

City of Aurora, Colorado

Single Audit Reports

Year Ended December 31, 2009

City of Aurora, Colorado
Year Ended December 31, 2009

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City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Office of National Drug Control Policy</u>			
Direct payments:			
Front Range HIDTA	07.000	N/A	\$ 287,157
HIDTA Intelligence 2002	07.000	N/A	205,798
HIDTA FY2007 MGTF	07.000	N/A	3,721
HIDTA FY2008 MGTF	07.000	N/A	130,840
HIDTA FY2009 MGTF	07.000	N/A	358,151
Passed through from City of Denver HIDTA:			
Front Range Task Force	07.000	none	9,231
Fugitive Location & Apprehension	07.000	none	12,708
Computer Forensics Labs	07.000	none	7,400
Fugitive Location Apprehension Group	07.000	none	20,158
Total 07.000			1,035,164
Total Office of National Drug Control Policy			1,035,164
<u>Department of Agriculture</u>			
Passed through from the Colorado Department of Public Health and Environment:			
Child and Adult Care Food Program	10.558	CPF-AL5 ACO6-DOA	6,379
Total 10.558			6,379
Total Department of Agriculture			6,379
<u>Department of Commerce</u>			
Direct payments:			
Economic Development_Support for Planning Organizations (EDA Job Links)	11.302	N/A	1,250
Total 11.302			1,250
Public Works and Economic Development Cluster			
Economic Adjustment Assistance	11.307	N/A	421,288
Total Public Works and Economic Development Cluster			421,288

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Commerce (Continued)</u>			
National Telecommunications and Information Administration			
Passed through from Arapahoe County, Colorado:			
Public Safety Interoperable Communications Grant Program	11.555	97HS77F03	106,943
Total 11.555 and Department of Commerce - National Telecommunication and Information Administration			106,943
Total Department of Commerce			529,481
<u>Defense Supply Service - Washington, U.S. Army</u>			
Direct payments:			
Environmental Services Cooperative Agreement - Fitzsimons Landfill	12.000	N/A	15,035
Total 12.000			15,035
Total Defense Supply Service - Washington, U.S. Army			15,035
<u>Department of Housing and Urban Development</u>			
Direct payments:			
Housing Counseling Assistance Program - 2008	14.169	N/A	40,875
Housing Counseling Assistance Program - 2009	14.169	N/A	13,032
Total 14.169			53,907
<u>CDBG - Entitlement Grants Cluster</u>			
Community Development Block Grants/Entitlement Grants - 07	14.218	N/A	29,227
Community Development Block Grants/ Entitlement Grants- 08	14.218	N/A	1,866,706
Community Development Block Grants- Neighborhood Stabilization Program	14.218	N/A	2,961,723
ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253	N/A	161,105
Total CDBG Entitlement Grants Cluster			5,018,761

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development (continued)</u>			
CDBG - State-Administered Small Cities Program Cluster			
Passed through from the Colorado Department of Local Affairs:			
Community Development Block Grants/State's Program	14.228	H0NSP09301	6,593
Total CDBG- State-Administered Small Cities Program Cluster			6,593
Direct payments:			
Emergency Shelter Grants Program - Arapahoe House, Inc.	14.231	N/A	29,337
Emergency Shelter Grants Program - Comitis Crisis Center	14.231	N/A	29,073
Emergency Shelter Grants Program - Gateway Battered Women's Shelter	14.231	N/A	37,537
Total 14.231			95,947
HOME Investment Partnerships Program - 03	14.239	N/A	40,584
HOME Investment Partnerships Program - 04	14.239	N/A	205,921
HOME Investment Partnerships Program - 05	14.239	N/A	164,850
HOME Investment Partnerships Program - 06	14.239	N/A	56,107
HOME Investment Partnerships Program - 07	14.239	N/A	926,863
HOME Investment Partnerships Program - 08	14.239	N/A	19,622
Total 14.239			1,413,947
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	N/A	84,251
Total 14.257			84,251
Total Department of Housing and Urban Development			6,673,406

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Justice</u>			
Direct payments:			
MGTF Support - FBI/DEA (Memorandum of Understanding)	16.000	N/A	1,062
Total 16.000			1,062
Passed through from the City of Colorado Springs, Colorado:			
Missing Children's Assistance	16.543	none	8,277
Total 16.543			8,277
Direct payments:			
Edward Byrne Memorial Formula Grant Program (Organized Crime Drug Enforcement Task Force)	16.579	N/A	36,522
Edward Byrne Memorial Formula Grant Program (Organized Crime Drug Enforcement Task Force)	16.579	N/A	19,237
Edward Byrne Memorial Formula Grant Program (Fugitive Task Force)	16.579	N/A	46,556
Edward Byrne Memorial Formula Grant Program (Denver Innocent Images Task Force)	16.579	N/A	13,871
Total 16.579			116,186
Community Capacity Development Office (The Weed and Seed Program 2007)	16.595	N/A	14,112
Community Capacity Development Office (The Weed and Seed Program 2008)	16.595	N/A	127,612
Total 16.595			141,724
Passed through from the Colorado Department of Justice:			
Community Prosecution and Project Safe Neighborhoods (FY 2007 Project Safe Neighborhood and Anti-Gang Initiative)	16.609	27-CP-4-8-1	16,301
Passed through from the Colorado Department of Public Safety:			
Community Prosecution and Project Safe Neighborhoods	16.609	28-CP-4-2-1	51,841
Total 16.609			68,142

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Justice (continued)</u>			
Direct payments:			
Public Safety Partnership and Community Policing Grants (COPS Technology Initiative)	16.710	N/A	128,351
Public Safety Partnership and Community Policing Grants (COPS Methamphetamine Initiative)	16.710	N/A	120,775
Total 16.710			249,126
Edward Byrne Memorial Justice Assistance Grant Program (Metro Area Adams JAG Grant)	16.738	N/A	66,295
Edward Byrne Memorial Justice Assistance Grant Program (07/08)	16.738	N/A	14
Edward Byrne Memorial Justice Assistance Grant Program (FY 2007)	16.738	N/A	42,141
Edward Byrne Memorial Justice Assistance Grant Program (07 Targeting Violent Crime Initiative)	16.738	N/A	54,215
Edward Byrne Memorial Justice Assistance Grant Program (08/09)	16.738	N/A	93,922
Edward Byrne Memorial Justice Assistance Grant Program (FY2009)	16.738	N/A	63,010
Passed through from the Colorado Department of Justice:			
Edward Byrne Memorial Justice Assistance Grant Program (Metro Gang Task Force 07/08)	16.738	25DJ-01-24-16	22,514
Edward Byrne Memorial Justice Assistance Grant Program (Metro Gang Task Force 2009)	16.738	28DJ-01-24-17	10,000
Total 16.738			352,111
Anti-Gang Initiative (Metro Gang Task Force 2007)	16.744	26-AG-1-500-1	36,086
Total 16.744			36,086
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	29-JR-5e-57-1	253
Total 16.803			253

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Justice (continued)</u>			
Direct payments:			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government	16.804	N/A	799,521
Total 16.804			<u>799,521</u>
Total Department of Justice			<u>1,772,488</u>
<u>Department of Transportation</u>			
Highway Planning and Construction Cluster			
Passed through from the Colorado Department of Transportation:			
Highway Planning and Construction (Havana/Parker Acceleration Lane)	20.205	SHE 0831-101	7,964
Highway Planning and Construction (DRCOGS Transportation Signal System Improvement Program)	20.205	M055-020	454,665
Highway Planning and Construction (Sable/Alameda Intersection)	20.205	M055-022	16,464
Highway Planning and Construction (Colfax/17th Avenue Design)	20.205	STU-2254-068	3,046,950
Highway Planning and Construction (Safe Routes to School)	20.205	08-HDT-00015	21,291
Subtotal Highway Planning and Construction Cluster			<u>3,547,334</u>
ARRA - Highway Planning and Construction (Colfax/17th Avenue Phase 1)	20.205	ES6 2254-079 (17308)	152,107
Total Highway Planning and Construction Cluster			<u>3,699,441</u>
Federal Transit Cluster			
Passed through from the Regional Transportation District:			
Federal Transit_Formula Grants (Nine Mile LRT Station Study)	20.507	CO-95-X-001	518
Federal Transit_Formula Grants (Peoria/Smith LRT Station Study)	20.507	CO-95-X-001	2,222

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Transportation (Continued)</u>			
Federal Transit Cluster (continued)			
Federal Transit_Formula Grants (4th/Nine Mile LRT Station Study)	20.507	CO-95-X-007	1,668
Federal Transit_Formula Grants (Colfax Fitzsimons South Station)	20.507	CO-95-X-001	1,668
Total Federal Transit Cluster			6,076
Highway Safety Cluster			
Passed through from the Colorado Department of Transportation:			
State and Community Highway Safety Cluster (Twist Campaign)	20.600	NC-18	6,513
Total Highway Safety Cluster			6,513
Total Department of Transportation			3,712,030
<u>Department of Treasury</u>			
Direct payments:			
Alcohol, Tobacco, and Firearms Memo of Understanding	21.000	N/A	16,788
Passed through from the Colorado Housing Finance Authority:			
Neighborhood Reinvestment Corporation (DBA NeighborWorks America)	21.000	PL 110-161:95X1350	39,906
Total 21.000			56,694
Total Department of Treasury			56,694
<u>National Endowment for the Arts</u>			
Direct payments:			
Promotion of the Arts_Grants to Organizations and Individuals (Big Read Grant)	45.024	N/A	1,501
Total 45.024			1,501
Promotion of the Humanities_Public Programs (John Adams Unbound)	45.164	N/A	827
Promotion of the Humanities_Public Programs (The African American Baseball Experience)	45.164	N/A	599
Total 45.164			1,426
Total National Endowment for the Arts			2,927

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Environmental Protection Agency</u>			
Passed through from the Colorado Department of Public Health and Environment:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	none	415,320
Total 66.818			415,320
Total Environmental Protection Agency			415,320
<u>Federal Emergency Management Agency (FEMA)</u>			
Direct payments:			
Metropolitan Medical Response System (MMRS)	83.FAR 52.232.25	N/A	35,122
Total 83.FAR 52.232.25			35,122
Total Federal Emergency Management Agency			35,122
<u>Department of Homeland Security</u>			
Passed through from Arapahoe County, Colorado:			
Emergency Exercise	97.000	none	93,051
Total 97.000			93,051
Passed through from the City and County of Denver, Colorado:			
Urban Areas Security Initiative	97.008	none	11,197
Total 97.008			11,197
Passed through from the Colorado Department of Local Affairs:			
Emergency Management Performance Grants (07 CO LEMS grant)	97.042	7EM07L82	3,621
Emergency Management Performance Grants (07 CO LEMS supplemental grant)	94.042	8EM7S82	25,986
Emergency Management Performance Grants (08 CO LEMS grant)	97.042	9EM08L82	22,806
Emergency Management Performance Grants (09 CO LEMS grant)	97.042	9EM09L82	35,439
Total 97.042			87,852

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Homeland Security (Continued)</u>			
Homeland Security Cluster			
Passed through from the Colorado Department of Local Affairs:			
Homeland Security Grant Program (MMRS 06)	97.067	7EM776182	42,966
Homeland Security Grant Program (MMRS 07)	97.067	EM877182	58,750
Homeland Security Grant Program (MMRS 08)	97.067	98HS78182	133,738
Total Homeland Security Cluster			<u>235,454</u>
Passed through from the Colorado Department of Public Safety - Department of Local Affairs:			
Metropolitan Medical Response System (MMRS 2005 Grant)	97.071	5EM75128	3,721
Total 97.071			<u>3,721</u>
Total Homeland Security			<u>431,275</u>
Total Federal Awards			<u>\$ 14,685,321</u>

The accompanying notes are an integral part of this schedule.

City of Aurora, Colorado
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2009

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the primary government of the City of Aurora, Colorado (the City). The City's reporting entity is defined in note 1 in the City's basic financial statements for the year ended December 31, 2009.

The information in the accompanying schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements or reports to federal agencies. The schedule of expenditures of federal awards includes federally funded projects received directly from federal agencies and the federal amount of pass-through awards received by the City through the State of Colorado or other non-federal entities.

(2) Basis of Accounting

Expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis. The City's summary of significant accounting policies is presented in note 1 to the City's basic financial statements.

(3) Federal CFDA Number

Certain grant programs have not been assigned Catalog of Federal Domestic Assistance (CFDA) numbers by the federal government, or the numbers are not obtainable. These programs are identified in the accompanying schedule by the federal agency number followed by three zeros (for example, 16.000).

(4) Pass-through Grantor's Number

For federal awards expended by the City as a subrecipient, the accompanying schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor where the pass-through grantor has supplied such number to the City.

(5) Revolving Loan Funds – Not Subject to Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the Community Development Block Grant Program, the HOME Investment Partnerships Program and the Brownfields Program. The outstanding balances of these loan funds at December 31, 2009 were \$3,393,771 for the Community Development Block Grant Program, \$11,665,226 for the HOME Investment Partnerships Program, and \$886,495 for the OAR Brownfields Program. Since there are no continuing compliance requirements other than continued loan payments, the outstanding loan balances have not been included in the accompanying schedule of expenditures of federal awards.

City of Aurora, Colorado
Notes to Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2009

(6) Revolving Loan Funds – Subject to Further Compliance

The City has certain revolving loan funds included in the accompanying schedule of expenditures of federal awards, which were originally financed from the Department of Commerce, Economic Development Administration through the City's Gifts and Grants Fund. The outstanding balances at December 31, 2009 were \$312,337 in loans outstanding and \$108,805 in funds available to lend. The 2009 expenditures for administrative costs were \$146. The balance of the City's match from the Community Development Block Grant for the Revolving Loan Fund at December 31, 2009 is \$350,000.

(7) Payments to Subrecipients

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the City provided federal awards to subrecipients as follows:

Program	CFDA Number	Subrecipient	Amount Provided
Community Development Block Grant	14.218	Arapahoe County Sheriff	\$ 1,538

**Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
*Government Auditing Standards***

Honorable Mayor and Members of City Council
City of Aurora, Colorado
Aurora, Colorado

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 of Aurora, Colorado (the City) as of and for the year ended December 31, 2009, which collectively comprise its basic financial statements and have issued our report thereon dated June 15, 2010, which contained references to the reports of other accountants. We conducted our audit in accordance with 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. Other accountants audited the financial statements of the General Employee's Retirement Plan (GERP), Fitzsimons Redevelopment Authority (FRA), Aurora Housing Authority (AHA) and Havana Business Improvement District (BID), as described in our report on the City's financial statements. This report does not include the results of the other accountants' testing of internal control over financial reporting or compliance and other matters that are reported separately by those accountants for GERP and AHA. The financial statements of FRA and BID, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

We noted certain matters that we reported to the City's management in a separate letter dated June 15, 2010.

This report is intended solely for the information and use of the governing body, management and others within the City and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD,LLP

June 15, 2010

**Independent Accountants' Report on Compliance with
Requirements Applicable to Each Major Program and on
Internal Control Over Compliance in Accordance with
OMB Circular A-133 and Schedule of Expenditures of Federal Awards**

Honorable Mayor and Members of City Council
City of Aurora, Colorado
Aurora, Colorado

Compliance

We have audited the compliance of the City of Aurora, Colorado (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the compliance of the City of Aurora, Colorado based on our audit.

The City's basic financial statements include the operations of Aurora Housing Authority (AHA), a discretely presented component unit, which expended \$14,925,236 in federal awards which are not included in the City's schedule of expenditures of federal awards for the year ended December 31, 2009. Our audit, described below, did not include the operations of Aurora Housing Authority because the discretely presented component unit engaged other accountants to perform an audit in accordance with OMB Circular A-133.

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'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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Aurora, Colorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-01.

Internal Control Over Compliance

The management of the City of Aurora, Colorado 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's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our 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'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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we considered to be a significant deficiency as described in the accompanying schedule of findings and questions costs as item 2009-01. 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.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

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 December 31, 2009, and have issued our report thereon dated June 15, 2010, which contained references to the reports of other accountants. Our audit was performed for the purpose of forming opinions 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the governing body, management, others within the City, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 15, 2010

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2009

Summary of Auditor's Results

The opinion(s) expressed in the independent accountants' report was (were):

Unqualified Qualified Adverse Disclaimed

1. The independent accountants' report on internal control over financial reporting described:

Significant deficiency(ies) noted considered material weakness(es)? Yes No

Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

2. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:

Significant deficiency(ies) noted considered material weakness(es)? Yes No

Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

5. The opinion(s) expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was (were):

Unqualified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133? Yes No

City of Aurora, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2009

7. The City's major programs were:

Cluster/Program	CFDA Number
CDBG- Entitlement Grants Cluster	14.218 and 14.253
ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government	16.804
Highway Planning and Construction Cluster	20.205
Brownfields Assessment and Cleanup Cooperative Agreements	66.818

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$440,559.

9. The Organization qualified as a low-risk auditee as that term is defined in OMB Circular A-133?

Yes

No

City of Aurora, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2009

Findings Required to be Reported by Government Auditing Standards

Reference Number	Finding	Questioned Costs
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No matters are reportable

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
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2009-01	Finding: Reporting	None
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CDBG Entitlement Grants Cluster - CFDA No. 14.218 – Community Development Block Grants/Entitlement Grants and CFDA No. 14.253 – ARRA – Community Development Block Grant ARRA Entitlement Grants (CDBG-R) , U.S. Department of Housing and Urban Development, FY2009

Criteria: The program is required to submit certain reports to the federal awarding agency based on requirements specified in the grant compliance supplement as well as the notice of grant award. Reporting requirements are considered conditions of the grant award and shall be submitted timely and accurately according to federal guidelines. The grant compliance supplement and notice of grant award stipulate certain reports that shall be submitted to the federal awarding agency on specified dates. The program personnel are responsible for the timely and accurate submission of required reports.

Condition: Certain information in the CDBG Financial Summary report (C04PR26 report), a report generated by the Integrated Disbursement and Information System (IDIS) for use in the City’s annual performance and evaluation report due 90 days after the end of the program year, did not agree to supporting documentation. Specifically, Adjustment to Compute Total Available (line 07), Public Service (line 27), PS Unliquidated Obligations at end of the Current Program Year (line 28) and Adjustment to Compute Total PA Obligations (line 40) did not agree to supporting documentation. Additionally, several other line items initially reported by the City had to be reconciled by the City to match the information reported, however, the total amount awarded and expended were reported properly.

City of Aurora, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2009

Reference Number	Finding	Questioned Costs
	<p>Context: We tested four of the 10 reports submitted by the City during fiscal year 2009, including the annual CDBG Financial Summary report (C04PR26 report) submitted in March 2010 and noted the issues described above in one of the reports tested.</p> <p>Effect: Inaccurate information was reported to the Federal awarding agency.</p> <p>Cause: Information reported on line item Adjustment to Compute Total Available (line 07), was not accurately reported from the U.S. Department of Housing and Urban Development's reporting system, the Integrated Disbursement and Information System (IDIS). The remaining discrepancies identified were due to the improper inclusion/exclusion of organization codes. Information is not being properly reviewed and agreed to supporting documentation prior to submission to the U.S. Department of Housing and Urban Development.</p> <p>Recommendation: We recommend that a detailed review of the report, including amounts received from the U.S. Department of Housing and Urban Development's reporting system, the Integrated Disbursement and Information System (IDIS), be performed by someone other than the preparer of the report prior to the report being submitted. Supporting detail should be maintained with the reviewed report.</p> <p>Views of responsible officials and planned corrective actions: Management concurs with the recommendation and will require the Department Budget Coordinator (DBC) to review the report and supporting documentation before the report is submitted to the Federal awarding agency. The DBC and the report preparer will sign the report and backup documentation evidencing the review took place.</p>	

City of Aurora, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2009

Reference Number	Summary of Finding	Status
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No matters are reportable