

CITY OF MESA, ARIZONA
SINGLE AUDIT ACT REPORTS
YEAR ENDED JUNE 30, 2023



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**CITY OF MESA, ARIZONA
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of City Council
City of Mesa, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mesa, Arizona (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Honorable Mayor and Members of City Council
City of Mesa, Arizona

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Phoenix, Arizona
December 13, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Members of City Council
City of Mesa, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Mesa, Arizona's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable Mayor and Members of City Council
City of Mesa, Arizona

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon, dated December 13, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 13, 2023

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$2,049,308

Auditee qualified as low-risk auditee? X yes _____ no

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

CITY OF MESA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Agency/Pass-Through Grantor/ Program Title (Note 3)	Assistance Listing Number	Pass- Through Grantor (Note 3)	Federal Grant/ Pass-Through Number	YTD 2023 Expenditures	2023 Payments to Subrecipients
Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-18-MC-04-0501	\$ 33	\$ -
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-19-MC-04-0501	481,416	457,709
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-20-MC-04-0501	131,837	-
Community Development Block Grant/Entitlement Grants (CDBG-CV)	14.218	N/A	B-20-MW-04-0501	1,227,892	1,145,071
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-21-MC-04-0501	1,491,264	-
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-22-MC-04-0501	1,113,568	480,191
ARRA - Community Development Block Grant/Entitlement Grants (NSP3)	14.218	N/A	Program Income	3,960	-
Total CDBG - Entitlement Grants Cluster				<u>4,449,970</u>	<u>2,082,971</u>
Emergency Solutions Grant Program	14.231	N/A	E20-MC-04-0501	327	-
Emergency Solutions Grant Program (COVID-19)	14.231	N/A	E-20-MW-04-0501	1,066,967	948,384
Emergency Solutions Grant Program	14.231	N/A	E21-MC-04-0501	626	239
Emergency Solutions Grant Program	14.231	N/A	E22-MC-04-0501	295,131	269,064
Total Emergency Solutions Grant Program				<u>1,363,051</u>	<u>1,217,687</u>
Home Investment Partnership Program	14.239	N/A	M-16-MC-04-0243	91,545	91,545
Home Investment Partnership Program	14.239	N/A	M17-MC040243	41,597	41,597
Home Investment Partnership Program	14.239	N/A	M20-MC040243	104	-
Home Investment Partnership Program	14.239	N/A	M-21-MC-04-0243	65,079	-
Home Investment Partnership Program (ARP)	14.239	N/A	M21-MP040243	41,719	-
Home Investment Partnership Program	14.239	N/A	M-22-MC-04-0243	309,634	-
Total HOME Program				<u>549,678</u>	<u>133,142</u>
Continuum of Care Program	14.267	N/A	AZ0122L9T022005	12,954	-
Continuum of Care Program	14.267	N/A	AZ0122L9T022106	70,842	-
Total Continuum of Care Program				<u>83,796</u>	<u>-</u>
Housing Voucher Cluster:					
Section 8 Emergency Housing Choice Vouchers (COVID-19)	14.EHV	N/A	AZ005	1,095,276	-
Section 8 Housing Choice Vouchers (VASH)	14.871	N/A	AZ-005-VA-0001	788,848	-
Section 8 Housing Choice Vouchers	14.871	N/A	AZ-005-VO	17,369,922	-
Section 8 Housing Choice Vouchers (FUP)	14.871	N/A	AZ005VO0201	185,808	-
Mainstream Vouchers	14.879	N/A	AZ-005-DV	1,203,087	-
Total Housing Voucher Cluster				<u>20,642,941</u>	<u>-</u>
Total Department of Housing and Urban Development				<u>27,089,436</u>	<u>3,433,800</u>
Department of Justice					
Coronavirus Emergency Supplemental Funding Program (COVID-19)	16.034	ACJC	ACESF-21-029	1,183	-
Total Coronavirus Emergency Supplemental Funding Program				<u>1,183</u>	<u>-</u>
Matthew Shepard and James Byrd, Jr. Hate Crimes Education, Investigation and Prosecution Program	16.040	N/A	15PBJA-21-GG-02975-MUMU	227,257	-
Crime Victim Assistance	16.575	ADPS	2020-133	438,744	-
Crime Victim Assistance	16.575	ADPS	2020-178	466,771	-
Total Crime Victim Assistance				<u>905,515</u>	<u>-</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	COP	151280	94,102	-
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>94,102</u>	<u>-</u>
DNA Backlog Reduction Program	16.741	N/A	15PBJA-21-GG-03083-DNAX	115,679	-
DNA Backlog Reduction Program	16.741	N/A	15PBJA-22-GG-01595-DNAX	32,461	-
DNA Backlog Reduction Program	16.741	N/A	2020-DN-BX-0133	111,826	-
Total DNA Backlog Reduction Program				<u>259,966</u>	<u>-</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	ACJC	CV 19-20-003		-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	ACJC	CV 21-22-003	39,064	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	ACJC	CV 22-23-003	24,550	-
Total Paul Coverdell Forensic Sciences Improvement Grant Program				<u>63,614</u>	<u>-</u>
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	2020-MO-BX-0020	118,369	-
Total Department of Justice				<u>\$ 1,670,006</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of Federal Awards.

CITY OF MESA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

(Continued)

Federal Grantor Agency/Pass-Through Grantor/ Program Title (Note 3)	Assistance Listing Number	Pass- Through Grantor (Note 3)	Federal Grant/ Pass-Through Number	YTD 2023 Expenditures	2023 Payments to Subrecipients
Department of Transportation					
Airport Improvement Program	20.106	N/A	3-04-0023-031-2021	\$ 175,451	\$ -
Total Airport Improvement Program				<u>175,451</u>	<u>-</u>
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	ADOT	MES0236 - T020901C	32,642	-
Highway Planning and Construction	20.205	ADOT	CM-MES-0(224)A, SH54401C	2,319,499	-
Highway Planning and Construction	20.205	ADOT	MES-0(234) T012201C	506,863	-
Highway Planning and Construction	20.205	ADOT	MES-0(238)D, T0301 01D/01C	1,231,617	-
Total Highway Planning and Construction Cluster				<u>4,090,621</u>	<u>-</u>
Highway Safety Cluster:					
State and Community Highway Safety	20.600	GOHS	2022-AI-007	995	-
State and Community Highway Safety	20.600	GOHS	2022-AL-021	37,209	-
State and Community Highway Safety	20.600	GOHS	2022-OP-005	980	-
State and Community Highway Safety	20.600	GOHS	2022-OP-006	14,979	-
State and Community Highway Safety	20.600	GOHS	2022-OP-007	8,510	-
State and Community Highway Safety	20.600	GOHS	2022-PS-004	36,915	-
State and Community Highway Safety	20.600	GOHS	2022-PTS-039	49,741	-
State and Community Highway Safety	20.600	GOHS	2023-AI-008	16,580	-
State and Community Highway Safety	20.600	GOHS	2023-AL-019	120,322	-
State and Community Highway Safety	20.600	GOHS	2023-AL-020	175,267	-
State and Community Highway Safety	20.600	GOHS	2023-PTS-037	165,744	-
National Priority Safety Programs	20.616	GOHS	2023-CIOT-017	3,959	-
National Priority Safety Programs	20.616	GOHS	2023-405h-006	30,795	-
Total Highway Safety Cluster				<u>661,996</u>	<u>-</u>
Total Department of Transportation				<u>4,928,068</u>	<u>-</u>
Department of the Treasury					
Emergency Rental Assistance Program (COVID-19)	21.023	N/A	N/A	8,846,616	-
Total Emergency Rental Assistance Program (COVID-19)				<u>8,846,616</u>	<u>-</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	N/A	23,873,340	-
Total Department of the Treasury				<u>32,719,956</u>	<u>-</u>
Federal Communication Commission					
FCC Routers for School Children - Library	32.009	N/A	ECF2190029364	117,885	-
Total Federal Communication Commission				<u>117,885</u>	<u>-</u>
National Endowment for the Arts					
Promotion of the Arts_Grants to Organizations and Individuals	45.024	N/A	16-4292-7072	2,550	-
Promotion of the Arts_Grants to Organizations and Individuals	45.024	N/A	1809676-42-18	500	-
Promotion of the Arts_Grants to Organizations and Individuals	45.024	MAAA	FY2023-00113279	27,610	-
Total Promotion of the Arts_Grants to Organizations and Individuals				<u>30,660</u>	<u>-</u>
Small Business Administration					
Shuttered Venue Operators Grant Program	59.075	N/A	SBAHQ21SV003837		
Shuttered Venue Operators Grant Program	59.075	N/A	SBAHQ21SV005278	4,250	-
Total Small Business Administration				<u>4,250</u>	<u>-</u>
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001	COT	HT-21-2933	16,079	-
High Intensity Drug Trafficking Areas Program	95.001	COT	HT-21-2933A	31,586	-
High Intensity Drug Trafficking Areas Program	95.001	COT	HT-22-2933	11,410	-
High Intensity Drug Trafficking Areas Program	95.001	COT	HT-22-2933A	11,019	-
Total Executive Office of the President				<u>\$ 70,094</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of Federal Awards.

CITY OF MESA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

(Continued)

Federal Grantor Agency/Pass-Through Grantor/ Program Title (Note 3)	Assistance Listing Number	Pass- Through Grantor (Note 3)	Federal Grant/ Pass-Through Number	YTD 2023 Expenditures	2023 Payments to Subrecipients
Department of Homeland Security					
Assistance to Firefighters Grant	97.044	N/A	EMW-2019-FG-04082	\$ 111,688	\$ -
Assistance to Firefighters Grant	97.044	N/A	EMW-2020-FG-11216	780,018	-
Total Assistance to Firefighters Grant				<u>891,706</u>	<u>-</u>
Homeland Security Grant Program	97.067	ADOHS	20-AZDOHS-HSGP-200210-03	8,949	-
Homeland Security Grant Program	97.067	ADOHS	20-AZDOHS-HSGP-200813-04	3,419	-
Homeland Security Grant Program	97.067	ADOHS	20-AZDOHS-HSGP-200814-01	520	-
Homeland Security Grant Program	97.067	ADOHS	20-AZDOHS-HSGP-200814-05	11,715	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210210-01	31,750	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210211-01	114,759	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210812-01	6,035	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210812-02	84,670	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210812-04	64,342	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210812-05	4,214	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210813-01	138,012	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210813-02	2,734	-
Homeland Security Grant Program	97.067	ADOHS	21-AZDOHS-HSGP-210813-03	3,827	-
Homeland Security Grant Program	97.067	ADOHS	22-AZDOHS-HSGP-220207-01	3,461	-
Homeland Security Grant Program	97.067	ADOHS	22-AZDOHS-HSGP-220815-01	3,146	-
Homeland Security Grant Program	97.067	ADOHS	22-AZDOHS-HSGP-220815-02	153,299	-
Homeland Security Grant Program	97.067	ADOHS	22-AZDOHS-HSGP-220816-01	119,185	-
Homeland Security Grant Program	97.067	ADOHS	22-AZDOHS-HSGP-220816-03	34,168	-
Total Homeland Security Grant Program				<u>788,205</u>	<u>-</u>
Total Department of Homeland Security				<u>1,679,911</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 68,310,266</u>	<u>\$ 3,433,800</u>

See Notes to the Schedule of Expenditures of Federal Awards.

**CITY OF MESA, ARIZONA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the City of Mesa, Arizona as of and for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Federal awards provided to sub-recipients are treated as expenditures at the point payments are made to the sub-recipient.

NOTE 2 THE REPORTING ENTITY

The City of Mesa, Arizona, for purposes of the Schedule, includes all the funds of the primary government as defined by Government Accounting Standards Board (GASB).

The City of Mesa, Arizona, administers certain federal financial assistance programs through sub-recipients. Those sub-recipients are not considered part of the City of Mesa, Arizona, reporting entity.

NOTE 3 PASS-THROUGH GRANTOR'S REFERENCE

The City of Mesa, Arizona, receives certain federal awards from the following nonfederal agencies. The amounts received are commingled by the state with other funds and cannot be separately identified. The total amount of such pass-through awards is included on the schedule of expenditures of federal awards.

Pass-Through Grantors:

Abbrev on SEFA

ACJC
ADOHS
ADOT
ADPS
ASLAPR
COP
COT
GOHS
MAAA
MC

Name

Arizona Criminal Justice Commission
Arizona Department of Homeland Security
Arizona Department of Transportation
Arizona Department of Public Safety
Arizona State Library, Archives & Public Records
City of Phoenix
City of Tucson
Governor's Office of Highway Safety
Mid-America Arts Alliance
Maricopa County

**CITY OF MESA, ARIZONA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 4 INDIRECT COST RATE

The City of Mesa, Arizona has not elected to use the 10 percent de minimis indirect cost rate as established in 2 CFR 200.414.

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