



CITY OF MESA, AZ

POPULAR ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED | JUNE 30, 2024

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REPORT OVERVIEW



The City of Mesa's Financial Services Department is proud to present this Popular Annual Financial Report for the fiscal year ended June 30, 2024. This is a user-friendly overview of the City's financial results. This report provides a picture of the City's general financial condition, including a brief analysis of where the City's revenues come from and where those dollars are spent.

The financial information is obtained from the audited financial statements in the City's fiscal year 2024 Annual Comprehensive Financial Report (annual report). An outside auditor has thoroughly reviewed the financial information and confirmed that the City's financial practices are in good standing, with the financial statements being materially accurate and free of issues or modifications. The Popular Annual Financial Report is not required to present the same level of detail as the annual report and, therefore, may not fully conform to generally accepted accounting principles (GAAP). This report, in a summarized version, is intended to highlight the City and its finances.

Detailed financial information, including the audited financial statements is available in the City's annual report and provides statements, as well as required supplementary information and historical statistical information.

The annual report is available online at:
www.mesaaz.gov/government/accounting

LETTER FROM THE CITY MANAGER



The Mesa Way: Championing Innovation, Inclusion, and Service

Greetings,

The City of Mesa embodies its commitment to innovation, inclusion, and outstanding service—principles that define ‘The Mesa Way.’ This year, we are proud to introduce Mesa Business Builder @ The Studios, a modern venue launched in downtown Mesa in May 2024. Operated by the City’s Office of Economic Development, it serves as a hub for our small business and entrepreneurship community.

Mesa Business Builder @ The Studios offers free access to advanced technology tools, training spaces, and networking opportunities. This facility provides vital resources for entrepreneurs and small business owners, fostering an environment where innovation and collaboration can thrive. It also hosts a variety of workshops and events, catering to the diverse needs of Mesa’s business landscape.

Small businesses play a crucial role in Mesa’s economic vitality. They drive job creation, stimulate local economies, and contribute to the unique character of our community. By supporting entrepreneurship, we help ensure a robust and resilient local economy, which in turn enhances the quality of life for all residents.

With a population exceeding half a million, Mesa is a dynamic and rapidly evolving urban hub. Our residents reflect a rich tapestry of diversity, encompassing various races, cultures, languages, faiths, and identities. United by a shared commitment to work, prosperity, and community, we strive to make Mesa a thriving metropolis.

Our dedication to livability, education, and robust infrastructure continues to attract new residents and businesses. By leveraging the strengths of our community and focusing on the greater good, Mesa maintains its reputation as one of the premier cities in the Southwest. We offer a unique blend of urban amenities and the warmth of a close-knit neighborhood, committed to cultivating a vibrant, prosperous community for generations to come.

Sincerely,

Christopher J. Brady
City Manager

MAYOR & CITY COUNCIL



Mayor
John Giles



Vice Mayor
Fransisco Heredia
District 3



Councilmember
Mark Freeman
District 1



Councilmember
Julie Spilsbury
District 2



Councilmember
Jenn Duff
District 4



Councilmember
Alicia Goforth
District 5

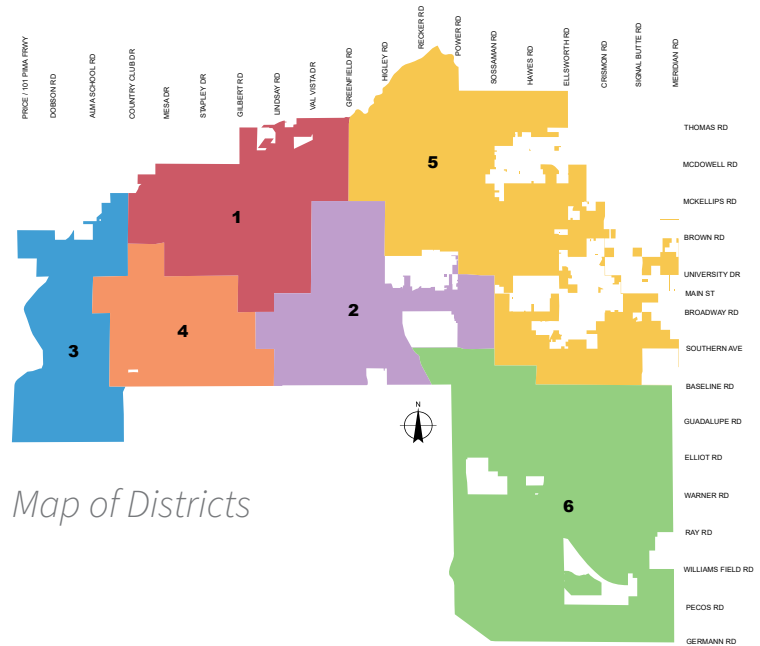


Councilmember
Scott Somers
District 6

Mesa operates under a council-manager form of government with citizens electing a mayor and six councilmembers to set policy for the City.

Mesa's councilmembers serve terms of four-years, with three members being elected every two years. The mayor is elected at-large every four years. The mayor and council are elected on a non-partisan basis. The vice mayor is selected by the City Council.

The Mesa City Council believes that its people, not leaders, are what makes a City great and actively works to encourage citizen participation in the decision-making process. Whether it is through neighborhood meetings, advisory boards and committees, telephone calls and letters, or email, the Mesa City Council sets policies based on the input and needs of its citizens.



Map of Districts

ABOUT MESA

Year Incorporated

1883

Square Miles

138

Population

511,648

36th Largest City in America
3rd Largest City in Arizona

Public Services

4

Police Stations

21

Fire Stations

9

Aquatic Centers

6

Recreation Centers

209

City Parks

2,060

Acres Park Land

Educational Levels

10%

Master's Degree or Higher

21%

Bachelor's Degree

35%

Some College or Associate's Degree

22%

Highschool Diploma or Equivalent

Racial Diversity

65%

White

5%

Black or African American

3%

American Indian

3%

Asian

12%

Other Race

13%

Two or More Races

Age

24%

Under 18

9%

18-24

15%

25-34

12%

35-44

12%

45-54

12%

55-64

17%

65+

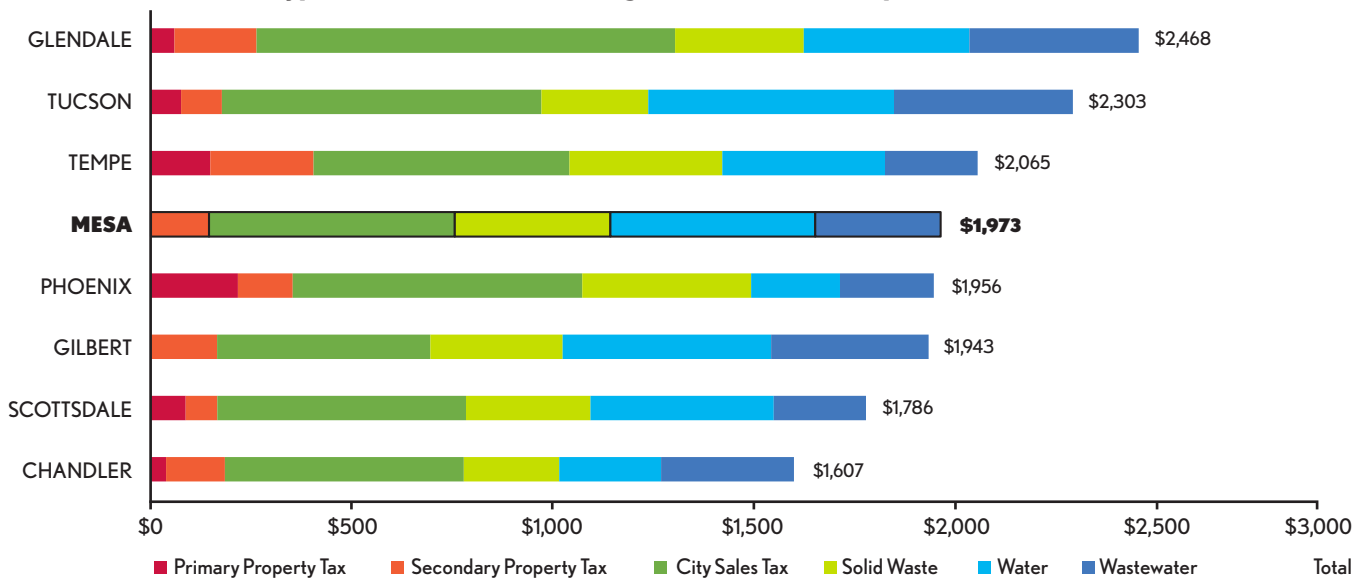
VALLEY CITY COMPARISONS

Typical Homeowner's Cost Comparison

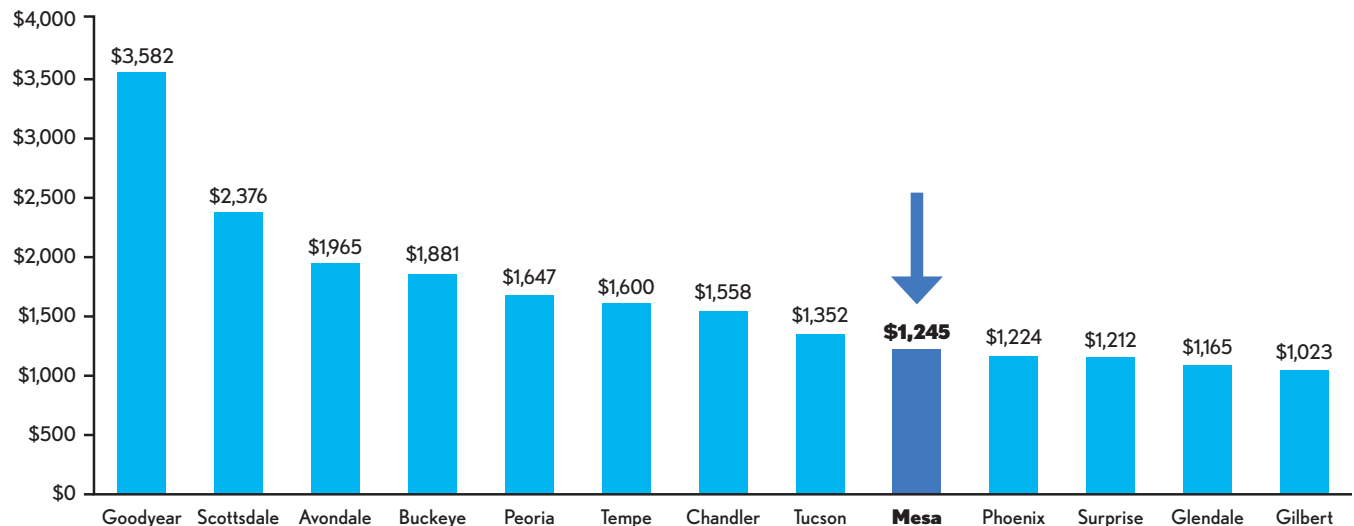
One key analytical tool used by the City Council and City staff is a comparison of the typical costs incurred by homeowners in several comparable cities. The typical charges for the current fiscal year for various cities are compared with the costs for the current fiscal year in the City of Mesa. While some neighboring municipalities have a different resource mix than Mesa, bringing them all together allows for comparison to ensure that Mesa remains an affordable place to live, work and play.

Fiscal Year 2023/24 Typical Homeowner's Average Annual Cost Comparison

Estimated as of April 2024



Adopted General Fund Budget Expenditure per Capita, Fiscal Year 2023/24



Source: FY 2023/24 Final Budget - Auditor General Schedule A; Arizona Office of Economic Opportunity - Population Statistics

REVENUES & EXPENSES

The City's financial activities in total are made up of two broad classifications: governmental and business-type activities. Additionally, there are two main categories of Revenue for the City, Program Revenues and General Revenues. Program Revenues include charges for services and General Revenues include sales tax, property tax, and state shared revenues.

Statement of Changes in Net Position as of June 30, 2024 (In Thousands)

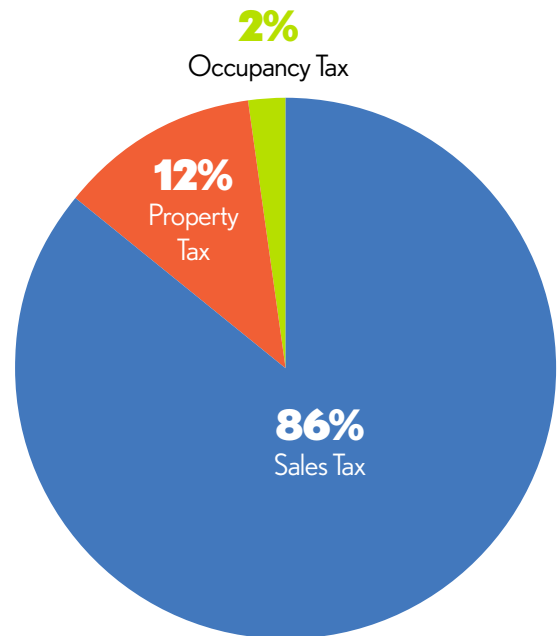
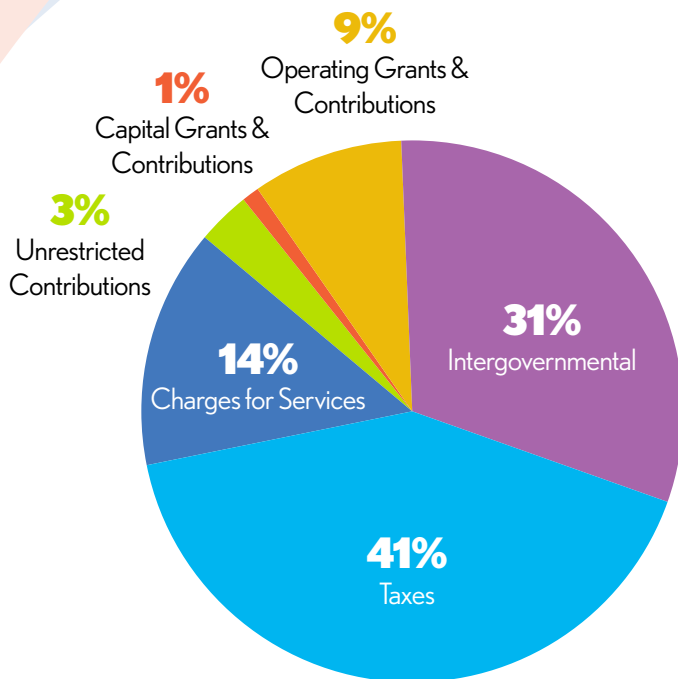
	Governmental Activities	Business-Type Activities	Total Government 2024	Total Government 2023
Revenues				
Program Revenues	\$224,691	\$526,694	\$751,385	\$706,259
General Revenues	762,423	28,270	790,693	701,275
Total Revenues	987,114	554,964	1,542,078	1,407,534
Expenses				
General Government	225,391	-	225,392	192,361
Public Safety	525,883	-	525,883	430,267
Community Environment	192,205	-	192,205	157,270
Cultural-Recreational	107,468	-	107,468	100,791
Other	16,793	-	16,793	16,138
Utility	-	392,971	392,971	363,828
Airport	-	13,302	13,302	7,671
Total Expenses	1,067,740	406,273	1,474,013	1,268,326
Increase (Decrease) in Net Position Before Transfers	(80,626)	148,690	68,063	139,208
Transfers	127,134	(127,134)	-	-
Change in Net Position	46,508	21,557	68,065	139,208
Net Position - Beginning	738,242	452,887	1,191,129	1,051,921
Net Position - Ending	\$784,750	\$474,444	\$1,259,194	\$1,191,129

City revenues continue to increase!
FY2024 City Revenue **1.5B**
 Up **\$134M** or **9.5%**
 from FY2023

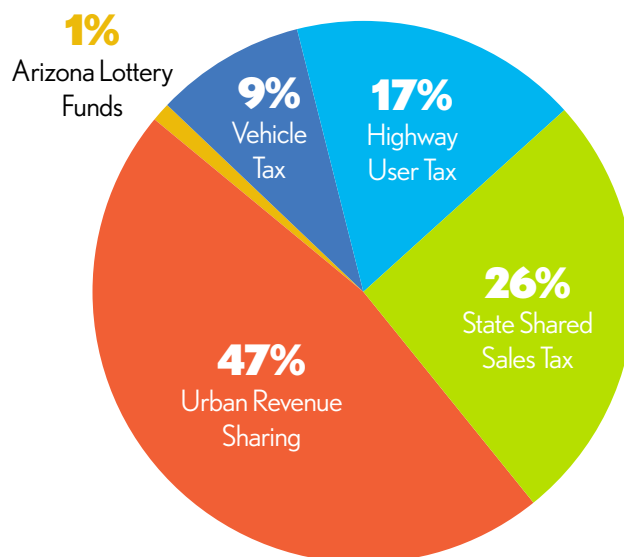
CITY-WIDE FINANCIALS - REVENUE

City Wide Revenue

Tax Revenues by Source



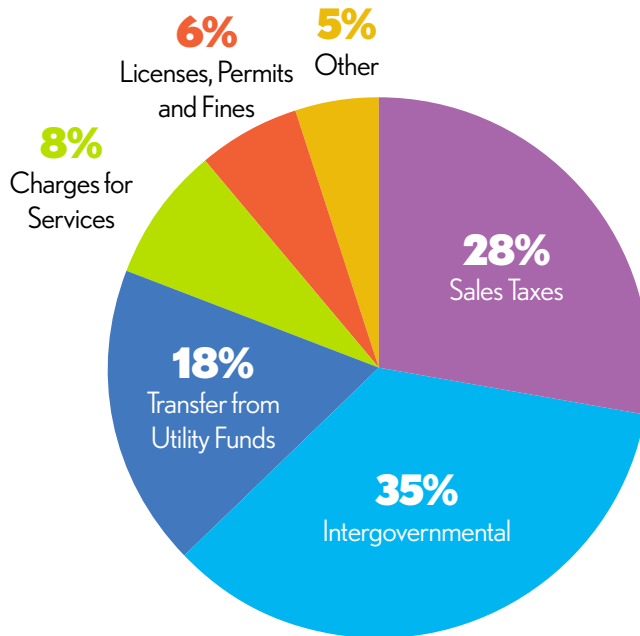
Intergovernmental Revenues



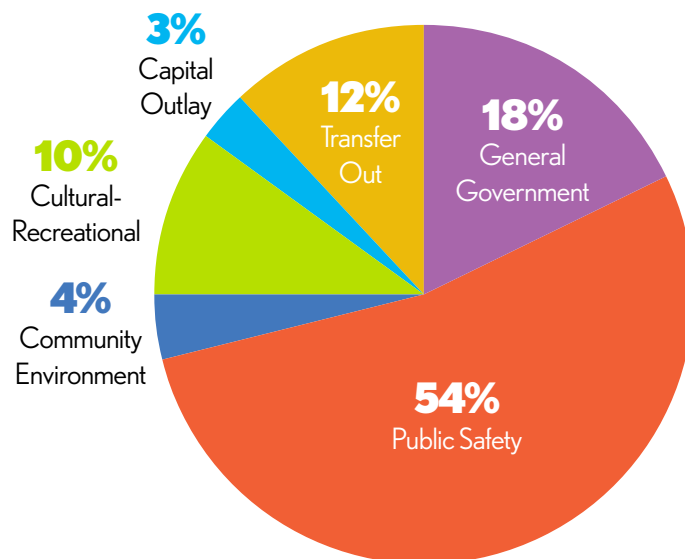
GENERAL FUND

The General Fund is the primary operating fund of the City and accounts for many of the major functions of the government. City revenues are comprised of mostly general tax revenues and provide basic city services such as public safety, cultural, recreation and community services.

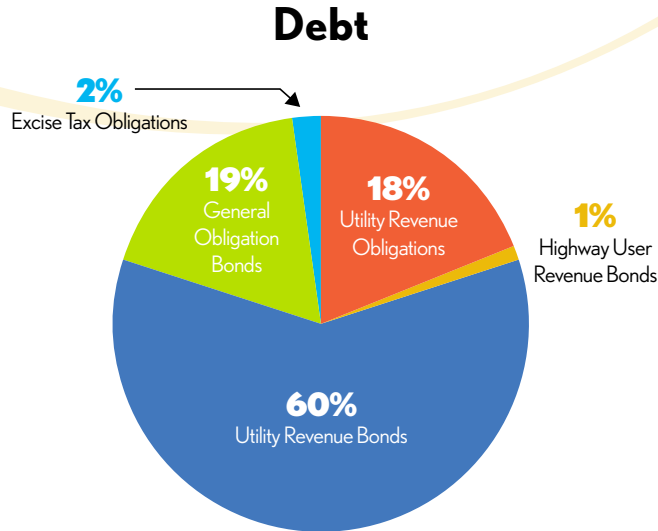
Where the Money Comes From



Where the Money Goes



The City utilizes general obligation bonds, revenue bonds, revenue obligations and excise tax obligations to fund capital projects such as parks, streets, police and fire facilities, water and wastewater projects.

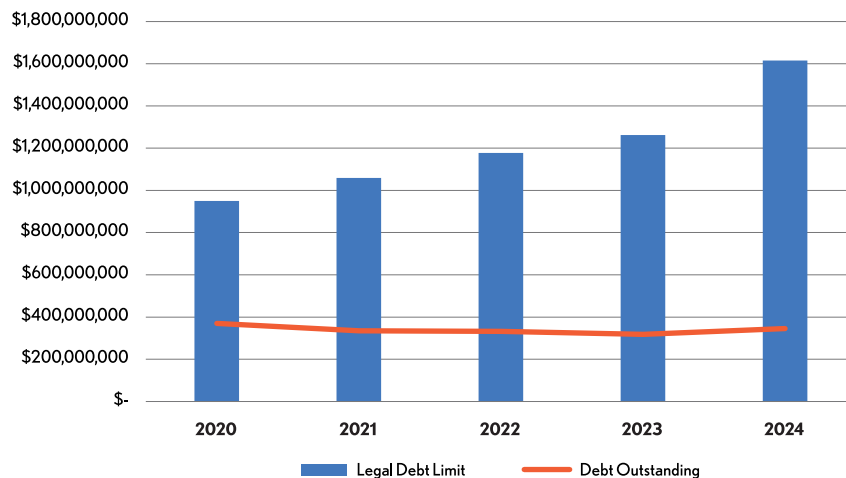


GENERAL OBLIGATION BONDS DEBT LIMITS

State law dictates that revenue collected for the City’s secondary property tax levy be used solely to pay principal and interest on long-term debt. The law imposes two limits on the total of general obligation debt; an amount equal to 20% of the City’s secondary assessed valuation can be issued to fund capital projects for water, sewer, artificial light, open space preserves, parks, playgrounds, streets, and facilities for recreation, law enforcement, fire, emergency services, and transportation. An amount equal to 6% of the secondary assessed valuation can be issued for all other purposes. These limits are known as the Legal Debt Limit.

The majority of the City’s general obligation debt falls into the 20% Legal Debt Limit:

20% Legal Debt Limit

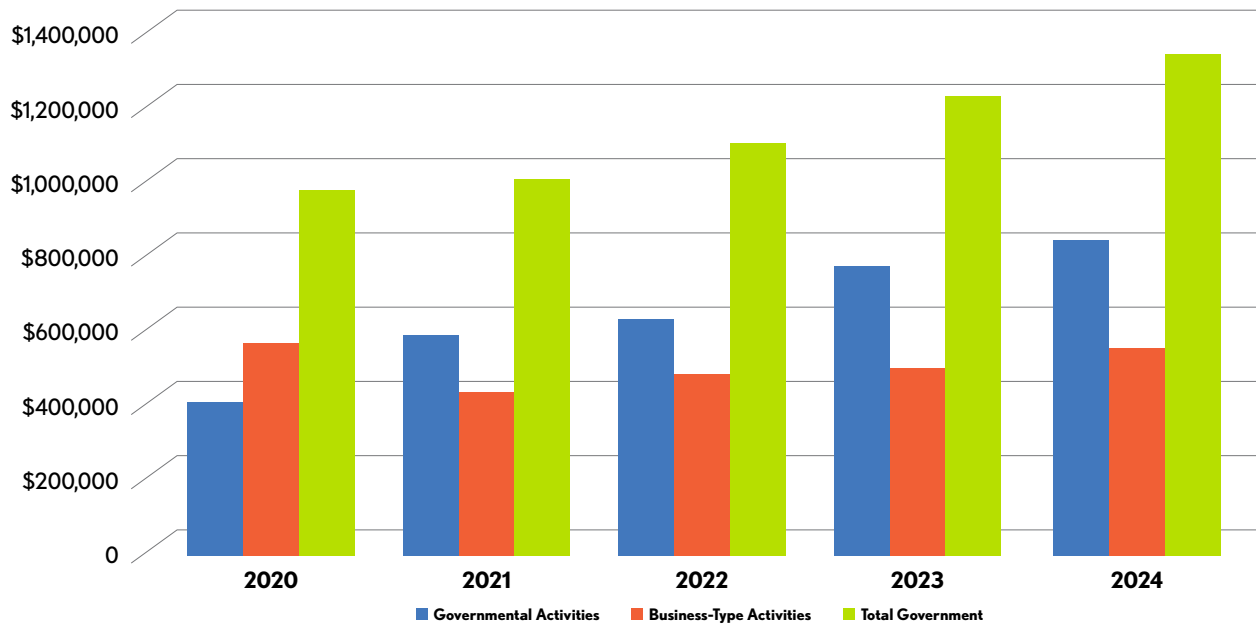


5 YEAR NET POSITION COMPARISON



Total Net Position has increased during the 5-year period as revenues have come in higher than anticipated combined with expenses coming in under budget. In fiscal year 2021 \$102 million in Business-Type activities were transferred to Governmental Activities. The assets transferred included MLB Spring training facilities, Convention Center, and Golf Course.

5 Year Total Net Position Comparison



FY23 PAFR AWARD



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**City of Mesa
Arizona**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

MESA BUSINESS BUILDER @ THE STUDIOS

Launched in downtown Mesa in May 2024, Mesa Business Builder @ The Studios is a modern, multi-use venue owned by the City of Mesa and operated by the City of Mesa Office of Economic Development. It serves as a hub for Mesa's small business and entrepreneurship community, offering free access to state-of-the-art technology tools, training, collaboration space, and networking opportunities. Whether you're an entrepreneur, small business owner, or part of an educational institution, Mesa Business Builder @ The Studios provides the resources and support you need to thrive in Mesa's dynamic business landscape.

- **1,300+** total visitors
- **140+** Reservations
- **60+** Events
- **60+** Tours and Workshops



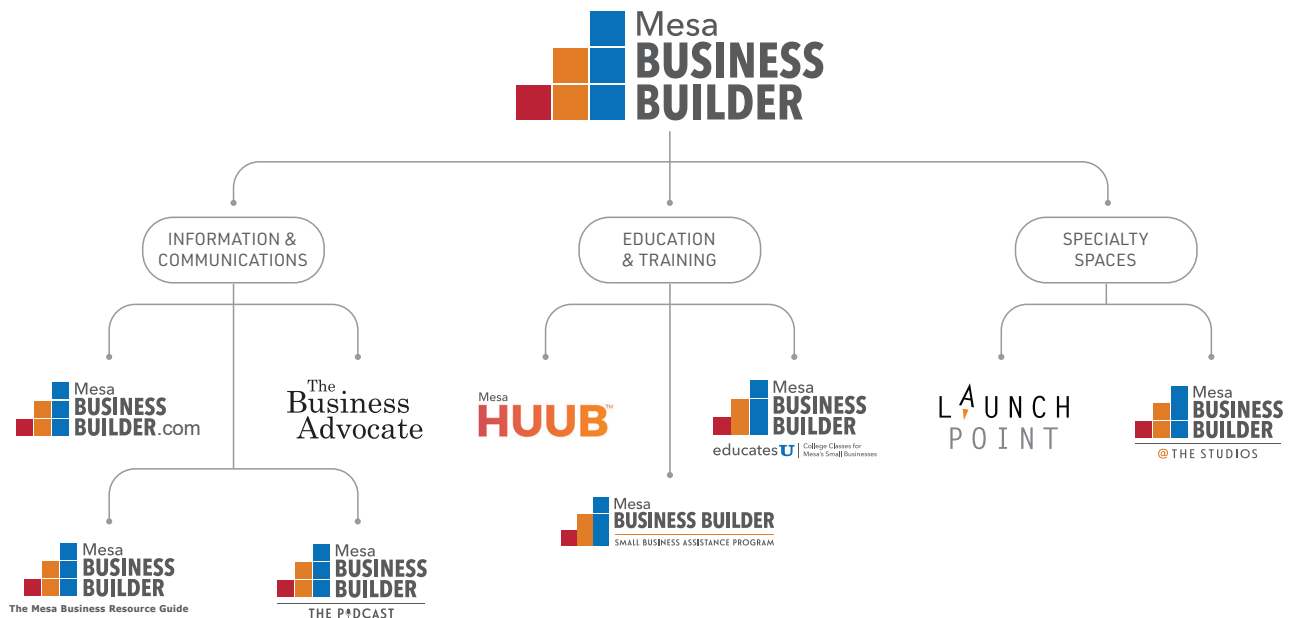


MBB @ the Studios offers a wealth of resources to support innovation, collaboration, and growth. Entrepreneurs can access state-of-the-art technology, including a computer lab, gaming and app development zones, an AR/VR studio, and a fully equipped podcast studio—allowing them to transform their ideas into reality. The facility also features a multi-use venue providing free access to training rooms, conference spaces, and collaboration areas, fostering an environment where learning and creativity can flourish.

In addition to the high-tech tools and flexible workspaces, MBB @ The Studios serves as a hub for community engagement. It hosts a variety of workshops, events, and networking opportunities tailored to Mesa’s diverse business community. From established companies to startups, workforce development providers, educational institutions, and youth entrepreneurship programs, the facility caters to a broad spectrum of needs.

MBB @ The Studios is open to the community by reservation, offering a centralized platform for collaboration, skill-building, and innovation that aligns with Mesa’s vision for a stronger, more resilient business ecosystem.

MBB @ The Studios is just one of the tools offered by Mesa Business Builder, with a variety of free programs and services designed to empower small businesses in Mesa. To explore all these services and more, visit MesaBusinessBuilder.com.



GLOSSARY OF TERMS



Assets:

What the City owns.

Business-Type Activities:

Includes private sector activities such as the City-owned electric, gas, water, wastewater, solid waste systems and airport. These activities are primarily supported by user charges and fees.

Governmental Accounting Standards Board (GASB):

The independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

Governmental Activities:

Include the City's basic services including general government (administration), public safety, community environment and cultural-recreational. Taxes and general revenues generally support these activities.

Liabilities:

What the City owes.

Limited Property Value (LPV):

Used as the basis for assessing, fixing, determining, and levying primary property taxes.

Net Position:

Difference between assets and liabilities.

State Shared Revenue:

The City's share of the State Income Tax, State Sales Tax and Vehicle Tax.



FINANCIAL SERVICES DEPARTMENT
P.O. BOX 1466 MESA, ARIZONA, 85211-1466

(480) 644-2275
WWW.MESAAZ.GOV