

CITY OF MESA, ARIZONA
SINGLE AUDIT ACT REPORTS
YEAR ENDED JUNE 30, 2015

**CITY OF MESA, ARIZONA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2015**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133	3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
SUMMARY OF AUDITORS' RESULTS	6
FINANCIAL STATEMENT FINDINGS	8
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	12
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	12
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	16



**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 the City Council
City of Mesa, Arizona
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 (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Mesa, Arizona's basic financial statements, and have issued our report thereon dated December 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Mesa, Arizona's internal control over financial reporting (internal control) to determine the 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 of Mesa, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mesa, Arizona's internal control.

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 over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015-001 through 2015-003 to be material weaknesses.

Honorable Mayor and the City Council
City of Mesa, Arizona

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2015-004 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mesa, Arizona's financial statements are free of 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 determination of financial statement amounts. 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*.

The City of Mesa's Response to Findings

The City of Mesa, Arizona's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Mesa, Arizona's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 31, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER
COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Mesa, Arizona's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Mesa, Arizona's major federal programs for the year ended June 30, 2015. The City of Mesa, Arizona's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the City of Mesa, Arizona's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Mesa, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Mesa, Arizona's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the City of Mesa, Arizona 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, 2015.

Report on Internal Control over Compliance

Management of the City of Mesa, Arizona is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Mesa, Arizona's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Mesa, Arizona's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Honorable Mayor and the City Council
City of Mesa, Arizona

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 of Mesa, Arizona as of and for the year ended June 30, 2015, and have issued our report thereon dated December 31, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of the City's 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 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 taken as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 31, 2015

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes 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 auditors’ report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? yes X no

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

SECTION I – SUMMARY OF AUDITORS’ RESULTS (CONTINUED)

Federal Awards (Continued)

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant Cluster
14.239	HOME Investment Partnership Program
14.871, 14.879	Section 8 Housing Choice Voucher Cluster
93.610	Health Care Innovation Awards
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish
between Type A and Type B programs: \$884,233

Auditee qualified as low-risk auditee? _____ yes no

Other Matters

Auditee Summary Schedule of Prior
Audit Findings required to be reported
in accordance with Circular A-133
(Section .315(b)) yes _____ no

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS

2015-001: Material Audit Adjustments

Condition: Material audit adjustments were necessary to properly state cash, accounts receivable, accrued liabilities, and revenue.

Criteria: Generally accepted accounting principles. City management is responsible for establishing and maintaining internal controls to properly record the City's accounting transactions in the appropriate accounting period. The City should have internal controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Effect: Material adjustments were proposed and subsequently recorded by the City to correct the misstatements.

Cause: The City lacks adequate review procedures.

Recommendation: In order to strengthen internal controls, we recommend management continue to evaluate the internal control processes and implement procedures to ensure accounts are properly stated at year-end in accordance with generally accepted accounting principles.

Corrective Action: We concur. Processes and procedures have been implemented to help ensure year-end adjustments are recorded prior to the beginning of the CAFR audit process.

Contact Person: Irma Ashworth, Finance Director

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2015-002: Capital Assets

Condition: The City does not have internal controls in place to ensure that capital assets are properly recorded in the General Ledger or removed from construction in progress when placed in service. In addition, the City has not performed a physical inventory of its assets.

Criteria: Internal control procedures.

Effect: Internal control weakness and potential for errors.

Cause: The removal of assets from construction in progress was due to the volume of active capital construction projects, the numerous resulting assets, and the lack of resources (i.e., Property Management staffing) working on completed projects. Due to lack of resources, the City's capital asset inventory was deemed lower priority than capitalization of assets for completed capital construction projects.

Recommendation: In order to strengthen internal controls, we recommend the City reconcile its capital asset records to the General Ledger at least annually. The City should continue to review its construction in progress balances to ensure completed projects are removed from construction in progress when placed in service. Capital asset additions should be reconciled to capital outlay expenses to ensure the completeness of the current year additions. A physical inventory of the City's assets should be performed periodically to verify the existence of the assets and ensure the accuracy of the capital asset listing.

Corrective Action: We concur. As stated above, the volume of active capital construction projects causes a delay in removing from construction in progress when placed in service. The City will continue to review its processes to identify potential efficiencies. Reconciliation of the City's capital asset registry to the General Ledger was implemented as part of the monthly capital asset reconciliation in November of FY 2015. The City will implement reconciling capital project additions to capital project expenses to the monthly reconciliation process to help ensure the completeness of the current year additions. The City agrees that verification of the existence of the assets on the capital asset listing is important. As such, the City's inventory process and procedures are being reviewed, updated as needed and a physical inventory of capital assets for FY 2016 will be conducted.

Contact Person: Irma Ashworth, Finance Director

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2015-003: Accounts Receivable

Condition: The accounts receivable balances were not properly reconciled to supporting records at year end. Customer payments that had been collected remained in accounts receivable, revenue was moved between funds without moving the related accounts receivable, and long outstanding balances are not monitored and addressed.

Criteria: Accounts should be reviewed and reconciled periodically to ensure accurate financial reporting.

Effect: Without a review process in place, there is an increased potential for errors to occur and go undetected.

Cause: An accurate listing of open receivables is not available as a tool for management to properly manage accounts receivable.

Recommendation: In order to strengthen internal controls, we recommend the City develop an accounts receivable aging report. The aging report should include the customer, invoice number, balance receivable and be available by fund. The aging report would assist the finance department in reconciling the balance sheet accounts which would improve financial reporting. In addition, the City should implement procedures to ensure cash receipts are properly applied to the accounts receivable balances and that long outstanding receivables are monitored and addressed.

Corrective Action: We concur. Over the course of the last year we have been working on several processes and procedures to reconcile the outstanding receivables. We have worked with the Report Development Team to create various receivable reports to assist with our reconciliation process. We have established a monthly review procedure for all receivable accounts.

Contact Person: Irma Ashworth, Finance Director

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2015-004: Segregation of Duties – Information Technology

Condition/Context: The City's software developers have the ability to promote code into the production environment by having update access in the production environment.

Criteria: Internal control procedures.

Effect: By allowing developers to make changes to source code and to promote the code into production there is an increased risk that a change will go undetected, untested and unapproved.

Cause: Lack of proper segregation of duties.

Recommendation: We recommend management establish controls that prohibit developers from promoting code into production by removing update access in the production environment. This activity should be performed by resources that are independent of the development process.

Corrective Action: We agree that separating development from QA/testing and promotion to production is a best practice. Our financial systems are not in-house developed applications and therefore the development/coding is performed by the vendor and provided to us. However, where possible our processes and team structure seeks to separate those that manage patches or changes to production from those responsible for testing and promotion to production. In addition, we practice strong change management/approval practices with a twice-weekly change board. We will continue to evaluate security access controls. We are currently replacing our internally built ITSM system with an industry standard that will also improve our implementation of these best practices and processes with anticipated vendor contract and implementation this year.

Contact Person: Diane Gardner, Chief Information Officer

**CITY OF MESA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT, NEIGHBORHOOD STABILIZATION PROGRAM
CFDA No. 14.218
DIRECT GRANT**

AWARD PERIOD: MARCH 19, 2009 – JULY 30, 2013, MARCH 9, 2011 – MARCH 9, 2014, & JULY 1, 2009 – JUNE 30, 2014

2014-005

Condition: Cash reimbursement requests were not submitted timely. Two of fourteen cash reimbursement requests tested were not submitted timely. Reimbursement on expenditures incurred in November 2013 totaling \$609,986.69 was not requested until March 2014. Reimbursement on expenditures incurred in February 2014 totaling \$393,584.62 was not requested until June 2014.

Status: Fully corrected. No similar instances noted in the current fiscal year.

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING CHOICE VOUCHERS
CFDA No.'s 14.871 AND 14.879
DIRECT GRANT**

AWARD PERIOD: JULY 1, 2013 – JUNE 30, 2014

2014-006

Condition: The fiscal year 2013 audited financial reports were not submitted to the Department of Housing and Urban Development through the Real Estate Assessment Center website in a timely manner.

Status: Fully corrected. No similar instances noted in the current fiscal year.

CITY OF MESA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor Agency/Pass-Through Grantor/ Program Title (Note 3)	Federal CFDA Number	Pass- Through Grantor (Note 3)	Federal Grant/ Pass-Through Number	Expenditures	Payments to Subrecipients
Department of Agriculture					
Cooperative Forestry Assistance	10.664	ASFD	CCG 13-1101	\$ 20,000	\$ -
Total Department of Agriculture				<u>20,000</u>	<u>-</u>
Department of Defense					
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	12.607	N/A	CL0903-14-03	76,741	-
Total Department of Defense				<u>76,741</u>	<u>-</u>
Department of Housing and Urban Development					
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-09-MC-04-0501	13,100	13,100
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-10-MC-04-0501	208,700	208,700
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-11-MC-04-0501	842,538	842,538
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-12-MC-04-0501	587,883	-
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-12-MC-04-0501	4,915	-
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-12-MC-04-0501	859,784	814,486
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-12-MC-04-0501	90,703	-
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-13-MC-04-0501	594,347	-
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-13-MC-04-0501	36,201	-
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-13-MC-04-0501	1,080,362	1,048,725
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-14-MC-04-0501	1,506,125	555,756
Community Development Block Grant/Entitlement Grants	14.218	N/A	B-14-MC-04-0501	132,237	-
ARRA - Community Development Block Grant/Entitlement Grants (NSP1)			Program Income	24,905	-
ARRA - Community Development Block Grant/Entitlement Grants (NSP3)			Program Income	524,588	-
Total Community Development Block Grant Cluster				<u>6,506,388</u>	<u>3,483,305</u>
Emergency Solutions Grant Program	14.231	N/A	E-12-MC-04-0501	10,861	10,861
Emergency Solutions Grant Program	14.231	N/A	E-13-MC-04-0501	6,111	6,111
Emergency Solutions Grant Program	14.231	N/A	E-14-MC-04-0501	243,108	230,320
Total Emergency Solutions Grant Program				<u>260,080</u>	<u>247,292</u>
Shelter Plus Care	14.238	N/A	AZ-502	87,734	-
HOME Investment Partnership Program	14.239	N/A	M-10-MC-04-0243	34,789	13,912
HOME Investment Partnership Program	14.239	N/A	M-11-MC-04-0243	610,388	610,388
HOME Investment Partnership Program	14.239	N/A	M-12-MC-04-0243	280,037	280,037
HOME Investment Partnership Program	14.239	N/A	M-13-MC-04-0243	35,199	-
HOME Investment Partnership Program	14.239	N/A	M-14-MC-04-0243	338,889	151,219
Total HOME Program				<u>1,299,302</u>	<u>1,055,556</u>
Section 8 Housing Choice Vouchers	14.871	N/A	AZ-005-VO	10,963,948	-
Section 8 Housing Choice Vouchers (VASH)	14.871	N/A	AZ-005-VA-0001	182,526	-
Section 8 Housing Choice Vouchers (VASH)	14.871	N/A	AZ-005-VA-0001-34	122,192	-
Section 8 Housing Choice Vouchers (VASH)	14.871	N/A	AZ-005-VA-0001	221,795	-
Section 8 Housing Choice Vouchers (FSS)	14.871	N/A	AZ-005-FS-F008	66,614	-
Mainstream Vouchers	14.879	N/A	AZ-005-DV	596,713	-
Total Housing Voucher Cluster				<u>12,153,788</u>	<u>-</u>
Total Department of Housing and Urban Development				<u>20,307,292</u>	<u>4,786,153</u>
Department of the Interior					
Cultural Resource Management	15.224	N/A	BLM-AZ-NOI-09-1491	5,172	-
Water Conservation Field Services Program (WCFSP)	15.530	N/A	R14AP00029	15,000	-
Historic Preservation Fund Grants-In-Aid	15.904	ASPB	AZ-14-012	2,600	-
Total Department of the Interior				<u>22,772</u>	<u>-</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

CITY OF MESA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2015

Federal Grantor Agency/Pass-Through Grantor/ Program Title (Note 3)	Federal CFDA Number	Pass- Through Grantor (Note 3)	Federal Grant/ Pass-Through Number	Expenditures	Payments to Subrecipients
Department of Justice					
Missing Alzheimer's Disease Patient Assistance Program	16.015	UofILL	2012-06596-01	\$ 40,435	\$ -
Missing Children's Assistance	16.543	COP	139912-0	18,437	-
Crime Victim Assistance	16.575	ADPS	2012-307	167,168	-
Crime Victim Assistance	16.582	N/A	2013-VF-GX-K005	4,994	-
Crime Victim Assistance	16.575	ADPS	2014-120	84,926	-
Total Crime Victim Assistance				257,088	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	MCMO	C95-15-002-G-00	140,063	-
Edward Byrne Memorial Justice Assistance Grant Program			Program Income	182	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	MCMO	C-20-11-133-3-00	115,740	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	MCMO	C-20-12-059-G-00	56,699	-
Total JAG Program Cluster				312,684	-
DNA Backlog Reduction Program	16.741	N/A	0214-DN-BX-0007	6,470	-
DNA Backlog Reduction Program	16.741	ACJC	DNB-13-001	11,358	-
DNA Backlog Reduction Program	16.741	N/A	2013-DN-BX-0050	6,309	-
Total DNA Backlog Reduction Program				24,137	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	ACJC	CV13-14-003	9,055	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	ACJC	CV14-15-003	15,379	-
Total Paul Coverdell Forensic Sciences Improvement Grant Program				24,434	-
Improving the Investigations and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers	16.758	ACFAN	2-MESA-AZ-SA-14	9,000	-
Equitable Sharing Program	16.922	N/A	AZ00717	212,297	-
Total Department of Justice				898,512	-
Department of Transportation					
Airport Improvement Program	20.106	N/A	AIP-03-04-0023-023-2013	325,469	-
Total Airport Improvement Program				325,469	-
Highway Planning and Construction	20.205	ADOT	CM-MES-0(214)D, MES08-603	643,969	-
Highway Planning and Construction	20.205	ADOT	CM-MES-0(226)D, SZ067 01C	15,476	-
Highway Planning and Construction	20.205	ADOT	CM-MES-0(223)A, SZ052 01C	18,663	-
Highway Planning and Construction	20.205	ADOT	CM-MES-0(225), SZ057 01C	264,558	-
Highway Planning and Construction	20.205	ADOT	CM-MES-0(227), SZ080 03D	117,310	-
Highway Planning and Construction	20.205	ADOT	STP-MES-0(204)A, SR232 01C	84,720	-
Highway Planning and Construction	20.205	ADOT	CM-MES-0(229)D, SH620	23,575	-
Highway Planning and Construction	20.205	MAG	N/A	425,266	-
Total Highway Planning and Construction				1,593,537	-
State and Community Highway Safety	20.600	GOHS	2014-PT-004	36,142	-
State and Community Highway Safety	20.600	GOHS	2015-PT-023	21,834	-
State and Community Highway Safety	20.600	GOHS	2014A-PT-085	62,500	-
State and Community Highway Safety	20.600	GOHS	2015-CIOT-010	10,000	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	GOHS	2014-410-026	12,000	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	GOHS	2014-410-003	43,322	-
Total Highway Safety Cluster				185,798	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	GOHS	2014-164-024	4,238	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	GOHS	2014-164-025	275,000	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	GOHS	2015B-164-012	7,408	-
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated				286,646	-
National Priority Safety Programs	20.616	GOHS	2015-405D-006	22,832	-
Total Department of Transportation				2,414,282	-
Department of the Treasury					
Asset Forfeiture Program	21.000	N/A	AZ00717	40,538	-
Total Department of the Treasury				40,538	-

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

CITY OF MESA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2015

Federal Grantor Agency/Pass-Through Grantor/ Program Title (Note 3)	Federal CFDA Number	Pass- Through Grantor (Note 3)	Federal Grant/ Pass-Through Number	Expenditures	Payments to Subrecipients
National Endowment for the Arts					
Promotion of the Arts_Grants to Organizations and Individuals	45.024	N/A	14-5100-7132	\$ 60,000	\$ -
Total Office of Library Services, Institute of Museum and Library Services, National Foundation on the Arts and the Humanities				60,000	-
Department of Health and Human Services					
Immunization Cooperative Agreements	93.268	ADHS	ADHS13-045491	10,000	-
Health Care Innovation Awards (HCIA)	93.610	N/A	1C1CMS331318-01-00	2,204,201	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	ADES	E2108194	25,976	-
Total Department of Health and Human Services				2,240,177	-
Executive Office of the President					
High Intensity Drug Trafficking Areas Program	95.001	COT	HT-14-2304	40,000	-
Total Executive Office of the President				40,000	-
Department of Homeland Security					
Assistance to Firefighters Grant	97.044	N/A	EMW-2013-FO-06763	298,772	-
Assistance to Firefighters Grant	97.044	N/A	EMW-2013-FR-00351	2,428,890	349,382
Total Assistance to Firefighters Grant				2,727,662	349,382
Homeland Security Grant Program	97.067	ADOHS	12-AZDOHS-HSGP-999207-03	22,514	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130203-01	5,000	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130815-01	23,775	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130815-02	120	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130815-03	24,266	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130816-01	109,215	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130816-02	17,113	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130816-03	9,815	-
Homeland Security Grant Program	97.067	ADOHS	13-AZDOHS-HSGP-130816-04	2,287	-
Homeland Security Grant Program	97.067	ADOHS	14-AZDOHS-HSPG-140204-01	3,489	-
Homeland Security Grant Program	97.067	ADOHS	14-AZDOHS-HSGP-140205-01	153,262	-
Homeland Security Grant Program	97.067	ADOHS	14-AZDOHS-HSPG-140806-02	2,829	-
Homeland Security Grant Program	97.067	ADOHS	14-AZDOHS-HSPG-140806-01	207,936	-
Homeland Security Grant Program	97.067	ADOHS	14-AZDOHS-HSPG-140807-01	26,003	-
Homeland Security Grant Program	97.067	ADOHS	14-AZDOHS-HSPG-140807-02	18,644	-
Homeland Security Grant Program	97.067	ADOHS	Approval #0107	189	-
Total Homeland Security Grant Program				626,457	-
Total Department of Homeland Security				3,354,119	349,382
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 29,474,433	5,135,535

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

CITY OF MESA, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

NOTE 1 BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources.

Federal awards provided to sub-recipients are treated as expenditures when it is paid to the sub-recipient.

NOTE 2 THE REPORTING ENTITY

The City of Mesa, Arizona, for purposes of the Schedule of Expenditures of Federal Awards, 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 non-Federal 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.

**CITY OF MESA, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Pass-Through Grantors:

Abbrev on SEFA	Name
ACJC	Arizona Criminal Justice Commission
ACFAN	Arizona Child & Family Advocacy Network
ADES	Arizona Department of Economic Security
ADHS	Arizona Department of Health Services
ADOHS	Arizona Department of Homeland Security
ADOT	Arizona Department of Transportation
ADPS	Arizona Department of Public Safety
ASFD	Arizona State Forestry Division
ASPB	Arizona State Parks Board
COP	City of Phoenix
COT	City of Tucson
GOHS	Governor's Office of Highway Safety
MAG	Maricopa Association of Governments
MCMO	Maricopa County Manager's Office
UofILL	University of Illinois