
City of Fort Collins, Colorado

**Federal Awards Supplemental Information
December 31, 2024**

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

Independent Auditor's Report

To the Honorable Mayor and Members of the
City Council
City of Fort Collins, Colorado

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 of Fort Collins, Colorado (the "City") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 13, 2025, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to June 13, 2025.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

June 13, 2025

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

Independent Auditor's Report

To Management, the Honorable Mayor,
and Members of the City Council
City of Fort Collins, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fort Collins, Colorado (the "City") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 13, 2025.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management, the Honorable Mayor,
and Members of the City Council
City of Fort Collins, Colorado

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.

Plante & Moran, PLLC

June 13, 2025



Plante & Moran, PLLC

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance

Independent Auditor's Report

To the Honorable Mayor and Members of the
City Council
City of Fort Collins, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Fort Collins, Colorado'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, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

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.

To the Honorable Mayor and Members of the
City Council
City of Fort Collins, Colorado

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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 have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-001 to be a material weakness.

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.

To the Honorable Mayor and Members of the
City Council
City of Fort Collins, Colorado

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding 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 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.

Plante & Moreau, PLLC

June 13, 2025

City of Fort Collins, Colorado

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Direct/ Pass-through	Pass-through Entity	Project/Grant (FAIN) No. Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Amount Provided to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development						
CDBG Entitlement Grants Cluster - Community Development						
Block Grants/Entitlement Grants						
Grant Year 2021 / 2022	Direct		B-21-MC-08-0008	14.218	\$ 159,692	\$ 159,692
Grant Year 2022 / 2023	Direct		B-22-MC-08-0008	14.218	627,698	627,698
Grant Year 2023 / 2024	Direct		B-23-MC-08-0008	14.218	524,758	701,610
Grant Year 2024 / 2025	Direct		B-24-MC-08-0008	14.218	41,559	89,936
Total CDBG Entitlement Grants Cluster					1,353,707	1,578,936
Home Investment Partnerships Program						
Grant Year 2020 / 2021	Direct		M-20-MC-08-0209	14.239	71,249	71,249
Grant Year 2021 / 2022	Direct		M-21-MC-08-0209	14.239	150,350	150,350
Grant Year 2022 / 2023	Direct		M-22-MC-08-0209	14.239	783,448	783,448
Grant Year 2023 / 2024	Direct		M-23-MC-08-0209	14.239	501,800	532,535
Grant Year 2024 / 2025	Direct		M-24-MC-08-0209	14.239	-	37,407
COVID-19 Home Investment Partnership Programs Block Grant	Direct		M21-MP080209	14.239	1,902,478	1,967,887
Total Home Investment Partnerships Program					3,409,325	3,542,876
Total Department of Housing and Urban Development					4,763,032	5,121,812
Department of Justice						
Crime Victim Assistance	Pass-through	Colorado Department of Public Safety	2021-VA-22-440-08	16.575	-	25,216
Edward Byrne Memorial Justice Assistance Grant Program	Pass-through	Larimer County	N/A	16.738	-	15,807
Recovery Act - Internet Crimes Against Children Task Force Program (ICAC)	Pass-through	City of Colorado Springs	N/A	16.800	-	6,081
Total Department of Justice					-	47,104
Department of Transportation						
Highway Planning and Construction						
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	SHO M455-124 (21966)	20.205	-	2,601,502
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	STU M455-129	20.205	-	90,011
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	SHO-M455-137 (23896)	20.205	-	21,114
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	SHO-M4455-137 (23896)	20.205	-	164,218
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	STU 2873-215 (24105)	20.205	-	72,547
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	SHO M455-136 (23881)	20.205	-	124,073
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	TAP M455-133 (23630)	20.205	-	887,273
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	SAR-M455-149 (25704)	20.205	-	119,394
Highway Planning and Construction	Pass-through	Colorado Department of Transportation	TAP M455-148 (25557)	20.205	-	5,158
Total Highway Planning and Construction					-	4,085,290

City of Fort Collins, Colorado

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Direct/ Pass-through	Pass-through Entity	Project/Grant (FAIN) No. Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Amount Provided to Subrecipients	Total Federal Expenditures
Federal Transit Cluster						
Federal Transit - Formula Grants	Direct		CO-2023-015-00	20.507	\$ -	\$ 25,373
Federal Transit - Formula Grants	Direct		CO-2020-013-00	20.507	-	2,894
Federal Transit - Formula Grants	Direct		CO-2021-049-00	20.507	-	31,597
Federal Transit - Formula Grants	Direct		CO-2024-034-00	20.507	-	4,763,325
Federal Transit - Formula Grants	Direct		CO-2024-015-00	20.507	-	4,452,608
Federal Transit - Formula Grants	Direct		CO-2024-020-01	20.507	-	500,000
Total Federal Transit - Formula Grants					-	9,775,797
Bus and Bus Facilities Formula Program & Discretionary Programs	Direct		CO-2024-014-00	20.526	-	3,196,655
Bus and Bus Facilities Formula Program & Discretionary Programs	Direct		CO-2024-007-00	20.526	-	102,957
Bus and Bus Facilities Formula Program & Discretionary Programs	Direct		CO-2023-032-00	20.526	-	133,516
Bus and Bus Facilities Formula Program & Discretionary Programs	Direct		CO-2020-013-00	20.526	-	74,621
Total Bus and Bus Facilities Formula Program & Discretionary Programs					-	3,507,749
Total Federal Transit Cluster					-	13,283,546
Transit Services Programs Cluster						
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct		CO-2023-005-01	20.513	-	73,310
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct		CO-2024-033-00	20.513	-	103,795
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct		CO-2022-024-00	20.513	-	61,455
Enhanced Mobility of Seniors and Individuals with Disabilities	Direct		CO-2022-003-00	20.513	-	31,598
Total Transit Services Programs Cluster					-	270,158
Strengthening Mobility and Revolutionizing Transportation (SMART) Program	Direct		SMARTFY22N1P1G14	20.941	-	687,340
Highway Safety Cluster - National Priority Safety Programs	Pass-through	Colorado Department of Transportation	23 NHTSA405B.0504	20.616	-	16,105
Total Department of Transportation					-	18,342,439
Department of the Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Direct		N/A	21.027	2,089,483	9,588,107
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Pass-through	Colorado Department of Transportation	MTF M455-1138 (23934)	21.027	-	795,306
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Pass-through	Colorado Department of Transportation	TAP M455-133 (23630)	21.027	-	263,920
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Pass-through	Larimer County Economic and Workforce Development Department	SLFRP0126	21.027	-	2,614
Total Department of the Treasury					2,089,483	10,649,947
Department of Labor - Workforce Innovation and Opportunity Act	Pass-through	Colorado Department of Agriculture	CDA-POGG1,BMAA, 202400003534	17.258	-	3,507

See notes to schedule of expenditures of federal awards.

City of Fort Collins, Colorado

Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Direct/ Pass-through	Pass-through Entity	Project/Grant (FAIN) No. Pass-through Entity Identifying Number	Federal Assistance Listing Number	Total Amount Provided to Subrecipients	Total Federal Expenditures
Environmental Protection Agency						
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Direct		N/A	66.034	\$ 188,181	\$ 188,181
Performance Partnership Grants	Pass-through	Colorado Department of Public Health & Environment	202200006020	66.605	-	7,570
Total Environmental Protection Agency					188,181	195,751
Department of Energy						
State Energy Program	Pass-through	Colorado Department of Energy	N/A	81.041	-	800,000
State Energy Program	Pass-through	Colorado Energy Office	N/A	81.041	-	33,900
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	Direct		DE-EE0010948	81.117	28,980	41,829
Total Department of Energy					28,980	875,729
Department of Health and Human Services CCDF Cluster						
Child Care and Development Block Grant	Pass-through	Colorado Department of Early Childhood	1737253	93.575	-	14,046
Child Care and Development Block Grant	Pass-through	Colorado Department of Early Childhood	MIS00001078	93.575	-	7,023
Total Department of Health and Human Services					-	21,069
Total Expenditures of Federal Awards					\$ 7,069,676.00	\$ 35,257,358.00

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Fort Collins, Colorado (the "City") under programs of the federal government for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

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

Note 3 - Loan Balances

Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule of expenditures of federal awards. The balances of loans outstanding at December 31, 2024 consist of the following:

Federal Program	Assistance Listing Number	Loan Balances
State Energy Program	81.041	\$ 800,000

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

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

☒ Yes ☐ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
14.239	Home Investment Partnerships Program	Unmodified
20.205	Highway Planning and Construction	Unmodified
20.507, 20.526	Federal Transit Cluster	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$1,057,721

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2024-001	<p>Assistance Listing Number, Federal Agency, and Program Name - ALN 20.205, Department of Transportation, Highway Planning and Construction - ALN 21.027, Department of the Treasury, COVID-19 - Coronavirus State and Local Fiscal Recovery Funds</p> <p>Federal Award Identification Number and Year - ALN 20.205: SHO M455-136 (2024), STU M455-129 (2024), STU 2873-215 (2024), CRP M455-164 (2024), SHO M455-137 (2024), SHO M455-135 (2024), and STU M455-125 (2024) - ALN 21.027: N/A</p> <p>Pass-through Entity - ALN 20.205: Colorado Department of Transportation - ALN 21.027: N/A</p> <p>Finding Type - Material weakness</p> <p>Repeat Finding - Yes</p>	None
2023-003	<p>Criteria - According to 2 CFR 200.502, the determination of when a federal award is expended must be based on when the activity related to the federal award occurs. Generally, the activity pertains to the events that require the nonfederal entity to comply with federal status, regulations, and the terms and conditions of federal awards, such as expenditure/expense transactions associated with awards including grants.</p> <p>Condition - The fiscal year 2024 schedule of expenditures of federal awards (SEFA) that was initially provided to the auditors was incorrect because it included expenditures related to fiscal years 2023 and 2025.</p> <p>Questioned Costs - N/A</p> <p>If Questioned Costs are not Determinable, Description of why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - N/A</p> <p>Identification of How Questioned Costs Were Computed - N/A</p> <p>Context - Within Highway Planning and Construction, the expenditures reported on the initial SEFA included \$142,724 that related to expenditures incurred in fiscal year 2023. There was also \$16,128 that related to expenditures incurred in fiscal year 2024 that was not reported on the initial SEFA. Within Coronavirus State and Local Fiscal Recovery Funds, the expenditures reported on the initial SEFA included \$15,921 that related to expenditures incurred in fiscal year 2023 and \$99,200 that related to expenditures incurred in fiscal year 2025.</p> <p>Cause and Effect - The City reported federal expenditures in congruence with requests for reimbursement from the federal agency, rather than when the expenditures was incurred.</p> <p>Recommendation - The City should implement controls to ensure that the SEFA is prepared in accordance with applicable rules and regulations.</p>	

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2024-001 (Continued)	<p>Views of Responsible Officials and Corrective Action Plan - The City of Fort Collins, Colorado has determined that two separate and identifiable root causes led to the inclusion of expenditures from fiscal years 2023 and 2025 in the initial fiscal year 2024 SEFA.</p> <p>1. Improper Accrual of Prepayments:</p> <p>A small number of transactions involving partial prepayments were not properly accrued in accordance with accounting standards. To address this issue, the City will implement a formal review process where all reimbursement requests are reviewed by the grant accountant prior to submission. This review will include a targeted examination of expenditure listings to identify and ensure appropriate treatment of any transactions requiring accrual as prepayments.</p> <p>2. Inconsistencies Between Reimbursement Packets and the General Ledger:</p> <p>For the Highway Planning and Construction Cluster, the SEFA preparation process previously relied on reimbursement request packets compiled by departmental staff. In some cases, these packets did not accurately reflect the timing of expenditures recorded in the general ledger. To enhance accuracy, the City will implement a reconciliation procedure requiring the grant accountant to cross-reference reimbursement packet data with the general ledger during SEFA preparation. This step will help ensure that all expenditures are properly reported in the appropriate fiscal year.</p> <p>The City is confident that these corrective actions will strengthen internal controls over SEFA preparation and prevent recurrence of similar issues in future reporting periods.</p>	