

City of Colorado Springs

Single Audit Reports

December 31, 2023

City of Colorado Springs
December 31, 2023

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City of Colorado Springs

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

Direct Grant/Program Title	Direct/Pass-Through	Direct Agency/Pass-through Entity	Assistance Listing Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Subrecipient Amount
U.S. DEPARTMENT OF DEFENSE					\$	-
Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation	Direct	U.S. Department of Defense	12.003	MIR1341-21-02	398,467	-
Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation	Pass-Through	Pikes Peak Area Council of Governments	12.003	Not provided	210,195	-
<i>Community Economic Adjustment Assistance for Responding to Threats to the Resilience of a Military Installation Total</i>					608,662	-
Total U.S. Department of Defense					608,662	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-19-MC-08-0004	21,012	16,987
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-19-MC-08-0004	32,577	-
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-20-MC-08-0004	16,272	-
COVID-19 - Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-20-MW-08-0004	252,740	179,746
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-21-MC-08-0004	354,889	177,130
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-22-MC-08-0004	1,266,317	1,012,097
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-23-MC-08-0004	1,525,516	981,287
<i>CDBG - Entitlement Grants Cluster Total</i>					3,489,333	2,367,247
COVID-19 - Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-20-MW-08-0004	92,931	26,399
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-21-MC-08-0004	2,483	-
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-22-MC-08-0004	136,642	56,374
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-23-MC-08-0004	91,588	71,914
<i>Emergency Solutions Grant Program Total</i>					323,644	154,687
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-17-MC-08-0203	64,400	-
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-18-MC-08-0203	63,880	-
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-19-MC-08-0203	141,201	-
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M20-MC-08-0203	1,032,457	159,565
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-21-MC-08-0203	483,244	-
COVID-19 - Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-21-MP-080203	232,743	65,015
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M22-MC-08-0203	421,420	218,771
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M23-MC-080203	42,164	-
<i>Home Investment Partnerships Program Total</i>					2,481,509	443,351
Total U.S. Department of Housing and Urban Development					6,274,486	2,965,285

City of Colorado Springs

Schedule of Expenditures of Federal Awards (continued)

Year Ended December 31, 2023

Direct Grant/Program Title	Direct/Pass-Through	Direct Agency/Pass-through Entity	Assistance Listing Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Subrecipient Amount
U.S. DEPARTMENT OF INTERIOR						
Outdoor Recreation Acquisition, Development and Planning	Pass-Through	Colorado Department of Natural Resources	15.916	CMS 180589 and 183189	1,250,000	-
Outdoor Recreation Acquisition, Development and Planning	Pass-Through	Colorado Parks & Wildlife	15.916	168803	180,917	-
<i>Outdoor Recreation Acquisition, Development and Planning Total</i>					<u>1,430,917</u>	<u>-</u>
Total U.S. Department of Interior					<u>1,430,917</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE						
Missing Children's Assistance	Direct	U.S. Department of Justice	16.543	15P-JDP-21-GK-08813-MECP	634,301	61,176
<i>Missing Children's Assistance Total</i>					<u>634,301</u>	<u>61,176</u>
Crime Victim Assistance	Pass-Through	Colorado Department of Public Safety	16.575	2022-VA-23-133-04	310,490	-
<i>Crime Victim Assistance Total</i>					<u>310,490</u>	<u>-</u>
Violence Against Women Formula Grants	Pass-Through	Colorado Department of Public Safety	16.588	2022-VW-23-165-04	73,073	-
<i>Violence Against Women Formula Grants Total</i>					<u>73,073</u>	<u>-</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	Direct	U.S. Department of Justice	16.590	2017-WE-AX-0031	241,832	192,678
<i>Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program Total</i>					<u>241,832</u>	<u>192,678</u>
Project Safe Neighborhoods	Pass-Through	Colorado Department of Public Safety	16.609	2021-GP-22-02	125,545	-
Project Safe Neighborhoods	Pass-Through	Colorado Department of Public Safety	16.609	2022-GP-23-05	13,313	-
<i>Project Safe Neighborhoods Total</i>					<u>138,858</u>	<u>-</u>
Public Safety Partnership and Community Policing Grants	Direct	U.S. Department of Justice	16.710	15JCOPS-21-GG-02175-SLEM	17,052	-
Public Safety Partnership and Community Policing Grants	Direct	U.S. Department of Justice	16.710	15JCOPS-21-GG-02478-SPPS	114,701	-
<i>Public Safety Partnership and Community Policing Grants Total</i>					<u>131,753</u>	<u>-</u>
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2020-DJ-BX-0304	4,035	4,019
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	15PBJA-21-GG-01272-JAGX	57,533	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	15PBJA-22-GG-02206-JAGX	215,988	50,275
<i>Edward Byrne Memorial Justice Assistance Grant Program Total</i>					<u>277,556</u>	<u>54,294</u>
DNA Backlog Reduction Program	Direct	U.S. Department of Justice	16.741	15PBJA-21-GG-03104-DNAX	121,973	-
DNA Backlog Reduction Program	Direct	U.S. Department of Justice	16.741	15BPJA-22-GG-01733-DNAX	86,923	-
<i>DNA Backlog Reduction Program Total</i>					<u>208,896</u>	<u>-</u>
Paul Coverdell Forensic Sciences Improvement Grant Program	Pass-Through	Colorado Department of Public Safety	16.742	2021-DN-22-2	47,493	-
Paul Coverdell Forensic Sciences Improvement Grant Program	Pass-Through	Colorado Department of Public Safety	16.742	2022-DN-23-2	70,100	-
<i>Paul Coverdell Forensic Sciences Improvement Grant Program Total</i>					<u>117,593</u>	<u>-</u>
Body Worn Camera Policy and Implementation	Direct	U.S. Department of Justice	16.835	15PBJA-21-GG-04385-BWCX	291,073	-
<i>Body Worn Camera Policy and Implementation Total</i>					<u>291,073</u>	<u>-</u>
Equitable Sharing Program	Direct	U.S. Department of Justice	16.922	Not Provided	268,095	-
<i>Equitable Sharing Program Total</i>					<u>268,095</u>	<u>-</u>
Total U.S. Department of Justice					<u>2,693,520</u>	<u>308,148</u>

City of Colorado Springs

Schedule of Expenditures of Federal Awards (continued)

Year Ended December 31, 2023

Direct Grant/Program Title	Direct/Pass-Through	Direct Agency/Pass-through Entity	Assistance Listing Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Subrecipient Amount
U.S. DEPARTMENT OF TRANSPORTATION						
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-066-2020	14,869	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-076-2022	59,367	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-071-2021	11,834	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-077-2022	133,768	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-079-2023	12,810,548	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-080-2023	1,908,000	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-078-2023	2,304,520	-
Airport Improvement Program <i>Total</i>					<u>17,242,926</u>	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	TAP M240-149 (19811)	630,380	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	STU M240-154 (19809)	2,782	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	STU M240-165 (21635)	3,105,668	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	TRG M240-174 (23056)	422,625	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	TRG M240-175 (23057)	11,590	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	TRG M240-176 (23058)	16,611	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	22-HA2-XC-00042	167,407	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	SHO M240-207 (25070)	139,282	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	AQC M240-155 (19946)	197,847	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	TAP M240-197 (24076)	168,000	-
Highway Planning and Construction (Federal-Aid Highway Program)	Pass-Through	Colorado Department of Transportation	20.205	STM M240-170 (22178)	1,178,533	-
Highway Planning and Construction Program <i>Total</i>					<u>6,040,725</u>	-
Consolidated Rail Infrastructure and Safety Improvements	Direct	U.S. Department of Transportation	20.325	69A36523403930CRSCO	767,051	-
Consolidated Rail Infrastructure and Safety Improvements <i>Total</i>					<u>767,051</u>	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Direct	Colorado Department of Transportation	20.505	PO #491002935	40,000	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Direct	Colorado Department of Transportation	20.505	PO #491003239	14,996	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research <i>Total</i>					<u>54,996</u>	-
Federal Transit—Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-010-00	83,135	-
Federal Transit—Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-010-00	45,290	-
Federal Transit—Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2022-0260-00	360,107	-
Federal Transit—Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2021-024-00	1,286,990	-
Federal Transit—Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2022-009-00	194,922	-
COVID-19 - Federal Transit—Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2022-027-00	1,864,000	-
Federal Transit Cluster <i>Total</i>					<u>3,834,444</u>	-
Public Transportation Research, Technical Assistance, and Training	Direct	U.S. Department of Transportation	20.514	CO-2021-019-00	127,734	-
Public Transportation Research, Technical Assistance, and Training <i>Total</i>					<u>127,734</u>	-
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	22-HTS-ZL-00390-M0001/491002702	54,430	-
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	24-HTS-ZL-00212/491003277	15,388	-
National Priority Safety Programs	Pass-Through	Colorado Department of Transportation	20.616	PO # 411034750	14,900	-
Highway Safety Cluster <i>Total</i>					<u>84,718</u>	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Pass-Through	Colorado Department of Transportation	20.608	22-HTS-ZL-00389-M0001/491002701	49,158	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Pass-Through	Colorado Department of Transportation	20.608	24-HTS-ZL-00224/491003289	9,407	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated <i>Total</i>					<u>58,565</u>	-
Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program	Pass-Through	Colorado Department of Transportation	20.941	69A3652341025 SMARTFY22N1P1G13	37,504	-
Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program <i>Total</i>					<u>37,504</u>	-
Total U.S. Department of Transportation					<u>28,248,663</u>	-

City of Colorado Springs

Schedule of Expenditures of Federal Awards (continued)

Year Ended December 31, 2023

Direct Grant/Program Title	Direct/Pass-Through	Direct Agency/Pass-through Entity	Assistance Listing Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Subrecipient Amount
U.S. DEPARTMENT OF THE TREASURY						
COVID-19 - Emergency Rental Assistance Program	Direct	U.S. Department of the Treasury	21.023	Not provided	3,530,985	3,492,974
<i>Emergency Rental Assistance Program Total</i>					<u>3,530,985</u>	<u>3,492,974</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Direct	U.S. Department of the Treasury	21.027	SLFRP0270	14,920,506	102,927
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Pass-Through	4th Judicial District Attorney	21.027	04-23-05	230,367	-
<i>Coronavirus State and Local Fiscal Recovery Funds Total</i>					<u>15,150,873</u>	<u>102,927</u>
Total U.S. Department of the Treasury					<u>18,681,858</u>	<u>3,595,901</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES						
Promotion of the Arts Grants to Organizations and Individuals	Direct	National Endowment for the Arts	45.024	1865844-62-21	3,960	-
<i>Promotion of the Arts Grants to Organizations and Individuals Total</i>					<u>3,960</u>	<u>-</u>
Total National Endowment for the Humanities					<u>3,960</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Brownfields Assessment and Cleanup Cooperative Agreements	Direct	U.S. Environmental Protection Agency	66.818	96896301	45,138	-
<i>Brownfields Assessment and Cleanup Cooperative Agreements Total</i>					<u>45,138</u>	<u>-</u>
Total U.S. Environmental Protection Agency					<u>45,138</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Activities to Support State, Tribal, Local and Territorial Health	Pass-Through	El Paso County Public Health	93.391	None provided	200,467	-
Department Response to Public Health or Healthcare Crises	Pass-Through	Colorado Department of Public Health and Environment	93.575		483,511	-
<i>Department Response to Public Health or Healthcare Crises Total</i>					<u>200,467</u>	<u>-</u>
Child Care and Development Block Grant	Pass-Through	Colorado Department of Public Health and Environment	93.889		256,700	59,734
<i>CCDF Cluster Total</i>				2024*0147 Amendment #5	<u>256,700</u>	<u>59,734</u>
National Bioterrorism Hospital Preparedness Program	Pass-Through	Colorado Department of Public Health and Environment	93.889		950,678	59,734
<i>National Bioterrorism Hospital Preparedness Program Total</i>					<u>950,678</u>	<u>59,734</u>
Total U.S. Department of Health and Human Services					<u>2,001,853</u>	<u>119,468</u>
EXECUTIVE OFFICE OF THE PRESIDENT						
High Intensity Drug Trafficking Areas Program	Direct	Office of National Drug Control Policy	95.001	G23RM0049A	287,277	132,483
High Intensity Drug Trafficking Areas Program	Direct	Office of National Drug Control Policy	95.001	G23RM0049A	188,597	75,588
<i>High Intensity Drug Trafficking Areas Program Total</i>					<u>475,874</u>	<u>208,071</u>
Total Executive Office of the President					<u>475,874</u>	<u>208,071</u>

City of Colorado Springs

Schedule of Expenditures of Federal Awards (continued)

Year Ended December 31, 2023

Direct Grant/Program Title	Direct/Pass-Through	Direct Agency/Pass-through Entity	Assistance Listing Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Subrecipient Amount
U.S. DEPARTMENT OF HOMELAND SECURITY						
<i>Assistance to Firefighters Grant</i>						
<i>Assistance to Firefighters Grants Total</i>						
BRIC: Building Resilient Infrastructure and Communities	Direct	U.S. Department of Homeland Security	97.044	EMW-2020-FP-00281	43,734	-
BRIC: Building Resilient Infrastructure and Communities	Pass-Through	Colorado Department of Public Safety	97.047	17PDM19DC	243,346	-
BRIC: Building Resilient Infrastructure and Communities Total	Pass-Through	Colorado Department of Public Safety	97.047	18PDM23CS	706,142	-
					949,488	-
<i>Homeland Security Grant Program</i>						
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	19SHS20SCR	25,003	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	20SHS21SCR	190,095	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	21SHS22SCR	194,235	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	22SHS23SCR	183,428	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	23SHS24SCR	18,887	-
Homeland Security Grant Program Total					611,648	-
Total U.S. Department of Homeland Security					1,604,870	-
Total Direct Expenditures					\$ 61,018,626	\$ 7,137,139

City of Colorado Springs

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Colorado Springs (the City) under programs of the federal government for the year ended December 31, 2023. The City's reporting entity is defined in note I.A in the City's basic financial statements for the year ended December 31, 2023.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The Schedule 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: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The City's summary of significant accounting policies is presented in note I.D to the City's basic financial statements for the year ended December 31, 2023. 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, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

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

Note 4: Revolving Loan Funds

The City has certain revolving loan funds as follows:

14.218 - Community Development Block	
Grants - Entitlement Grants	\$ 12,424,337
14.239 - HOME Investment Partnership Program	18,196,209
	\$ 30,620,546

These loans do not have continuing requirements and have not been included in the accompany Schedule.

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

Independent Auditor's Report

Honorable Mayor and Members
of City Council and City Auditor
City of Colorado Springs
Colorado Springs, 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 Colorado Springs (the City) as of and for the year ended December 31, 2023, 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 7, 2024. Our report contained an "Emphasis of Matter" paragraph for a change in accounting principle. Our report also includes a reference to other auditors who audited the financial statements of the discretely presented component units, except the Colorado Springs Health Foundation, and the Pikes Peak Regional Communications Network (PPRCN) and a reference to other auditors who audited the financial statements of Colorado Springs Utilities, presented as a major enterprise fund, and the financial statements of Public Authority for Colorado Energy (PACE), presented as a blended component unit (major enterprise fund), as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. With the exception of PPRCN, the financial statements of the discretely presented component units, and the financial statements of PACE, presented as a blended component unit 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 discretely presented component units, except PPRCN and PACE, presented as a blended component unit.

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.

Honorable Mayor and Members
of City Council and City Auditor
City of Colorado Springs

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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

Colorado Springs, Colorado
June 7, 2024

**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 and City Auditor
City of Colorado Springs
Colorado Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Colorado Springs' (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, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Honorable Mayor and Members
of City Council and City Auditor
City of Colorado Springs

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Honorable Mayor and Members
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City of Colorado Springs

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We have issued our report thereon dated June 7, 2024, which contained unmodified opinions on those financial statements and included an “Emphasis of Matter” paragraph for a change in accounting principle. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. Other auditors audited the financial statements of the discretely presented component units, except the Colorado Springs Health Foundation and the Pikes Peak Regional Communications Network, and other auditors audited the financial statements of Colorado Springs Utilities, presented as a major enterprise fund and the financial statements of the Public Authority for Colorado Energy, presented as a blended component unit (major enterprise fund). 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

Colorado Springs, Colorado
June 7, 2024

City of Colorado Springs
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

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 awards 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 award program(s):

Unmodified **Qualified** **Adverse** **Disclaimer**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes **No**

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
14.239	Home Investment Partnerships Program
21.023	COVID-19 - Emergency Rental Assistance Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,830,559.

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

City of Colorado Springs
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2023

Section II – Financial Statement Findings

Reference Number	Finding
No matters are reportable	

City of Colorado Springs
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2023

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
No matters are reportable	

City of Colorado Springs
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023

Reference Number	Summary of Finding	Status
No matters are reportable.		