




City of Phoenix, Arizona

Single Audit Reports

June 30, 2025



City of Phoenix, Arizona
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June 30, 2025

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City of Phoenix, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Direct Program				
Inflation Reduction Act Urban & Community Forestry Program	10.727		\$ -	\$ 306,570
Total U.S. Department of Agriculture			-	306,570
Department of Housing and Urban Development				
Direct Programs				
Section 8 Project – Based Cluster				
Project-Based Rental Assistance (PBRA)	14.195		-	1,800,872
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249		-	285,153
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856		-	50,974
Total Section 8 Project-Based Cluster			-	2,136,999
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218		1,515,732	15,238,079
COVID-19 – Community Development Block Grants/Entitlement Grants	14.218		392,448	978,254
Community Development Block Grants/Entitlement Grants Loan and Loan Guarantees*	14.218		-	35,250,195
Total CDBG – Entitlement Grants Cluster			1,908,180	51,466,528
Emergency Solutions Grant Program	14.231		1,163,571	1,377,405
Home Investment Partnerships Program	14.239		-	9,709,246
COVID-19 – Home Investment Partnerships Program	14.239		-	1,985,774
Home Investment Partnerships Program Loan and Loan Guarantees*	14.239		-	79,936,540
Total Home Investment Partnerships Program			-	91,631,560
Housing Opportunities for Persons with AIDS	14.241		2,125,000	5,370,427
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251		-	565,834
COVID-19 – Neighborhood Stabilization Program (Recovery Act Funded)	14.256		-	41,232
Fair Housing Assistance Program	14.401		-	234,768
Public Housing Operating Fund	14.850		-	4,359,345
HOPE VI Cluster				
Demolition and Revitalization of Severely Distressed Public Housing	14.866		-	483,376
HOPE VI – CSS Endowment Funds*	14.866		-	70,775
Choice Neighborhoods Implementation Grants	14.889		-	4,159,407
Total HOPE VI Cluster			-	4,713,558
Passed through from				
PRIDE				
Resident Opportunity and Supportive Services – Service Coordinators	14.870	ROSS221731-01-00	-	43,111
Direct Programs				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		-	130,101,036
COVID-19 – Section 8 Housing Choice Vouchers	14.871		-	5,388,144
Total Section 8 Housing Choice Vouchers			-	135,489,180
Mainstream Vouchers	14.879		-	4,024,513
Total Housing Voucher Cluster			-	139,513,693
Public Housing Capital Fund	14.872		-	7,218,862
Choice Neighborhoods Planning Grants	14.892		-	136,350
Family Self-Sufficiency Program	14.896		-	236,103
Lead Hazard Reduction Grant Program	14.900		120,306	750,697
Total Department of Housing and Urban Development			5,317,057	309,796,472

City of Phoenix, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Justice				
Direct Programs				
Matthew Shepard And James Byrd, Jr. Hate Crimes Education, Investigation and Prosecution Program	16.040		\$ -	\$ 69,324
Missing Children's Assistance	16.543		-	562,468
Passed through from				
Arizona Department of Public Safety				
Crime Victim Assistance	16.575	VOCA-2024-PXFAC-00238, VOCA-2025-PXFAC-00210, 2025-00163, 2023-241	-	1,006,164
Direct Programs				
Public Safety Partnership and Community Policing Grants	16.710		-	1,405
Edward Byrne Memorial Justice Assistance Grant Program	16.738		301,665	2,312,601
Passed through from				
Arizona Criminal Justice Commission				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CRP-22-001	-	5,175
Total Edward Byrne Memorial Justice Assistance Grant Program			301,665	2,317,776
Direct Program				
DNA Backlog Reduction Program	16.741		-	668,766
Passed through from				
Arizona Criminal Justice Commission				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	CV-22-23-004, CV-23-24-005, CV-24-25-005, CV-21-22-004	-	175,205
NICS Act Record Improvement Program	16.813	NICS 24-002	-	27,139
Direct Program				
Byrne Criminal Justice Innovation Program	16.817		-	235,603
Passed through from				
Arizona Criminal Justice Commission				
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	CJTIP-25-004	-	6,079
Direct Program				
Equitable Sharing Program	16.922		-	20,605
Total Department of Justice			<u>301,665</u>	<u>5,090,534</u>
Department of Labor				
Passed through from				
Arizona Department of Economic Security				
WIOA Cluster				
WIOA Adult Program	17.258	DI21-002281	-	5,493,576
WIOA Youth Activities	17.259	DI21-002281	2,749,979	3,434,765
WIOA Dislocated Worker Formula Grants	17.278	DI21-002281	-	584,152
Total WIOA Cluster			<u>2,749,979</u>	<u>9,512,493</u>
Passed through from				
Arizona Office of Economic Opportunity				
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	ETA-TEGAL-02-22-DWG	146,781	2,061,780
Total Department of Labor			<u>2,896,760</u>	<u>11,574,273</u>
Department of Transportation				
Direct Program				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106		-	3,949,582
BIL – Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106		-	51,629,053
Total Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs			-	55,578,635

The accompanying notes are an integral part of this Schedule.

City of Phoenix, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Passed through from Arizona Department of Transportation Highway Planning and Construction	20.205	PHX-0(249)A, PHX-0(352), PHX0359, PHX0372, PHX0355, PHX0364, PHX0362	\$ -	\$ 7,250,056
Direct Programs Consolidated Rail Infrastructure and Safety Improvements	20.325		-	193,079
Federal Transit Cluster				
Federal Transit Capital Investment Grants	20.500		116,329,869	118,514,201
BIL – Federal Transit Capital Investment Grants	20.500		21,126,721	21,251,600
Total Federal Transit Capital Investment Grants			137,456,590	139,765,801
Federal Transit Formula Grants	20.507		16,908,162	23,004,117
BIL – Federal Transit Formula Grants	20.507		20,824,417	36,960,397
Total Federal Transit Formula Grants			37,732,579	59,964,514
State of Good Repair Grants Program	20.525		6,697,036	7,526,582
BIL – State of Good Repair Grants Program	20.525		-	800,978
Total State of Good Repair Grants Program			6,697,036	8,327,560
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526		968,516	1,828,979
BIL – Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526		514,427	4,021,452
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs			1,482,943	5,850,431
Total Federal Transit Cluster			183,369,148	213,908,306
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		1,541,079	1,959,217
BIL – Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		3,887,265	4,090,568
Total Transit Services Programs Cluster			5,428,344	6,049,785
Passed through from Governor's Office of Highway Safety Highway Safety Cluster State and Community Highway Safety	20.600	2025-PTS-044, 2025-PTS-045, 2024-PS-008, 2024-PTS-045, 2025-PS-009, 2025-AA-NNN	-	329,021
National Priority Safety Programs	20.616	2025-405D-030, 2025-405b-007, 2025-405d-029, 2025-405g-009, 2024-405b-004, 2024-405d-029, 2025-405b-502	-	318,273
Total Highway Safety Cluster			-	647,294
Passed through from Arizona Department of Environmental Quality Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK32240018HMEP	-	23,500
Direct Programs National Infrastructure Investments	20.933		-	362,144
BIL – Safe Streets and Roads for All	20.939		-	165,514
BIL – Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program	20.941		-	1,586,509
Total Department of Transportation			188,797,492	285,764,822
Department of Treasury				
Direct Programs COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		24,912,294	70,681,770
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds Loan and Loan Guarantees *	21.027		-	8,050,000
			24,912,294	78,731,770

The accompanying notes are an integral part of this Schedule.

City of Phoenix, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Passed through from Arizona Department of Public Safety				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	2023-197, 2025-00186	\$ -	\$ 178,914
Passed through from State of Arizona, Office of the Governor				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	IGA-ARPA-PHX- 010123-01	-	302,144
Passed through from Maricopa County				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	C-86-24-168-X-00, C-22-25-035-X-00, C-22-24-027-X-00	1,213,483	2,488,411
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds Loan and Loan Guarantees *	21.027	C-22-23-092-X-00		6,250,000
Passed through from Water Infrastructure Finance Authority of Arizona				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	WC1-036-2023, WC1-037-2023, WC4-163-2024	-	1,562,650
Total COVID-19 – Coronavirus State and Local Fiscal Recovery Funds			<u>26,125,777</u>	<u>89,513,889</u>
Total Department of Treasury			<u>26,125,777</u>	<u>89,513,889</u>
Environmental Protection Agency				
Passed through from Water Infrastructure Finance Authority of Arizona				
BIL – Drinking Water State Revolving Fund	66.468	920369-24	-	60,594
Direct Program Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818		-	289,501
Total Environmental Protection Agency			-	<u>350,095</u>
Department of Energy				
Passed through from Arizona Department of Energy				
Weatherization Assistance for Low-Income Persons	81.042	223-24	-	322,691
BIL – Weatherization Assistance for Low-Income Persons	81.042	222-23	-	108,489
Total Weatherization Assistance for Low-Income Persons Program			-	<u>431,180</u>
Total Department of Energy			-	<u>431,180</u>
Department of Education				
Passed through from Arizona Department of Education				
COVID-19 – Education Stabilization Fund	84.425	22-02-ED	-	62,371
Passed through from Valley of the Sun United Way				
COVID-19 – Education Stabilization Fund	84.425	2022-124	209,774	278,960
Total Education Stabilization Fund Program			<u>209,774</u>	<u>341,331</u>
Total Department of Education			<u>209,774</u>	<u>341,331</u>
Department of Health and Human Services				
Passed through from Area Agency on Aging				
Aging Cluster				
Special Programs for the Aging – Title III, Part C, Nutrition Services	93.045	2024-32-PHX	-	1,266,076
Nutrition Services Incentive Program	93.053	2024-32-PHX	-	109,325
Total Aging Cluster			-	<u>1,375,401</u>
Direct Program Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		476,284	476,284
Passed through from Arizona Department of Health				
Immunization Cooperative Agreements	93.268	CTR060052, CTR062397	-	5,229

City of Phoenix, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Direct Program Temporary Assistance for Needy Families	93.558		\$ -	\$ 911,453
Passed through from Arizona Department of Housing Low-Income Home Energy Assistance	93.568	201-24, 223-24	-	944,571
Passed through from Arizona Department of Economic Security Low-Income Home Energy Assistance	93.568	DI20-002261	-	1,304,493
Total Low-Income Home Energy Assistance Program			-	2,249,064
Direct Programs Community Services Block Grant	93.569		39,878	1,772,941
Head Start Cluster Head Start	93.600		26,844,932	47,175,672
Total Head Start Cluster			26,844,932	47,175,672
Passed through from Arizona Community Action DBA Wildfire Social Services Research and Demonstration	93.647	CT162796	-	5,614
Passed through from Arizona Department of Economic Security Social Services Block Grant	93.667	DI20-002261	-	655,969
Passed through from Area Agency on Aging Social Services Block Grant	93.667	2024-32-PHX	-	245,591
Total Social Services Block Grant			-	901,560
Total Department of Health and Human Services			27,361,094	54,873,218
Executive Office of the President				
Direct Program High Intensity Drug Trafficking Areas Program	95.001		-	2,001,228
Total Executive Office of the President			-	2,001,228
Department of Homeland Security				
Direct Program National Urban Search and Rescue (US&R) Response System	97.025		-	2,195,894
Passed through from Arizona Department of Emergency Management Homeland Security Grant Program	97.067	230212-01, 230819-04, 230819-05, 230819-06, 240207-01, 240818-01, 240818-02, 240818-03, 240818-04, 240818-05, 240818-07, 240818-08, 230819-02	-	868,667
Arizona Department of Homeland Security Homeland Security Grant Program	97.067	230211-01, 230211-02, 220209-04, 240206-01, 220819-01, 230818-01, 230818-03, 230818-04, 230818-05, 230818-06, 230818-07, 240817-01, 240817-04, 240817-05, 240817-06	-	663,684
Total Homeland Security Grant Program			-	1,532,351

The accompanying notes are an integral part of this Schedule.

City of Phoenix, Arizona
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

(Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Direct Program				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083		\$ -	\$ 4,375,583
Passed through from				
Maricopa County Department of Emergency Management				
Securing the Cities Program	97.106	C-15-22-001-X-08, C-15-22-001-X-00	-	136,802
Total Department of Homeland Security			-	8,240,630
Total Federal Awards Expended			<u>\$ 251,009,619</u>	<u>\$ 768,284,242</u>

*Denotes noncash awards

City of Phoenix, Arizona
Notes to Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the primary government of the City of Phoenix, Arizona (City) under programs of the federal government for the year ended June 30, 2025. The City's reporting entity is defined in Note 1 in the City's basic financial statements for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the City.

The City's basic financial statements include the operations of Valley Metro Rail, Inc., a joint use agreement of the City, which expended \$157,900,408 in federal awards, which are not included in the City's schedule of expenditures of federal awards for the year ended June 30, 2025.

Note 2. Summary of Significant Accounting Policies

The City's summary of significant accounting policies is presented in Note 1 to the City's basic financial statements for the year ended June 30, 2025.

Governmental funds and proprietary funds account for the City's federal grant activity. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met or on the accrual basis at the time liabilities are incurred and all eligibility requirements are met, depending on the basis of accounting used by the respective fund.

Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. Federal Loan Programs

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the Community Development Block Grants/Entitlement Grants Cluster (Assistance Listing Number 14.218) and HOME Investment Partnerships Program (Assistance Listing Number 14.239). Under these loan agreements, the City has either loaned money to nonprofit corporations for the purpose of establishing and/or improving public housing units or to single families providing affordable housing. Additionally, the City has certain loan funds, which were originally financed with federal financial assistance through the COVID-19 – Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing Number 21.027). Under these loan agreements, the City has loaned money to nonprofit corporations for the purpose of providing emergency housing to the public in an effort to mitigate negative economic impacts as a result of the pandemic. Certain loans under these programs have no continuing compliance requirements other than continued loan payments, therefore, the outstanding loan balances of such loans have not been included in the Schedule and major program determination. Certain loans under these programs are subject to continuing compliance requirements and as such, these loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule.

The outstanding loan balances are as follows as of June 30, 2025:

Assistance Listing Number	Program Name	Outstanding Balance
Loans Not Subject to Continuing Compliance Requirements		
14.239	Home Investment Partnerships Program	\$ 654,077
Loans Subject to Continuing Compliance Requirements		
14.218	Community Development Block Grants/Entitlement Grants Cluster	35,193,566
14.239	Home Investment Partnerships Program	87,787,574
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	14,300,000
		<u>137,281,140</u>
	Total loans outstanding	<u>\$ 137,935,217</u>

**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***

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Phoenix, Arizona
Phoenix, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Phoenix, Arizona (City) as of and for the year ended June 30, 2025 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 22, 2025, which contained a reference to the report of other auditors. The financial statements of the Regional Wireless Cooperative, a joint use agreement of the City, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Regional Wireless Cooperative.

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.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Dallas, Texas
December 22, 2025**

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Phoenix, Arizona
Phoenix, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Phoenix, Arizona's 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, 2025. The City's major federal programs are identified in the summary of auditor's 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, 2025.

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 (*Government Auditing Standards*); 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 Auditor's 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.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of Valley Metro Rail, Inc., which expended \$157,900,408 in federal awards, which is not included in the City's schedule of expenditures of federal awards during the year ended June 30, 2025. Our compliance audit, described in the Opinion on Each Major Federal Program section above, does not include the operations of Valley Metro Rail, Inc., as the organizational unit is part of a joint use agreement of the City and received a separate audit on compliance.

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.

Auditor's 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2025, 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 22, 2025, which contained unmodified opinions on those financial statements and a reference to the report of other auditors. 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 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.

Forvis Mazars, LLP

Dallas, Texas
January 21, 2026

City of Phoenix, Arizona
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
- ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
2. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal programs:
- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
5. Type of auditor's report issued on compliance for major federal programs:
- ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?
- ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
	HOPE VI Cluster
	Housing Voucher Cluster
	Federal Transit Cluster
14.850	Public Housing Operating Fund
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airport Programs

8. Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000.

9. Auditee qualified as a low-risk auditee?

☒ Yes

☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

City of Phoenix, Arizona
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Reference Number	Finding
No matters are reportable.	
