

City of Colorado Springs

Single Audit Reports

Year Ended December 31, 2019

City of Colorado Springs
Year Ended December 31, 2019

Contents

Schedule of Expenditures of Federal Awards.....	1
Notes to Schedule of Expenditures of Federal Awards	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditor’s Report	7
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance – Independent Auditor’s Report	9
Schedule of Findings and Questioned Costs	12
Summary Schedule of Prior Audit Findings.....	16

City of Colorado Springs

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Federal Program Disbursements or Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
<i>CDBG - Entitlement Grants Cluster</i>						
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-16-MC-08-0004	\$ 300,242	\$ 286,176
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-17-MC-08-0004	763,537	537,433
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-18-MC-08-0004	1,205,055	833,222
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-19-MC-08-0004	884,364	562,344
<i>CDBG - Entitlement Grants Cluster Total</i>					<u>3,153,198</u>	<u>2,219,175</u>
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-17-MC-08-0004	78,782	78,782
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-18-MC-08-0004	53,235	53,235
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-19-MC-08-0004	178,582	162,355
<i>Emergency Solutions Grant Program Total</i>					<u>310,599</u>	<u>294,372</u>
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-15-MC-08-0203	27,968	27,968
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-16-MC-08-0203	746,333	746,333
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-17-MC-08-0203	1,598,082	1,525,464
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-18-MC-08-0203	1,245,816	1,214,195
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-19-MC-08-0203	250,097	250,000
<i>Home Investment Partnerships Program Total</i>					<u>3,868,296</u>	<u>3,763,960</u>
Total U.S. Department of Housing and Urban Development					<u>7,332,093</u>	<u>6,277,507</u>
U.S. DEPARTMENT OF JUSTICE						
Missing Children's Assistance	Direct	U.S. Department of Justice	16.543	2018-MC-FX-K027	354,886	160,423
<i>Missing Children's Assistance Total</i>					<u>354,886</u>	<u>160,423</u>
Crime Victim Assistance	Pass-Through	Colorado Department of Public Safety	16.575	2018-VA-19-052-04	236,498	-
<i>Crime Victim Assistance Total</i>					<u>236,498</u>	<u>-</u>
Violence Against Women Formula Grants	Pass-Through	Colorado Department of Public Safety	16.588	2018-VW-19-053-04	67,527	-
<i>Violence Against Women Formula Grants Total</i>					<u>67,527</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	226,007	120,395
<i>Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program Total</i>					<u>226,007</u>	<u>120,395</u>
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2017-DJ-BX-0247	47,699	41,457
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2018-DJ-BX-0104	228,548	38,603
Edward Byrne Memorial Justice Assistance Grant Program	Pass-Through	Colorado Department of Public Safety	16.738	2017-DJ-17-01-16-1	31,418	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2019-DJ-BX-0751	76,645	-
<i>Edward Byrne Memorial Justice Assistance Grant Program Total</i>					<u>384,310</u>	<u>80,060</u>
DNA Backlog Reduction Program	Direct	U.S. Department of Justice	16.741	2017-DN-BX-0010	39,193	-
DNA Backlog Reduction Program	Direct	U.S. Department of Justice	16.741	2018-DN-BX-0039	126,126	-
<i>DNA Backlog Reduction Program Total</i>					<u>165,319</u>	<u>-</u>

City of Colorado Springs
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Federal Program Disbursements or Expenditures	Amount Provided to Subrecipients
Paul Coverdell Forensic Sciences Improvement Grant Program	Pass-Through	Colorado Department of Public Safety	16.742	2018-DN-18-3	38,983	-
<i>Paul Coverdell Forensic Sciences Improvement Grant Program Total</i>					<u>38,983</u>	<u>-</u>
Equitable Sharing Program	Direct	U.S. Department of Justice	16.922	Not Provided	415,711	-
<i>Equitable Sharing Program Total</i>					<u>415,711</u>	<u>-</u>
Total U.S. Department of Justice					<u>1,889,241</u>	<u>360,878</u>
U.S. DEPARTMENT OF TRANSPORTATION						
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-060-2017	6,519	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-062-2018	7,103,495	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-064-2018	9,785,498	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-065-2019	1,549,499	-
<i>Airport Improvement Program Total</i>					<u>18,445,011</u>	<u>-</u>
<i>Highway Planning and Construction Cluster</i>						
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	ACQ M240-134 (18525)	842,666	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	SHO M240-145 (19270)	2,846	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	SHO M240-146 (19271)	102,566	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	TAP M240-149 (19811)	17,758	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	STU M240-154 (19809)	511	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	AQC M240-133 (18373)	137,620	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	STU M240-167 (21745)	23,244	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	STU M240-159 (19946)	43,065	-
<i>Highway Planning and Construction Cluster Total</i>					<u>1,170,276</u>	<u>-</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Pass-Through	Colorado Department of Transportation	20.505	PO491001890	40,000	-
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Pass-Through	Colorado Department of Transportation	20.505	PO491001884	40,000	-
<i>Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Total</i>					<u>80,000</u>	<u>-</u>

City of Colorado Springs
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Federal Program Disbursements or Expenditures	Amount Provided to Subrecipients
<i>Federal Transit Cluster</i>						
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-95-X019	47,117	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-95-X023-00	35,105	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-95-X023-00	150,886	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-95-X023-00	1,475	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2018-012-00	167,100	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-010-00	206,700	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-010-00	111,239	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-013-00	6,564,268	-
<i>Federal Transit Cluster Total</i>					<u>7,283,890</u>	<u>-</u>
<i>Transit Services Programs Cluster</i>						
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct	U.S. Department of Transportation	20.513	CO-2017-021	347,794	-
<i>Transit Services Programs Cluster Total</i>					<u>347,794</u>	<u>-</u>
<i>Highway Safety Cluster</i>						
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	PO411017297	48,422	-
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	PO411021241	8,315	-
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	PO411021352	20,125	-
National Priority Safety Programs	Pass-Through	Colorado Department of Transportation	20.616	PO411019705	8,919	-
<i>Highway Safety Cluster Total</i>					<u>85,781</u>	<u>-</u>
Total U.S. Department of Transportation					<u>27,412,752</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Brownfields Assessment and Cleanup Cooperative Agreements	Direct	U.S. Environmental Protection Agency	66.818	96896301	5,630	-
<i>Brownfields Assessment and Cleanup Cooperative Agreements Total</i>					<u>5,630</u>	<u>-</u>
Total U.S. Environmental Protection Agency					<u>5,630</u>	<u>-</u>

City of Colorado Springs

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Federal Program Disbursements or Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Public Health Emergency Preparedness <i>Public Health Emergency Preparedness Total</i>	Pass-Through	Colorado Department of Public Health and Environment	93.069	CT 2020*519	40,476	-
					<u>40,476</u>	<u>-</u>
Total U.S. Department of Health and Human Services					40,476	-
EXECUTIVE OFFICE OF THE PRESIDENT						
High Intensity Drug Trafficking Areas Program	Direct	Office of National Drug Control Policy	95.001	G19RM0049A	249,908	123,196
High Intensity Drug Trafficking Areas Program	Pass-Through	El Paso County Sheriff's Office	95.001	G19RM0034A	6,947	-
High Intensity Drug Trafficking Areas Program	Direct	Office of National Drug Control Policy	95.001	G20RM0049A	231	-
<i>High Intensity Drug Trafficking Areas Program Total</i>					<u>257,086</u>	<u>123,196</u>
Total Executive Office of the President					257,086	123,196
U.S. DEPARTMENT OF HOMELAND SECURITY						
Disaster Grants - Public Assistance (Presidentially Declared Disasters) <i>Disaster Grants - Public Assistance (Presidentially Declared Disasters) Total</i>	Pass-Through	Colorado Department of Public Safety	97.036	FEMA-DR-4229-CO: 15-D4229-003	1,247,209	-
					<u>1,247,209</u>	<u>-</u>
Hazard Mitigation Grant	Pass-Through	Colorado Department of Public Safety	97.039	17-D4229-6R	1,316,265	-
Hazard Mitigation Grant	Pass-Through	Colorado Department of Public Safety	97.039	MG4145077076	3,980,903	-
Hazard Mitigation Grant	Pass-Through	Colorado Department of Public Safety	97.039	MG4145057112	4,815,866	-
Hazard Mitigation Grant	Pass-Through	Colorado Department of Public Safety	97.039	MG4145066076	44,554	-
<i>Hazard Mitigation Grant</i>					<u>10,157,588</u>	<u>-</u>
Emergency Management Performance Grants <i>Emergency Management Performance Grants</i>	Pass-Through	Colorado Department of Public Safety	97.042	19EM-20-63	90,000	-
					<u>90,000</u>	<u>-</u>
Pre-Disaster Mitigation	Pass-Through	Colorado Department of Public Safety	97.047	16PDM18CS	819,059	-
Pre-Disaster Mitigation	Pass-Through	Colorado Department of Public Safety	97.047	17PDM19CS	1,230,848	-
Pre-Disaster Mitigation	Pass-Through	Colorado Department of Public Safety	97.047	17PDM19DC	89,620	-
<i>Pre-Disaster Mitigation Total</i>					<u>2,139,527</u>	<u>-</u>
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	16SHS17SCR	88,961	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	17SHS18SCR	73,444	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	18SHS19SCR	3,489	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	19SHS20SCR	82,493	-
<i>Homeland Security Grant Program Total</i>					<u>248,387</u>	<u>-</u>
Total U.S. Department of Homeland Security					13,882,711	-
Total Federal Expenditures					\$ 50,819,989	\$ 6,761,581

City of Colorado Springs
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

(1) General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the primary government of the City of Colorado Springs (the City) under programs of the federal government for the year ended December 31, 2019. The accompanying notes are an integral part of this Schedule. The City's reporting entity is defined in note I.A in the City's basic financial statements for the year ended December 31, 2019.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. The Schedule 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 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, 2019. Such expenditures are recognized following, as applicable, the cost principles in Circular OMB A-87 or 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. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Colorado Springs
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2019

(3) Revolving Loan Funds

The City has certain revolving loan funds as follows:

14.218 - Community Development Block Grants - Entitlement Grants	\$ 9,878,105
14.239 - HOME Investment Partnership Program	<u>15,498,493</u>
	<u>\$ 25,376,598</u>

These loans do not have continuing compliance requirements and have not been included in the accompanying 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, 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, 2019, 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 8, 2020. Our report 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, and a reference to other auditors who audited the financial statements of Colorado Springs Utilities, presented as an enterprise fund, and the financial statements of Public Authority for Colorado Energy, presented as a blended component unit (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. The financial statements of the discretely presented component units, except the Colorado Springs Health Foundation and the Pikes Peak Regional Communications Network, were not audited in accordance with *Government Auditing Standards*, nor were the financial statements of Public Authority for Colorado Energy, presented as a blended component unit.

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) to determine the 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 may exist that have not been identified.

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 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Colorado Springs, Colorado
June 8, 2020

**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

We have audited the City of Colorado Springs' (the City) compliance with the types of compliance requirements described 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, 2019. 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.

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 each of the City's major federal programs 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

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

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 each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each 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 each of its major federal programs for the year ended December 31, 2019.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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
and City Auditor
City of Colorado Springs

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 8, 2020, which contained unmodified opinions on those financial statements. 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 an enterprise fund, and the financial statements of Public Authority for Colorado Energy, presented as a blended component unit (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 basic 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

Colorado Springs, Colorado
June 8, 2020

City of Colorado Springs
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

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

7. Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants Cluster
14.239	Home Investment Partnerships Program
97.039	Hazard Mitigation Grant
97.047	Pre-Disaster Mitigation

8. The threshold to distinguish between Type A and Type B programs was \$1,524,600.

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

City of Colorado Springs
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

Findings Required to be Reported by *Government Auditing Standards*

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

No matters are reportable.

City of Colorado Springs
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2019

Findings Required to be Reported by Uniform Guidance

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

No matters are reportable.

City of Colorado Springs
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2019

Reference Number	Summary of Finding	Status
2018-001	Classification of Grant Local Matching Funds Recommendation that the City and Airport management modify its interpretation of GASB Statement No. 33 such that they do not reflect unused internal matching funds as unearned revenue on the financial statements.	Implemented