City of Aurora, Colorado

Single Audit Reports

December 31, 2025

City of Aurora, Colorado
Contents
December 31, 2025

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipient
Department of Agriculture				
Direct payments:				
Inflation Reduction Act Urban & Community Forestry Program	10.727	N/A	$ 754,322	$ -
Total 10.727			754,322	-
Total Department of Agriculture			**754,322**	**-**
Department of Housing and Urban Development				
Direct payments:				
Housing Counseling Assistance Program	14.169	N/A	26,259	-
Total 14.169			26,259	-
Community Development Block Grant Cluster				
Entitlement/Special Purpose Grants				
Direct payments:				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	7,449,432	-
COVID-19 Community Development Block Grants/ Entitlement Grants	14.218	N/A	60,833	4,519
Total 14.218 and Community Development Block Grant Cluster Entitlement/Special Purpose Grants			7,510,265	4,519
Direct payments:				
Emergency Solutions Grant Program	14.231	N/A	127,403	118,770
Total 14.231			127,403	118,770
Direct payments:				
Home Investment Partnerships Program	14.239	N/A	13,804,482	121,533
Passed through from County of Adams, State of Colorado:				
Home ARP Administration	14.239	12679	3,714,340	-
Total 14.239			17,518,822	121,533
Direct payments:				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	N/A	3,202,619	1,045,014
Total 14.251			3,202,619	1,045,014
Total Department of Housing and Urban Development			**28,385,368**	**1,289,836**
Department of Justice				
Direct payments:				
Comprehensive Forensic DNA Analysis Grant Program	16.036	N/A	11,100	-
Total 16.036			11,100	-
Direct payments:				
Community-Based Violence Intervention and Prevention Initiative	16.045	N/A	187,649	136,301
Total 16.045			187,649	136,301
Passed through from the City of Colorado Springs, Colorado:				
Missing Children's Assistance (Colorado Internet Crimes Against Children) (FY	16.543	15PJD-24-GK-04188-MECP	1,784	-
Total 16.543			1,784	-
Direct payments:				
Bulletproof Vest Partnership Program (BVP)	16.607	NA	(644)	-
Total 16.607			(644)	-
Passed through from the Colorado Division of Criminal Justice:				
Project Safe Neighborhoods	16.609	2022-GP-23-02	52,227	-
Total 16.609			52,227	-
Direct payments:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	630,144	-
Total 16.738			630,144	-

The accompanying notes are an integral part of this Schedule.

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipient
Passed through from the Colorado Division of Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-DJ-22-1-39-1	(595)	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-DJ-24-03-60-1	57,760	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2023-SC-24-18-11	16,941	-
Total 16.738			74,106	-
Direct payments:				
DNA Backlog Reduction (CEBR) Program	16.741	N/A	61,559	-
Total 16.741			61,559	-
Direct payments:				
Equitable Sharing Program	16.922	N/A	635,873	-
Total 16.922			635,873	-
Total Department of Justice			**1,653,798**	**136,301**
Department of Transportation				
Passed through from the Colorado Department of Transportation:				
Highway Planning and Construction	20.205	M055-056	25,787	-
Highway Planning and Construction	20.205	ARPA M055-062	505,300	-
Highway Planning and Construction	20.205	ACQ M055-059	71,322	-
Highway Planning and Construction	20.205	23-HTD-ZL-00031	21,861	-
Highway Planning and Construction	20.205	23-HTD-ZL-00097/491003146	515,032	-
Highway Planning and Construction	20.205	M055-063	179,615	-
Highway Planning and Construction	20.205	M055-065	13,888	-
Highway Planning and Construction	20.205	M055-068	367,224	-
Highway Planning and Construction	20.205	M055-067	935,002	-
Highway Planning and Construction	20.205	M055-064	309,764	-
Highway Planning and Construction	20.205	M055-058	1,594,596	-
Total 20.205			4,539,391	-
Highway Safety Cluster				
Passed through from the Colorado Department of Transportation:				
State and Community Highway Safety	20.600	24-HTS-ZL-196-M0003	29,919	-
State and Community Highway Safety	20.600	24-HTS-ZL-00196-M0002	107,613	-
State and Community Highway Safety	20.600	411038814	33,199	
Total 20.600			170,731	-
Passed through from the Colorado Department of Transportation:				
National Priority Safety Programs	20.616	411042204	7,286	-
Total 20.616			7,286	-
Total Highway Safety Cluster			178,017	-
Passed through from the Colorado Department of Transportation:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	24-HTS-ZL-00193-M0006	11,709	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	24-HTS-ZL-00193-M0001	51,535	-
Total 20.608			63,244	-
Passed through from the Colorado Department of Transportation:				
National Infrastructure Investments	20.933	0704-251	6,041,753	-
Total 20.933			6,041,753	-
Total Department of Transportation			**10,822,405**	**-**

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipient
Department of Treasury				
Direct payments:				
Equitable Sharing Program (MGTF Seizures-Federal)	21.016	N/A	61,978	-
Total 21.016			61,978	-
Passed through from the Colorado Department of Local Affairs:				
Homeowner Assistance Fund Program	21.026	CTGG1 HNAA 2023-3191	114	-
Total 21.026			114	-
Direct payments:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	N/A	15,795,331	-
Passed through from the County of Adams, State of Colorado:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	AR111810-	4,336,301	-
Passed through from the County of Douglas, State of Colorado:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	AR111858-	862,696	-
Passed through from the Colorado Department of Transportation:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	ARPA M055-059	631,625	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	ACQ M055-059	71,321	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)	21.027	M055-058	1,213,910	-
Total 21.027			22,911,184	-
Total Department of Treasury			**22,973,276**	**-**
Small Business Administration				
Passed through from the Colorado Office of Economic Development and Small Business Development Centers (Host)	59.037	MA 2023-2051	114,896	-
Total 59.037			114,896	-
Total Small Business Administration			**114,896**	**-**
Environmental Protection Agency				
Direct payments:				
Congressionally Mandated Projects	66.202	N/A	2,215,956	-
Total 66.202			2,215,956	-
Total Environmental Protection Agency			**2,215,956**	**-**
Office of National Drug Control Policy				
Passed through from Rocky Mountain High Intensity Drug Trafficking Area:				
High Intensity Drug Trafficking Areas Program (FY2025 MGTF)	95.001	HID2525G0653-00	593,021	-
High Intensity Drug Trafficking Areas Program (FY2024 MGTF)	95.001	G24RM0002A	64,888	-
Total 95.001			657,909	-
Total Office of National Drug Control Policy			**657,909**	**-**

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipient
Department of Homeland Security				
Passed through from the West Metro Fire Protection District:				
National Urban Search and Rescue Response System	97.025	88656,88972,8824,101524,	140,040	-
Total 97.025			140,040	-
Passed through from the Colorado Department of Public Safety, Division of				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4145-CO:14-L4145-055	152,436	-
Total 97.042			152,436	-
Passed through from the Colorado Department of Public Safety Division of				
Emergency Management Performance Grants (24 CO LEMS grant)	97.042	EM23-24-29	(240)	-
Emergency Management Performance Grants (25 CO LEMS grant)	97.042	23EM-25-38	714	-
Total 97.042			474	-
Direct payments:				
Assistance to Firefighters Grant: AFG (Officer Training)	97.044	N/A	249,419	-
Total 97.044			249,419	-
Direct payments:				
Targeted Violence and Terrorism Prevention	97.132	N/A	49,455	-
Total 97.132			49,455	-
Total Department of Homeland Security			**591,824**	**-**
Total Federal Awards			**$ 68,169,754**	**$ 1,426,137**

Note 1. 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, Colorado (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, 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 this 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.

Note 2. Basis of Accounting

Expenditures reported on the Schedule are recognized 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, 2025. 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.

Note 3. Indirect Cost Rate

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

Note 4. Pass-Through Grantor's 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.

Note 5. Federal Loan Programs

The federal loan programs listed subsequently are administered directly by the City, and balances and transactions relating to these programs are included in the City's basic financial statements. 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 balances of loans outstanding at December 31, 2025 consists of the following:

Federal Program	Assistance Listing Number	Loan Balances
Community Development Block Grants/Entitlement Grants	14.218	$ 3,750,000
Home Investment Partnerships Program	14.239	$ 10,430,455

Note 6. Federal Loan Programs – 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, 2025 were $1,884,280 for the Community Development Block Grant Program, $7,711,215 for the HOME Investment Partnership Program, and $740,115 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.

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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, 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 August 12, 2026. 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 material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002 and 2025-003 to be material weaknesses.

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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-004 and 2025-005 to be significant deficiencies.

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.

City of Aurora'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 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

Denver, Colorado
August 12, 2026

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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

Qualified and Unmodified Opinions

We have audited the City of Aurora, Colorado'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, 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.

Qualified Opinion on Economic Development Initiative, Community Project Funding, and Miscellaneous Grants

In our opinion, except for the noncompliance described in the "Basis for Qualified and Unmodified Opinions" section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Economic Development Initiative, Community Project Funding, and Miscellaneous Grants for the year ended December 31, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2025.

Basis for Qualified and Unmodified Opinions

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.

Matter(s) Giving Rise to Qualified Opinion on Economic Development Initiative, Community Project Funding, and Miscellaneous Grants

As described in Finding 2025-006 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2025-006	14.251	**Economic Development Initiative, Community Project Funding, and Miscellaneous Grants**	Reporting
2025-006	14.251	**Economic Development Initiative, Community Project Funding, and Miscellaneous Grants**	Subrecipient Monitoring

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

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.

Other Matters

The results of our auditing procedures disclosed an other instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-007. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit 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 compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-006 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-007 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit 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 compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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, 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 August 12, 2026, which contained unmodified opinions on those financial statements and contained 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 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

Denver, Colorado
August 19, 2026

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 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 program(s):

   ☒ Unmodified ☒ Qualified ☐ Adverse ☐ Disclaimer

   Unmodified for all major programs except for Economic Development Initiative, Community Project Funding, and Miscellaneous Grants Program which is qualified.

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
	Community Development Block Grant ClusterEntitlement/Special Purpose Grant
14.239	Home Investment Partnerships Program
14.251	Economic Development Initiative, Community Project Funding, and Miscellaneous grants
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
66.202	Congressionally Mandated Projects

8. Dollar threshold used to distinguish between Type A and Type B programs: $2,045,093.

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

Section II – Financial Statement Findings

Reference Number	Finding
2025-001	**Schedule of Expenditures of Federal Awards (SEFA) Preparation**

Criteria: Pursuant to 2 CFR §200.510(b), the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the financial statements, and the schedule must include total federal awards expended as determined in accordance with 2 CFR §200.502. Specifically:

- Under 2 CFR §200.502(b), federal awards expended for loan programs include the value of new loans made or received during the fiscal year and the beginning balance of loans from prior years for which the federal government imposes continuing compliance requirements. Loans from prior years are excluded only when no continuing compliance requirements exist other than repayment of the loans.

- Pursuant to 2 CFR §200.502(a), the receipt or use of program income is included in determining federal awards expended. Accordingly, program income required to be treated as federal expenditures under applicable federal requirements and award terms should be reflected in the determination of federal awards expended reported on the SEFA.

Condition: During our review of the SEFA, we noted the City did not include (1) $11,423,896 of beginning loan balances associated with the Community Development Block Grant (CDBG) and HOME programs that were subject to continuing compliance requirements and (2) $2,073,012 of program income generated under those programs that should have been included in the determination of federal awards expended. As a result, federal expenditures reported on the SEFA were understated by $13,496,908.

Cause: The City's process for preparing the SEFA did not include adequate procedures to identify and communicate all federal program reporting requirements to personnel responsible for SEFA preparation. Specifically, the department responsible for administering the federal programs did not communicate to the Controller's Office that the loan programs were subject to continuing compliance requirements requiring inclusion of outstanding loan balances in federal expenditures. In addition, the City did not identify that the applicable federal award requirements required program income to be treated using the additive method rather than the deductive method for purposes of determining federal expenditures. As a result, the outstanding loan balances and applicable program income were omitted from the SEFA.

Effect or potential effect: The SEFA understated federal awards expended by $13,496,908 and did not accurately reflect the City's federal award activity for the fiscal year. Because the SEFA serves as the basis for major program determination and other Single Audit reporting requirements, inaccurate reporting of federal expenditures increases the risk that federal programs may not be appropriately identified, evaluated, and reported in accordance with Uniform Guidance requirements.

Reference Number	Finding
	Recommendation: We recommend the City strengthen internal controls over SEFA preparation by implementing formal procedures requiring departments administering federal programs to communicate new federal programs, loan program requirements, continuing compliance requirements, and program income provisions to personnel responsible for SEFA preparation. The City should also perform and document a comprehensive annual review of all federal programs, including loan programs and program income requirements, to ensure federal awards expended are accurately determined and reported on the SEFA in accordance with Uniform Guidance requirements. **Views of responsible officials and planned corrective actions:** Agree. See separate corrective action plan.

Reference Number	Finding
2025-002	**Internal Control Over Financial Reporting**

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting to provide reasonable assurance that transactions are accurately recorded, classified, reconciled, and reported in accordance with generally accepted accounting principles. Effective internal controls should ensure that revenues are recognized in the proper reporting period, subsidiary records are complete and accurate, account balances are supported and reconciled, and material misstatements are prevented or detected and corrected on a timely basis.

Condition: During our audit, we identified multiple deficiencies in the City's internal control over financial reporting. Specifically:

- Certain revenues were not appropriately evaluated for recognition within the required availability period, resulting in audit adjustments and uncorrected misstatements.
- Multiple audit adjustments were required to correct errors in the accounting records and financial statements, including adjustments related to fund balance classification, the net investment in capital asset calculation, opioid settlement receivables and deferred inflows, interest earnings on bond proceeds, interfund transfers, and cash overdrafts.
- During the audit of the Cultural Services Fund, we identified deficiencies related to revenue recognition, cash receipts, account reconciliations, financial reporting, and period-end accounting processes that resulted in audit adjustments and uncorrected misstatements.

These errors were not identified through management's normal review and monitoring controls.

Cause: The deficiencies resulted from weaknesses in the City's financial reporting and monitoring processes. Specifically:

- Management did not adequately analyze year-end accounts receivable balances to determine whether revenues met the availability criteria for recognition.
- Account analyses, reconciliations, and supervisory review procedures were not performed at a level of precision sufficient to identify errors in account balances, classifications, and period-end financial reporting before issuance of the financial statements and related reports.
- A new type of debt was added during the year and was not captured in the net investment in capital assets calculation template, resulting in an incomplete calculation.

Effect or potential effect: As a result of these deficiencies:

- Revenues, accounts receivable, deferred inflows of resources, and fund balance were misstated, resulting in audit adjustments of approximately $24.5 million and uncorrected misstatements totaling approximately $574 thousand.

Reference Number	Finding

- Multiple audit adjustments were necessary to properly state the financial statements, including corrections of approximately $341 thousand in fund balance classifications, $398 thousand of opioid settlement receivables and deferred inflows, $4.9 million of interest earnings on bond proceeds, $2.8 million of interfund transfers, $10.8 million related to the net investment in capital assets calculation, and $107 thousand related to cash overdraft accounting.

- Deficiencies identified during the Cultural Services Fund audit resulted in audit adjustments of $162 thousand and a high volume of uncorrected misstatements, which increased the risk that financial information reported to the Scientific and Cultural Facilities District (SCFD) and other users was inaccurate or incomplete.

Collectively, these deficiencies resulted in significant audit adjustments and substantial rework of the financial information, increasing the risk that material misstatements could occur and not be prevented, detected, or corrected on a timely basis and delaying the City's ability to provide accurate and timely financial information to oversight agencies, governing bodies, and other financial statement users.

Recommendation: We recommend management strengthen internal controls over financial reporting by:

- Implementing procedures to ensure revenues and related receivables are evaluated for proper recognition and availability at year-end.

- Enhancing account reconciliation, financial statement review, and supervisory review controls to ensure transactions are properly classified and reported in the correct period.

- Updating the net investment in capital assets calculation template to capture all applicable debt types, including new debt issued or added during the year, and implementing supervisory review procedures to verify the template is complete and accurate before preparing the financial statements.

- Strengthening controls over SCFD reporting, including timely reconciliations, review of revenue activity, period-end cut-off procedures, and monitoring controls to ensure information submitted is complete and accurate.

Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.

Reference Number	Finding
2025-003	**Internal Control Over Financial Reporting – Housing and Community Services**

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting to provide reasonable assurance that transactions are accurately recorded, classified, reconciled, and reported in accordance with generally accepted accounting principles. The Housing and Community Services Department is a department of the City whose financial activity is incorporated into the City's accounting records and annual financial statements. The Department is responsible for communicating complete and accurate financial information to the City's Finance Department and ensuring transactions and balances under its oversight are properly recorded and reported. Effective internal controls should ensure that revenues are recognized in the proper reporting period, subsidiary records are complete and accurate, account balances are supported and reconciled, and material misstatements are prevented or detected and corrected on a timely basis.

Condition: During our audit, we identified multiple deficiencies in the Housing and Community Services Department's internal control over financial reporting. Specifically:

- The City did not maintain a complete and accurate loan ledger for its HOME and CDBG loan programs. Certain loans were omitted from subsidiary records used to monitor and report outstanding loan balances.

- The methodology used to calculate the allowance for loans was not appropriately applied, resulting in an overstated allowance.

- The City did not record an allowance for certain federal receivables despite known circumstances that adversely affected collectability.

These errors were not identified through management's normal review and monitoring controls.

Cause: The deficiencies resulted from weaknesses in the City's financial reporting and monitoring processes. Specifically:

- The department did not ensure all loan activity was recorded in the subsidiary loan ledger, resulting in incomplete loan records.

- Management did not adequately evaluate and document the relevant loan terms and assumptions used in developing the allowance methodology.

- Management did not identify and assess the financial reporting impact of a federal funding closure that limited its ability to draw down funds and affected the collectability of related receivables.

Effect or potential effect: As a result of these deficiencies:

- Approximately $2.7 million of loans were omitted from the subsidiary loan ledger in the prior year and added in the current year, resulting in incomplete records used for financial reporting and monitoring purposes.

Reference Number	Finding

- The allowance for loans was overstated by approximately $12.5 million. An audit adjustment to correct the overstatement was proposed and waived by management.

- Approximately $5 million of federal receivables were subject to collectability concerns. An audit adjustment to record an allowance for these receivables was proposed and waived by management.

Collectively, these deficiencies increase the risk that material misstatements could occur and not be prevented, detected, or corrected on a timely basis.

Recommendation: We recommend management strengthen internal controls over financial reporting by:

- Establishing controls to ensure all loan activity is recorded in complete and accurate subsidiary loan records and periodically reconciled to supporting documentation and the general ledger.

- Evaluating and documenting the underlying terms and conditions of loan agreements when establishing or updating the allowance methodology, including supervisory review of key assumptions and conclusions.

- Implementing procedures to identify receivables with known collectability concerns, including receivables affected by federal funding closures or drawdown restrictions, and evaluating whether an allowance for uncollectible amounts should be recorded.

Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.

Reference Number	Finding
2025-004	**Information Technology General Controls – User Access Reviews and Privileged Access**

Government Auditing Standards allow for information that is considered sensitive in nature, such as detailed information related to information technology system security, to be issued through a separate "classified or limited use" report. This is due to the potential damage that could be caused by the misuse of that information. We consider the specific technical details of this finding to be sensitive in nature and not appropriate for public disclosure. Therefore, the details of the following finding have been provided to City of Aurora in a separate, confidential memorandum.

Criteria: Management is responsible for maintaining controls that help ensure only appropriate personnel have access to systems that support financial reporting. These controls should include periodic reviews of user and administrator access, retention of evidence that access was reviewed and determined to remain appropriate, and timely removal or modification of access when it is no longer needed.

Condition: The City did not consistently perform and document complete user access reviews for certain information systems that support financial reporting. In addition, certain access rights were not reviewed or removed in a timely manner. As a result, the City could not demonstrate that all user and elevated access privileges remained appropriate throughout the period under review.

Cause: Certain access review processes were not fully formalized to ensure reviews were performed consistently, documented adequately, and effective in identifying access that was no longer appropriate. In addition, competing priorities associated with system implementation activities affected the completion of certain access review procedures.

Effect: Without complete and documented access reviews, inappropriate access may not be identified and remediated in a timely manner. This increases the risk of unauthorized activity, inappropriate system changes, or unauthorized modification of financial data.

Recommendation: We recommend management establish and maintain documented periodic access reviews for information systems that support financial reporting. Reviews should include an evaluation of user and elevated access privileges, timely remediation of identified exceptions, and retention of evidence demonstrating completion of the review process.

Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.

Reference Number	Finding
2025-005	**Information Technology General Controls – Amanda Change Management Review and Database Monitoring**

Government Auditing Standards allow for information that is considered sensitive in nature, such as detailed information related to information technology system security, to be issued through a separate “classified or limited use” report. This is due to the potential damage that could be caused by the misuse of that information. We consider the specific technical details of this finding to be sensitive in nature and not appropriate for public disclosure. Therefore, the details of the following finding have been provided to City of Aurora in a separate, confidential memorandum.

Criteria: Management is responsible for maintaining controls over changes to information systems that support financial reporting. Such controls should help ensure that system changes are appropriately authorized, independently reviewed, approved prior to implementation, and subject to adequate oversight commensurate with the level of access assigned to personnel.

Condition: The City’s change management process did not consistently include sufficient independent oversight and segregation of duties to ensure that system changes were subject to appropriate review prior to implementation.

Cause: The City has not implemented certain change management controls and monitoring procedures to provide consistent independent oversight of system changes.

Effect: Without effective independent review, segregation of duties, and monitoring controls, unauthorized or inappropriate system changes may occur and not be detected in a timely manner. Such changes could affect the integrity, reliability, or accuracy of system processing and data used in financial reporting.

Recommendation: We recommend management strengthen change management controls by ensuring that system changes are subject to documented independent review and approval prior to implementation. Management should also establish and document appropriate monitoring activities to identify and investigate unauthorized or inappropriate changes.

Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2025-006	**Reporting – Special Reports for FFATA and Subrecipient Monitoring**

Assistance Listing Number 14.251 – Economic Development Initiative, Community Project Funding, and Miscellaneous Grants
U.S. Department of Housing and Urban Development (HUD)
Federal Award Identification Number(s): **B-22-CP-CO-0165**
Award Year – 2022

Criteria or specific requirement(s): In accordance with the Federal Funding Accountability and Transparency Act (FFATA) and 2 CFR Part 170, recipients are required to report applicable first-tier subawards of $30,000 or more, including required data elements, in SAM.gov by the end of the month following the month in which the subaward obligation was made.

Furthermore, pursuant to 2 CFR § 200.332(a), pass-through entities are required to clearly identify federal award information and communicate all applicable federal requirements, terms and conditions, and compliance requirements to subrecipients at the time of the subaward. Required information includes, among other items, the Assistance Listing number and name, federal award identification information, indirect cost rate and any additional requirements imposed by the pass-through entity so that subrecipients can properly administer the federal award and comply with applicable federal requirements.

Condition: During testing of FFATA reporting requirements, we noted that the City had one applicable first-tier subrecipient; however, the City did not report the subaward information in SAM.gov.

Additionally during testing of subrecipient monitoring, we noted the City did not communicate required federal award information or increase in funding to its sole subrecipient as required by 2 CFR § 200.332(a).

Cause: The City experienced a delay in receiving the federal award and initially funded the subaward with nonfederal resources. After the federal award was received and the related expenditures were identified as federally funded, the City did not have a process to update the subaward, communicate the federal award information and funding increase to the subrecipient, or evaluate FFATA reporting requirements. As a result, the required subaward information was not reported in SAM.gov or communicated to the subrecipient.

Effect or potential effect: Failure to report the applicable first-tier subaward in accordance with FFATA requirements resulted in noncompliance with federal reporting requirements and reduced transparency over the use of federal funds by preventing complete and accurate subaward information from being available through federal transparency reporting systems.

In addition, failure to communicate required federal award information to the subrecipient increases the risk that the subrecipient would be unaware of applicable federal requirements and unable to properly administer the award in accordance with federal regulations and the terms and conditions of the subaward.

Questioned costs: None

Reference Number	Finding

Context: The City had one subrecipient during the audit period. The following testing was performed related to FFATA reporting:

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
1	1	1	Unable to test due to subaward not being reported	Unable to test due to subaward not being reported
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$1,045,014	$1,045,014	$1,045,014	Unable to test due to subaward not being reported	Unable to test due to subaward not being reported

Additionally, we performed subrecipient monitoring testing over the sole subrecipient and identified the compliance exception described above.

Identification as a repeat finding, if applicable: N/A

Recommendation: We recommend the City submit any outstanding FFATA reporting information and formally notify the subrecipient of the increase in funding, applicable federal requirements, and terms and conditions of the award. We also recommend the City implement procedures to identify and assess compliance requirements when funding sources and award amounts change, including procedures to ensure required reporting, documentation, and subrecipient communications are updated timely and accurately.

Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.

Reference Number	Finding
2025-007	**Reporting – Financial and Performance**

Assistance Listing Number 14.251 – Economic Development Initiative, Community Project Funding, and Miscellaneous Grants
U.S. Department of Housing and Urban Development (HUD)
***Federal Award Identification Number(s):* B-22-CP-CO-0165 and B-23-CP-CO-0280**
Award Year – 2022 and 2023

Criteria or specific requirement: 2 CFR §§200.328 and 200.329 require recipients to submit timely financial and performance reports that are supported by underlying records and accurately reflect financial activity and program accomplishments.

In addition, the grant agreement requires the grantee to submit a combined semiannual performance and financial report in the Disaster Recovery Grant Reporting (DRGR) system. The report must include a narrative describing accomplishments during the reporting period and must be submitted within 30 calendar days after the end of each six-month reporting period.

Condition: During testing, we noted that the semiannual performance reports required to be submitted during calendar year 2025 were not submitted by the required deadlines. The reports, which were due in January 2025 and July 2025, were not submitted until September 2025. As a result, the Grantee did not submit required financial and performance reports within the timeframe prescribed by the grant agreement and 2 CFR §§ 200.328 and 200.329. Additionally, management could not provide evidence of review for one of the reports.

Cause: Management was not aware of the semiannual reporting deadlines established by the grant agreement and did not maintain a process to track reporting due dates. As a result, required reports were not submitted within the prescribed timeframes. In addition, the documentation pertaining to the evidence of reviews and the evidence of report submission was not retained.

Effect: Failure to submit required financial and performance reports timely reduced the ability of the federal awarding agency to monitor grant activities, evaluate program progress, and ensure compliance with award requirements. In addition, because the federal grant system does not permit drawdowns when required reports are overdue, the delayed submissions prevented the City from requesting reimbursement of eligible grant expenditures on a timely basis, which could adversely affect cash flow and delay project activities funded by the grant.

The lack of retained review documentation prevents management from demonstrating that required reviews were performed and increases the risk that errors, omissions, or noncompliance may not be identified and corrected timely.

Questioned Costs: None

Context: We tested 2 of 4 required semiannual reports and found both were submitted late. A non-statistical sampling methodology was used to select the sample.

Identification of a repeat finding, if applicable: N/A

Reference Number	Finding
	Recommendation: We recommend management establish and maintain a formal grant compliance tracking process that identifies all required financial and performance reports, their due dates, and responsible personnel. Management should monitor the tracking schedule throughout the year and implement reminder and review procedures to help ensure all required reports are submitted accurately and timely in accordance with federal requirements and the terms and conditions of the grant award. Additionally, management should retain documentation evidencing the review of reports and supporting records, including the reviewer and date of review, to demonstrate compliance with established review procedures.
	Views of responsible officials and planned corrective actions: Agree. See separate corrective action plan.

City of Aurora, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2025

Reference Number	Summary of Finding	Status
2024-001	**Finding: Financial Statement Presentation – Utility Funds** The Utility fund did not correctly account for the classification of investments and net position, contributed infrastructure and revenues. We recommend management implement the following to address these issues: 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.	Implemented
2024-002	**Finding: Recognition of Liabilities** A liability for $2.7 million was not recorded relating to an intergovernmental agreement to rebate specified taxes in the City Capital Projects Fund. We recommend the City develop policies and procedures to monitor intergovernmental agreements for the terms and conditions that would trigger payment under the agreement.	Implemented