



# **SINGLE AUDIT**



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**Haynie &  
Company**

**Certified Public Accountants** (a professional corporation)  
1221 West Mineral Ave, Ste. 202 Littleton, Colorado 80120-4544 (303) 734-4800 Fax (303) 795-3356

**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**

City Council  
City of Grand Junction, 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, the financial statements of the City of Grand Junction, Colorado (the "City"), which comprise the statement of financial position as of December 31, 2017, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report June 29, 2018.

**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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 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 may exist that have not been identified.



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**Compliance**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Littleton, Colorado  
June 29, 2018



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**INDEPENDENT AUDITOR'S REPORT**  
**ON COMPLIANCE WITH REQUIREMENTS APPLICABLE**  
**TO EACH MAJOR PROGRAM AND ON**  
**INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE**  
**UNIFORM GUIDANCE**

City Council  
City of Grand Junction, Colorado

**Report on Compliance for Each Major Program**

We have audited the City of Grand Junction's (the "City") compliance with the types of compliance requirements described in the OMB Compliance Supplement, that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each major program. However, our audit does not provide a legal determination of City's compliance.

**Opinion on Each Major Program**

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs identified above for the year ended December 31, 2017.



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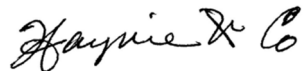
### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control 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 requirements of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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 the attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Littleton, Colorado  
June 29, 2018

City of Grand Junction, Colorado  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended December 31, 2017

<b>Federal Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Award Amount</b>	<b>2017 Amount of Award Expended</b>
<b>U.S. DEPARTMENT OF ENERGY</b> Long-Term Surveillance and Maintenance	<b>81.136</b>	\$ 120,000	\$ 20,000
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b> Passed through Colorado Foundation of Public Health and Environment National Center for Advancing Translational Sciences	<b>93.350</b>	18,050	17,087
<b>U.S. DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY</b> Staffing for Adequate Fire and Emergency Response (SAFER)	<b>97.083</b>	515,385	233,368
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT</b> Community Development Block Grants/Entitlement Grants	<b>14.218</b>	1,160,022	434,351
<b>U.S. DEPARTMENT OF JUSTICE</b> Bulletproof Vest Partnership Program	<b>16.607</b>	7,911	5,274
<b>U.S. DEPARTMENT OF TRANSPORTATION</b> Passed through Colorado Department of Transportation Federal Highway Administration (FHWA) Highway Planning and Construction	<b>20.205</b>	1,778,400	20,499
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b> Passed Through Mesa County, Colorado High Intensity Drug Trafficking Areas Program	<b>95.001</b>	72,459	72,459
Total Federal Award Expenditures			\$ <u><u>803,038</u></u>

The accompanying notes are an integral part of this schedule.

City of Grand Junction, Colorado  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
December 31, 2017

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**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Grand Junction, Colorado and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

The City has elected to not use the 10% de minimus indirect cost rate, as allowed under Uniform Guidance.

**NOTE B – SUB-RECIPIENTS**

Of the federal expenditures presented in the schedule, the City of Grand Junction, Colorado provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount Provided to Sub-recipient</u>
Community Development Block Grants/ Entitlement Grants	14.218	\$ 180,221



# City of Grand Junction, Colorado

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## Schedule of Findings and Questioned Costs for the Year Ended December 31, 2017

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### **1. Summary of Auditor's Results**

Type of report issued on the financial statements: **Unmodified**

Material weaknesses in financial reporting internal control noted: **None**

Significant deficiency(s) identified that are not considered to be material weaknesses in financial reporting: **None**

Material noncompliance noted: **None**

#### ***Federal Awards:***

Material weaknesses in internal control over major programs: **None**

*Significant deficiency(s) identified that are not considered to be material weaknesses over major programs:* **None**

*Type of report issued on compliance for major programs:* **Unmodified**

Audit findings required to be reported in accordance with the Uniform Guidance: **None**

*The following programs are considered to be major:*

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
14.218	U.S. Department of Housing and Urban Development – Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish Type A and Type B programs: **\$750,000**

Qualifies as low-risk auditee: **No**

### **2. Findings relating to the financial statements which are required to be reported in accordance with Government Auditing Standards.**

None

### **3. Findings and questioned costs for Federal Awards**

None

### **4. Summary Schedule of Prior Audit Findings**

None



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