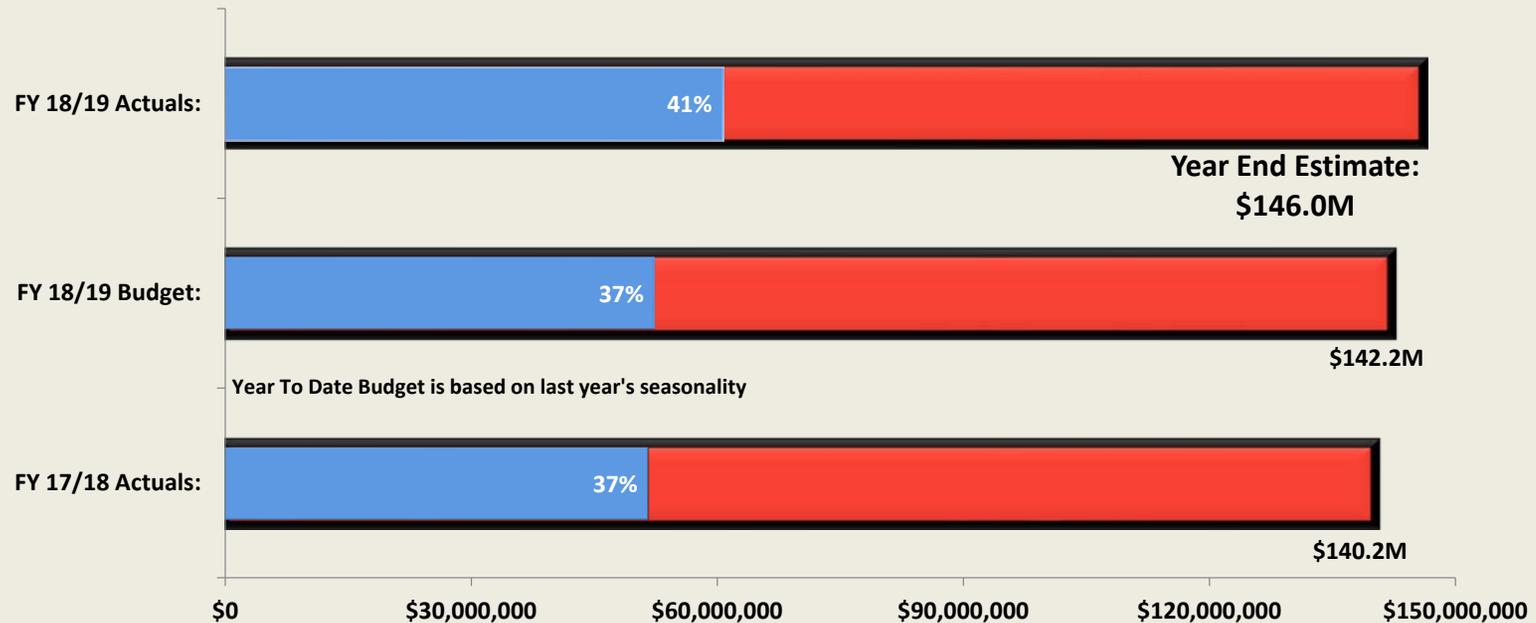
FY 18/19 2nd Quarter Revenues: Taxes Summary

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	\$ 117,675	\$ 52,382	\$ 120,831
Quality of Life Fund	\$ 24,509	\$ 8,197	\$ 25,162
Total Tax Revenue	\$ 142,185	\$ 60,579	\$ 145,993

(In Thousands)

Taxes - Revenues



The continued growth in sales activity has driven the year end estimate slightly higher than the adopted budget.

Year to date actuals appear higher than FY 17/18 due to the timing of revenues received from the Arizona Department of Revenue. FY 18/19 sales tax recorded an additional week of revenues through the 2nd quarter compared to FY 17/18.

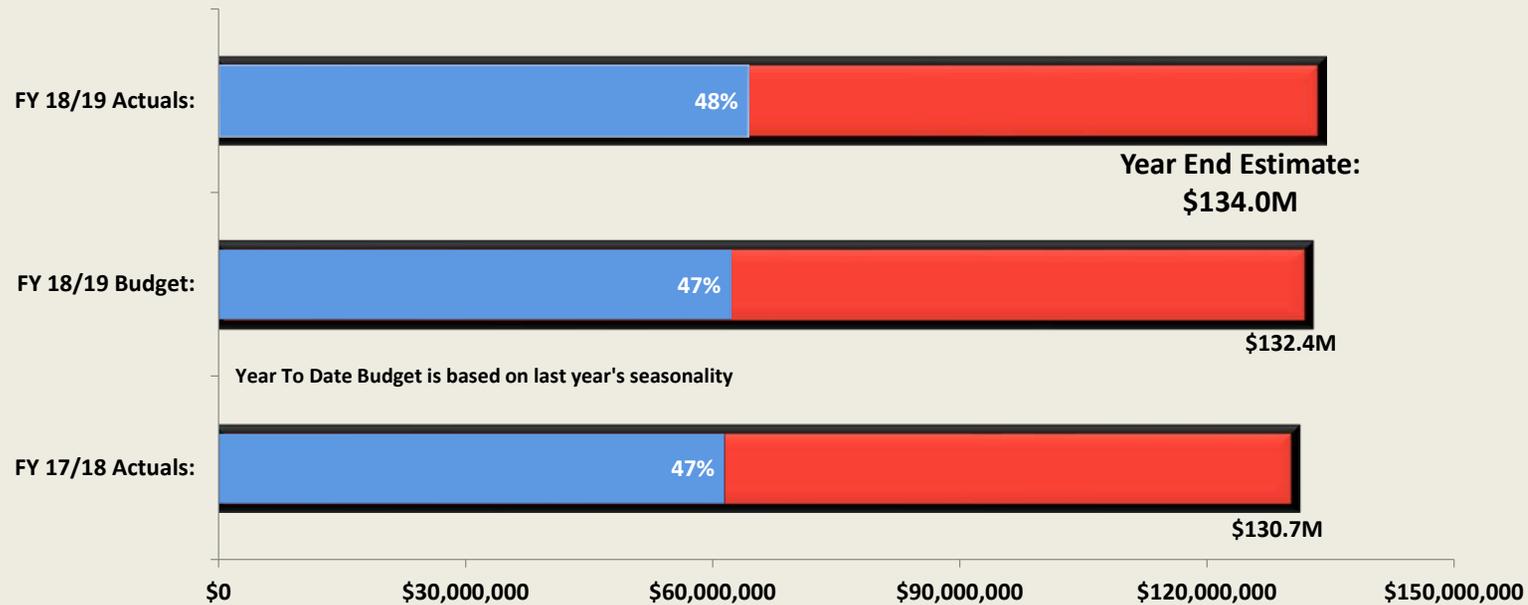
FY 18/19 2nd Quarter Revenues: Intergovernmental Summary

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	\$ 59,487	\$ 30,057	\$ 60,112
State Shared Sales Tax	\$ 47,653	\$ 22,458	\$ 48,625
Vehicle License Tax	\$ 20,722	\$ 9,785	\$ 20,722
Other	\$ 4,502	\$ 1,958	\$ 4,499
Total Intergovt Revenue	\$ 132,363	\$ 64,258	\$ 133,957

(In Thousands)

Intergovernmental - Revenues



Overall, Intergovernmental revenues are on track, projecting a slight increase in revenues collected from Urban Revenue Sharing and State Shared Sales Tax, which are received based on the City's share of the state population. The latest Census Bureau population estimate showed the City's share of the state population increased, resulting in increased revenue. Additionally, stronger State Sales Tax revenues, similar to City Sales Tax trends, has pushed the year end estimate slightly above budget.

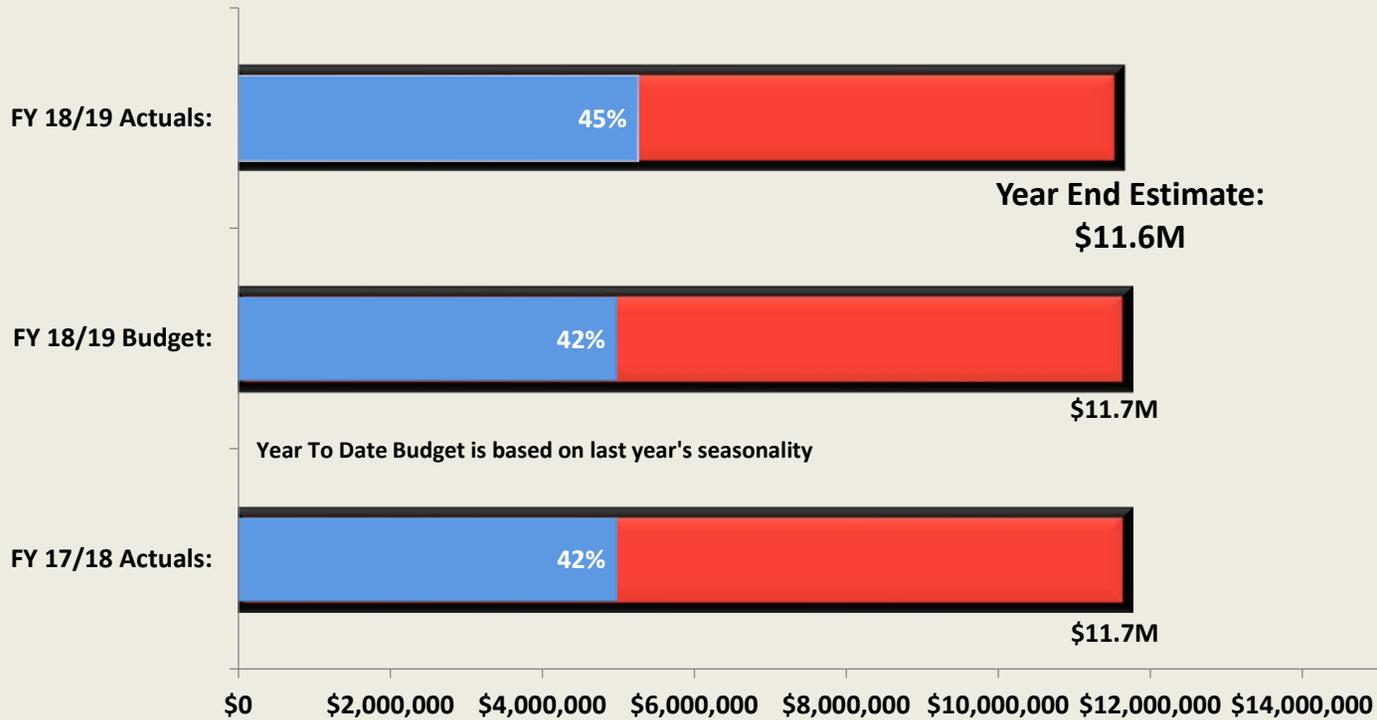
FY 18/19 2nd Quarter Revenues: Sales and Charges for Services Summary

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

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 11,695	\$ 5,251	\$11,594

(In Thousands)

Sales and Charges for Services - Revenues



The Sales and Charges for Services is slightly below budget due to reduced design review board fees estimate.

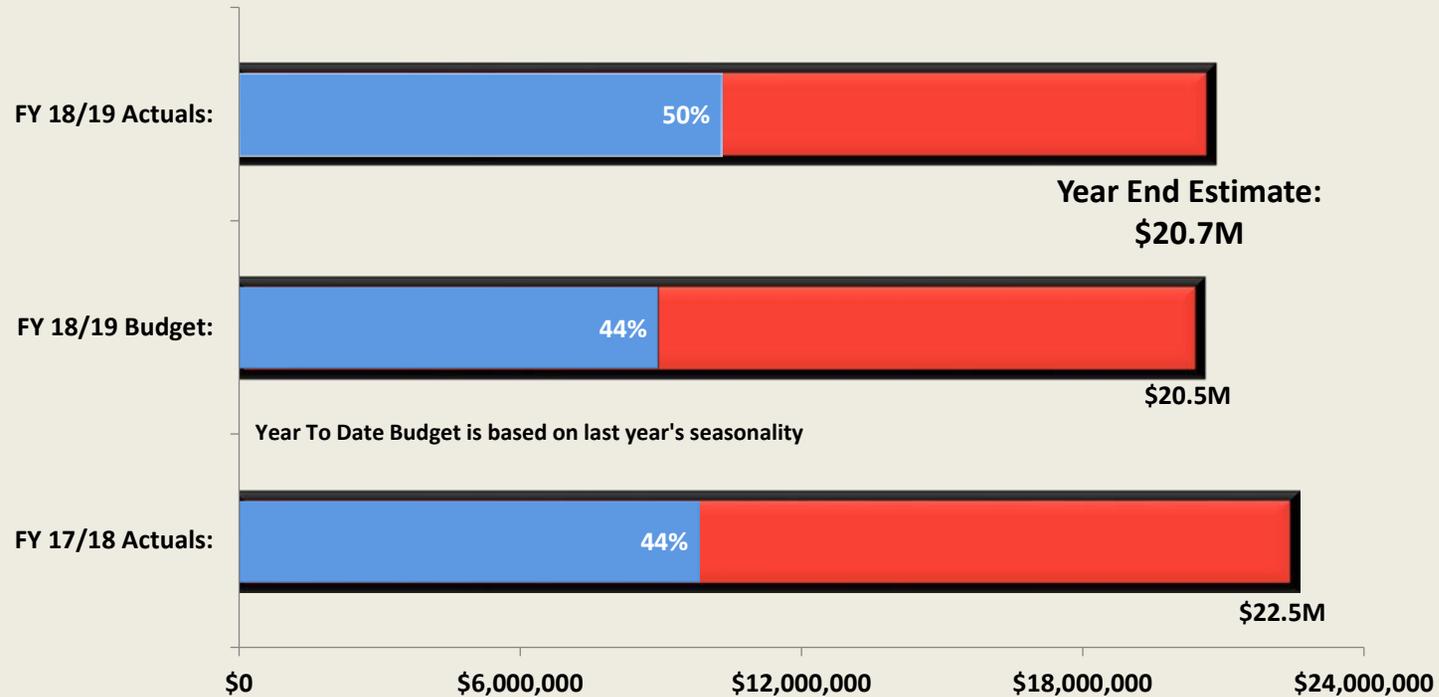
FY 18/19 2nd Quarter Revenues: Licenses, Fees, and Permits Summary

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
\$ 20,502	\$ 10,276	\$ 20,735

(In Thousands)

Licenses, Fees, and Permits - Revenues



The year end estimate for Licenses, Fees and Permits revenues are slightly above budget due to increased business license application fees.

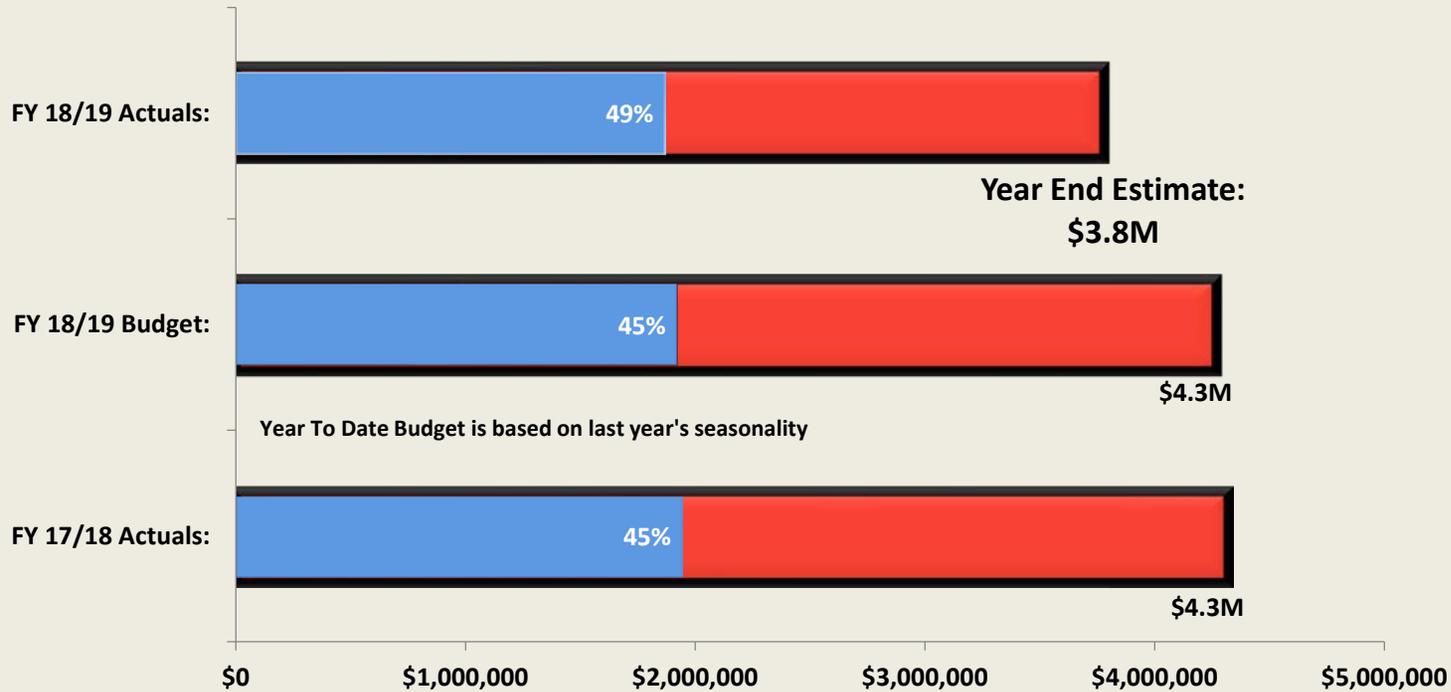
FY 18/19 2nd Quarter Revenues: Fines and Forfeitures Summary

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
\$ 4,264	\$ 1,865	\$ 3,774

(In Thousands)

Fines and Forfeitures - Revenues



Fines and Forfeitures revenues are below budget due to revised estimates for criminal and civil fines, which were reduced due to a decreasing trend in filings.

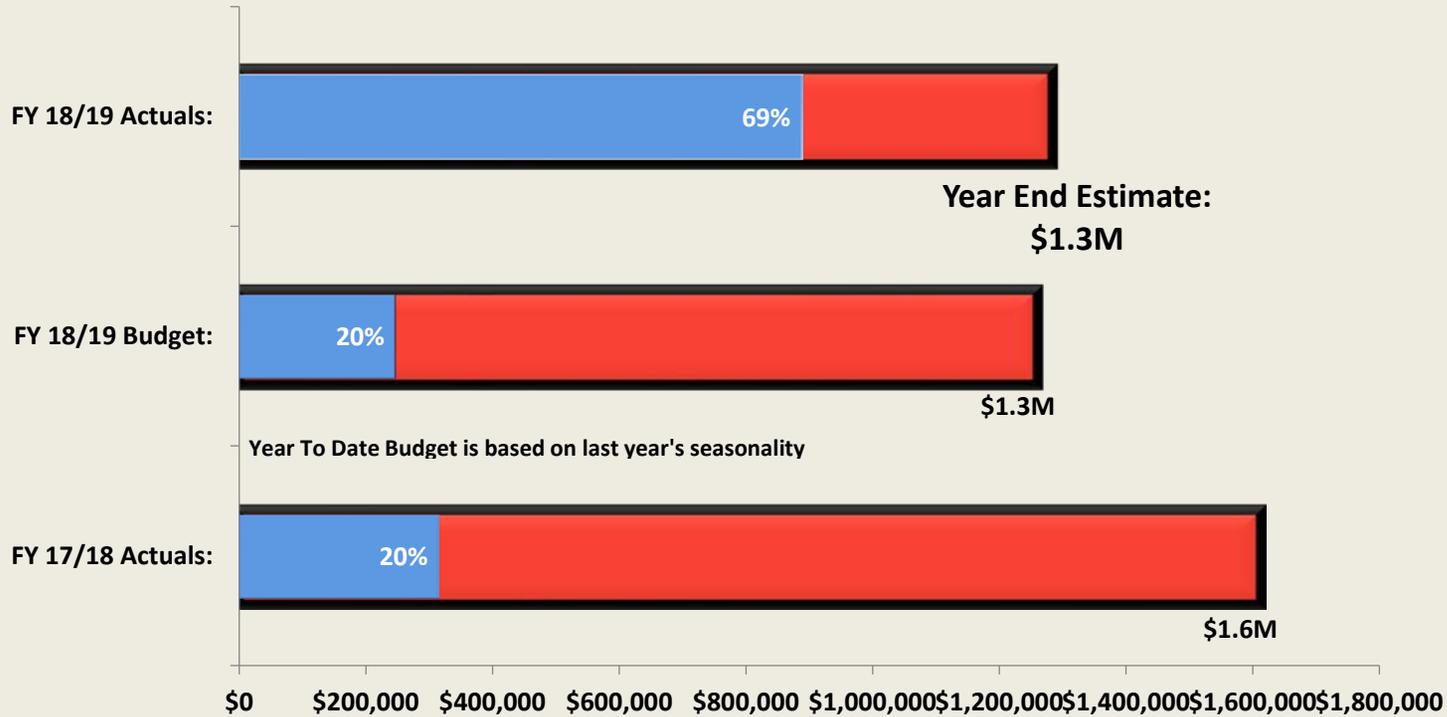
FY 18/19 2nd Quarter Revenues: Other Revenues Summary

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
\$ 1,260	\$ 887	\$ 1,283

(In Thousands)

Other Revenues - Revenues



Other Revenues year end estimate is on track with the budget. The year to date actuals in FY 18/19 appear higher due to (1) receiving a larger rebate for purchasing card services than last year, and (2) recording year to date interest on investments revenues. In FY 17/18, all interest on investment revenues were recorded at the end of the fiscal year.

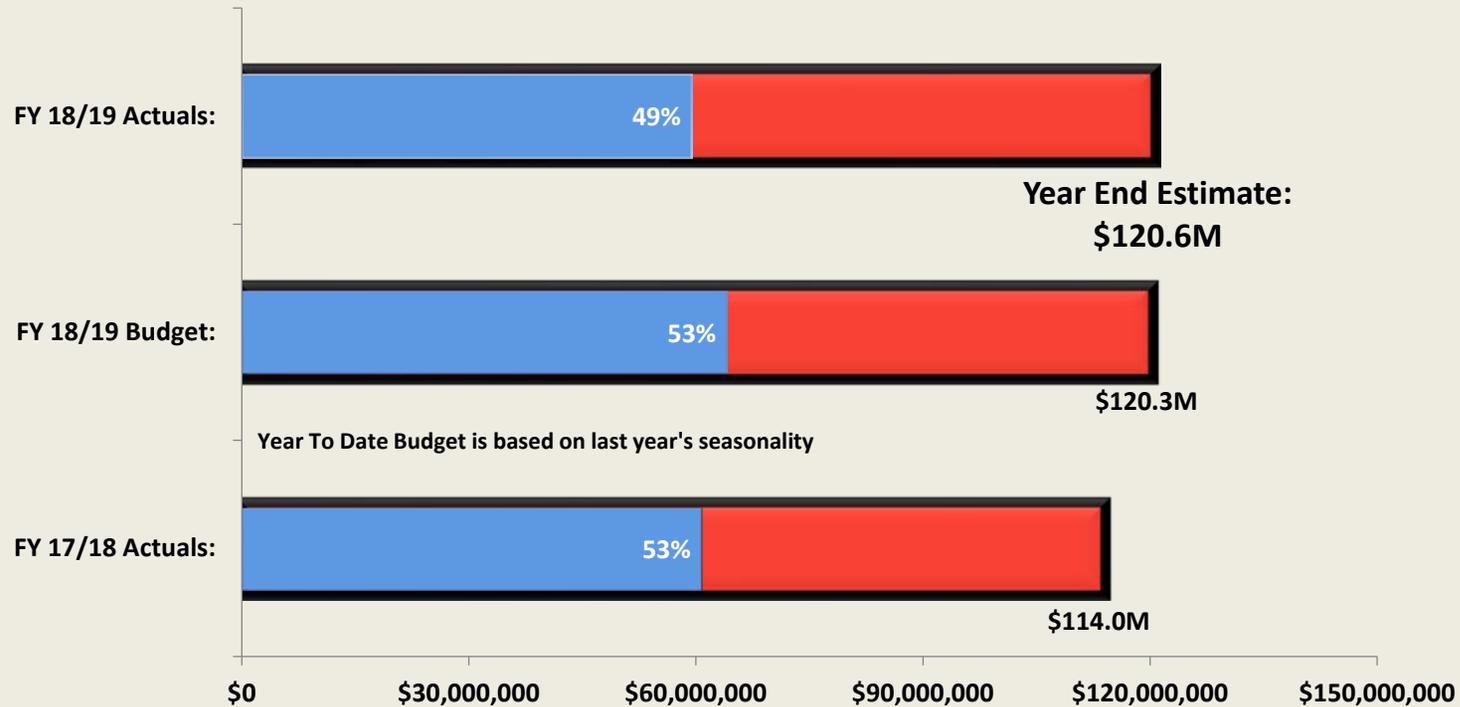
FY 18/19 2nd Quarter Revenues: Transfers In Summary

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
\$ 120,265	\$ 59,421	\$ 120,615

(In Thousands)

Transfers In - Revenues



Transfers In are on track. Transfers into the General Fund are mainly comprised of the quarterly contribution from the Enterprise Fund. The year end estimate is slightly above budget due to a release of public safety life cycle funds for the implementation of a data warehouse. Public safety life cycle funds are comprised of operational savings from prior years.

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General Fund and Quality of Life - Expenditures

Expenditures	Adopted Budget	Year to Date Actuals	Year End Estimate
Community Development and Services	\$ 11,645	\$ 5,356	\$ 11,623
Parks and Library	\$ 25,616	\$ 11,635	\$ 25,144
Law Enforcement	\$ 183,699	\$ 89,112	\$ 187,496
Fire and Medical	\$ 78,762	\$ 39,944	\$ 80,063
Other Departments	\$ 100,557	\$ 40,796	\$ 96,321
Transfers Out	\$ 49,973	\$ 6,416	\$ 51,782
Total	\$ 450,251	\$ 193,259	\$ 452,429

(In Thousands)

Exceeding
On Track
Caution
Monitoring

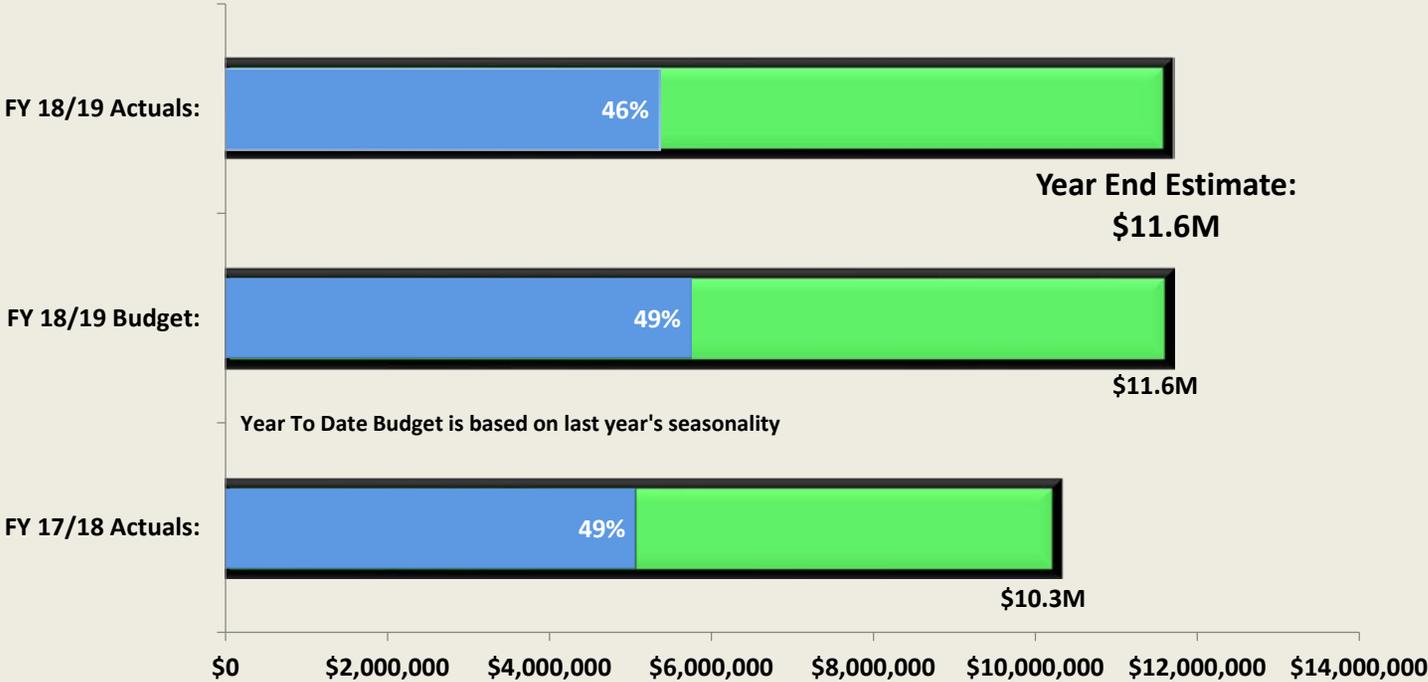
FY 18/19 2nd Quarter Expenditures: Community Development and Services Summary

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

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 11,645	\$ 5,356	\$ 11,623

(In Thousands)

Community Development and Services - Expenditures



The Community Development and Services expenditures year end estimates are on track with budget.

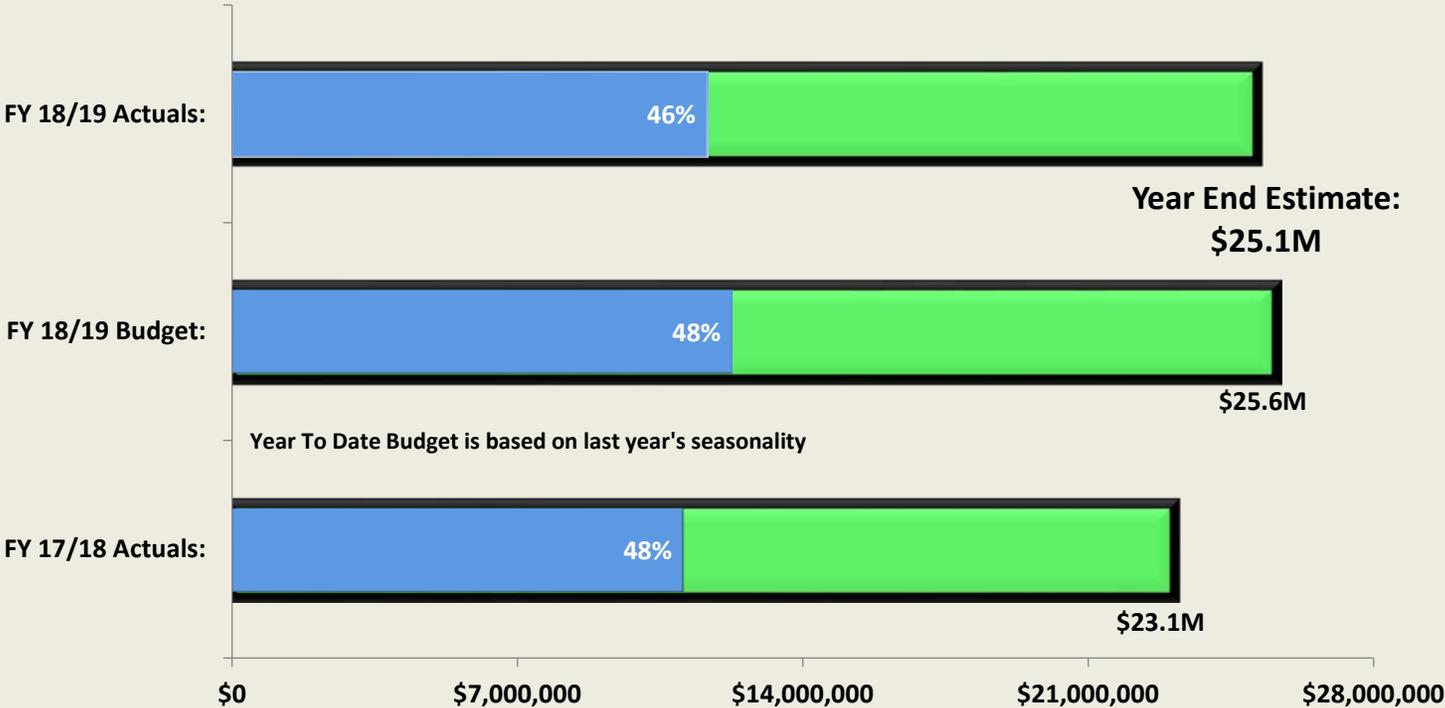
FY 18/19 2nd Quarter Expenditures: Parks and Library Summary

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
\$ 25,616	\$ 11,635	\$ 25,144

(In Thousands)

Parks and Culture - Expenditures



The Parks and Library year end estimates are slightly below budget. The year end estimate is reduced largely due to anticipated vacancy savings at the Library.

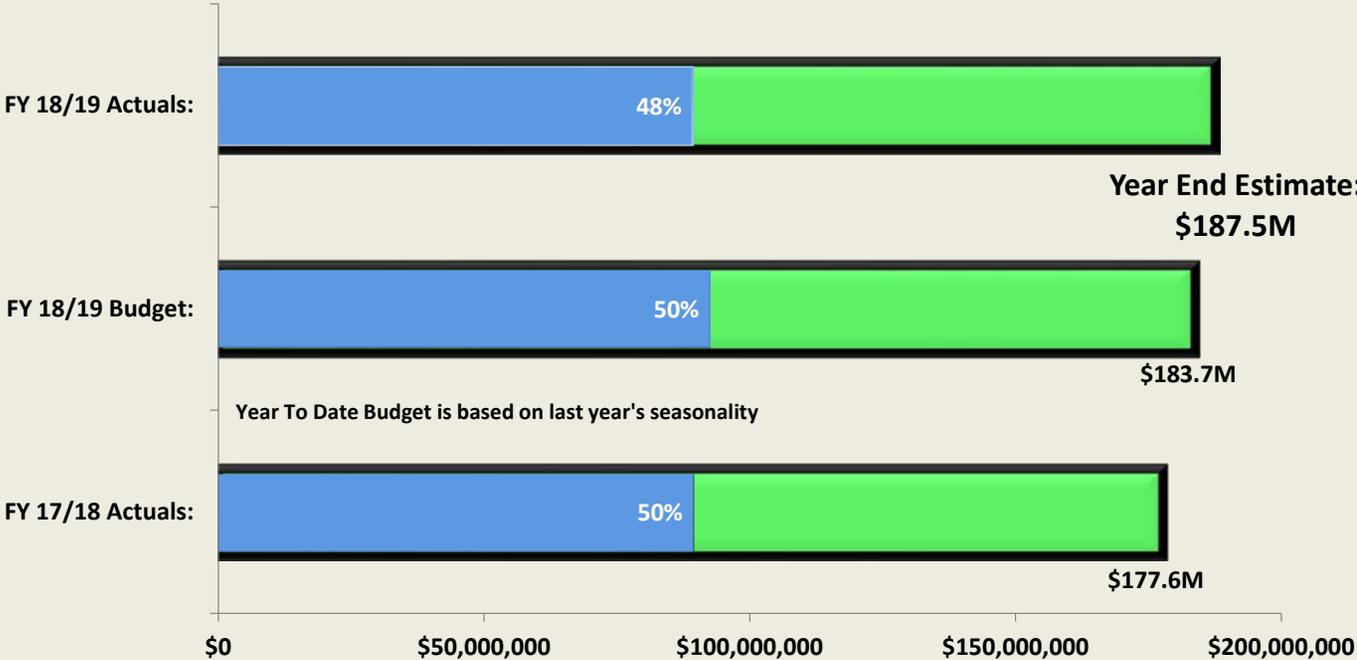
FY 18/19 2nd Quarter Expenditures: Law Enforcement Summary

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
\$ 183,699	\$ 89,112	\$ 187,496

(In Thousands)

Law Enforcement - Expenditures



The year end estimate for Law Enforcement is slightly above budget largely due to charges for radio network system improvement projects (\$1.3M), an increased public safety pension cost adjustment (\$750K), additional security at Light Rail stops in Mesa (\$250K), and vehicle maintenance and repairs (\$250K). Additionally, the department will construct a data warehouse (\$350K) that will be used to improve the department's ability to conduct analysis. Funding for the data warehouse will come from operational savings set aside in a previous fiscal year and is included in the Transfers In page within the Revenues section.

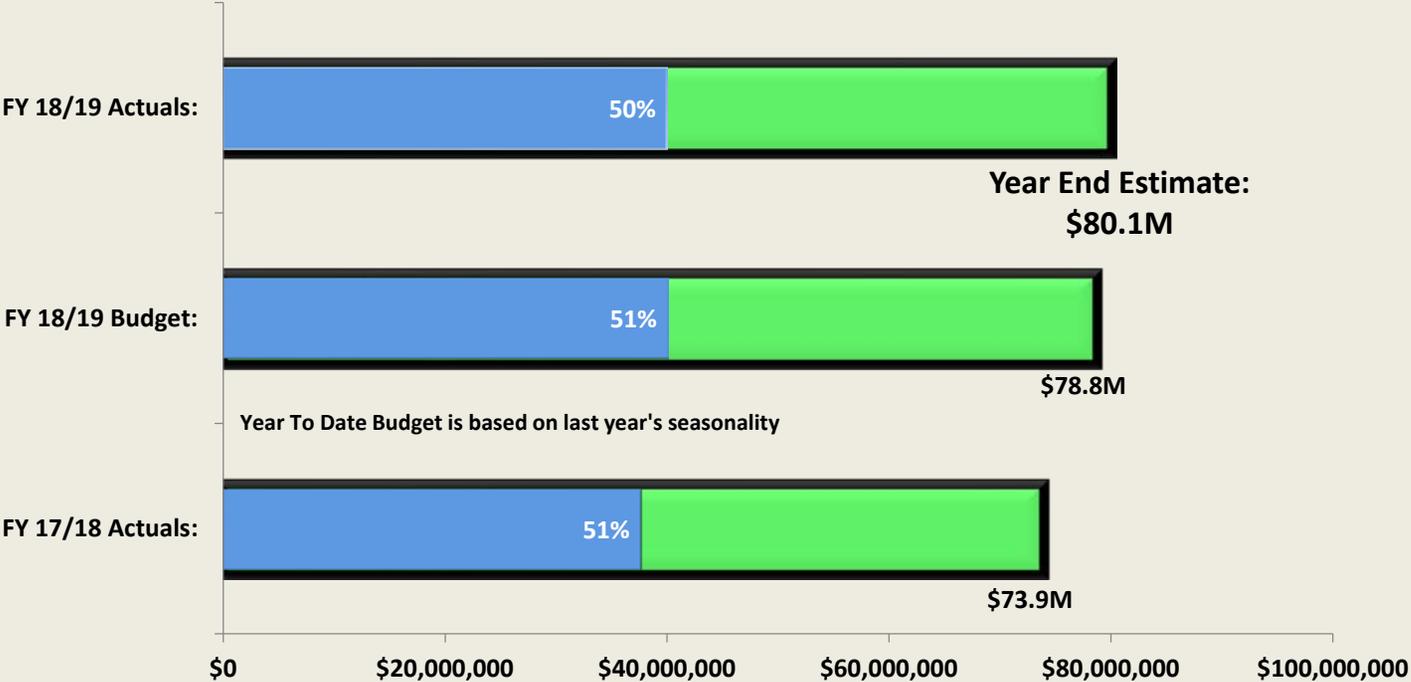
FY 18/19 2nd Quarter Expenditures: Fire and Medical Summary

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
\$ 78,762	\$ 39,944	\$ 80,063

(In Thousands)

Fire and Medical - Expenditures



The year end estimate for Fire and Medical is slightly above budget largely due to the October 2018 Fire Academy (\$800K). It was not known at the time of budget adoption that an October Academy would need to be held. The additional academy costs cover recruit salaries during the academy, instruction costs, personal protective equipment, and uniforms.

FY 18/19 2nd Quarter Expenditures: Other Departments Summary

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

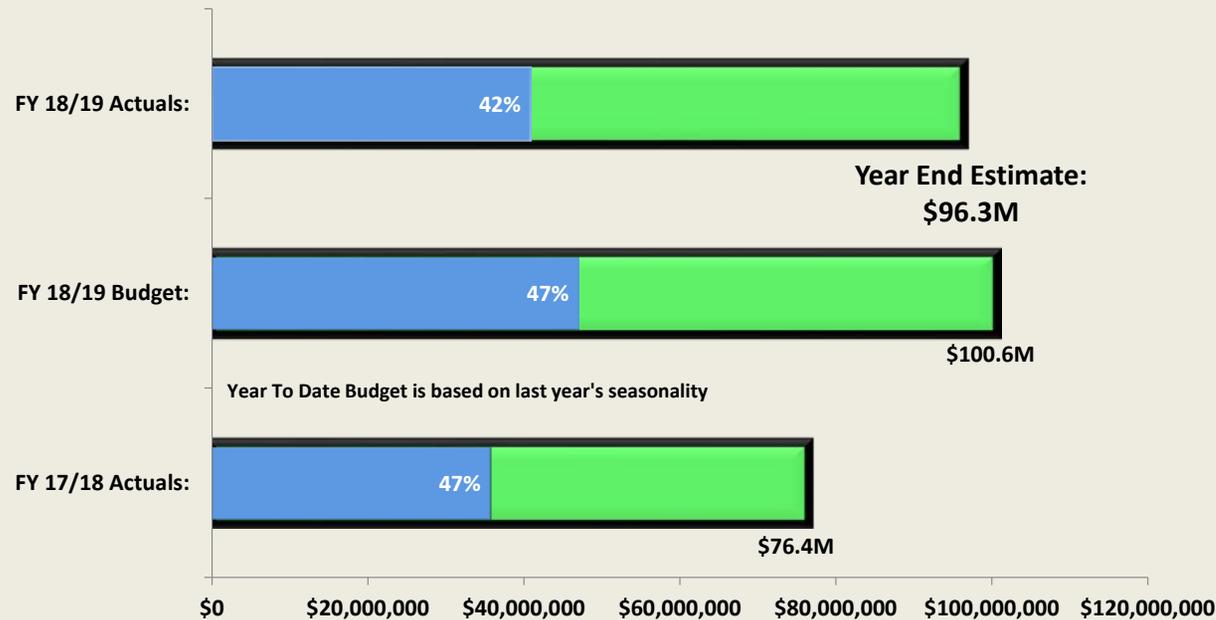
- | | | | |
|----------------------------|------------------------|--------------------------|---------------------------------------|
| Business Services | Communications | Financial Services | Office of Management and Budget |
| Centralized Appropriations | Economic Development | Fleet Services | Public Information and Communications |
| City Attorney | Energy Resources | Human Resources | Environmental Mgmt and Sustainability |
| City Auditor | Engineering | Information 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
\$ 100,557	\$ 40,796	\$ 96,321

(In Thousands)

Other Departments - Expenditures



The Other Departments expenditures are slightly below budget due to savings in the record of bad debt (\$1.5M), anticipated reduced post-employment benefit payments (\$1.1M) and anticipated savings for vacant positions, software, and software licenses at the Information Technology Department (\$1.1M).

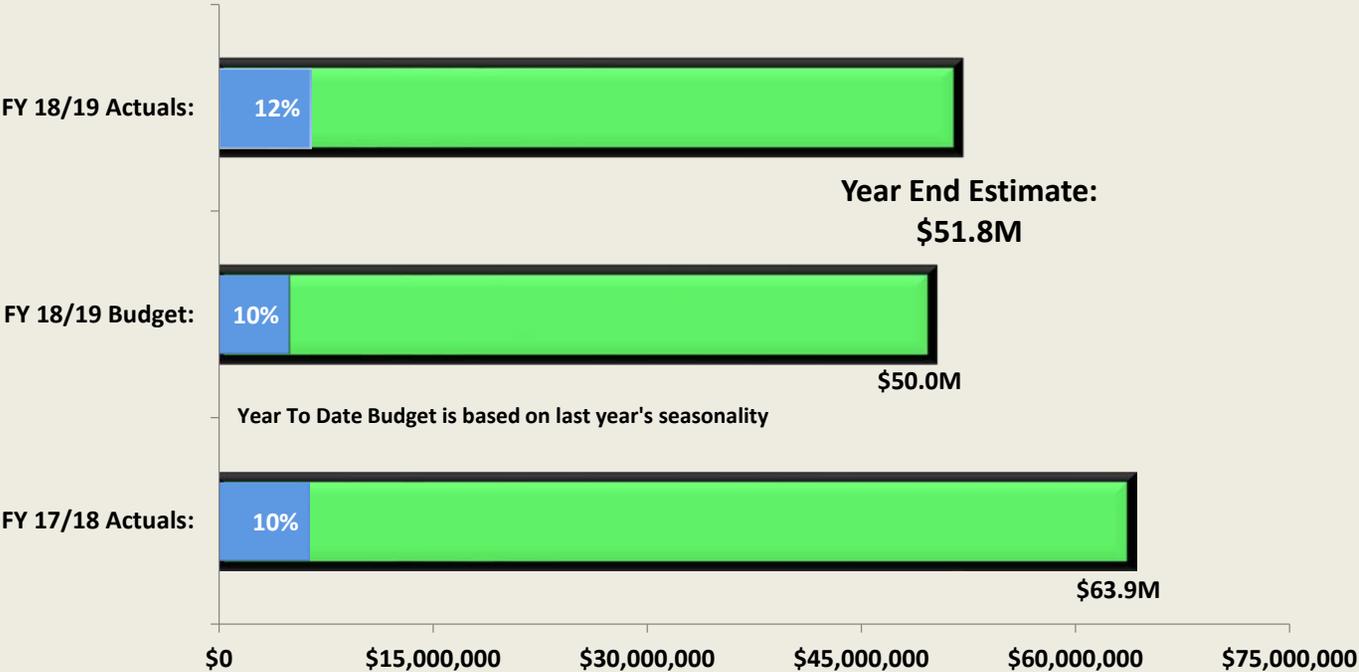
FY 18/19 2nd Quarter Expenditures: Transfers Out Summary

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 and Transit Fund.

Adopted Budget	Year to Date Actuals	Year End Estimate
\$ 49,973	\$ 6,416	\$ 51,782

(In Thousands)

Transfers Out - Expenditures



Almost all transfers from the General Fund occur at the end of the fiscal year, except for the quarterly transfers for vehicle replacements and the transfer to the Arts & Culture Fund. The year end estimate is above budget due to an increase in the General Capital Fund transfer for the purchase of additional heart rate monitors and assessments of city buildings for ADA compliance. The General Capital Fund transfer will occur at the end of the fiscal year.

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Enterprise Fund

Utility Net Sources and Uses	Adopted Budget	Year to Date Actuals	Year End Estimate
Electric	\$ 942	\$ 4,242	\$ 1,730
Natural Gas	\$ 1,250	\$ 4,263	\$ 2,761
Solid Waste	\$ (913)	\$ 4,453	\$ (166)
Wastewater	\$ (1,587)	\$ 3,965	\$ (1,106)
Water	\$ (3,787)	\$ 12,271	\$ (2,243)
Total	\$ (4,094)	\$ 29,194	\$ 976

Other/Non-Utility Net Sources and Uses	Adopted Budget	Year to Date Actuals	Year End Estimate
Convention Center	\$ (2,032)	\$ (1,150)	\$ (2,047)
Cubs/Sloan Park	\$ (1,554)	\$ (788)	\$ (1,289)
District Cooling	\$ 432	\$ 283	\$ 433
Golf Course	\$ (960)	\$ (462)	\$ (687)
Hohokam	\$ (1,212)	\$ (466)	\$ (1,179)
Total	\$ (5,327)	\$ (2,583)	\$ (4,769)

Total Enterprise Fund	\$ (9,421)	\$ 26,611	\$ (3,792)
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(In Thousands)

Exceeding
On Track
Caution
Monitoring

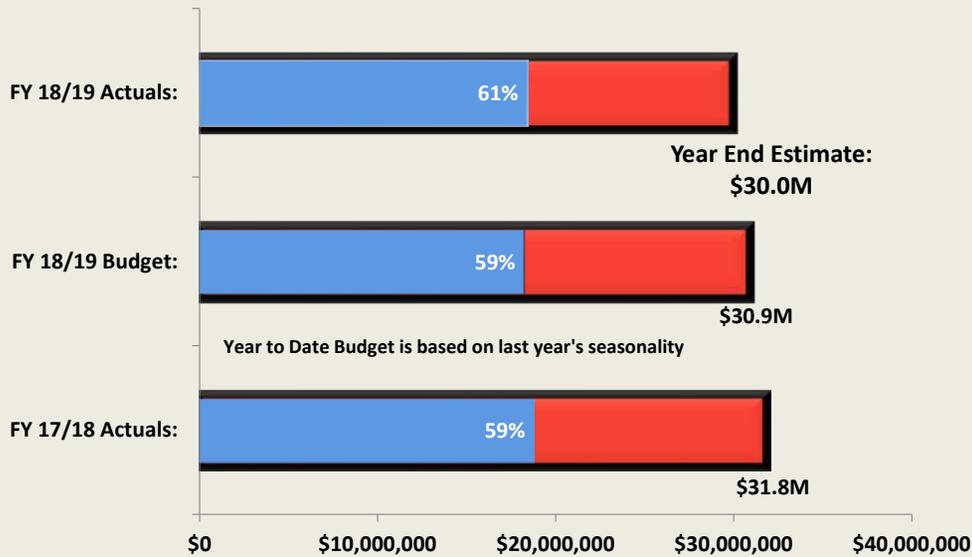
FY 18/19 2nd Quarter Electric Summary

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

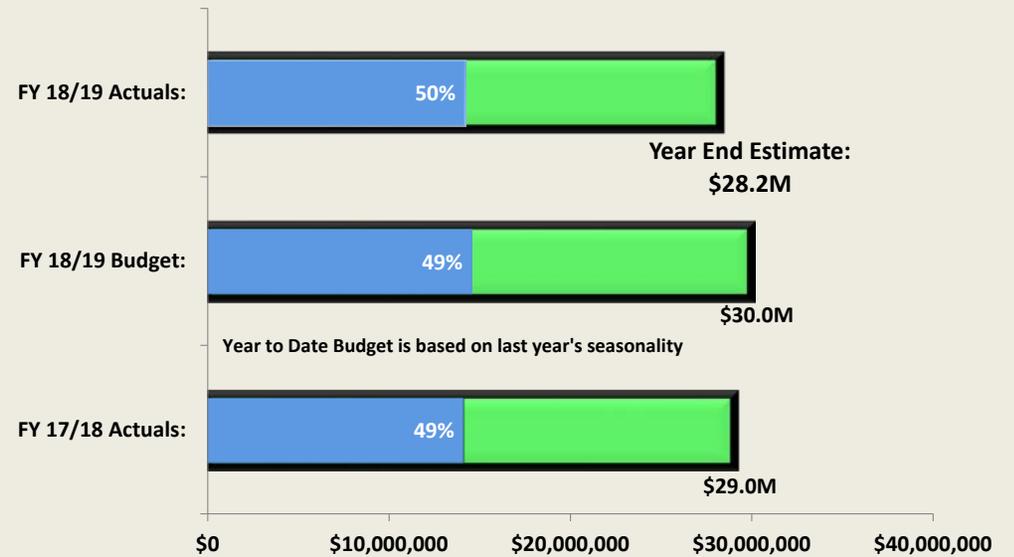
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 30,903	\$ 18,406	\$ 29,960
Uses	\$ 20,442	\$ 9,662	\$ 18,712
Debt/Capital Transfers Out	\$ 2,743	\$ 1,113	\$ 2,742
General Fund Transfers Out	\$ 6,776	\$ 3,388	\$ 6,776
Net Sources and Uses	\$ 942	\$ 4,242	\$ 1,730

(In Thousands)

Electric - Sources



Electric - Uses and Transfers



The cost of the electric commodity is passed through to the customer. The year end estimate for this pass-through was decreased \$1.5M compared to budget due to the costs associated with the electric purchase contract being lower than anticipated. However, the year end estimate for sources also increased due to higher than anticipated residential and commercial account growth and a resale of unused electric commodity.

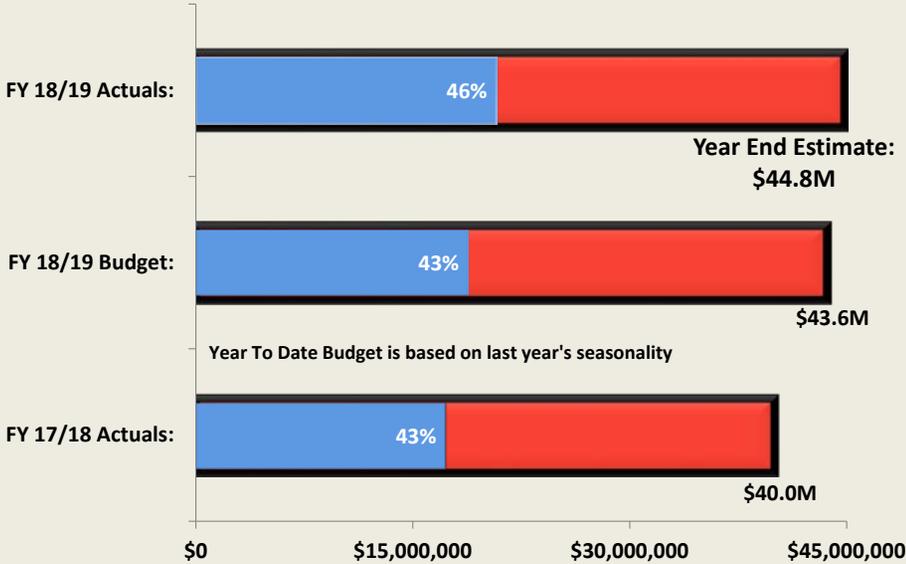
FY 18/19 2nd Quarter Natural Gas Summary

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

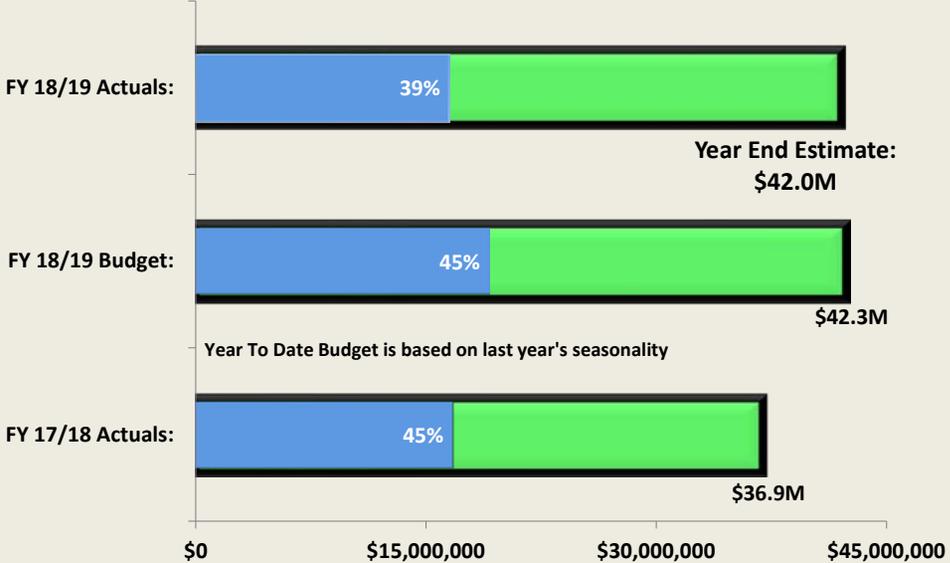
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 43,588	\$ 20,761	\$ 44,781
Uses	\$ 27,146	\$ 9,308	\$ 24,757
Debt/Capital Transfers Out	\$ 7,094	\$ 3,141	\$ 9,165
General Fund Transfers Out	\$ 8,098	\$ 4,049	\$ 8,098
Net Sources and Uses	\$ 1,250	\$ 4,263	\$ 2,761

(In Thousands)

Natural Gas - Sources



Natural Gas - Uses and Transfers



The cost of the natural gas commodity is passed through to the customer. The year end estimate for the natural gas cost adjustment factor in both sources and uses was decreased \$2.2M due to commodity costs being lower than anticipated. The decrease in the sources year end estimate was offset by a settlement received for \$2.1M, an increase due to increasing residential and commercial account growth and an increase due to an IRS rebate for CNG usage. The Capital Transfer year end estimate has been increased because the \$2.1M settlement received will be used for capital and infrastructure improvements.

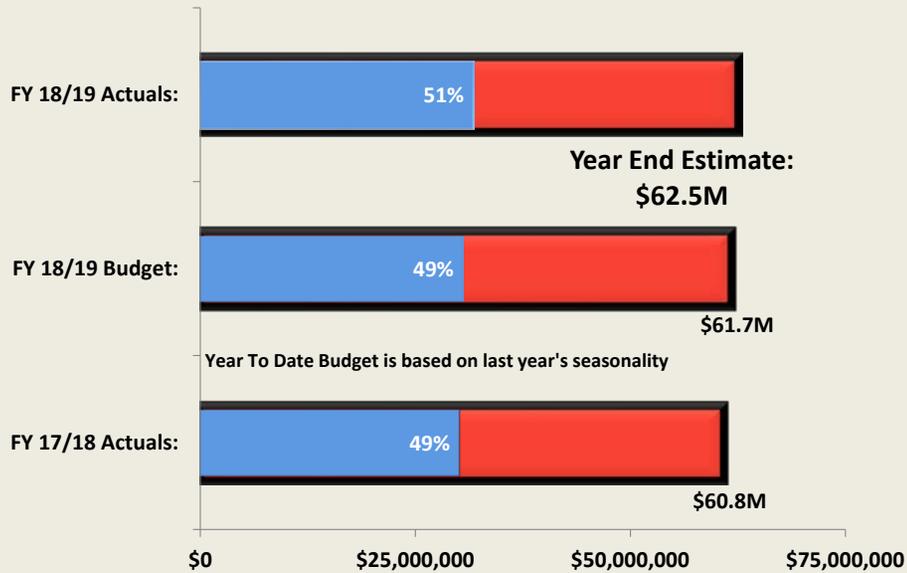
FY 18/19 2nd Quarter Solid Waste Summary

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

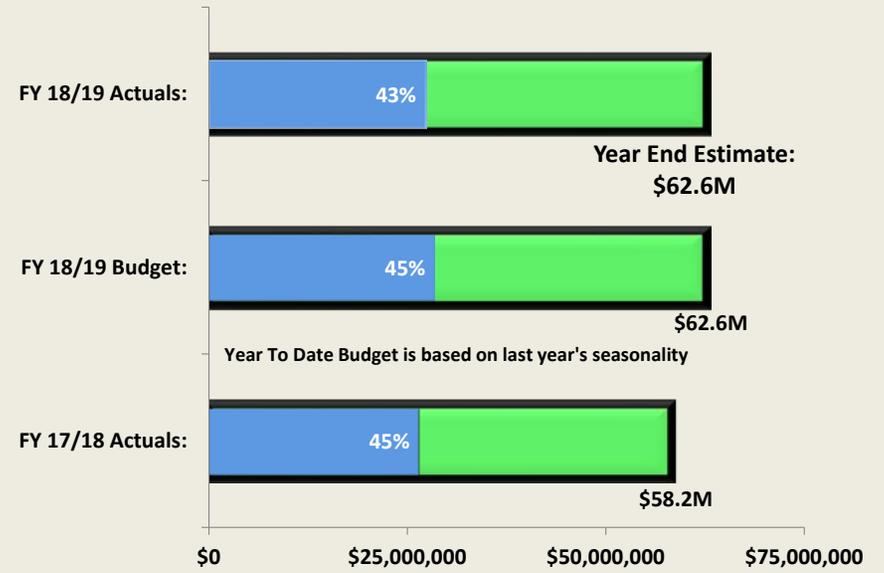
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 61,692	\$ 31,687	\$ 62,473
Uses	\$ 37,002	\$ 15,511	\$ 37,032
Debt/Capital Transfers Out	\$ 3,787	\$ 815	\$ 3,791
General Fund Transfers Out	\$ 21,816	\$ 10,908	\$ 21,816
Net Sources and Uses	\$ (913)	\$ 4,453	\$ (166)

(In Thousands)

Solid Waste - Sources



Solid Waste - Uses and Transfers



The year end estimate for sources is slightly above budget due to increased residential account growth and roll-off usage, which has offset decreased revenues due to a new contract for recycled materials. The year end estimate for uses is on track with budget.

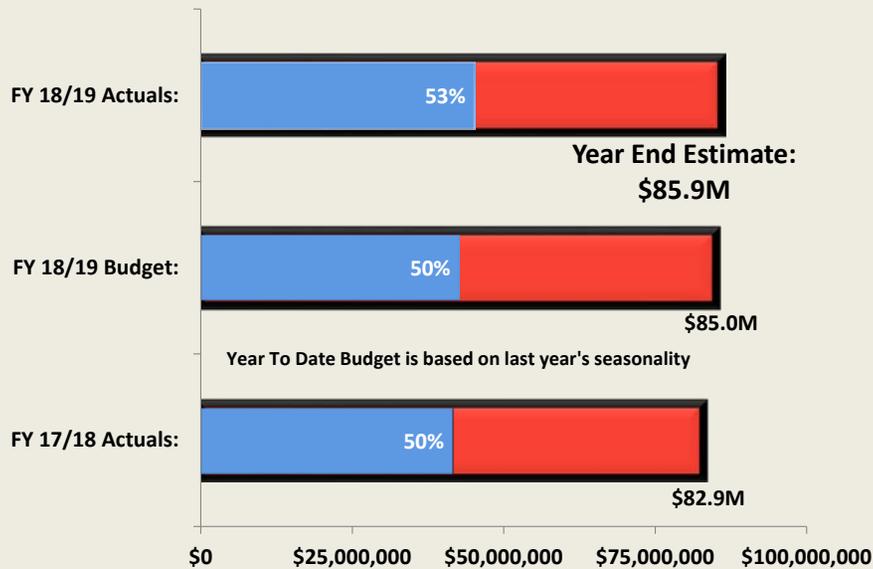
FY 18/19 2nd Quarter Wastewater Summary

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

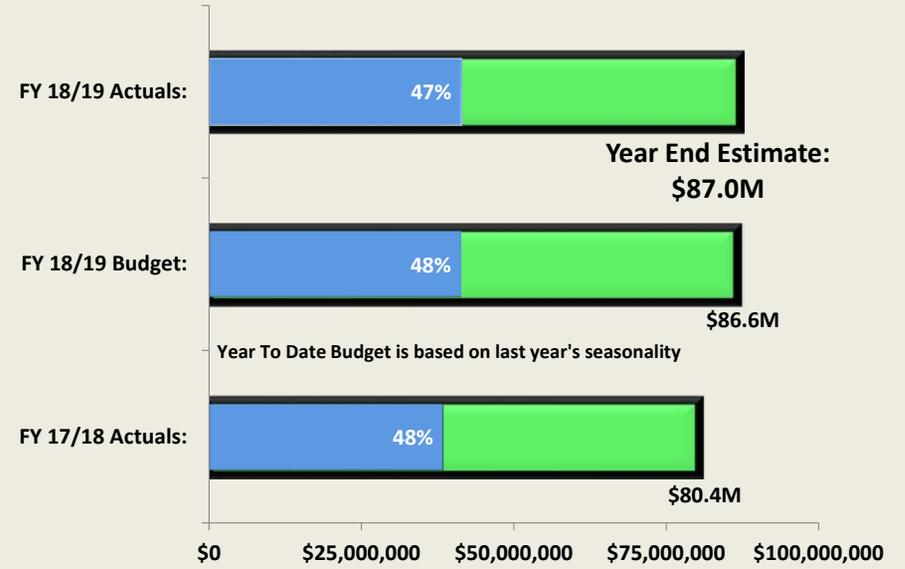
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 85,034	\$ 45,189	\$ 85,915
Uses	\$ 28,065	\$ 12,493	\$ 28,291
Debt/Capital Transfers Out	\$ 42,808	\$ 20,857	\$ 42,982
General Fund Transfers Out	\$ 15,748	\$ 7,874	\$ 15,748
Net Sources and Uses	\$ (1,587)	\$ 3,965	\$ (1,106)

(In Thousands)

Wastewater - Sources



Wastewater - Uses and Transfers



The year end estimate for sources is slightly above budget due to residential usage revenues that are based on the prior year's winter water average. Last year's winter water average was relatively high, likely influenced by lack of rainfall. The uses year end estimate is slightly higher than budget due to an anticipated decrease in an annual credit received from the 91st Avenue Wastewater Treatment Plant, where the credit is determined by the amount of water sold to the Palo Verde Nuclear Generating Station. The plant may undergo maintenance for a portion of FY 18/19, which would lower water sales and the credit received. The Debt Transfers Out year end estimate is slightly above budget due to higher than anticipated interest rates on bonds sold.

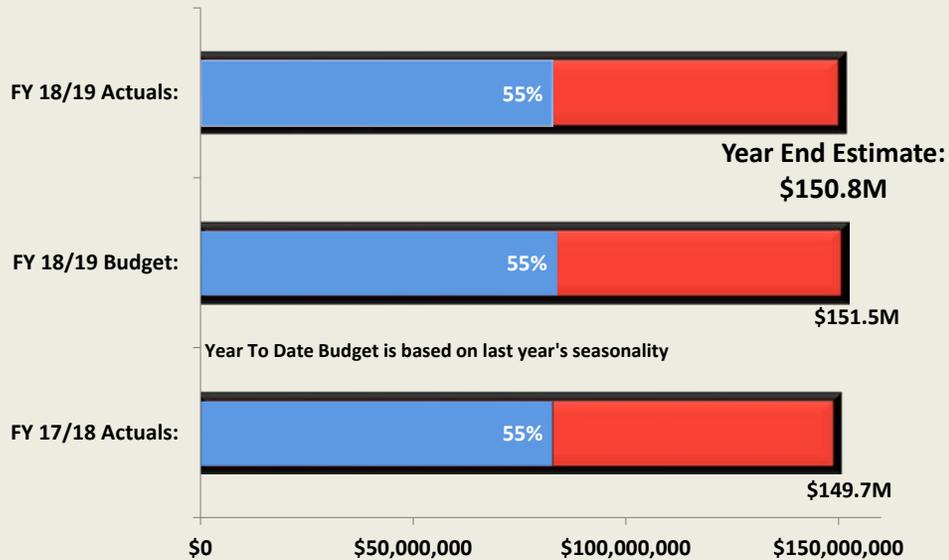
FY 18/19 2nd Quarter Water Summary

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

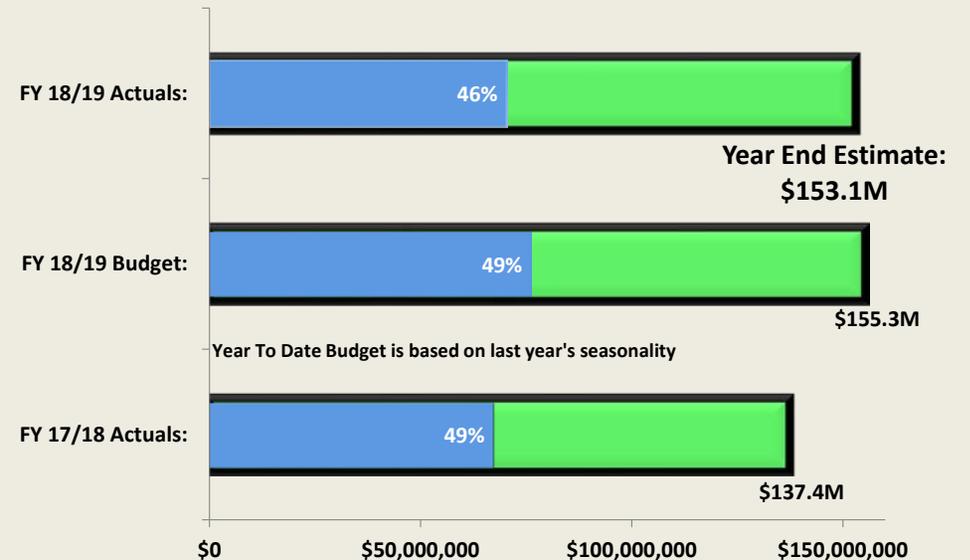
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 151,478	\$ 82,609	\$ 150,807
Uses	\$ 53,569	\$ 22,462	\$ 51,753
Debt/Capital Transfers Out	\$ 45,744	\$ 19,900	\$ 45,346
General Fund Transfers Out	\$ 55,952	\$ 27,976	\$ 55,952
Net Sources and Uses	\$ (3,787)	\$ 12,271	\$ (2,243)

(In Thousands)

Water - Sources



Water - Uses and Transfers



The year end estimate for sources is slightly below budget due to residential water consumption. There are many factors that can influence consumption, however increased year to date rainfall explains a portion of the consumption decrease. The year end estimate for uses is below budget largely due to lower than anticipated water commodity costs and lower than anticipated operating costs at water treatment plants, largely due to lower chemical usage.

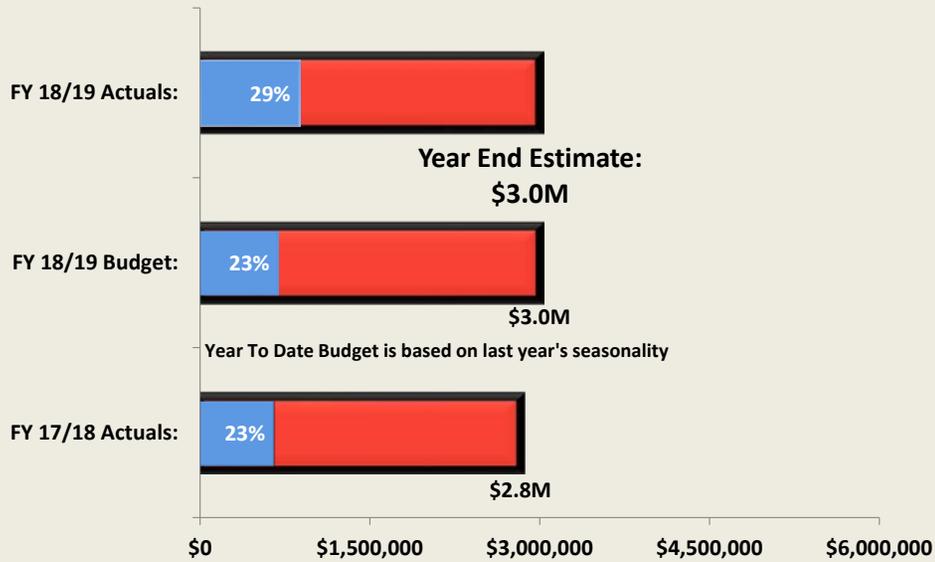
FY 18/19 2nd Quarter Convention Center Summary

The data below represents financial information from the Enterprise Fund for the Convention Center sub-fund.
Both direct (Parks, Recreation and Community Facilities Department) and indirect (citywide) expenses are included.

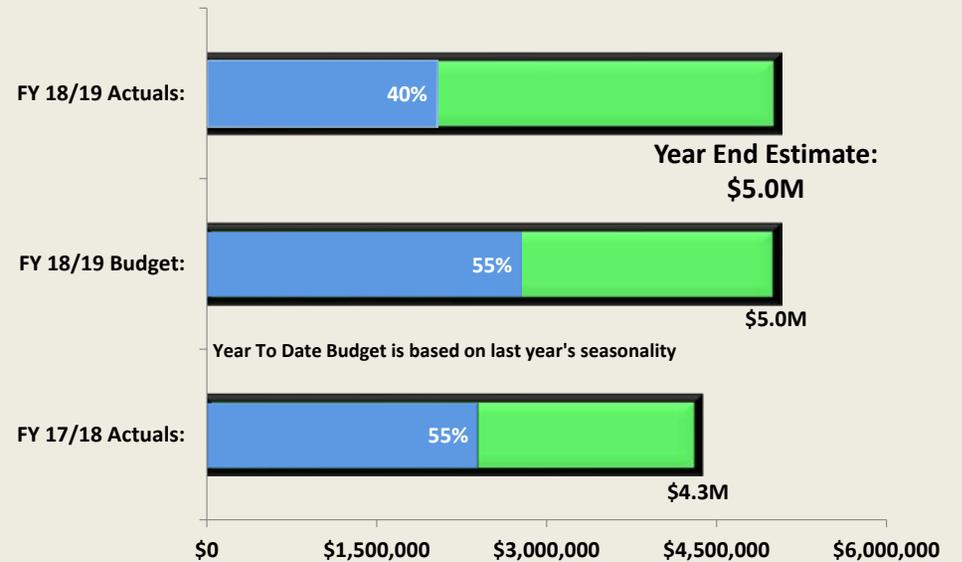
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 2,994	\$ 877	\$ 2,990
Uses	\$ 4,989	\$ 2,027	\$ 4,999
Debt/Capital Transfers Out	\$ 37	\$ -	\$ 37
General Fund Transfers Out	\$ -	\$ -	\$ -
Net Sources and Uses	\$ (2,032)	\$ (1,150)	\$ (2,047)

(In Thousands)

Convention Center - Sources



Convention Center - Uses and Transfers



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

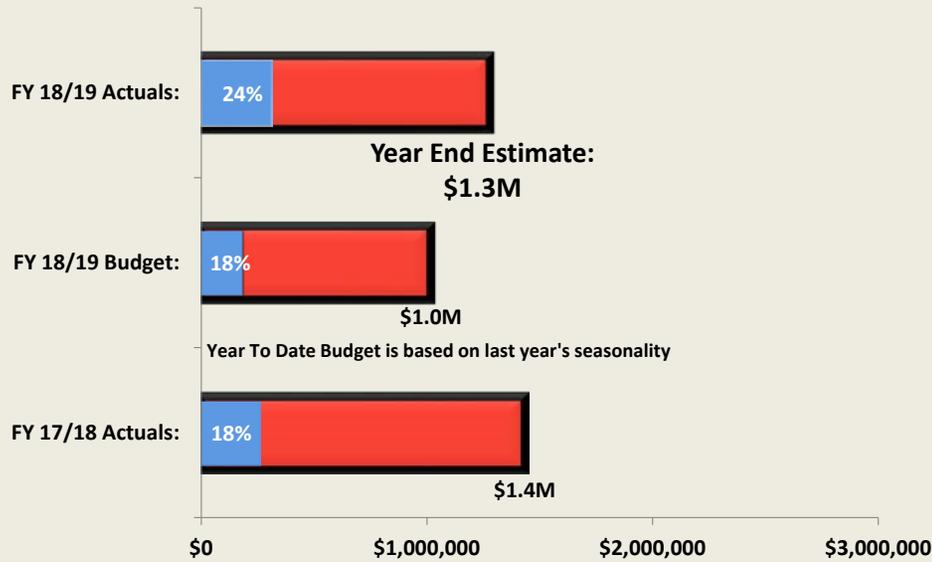
FY 18/19 2nd Quarter Cubs/Sloan Park Summary

The data below represents financial information from the Enterprise Fund for the Cubs/Sloan Park sub-fund. Both direct (Parks, Recreation and Community Facilities Department) and indirect (citywide) expenses are included.

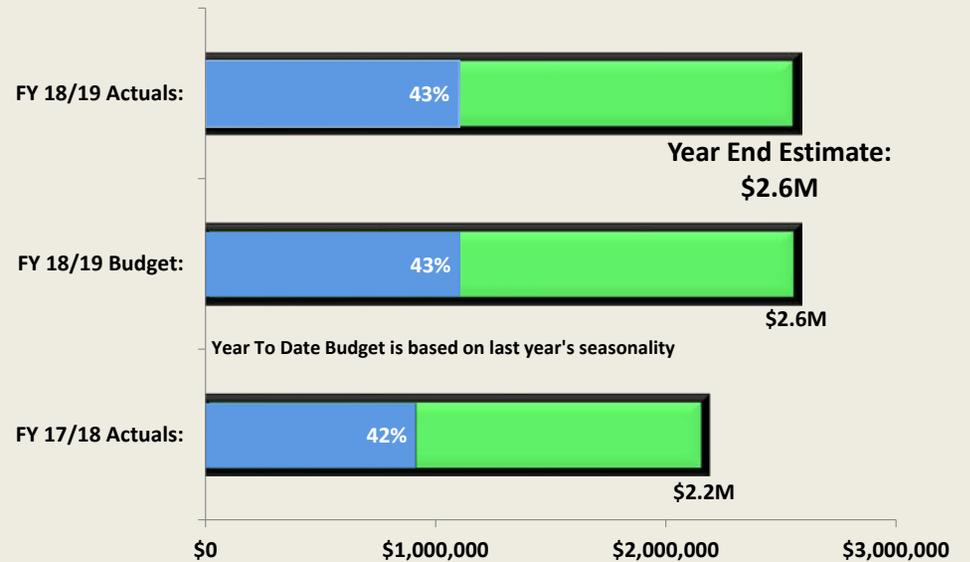
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 1,015	\$ 312	\$ 1,277
Uses	\$ 2,394	\$ 1,100	\$ 2,389
Debt/Capital Transfers Out	\$ 176	\$ -	\$ 176
General Fund Transfers Out	\$ -	\$ -	\$ -
Net Sources and Uses	\$ (1,554)	\$ (788)	\$ (1,289)

(In Thousands)

Cubs/Sloan Park - Sources



Cubs/Sloan Park - Uses and Transfers



The year end estimate for sources is revised to reflect increased bed tax revenues seen in recent fiscal years. The year end estimate for uses is on track with budget.

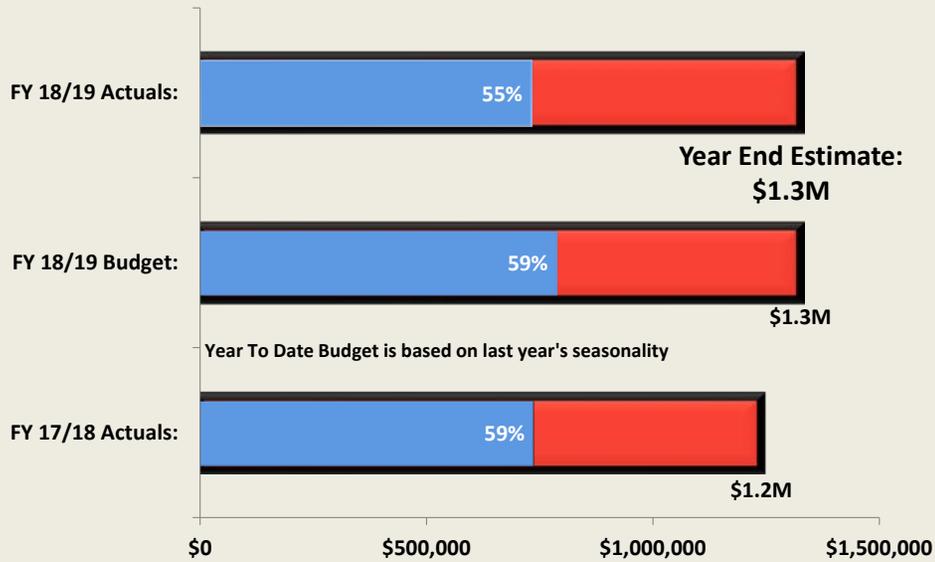
FY 18/19 2nd Quarter District Cooling Summary

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

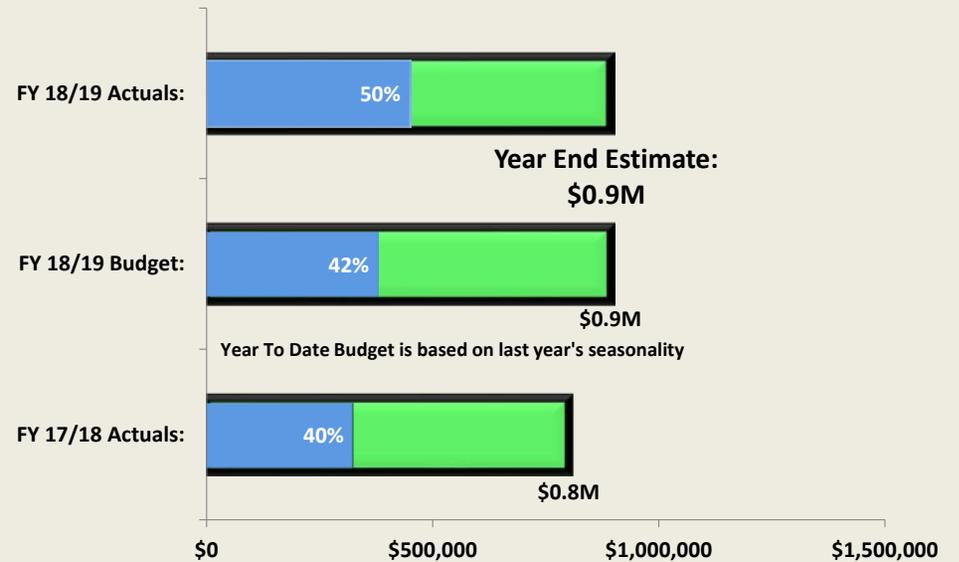
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 1,325	\$ 731	\$ 1,325
Uses	\$ 891	\$ 448	\$ 890
Debt/Capital Transfers Out	\$ 2	\$ -	\$ 2
General Fund Transfers Out	\$ -	\$ -	\$ -
Net Sources and Uses	\$ 432	\$ 283	\$ 433

(In Thousands)

District Cooling - Sources



District Cooling - Uses and Transfers



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

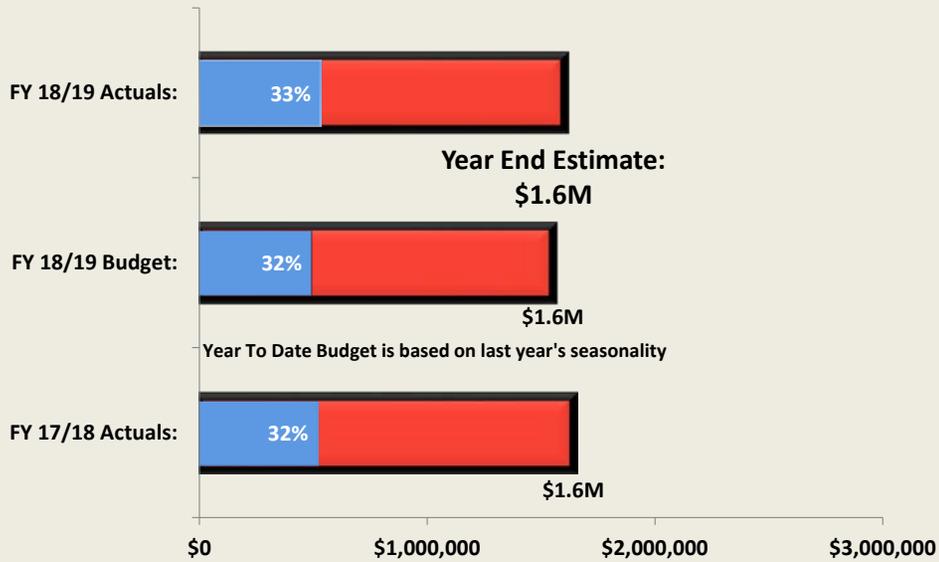
FY 18/19 2nd Quarter Golf Course Summary

The data below represents financial information from the Enterprise Fund for the Golf Course sub-fund. Both direct (Parks, Recreation and Community Facilities Department) and indirect (citywide) expenses are included.

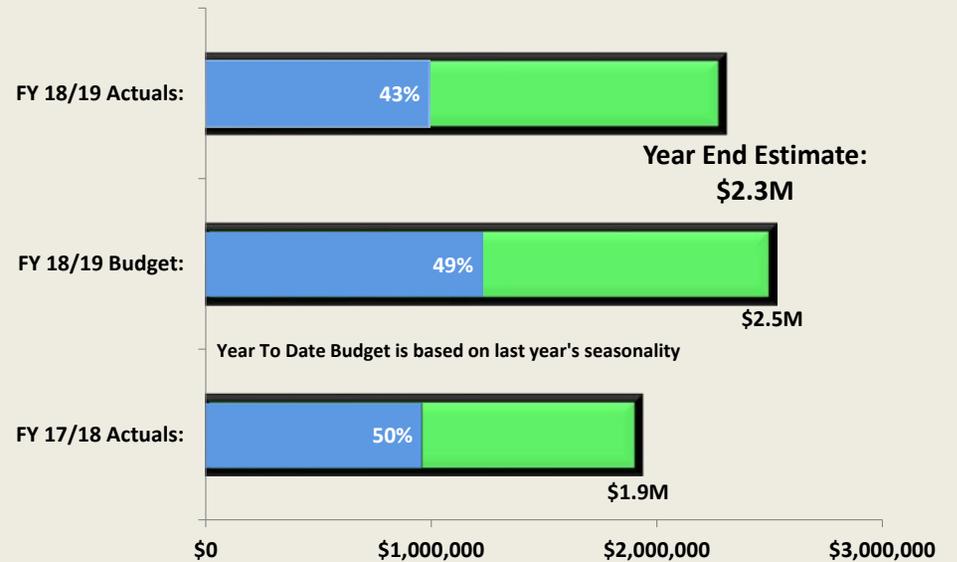
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 1,552	\$ 528	\$ 1,602
Uses	\$ 2,237	\$ 978	\$ 2,014
Debt/Capital Transfers Out	\$ 275	\$ 12	\$ 275
General Fund Transfers Out	\$ -	\$ -	\$ -
Net Sources and Uses	\$ (960)	\$ (462)	\$ (687)

(In Thousands)

Golf Course - Sources



Golf Course - Uses and Transfers



Reduced personnel costs due to vacant positions has lowered the year end estimate for uses. The year end estimate for sources is on track with budget.

FY 18/19 2nd Quarter Hohokam Summary

The data below represents financial information from the Enterprise Fund for the Hohokam Stadium sub-fund. Both direct (Parks, Recreation and Community Facilities Department) and indirect (citywide) expenses are included.

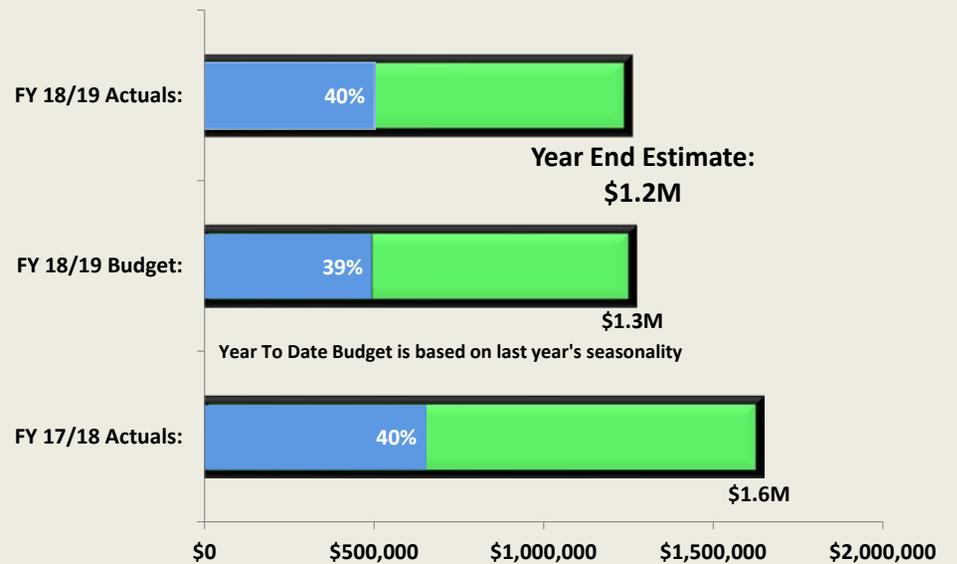
	Adopted Budget	Year to Date Actuals	Year End Estimate
Sources	\$ 49	\$ 33	\$ 69
Uses	\$ 1,135	\$ 499	\$ 1,122
Debt/Capital Transfers Out	\$ 127	\$ -	\$ 127
General Fund Transfers Out	\$ -	\$ -	\$ -
Net Sources and Uses	\$ (1,212)	\$ (466)	\$ (1,179)

(In Thousands)

Hohokam - Sources



Hohokam - Uses and Transfers



The year end estimate for sources is above budget due to an anticipated increase in stadium rentals. The year end estimate for uses is on track with budget.