



City of Aurora, Colorado

Single Audit Reports

December 31, 2024



Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	6
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> – Independent Auditor’s Report	7
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	9
Schedule of Findings and Questioned Costs	12
Summary Schedule of Prior Audit Findings	17

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
<u>Department of Agriculture</u>				
Direct payments:				
Inflation Reduction Act Urban & Community Forestry Program	10.727	N/A	\$ 194,880	\$ -
Total 10.727			<u>194,880</u>	<u>-</u>
Total Department of Agriculture			<u>194,880</u>	<u>-</u>
<u>Department of Housing and Urban Development</u>				
Passed through from the Colorado Housing and Finance Authority:				
Housing Counseling Assistance Program	14.169	HC220841002	(947)	-
Direct payments:				
Housing Counseling Assistance Program	14.169	N/A	42,929	-
Total 14.169			<u>41,982</u>	<u>-</u>
CDBG - Entitlement Grant Cluster				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	2,806,297	577,446
COVID-19 Community Development Block Grants/ Entitlement Grants	14.218	N/A	1,405,417	-
Total CDBG - Entitlement Grant Cluster			<u>4,211,714</u>	<u>577,446</u>
Emergency Solutions Grant Program	14.231	N/A	276,190	267,273
Total 14.231			<u>276,190</u>	<u>267,273</u>
Home Investment Partnerships Program	14.239	N/A	238,613	-
Total 14.239			<u>238,613</u>	<u>-</u>
Total Department of Housing and Urban Development			<u>4,768,499</u>	<u>844,719</u>
<u>Department of Justice</u>				
Direct payments:				
Community-Based Violence Intervention and Prevention Initiative	16.045	N/A	3,159	-
Total 16.045			<u>3,159</u>	<u>-</u>
Passed through from the City of Colorado Springs, Colorado:				
Missing Children's Assistance (Colorado Internet Crimes Against Children) (FY 2018)	16.543	15PJD-21-GK-03813-MECP	10,575	-
Total 16.543			<u>10,575</u>	<u>-</u>
Passed through from the Colorado Division of Criminal Justice:				
Project Safe Neighborhoods (FY2022)	16.609	2022-GP-23-02	116,736	-
Total 16.609			<u>116,736</u>	<u>-</u>
Direct payments:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	548,365	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	242,448	20,508
Passed through from the Colorado Division of Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-DJ-22-1-39-1	5,595	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-SC-24-18-11	8,108	-
Total 16.738			<u>804,516</u>	<u>20,508</u>

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
<u>Department of Justice (continued)</u>				
Direct payments:				
DNA Backlog Reduction (CEBR) Program	16.741	N/A	256,968	-
Total 16.741			<u>256,968</u>	<u>-</u>
Direct payments:				
Paul Coverdell Forensic Science Improvement Grant	16.742	N/A	94,558	-
Total 16.742			<u>94,558</u>	<u>-</u>
Direct payments:				
Equitable Sharing Program (MGTF Seizures-Federal)	16.922	N/A	9,495	-
Total 16.922			<u>9,495</u>	<u>-</u>
Total Department of Justice			<u>1,296,007</u>	<u>20,508</u>
<u>Department of Transportation</u>				
Highway Planning and Construction				
Passed through from the Colorado Department of Transportation:				
Highway Planning and Construction (Nine Mile Bridge TIP)	20.205	M055-056	37,694	-
Highway Planning and Construction (HSIP Grant 19/20)	20.205	M055-046	928,035	-
Highway Planning and Construction (13th Avenue Corridor Study)	20.205	M055-053	68,737	-
COVID-19 Highway Planning and Construction (Smith Road Multimodal (TIP)	20.205	ARPA M055-062	447,494	-
Highway Planning and Construction (Aurora Aerotropolis)	20.205	23-HTD-ZL-31	24,833	-
Highway Planning and Construction (Multimodal Transportation Master Plan)	20.205	23-HTD-ZL-00097/491003146	357,138	-
Highway Planning and Construction (Multimodal Access Improvements)	20.205	M055-063	139,433	-
Highway Planning and Construction (Advanced Traffic Controllers)	20.205	M055-061	376,250	-
Highway Planning and Construction (Peoria Bridge Design TIP)	20.205	M055-067	30,674	-
COVID-19 Highway Planning and Construction (11th Havana Del Mar HSIP)	20.205	M055-058	181,090	-
Total 20.205			<u>2,591,378</u>	<u>-</u>

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
Highway Safety Cluster				
Passed through from the Colorado Department of Transportation:				
State and Community Highway Safety Cluster (2024)	20.600	491003261	140,260	-
State and Community Highway Safety Cluster (2024)	20.600	411038814	18,854	-
Total 20.600			159,114	-
National Priority Safety Program (2022 CDOT Pedestrians Education and Safety Campaign)	20.616	491002705,411035662	55,672	-
National Priority Safety Program	20616	491003258	8,280	-
Total 20.616			63,952	-
Total Highway Safety Cluster			223,066	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	491003258	20,376	-
Total 20.608			20,376	-
National Infrastructure Investments: Rebuilding America Infrastructure with Sustainability and Equity (RAISE)	20.933	0704-251	11,365,206	-
Total 20.933			11,365,206	-
Total Department of Transportation			14,200,026	-
<u>Department of Treasury</u>				
Direct payments:				
COVID-19 Emergency Rental Assistance Fund	21.023	N/A	(2,550)	-
Total 21.023			(2,550)	-
Passed through from the Colorado Department of Local Affairs:				
COVID-19 Homeowner Assistance Fund Program	21.026	CTGG1 HNAA 2023-3191	712,084	-
Total 21.026			712,084	-
Direct payments:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	N/A	22,750,920	-
Passed through from the Colorado Office of Economic Development and International Trade:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	CTGG1 2022-3117	86,629	-
Passed through from the County of Adams, State of Colorado:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	AR111810-00000091005564353057	387,310	-
Passed through from the County of Arapahoe, State of Colorado:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	2400291202	38,669	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	AR111813-021000020657388	5,000,000	-
Passed through from the County of Douglas, State of Colorado:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	AR111858-00000091005561611495	262,304	-
Passed through from the Colorado Department of Local Affairs:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	H4DRN24300	15,360,852	-
Passed through from the Colorado Department of Transportation:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	ARPA M055-059	559,367	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF) (11th Havana Del Mar HSIP)	21.027	M055-058	181,089	-
Total 21.027			44,627,140	-
Total Department of Treasury			45,336,674	-

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
<u>Federal Communications Commission (FCC)</u>				
Direct payments:				
Emergency Connectivity Fund Program	32.009	N/A	12,000	-
Total 32.009			12,000	-
Total Federal Communications Commission			12,000	-
<u>Small Business Administration</u>				
Passed through from the Colorado Office of Economic Development and International Trade:				
Small Business Development Centers (Host)	59.037	MA 2023-2051	160,000	-
Total 59.037			160,000	-
Total Small Business Administration			160,000	-
<u>Environmental Protection Agency</u>				
Direct payments:				
Congressionally Mandated Projects	66.202	N/A	1,334,217	-
Total 66.202			1,334,217	-
Total Environmental Protection Agency			1,334,217	-
<u>Department of Education</u>				
Passed through from Colorado Office of the Governor:				
COVID-19 American Rescue Plan—Emergency Assistance to Non-Public Schools	84.425V	CTGG1 EAAA 202400003957	224,997	-
Total 84.425V			224,997	-
Total Department of Education			224,997	-
<u>Department of Health and Human Services</u>				
<u>CCDF Cluster</u>				
Passed through from Colorado Office of Economic Development and International Trade				
Child Care and Development Block Grant	93.575	MA-2023-2051	9,171	-
Total CCDF Cluster			9,171	-
<u>Research and Development Cluster</u>				
Passed through from University of Colorado Denver:				
Lung Diseases Research	93.838	FY25.781.002	4,053	-
Total 93.838			4,053	-
Passed through from University of Colorado Denver:				
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	FY25.781.0024	13,693	-
Total 93.853			13,693	-
Total Research and Development Cluster			17,746	-
Total Department of Health and Human Services			26,917	-
<u>Office of National Drug Control Policy</u>				
Passed through from Rocky Mountain High Intensity Drug Trafficking Area:				
High Intensity Drug Trafficking Areas Program (FY2023 MGTf)	95.001	G23RM002A	93,149	-
High Intensity Drug Trafficking Areas Program (FY2024 MGTf)	95.001	G24RM0002A	586,503	-
Total 95.001			679,652	-
Total Office of National Drug Control Policy			679,652	-

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
<u>Department of Homeland Security</u>				
Passed through from the West Metro Fire Protection District:				
National Urban Search and Rescue Response System	97.025	88656,88972,8824,101524, 112024	92,640	-
Total 97.025			92,640	-
Passed through from the Colorado Department of Public Safety Division of Homeland Security and Emergency Management:				
Emergency Management Performance Grants (24 CO LEMS grant)	97.042	EM23-24-29	8,730	-
Total 97.042			8,730	-
Direct payments:				
Assistance to Firefighters Grant: AFG (Officer Training)	97.044	N/A	114,128	-
Total 97.044			114,128	-
Financial Assistance for Targeted Violence and Terrorism Prevention	97.132	N/A	130,186	-
Total 97.132			130,186	-
Total Department of Homeland Security			345,684	-
Total Federal Awards			\$ 68,579,553	\$ 865,227

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, 2024

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the primary government of the City of Aurora (the City). The City's reporting entity is defined in Note 1 of the City's basic financial statements for the year ended December 31, 2024.

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, or cash flows of the City. 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.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual or modified accrual basis of accounting. The City's summary of significant accounting policies is presented in Note 1 to the City's basic financial statements for the year ended December 31, 2024. 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. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior periods.

C. Indirect Cost Rate

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

D. Pass-Through Entity Identifying Number

For federal awards expended by the City as a subrecipient, the 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.

E. 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 Partnership Program and the Brownfields Grant Program. The outstanding balances of these loan funds at December 31, 2024 were \$4,054,769 for the Community Development Block Grant Program, \$14,687,381 for the HOME Investment Partnership Program, and \$790,069 for the Brownfields Grant Program. Since there are no continuing compliance requirements other than continued loan payments, the outstanding loan balances have not been included in the Schedule. New loans made during the year under these programs are included in the Schedule.

**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 City Council
City of Aurora, Colorado
Aurora, Colorado

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 Aurora, Colorado (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2025, which contained an emphasis of matter paragraph regarding a change in accounting principle and an emphasis of matter paragraph regarding a change in reporting entity. The financial statements of the Police Retirement Plan, a fiduciary component unit included in the aggregate remaining fund information 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 Police Retirement Plan.

Our report includes a reference to other auditors who audited the financial statements of the Havana Business Improvement District, the Parkside City Centre Business Improvement District, and the Citadel on Colfax Business Improvement District, component units included in the financial statements of the aggregate discretely presented component units as described in our report on the City's financial statements. The financial statements of the Havana Business Improvement District, the Parkside City Centre Business Improvement District, and the Citadel on Colfax Business Improvement District were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Havana Business Improvement District, the Parkside City Centre Business Improvement District, and the Citadel on Colfax Business Improvement District or that are reported on separately by those auditors who audited the financial statements of the Havana Business Improvement District, the Parkside City Centre Business Improvement District, and the Citadel on Colfax Business Improvement District.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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 2024-002 to be a significant deficiency.

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*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 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.

Forvis Mazars, LLP

Denver, Colorado
June 30, 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 City Council
City of Aurora, Colorado
Aurora, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Aurora's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. 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 December 31, 2024.

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.

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 December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated June 30, 2025, which contained unmodified opinions on those financial statements, an emphasis of matter paragraph regarding a change in accounting principle, an emphasis of matter paragraph regarding a change in reporting entity and a reference to the reports 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 GAAS. 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

**Denver, Colorado
June 30, 2025**

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

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 program(s):

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: \$2,057,387

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
2024-001	<p>Finding: Financial Statement Presentation – Utility Funds</p> <p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal control over financial reporting. Effective internal controls are an important component of a system that helps ensure transactions are recorded timely and in the proper reporting period, thereby providing accurate financial data. Specifically, the City of Aurora (the City) should have controls in place to ensure all transactions are recorded in accordance with applicable accounting standards and guidance.</p> <p>Condition: The following issues were noted during the 2024 audit:</p> <ul style="list-style-type: none"> a. <i>Classification of Investments</i> – In December 2024, the City issued bonds in the Water Fund. The related bond proceeds were not properly classified as restricted investments. Per GASB standards, funds with third-party restrictions, such as bond proceeds, must be reported as restricted. Additionally, restricted cash unavailable for current operations should be classified as a noncurrent asset. b. <i>Net Position Classification</i> – GASB standards define that the net investment in capital assets component of net position consist of capital assets, reduced by outstanding balances of bonds, notes or other borrowings (including accounts and retainage payables). In addition, if there are significant unspent related debt proceeds at the end of the reporting period, the portion of the debt attributable to the unspent amount should not be included in the calculation of net investment in capital assets. The unspent bond proceeds were excluded from the calculation for the Water fund. c. <i>Contributed Infrastructure</i> – The City receives infrastructure, such as pipes, valves and related components, built by external parties and contributed to the City at no cost. According to GASB standards, specifically GASB 34, contributed capital assets should be reported at their acquisition value plus any applicable ancillary charges. Acquisition value is defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. This means the infrastructure received from the external parties is required to be valued at fair value at the time it is accepted by the City. During our testing of contributed infrastructure for the Water and Wastewater funds we identified errors in the valuation of the contributed infrastructure in that the length used to calculate the value at acquisition did not agree to the underlying extension agreements or other support. This resulted in the value for the contributed infrastructure being overstated in the Water fund and understated in the Wastewater fund. d. <i>Revenues</i> – Charges for services revenues were overstated in 2024 in the Water and Wastewater funds due to errors in the 2023 accrual and duplicative billings recorded in the current year.

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Reference Number	Finding
	<p>Effect: The items noted above had the following effects on the financial statements for the major enterprise funds:</p> <ul style="list-style-type: none"> a. The City recorded an adjusting journal entry to move \$150 million in bond proceeds from current to noncurrent restricted investments. In addition, the net investment in capital assets calculation was revised to incorporate the \$150 million in unspent bond proceeds. b. An adjustment was proposed and waived by management of \$4.2 million and \$1.1 million in the Water and Wastewater funds, respectively, to correct the value of the contributed mains. The net effect on business-type activities was \$2.8 million. c. An adjustment was proposed and waived by management of \$1.4 million, respectively, in the Water and Wastewater funds and \$2.8 million in the business-type activities to reduce the amount of revenue recognized. <p>Causes:</p> <ul style="list-style-type: none"> a. The bond proceeds were recorded into a general investment account when received versus being recorded in a restricted investment account. b. The City changed its process over how it tracks contributed infrastructure in 2024. The updated process utilizes data based on as-built records tracked in GIS rather than relying solely on estimated values from the extension agreements. c. The City implemented a new utility billing system in 2022 and the reports used to prepare the accruals were not verified as to accuracy resulting in missing data and inaccurate reporting. In addition, the City cancelled and rebilled some accounts but the initial billing was not properly reversed. <p>Recommendation: We recommend management implement the following to address the above issues:</p> <ul style="list-style-type: none"> a. Develop a policy to record restricted assets in a restricted account upon receipt. b. Develop policies and procedures to ensure the journal entries relating to contributed infrastructure are recorded from the proper source data. c. Correct the reports being utilized to prepare the accruals and test the validity of any new reports created for completeness and accuracy. <p>Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.</p>

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Reference Number	Finding
2024-002	<p>Finding: Recognition of Liabilities</p> <p>Criteria or Specific Requirement: The Governmental Accounting Standards Board (GASB) sets the requirements for accruals of payables to ensure transparency and consistency in financial reporting for state and local governments. Payables should be recognized as liabilities when the government receives goods or services or the terms of an agreement are met, even if the payment will be made in a future period. For governmental funds, payables are recognized when the related fund liability is incurred, and the expenditure is recognized when the payable is due and payable.</p> <p>Condition: A liability for \$2.7 million was not recorded relating to an intergovernmental agreement to rebate specified taxes in the City Capital Projects Fund.</p> <p>Effect: The condition noted above resulted in an adjustment proposed and waived by management.</p> <p>Cause: The intergovernmental agreement required reimbursement of specific tax revenues in a defined area based upon collections, however the City was not aware the development of the specific area had started, and taxes were being collected that were subject to reimbursement.</p> <p>Recommendation: We recommend the City develop policies and procedures to monitor intergovernmental agreements for the terms and conditions that would trigger payment under the agreement.</p> <p>Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.</p>

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
---------------------	---------

No matters are reportable



Administration
15151 E. Alameda Parkway, Ste. 5700
Aurora, Colorado 80012
303.739.7055

Summary Schedule of Prior Audit Findings Year Ended December 31, 2024

Reference Number	Summary of Finding	Status
2023-001	<p>Coronavirus State and Local Fiscal Recovery Funds</p> <p>ALN: 21.027</p> <p>Sponsoring Agency: Department of Treasury</p> <p>Allowable Costs</p> <p>The City of Aurora (the City) charged payroll and benefits for one employee subsequent to time in which the employee was working on COVID-19 related projects for the City. We recommend City staff implement internal controls to identify changes in employee job duties and allocations of costs. In addition, we recommend the City increase the frequency of time and effort certifications in order to identify changes on a timelier basis.</p>	Implemented