

City of Aurora, Colorado

Single Audit Report

Year Ended December 31, 2020

City of Aurora, Colorado
December 31, 2020

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City of Aurora, Colorado
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
<u>Department of Agriculture</u>				
Child Nutrition Cluster				
Passed through from the Colorado Department of Education:				
COVID 19 National School Lunch Program	10.555	4555	\$ 16,158	\$ -
Summer Food Service Program for Children	10.559	4559	15,032	-
Total Child Nutrition Cluster			<u>31,190</u>	<u>-</u>
Passed through from the Colorado Department of Public Health and Environment:				
Child and Adult Care Food Program	10.558	11 FLA 13568	137	-
Total 10.558			<u>137</u>	<u>-</u>
Total Department of Agriculture			<u>31,327</u>	<u>-</u>
<u>Department of Commerce</u>				
Direct payments:				
Economic Development Cluster				
Economic Adjustment Assistance	11.307	N/A	174,724	-
Total Economic Development Cluster			<u>174,724</u>	<u>-</u>
Total Department of Commerce			<u>174,724</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	HC190841001	21,374	-
Housing Counseling Assistance Program	14.169	HC200841001	12,107	-
Total 14.169			<u>33,481</u>	<u>-</u>
Direct payments:				
CDBG - Entitlement Grant Cluster				
Community Development Block Grants/ Entitlement Grants	14.218	N/A	2,513,671	576,308
COVID 19 Community Development Block Grants/ Entitlement Grants	14.218	NA	163,344	-
Total CDBG - Entitlement Grant Cluster			<u>2,677,015</u>	<u>576,308</u>
Emergency Solutions Grant Program	14.231	N/A	104,384	89,007
COVID 19 Emergency Solutions Grant Program	14.231	NA	318,987	216,603
Total 14.231			<u>423,371</u>	<u>305,610</u>
Home Investment Partnerships Program	14.239	N/A	212,370	82,517
Total 14.239			<u>212,370</u>	<u>82,517</u>
Total Department of Housing and Urban			<u>3,346,237</u>	<u>964,435</u>

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
Department of Justice				
Direct payments:				
Coronavirus Emergency Supplemental Funding	16.034	NA	200,021	-
Passed through from the Colorado Division of Criminal Justice:				
Coronavirus Emergency Supplemental Funding	16.034	2020-VD-20-18-3	56,045	-
Coronavirus Emergency Supplemental Funding	16.034	2020-VD-20-18-4	5,636	-
Total 16.034			<u>261,702</u>	<u>-</u>
Passed through from the City of Colorado Springs, Colorado:				
Missing Children's Assistance	16.543	2018-MC-FX-K027	18,366	-
Total 16.543			<u>18,366</u>	<u>-</u>
Passed through from the Colorado Division of Criminal Justice:				
Project Safe Neighborhoods (FY2018)	16.609	2018-GP-19-1001	58,018	-
Total 16.609			<u>58,018</u>	<u>-</u>
Direct payments:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	197,747	16,642
Passed through from the Colorado Division of Criminal Justice:				
Edward Byrne Memorial Justice Assistance Grant Program (Emergency Funds MGTf)	16.738	2017-DJ-18-01-20-1	3,223	-
Total 16.738			<u>200,970</u>	<u>16,642</u>
Direct payments:				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	48,604	43,867
Total 16.745			<u>48,604</u>	<u>43,867</u>
Body-Worn Camera Policy and Implementation	16.835	N/A	19,900	-
Total 16.835			<u>19,900</u>	<u>-</u>
Equitable Sharing Program (Seizures-Federal)	16.922	N/A	144,052	-
Equitable Sharing Program (MGTf Seizures-Federal)	16.922	N/A	32,488	-
Total 16.922			<u>176,540</u>	<u>-</u>
Total Department of Justice			<u>784,100</u>	<u>60,509</u>

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Amount Paid to Subrecipients
Department of Transportation				
Highway Planning and Construction Cluster				
Passed through from the Colorado Department of Transportation:				
Highway Planning and Construction (Signal System Upgrade)	20.205	M055-048	283,440	-
Highway Planning and Construction (HSIP Grant 19/20)	20.205	M055-055	182,271	-
Highway Planning and Construction (Traffic Signal Bike Detection System)	20.205	M055-049	228,821	-
Highway Planning and Construction (Tollgate Extension IGA G21199 TIP Grant)	20.205	M055-043	667,719	-
Highway Planning and Construction (CCTV Expansion Grant)	20.205	M055-050	114,386	-
Passed through from the Regional Air Quality Council:				
Highway Planning and Construction (Charge Ahead Colorado)	20.205	1287	36,000	-
Total Highway Planning and Construction			1,512,637	-
Highway Safety Cluster				
Passed through from the Colorado Department of Transportation:				
State and Community Highway Safety (2020 Distracted Drivers)	20.600	411021242	43,806	-
State and Community Highway Safety (2020 CDOT Pedestrians Education and Safety Campaign)	20.600	411021251	45,649	-
State and Community Highway Safety (2020 CDOT Speed Enforcement)	20.600	411021294	44,938	-
State and Community Highway Safety (2021 Distracted Drivers)	20.600	411024871	10,769	-
State and Community Highway Safety (2021 CDOT Speed Enforcement)	20.600	411024293	7,159	-
National Priority Safety Program (2020 DUI Enforcement)	20.616	431005438	55,859	-
National Priority Safety Program (2020 Seatbelt Enforcement)	20.616	411021353	65,183	-
National Priority Safety Program (2021 DUI Enforcement)	20.616	431006557	16,248	-
National Priority Safety Program (2021 CDOT Pedestrians Education and Safety Campaign)	20.616	411024905	20,287	-
National Priority Safety Program (2021 Seatbelt Enforcement)	20.616	411024940	10,245	-
Total Highway Safety Cluster			320,143	-

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2020

<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>Amount Paid to Subrecipients</u>
Passed through from the Colorado Public Utilities Commission:				
E-911 Grant Program	20.615	CTGG1 SGGA 2020 2494	123,213	-
Total 20.615			123,213	-
Direct payments:				
Technical Assistance Grants	20.710	NA	54,437	-
Total 21.710			54,437	-
Total Department of Transportation			2,010,430	-
<u>Department of Treasury</u>				
Passed through from Adams County:				
Coronavirus Relief Fund	21.019	070220	3,757,210	-
Passed through from Arapahoe County:				
Coronavirus Relief Fund	21.019	200617	30,125,545	428,170
Total 21.019			33,882,755	428,170
Total Department of Treasury			33,882,755	428,170
<u>Small Business Administration</u>				
Passed through from the Colorado Office of Economic Development and International Trade:				
Small Business Development Centers (Host)	59.037	CTGGI EDDA 2020-2573	155,000	-
COVID 19 Small Business Development Centers (Host)	59.037	SBAHQ20C0014	100,570	-
Total 59.037			255,570	-
Total Small Business Administration			255,570	-
<u>Office of National Drug Control Policy</u>				
Passed through from Rocky Mountain High Intensity Drug Trafficking Area:				
High Intensity Drug Trafficking Areas Program	95.001	G19RM0002A	66,365	-
High Intensity Drug Trafficking Areas Program	95.001	G20RM0002A	551,540	-
Total 95.001			617,905	-
Total Office of National Drug Control Policy			617,905	-

City of Aurora, Colorado
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2020

<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>Amount Paid to Subrecipients</u>
<u>Department of Homeland Security</u>				
Passed through from the West Metro Fire Protection District:				
National Urban Search and Rescue Response System	97.025	80927,81110,81565	32,405	-
Total 97.025			32,405	-
Passed through from the Colorado Department of Public Safety Division of Homeland Security and Emergency Management:				
Emergency Management Performance Grants (20 CO LEMS grant)	97.042	20EM-21-60	92,000	-
Total 97.042			92,000	-
Direct payments:				
Assistance to Firefighters Grant: AFG	97.044	NA	211,937	-
Total 97.044			211,937	-
Federal Emergency Management Agency (Staffing for Adequate Fire and Emergency Response) (SAFER)	97.083	N/A	1,238,010	-
Total 97.083			1,238,010	-
Total Department of Homeland Security			1,574,352	-
Total Federal Awards			\$ 42,677,400	\$ 1,453,114

City of Aurora, Colorado
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) 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, 2020.

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 financial 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.

(2) 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, 2020. Governmental fund and proprietary funds account for the City's federal grant activity. Expenditures reported on the Schedule are recognized on either the accrual basis of accounting or the modified accrual basis of accounting, depending on the basis of accounting used by the respective fund for which the activity is reported. Such expenditures are recognized following, as applicable, the cost principles in OMB A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, the cost principles contained in the Uniform Guidance, or other applicable regulatory 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. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) 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.

City of Aurora, Colorado
Notes to Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2020

(4) 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, 2020 were \$4,047,506 for the Community Development Block Grant Program, \$12,777,621 for the HOME Investment Partnership Program, and \$999,955 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 Schedule. New loans made during the year under these programs are included in the Schedule.

(5) Revolving Loan Funds – Subject to Further Compliance

The City has certain revolving loan funds reported under CFDA 11.307, which were originally financed from the Department of Commerce, Economic Development Administration through the City's Gifts and Grants Fund. There were no loans outstanding as of December 31, 2020 and \$174,724 in funds available to lend. There were no administrative costs for 2020. There are no City match requirements.

**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, 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, 2020, 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 1, 2021, which contained an emphasis of matter paragraph regarding changes in accounting principles and a reference to the reports of other auditors. 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, 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 Havana Business Improvement District, the Parkside City Centre Business Improvement District, or the Citadel on Colfax Business Improvement District.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

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

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

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.

BKD, LLP

Denver, Colorado
June 1, 2021

**Report on Compliance for the 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 the Major Federal Program

We have audited the City of Aurora's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 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). Those standards and the Uniform Guidance 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

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

Opinion on the Major Federal Program

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 its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 1, 2021 which contained unmodified opinions on those financial statements, an emphasis of matter paragraph regarding changes in accounting principles and referenced 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.

BKD, LLP

Denver, Colorado
June 1, 2021

City of Aurora, Colorado
Schedule of Findings and Questioned Costs
Year Ended December 31, 2020

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
 Unmodified Qualified Adverse Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

5. The opinion expressed in the independent auditor's report on compliance for the major federal award program was:
 Unmodified Qualified Adverse Disclaimer

6. The audit disclosed findings that are required to be reported by 2 CFR 200.516(a)?
 Yes No

7. The City's major federal program was:

Name of Federal Program or Cluster	CFDA Number
Coronavirus Relief Fund	21.019

8. The threshold used to distinguish between Type A and Type B programs was \$1,280,322.

9. The City qualified as a low-risk auditee?
 Yes No

City of Aurora, Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2020

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2020-001	<p>Finding: Capital Assets – Recording of Disposals</p> <p>Criteria or Specific Requirement: Management is responsible for establishing and maintaining effective internal controls 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 should have controls in place to ensure the City’s disposals of capital assets are recorded in the proper period. Governmental Accounting Standards Board (GASB) codification section 1400.104 requires fixed assets to be depreciated over their estimated useful lives. The codification implies any asset that is property of the City should be maintained on its books and depreciated unless disposed, sold, or impaired.</p> <p>Condition: Capital assets of the City were incorrectly recorded as a disposal. Those capital assets were still under the ownership of the City with an outstanding net book value balance to depreciate.</p> <p>Effect: The cost basis value of the assets incorrectly disposed was approximately \$13 million with a remaining outstanding net book value of approximately \$10 million. This reflected in an understatement of capital assets, accumulated depreciation, and an overstatement in loss from disposal of assets for approximately \$10 million in the wastewater fund. The City, upon investigation, identified another \$230 thousand of assets with a net book value of \$115 thousand improperly disposed in the water fund.</p> <p>Cause: During the Citywide inventory process, large-dollar assets were overlooked and assumed as disposed of even though they were still in use as the individuals performing the inventory did not have proper training and did not perform the proper research to confirm the assets existence.</p> <p>Recommendation: We recommend the City provide training to those individuals involved in the inventory process and institute a verification over disposals that requires requests for disposals to be approved by the respective department and/or relevant project manager. Additionally, we recommend a general review over the listing of disposals to identify unusual and/or unexpected activity during the fiscal year.</p> <p>Views of Responsible Officials: The City agrees with the finding. See separate report for planned corrective actions.</p>

City of Aurora, Colorado
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2020

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding
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No matters are reportable.

City of Aurora, Colorado
Status of Prior Audit Findings
Year Ended December 31, 2020

Reference Number	Summary of Finding	Status
2019-001	Information Technology – Access and Operations – The City should develop, publish, and operationalize a complete set of IT policies to strengthen its internal control over logical and physical access. The City should also ensure that appropriate management oversight is in place to enforce consistent application of the account management policy to mitigate specific information security problems noted in the confidential finding. Further, the City should develop a formal plan for ensuring ongoing computer operations to mitigate specific problems noted in the confidential finding.	Implemented