

City of Colorado Springs

Single Audit Reports

Year Ended December 31, 2020

City of Colorado Springs
Year Ended December 31, 2020

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City of Colorado Springs

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Federal Grant/Program Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE						
State & Private Forestry Cooperative Fire Assistance	Direct	U.S. Department of Agriculture	10.698	20-DG-11132543-006	\$ 2,680,000	\$ -
<i>State & Private Forestry Cooperative Fire Assistance Total</i>					<u>2,680,000</u>	<u>-</u>
Total U.S. Department of Agriculture					<u>\$ 2,680,000</u>	<u>\$ -</u>
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-16-MC-08-0004	\$ 305,999	\$ 278,938
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-17-MC-08-0004	262,362	120,353
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-18-MC-08-0004	451,814	367,625
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-19-MC-08-0004	1,419,177	1,035,769
Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-20-MC-08-0004	1,204,447	798,708
COVID-19 - Community Development Block Grants/Entitlement Grants	Direct	U.S. Department of Housing and Urban Development	14.218	B-20-MW-08-0004	406,328	390,342
<i>CDBG - Entitlement Grants Cluster Total</i>					<u>4,050,127</u>	<u>2,991,735</u>
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-18-MC-08-0004	38,167	38,167
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-19-MC-08-0004	82,349	69,162
Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-20-MC-08-0004	82,962	72,529
COVID-19 - Emergency Solutions Grant Program	Direct	U.S. Department of Housing and Urban Development	14.231	E-20-MW-08-0004	826,583	333,808
<i>Emergency Solutions Grant Program Total</i>					<u>1,030,061</u>	<u>513,666</u>
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-16-MC-08-0203	8,505	8,505
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-17-MC-08-0203	166,597	152,397
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-18-MC-08-0203	463,830	350,000
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M-19-MC-08-0203	90,614	29,979
Home Investment Partnerships Program	Direct	U.S. Department of Housing and Urban Development	14.239	M20-MC080203	300,761	300,000
<i>Home Investment Partnerships Program Total</i>					<u>1,030,307</u>	<u>840,881</u>
Total U.S. Department of Housing and Urban Development					<u>\$ 6,110,495</u>	<u>\$ 4,346,282</u>
U.S. DEPARTMENT OF JUSTICE						
COVID-19 - Coronavirus Emergency Supplemental Funding Program	Direct	U.S. Department of Justice	16.034	2020-VD-BX-1340	\$ 364,680	\$ -
<i>Coronavirus Emergency Supplemental Funding Program Total</i>					<u>364,680</u>	<u>-</u>
Missing Children's Assistance	Direct	U.S. Department of Justice	16.543	2018-MC-FX-K027	286,195	93,558
<i>Missing Children's Assistance Total</i>					<u>286,195</u>	<u>93,558</u>
Crime Victim Assistance	Pass-Through	Colorado Department of Public Safety	16.575	2018-VA-19-052-04	258,146	-
<i>Crime Victim Assistance Total</i>					<u>258,146</u>	<u>-</u>
Violence Against Women Formula Grants	Pass-Through	Colorado Department of Public Safety	16.588	2018-VW-19-053-04	75,457	-
<i>Violence Against Women Formula Grants Total</i>					<u>75,457</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	164,458	130,159
<i>Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program Total</i>					<u>164,458</u>	<u>130,159</u>

City of Colorado Springs

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2020

Federal Grant/Program Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Amount Provided to Subrecipients
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2017-DJ-BX-0247	6,221	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2018-DJ-BX-0104	5	-
Edward Byrne Memorial Justice Assistance Grant Program	Pass-Through	Colorado Department of Public Safety	16.738	2017-DJ-17-01-16-1	13,388	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2019-DJ-BX-0751	167,078	35,718
Edward Byrne Memorial Justice Assistance Grant Program	Pass-Through	Colorado Department of Public Safety	16.738	DJ-18-01-10-2	15,947	-
Edward Byrne Memorial Justice Assistance Grant Program	Direct	U.S. Department of Justice	16.738	2020-DJ-BX-0304	139,303	-
<i>Edward Byrne Memorial Justice Assistance Grant Program Total</i>					341,942	35,718
DNA Backlog Reduction Program	Direct	U.S. Department of Justice	16.741	2018-DN-BX-0039	25,379	-
DNA Backlog Reduction Program	Direct	U.S. Department of Justice	16.741	2019-DN-BX-0023	118,780	-
<i>DNA Backlog Reduction Program Total</i>					144,159	-
Paul Coverdell Forensic Sciences Improvement Grant Program	Pass-Through	Colorado Department of Public Safety	16.742	2019-DN-19-3	36,103	-
<i>Paul Coverdell Forensic Sciences Improvement Grant Program Total</i>					36,103	-
Equitable Sharing Program	Direct	U.S. Department of Justice	16.922		291,988	-
<i>Equitable Sharing Program Total</i>					291,988	-
Total U.S. Department of Justice					\$ 1,963,128	\$ 259,435
U.S. DEPARTMENT OF TRANSPORTATION						
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-062-2018	\$ 28	\$ -
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-064-2018	15,008	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-065-2019	396,820	-
COVID-19 - Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-067-2020	10,241,666	-
Airport Improvement Program	Direct	U.S. Department of Transportation	20.106	3-08-0010-066-2020	57,241	-
<i>Airport Improvement Program Total</i>					10,710,763	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	AQC M240-133 (18373)	454,492	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	ACQ M240-134 (18525)	593,986	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	STU M240-167 (21745)	1,435	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	SHO M240-145 (19270)	616,499	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	STM M240-163 (21130)	179,149	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	TAP M240-149 (19811)	4,841	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	STU M240-171 (22733)	258,068	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	SAR M240-158 (19947)	185,361	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	STU M240-154 (19809)	8,776	-
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	20.205	TRG M240-175 (23057)	944	-
<i>Highway Planning and Construction Cluster Total</i>					2,303,551	-

City of Colorado Springs
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2020

Federal Grant/Program Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Amount Provided to Subrecipients
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-010-00	142,769	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-010-00	84,177	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2019-013-00	279,559	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-95-X023-00	401,942	-
Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-95-X023-00	257,235	-
COVID-19 - Federal Transit — Formula Grants (Urbanized Area Formula Program)	Direct	U.S. Department of Transportation	20.507	CO-2020-021-00	15,781,218	-
Bus and Bus Facilities Formula Program	Direct	U.S. Department of Transportation	20.526	CO-2021-005-00	464,836	-
<i>Federal Transit Cluster Total</i>					<u>17,411,736</u>	<u>-</u>
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct	U.S. Department of Transportation	20.513	CO-2017-021	378,864	-
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct	U.S. Department of Transportation	20.513	CO-2020-024	384,406	-
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct	U.S. Department of Transportation	20.513	CO-2019-021-00	455,039	-
<i>Transit Services Programs Cluster Total</i>					<u>1,218,309</u>	<u>-</u>
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	PO411021241	59,577	-
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	PO411021352	113,325	-
State and Community Highway Safety	Pass-Through	Colorado Department of Transportation	20.600	PO411024906	7,542	-
National Priority Safety Programs	Pass-Through	Colorado Department of Transportation	20.616	PO411021915	57,515	-
National Priority Safety Programs	Pass-Through	Colorado Department of Transportation	20.616	PO# 411023459	10,946	-
National Priority Safety Programs	Pass-Through	Colorado Department of Transportation	20.616	PO411024908	10,673	-
National Priority Safety Programs	Pass-Through	Colorado Department of Transportation	20.616	PO #411025996	6,457	-
<i>Highway Safety Cluster Total</i>					<u>266,035</u>	<u>-</u>
Total U.S. Department of Transportation					<u>\$ 31,910,394</u>	<u>\$ -</u>
U.S. DEPARTMENT OF THE TREASURY						
COVID-19 - Coronavirus Relief Fund	Pass-Through	El Paso County Government	21.019		\$ 37,582,999	\$ 100,000
COVID-19 - Coronavirus Relief Fund	Pass-Through	Pikes Peak United Way	21.019		38,259	-
<i>Coronavirus Relief Fund Total</i>					<u>37,621,258</u>	<u>100,000</u>
Total U.S. Department of the Treasury					<u>\$ 37,621,258</u>	<u>\$ 100,000</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES						
COVID-19 - Promotion of the Humanities Federal/State Partnership	Pass-Through	Colorado Humanities	45.129		\$ 6,000	\$ -
<i>Promotion of the Humanities Federal/State Partnership Total</i>					<u>6,000</u>	<u>-</u>
Total National Endowment for the Humanities					<u>\$ 6,000</u>	<u>\$ -</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY						
Brownfields Assessment and Cleanup Cooperative Agreements	Direct	U.S. Environmental Protection Agency	66.818	96896301	\$ 78,400	\$ -
<i>Brownfields Assessment and Cleanup Cooperative Agreements Total</i>					<u>78,400</u>	<u>-</u>
Total U.S. Environmental Protection Agency					<u>\$ 78,400</u>	<u>\$ -</u>

City of Colorado Springs

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2020

Federal Grant/Program Title	Direct/Pass-Through	Federal Agency/Pass-through Entity	Federal CFDA Number	Identifying Grant Number	Total Program Disbursements or Expenditures	Amount Provided to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Public Health Emergency Preparedness	Pass-Through	Colorado Department of Public Health and Environment	93.069	CT 2020*519	\$ 192,905	\$ 31,500
<i>Public Health Emergency Preparedness Total</i>					<u>192,905</u>	<u>31,500</u>
Total U.S. Department of Health and Human Services					<u>\$ 192,905</u>	<u>\$ 31,500</u>
EXECUTIVE OFFICE OF THE PRESIDENT						
High Intensity Drug Trafficking Areas Program	Direct	Office of National Drug Control Policy	95.001	G19RM0049A	\$ 20,256	\$ 20,256
High Intensity Drug Trafficking Areas Program	Direct	Office of National Drug Control Policy	95.001	G20RM0049A	213,876	81,619
High Intensity Drug Trafficking Areas Program	Direct	Office of National Drug Control Policy	95.001	G20RM0049A	221,371	73,672
<i>High Intensity Drug Trafficking Areas Program Total</i>					<u>455,503</u>	<u>175,547</u>
Total Executive Office of the President					<u>\$ 455,503</u>	<u>\$ 175,547</u>
U.S. DEPARTMENT OF HOMELAND SECURITY						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Pass-Through	Colorado Department of Public Safety	97.036	FEMA-DR-4145-CO	\$ 316,945	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Pass-Through	Colorado Department of Public Safety	97.036	FEMA-DR-4229-CO: 15-D4229-003	12,413	-
<i>Disaster Grants - Public Assistance (Presidentially Declared Disasters) Total</i>					<u>329,358</u>	<u>-</u>
Hazard Mitigation Grant	Pass-Through	Colorado Department of Public Safety	97.039	MG4145077076	462,789	-
Hazard Mitigation Grant	Pass-Through	Colorado Department of Public Safety	97.039	MG4145057112	1,575,168	-
<i>Hazard Mitigation Grant</i>					<u>2,037,957</u>	<u>-</u>
Emergency Management Performance Grants	Pass-Through	Colorado Department of Public Safety	97.042	20EM-21-62	90,000	-
<i>Emergency Management Performance Grants</i>					<u>90,000</u>	<u>-</u>
Assistance to Firefighters Grant	Direct	U.S. Department of Homeland Security	97.044	EMW-2018-FO-03213	53,286	-
<i>Assistance to Firefighters Grant Total</i>					<u>53,286</u>	<u>-</u>
Pre-Disaster Mitigation	Pass-Through	Colorado Department of Public Safety	97.047	17PDM19CS	52,848	-
Pre-Disaster Mitigation	Pass-Through	Colorado Department of Public Safety	97.047	17PDM19DC	182,904	-
Pre-Disaster Mitigation	Pass-Through	Colorado Department of Public Safety	97.047	PDMC-PJ-08-CS 2018-014	83,342	-
Pre-Disaster Mitigation	Pass-Through	Colorado Department of Public Safety	97.047	18PDM20CS	10,113	-
<i>Pre-Disaster Mitigation Total</i>					<u>329,207</u>	<u>-</u>
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	17SHS18SCR	112,444	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	18SHS19SCR	78,796	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	19SHS20SCR	63,917	-
Homeland Security Grant Program	Pass-Through	Colorado Department of Public Safety	97.067	20SHS21SCR	120,409	-
<i>Homeland Security Grant Program Total</i>					<u>375,566</u>	<u>-</u>
Total U.S. Department of Homeland Security					<u>\$ 3,215,374</u>	<u>\$ -</u>
Total Federal Expenditures					<u>\$ 84,233,457</u>	<u>\$ 4,912,764</u>

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

(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, 2020. 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, 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 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, 2020. Such expenditures are recognized following, as applicable, 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. 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, 2020

(3) Revolving Loan Funds

The City has certain revolving loan funds as follows:

14.218 - Community Development Block Grants - Entitlement Grants	\$ 11,626,788
14.239 - HOME Investment Partnership Program	<u>16,482,008</u>
	<u>\$ 28,108,796</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, 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 10, 2021, which includes an emphasis of matters paragraph for changes in accounting principles. 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) 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 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 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 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 10, 2021

**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, 2020. 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 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.

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

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, 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 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, 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 10, 2021, which contained unmodified opinions on those financial statements. Our report contained an emphasis of matters paragraph for changes in accounting principles. 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 10, 2021

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

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
10.698	State & Private Forestry Cooperative Fire Assistance
20.106	Airport Improvement Program
21.019	Coronavirus Relief Fund

8. The threshold to distinguish between Type A and Type B programs was \$2,527,004.

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

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

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
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No matters are reportable.

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

Findings Required to be Reported by Uniform Guidance

Reference Number	Finding
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No matters are reportable.

City of Colorado Springs
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2020

Reference Number	Summary of Finding	Status
No matters are reportable		