

City of Aurora, Colorado

Single Audit Reports

Year Ended December 31, 2008

City of Aurora, Colorado
Year Ended December 31, 2008

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City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2008

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Office of National Drug Control Policy</u>			
Direct payments:			
Front Range HIDTA	07.000	N/A	\$ 281,939
HIDTA Intelligence 2002	07.000	N/A	199,099
HIDTA FY2005	07.000	N/A	16,360
HIDTA FY2007 MGTF	07.000	N/A	27,093
HIDTA FY2008 MGTF	07.000	N/A	313,993
Passed through from City of Denver HIDTA:			
Front Range Task Force	07.000	none	22,003
Fugitive Location & Apprehension	07.000	none	10,224
Computer Forensics Labs	07.000	none	14,870
Total 07.000			885,581
Total Office of National Drug Control Policy			885,581
<u>Department of Agriculture</u>			
Passed through from the Colorado Department of Public Health and Environment:			
Child and Adult Care Food Program	10.558	CPF-AL5 ACO6-DOA	8,622
Total 10.558			8,622
Total Department of Agriculture			8,622
<u>Department of Commerce</u>			
Direct payments:			
Economic Development Support for Planning Organizations (EDA Job Links)	11.302	N/A	79,725
Total 11.302			79,725
Public Works and Economic Development Cluster			
Investment for Public Works and Economic Development Facilities	11.307	N/A	412,955
Total 11.307 and Public Works and Economic Development Cluster			412,955
Total Department of Commerce			492,680

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2008

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Defense Supply Service - Washington, U.S. Army</u>			
Direct payments:			
Environmental Services Cooperative Agreement - Fitzsimons Landfill	12.000	N/A	9,756
Total 12.000			9,756
Total Defense Supply Service - Washington, U.S. Army			9,756
<u>Department of Housing and Urban Development</u>			
Direct payments:			
Housing Counseling Assistance Program	14.169	N/A	50,180
Total 14.169			50,180
<u>Community Development Block Grant (CDBG) - Entitlement and (HUD Administered) Small Cities</u>			
Community Development Block Grant - 07	14.218	N/A	2,489,570
Total 14.218 and CDBG Entitlement and (HUD Administered) Small Cities			2,489,570
Emergency Shelter Grant Programs	14.231	N/A	41,893
Emergency Shelter Grant Programs	14.231	N/A	29,155
Emergency Shelter Grant Programs	14.231	N/A	42,894
Total 14.231			113,942
HOME Investment Partnership Program - 03	14.239	N/A	40,584
HOME Investment Partnership Program - 04	14.239	N/A	901,588
HOME Investment Partnership Program - 05	14.239	N/A	625,407
HOME Investment Partnership Program - 06	14.239	N/A	595,287
HOME Investment Partnership Program - 07	14.239	N/A	616,139
HOME Investment Partnership Program - 08	14.239	N/A	300,115
Total 14.239			3,079,120
Total Department of Housing and Urban Development			5,732,812

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2008

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Justice</u>			
Direct payments:			
MGTF Support - FBI/DEA (Memorandum of Understanding)	16.000	N/A	70
Total 16.000			70
Passed through from the City of Colorado Springs, Colorado:			
Missing Children Assistance	16.543	N/A	1,956
Total 16.543			1,956
Direct payments:			
Edward Byrne Memorial Formula Grant (Organized Crime Drug Enforcement Task Force)	16.579	N/A	37,656
Edward Byrne Memorial Formula Grant (Organized Crime Drug Enforcement Task Force)	16.579	N/A	13,443
Edward Byrne Memorial Formula Grant (Fugitive Task Force)	16.579	N/A	49,723
Edward Byrne Memorial Formula Grant (Denver Innocent Images Task Force)	16.579	N/A	3,842
Total 16.579			104,664
Community Capacity Development Office (Weed & Seed 2006)	16.595	N/A	185,888
Total 16.595			185,888
Passed through from the Colorado Department of Justice:			
Community Prosecution and Project Safe Neighborhoods (FY 2007 Project Safe Neighborhood and Anti-Gang Initiative)	16.609	27-CP-4-8-1	11,150
Total 16.609			11,150
Direct payments:			
Public Safety Partnership and Community Policing Grants (COPS Technology Initiative)	16.710	N/A	39,484
Public Safety Partnership and Community Policing Grants (COPS Methamphetamine Initiative)	16.710	N/A	274,371
Total 16.710			313,855

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2008

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Justice (Continued)</u>			
Direct payments:			
Edward Byrne Memorial Justice Assistance Grant Program (06/07)	16.738	N/A	4,637
Edward Byrne Memorial Justice Assistance Grant (Metro Area Adams JAG Grant)	16.738	N/A	1,401
Edward Byrne Memorial Justice Assistance Grant Program (07/08)	16.738	N/A	2,658
Edward Byrne Memorial Justice Assistance Grant Program (FY 2007)	16.738	N/A	186,821
Edward Byrne Memorial Justice Assistance Grant (07 Targeting Violent Crime Initiative)	16.738	N/A	46,614
Passed through from the Colorado Department of Justice:			
Edward Byrne Memorial Justice Assistance Grant Program (Metro Gang Task Force 07/08)	16.738	25DJ-01-24-16	62,645
Total 16.738			<u>304,776</u>
Anti-Gang Initiative (Metro Gang Task Force 2007)	16.744	26-AG-1-500-1	70,395
Total 16.744			<u>70,395</u>
Total Department of Justice			<u>992,754</u>
<u>Department of Transportation</u>			
Highway Planning and Construction Cluster			
Passed through from the Colorado Department of Transportation:			
Highway Planning and Construction (Havana/Parker Acceleration Lane)	20.205	SHE 0831-101	84,186
Highway Planning and Construction (DRCOGS Miscellaneous Equipment Grant)	20.205	EX08005	34,926
Highway Planning and Construction (DRCOGS Transportation Signal System Improvement Program)	20.205	M055-020	417,852
Highway Planning and Construction (DRCOGS Intelligent Transportation System Grant)	20.205	M055-021	66,170
Total 20.205 and Highway Planning and Construction Cluster			<u>603,134</u>

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2008

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Transportation (Continued)</u>			
Federal Transit Cluster			
Passed through from the Regional Transportation District:			
Federal Transit Formula Grant (Nine Mile LRT Station Study)	20.507	CO-95-X-001	7,764
Federal Transit Formula Grant (Peoria/Smith LRT Station Study)	20.507	CO-95-X-001	141,778
Federal Transit Formula Grant (4th/Nine Mile LRT Station Study)	20.507	CO-95-X-007	78,666
Federal Transit Formula Grant (Nine Mile LRT Station Study)	20.507	CO-95-X-007	80,000
Federal Transit Formula Grant (Colfax Fitzsimons South Station)	20.507	CO-95-X-001	78,666
Total 20.507 and Federal Transit Cluster			386,874
Highway Safety Cluster			
Passed through from the Colorado Department of Transportation:			
State and Community Highway Safety Cluster (Twist Campaign)	20.600	NC-18	18,854
Total 20.600 and Highway Safety Cluster			18,854
Total Department of Transportation			1,008,862
<u>Department of Treasury</u>			
Direct payments:			
Alcohol, Tobacco, and Firearms Memo of Understanding	21.000	N/A	33,452
Passed through from the Colorado Housing Finance Authority:			
Neighborhood Reinvestment Corporation (DBA NeighborWorks America)	21.000	PL 110-161:95X1350	20,899
Total 21.000			54,351
Total Department of Treasury			54,351

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2008

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>National Endowment for the Arts</u>			
Direct payments:			
Promotion of the Arts (Big Read Grant)	45.024	N/A	6,499
Total 45.024			6,499
Promotion of the Humanities (John Adams Unbound)	45.164	N/A	1,213
Total 45.164			1,213
Total National Endowment for the Arts			7,712
<u>Environmental Protection Agency</u>			
Passed through from the Colorado Department of Public Health and Environment:			
Nonpoint Source Implementation Grant	66.460	N/A	1,584
Total 66.460			1,584
Total Environmental Protection Agency			1,584
<u>Federal Emergency Management Agency (FEMA)</u>			
Direct payments:			
Metropolitan Medical Response System (MMRS)	83.FAR 52.232.25	N/A	49,057
Total 83.FAR 52.232.25			49,057
Total Federal Emergency Management Agency			49,057
<u>Department of Homeland Security</u>			
Passed through from Arapahoe County:			
Emergency Exercise	97.000	Unknown	6,599
Total 97.000			6,599

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2008

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>Department of Homeland Security (Continued)</u>			
Passed through from the Colorado Department of Local Affairs:			
Emergency Management Performance Grants (07 CO LEMS grant)	97.042	7EM07L82	22,849
Emergency Management Performance Grants (07 CO LEMS supplemental grant)	94.042	8EM7S82	400
Emergency Management Performance Grants (08 CO LEMS grant)	97.042	9EM08L82	36,871
Total 97.042			60,120
Direct payments:			
Assistance to Firefighters Grant (2006 Grant)	97.044	N/A	19,527
Assistance to Firefighters Grant (2007 Grant)	97.044	N/A	44,307
Total 97.044			63,834
Homeland Security Cluster			
Passed through from the Colorado Department of Local Affairs:			
Homeland Security Grant Program (MMRS 06)	97.067	7EM776182	83,468
Homeland Security Grant Program (MMRS 07)	97.067	EM877182	191,578
Total 97.067 and Homeland Security Cluster			275,046
Passed through from the Colorado Department of Public Safety - Department of Local Affairs:			
Metropolitan Medical Response System (MMRS 2005 Grant)	97.071	5EM75128	9,991
Total 97.071			9,991
Total Homeland Security			415,590
Total Federal Awards			\$ 9,659,361

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, 2008

Notes to Schedule

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the primary government of the City of Aurora, Colorado (the City). The City's reporting entity is defined in note 1 in the City's basic financial statements for the year ended December 31, 2008.

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

(2) Basis of Accounting

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

(3) Federal CFDA Number

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

(4) Pass-through Grantor's Number

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

(5) Revolving Loan Funds – Not Subject to Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the Community Development Block Grant Program, the HOME Investment Partnership Program and the Brownfields Grant Program. The outstanding balances of these loan funds at December 31, 2008 were \$3,450,636 for the Community Development Block Grant Program, \$10,677,261 for the HOME Investment Partnership Program, and \$471,495 for the OAR 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 accompanying schedule of expenditures of federal awards.

City of Aurora, Colorado
Notes to Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2008

(6) Revolving Loan Funds – Subject to Further Compliance

The City has certain revolving loan funds, which were originally financed from the Department of Commerce, Economic Development Administration through the City's Gifts and Grants Fund. The outstanding balances at December 31, 2008 were \$319,549 in loans outstanding and \$91,343 in funds available to lend. The 2008 expenditures for administrative costs were \$2,063. The balance of the City's match from the Community Development Block Grant for the Revolving Loan Fund at December 31, 2008 is \$350,000.

(7) Payments to Subrecipients

Of the federal expenditures presented in the schedule of expenditures of federal awards, the City provided no federal awards to subrecipients.



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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Aurora, Colorado (the City) as of and for the year ended December 31, 2008, which collectively comprise its basic financial statements and have issued our report thereon dated June 4, 2009, which contained references to the reports of other accountants. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other accountants audited the financial statements of the General Employee's Retirement Plan (GERP), Fitzsimons Redevelopment Authority (FRA), Aurora Housing Authority (AHA) and Havana Business Improvement District (BID) as described in our report on the City's financial statements. This report does not include the results of the other accountants' testing of internal control over financial reporting or compliance and other matters that are reported separately by those accountants for GERP and AHA. The financial statements of FRA and BID, component units included in the financial statements of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that

there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City's management in a separate letter dated June 4, 2009.

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

BKD, LLP

June 4, 2009



Independent Accountants' Report on Compliance and Internal Control Over Compliance with Requirements Applicable to Major Federal Awards Programs and Schedule of Expenditures of Federal Awards

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

Compliance

We have audited the compliance of the City of Aurora, Colorado (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the compliance of the City based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on

compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2008, and have issued our report thereon dated June 4, 2009, which contained references to the reports of other accountants. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

BKD, LLP

June 4, 2009

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2008

Summary of Auditor's Results

1. The opinion(s) expressed in the independent accountants' report was (were):
 Unqualified Qualified Adverse Disclaimed

2. The independent accountants' report on internal control over financial reporting described:
Significant deficiency(ies) noted considered material weakness(es)? Yes No
Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

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

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:
Significant deficiency(ies) noted considered material weakness(es)? Yes No
Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

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

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

City of Aurora, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2008

7. The City's major programs were:

Cluster/Program	CFDA Number
HOME Investment Partnership Program	14.239
Public Safety Partnership and Community Policing Grants	16.710
Federal Transit Cluster	20.507

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$300,000.

9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133? Yes No

City of Aurora, Colorado
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2008

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
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No matters are reportable

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
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No matters are reportable

City of Aurora, Colorado
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2008

Reference Number	Summary of Finding	Status
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No matters are reportable