City & County of Denver

Federal Financial Assistance Single Audit Report

December 31, 2023

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City and County of Denver

Contents

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Independent Auditor's 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*

Audit Committee
City and County of Denver, Colorado
Denver, 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 and County of Denver (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 July 26, 2024.

Our report includes a reference to other auditors who audited the financial statements of Caring for Denver Foundation, Denver Convention Center Hotel Authority, Denver Urban Renewal Authority, National Western Center Authority, Cherry Creek North Business Improvement District (BID) No.1, Colfax BID, Denver Preschool Program, Inc., Downtown Denver BID, RiNo BID, or the Prosperity Denver Fund, all of which are included as discretely presented component units, which represent 93.38 percent of total assets and deferred outflows of resources, 90.73 percent of total revenues, and 128.66 percent of net position (deficit) of the aggregate discretely presented component units as of and for the year ended December 31, 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion on the aggregate discretely presented component units, insofar as it relates to the amounts included for the Caring for Denver Foundation, Denver Convention Center Hotel Authority, Denver Urban Renewal Authority, National Western Center Authority, Cherry Creek North BID No.1, Colfax BID, Denver Preschool Program, Inc., Downtown Denver BID, RiNo BID, or the Prosperity Denver Fund, is based solely on the reports of the other auditors.

Additionally, our report includes a reference to other auditors who audited the financial statements of the Denver 14th Street General Improvement District (GID), Gateway Village GID, and RiNo GID which are included as blended component units, Denver Employee Retirement Plan, a fiduciary component unit and the Deferred Compensation Plan Trust Fund, a fiduciary fund of the City, which represent 46.09 percent of total assets, 16.18 percent of total revenues and 49.19 percent of net position/fund balance of the aggregate remaining fund information as of and for the year ended December 31, 2023. Those financial statements were audited by other auditors, whose reports have been furnished to us and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for the Denver 14th Street GID, Gateway Village GID, RiNo GID, Denver Employee Retirement Plan and the Deferred Compensation Plan Trust Fund, is based solely on the reports of the other auditors. We also did not audit the financial statements of the Wastewater Management Enterprise Fund or the Denver Airport System Enterprise Fund, which are major enterprise funds of the City, and represent 99.36 percent, 97.01 percent and 98.28 percent, respectively, of the total assets and deferred outflows of resources, total revenues and net position of the business-type activities as of and for the year ended December 31, 2023. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinions on those major funds and the business-type activities, insofar as it relates to the amounts included for the Wastewater Management Enterprise Fund and the Denver Airport System Enterprise Fund, are based solely on the reports of the other auditors.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those other auditors.

The financial statements of the Caring for Denver Foundation, Denver Convention Center Hotel Authority, National Western Center Authority, Cherry Creek North Business Improvement District (BID) No.1, Colfax BID, Denver Preschool Program, Inc., Downtown Denver BID, RiNo BID, and the Prosperity Denver Fund component units included in the financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*. Additionally, the financial statements of the Denver 14th Street GID, Gateway Village GID, or RiNo GID which are included as blended component units were not audited in accordance with *Government Auditing Standards*. Accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Caring for Denver Foundation, Denver Convention Center Hotel Authority, National Western Center Authority, Cherry Creek North BID No.1, Colfax BID, Denver Preschool Program, Inc., Downtown Denver BID, RiNo BID, Prosperity Denver Fund, Denver 14th Street GID, Gateway Village GID, or RiNo GID.

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.

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 City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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*.

City’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

BDO USA, P.C.

Denver, Colorado
July 26, 2024

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Independent Auditor's 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

Audit Committee
City and County of Denver, Colorado
Denver, Colorado

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City and County of Denver's (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.

Summary of Opinions

Major Federal Program	*Type of Opinion*
14.231 – Emergency Solutions Grant Program	Qualified
14.251 – Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	Unmodified
17.207/17.801 – Employment Services Cluster	Unmodified
20.106 – Airport Improvement Program	Unmodified
21.023 – Emergency Rental Assistance Program	Unmodified
21.027 – Coronavirus State and Local Fiscal Recovery Funds	Unmodified
93.391 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	Unmodified
93.600 – Head Start Cluster	Unmodified
97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disaster)	Unmodified
97.067 – Homeland Security Grant Program	Unmodified
97.141 – Shelter and Services Program	Unmodified

Qualified Opinion on the Emergency Solutions Grant Program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Emergency Solutions Grant Program for the year ended December 31, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2023.

Basis for Qualified and Unmodified Opinions

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; 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 qualified and unmodified opinions 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.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the Denver Urban Renewal Authority (DURA), which expended federal awards not included in the City's schedule of expenditures of federal awards during the year ended December 31, 2023. Our compliance audit, described in the "Qualified Opinion on the Emergency Solutions Grant Program" and "Unmodified Opinions on Each of the Other Major Federal Programs" paragraphs do not include the operations of DURA because DURA did not meet the threshold for a compliance audit in accordance with the Uniform Guidance.

Matter Giving Rise to Qualified Opinion on the Emergency Solutions Grant Program

As described in finding 2023-004 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-004	14.231	Emergency Solutions Grant Program	Special Tests and Provisions- Obligation, Expenditure and Payment Requirements

Compliance with such requirements is necessary, in our opinion, for the City to comply with the compliance requirements applicable to that program.

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.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-005, 2023-006, 2023-007, 2023-008, and 2023-009. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-009 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002, 2023-003, 2023-005, 2023-006, 2023-007, and 2023-008 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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 issued our report thereon dated July 26, 2024, 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. 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.

BDO USA, P.C.

Denver, Colorado
August 15, 2024

City and County of Denver
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
United States Department of Agriculture (USDA)					
Supplemental Nutrition Assistance Program (SNAP) Cluster					
Supplemental Nutrition Assistance Program (SNAP)	Colorado Department of Human Services	None Provided	10.551	$ 183,375	$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Colorado Department of Human Services	None Provided	10.561	13,812,254	-
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Colorado Department of Human Services	None Provided	10.561	127,030	-
10.561 Subtotal				**13,939,284**	**-**
Supplemental Nutrition Assistance Program (SNAP) Cluster Subtotal				**14,122,659**	**-**
Child Nutrition Cluster					
National School Lunch Program	Colorado Department of Education	0811AMPO	10.555	250,166	-
COVID-19 - National School Lunch Program	Colorado Department of Education	0811AMPO	10.555	5,944	-
Child Nutrition Cluster Subtotal				**256,110**	**-**
Other United States Department of Agriculture (USDA) Programs					
Child and Adult Care Food Program (CACFP)	Colorado Department of Public Health and Environment	13-50639 and 16-78686	10.558	377,436	-
Cooperative Forestry Assistance	Colorado State Forest Service	5392966	10.664	10,006	-
Total United States Department of Agriculture (USDA)				**14,766,211**	**-**
United States Department of Commerce (DOC)					
Economic Development Cluster					
Economic Adjustment Assistance			11.307	572,655	-
Economic Development Cluster Subtotal				**572,655**	**-**
Other United States Department of Commerce (DOC) Programs					
Build To Scale			11.024	82,685	-
Total United States Department of Commerce (DOC)				**655,340**	**-**
United States Department of Housing and Urban Development (HUD)					
Community Development Block Grants/Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants			14.218	17,994,812	2,113,422
COVID-19 - Community Development Block Grants/Entitlement Grants			14.218	1,816,091	713,092
14.218 Subtotal				**19,810,903**	**2,826,515**
Community Development Block Grants/Entitlement Grants Cluster Subtotal				**19,810,903**	**2,826,515**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Other United States Department of Housing and Urban Development (HUD) Programs					
Emergency Solutions Grant Program			14.231	581,554	581,554
COVID-19 - Emergency Solutions Grant Program			14.231	1,250,869	1,077,870
14.231 Subtotal				**1,832,423**	**1,659,424**
Home Investment Partnerships Program			14.239	3,370,850	581,053
COVID-19 - Home Investment Partnerships Program			14.239	10,420,331	10,420,331
14.239 Subtotal				**13,791,181**	**11,001,384**
Housing Opportunities for Persons with AIDS			14.241	3,573,497	3,552,513
COVID-19 - Housing Opportunities for Persons with AIDS			14.241	2,510	2,510
14.241 Subtotal				**3,576,007**	**3,555,023**
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants			14.251	2,000,000	-
Continuum of Care Program			14.267	2,121,836	1,825,245
Total United States Department of Housing and Urban Development (HUD)				**43,132,350**	**20,867,590**
United States Department of the Interior (DOI)					
GoMESA	Colorado Department of Natural Resources	CMS# 141141	15.435	238,552	-
Natural Resource Damage Assessment and Restoration	Colorado Department of Public Health and Environment	2023*3257	15.658	13,267	-
Total United States Department of the Interior (DOI)				**251,819**	**-**
United States Department of Justice (DOJ)					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	Colorado Department of Public Safety, Division of Criminal Justice	2020-VD-21-2-63 2020-VD-20-2-23 2020-VD-BX-0209 2020-VD-22-2-78	16.034	129,437	-
Comprehensive Forensic DNA Analysis Grant Program			16.036	88,917	-
Services for Trafficking Victims			16.320	243,568	30,962
Services for Trafficking Victims	Aurora Mental Health Recovery (AMHR)	None Provided	16.320	54,246	-
16.320 Subtotal				**297,814**	**30,962**
National Institute of Justice Research, Evaluation, and Development Project Grants			16.560	122,250	-
Crime Victim Assistance	Colorado Department of Public Safety, Division of Criminal Justice	2020-VA-21-481-02 2022-VA-23-291-02	16.575	148,987	-
Crime Victim Compensation	Colorado Department of Public Safety, Division of Criminal Justice	19-VC-2 21-VC-2	16.576	975,584	-
Crime Victim Assistance/Discretionary Grants			16.582	89,890	-
Violence Against Women Formula Grants	Colorado Department of Public Safety, Division of Criminal Justice	2022-VW-23-216-02 2022-VW-23-251-02	16.588	144,625	-
Project Safe Neighborhoods			16.609	66,882	-
Public Safety Partnership and Community Policing Grants			16.710	148,794	-

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Edward Byrne Memorial Justice Assistance Grant Program			16.738	427,541	-
Edward Byrne Memorial Justice Assistance Grant Program	Colorado Department of Public Safety, Division of Criminal Justice	2020-DJ-21-07-21-2 2021-DJ-22-07-10-3 2020-DJ-21-03-5-1 2021-DJ-22-01-27-1 2021-DJ-22-04-26-3 2021-DJ-22-03-28-3	16.738	561,584	126,048
16.738 Subtotal				**989,126**	**126,048**
DNA Backlog Reduction Program			16.741	661,099	-
Paul Coverdell Forensic Sciences Improvement Grant Program	Colorado Department of Public Safety, Division of Criminal Justice	2020-DN-21-3 2021-DN-22-3 2022-DN-23-3	16.742	42,636	-
Congressionally Recommended Awards			16.753	116,429	-
Byrne Criminal Justice Innovation Program			16.817	157,424	18,245
Equitable Sharing Program			16.922	504,048	-
Total United States Department of Justice (DOJ)				**4,683,940**	**175,254**
United States Department of Labor (DOL)					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	Colorado Department of Labor and Employment	NFA# DE-17-11 NFA# DE-21-001A NFA# DE-22-003 NFA# DE-22-012 NFA# DE-23-001	17.207	1,728,554	-
Jobs for Veterans State Grants	Colorado Department of Labor and Employment	NFA# DE-22-018	17.801	7,644	-
Employment Service Cluster Subtotal				**1,736,198**	**-**
Workforce Innovation and Opportunity Act (WIOA) Cluster					
WIOA Adult Program	Colorado Department of Labor and Employment	NFA# DE-21-001 and NFA# DE-21-012 NFA# DE-22-003 NFA# DE-22-011 NFA# DE-23-001 and NFA# DE-23-009	17.258	1,786,243	1,197,378
WIOA Youth Activities	Colorado Department of Labor and Employment	NFA# DE-21-001 (YTH) NFA# DE-22-003 NFA# DE-23-001	17.259	910,435	762,491
WIOA Dislocated Worker Formula Grants	Colorado Department of Labor and Employment	NFA# DE-21-001 and NFA# DE-21-012 NFA# DE-22-002 NFA# DE-22-003 NFA# DE-23-003 NFA# DE-23-001 and NFA# DE-23-009	17.278	696,231	423,810
Workforce Innovation and Opportunity Act (WIOA) Cluster Subtotal				**3,392,909**	**2,383,679**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Other United States Department of Labor (DOL) Programs					
Unemployment Insurance	Colorado Department of Labor and Employment	NFA# DE-21-022 NFA# DE-23-004	17.225	117,470	117,470
Trade Adjustment Assistance	Colorado Department of Labor and Employment	TA-34434-20-55-A-8 NFA# DE-22-016	17.245	43,897	43,897
H-1B Job Training Grants			17.268	2,365,298	1,835,014
Reentry Employment Opportunities	Colorado Department of Labor and Employment	NFA#ET-20-006 NFA# DE-20-006A	17.270	251,658	161,563
COVID-19 - WIOA National Dislocated Worker Grants / Workforce Investment Act (WIA) National Emergency Grants	Colorado Department of Labor and Employment	NFA# DE-22-009 NFA# DE-22-010	17.277	360,680	340,827
Registered Apprenticeship	Arapahoe County	FOA-ETA-21-07	17.285	190,350	190,350
Total United States Department of Labor (DOL)				**8,458,461**	**5,072,801**
United States Department of Transportation (DOT)					
Highway Safety Cluster					
State and Community Highway Safety	Colorado Department of Transportation	22-HST-ZL-00373 22-HTS-ZL-00377 24-HTS-ZL-00205/491003270 24-HTS-ZL-00207/491003272 22-HTS-ZL-000374 PO No. 491002686 24-HTS-ZL-00195/491003259 PO# 411033150	20.600	458,685	-
National Priority Safety Programs	Colorado Department of Transportation	22-HTS-ZL-00008/ PO 491002710 UL1UW5G53QL3 PO004110347471 PO 411033114 PO 411030715 PO-411035628	20.616	178,539	-
Highway Safety Cluster Subtotal				**637,224**	**-**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Other United States Department of Transportation (DOT) Programs					
Airport Improvement Program			20.106	69,906,849	-
COVID-19 - Airport Improvement Program			20.106	44,363,955	-
20.106 Subtotal				**114,270,804**	**-**
Highway Research and Development Program			20.200	634,826	-
Highway Planning and Construction	Colorado Department of Transportation	411028370 24-HTD-ZL-00049/491003328 08SW01653M550 PO# 471000085 AQC M320-108 (21740) M320-102 (21119) SAR M230-113 SHE M320-115 (22217) AQC M320-123 (SAP# 22333) SHE M320-118 (22281) SHE M320- 117 (22219) AQC-M320-124 (22634) SAR M320-126(23133) 20-HA1-XC-00043 STU 088A-037 (23422) AQC C010-130 (24209) STU-M320-127 (23373) STU M320-133 (24292) STU-M320-131 (24288) STU-M320-137 24451 SHO M320-135 (24322) SHO M320-139 (24510) SAR-P6CO-035 (24596) AQC M320-138 (24502) SHE M320-143 (24695) 202262883-00	20.205	14,683,490	-
Highway Planning and Construction	Regional Air Quality Council	None Provided	20.205	18,000	-
20.205 Subtotal				**14,701,490**	**-**
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Colorado Department of Transportation	22-HTS-ZL-00382/PO 431006543	20.608	392,485	-
Total United States Department of Transportation (DOT)				**130,636,828**	**-**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
United States Department of the Treasury (TREAS)					
Social Impact Partnerships to Pay for Results Act (SIPPRA)			21.017	147,858	-
COVID-19 - Coronavirus Relief Fund	Colorado Department of Human Services	None Provided	21.019	(6)	-
COVID-19 - Emergency Rental Assistance Program			21.023	8,196,786	8,028,722
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			21.027	71,270,382	22,928,339
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Colorado Department of Human Services	None Provided	21.027	1,368,384	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Colorado Department of Labor & Employment	NFA# DE-21-005 and NFA# DE-21-005A NFA# DE-21-020 NFA# DE-21-004 and NFA# DE-21-004A	21.027	2,019,661	1,254,356
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Colorado Department of Public Safety, Division of Criminal Justice	2022-AR-23-300-02	21.027	366,849	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Colorado Judicial Branch	SLFRP0126 None Provided	21.027	171,949	-
21.027 Subtotal				**75,197,225**	**24,182,695**
Total United States Department of the Treasury (TREAS)				**83,541,862**	**32,211,417**
National Endowment for the Humanities (NEH)					
Promotion of the Humanities Division of Preservation and Access			45.149	146,141	-
Total National Endowment for the Humanities (NEH)				**146,141**	**-**
Institute of Museum and Library Services					
Museum Grants for African American History and Culture			45.309	54,154	-
Laura Bush 21st Century Librarian Program			45.313	32,772	-
Total Institute of Museum and Library Services				**86,926**	**-**
United States Environmental Protection Agency (EPA)					
Performance Partnership Grants	Colorado Department of Public Health and Environment	PO,FEEA,202300007236	66.605	11,742	-
Solid Waste Management Assistance Grants	Center for Eco Technology	EPA-R8-2022-SMM	66.808	2,491	-
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements			66.818	97,289	-
Total United States Environmental Protection Agency (EPA)				**111,522**	**-**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
United States Department of Energy (DOE)					
Energy Efficiency and Conservation Block Grant Program (EECBG)			81.128	136,970	-
Total United States Department of Energy (DOE)				**136,970**	**-**
United States Department of Education (ED)					
COVID-19 - Education Stabilization Fund	Denver Public Schools	8426	84.425	75,594	-
Total United States Department of Education (ED)				**75,594**	**-**
United States Department of Health and Human Services (HHS)					
Child Care and Development Fund (CCDF) Cluster					
Child Care and Development Block Grant (CCDBG)	Colorado Department of Human Services	None Provided	93.575	20,181,810	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Colorado Department of Human Services	None Provided	93.596	4,965,785	-
Child Care and Development Fund (CCDF) Cluster Subtotal				**25,147,595**	**-**
Head Start Cluster					
Head Start			93.600	13,399,897	10,404,170
COVID-19 - Head Start			93.600	948,259	828,356
Head Start Cluster Subtotal				**14,348,155**	**11,232,526**
Medicaid Cluster					
Medical Assistance Program	Colorado Department of Health Care Policy and Financing	None Provided	93.778	15,878,497	-
Medicaid Cluster Subtotal				**15,878,497**	**-**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Other United States Department of Health and Human Services (HHS) Programs					
Public Health Emergency Preparedness	Colorado Department of Public Health and Environment	NU90TP922028 N5 NU90TP922028-04-00 2024*0080Amendment #6 2024*0158 Amendment #4 CT 2020*368	93.069	699,812	-
Healthy Marriage Promotion and Responsible Fatherhood Grants	Colorado Department of Early Childhood	23 QAAA 177426 21 IHIA 168642	93.086	110,145	-
Guardianship Assistance	Colorado Department of Human Services	None Provided	93.090	332,157	-
Injury Prevention and Control Research and State and Community Based Programs	Colorado Department of Public Health and Environment	2021*0189 PO, FHLA 202200003542 1 NU17CE010160-01-00 2020*3729 Amendment #2	93.136	166,654	35,000
Substance Abuse and Mental Health Services Projects of Regional and National Significance			93.243	1,220,292	692,193
COVID-19 - Immunization Cooperative Agreements	Colorado Department of Public Health and Environment	PO FHJA 202100010274 PO FHCA 202200002980	93.268	304,183	-
Emerging Infections Programs	Colorado Department of Public Health and Environment	2022*2616 2023*2738 Amendment #1 2023*2790 OL #1	93.317	43,751	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Colorado Department of Public Health and Environment	FHJA 202100010501 2022*3511 FHCA 202400002879	93.323	2,633,431	227,996
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Colorado Department of Public Health and Environment	202200009737	93.354	35,222	-
COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises			93.391	985,742	512,360
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	National Association of County and City Health Officials (NACCHO)	2019-120902	93.391	11,342	-
93.391 Subtotal				**997,084**	**512,360**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	National Association of County and City Health Officials (NACCHO)	2022-062801	93.421	146,172	-
MaryLee Allen Promoting Safe and Stable Families Program	Colorado Department of Early Childhood	22 IHIA 170684 / 23QAAA 177872 22 IHIA 170684 / 24 QAAA 184456	93.556	167,804	130,404
MaryLee Allen Promoting Safe and Stable Families Program	Colorado Department of Human Services	None Provided	93.556	210,566	-
93.556 Subtotal				**378,370**	**130,404**
Temporary Assistance for Needy Families (TANF)	Colorado Department of Human Services	None Provided	93.558	24,325,905	3,039,137
Child Support Enforcement	Colorado Department of Human Services	None Provided	93.563	10,635,849	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Colorado Department of Human Services	23 IHGA 177950 24 IHGA 184536	93.566	1,233,828	-
Low-Income Home Energy Assistance (LIHEAP)	Colorado Department of Human Services	None Provided	93.568	69,163	-
Community Services Block Grant (CSBG)	Colorado Department of Local Affairs	H2168 L21CSBG13	93.569	1,014,519	490,655
Stephanie Tubbs Jones Child Welfare Services Program	Colorado Department of Human Services	None Provided	93.645	510,280	-
Child Welfare Research Training or Demonstration	Colorado Department of Early Childhood	23 QAAA 179567	93.648	75,683	52,500
Foster Care Title IV-E	Colorado Department of Human Services	None Provided	93.658	13,243,381	-
Adoption Assistance	Colorado Department of Human Services	None Provided	93.659	4,231,717	-
Social Services Block Grant	Colorado Department of Human Services	None Provided	93.667	3,490,243	-
Child Abuse and Neglect Discretionary Activities	Center for Policy Research	HHSP233201500035I/75P00119F37041 SOCSV-202158474-02	93.670	16,374	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	Colorado Department of Human Services	None Provided	93.674	175,589	-
COVID-19 - Elder Abuse Prevention Interventions Program	Colorado Department of Human Services	None Provided	93.747	75,046	-
HIV Emergency Relief Project Grants			93.914	8,106,881	7,008,876
CDC's Collaboration with Academia to Strengthen Public Health			93.967	519,735	86,717
Preventive Health and Health Services Block Grant	Colorado Department of Public Health and Environment	None Provided None Provided	93.991	38,000	38,000
Maternal and Child Health Services Block Grant to the States	Colorado Department of Public Health and Environment	B0440120 2022*0902 Option Letter #1 2022*0902 Option Letter #2	93.994	852,989	739,105
Total United States Department of Health and Human Services (HHS)				**131,056,702**	**24,285,469**
Corporation for National and Community Service (CNCS)					
AmeriCorps State and National	Trailhead Institute	2022ACD-CPHW03a	94.006	84,546	-
Total Corporation for National and Community Service (CNCS)				**84,546**	**-**
Executive Office of the President					
High Intensity Drug Trafficking Areas Program			95.001	832,198	-
Total Executive Office of the President				**832,198**	**-**

Federal Agency/Cluster/Program	Pass-Through Entity	Pass-Through Identifying Number (if applicable)	Federal Assistance Listing Number	Total Federal Expenditures	Passed Through to Subrecipients
United States Department of Homeland Security (DHS)					
Emergency Food and Shelter National Board Program			97.024	1,610,649	-
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Colorado Division of Homeland Security and Emergency Management	PA-VIII-CO-4498	97.036	3,729,509	-
Emergency Management Performance Grants	Colorado Division of Homeland Security and Emergency Management	21EM-22-15 22EM-24-16 23EM-24-16	97.042	88,047	-
Assistance to Firefighters Grant			97.044	1,475,534	-
Homeland Security Grant Program	Colorado Division of Homeland Security and Emergency Management	19UASI20DEN 20UASI21DEN 21UASI22DEN 22UASI23DEN	97.067	3,880,497	-
Homeland Security Grant Program (n)	Arapahoe County	#21SHS22NCR	97.067	200,564	-
97.067 Subtotal				**4,081,061**	**-**
Securing the Cities Program			97.106	1,935,331	-
Shelter and Services Program			97.141	8,617,526	-
Total United States Department of Homeland Security (DHS)				**21,537,656**	**-**
Total Federal Expenditures				**$ 440,195,067**	**$ 82,612,531**

(n) Non-Cash Federal Assistance
See accompanying notes to the Schedule of Expenditures of Federal Awards

(1) General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the primary government of the City and County of Denver (the City). The City's reporting entity is defined in Note 1 in the City's basic financial statements for the year ended December 31, 2023.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 assets, 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.

The City's basic financial statements include the operations of the Denver Urban Renewal Authority (DURA), a discretely presented component unit, which expended less than $750,000 in federal awards, so is not included in the City's Schedule of Expenditures of Federal Awards for the year ended December 31, 2023.

(2) Basis of Accounting

The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements. Governmental funds and proprietary funds account for the City's federal grant activity. Amounts reported in the Schedule for governmental funds are recognized on the modified accrual basis when they become a demand on current available federal resources and other program requirements are met. Available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period or when matured. The City considers all revenue as available, if collected within 60 days after year end. Amounts reported in the Schedule for proprietary funds are recognized on the accrual basis at the time liabilities are incurred and all other program requirements are met.

Certain federal award programs are administered through the Colorado Department of Human Services (CDHS); CDHS reports information for these programs on the cash basis. As a result, these programs, as listed below, are reported in the City's Schedule of Expenditures of Federal Awards on the cash basis:

Supplemental Nutrition Assistance Program (SNAP)	10.551
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561
COVID-19 - Coronavirus Relief Fund (Passed through Colorado Department of Human Services only)	21.019
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (Passed through Colorado Department of Human Services only)	21.027
Guardianship Assistance	93.090
MaryLee Allen Promoting Safe and Stable Families Program	93.556
Temporary Assistance for Needy Families (TANF)	93.558
Child Support Enforcement	93.563
Low-Income Home Energy Assistance (LIHEAP)	93.568
Child Care and Development Block Grant (CCDBG)	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
Stephanie Tubbs Jones Child Welfare Services Program	93.645
Foster Care Title IV-E	93.658
Adoption Assistance	93.659
Social Services Block Grant	93.667
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674
COVID-19 - Elder Abuse Prevention Interventions Program	93.747
Medical Assistance Program	93.778

Such expenditures are recognized following, as applicable, the cost principles in OMB A-87 or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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. 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.

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(3) Human Services Programs

The City's Department of Human Services operates several federally funded human services programs where benefits are provided to qualified citizens. The benefit distribution method consists of participants receiving benefits using a state-maintained electronic banking card (EBT) instead of the City's cash disbursements. The Colorado Department of Human Services provided total EBT authorizations to qualified citizens in the City, in the amount of $108,204,159, of which $55,742,842 is the federal share. The revenue and expenditures associated with these federal programs are not recognized in the City's basic financial statements.

(4) State Information Technology System

In 2004, the State of Colorado (the State) implemented the new Colorado Benefits Management System (CBMS), which consolidated legacy systems into one system and also incorporated a rules engine for determining eligibility and calculating and issuing benefits payments. As a result, the counties and the State split eligibility determination functions for certain federal Human Services' programs under CBMS. Counties are responsible for data collection from applicants and data entry of applicable information into CBMS. Concurrently, the State maintains the computer system supporting the eligibility determination process and pays benefits to the participants. The actual eligibility and payment determinations become the State's responsibility utilizing CBMS.

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(5) Revolving Loan Funds – Not Subject to Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the programs listed below. However, these programs either are not part of a federal loan or loan guarantee program or have no continuing compliance requirements other than continued loan payments, therefore, the outstanding loan balances have not been included in the accompanying Schedule of Expenditures of Federal Awards and major program determination:

Neighborhood Development Loans:	
14.218 - Community Development Block Grants/Entitlement Grants	$16,130,499
Total Neighborhood Development Loans	16,130,499
Economic Development Loans:	
14.Unknown	2,694,283
14.218 - Community Development Block Grants/Entitlement Grants	6,656,370
Total Economic Development Loans	9,350,653
Section 108 Loans:	
14.248 - Community Development Block Grants_ Section 108 Loan Guarantees	500,181
Total Section 108 Loans	500,181
Housing Development Loans:	
14.Unknown	136,137,338
14.218 - Community Development Block Grants/Entitlement Grants	7,963,738
14.239 - Home Investment Partnerships Program	68,705,026
14.241 - Housing Opportunities for Persons with AIDS	1,099,981
14.256 - Neighborhood Stabilization Program (Recovery Act Funded)	11,476,056
Total Housing Development Loans	225,382,139
Total Office of Economic Development Loans:	251,363,472
21.027 Coronavirus State and Local Fiscal Recovery Funds	250,000
Total Notes Receivable	251,613,472
Less Allowances	
Delinquent Loans	(11,549,890)
Forgivable Loans	(136,724,575)
Loans Receivable, Net	$ 103,339,007

(6) Revolving Loan Funds – Subject to Further Compliance

The City has certain revolving loan funds, which were originally financed with federal financial assistance through the Community Development Block Grant Section 108 Loan Guarantees program (Assistance Listing Number 14.248) which are subject to continuing compliance requirements until project completion and acceptance. There were no outstanding balances subject to continuing compliance as of December 31, 2023. There were no new loans during 2023; therefore nothing has been included in the accompanying Schedule of Expenditures of Federal Awards. The City also has certain revolving loan funds, which were originally financed from the Department of Commerce, under Assistance Listing Number 11.307, Economic Adjustment Assistance which are subject to continuing compliance requirements and included in the Schedule of Expenditures of Federal Awards. The outstanding loan balance as of December 31, 2023, was $226,860 and the cash and investment balance in the loan revolving fund was $345,794. There were no expenditures in 2023 for administrative costs. There were no loan write-offs in 2023. There are no City match requirements.

(7) Indirect Costs

The City has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, except for the following Assistance Listing Numbers (11.024, 16.575, 16.582, 16.738, 17.207, 17.258, 17.259, 17.268, 17.270, 17.277, 17.278, 17.801, 21.027, 66.605, 66.818, 93.069, 93.136, 93.243, 93.268, 93.317, 93.323, 93.354, 93.391, 93.421, 93.566, 93.914, 93.994) which elected to use a rate agreed on through the grant agreement or interagency agreement.

(8) Revolving Loan – Program Income

The City has a revolving loan program for low income housing development and renovation. Under this federal program, repayments to the City are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The amount of principal and interest received in loan repayments for the year was $1,577,645. The City also has a revolving loan program for small businesses and economic development. The amount of principal and interest received in loan repayments for the year was $1,090,743.

(9) Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(10) Recognition of Prior Year Expenses

The City incurred eligible expenditures from 2020-2022 which were approved by the Federal Emergency Management Agency (FEMA). The City recorded the eligible expenditures of $3,430,067, in Assistance Listing Number 97.036 in the 2023 Schedule of Expenditures of Federal Awards.

(11) Contingent Liabilities

Although the Schedule of Expenditures of Federal Awards is prepared to the best of the City's knowledge and belief, amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including the amount already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor, if any, cannot be determined at this time.

(12) Non-cash Assistance - Equipment

The City received equipment that was purchased with federal Homeland Security funds by Arapahoe County. The amount reported on the Schedule is the value of the property on the date it was received by the City

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	___ Yes	X No
• Significant deficiency(ies) identified?	X Yes	___ None reported
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

Internal control over major Federal programs:

• Material weakness(es) identified?	X Yes	___ No
• Significant deficiency(ies) identified?	X Yes	___ None reported

Type of auditor's report issued on compliance for major Federal programs:

An unmodified opinion was issued on the City and County of Denver's compliance with its major Federal programs for the year ended December 31, 2023, except for the following program, which was qualified:

14.231 – Emergency Solutions Grant Program

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X Yes	___ No

Identification of major Federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.231	Emergency Solutions Grant Program
14.251	Economic Development Initiative, Community Project Funding, and Miscellaneous Grants
17.207/17.801	Employment Service Cluster
20.106	Airport Improvement Program

21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
93.600	Head Start Cluster
97.036	Disaster Grants- Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program
97.141	Shelter and Services Program

Dollar threshold used to distinguish between type A and type B programs: $3,000,000

Auditee qualified as low-risk auditee? _______ Yes ___X___ No

Section II - Financial Statement Findings

2023-001 – FINANCIAL REPORTING PREPARATION

Significant Deficiency in Internal Control Over Financial Reporting

Criteria: Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Condition: During the course of our audit, we encountered challenges related to the timeliness and completeness of the annual report. The City experienced difficulties in conducting a comprehensive review and delivering a complete and timely report. This resulted in inconsistencies in the amounts reported within the footnotes to the financial statements.

Cause: There were limited personnel resources at the City to support preparation, supervisory, and quality review of complete and timely financial statements and related footnote disclosure.

Effect or Potential Effect: Those responsible for financial reporting did not have the resources did not have the resources to ensure timely reporting, resulting in significant changes to the report and delays in the financial reporting process.

Recommendation: We recommend the City establish clear objectives and responsibilities for each area of financial reporting, including clear expectations on how and when information is communicated. Management should ensure appropriate resources are allocated to the preparation, supervisory, and quality review of the financial statements and related footnotes to support complete and timely financial reporting.

Views of Responsible Officials: The City agrees with the finding. The Accounting and Financial Reporting team will perform an in-depth de-brief on the 2023 year-end process as well as the ACFR preparation and based on those discussions, implement changes as needed. For additional information, see the City's separate report for planned corrective actions.

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Section III – Federal Award Findings and Questioned Costs

2023-002 – SPECIAL TESTS AND PROVISIONS- OBLIGATION, EXPENDITURE AND PAYMENT REQUIREMENTS

Significant Deficiency in Internal Control Over Compliance

ALN 14.231 – Emergency Solutions Grant Program
Department of Housing and Urban Development
Award Number: E-22-MC-08-0005
Award Year: 2022

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

24 CFR section 576.203(a)(2) states – Within 180 days after the date that HUD signs the grant agreement (or a grant amendment for reallocation of funds) with the metropolitan city, urban county, or territory, the recipient must obligate all the grant amount, except the amount for its administrative costs. This requirement is met by an agreement with, or a letter of award requiring payment to, a subrecipient; a procurement contract; or a written designation of a department within the government of the recipient to directly carry out an eligible activity.

Condition: The City's Department of Housing Stability (HOST) did not have controls in place to ensure funds were obligated within the required obligation period.

Cause: Controls were not implemented to ensure funds received under the grant were obligated within the required time frame.

Effect or Potential Effect: Funds could be obligated outside of the defined time limit per 24 CFR section 576.203(a)(2).

Questioned Costs: Not applicable

Context: The control finding was remediated in 2023. However, the control was not present when the City entered into the grant agreement prior to 2023. No control testing was performed because no controls were in operation at the time of the award.

Identification as a Repeat Finding: This is a repeat finding from the prior year. This was reported as finding 2022-005 in the 2022 report.

Recommendation: HOST has developed controls over the timely obligation of Emergency Solutions Grant Program funds. HOST should ensure implementation of such developed controls upon entering into a new signed agreement with HUD.

Views of Responsible Officials: The City agrees with the finding. This has been remediated. For additional information, see the City's separate report for planned corrective actions.

2023-003 – PROCUREMENT AND SUSPENSION AND DEBARMENT (FOR SUBRECIPIENTS)

Significant Deficiency in Internal Control Over Compliance

ALN 14.231 – Emergency Solutions Grant Program
Department of Housing and Urban Development
Award Number: E-20-MW-08-0005, E-20-MC-08-0005, E-21-MC-08-0005, E-22-MC-08-0005
Award Year: 2020, 2021, 2022

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: The City department of HOST did not have effectively operating controls in place to ensure policies and procedures were followed with respect to suspension and debarment. HOST did have a compensating control in place pertaining to review of contracts to ensure suspension and debarment certifications were present. This was a finding carried over from the prior period. There were no new contracts entered into with subrecipients during 2023.

Cause: The department's review control was not operating effectively to ensure suspension and debarment searches were being performed. No documentation was retained to support such review took place.

Effect or Potential Effect: The Department could potentially enter into contracts with subrecipients or vendors who were included on the suspension and debarment listing at SAM.gov.

Questioned Costs: Not applicable

Context: The control finding was remediated in 2023. However, the control was not present at the time the City entered into agreements with its subrecipients prior to 2023. No control testing was performed because no controls were in operation at the time of award.

Identification as a Repeat Finding: This is a repeat finding from the prior year. This was reported as finding 2022-008 in the 2022 report.

Recommendation: HOST should follow their documented internal control procedures to ensure the SAM.gov search is performed, and documentation is retained to support compliance with internal policies and procedures related to suspension and debarment. A checklist or other tool should be developed to ensure this has been performed prior to contracting.

Views of Responsible Officials: The City agrees with the finding. This has been remediated. For additional information, see the City's separate report for planned corrective actions.

2023-004 – SPECIAL TESTS AND PROVISIONS- OBLIGATION, EXPENDITURE AND PAYMENT REQUIREMENTS

Material Weakness in Internal Control Over Compliance and Material Noncompliance
ALN 14.231 – Emergency Solutions Grant Program
Department of Housing and Urban Development
Award Number: E-20-MW-08-0005, E-20-MC-08-0005, E-21-MC-08-0005, E-22-MC-08-0005
Award Year: 2020, 2021, 2022

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

24 CFR 576.203(c) states – The recipient must pay each subrecipient for allowable costs within 30 days after receiving the subrecipient's complete payment request.

Condition: HOST did not have adequate controls in place to ensure subrecipients were timely paid after receiving complete payment requests. HOST did not make payments to its subrecipients within 30 days after receiving complete payment requests.

Cause: HOST did not have adequate internal controls in place to ensure payments were made timely to subrecipients. All four of the exceptions had to do with pending budget amendments needing to be made prior to payment, which resulted in payment delays. One exception was submitted to the Controller's Office for payment prior to the 30-day requirement. However, the payment was still made past the deadline.

Effect or Potential Effect: HOST is out of compliance with 24 CFR 576.203(c) regarding payments to subrecipients.

Questioned Costs: None reported

Context: BDO selected a sample of 13 payments to subrecipients totaling to $383,191 from a population of 101 payments totaling to $1,706,909. There were two payments totaling to $4,015 in which the invoice was not paid within 30 days of receipt of a complete payment request. The compliance sample was expanded and another 11 payments to subrecipients were selected totaling to $176,478. There were an additional two compliance deviations totaling to $24,937.

This is a condition identified per review of the City's compliance with specified requirements using a sample that was not statistically valid.

Identification as a Repeat Finding: This is a repeat finding from the prior year. This was reported as finding 2022-006 in the 2022 report.

Recommendation: HOST should improve upon its implemented controls to ensure subrecipients who submit complete invoices for payment are paid within 30 days. Improvements should include documenting when complete subrecipient pay requests have been received and the subsequent 30-day deadline. Steps should be taken to reduce the frequency and time associated with budget modifications to ensure payments are made timely. Finally, communication should take place between HOST and the Controller's Office to expedite payments to subrecipients and prevent unnecessary delays.

Views of Responsible Officials: The City agrees with the finding and internal policies have been updated to require finance budget review prior to contract execution to avoid budget modifications during the payment process. HOST is also engaged in an application upgrade that is in the final user acceptance phase to incorporate changes that now include status tracking for vendor invoice submissions and reimbursement payments. For additional information, see the City's separate report for planned corrective actions.

2023-005 – SUBRECIPIENT MONITORING

Significant Deficiency in Internal Control Over Compliance and Noncompliance

ALN 93.391 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
Department of Health and Human Services
Award Number: NH75OT0000010
Award Year: 2021

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The Uniform Guidance in 2 CFR Section 200.332 states- All pass-through entities must ensure that every subaward is clearly identified to the subrecipient and includes the following information at the time of the subaward as follows: (1) Federal award identification, (2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and terms and conditions of the Federal award; (3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports, (4) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and (5) Appropriate terms and conditions concerning the closeout of the subaward.

Condition: For all four subrecipients tested, subaward agreements did not include the award information required under 2 CFR 200.332. This was a finding carried over from the prior period. There were no new contracts entered into with subrecipients during 2023.

Cause: Subaward agreements were not properly written and appropriately reviewed to ensure all required award information was included.

Effect or Potential Effect: Denver Department of Public Health and Environment (DDPHE) was not in compliance with subrecipient requirements outlined in 2 CFR Section 200.332. Furthermore, not communicating proper compliance requirements and other information may increase the likelihood of noncompliance on the part of the subrecipient and non-fulfillment of program goals and objectives. In addition, this also increases the risk the subrecipient may not understand they are receiving Federal funds, which could result in subrecipients failing to comply with the Uniform Guidance or pass-through entity requirements for the award.
Questioned Costs: Not applicable

Context: The control finding was remediated in 2023. However, the control was not present when DDPHE entered into agreements with its subrecipients. These were the same contracts in existence in the prior period. The grant ended on May 31, 2023, and was closed out.

Identification as a Repeat Finding: This is a repeat finding from the prior year. This was reported as finding 2022-007 in the 2022 report.

Recommendation: DDPHE should revise future subaward agreements to include specific Federal award identification information and language clearly stating applicable audit requirements subrecipients must comply with to ensure all agreements comply with the requirements in 2 CFR Section 200.332.

Views of Responsible Officials: This has been remediated. For additional information, see the City's separate report for planned corrective actions.

2023-006 – SPECIAL TESTS AND PROVISIONS- OBLIGATION, EXPENDITURE AND PAYMENT REQUIREMENTS

Significant Deficiency in Internal Control Over Compliance and Noncompliance

ALN 14.231 – Emergency Solutions Grant Program
Department of Housing and Urban Development
Award Number: E-22-MC-08-0005
Award Year: 2022

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

24 CFR 576.203(b) states - All of the recipient's grant must be expended for eligible activity costs within 24 months after HUD signs the grant agreement with the recipient.

Condition: Controls in place at the City's Department of Housing Stability (HOST) were not effective in preventing expenditures from being incurred outside of the 24-month requirement. There was one instance where the existence of a control failed to prevent grant charges being made to the grant outside of the 24-month period.

Cause: Personnel reviewing expenditures did not adequately review to ensure expenditures for the Emergency Solutions Grant Program were incurred within the 24-month period.

Effect or Potential Effect: Funds were expended outside of the 24-month time limit outlined per 24 CFR section 576.203(b).

Questioned Costs: $2,427

Context: BDO selected a sample of seven expenditures totaling to $74,735 from a population of 19 expenditures totaling to $128,803. There was one expenditure in the amount of $2,427 that was incurred outside of the 24-month period. The compliance sample was expanded, and another three expenditures were selected totaling to $17,060. There were no additional compliance deviations noted.

This is a condition identified per review of the City's compliance with specified requirements using a sample that was not statistically valid.

Identification as a Repeat Finding: N/A

Recommendation: HOST should improve existing review controls to ensure Emergency Solutions Grant Program annual grants expiring are monitored to ensure expenditures are not charged to grants outside of the 24-month period. Grants should be monitored, and prior to grant expiration, special instructions should be distributed to personnel reviewing expenses informing them of the grant cutoff and items potentially charged outside of the period of performance.

Views of Responsible Officials: The City agrees with the finding. The Division of Operations and Impact has established policies and procedures that seek to ensure internal controls are in place to ensure that eligible expenditures are within a grant's period of performance. For additional information, see the City's separate report for planned corrective actions.

2023-007 – ACTIVITIES ALLOWED OR UNALLOWED AND ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency in Internal Control Over Compliance and Noncompliance

ALN 93.391 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
Department of Health and Human Services
Award Number: NH75OT000010
Award Year: 2021

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The Uniform Guidance in 2 CFR Section 200.403(g) states that for costs to be allowable under Federal awards, they must be adequately documented.

Condition: Controls in place at the City's Department of Public Health and Environment (DDPHE) were not effective in preventing incorrect expenditures from being charged to the grant. There was one instance where the existence of a control failed to detect an error within an invoice selected, which resulted in an overpayment to the subrecipient.

Cause: Personnel reviewing expenditures did not adequately review to ensure invoices were correct prior to payment.
Effect or Potential Effect: An invoice to a subrecipient was overpaid.

Questioned Costs: $431

Context: BDO selected a sample of 20 expenditures totaling to $216,560 from a population of 162 expenditures totaling to $625,782. There was one expenditure in the amount of $4,101 that was overpaid. The compliance sample was expanded, and another 12 expenditures were selected totaling to $29,975. There were no additional compliance deviations noted.

This is a condition identified per review of the City's compliance with specified requirements using a sample that was not statistically valid.

Identification as a Repeat Finding: N/A

Recommendation: DDPHE should improve existing review controls to ensure the mathematical accuracy of invoices has been checked, especially with respect to payments to subrecipients. Payroll and other costs reported on the face of the invoice should agree to supporting payroll documentation received.

Views of Responsible Officials: The City agrees with the finding. DDPHE will implement additional trainings and is encouraging a standard template in Excel to avoid calculation errors. For additional information, see the City's separate report for planned corrective actions.

2023-008 – REPORTING

Significant Deficiency in Internal Control Over Compliance and Noncompliance

ALN 21.023 – Emergency Rental Assistance Program
Department of the Treasury
Award Number: ERAE0436; ERAE0437
Award Year: 2021

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statues, regulations, and the terms and conditions of the Federal award.

ERA Reporting Guidance v 3.4 identifies quarterly reports required to be submitted for the Emergency Rental Assistance Program (ERAP). Key line items for these reports are outlined within the Compliance Supplement and include (1) administrative costs ratio, (2) housing stability services ratio, (3) system for prioritizing assistance, and (4) participant households at certain income levels of eligibility.

Condition: Controls over reviews of quarterly reports in place at the City's Department of Housing Stability (HOST) were not effective in detecting an error in expenditures reported on a quarterly report.

Cause: The Department's supervisory and review control was not operating effectively to ensure that all key line items reported in the quarterly reports were properly supported.

Effect or Potential Effect: The quarterly report for the fourth quarter contained an error pertaining to total expenditures. Ineffective controls could result in ratios such as the administrative costs and housing stability services to be incorrect.

Questioned Costs: Not applicable

Context: We tested a sample of three reports from a population of four. We identified exceptions in one of the reports tested. The exception was as follows:

- **ERA2 Quarter 4 Report-** Total expenditures reported for the period differed from what was reported on HOST supporting spreadsheets. This difference was between housing stability services expenditures, which were reported as $52,154 as opposed to $40,484, which was a difference of $11,659.

This is a condition identified per review of the City's compliance with specified requirements using a sample that was not statistically valid.

Identification as a Repeat Finding: This is a repeat finding from the prior year. This was reported as finding 2022-011 in the 2022 report.

Recommendation: Reviews of reports should be more thorough, which will increase the probability that such reporting errors are detected. The reviews can be improved by implementing a reporting checklist, which contains steps outlined in reviewing a report, including determining whether the report is mathematically accurate and agrees to underlying documentation. Underlying documentation should also be reviewed to determine if any errors exist within that documentation that could cause errors within the report.

Views of Responsible Officials: The City disagrees with the finding. Review of the ERA2 administration costs did not consider the timing of the static report submission. The report was prior to monthly close/reconciliation, which occurred the following month. For additional information, see the City's separate report for planned corrective actions.

2023-009 – REPORTING

Material Weakness in Internal Control Over Compliance and Noncompliance

ALN 93.600 – Head Start Program
Administration for Children and Families
Award Number: 08CH010552; 08HE000797
Award Year: 2021; 2022; 2023

Criteria or Specific Requirement: The Uniform Guidance in 2 CFR Section 200.303, *Internal Controls*, requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statues, regulations, and the terms and conditions of the Federal award.

The Federal Funding Accountability and Transparency Act (FFATA), codified under 2 CFR Part 170, requires recipients of grants or cooperative agreements to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Recipients must report each first-tier subaward or subaward amendment that results in an obligation of $30,000 or more in Federal funds. These actions must be reported in FSRS no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made.

Condition: Testing of FFATA reporting indicated all reports submitted had the incorrect obligation amounts reported. Reports to FSRS were also not submitted timely and in some cases no report was submitted.

Cause: Personnel administering the grant had an incorrect understanding of the reporting requirements under FFATA.

Effect or Potential Effect: The Federal government is not receiving accurate and up to date information on subawards and changes in subaward obligations made to first-tier subrecipients by the City.

Questioned Costs: Not applicable

Context: BDO selected a sample of three subrecipients with nine contracts and related amendments totaling to $16,650,842. There were nine instances of noncompliance in which the obligations/modifications totaling $16,650,842 were either not reported or reported incorrectly. There were three instances of noncompliance in which required key data elements for contracts totaling $958,676 were not reported or were reported incorrectly. There were nine instances of noncompliance where the reporting to FSRS was not submitted timely.

This is a condition identified per review of the City's compliance with specified requirements using a sample that was not statistically valid.

Identification as a Repeat Finding: N/A

Recommendation: An understanding of FFATA reporting requirements should be obtained through training and continuing education. This will enable more effective controls to be implemented to ensure such reporting requirements are followed.

Views of Responsible Officials: The City agrees with the finding. The department is updating internal procedures for reporting for FFATA amounts in the period of obligation rather than when the expense was incurred. For additional information, see the City's separate report for planned corrective actions.

CONTROLLER'S OFFICE
DENVER DEPARTMENT OF FINANCE

City and County of Denver

Corrective Action Plan

Year Ended December 31, 2023

2023-001 Finding: Financial Reporting Preparation

Status: Corrective action in progress

Corrective Action: The Accounting and Financial Reporting team will perform an in-depth debrief of the 2023 year-end process as well as the ACFR preparation. As part of that process, we will discuss challenges encountered and suggested process improvements. Based on those discussions, we will start to implement changes as needed. These may result in, but not limited to, the following: evaluate staffing levels, reallocating resources, leveraging technology, improve project management, and re-examine year-end deadlines.

Person(s) Responsible for Implementing: Accounting and Financial Reporting

Implementation Date: June 2024

2023-002 Finding: Special Tests and Provisions – Obligation, Expenditure and Payment Requirements - ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-22-MC-08-0005 / Award Year: 2022

Status: Complete

Corrective Action: This matter has been remediated, however, per the assessment this issue is a carryover into 2023 sub-awards based on the contract timeframes. The City agrees with the finding. However, based on when the finding was identified, there was insufficient time to address the finding prior to December 31, 2023. To remediate prior findings 2022-005 and 2021-010, HOST updated the agency's Grant Administrator Policies & Procedures, and our Contract & Performance Management Policies that now include language to ensure obligation of funding within the required deadlines. These policies were modified complete in June 2022 and July 2023. HOST's current Notice of Funding Availability (NOFA) cycle for ESG funding will apply to subrecipient programs awarded beginning 01/01/2024, with anticipated contract executions in Q4 2023. Copies of both policies were provided to BDO on August 16, 2023, in response to the finding. This matter has been remediated, however, per the assessment this issue is a carryover into 2022 sub-awards based on the contract timeframes.

Person(s) Responsible for Implementing: HOST Operations Division Directors

Implementation Date: July 2023

2023-003 Finding: Procurement, Suspension and Debarment (for Subrecipients) – ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-22-MC-08-0005, E-21-MC-08-0005, E-20-MC-08-0005/E-20-MW-08-0005 / Award Years: 2020, 2021, 2022

Status: Complete

Corrective Action: This matter has been remediated, however, per the assessment this issue is a carryover into 2023 sub-awards based on the contract timeframes. The City agrees with the finding. However, based on when the finding was identified, there was insufficient time to address the finding prior to December 31, 2022.To remediate prior findings 2022-008 and 2021-011, HOST updated the agency's Contract & Performance Management Policies under Section VII. Procedure Process Map, Step 1 to include the requirement to verify Suspension and Debarment for all subgrantees utilizing federal funding. This policy was modified and completed in July 2023, and a copy of this was provided to BDO on August 16, 2023, in response to the finding. This issue has been remediated, however, per the assessment, this issue is a carryover into 2023 sub-awards based on the contract timeframes.

Person(s) Responsible for Implementing: HOST – Jon Luper

Implementation Date: July 2023

2023-004 Finding: Special Tests and Provisions – Obligation, Expenditure and Payment Requirements - ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-22-MC-08-0005, E-21-MC-08-0005, E-20-MC-08-0005/E-20-MW-08-0005 / Award Years: 2020, 2021, 2022

Status: Completed

Corrective Action: The City agrees with the finding. Remediation began with 2022-006. HOST makes every effort to comply with not only federal requirements but also City Charter requirements for timely payment. Occasionally there are exceptional circumstances where there is a need to update the City financial system Workday, for budget modifications or the like that could result in a delay of payment. In an effort to determine these items ahead of time we've updated our internal policies to require finance budget review prior to contract execution.

Likewise, HOST is engaged in an application upgrade with Salesforce which is in the final User Acceptance Testing (UAT) phase to incorporate changes that now include status tracking for vendor invoice submissions and reimbursement payments. This will support a more comprehensive and accurate accounting of any legitimate postponed payments due to waiting on more required information from vendors, budget modifications, contract amendments, etc.

Person(s) Responsible for Implementing: HOST Operations Division Directors

Implementation Date: Q1-2024

CONTROLLER'S OFFICE
DENVER DEPARTMENT OF FINANCE

2023-005 Finding: Subrecipient Monitoring - ALN 93.391 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises / Department of Health and Human Services / Award Number: NH750T0000010 / Award Year: 2021

Status: Completed

Corrective Action: The City agrees with the finding. After receiving 2022-007, DDPHE has consulted with the City's Federal Grants Manager, other agencies that typically have subrecipients for Federal awards, and the City Attorney's Office to review the current standard contract provisions to ensure they cover all required provisions and has modified those provisions accordingly. DDPHE has a new template for Scope of Work that includes the missing information that was identified by BDO. DDPHE also included a step to verify the recording of the SAM.gov in the scope of work. This will be implemented in any Federally funded contracts going forward and we will be trained on this during Contracts & Grants training on a regular basis.

Person(s) Responsible for Implementing: DDPHE – Paige Cheney

Implementation Date: October 2023

2023-006 Finding: Special Tests and Provisions – Obligation, Expenditure and Payment Requirements - ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-22-MC-08-0005 / Award Years: 2022

Status: Corrective action in progress

Corrective Action: The City agrees with the finding. HOST makes every effort to comply with all federal requirements. Starting with our 2020 ESG Award, HOST entered into 3-year contracts with our subrecipient providers within the outlined periods of performance (POP):
E-20-MC-08-0005/AWD-00001006 (06/26/2020 – 06/25/2022)
E-21-MC-08-0005/AWD-00001212 (07/26/2021 – 07/25/2023)
E-22-MC-08-0005/AWD-00001376 (11/04/2022 – 11/03/2024)

While the annual Federal awards indicated a 24-month POP from the date of the contract execution/IDIS obligation date, the subrecipient contracts were encumbered and executed within a calendar year POP and amended as necessary upon receipt of the annual award. As such, there was overlap in the eligibility dates. The $2,426.75 under SI-00629712 was for EMERGENCY Essential Services for August case management. SI-00629712 was for eligible expenses in August 2023. The expenses should have been expensed under the E22 award based on the Federal POP. Executing multiple-year contracts for annual grant awards was a pilot project with the goal of improving the process. HOST has determined that annual subrecipient awards accordant to our Federal award timeline is more supportive of our internal grant policies and procedures.

The Division of Operations and Impact has established policies and procedures that guarantee appropriate internal controls are in place to ensure that eligible expenditures are within a grant's period of performance. A non-exhaustive list of the established policies that illustrate this are listed below:

- Managing the AP Inbox & Data Entry into Salesforce
- HOST Accounts Payable Voucher Processing Aid
- HOST Contract Invoice Process Map

Person(s) Responsible for Implementing: Ami Webb, HOST Division of Operations & Impact Finance Director

Implementation Date: Complete

2023-007 Finding: Activities Allowed and Unallowed, Allowable Costs/Cost Principles - ALN 93.391 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises / Department of Health and Human Services / Award Number: NH75OT000010 / Award Year: 2021

Status: Corrective action in progress

Corrective Action: The City agrees with the finding. DDPHE will implement additional trainings and guidance for contract monitoring including invoice review and encourage a standard template in Excel to avoid calculation errors. The City is also currently implementing a city-wide grants management system and we hope to include invoice review and tracking in this new system by 2025.

Person(s) Responsible for Implementing: DDPHE – Paige Cheney

Implementation Date: September 2024 and potentially January 2025

2023-008 Finding: Reporting - ALN 21.023 – Emergency Rental Assistance Program / Department of the Treasury / Award Number: ERAE0436, ERAE0437/Award Year: 2021

Status: Completed

Corrective Action: The City disagrees with the finding. BDO's review of the ERA2 administration costs should consider the timing of the static report submission. The report was prior to monthly close/reconciliation for March 2023 administrative expenses, which occurs the following month. The correct administration costs for Q2 is $40,484.26. We make every attempt to coincide the grant reporting requirements however, if there are updates/changes needed we make those adjustments in future reports.

Person(s) Responsible for Implementing: Melissa Thate, HOST HSHR Director

Implementation Date: N/A- the City disagrees with the finding

2023-009 Finding: Reporting - ALN 93.600 – Head Start Program / Administration for Children and Families / Award Number: 08CH010552, 08HE000797/Award Year: 2021, 2022, 2023

Status: Corrective action in progress

Corrective Action: We agree with the recommendation. Regarding award number 08CH010552, we will update our internal procedures for reporting FFATA amounts in the period of obligation rather than when the expense was incurred. For 08HE000797 award, the grant accountant that managed this award unexpectedly left the city. Given that other Coronavirus State and Local Fiscal Recovery Funds were exempt from the reporting and that he filed the FFATA for the main Head Start grant, we believe he misunderstood the guidance that this funding was also exempt. For all future Federal funding awards, we will ensure the grant accountant has a thorough understanding of the FFATA reporting requirements.

Person(s) Responsible for Implementing: Accounting Services

Implementation Date: July 2024

CONTROLLER'S OFFICE
DENVER DEPARTMENT OF FINANCE

City and County of Denver

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2022

2022-001 Finding: Change Management and Administrative Access (Repeat Finding)

Status: Complete (Previously finding 2021-007)

Corrective Action: Technology Services (TS) will conduct annual access reviews utilizing the TS Access Review Standard. Annual access reviews will include appropriateness of access ensuring inactive accounts are disabled, segregation of duties, and review of administrative accounts to prevent unauthorized changes and mitigate access issues identified.

Person(s) Responsible for Implementing: Technology Services – Jim Balogh

Implementation Date: December 31, 2023.

2022-002 Finding: Provisioning/Deprovisioning Access and User Access Review (Repeat Finding)

Status: Complete (Previously finding 2021-008)

Corrective Action: The Technology Services Identify and Access Management Team will create account provisioning/deprovisioning standards in alignment with the TS Role Based Access Controls Initiatives. As mentioned in the response for audit finding 2022-001 access reviews will be conducted utilizing the TS Access Review Standard to review appropriateness of access, segregation of duties, and administrative account access.

Person(s) Responsible for Implementing: Technology Services – Jim Balogh

Implementation Date: December 31, 2023

2022-003 Finding: Password Settings

Status: Complete

Corrective Action: The Technology Services Information Security Team will work with application administrators to improve password security for the identified applications.

Person(s) Responsible for Implementing: Technology Services – Jim Balogh

Implementation Date: December 31, 2023

2022-004 Finding: Control Documentation and Records Properly Managed and Maintained (Repeat Finding)

Status: Corrective action in progress

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Corrective Action: See below

Corrective Action in Progress - We have remained committed to enhancing the efficiency and accuracy of our Enterprise Cashiering Solution (ECS) reconciliation. Along with updating the reconciliation more frequently than previous years, we have also implemented several improvements that have helped streamline our process and reduce lag time between updates. However, we are still facing challenges with the large amount of data. In 2024, we will be exploring new and upcoming system features that could potentially automate some aspects of the reconciliation and simplify the research process. Target remediation date is Q4 2024.

Complete - Twice a year, the Award Trial Balance Review Reporting Package must be completed by all departments and agencies that have received an award from any type of funding source (Private, Local, State, Federal, etc.). This form must be completed certifying that the trial balances for all awards have been analyzed and that the City's System of Record (SOR) general ledger has been adjusted accordingly. The Mid-Year package certifies accounting periods 1 to 8 and the Year-End package certifies accounting periods 1 to 12. The Financial Reporting department confirms a package is received for all awards under each department or agency, however the department or agency is responsible for reviewing each awards package.

Completed - Treasury has created a Daily Balancing reconciliation review in Q1 2024. The reconciliation process has been developed and treasury has conducted a team training on February 27, 2024. Following the training the new process was in place and now has a secondary reviewer for daily balancing going forward.

Person(s) Responsible for Implementing: Accounting and Financial Reporting, Cash and Capital Funding, and Treasury

Implementation Date: Q4 2024 and Throughout 2023

2022-005 Finding: Special Tests and Provisions – Obligation, Expenditure and Payment Requirements - ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-21-MC-08-0005 / Award Year: 2021

Status: Complete (Previously finding 2021-010)

Corrective Action: See 2023-002

Person(s) Responsible for Implementing: HOST Operations Division Directors

Implementation Date: July 2023

2022-006 Finding: Special Tests and Provisions – Obligation, Expenditure and Payment Requirements - ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-21-MC-08-0005, E-20-MC-08-0005/E-20-MW-08-0005 / Award Years: 2020, 2021

Status: Complete

Corrective Action: See 2023-004

Person(s) Responsible for Implementing: HOST Operations Division Directors

Implementation Date: Q1-2024

2022-007 Finding: Subrecipient Monitoring - ALN 93.391 – Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises / Department of Health and Human Services / Award Number: NH75OT0000010 / Award Year: 2021

Status: Complete
Corrective Action: See 2023-005

Person(s) Responsible for Implementing: DDPHE – Paige Cheney

Implementation Date: October 2023

2022-008 Finding: Procurement, Suspension and Debarment – ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-21-MC-08-005, E-20-MC-08-0005/E-20-MW-08-0005 / Award Years: 2020, 2021 (Repeat Finding)

Status: Complete (Previously finding 2021-011)

Corrective Action: See 2023-003

Person(s) Responsible for Implementing: HOST – Jon Luper

Implementation Date: July 2023

2022-009 Finding: Matching - ALN 14.231 – Emergency Solutions Grant Program / Department of Housing and Urban Development / Award Number: E-20-MC-08-0005 / Award Year: 2020

Status: Complete

Corrective Action: The City disagrees with the finding. To remediate prior finding 2021-009, HOST and HUD Technical Assistance provider, HomeBase, created an ESG Match Guide and Reporting template and training for sub-grantees utilizing ESG funds that incorporate regulations contained within 24 CFR 576.201. HomeBase and HOST conducted a match training on July 22, 2022 with subrecipients that received funding under E-20-MC-08-0005. Documentation of the July 2022 training and copies of the ESG Match Guide were provided to BDO on August 25, 2023 as requested.
The ESG Match Guide outlines the ESG Match Documentation and Timing Requirements for Cash and In-Kind Match (this includes non-cash, i.e., Property, Goods, and Equipment). HOST is executing Commitment Letters and/or Memorandums of Understanding (MOU) as required prior to executing grant contracts with subrecipients.

Person(s) Responsible for Implementing: HOST - Housing Stability and Homelessness Resolution Division Directors

Implementation Date: Complete

CONTROLLER'S OFFICE
DENVER DEPARTMENT OF FINANCE

2022-010 Finding: Activities Allowed and Unallowed, Allowable Costs - / ALN 93.778 – Medicaid Cluster, ALN 93.659 – Adoption Assistance Program, ALN 93.563 – Child Support Enforcement, ALN 93.558 – Temporary Assistance for Needy Families, ALN 93.658 – Foster Care Title IV-E, ALN 93.667 – Social Services Block Grant, ALN 10.551/10.561 – Supplemental Nutrition Assistance Program (SNAP) Cluster / Department of Health and Human Services and Department of Agriculture / Award Number: N/A / Award Year: 2022

Status: Complete

Corrective Action: DHS Internal Audit worked with the Controller's Office to create Workday report summarizing whether DHS employees and their supervisor provided timecard approvals in Workday. The initial review looked at timecard approvals for all DHS time reporters, for all pay periods after the switch to Workday for time reporting (July 2 through November 4). For all instances identified where timecard approvals were missing by employees and/or their supervisors, we followed up to confirm that the reporting appeared to be accurate, as well as provided reminders of the need to approve timecards every pay period.

In December, review duties were transitioned to the DHS State Reporting team, which oversees time reporting for DHS. These reviews are now completed upon the end of each pay period to allow for timely follow up and resolution whenever it is identified that time reporters and/or their supervisor failed to approve timecards.

Person(s) Responsible for Implementing: DHS – Robert Baker

Implementation Date: November 2023

2022-011 Finding: Reporting - ALN 21.023 – Emergency Rental Assistance Program / Department of the Treasury / Award Number: ERAE0436, ERAE0437/Award Year: 2021

Status: Corrective action in progress

Corrective Action: See 2023-008

Person(s) Responsible for Implementing: Melissa Thate, HOST HSHR Director

Implementation Date: August 31, 2023

2022-012 Finding: Procurement and Suspension and Debarment - ALN 21.027 - Coronavirus State and Local Fiscal Recovery Funds / Department of the Treasury / Award Number: N/A / Award Year: 2020

ALN 93.391 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises / Department of Health and Human Services / Award Number: NH75OT0000010 / Award Year: 2021

Status: Complete

Corrective Action: 21.027 - The City agrees with the finding and will continue to make the necessary improvements to ensure that all vendors are appropriately verified on SAM.gov and documented in our system of record. The City has continued to provide periodic training through the Grants Policy Advisory Committee (GPAC) to support appropriate award administrative tasks, which includes recent topics such as Suspension and Debarment overview and the City's Fiscal Accountability Rule 9 – Awards. In addition to the GPAC meetings, this has also been a point of emphasis with all agencies involved with the Coronavirus State and Local Fiscal Recovery Funds at our monthly check-ins. Furthermore, the GPAC is leading an effort to develop new resources and processes to ensure that all vendors are appropriately verified and documented in our system of record, which is expected to be completed and in effect, by the end of Q1 2024.

93.391 - The City agrees with the finding. After receiving 2022-007 DDPHE has consulted with the City's Federal Grants Manager, other agencies that typically have subrecipients for federal awards, and the City Attorney's Office to review the current standard contract provisions to ensure they cover all required provisions and has modified those provisions accordingly. DDPHE has a new template for Scope of Work that includes the missing information that was identified by BDO. DDPHE also included a step to verify the recording of the SAM.gov in the scope of work. This will be implemented in any federally funded contracts going forward and we will be trained on this during Contracts & Grants training on a regular basis.

Person(s) Responsible for Implementing: 21.027 DOF – Dan Fetcher, 93.391 DDPHE - Paige Cheney
Implementation Date: 21.027 – Q1 2024, 93.391 - August 2023

2022-013 Finding: Activities Allowed and Unallowed, Allowable Costs - ALN 21.023 – Emergency Rental Assistance Program / Department of the Treasury / Award Number: ERAE0437; ERAE0436 / Award Year: 2021

Status: Complete

Corrective Action: The City agrees with the finding and has implemented procedures ensure that all timecards for individuals charging time and effort to the program be subjected to review prior to payroll being processed.
Due to mitigating circumstances beyond HOST's control, the City was not able to utilize the electronic timekeeping system due to a global Kronos ransomware attack. During the outage the City was limited to a web-based timesheet that unfortunately did not ensure supervisor approval. The City was eventually able to begin the process of restoring Kronos in June/July 2022. We have now transitioned to tracking time and effort in Workday beginning August 1, 2023 that requires allocations for employees charging time to grants, and supervisor review and approval.

Person(s) Responsible for Implementing: HOST – Melissa Thate, HOST HSHR Director

Implementation Date: August 1, 2023

2022-014 Finding: Reporting - ALN 14.241 – Housing Opportunities for Persons with AIDS / Department of Housing and Urban Development / Award Number: COH20-FHW001; COH21-F001; COH20-F001 / Award Year: 2020; 2021

Status: Complete

Corrective Action: The City agrees with the finding, and we have implemented procedures to ensure submissions of FFATA reports are reviewed.

Due to mitigating circumstances beyond HOST's control, the issuance of a federal Unique Entity Identifier (UEI) was significantly delayed. HOST was able to obtain its Unique Entity Identifier (UEI) on September 14, 2022. Reports are current through FY2022, and proof of the submissions were provided to BDO on July 29, 2023 in response to this finding. This matter has been remediated going forward, however, per the assessment, this issue is a carryover into 2022 sub-awards based on the contract timeframes.

Person(s) Responsible for Implementing: HOST Operations Division Directors

Implementation Date: July 2023

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2022-015 Finding: Activities Allowed or Unallowed, Allowable Costs - ALN 93.778 – Medicaid Cluster / ALN 93.659 – Adoption Assistance Program / ALN 93.563 – Child Support Enforcement / ALN 93.090 – Guardianship Assistance (Non-Major) / ALN 93.658 – Foster Care Title IV-E / ALN 10.551/10.561 – Supplemental Nutrition Assistance Program (SNAP Cluster) / Department of Health and Human Services and Department of Agriculture / Award Number: N/A / Award Year: 2022 (Repeat Finding)

Status: Complete (Previously finding 2021-016)

Corrective Action: The City agrees with the finding. After a lot of back and forth and research we have determined that the City's Central Services Cost Allocation Plan should be submitted to the FAA. This was submitted to the Airport for submission to the FAA on June 16, 2023. We have been unable to obtain acknowledgement of receipt, however, we have documented the submission. The FY22 City's Central Services Cost Allocation Plan was submitted to the FAA on September 1, 2023.

Person(s) Responsible for Implementing: Jessica Chandler, Rachel Bardin, Department of Finance

Implementation Date: September 2023

2022-016 Finding: Program Income - ALN 14.239 – Home Investment Partnerships Program / Department of Housing and Urban Development / Award Number: M22-MC080204 / Award Year: 2022

Status: Complete

Corrective Action: The City agrees with the finding as this was a simple oversight for the finance team due to the extreme staff shortages we've encountered over the last year. HOST has a process of reviewing and approving program income in Workday and associated grantor entries. We are filling vacancies to support the general ledger transactions and currently onboarding a new staff accountant to support this effort.
Del Norte Loan # 34-36-01 had cash flow in 2021, and a subsequent payment due in 2022. An interest payment of $48,500 was completed and credited correctly. The interest was booked in the General Ledger (GL) under HOME/GR2437 instead of NSP2/GR98, causing the notes receivable to be inaccurately overstated in HOME/GR2437 and understated NSP2/GR98. This has been remediated going forward by practicing a process of reconciling each fund with each revenue category.

Person(s) Responsible for Implementing: HOST – Ami Webb, HOST Division of Operations & Impact Finance Director

Implementation Date: August 2023

2022-017 Finding: - ALN 93.914 – HIV Emergency Relief Project Grants (Non-Major) / Department of Health and Human Services / Award Number: H89HA00027-28-00, H89HA00027-28-01/ Award Year: 2021 (Repeat Finding)

Status: Complete (Previously finding 2021-015)

Corrective Action: The City agrees with the finding. The review of personnel costs that are not 100% allocated to the grant will be reviewed annually as a part of the annual budget planning process. Allocation decisions will be documented and attached to budget planning documents. The director position will no longer be funded in part by the

Ryan White Part A grant starting in January 2024. Only personnel directly related to the daily activities of the grant will be allocated. The other position will be 90% funded by the grant due to 10% of his time being allocated to the general fund supported programs in his section. Time spent on grant activities and non-grant activities are being recorded in the Workday timesheets and a report can be pulled from Work Day to reflect the actual allocations of the grant.

Person(s) Responsible for Implementing: DDPHE –Tristan Sanders, Robert George

Implementation Date: October 2023

2022-018 Finding: - All Major Programs

Status: Complete

Corrective Action: The number of major programs, numerous COVID-funded grants, along with the hiring of a new auditor, resulted in the late filing. The City is aware of the submission deadlines and will be filing its data collection form for the year ended December 31, 2022, by the required deadline. The city and its external auditors are in the process of detailing a plan to complete the next year's audit by an earlier date, which will also result in a timely submission. The 2022 SEFA was submitted by the required deadline of 09/30/2023.

Person(s) Responsible for Implementing: Jessica Chandler – Department of Finance

Implementation Date: September 2023