

CITY OF MESQUITE

Financial Statement Overview

Year-to-Date through September 30, 2018

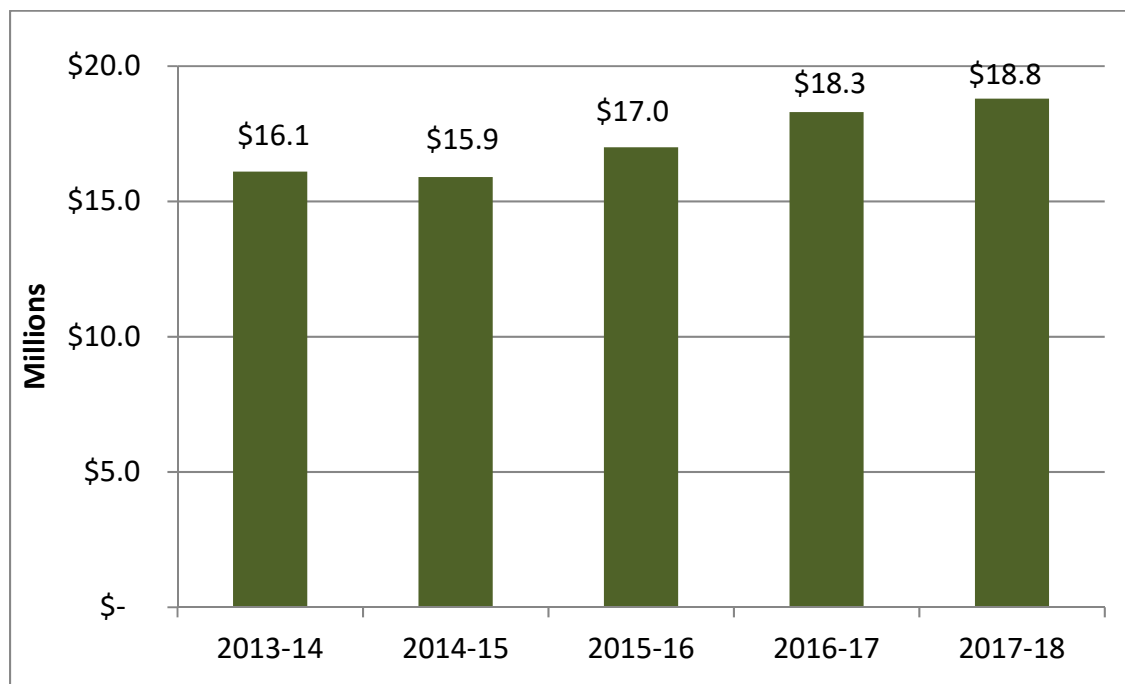


Highlights from each of the funds reported in the Year-to-Date Financial Statements through September 30, 2018 are as follows. Please keep in mind the financial statements are preliminary until the year-end audit is completed. The audit will take place in January and February 2019.

GENERAL FUND

- Cash balance up \$3,628,204 compared to prior year
- Variance analysis
 - FY2018 revenues over expenditures \$616,148 (+)
 - Receivable decrease over prior year \$155,271 (+)
 - Year-end loan of cash to funds with negative cash balance decreased \$680,018 (+)
 - Increase in other current assets \$110,288 (-)
 - Current liabilities increase over prior year \$2.3 million (+) due to timing of invoice payments
- Unassigned Fund Balance at year-end \$18,835,249
 - Increase over prior year of \$522,961
 - 16.3% of total expenditures (current policy requires 15%)
 - Days of working capital of 59.4 days

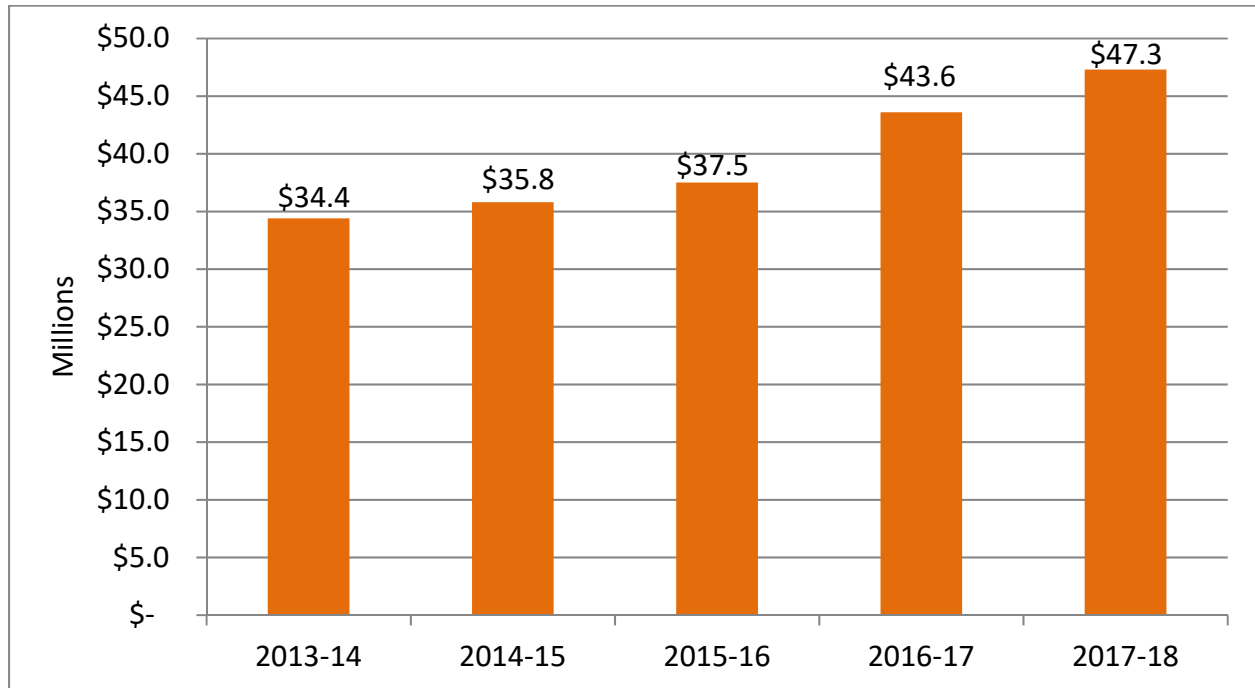
GENERAL FUND UNASSIGNED FUND BALANCE: FIVE-YEAR COMPARISON



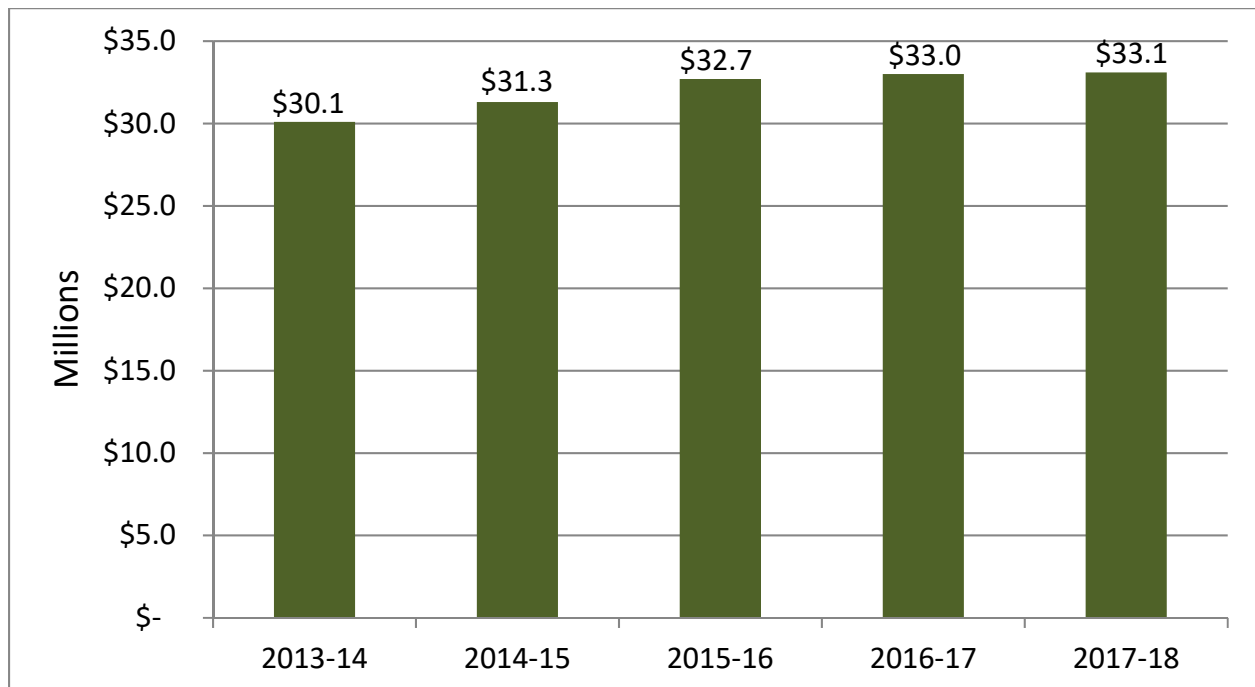
- Revenue highlights
 - Property tax percent collected through September for current taxes is 98.8% as compared to 98.8% in prior year
 - Property tax revenue up \$3.8 million due to increased taxable values
 - Sales tax revenues were very comparable to prior year; \$101,495 higher

- o Licenses and Permits under amended budget \$246,239 mainly in building permits; a few more large projects in FY2017 as compared to FY2018; actual number of building permits higher in FY2018
- o Investment income over amended budget \$125,876 and \$202,533 more than prior year

CURRENT YEAR PROPERTY TAX REVENUE: FIVE-YEAR COMPARISON



SALES TAX COLLECTIONS: FIVE-YEAR COMPARISON



- Expenditure highlights
- o Overall expenses equal to amended budget at 99.96%
 - o Most areas at 100% (some slightly over; some below)

- o General Government over amended budget \$162,675 (maintenance and repair of municipal buildings; salary work order credits)
- o Fire Services over amended budget \$220,853 (personal services; more fully staffed than projected at amended budget)
- o Police Services over amended budget \$292,819 (personal services; more fully staffed than projected at amended budget)
- o Public Works under amended budget \$402,063 (staffing changes; offsite landfill charges; temporary labor charges; offset by savings on electricity and increase in work order credits)
- o Parks and Recreation over amended budget \$234,713 (water charges; vehicle parts; recreation personal services)
- o Neighborhood Services under amended budget \$189,201 (Environmental Code contractual services; work order credits)
- o Insurance (non-departmental) under amended budget \$587,291 (employee group insurance)
- o Reserve Appropriation over amended budget \$325,272 (380 Agreement payments; legal fees)

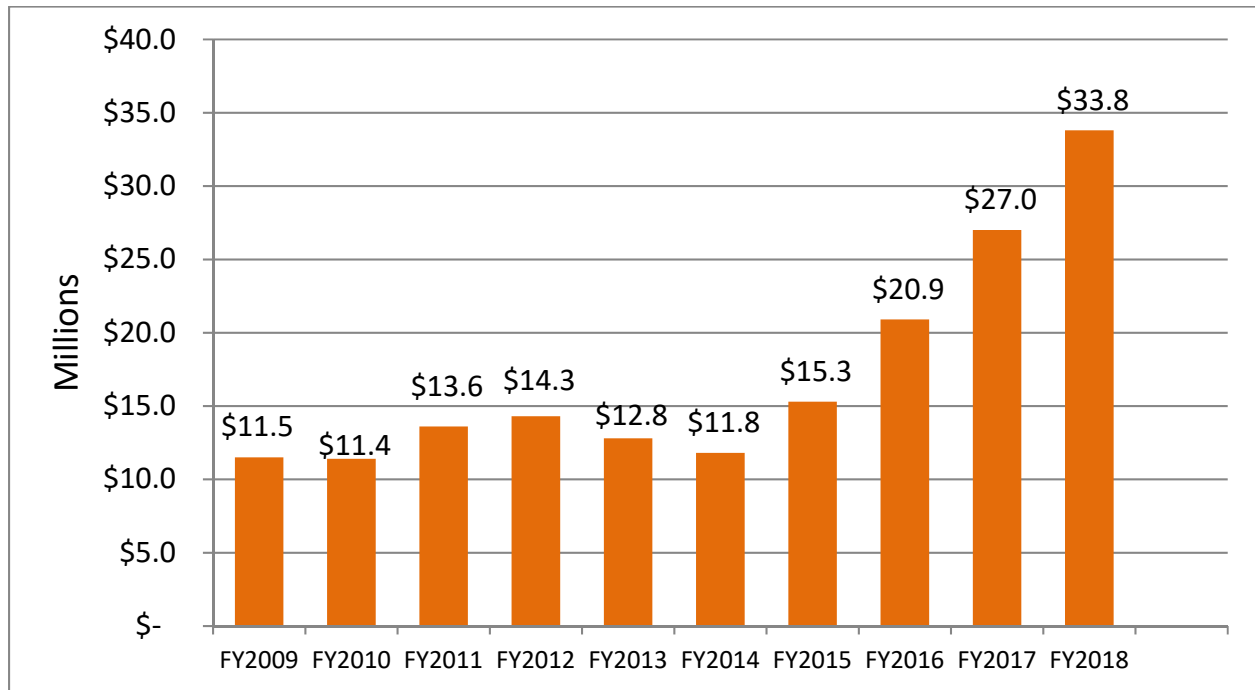
(4B) MESQUITE QUALITY OF LIFE CORPORATION FUND

- Fund Balance at year-end of \$912,525
- Decrease over prior year of \$5,174,244
- Main projects included
 - o Transportation = traffic management system; Military Parkway Trail; traffic signal video detection system; Town East Blvd; Thomasson Square; Scyene Road
 - o Parks and Recreation = operations, highway corridor maintenance, Rorie Galloway Day Camp Pavilion, Shannon Road land acquisition; Westlake tennis courts; Vanston Pool plaster project
 - o Airport = runway rehab

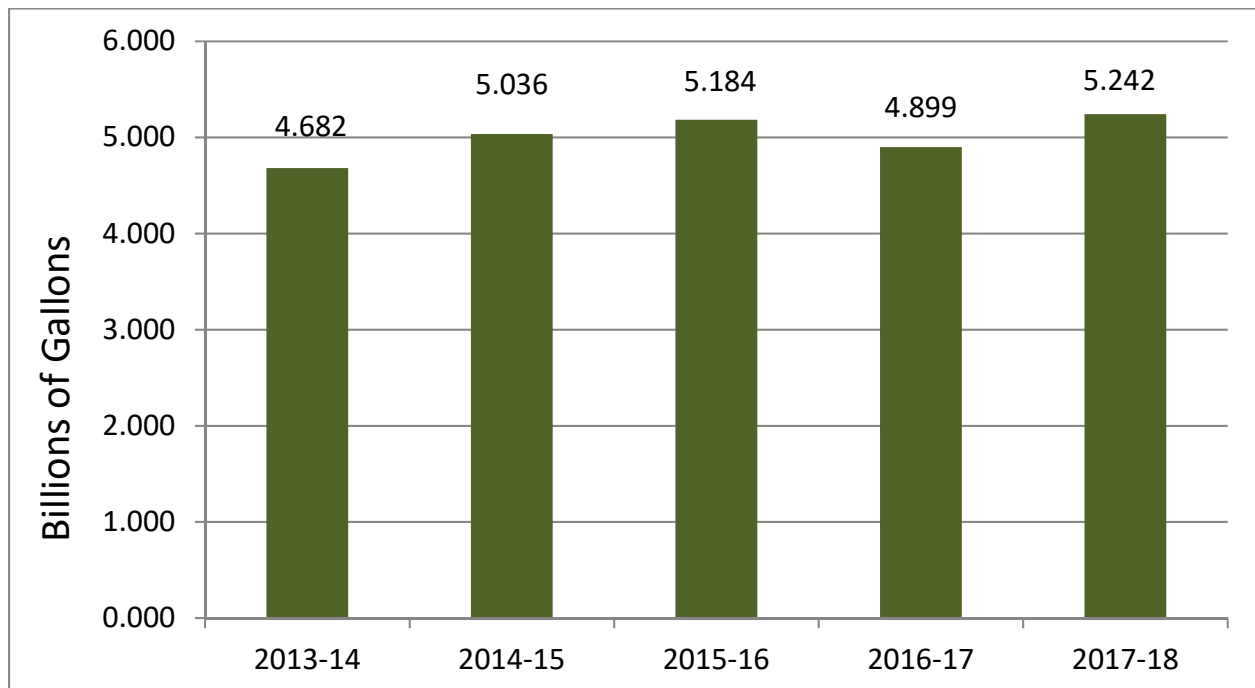
WATER SEWER OPERATING FUND

- Working capital at year-end of \$33,762,762
- Increase over prior year of \$6,713,537
- Net income of \$7,032,597
- Days of working capital at year end 180 days (based on total revenues)
- Revenue bond coverage ratio (requirement is 1.5)
 - o Average Annual Debt = 2.08 (bond covenants)
 - o All in Debt = 1.20 (rating agencies)
- Overall consumption 7.0% more than prior year
- Water sales over amended budget \$742,562; \$2,649,719 more than prior year
- Sale of Bulk Water over amended budget \$1,037,885; \$810,490 more than prior year due to increased development
- Sewer service charges lower than amended budget \$356,419; \$505,717 more than prior year
- Overall expenditures under budget \$892,806
- Finance Collections under budget \$192,593 (salaries; professional services/audit costs; credit card fees; other)
- Water Production under budget \$387,035 (year-end credit from NTMWD; savings in electricity)
- Wastewater Treatment under budget \$100,516 (year-end credit from NTMWD)
- Capital purchases under budget \$106,522 (actual purchases will vary from year-to-year)
- Reserves over budget \$156,739 (legal fees for rate case)
- We are now positioned to stabilize the rates and increase the amount to fund necessary capital improvements to the aging infrastructure of the water and sewer systems

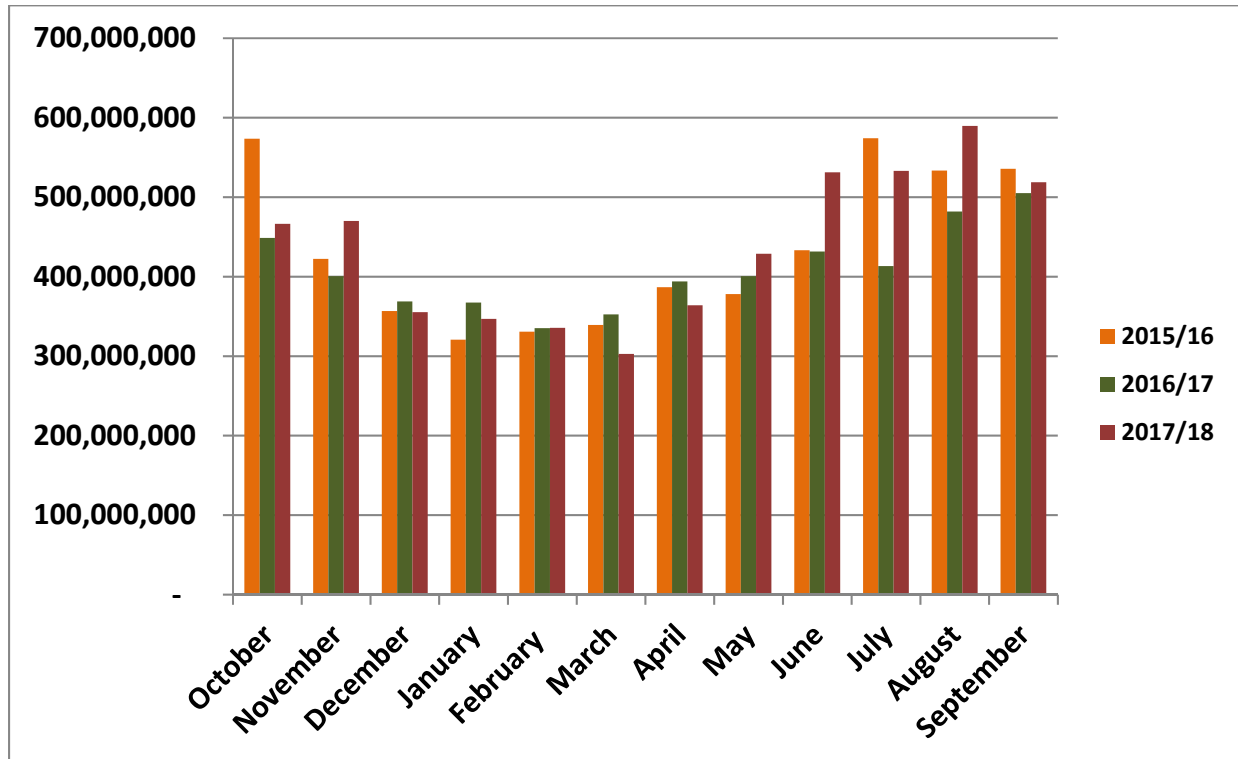
WATER SEWER FUND WORKING CAPITAL BALANCE: FIVE-YEAR COMPARISON



ANNUAL WATER CONSUMPTION: FIVE-YEAR COMPARISON



MONTHLY GALLONS OF WATER BILLED: THREE-YEAR COMPARISON



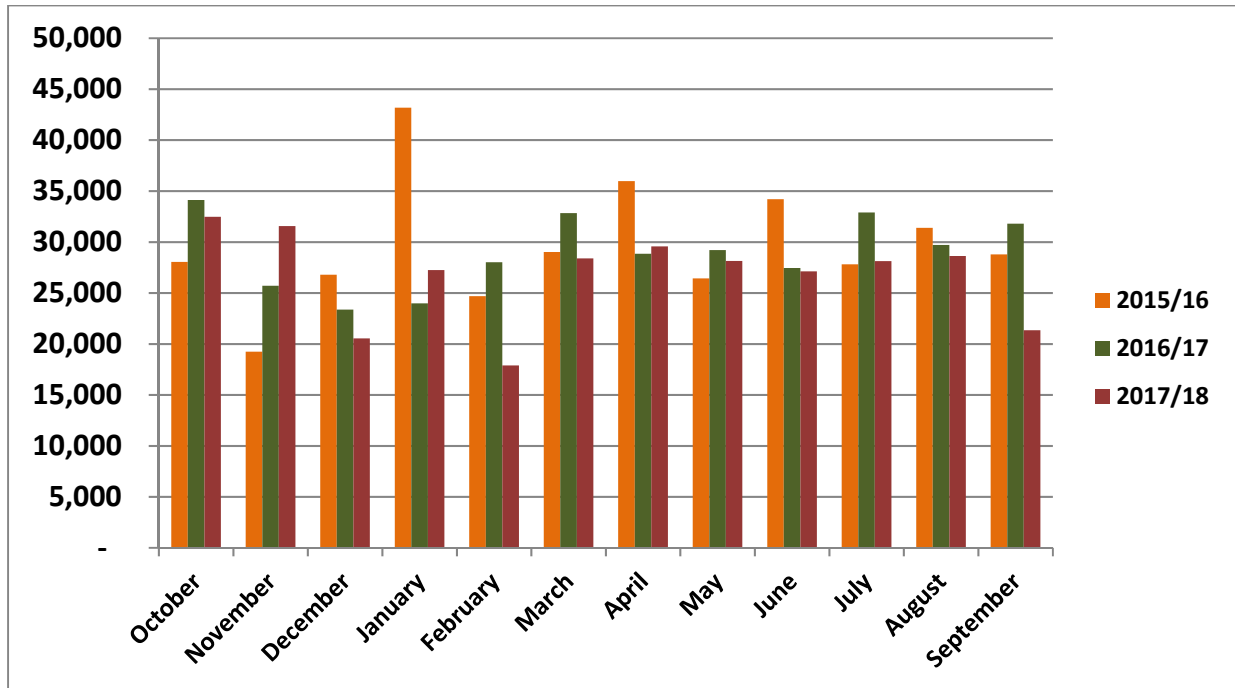
DRAINAGE UTILITY DISTRICT FUND

- Working capital at year end \$771,204
- Decrease over prior year of \$200,752
- Days of Working Capital of 69 days
- Net Loss of \$14,989 (budgeted loss of \$174,870)
- Revenues more than amended budget \$231,489; commercial drainage charges
- Expenditures slightly over budget \$71,642 (101.8%)
- Transferred \$2,500,000 to drainage projects as planned

MUNICIPAL AIRPORT FUND

- Working capital at year-end of \$109,078
- Increase over last year of \$169,294
- Net income \$164,064
- Hangar rentals higher than prior year \$54,350
- Fuel sales \$\$ higher than prior year \$107,442
- Fuel gallons sold 7.7% lower than prior year
- Fuel cost higher than prior year in relation to fuel sales
- Fuel profit margin 30% for the year
- Overall expenditures less than budget \$175,648

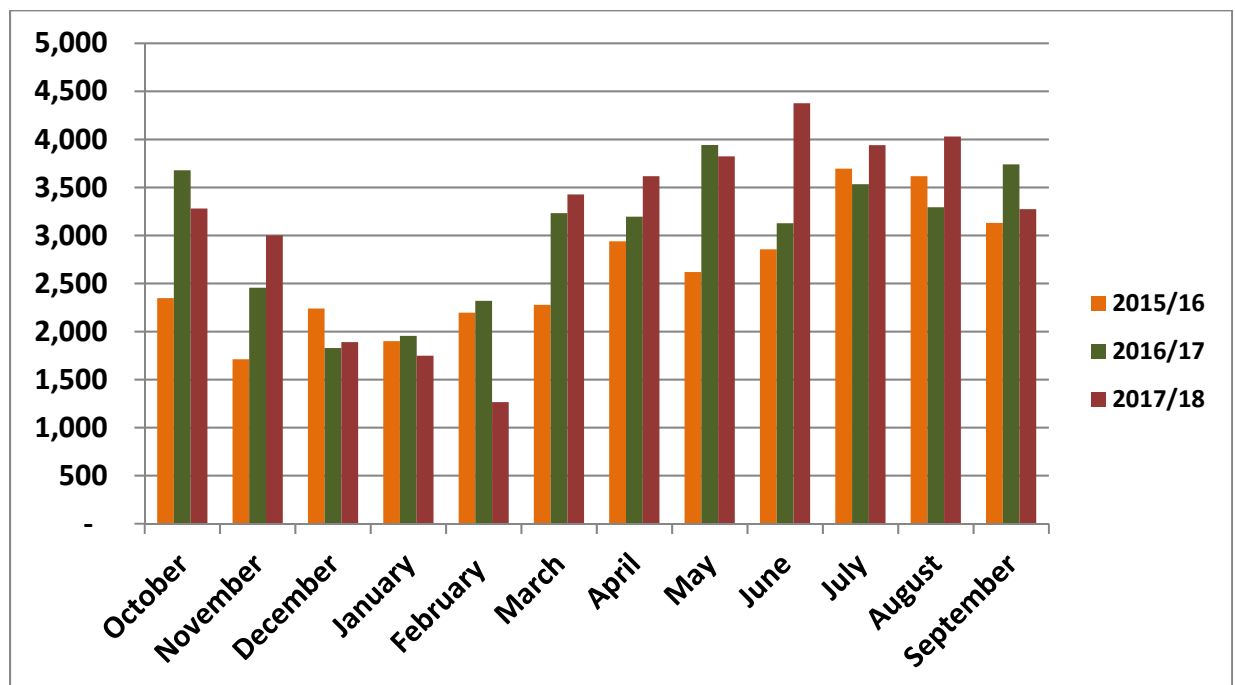
MONTHLY GALLONS OF FUEL SOLD: THREE-YEAR COMPARISON



MUNICIPAL GOLF COURSE

- Working capital at year-end of \$184,349
- Increase over last year of \$1,039
- Net loss \$26,048 (prior year net loss \$66,004)
- Overall revenues up 5% compared to prior year
- Year-to-date rounds of golf up 3.78%
- Overall expenditures 1.1% less than prior year

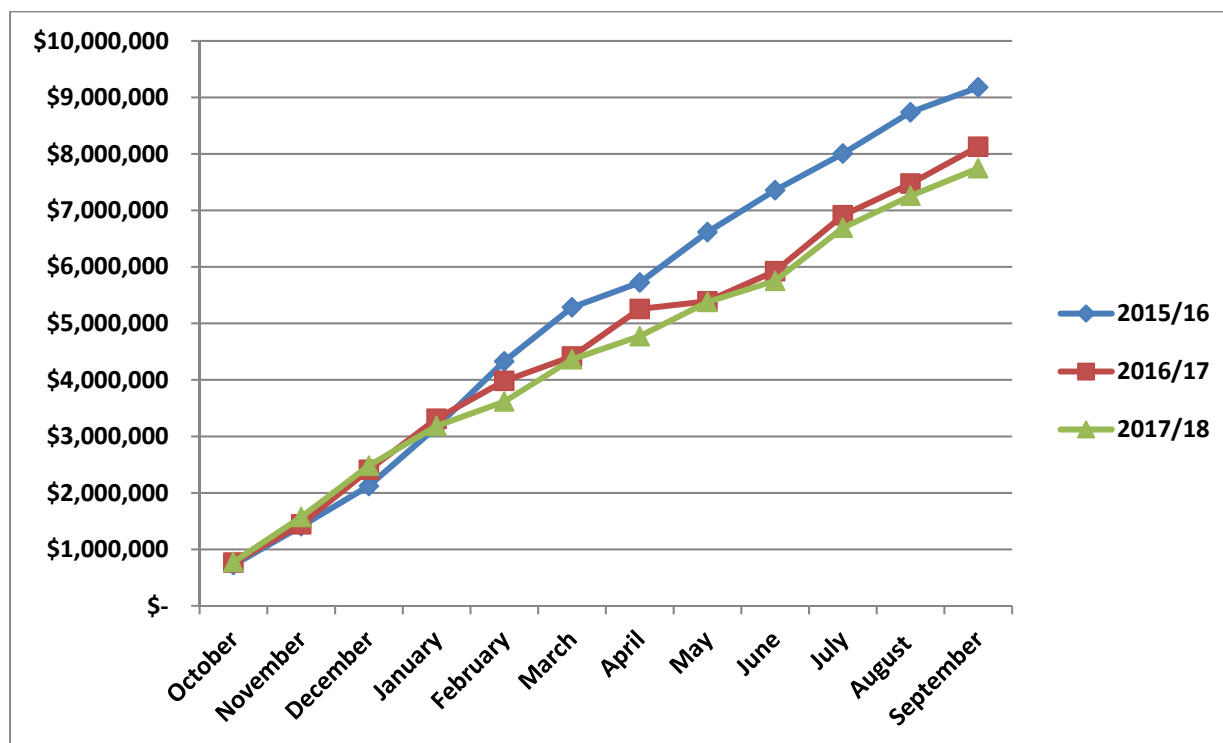
MONTHLY ROUNDS OF GOLF: THREE-YEAR COMPARISON



GROUP MEDICAL INSURANCE FUND

- Fund balance at end of year (\$4,770,262)
- Revenues exceeded expenditures \$380,167; decreasing negative fund balance
- Employer Contribution for Medical Insurance lower than amended budget
- Employee contributions less than budget based on more employees selecting HSA plan
- Copay Health Clinic less than budget due to less clinic activity
- Overall expenditures \$1,628,474 under amended budget
- Claims \$654,450 under amended budget; \$622,520 less than prior year
- Pharmaceutical \$543,050 under amended budget; \$138,038 less than prior year
- HSA Contributions \$235,175 under amended budget due to change in timing of deposits to participants accounts

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



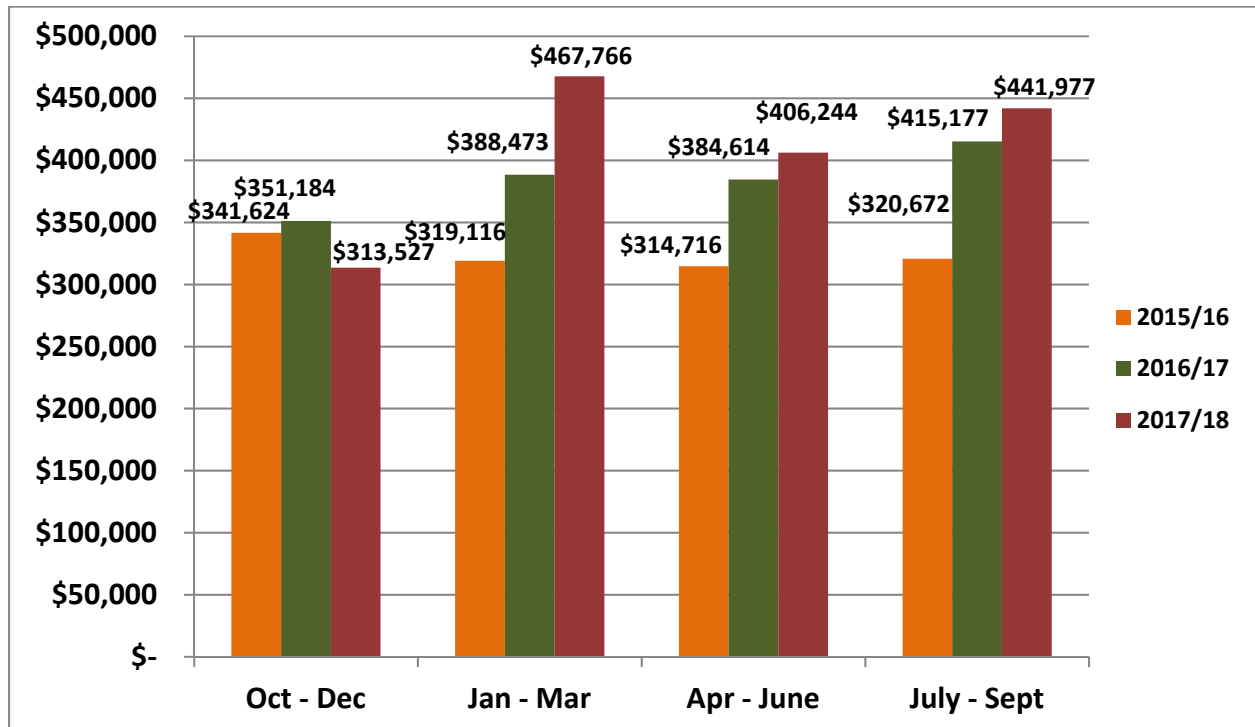
GENERAL LIABILITY FUND

- Fund balance at year end (\$478,560)
- Revenues exceeded expenditures \$523,368; decreasing negative fund balance
- Total revenues slightly more than budget \$87,487
- Overall expenses 4.8% less than prior year; \$177,551
- Self-Insurance Premiums \$92,943 more than prior year
- Workers compensation + General liability + Reserve Adjustment \$212,076 less than prior year
- Other expense of \$67,837 is for police cars replaced due to accidents

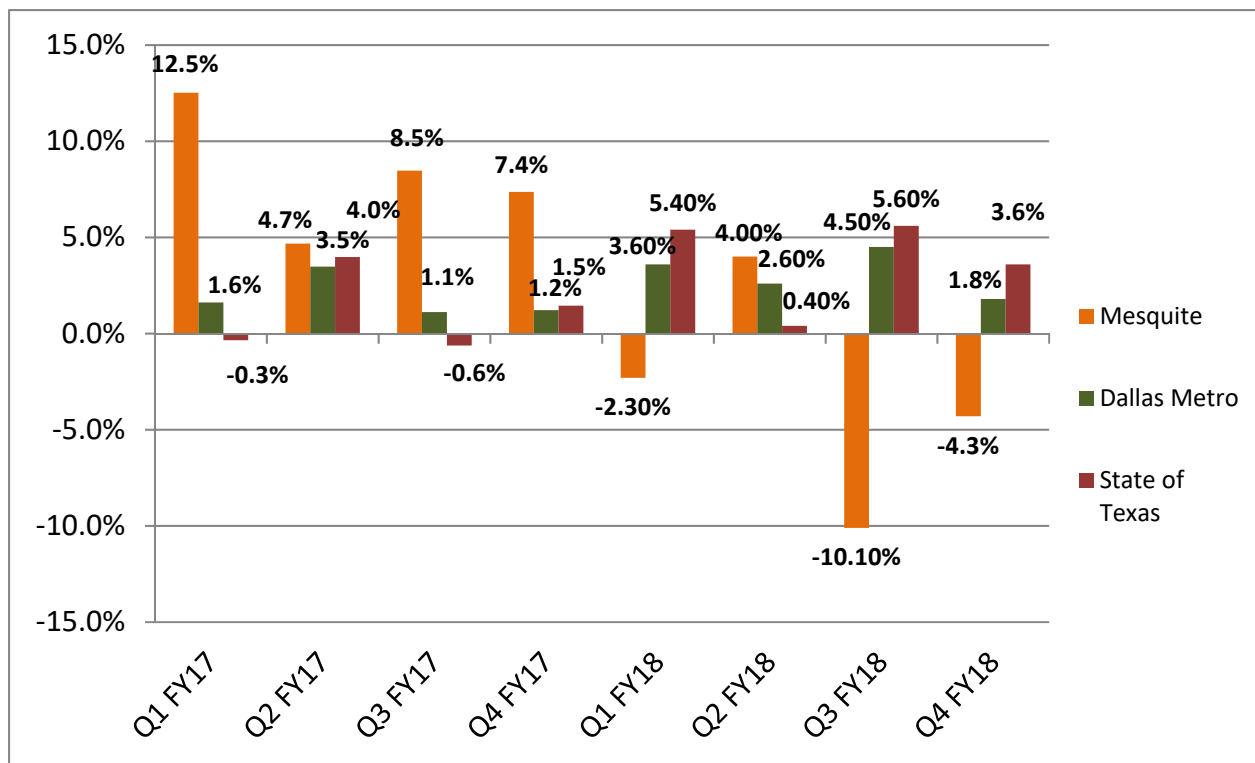
HOTEL OCCUPANCY TAX FUND

- Fund balance at year-end of \$1,753,344
- Increase over last year of \$515,236
- Revenues \$108,320 more than prior year; 7.0%
- Expenses under budget \$255,839
- Money is available in fund balance for future year spending

QUARTERLY HOTEL OCCUPANCY TAX COLLECTED THREE-YEAR COMPARISON



QUARTERLY AVERAGE DAILY ROOM RATE PERCENTAGE CHANGE (YEAR OVER YEAR)



**QUARTERLY OCCUPANCY RATE
PERCENTAGE CHANGE (YEAR OVER YEAR)**

