

City of Fort Collins

Single Audit Report

Year Ended December 31, 2021

City of Fort Collins
December 31, 2021

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City of Fort Collins
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/ Pass-Through Grantor/Program Title	Direct/Pass-Through	Pass-Through Entity	Project/Grant (FAIN) No. Pass-Through Entity Identifying Number	Federal Assistance Listing	Pass-Through to Subrecipients	Federal Expenditures
Department of Housing and Urban Development						
CDBG Entitlements Grants Cluster						
Community Development Block Grants/Entitlement Grants						
Grant Year 2017 / 2018	Direct	N/A	B-17-MC-08-0008	14.218	\$ 5,000	\$ 5,000
Grant Year 2019 / 2020	Direct	N/A	B-19-MC-08-0008	14.218	816,282	816,282
Grant Year 2020 / 2021	Direct	N/A	B-20-MC-08-0008	14.218	455,324	619,677
Grant Year 2021 / 2022	Direct	N/A	B-21-MC-08-0008	14.218	60,718	98,856
COVID-19 Community Development Block Grant	Direct	N/A	B-20-MW-08-0008	14.218	599,223	599,223
Total CDBG Entitlement Grants Cluster					<u>1,936,547</u>	<u>2,139,038</u>
Home Investment Partnerships Program						
Grant Year 2017 / 2018	Direct	N/A	M-17-MC 08-0209	14.239	10,000	10,000
Grant Year 2018 / 2019	Direct	N/A	M-18-MC 08-0209	14.239	114,819	114,819
Grant Year 2019 / 2020	Direct	N/A	M-19-MC 08-0209	14.239	642,205	642,205
Grant year 2020 / 2021	Direct	N/A	M-20-MC 08-0209	14.239	96,711	144,422
Grant year 2021 / 2022			M-21-MC-08-0209	14.239	-	28,745
Subtotal					<u>863,735</u>	<u>940,191</u>
Total Department of Housing and Urban Development					<u>2,800,282</u>	<u>3,079,229</u>
Department of the Interior						
Bureau of Reclamation						
WaterSMART (Sustaining and Manage America's Resources for Tomorrow)	Direct	N/A	R19AP00169	15.507	-	54,656
Total Department of the Interior					<u>-</u>	<u>54,656</u>
Department of Justice						
Missing Children's Assistance						
	Pass-Through	City of Colorado Springs	2018-MC-FX-K027	16.543	-	5,929
Crime Victim Assistance Program						
	Pass-Through	Colorado Department of Public Safety	2020-VA-21-440-8	16.575	-	23,143
Edward Byrne Memorial Justice Assistance Grant Program						
	Pass-Through	Larimer County	2018-DJ-BX-0704	16.738	-	32,092
Total Department of Justice					<u>-</u>	<u>61,164</u>

City of Fort Collins
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2021

Federal Grantor/ Pass-Through Grantor/Program Title	Direct/Pass-Through	Pass-Through Entity	Project/Grant (FAIN) No. Pass-Through Entity Identifying Number	Federal Assistance Listing	Pass-Through to Subrecipients	Federal Expenditures
Department of Transportation						
Highway Planning and Construction Cluster						
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	SAR M455-127 (23025)	20.205	-	311,695
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	STU M455-129 (23047)	20.205	-	15,486
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	ACQ M455-088 (16525)	20.205	-	2,730
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	STU M455-118 (20615)	20.205	-	90,000
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	SHO M455-124 (21966)	20.205	-	191,711
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	BRO M455-121 (20825)	20.205	-	45,449
Highway Planning and Construction	Pass-Through	Colorado Department of Transportation	SHO C060-086 (21964)	20.205	-	348,156
Total Highway Planning and Construction Cluster					-	1,005,227
Federal Transit Cluster						
COVID-19 Federal Transit Formula Grants	Direct	N/A	CO-2020-019-01	20.507	-	588,099
Federal Transit Formula Grants	Direct	N/A	CO-2020-020-00	20.507	-	1,558,978
Federal Transit Formula Grants	Direct	N/A	CO-2020-026-00	20.507	-	950,000
COVID-19 Federal Transit Formula Grants	Direct	N/A	CO-2021-031	20.507	-	1,462,874
Federal Transit Formula Grants	Direct	N/A	1138-2021-3	20.507	-	2,214,027
Federal Transit Formula Grants	Direct	N/A	CO-2021-006-00	20.507	-	165,807
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Direct	N/A	CO-2019-020-00	20.526	-	527,319
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Direct	N/A	CO-2020-013-00	20.526	-	440,906
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Direct	N/A	CO-2019-020-02	20.526	-	709,026
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Direct	N/A	CO-2020-002-02	20.526	-	542,986
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Direct	N/A	1138-2020-5	20.526	-	117,558
Total Federal Transit Cluster					-	9,277,580
Highway Safety Cluster						
National Priority Safety Programs	Pass-Through	Colorado Department of Transportation	21NHTSA405B.0602 PO 411026011	20.616	-	5,415
Total Highway Safety Cluster					-	5,415
Total Department of Transportation					-	10,288,222

City of Fort Collins
Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2021

Federal Grantor/ Pass-Through Grantor/Program Title	Direct/Pass-Through	Pass-Through Entity	Project/Grant (FAIN) No. Pass-Through Entity Identifying Number	Federal Assistance Listing	Pass-Through to Subrecipients	Federal Expenditures
Department of the Treasury						
COVID-19 Coronavirus Relief Fund	Pass-Through	Department of Local Affairs	CVRF CM-030	21.019	176,484	669,954
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Direct	N/A	N/A	21.027	-	263,199
Total Department of Treasury					<u>176,484</u>	<u>933,153</u>
Small Business Administration						
COVID-19 Shuttered Venue Operators Grant Program	Direct	N/A	SBAHQ21SV008061	59.075	-	503,915
Total Small Business Administration					<u>-</u>	<u>503,915</u>
Environmental Protection Agency						
State Environmental Justice Cooperative Agreement Program	Direct	N/A	95820412	66.312	-	1,325
Total Environmental Protection Agency					<u>-</u>	<u>1,325</u>
Department of Energy						
State Energy Program	Pass-Through	Colorado Department of Energy	DE-EE0007470	81.041	-	718,359
					<u>-</u>	<u>718,359</u>
Federal Emergency Management Agency (FEMA)						
Emergency Management Performance Grants	Pass-Through	CO Dept. of Public Safety Division of Homeland Security and Emergency Management	21EM-22-62	97.042	-	65,000
Total FEMA					<u>-</u>	<u>65,000</u>
Total Expenditures of Federal Awards					<u>\$ 2,976,766</u>	<u>\$ 15,705,023</u>

City of Fort Collins
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Fort Collins (the City) under programs of the federal government for the year ended December 31, 2021. 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.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The federal loan program listed subsequently is administered directly by the City, and balances and transactions relating to these programs are included in City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2021, consists of:

Assistance Listing Number	Program Name	Outstanding Balance at December 31, 2021
81.041	State Energy Program	\$ 550,157



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

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Fort Collins
Fort Collins, 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 discretely presented component unit, each major fund and the aggregate remaining fund information of City of Fort Collins (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 25, 2022.

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

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

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.

Honorable Mayor and Members of City Council
City of Fort Collins

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,LLP

Denver, Colorado
July 25, 2022



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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
City of Fort Collins
Fort Collins, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fort Collins (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, 2021. 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, 2021.

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
City of Fort Collins

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.

Honorable Mayor and Members of City Council
City of Fort Collins

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.

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 discretely presented component unit, each major fund and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated July 25, 2022, 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 as a whole. 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

Honorable Mayor and Members of City Council
City of Fort Collins

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, LLP

Denver, Colorado
July 25, 2022

City of Fort Collins
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Summary of Auditor's Results

Financial Statements

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

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to the financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

- Internal Control over major federal awards programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
- Type of auditor's report issued on compliance for major federal award program(s):

 Unmodified Qualified Adverse Disclaimed
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

6. Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund
20.500, 20.526, 20.507	Federal Transit Cluster

City of Fort Collins
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2021

7. The threshold to distinguish between Type A and Type B programs was \$750,000.

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

City of Fort Collins
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2021

Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

City of Fort Collins
Schedule of Findings and Questioned Costs (continued)
Year Ended December 31, 2021

Federal Award Findings and Questioned Costs#

Reference Number	Finding
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No matters are reportable.

City of Fort Collins
Status of Prior Audit Findings
Year Ended December 31, 2021

Reference Number	Summary of Finding	Status
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No matters are reportable.