

CITY OF MESQUITE

Financial Statement Overview

Year-to-Date through September 30, 2016

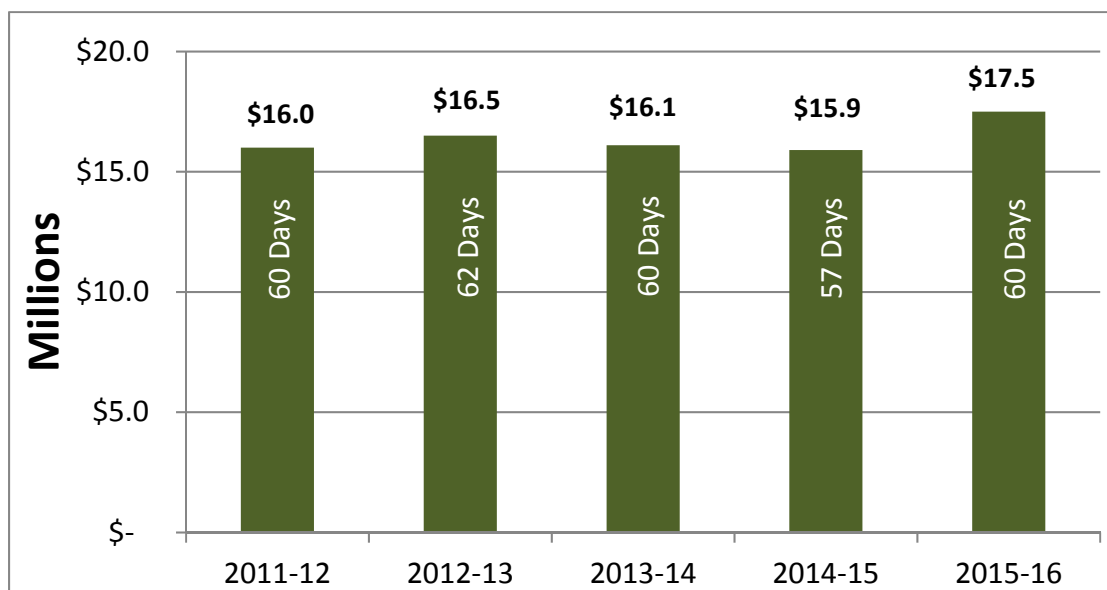


Highlights from each of the funds reported in the Year-to-Date Financial Statements through September 30, 2016 are as follows.

GENERAL FUND

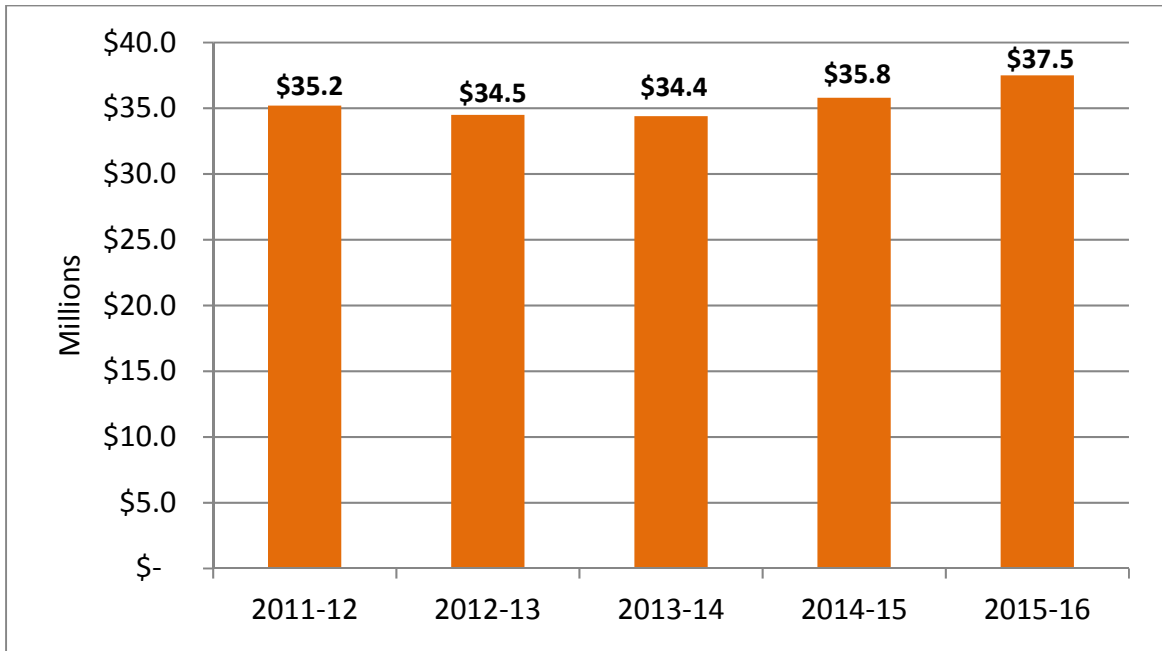
- Cash balance down \$1,196,419 compared to prior year
- Variance analysis
 - Year-end loan of cash to funds with negative cash balance (Health Claims; Airport; CDBG)
 - Due from Other Funds increased \$2,203,763 (for loans noted above)
 - Revenues \$5.8 million more than prior year
 - Expenditures \$3.7 million more than prior year
- Unassigned Fund Balance at year-end \$17,513,011
 - 16.6% of total expenditures (policy requires 15%)
 - Days of working capital of 60 days
 - Increase over prior year of \$1,615,272

GENERAL FUND UNASSIGNED FUND BALANCE: FIVE-YEAR COMPARISON

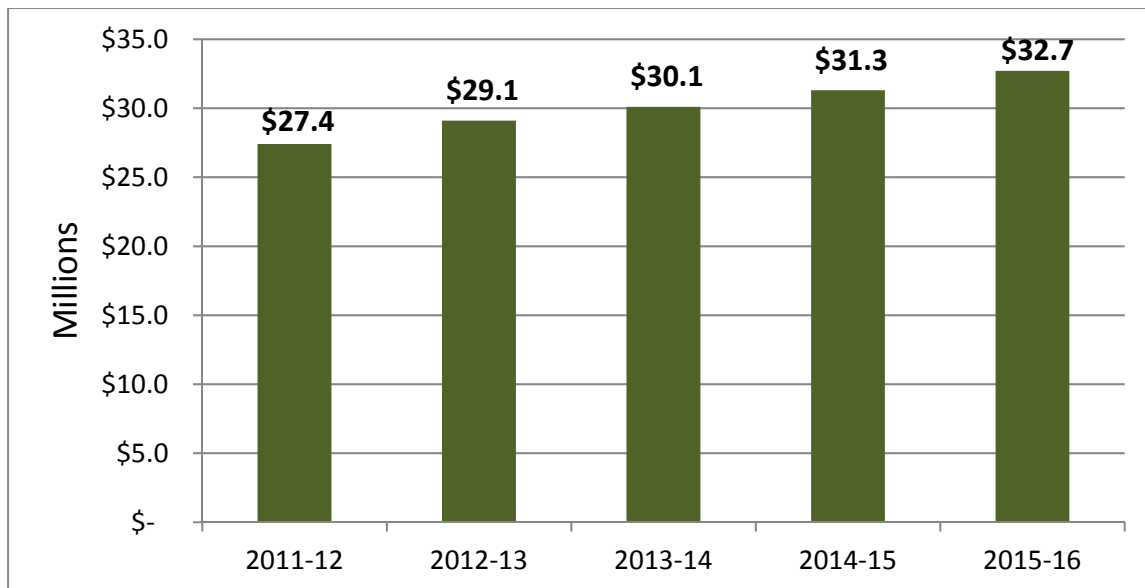


- Revenue highlights
 - Property tax percent collected through September for current taxes is 98.9% as compared to 98.7% in prior year
 - Property tax revenue up \$1.7 million due to increased taxable values
 - Sales tax revenues are higher as compared to prior year \$1.4 million
 - Fines and forfeitures over amended budget \$325,091 mainly in traffic and criminal fines
 - Charges for Services over amended budget \$620,306 mainly in grass and weed charges and ambulance services

CURRENT YEAR PROPERTY TAX REVENUE: FIVE-YEAR COMPARISON



SALES TAX COLLECTIONS: FIVE-YEAR COMPARISON



➤ Expenditure highlights

- General Government under amended budget \$161,542 (most departments at or below budget; staff vacancies; cost savings in various accounts)
- Fire Services under amended budget \$155,899 (significant adjustment at amended budget for overtime; salaries/wages under budget at year-end; diesel fuel under budget)
- Police Services over amended budget \$377,157 (salaries/wages; overtime; less work order credits; vehicle maintenance)
- Public Works over amended budget \$135,183 (Engineering – unrealized revenue related to delayed public and private construction; Residential Solid Waste – offsite landfill charges; Service Center – internal service charges to offset costs in Service Center related to vehicle maintenance)
- Parks and Recreation over amended budget \$362,578 (Park Operations – overtime, water costs, vehicle maintenance; Recreation – salaries/wages for more part-time employees to

handle increase in activity in programs with increase in revenues to offset costs; vehicle maintenance)

- o Reserve Appropriation under amended budget \$429,610 (planned transfer to Capital Projects fund not made)

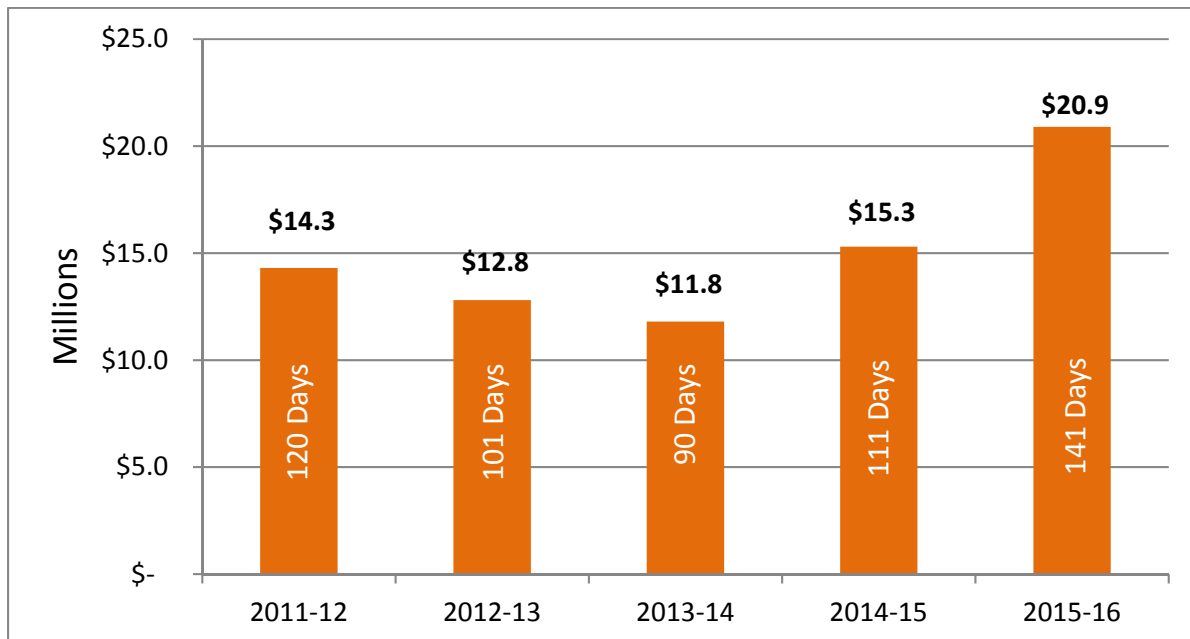
(4B) MESQUITE QUALITY OF LIFE CORPORATION FUND

- Fund Balance at year-end of \$8,024,711
- Increase over prior year of \$947,113
- Main projects included
 - o Public Safety – radio system replacement
 - o Transportation – Military Parkway Trail, Thomasson Square, traffic management system, traffic video detection
 - o Parks and Rec – Park operations, highway corridor maintenance, Heritage Trail maintenance, downtown Heritage Square, Vanston Park renovations

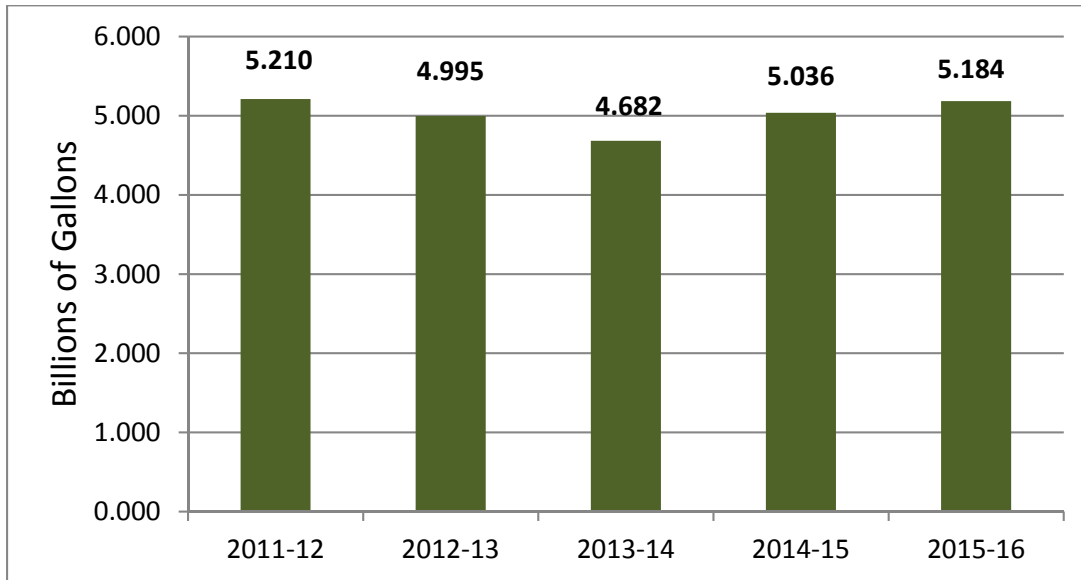
WATER SEWER OPERATING FUND

- Working Capital at year-end of \$20,880,184
- Increase over prior year of \$5,621,810
- Net income of \$5,608,578
- Days of working capital of 141 days
- Revenue bond coverage ratio (required ratio is 1.5)
 - o Average Annual Debt calculation = 1.9 (bond covenant method)
 - o All in Debt calculation = 1.16 (rating agency method) (improvement from 1.10)
- Year-to-date consumption up slightly compared to prior year 2.94%
- Revenues and expenditures in line with budget
- Rate increases generated necessary revenue to improve working capital and bond coverage ratios

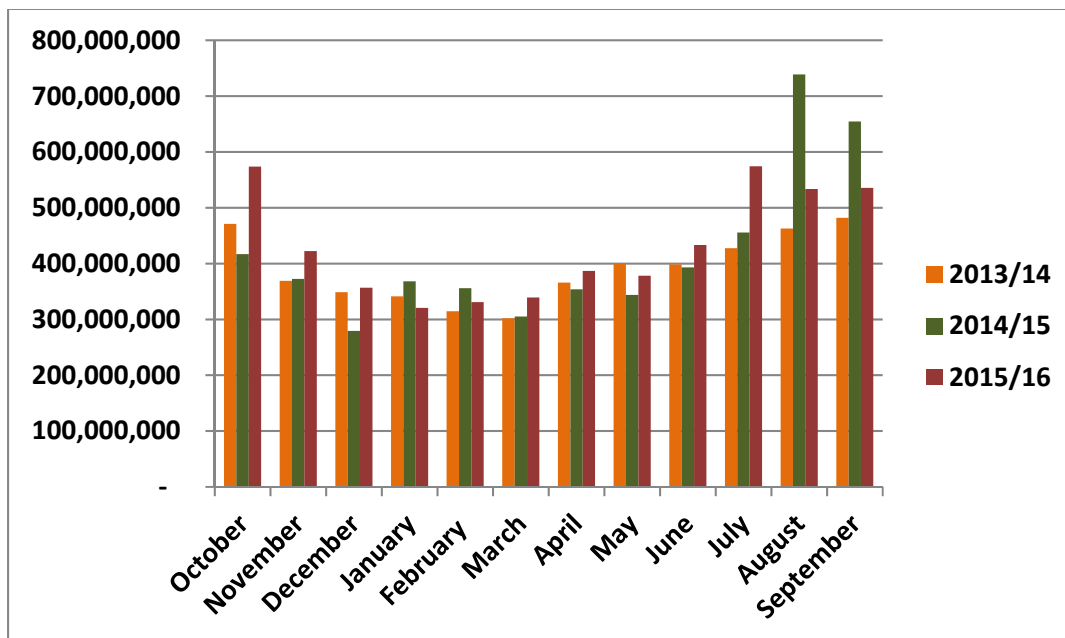
WATER SEWER FUND WORKING CAPITAL BALANCE: FIVE-YEAR COMPARISON



ANNUAL WATER CONSUMPTION: FIVE-YEAR COMPARISON



MONTHLY GALLONS OF WATER BILLED: THREE-YEAR COMPARISON



DRAINAGE UTILITY DISTRICT FUND

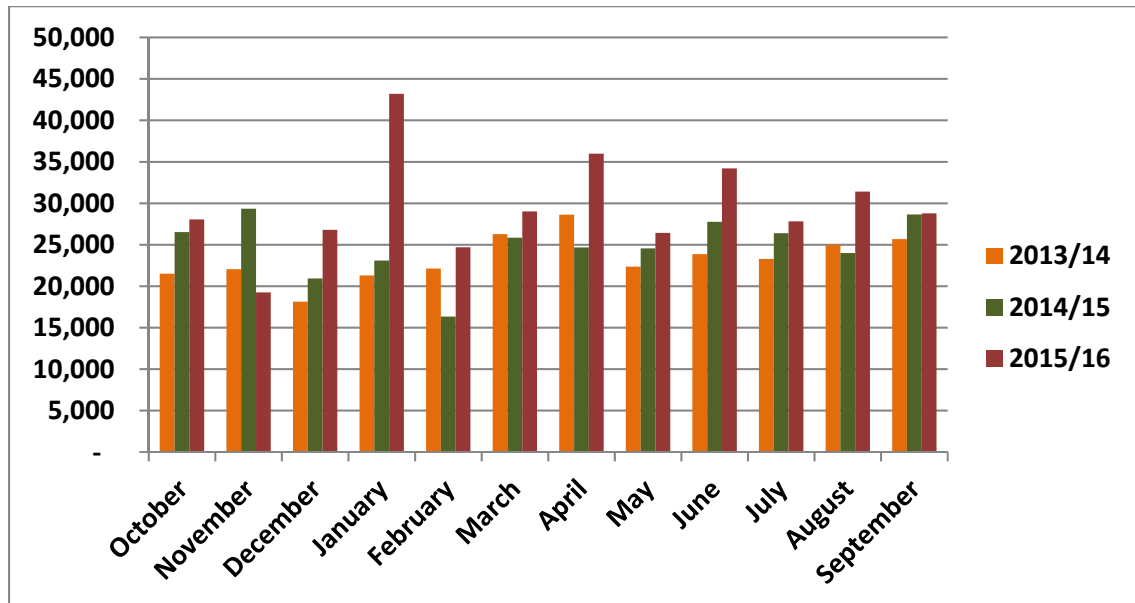
- Working Capital at year-end of \$734,950
- Increase over prior year of \$15,140
- Days of working capital 70 days
- Revenues and expenditures in line with budget
- \$2,000,000 transferred to drainage improvement projects (Gus Thomasson Rd; South Mesquite Creek)

MUNICIPAL AIRPORT FUND

- Net income of \$36,002
- Hangar rentals slightly higher compared to prior year
- Fuel gallons sold 19.3% higher than prior year
- Fuel sales \$\$ down due to lower cost of fuel; fuel sales profit margin for the year was 34%

- Fuel cost down due to lower cost of fuel

MONTHLY GALLONS OF FUEL SOLD: THREE-YEAR COMPARISON

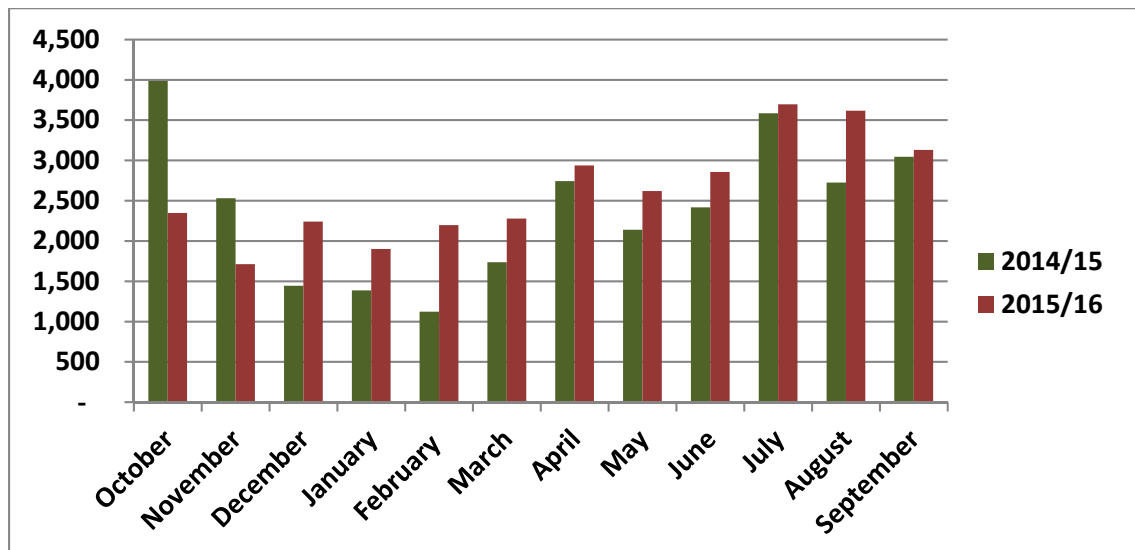


MUNICIPAL GOLF COURSE

Golf course operations are reported in the General Fund however we report golf course activity separately for a more detailed review

- Net loss year-to-date of \$320,090 (budgeted net loss \$330,883; prior year net loss \$359,663)
- Overall revenues up 2.0% compared to prior year
- Year-to-date rounds of golf up 9.3%
- Overall expenditures 1.8% less than the prior year

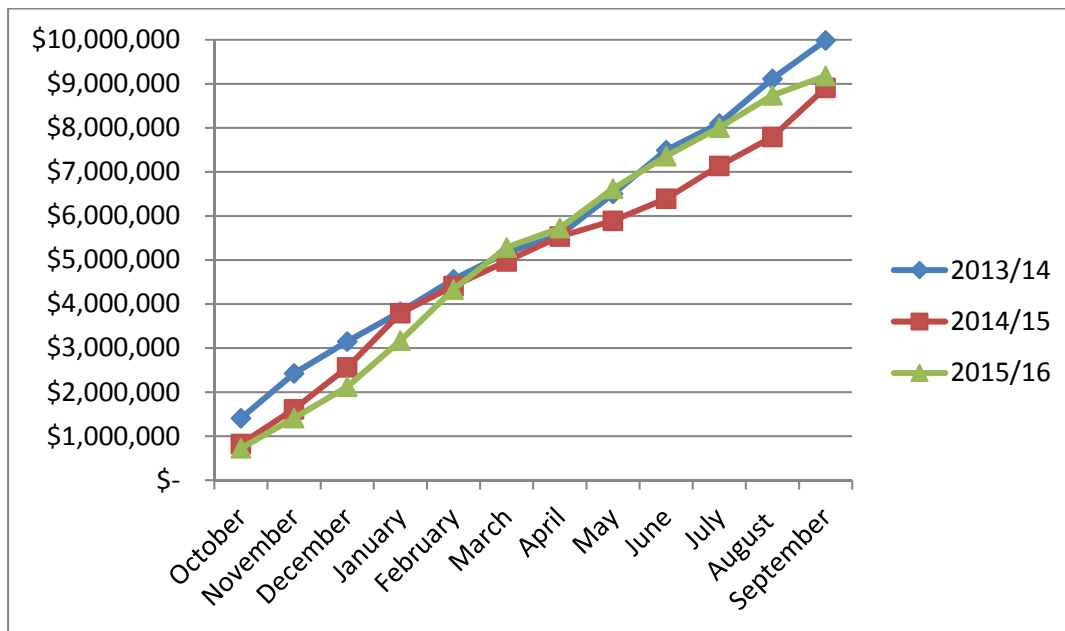
MONTHLY ROUNDS OF GOLF: TWO-YEAR COMPARISON



HEALTH CLAIMS FUND

- Fund Balance at year-end of (\$4,478,678)
- Net loss of \$2,131,069
- \$313,211 in reimbursements from Stop Loss insurance
- Health claims \$267,905 more than prior year; three large claims incurred
- Pharmaceutical costs \$104,094 less than prior year
- HSA participants for active employees increased from 422 in 2015 to 622 in 2016
- Additional City contribution to HSA accounts of \$1.1 million
- Admin fees up due to Affordable Care Act fees (\$127,000 for 2015 and \$90,000 for 2016; both processed in fiscal year 2016)

HEALTH CLAIMS EXPENDITURES CUMULATIVE YEAR-TO-DATE THREE-YEAR COMPARISON



GENERAL LIABILITY FUND

- Fund Balance at year-end of (\$1,210,971)
- Net loss of \$627,795
- Rates are being adjusted in all city departments to cover the increased expenses in the General Liability Fund
- Overall expenses 8.6% less than prior year
- Number of claims remained flat for the year
- Workers Comp and General Liability over budget \$109,952 due to cost of on-going claims

HOTEL OCCUPANCY TAX FUND

- Fund Balance at year-end of \$751,962
- Net income of \$311,792
- Revenues comparable to prior year
- Expenses under budget

**QUARTERLY HOTEL OCCUPANCY TAX COLLECTED
THREE-YEAR COMPARISON**

