

# **City of Arlington, Texas**

## **Single Audit Reports**

**September 30, 2022**



**Contents**

Schedule of Expenditures of Federal and State Awards .....	1
Notes to the Schedule of Expenditures of Federal and State Awards.....	6
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditor’s Report.....	8
Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the Texas Grant Management Standards (TxGMS) – Independent Auditor’s Report.....	10
Schedule of Findings and Questioned Costs.....	13
Summary Schedule of Prior Audit Findings .....	16

**City of Arlington, Texas**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2022**  
**(in Thousands)**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Award Number	Passed Through to Subrecipients	Federal & State Expenditures
<b>FEDERAL AWARDS</b>				
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<b>Direct Programs:</b>				
<b>CDBG – Entitlement Grants Cluster</b>				
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-48-0008	\$ 15	\$ 314
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0008	21	1,288
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0008	45	611
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B-19-DW-48-0008	1,086	1,143
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0008	1,072	1,534
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-48-0008	69	202
<b>Total CDBG – Entitlement Grants Cluster</b>			<u>2,308</u>	<u>5,092</u>
Emergency Solutions Grants Program (2020)	14.231	E-20-MC-48-0009	5	43
Emergency Solutions Grants Program (2021)	14.231	E-21-MC-48-0009	160	176
Emergency Solutions Grants Program (2022)	14.231	E-22-MC-48-0008	27	27
COVID-19 Emergency Solutions Grants Program COVID	14.231	E-20-MW-48-008	997	1,093
<b>Total Emergency Solutions Grants Program</b>			<u>1,189</u>	<u>1,339</u>
Home Investment Partnerships Program (2018)	14.239	M-18-MC-48-0212	-	6
Home Investment Partnerships Program (2020)	14.239	M-20-MC-48-0212	437	437
Home Investment Partnerships Program (2021)	14.239	M-21-MC-48-0212	321	419
<b>Total Home Investment Partnerships Program</b>			<u>758</u>	<u>862</u>
<b>Total Department of Housing and Urban Development</b>			<u>4,255</u>	<u>7,293</u>
<b>DEPARTMENT OF INTERIOR</b>				
<b>TEXAS HISTORICAL COMMISSION</b>				
Historic Preservation Fund Grants-In-Aid	15.904	TX-20-10033	-	15
<b>Total Historic Preservation Fund Grants-In-Aid</b>			<u>-</u>	<u>15</u>
<b>Total Department of Interior</b>			<u>-</u>	<u>15</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Pass-through National Association of County and City Health Officials:</b>				
Food and Drug Administration Research (Retail Program Standards Training Fall 2021)	93.103	G-T-2010-09088	-	3
<b>Total Retail Program Standards</b>			<u>-</u>	<u>3</u>
<b>Total Department of Health and Human Services</b>			<u>-</u>	<u>3</u>
<b>DEPARTMENT OF EDUCATION</b>				
<b>Pass-through Workforce Solutions for Tarrant County:</b>				
Adult Education Basic – Grants to States (Adult Education and Literacy 2022)	84.002	21-SPC-AEL-002	-	262
Adult Education Basic – Grants to States (Adult Education and Literacy 2023)	84.002	22-SPC-AEL-002	-	56
<b>Total Adult Education Basics - Grants to States</b>			<u>-</u>	<u>318</u>
<b>Total Department of Education</b>			<u>-</u>	<u>318</u>

**City of Arlington, Texas**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2022**  
**(in Thousands)**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Award Number	Passed Through to Subrecipients	Federal & State Expenditures
<b>FEDERAL AWARDS</b>				
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
<b>Pass-through Texas Water Development Board:</b>				
Drinking Water State Revolving Fund Cluster				
Capitalization Grants for Drinking Water State Revolving Funds (Drinking Water Loan 2018)	66.468	62750	-	-
Capitalization Grants for Drinking Water State Revolving Funds (Drinking Water Loan 2019)	66.468	62813	-	34,124
<b>Total Capitalization Grants for Drinking Water State Revolving Funds</b>			-	34,124
Clean Water State Revolving Fund Cluster				
Capitalization Grants for Clean Water State Revolving Funds (Clean Water Loan 2017)	66.458	73752	-	772
Capitalization Grants for Clean Water State Revolving Funds (Clean Water Loan 2018)	66.458	73788	-	-
Capitalization Grants for Clean Water State Revolving Funds (Clean Water Loan 2019)	66.458	73827	-	-
Capitalization Grants for Clean Water State Revolving Funds (Clean Water Loan 2020)	66.458	72313	-	-
<b>Total Capitalization Grants for Clean Water State Revolving Funds</b>			-	772
<b>Total Pass-through Texas Water Development Board</b>			-	34,896
<b>Pass-through North Texas Council of Governments:</b>				
Clean Fleets North Texas 2019	66.039	TRN6462	-	(27)
<b>Total Pass-through North Texas Council of Governments</b>			-	(27)
<b>Total Environmental Protection Agency</b>			-	34,869
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>				
<b>Direct Programs:</b>				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	Not Specified	-	6
<b>DEPARTMENT OF JUSTICE</b>				
<b>Direct Programs:</b>				
Public Safety Partnership and Community Policing Grants (Cops Hiring Program 2016)	16.710	2016-YL-WX-0011	-	176
Public Safety Partnership and Community Policing Grants (Cops Hiring Program 2017)	16.710	2017-UL-WX-0015	-	(397)
Public Safety Partnership and Community Policing Grants (Cops School Violence Prevention)	16.710	2018-SV-WX-0084	-	(34)
<b>Total Public Safety Partnership and Community Policing Grants</b>			-	(255)
Criminal Justice Department				
Coverdell Forensic Sciences Improvement	16.742	4153301	-	116
Criminal and Juvenile Justice and Mental Health Collaboration Programs (Justice and Mental Health)	16.745	2018-MO-BX-0036	-	-
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1481	-	47
<b>Total Direct from the Department of Justice</b>			-	163
<b>Pass-through Office of the Governor – Criminal Justice Division:</b>				
Crime Victim Assistance (Intimate Partner Violence Counselor 22)	16.575	3850203	-	119
Crime Victim Assistance (Intimate Partner Violence Counselor 23)	16.575	3850204	-	20
<b>Total Crime Victim Assistance</b>			-	139
<b>Pass-through City of Fort Worth:</b>				
Edward Byrne Memorial Justice Assistance Grant Program (Justice Assistance Grant 21)	16.738	15PBJA-21-GG-01878-JAGX	-	117
<b>Total Edward Byrne Memorial Justice Assistance Grant Program</b>			-	117

The accompanying notes are an integral part of this Schedule.

**City of Arlington, Texas**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2022**  
**(in Thousands)**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Award Number	Passed Through to Subrecipients	Federal & State Expenditures
<b>FEDERAL AWARDS</b>				
<b>Pass-through City of Dallas:</b>				
Missing Children's Assistance (Internet Crimes Against Children 20)	16.543	2020-MC-FX-K056	-	19
<b>Total Department of Justice</b>			-	183
<b>DEPARTMENT OF TRANSPORTATION</b>				
<b>Federal Transit Cluster</b>				
<b>Direct Programs:</b>				
Federal Transit Formula Grants (Handitran - Capital Maintenance)	20.507	TX-2021-032	-	127
Federal Transit Formula Grants (Handitran - Capital/Capital Maintenance)	20.507	TX-2018-026	-	72
Federal Transit Formula Grants (Handitran - Capital Maintenance)	20.507	TX-2019-008	-	480
Federal Transit Formula Grants (Handitran - Operating 2020)	20.507	TX-2022-70	-	909
Federal Transit Formula Grants (Handitran - Operating 2021)	20.507	NOT EXECUTED	-	264
COVID-19 Federal Transit Formula Grants (CARES Handitran - Operating/Capital/Capital Maintenance)	20.507	TX-2020-156	-	311
Federal Transit Formula Grants (Ride Share 2018)	20.507	TX-2019-056	-	130
Federal Transit Formula Grants (Ride Share 2019 grant)	20.507	TX-2019-032	-	377
COVID-19 Federal Transit Formula Grants (CARES Ride Share)	20.507	TX-2022-XXX	-	1,884
COVID-19 Federal Transit Formula Grants (CARES Ride 2021 Share)	20.507	TX-2022-XXX	-	589
<b>Subtotal Federal Transit Cluster</b>			-	5,143
Public Transportation Innovation (RAPID)	20.530	TX-2020-084	-	768
<b>Federal Motor Carrier Safety Assistance Cluster</b>				
<b>Direct Programs:</b>				
Commercial Vehicle Information Systems and Networks (Commercial Motor Vehicle Safety 20)	20.237	FM-MHP-0478-19-01-00	-	88
(Commercial Motor Vehicle Safety 21)	20.237	69A3602140652MHP0TX	-	95
<b>Subtotal Federal Motor Carrier Assistance Cluster</b>			-	183
<b>Total Direct from the Department of Transportation</b>			-	951
<b>Pass-through Texas Department of Transportation:</b>				
<b>Highway Safety Cluster</b>				
State and Community Highway Safety (STEP Comprehensive 2022)	20.600	2022-Arlington-S-1-YG-00022	-	167
State and Community Highway Safety (STEP CMV 2022)	20.600	2022-ARLINGTON-S-CMV-00006	-	39
<b>Total Highway Safety Cluster</b>			-	206
<b>Highway Planning and Construction Cluster</b>				
<b>Pass-through Texas Department of Transportation – Federal Highway Administration</b>				
Highway Planning and Construction (Julia Burgen Park Trail)	20.205	CSJ 0902-90-085	-	26
<b>Total Highway Planning and Construction Grants</b>			-	26
<b>Total Department of Transportation</b>			-	6,326

**City of Arlington, Texas**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2022**  
**(in Thousands)**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Award Number	Passed Through to Subrecipients	Federal & State Expenditures
<b>FEDERAL AWARDS</b>				
<b>DEPARTMENT OF HOMELAND SECURITY – FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				
<i>Homeland Security Cluster</i>				
<b>Pass-through Texas Office of the Governor – Homeland Security Grants Division</b>				
Homeland Security Grant Program (UASI 19 EOD Sustainment)	97.067	2944305	-	60
Homeland Security Grant Program (UASI 19 First Responder)	97.067	2977805	-	232
Homeland Security Grant Program (UASI 19 Special Response Team)	97.067	2978405	-	39
Homeland Security Grant Program (UASI 18 First Responder)	97.067	2977804	-	(3)
Homeland Security Grant Program (UASI 20 Special Response Team)	97.067	2978406	-	168
Homeland Security Grant Program (UASI 20 Special Ops Sustainment)	97.067	2978206	-	782
Homeland Security Grant Program (UASI 20 Cybersecurity)	97.067	4130701	-	1
Homeland Security Grant Program (UASI 20 Fire Planning)	97.067	2978006	-	30
Homeland Security Grant Program (UASI 20 Law Enforcement Planning)	97.067	2978606	-	34
Homeland Security Grant Program (UASI 20 Management & Administration)	97.067	2978906	-	24
Homeland Security Grant Program (UASI 20 Intelligence Sustainment)	97.067	2978506	-	207
Homeland Security Grant Program (UASI 20 First Responder)	97.067	2977806	-	196
Homeland Security Grant Program (UASI 20 EOD Sustainment)	97.067	2944306	-	350
Homeland Security Grant Program (UASI 20 EOD X-Ray)	97.067	3984101	-	47
ASST TO FIREFIGHTERS 20		EMW-2020-FG-01382	-	115
Homeland Security Grant Program (UASI 21 EOD SUSTAINMENT)	97.067	2944307	-	53
Homeland Security Grant Program (UASI 21 M&A)	97.067	2978907	-	69
Homeland Security Grant Program (UASI 21 SPECIAL RESPONSE SUSTAINMENT)	97.067	2978407	-	121
Homeland Security Grant Program (UASI 21 1ST RESPONDER SUPPORT AND COMMAND)	97.067	2977807	-	32
Homeland Security Grant Program (UASI 21 PLANNING LE)	97.067	2978607	-	97
Homeland Security Grant Program (UASI 21 COUNTERING DOMESTIC VIOLENT)	97.067	4354501	-	155
Homeland Security Grant Program (UASI 21 INTELLIGENCE SUSTAINMENT (LE))	97.067	2978507	-	109
Homeland Security Grant Program (UASI 21 PLANNING)	97.067	2978007	-	187
Homeland Security Grant Program (UASI 21 SPECIAL OPERATIONS SUSTAINMENT)	97.067	2978207	-	46
<b>Total Homeland Security Grant Program</b>			-	<b>3,151</b>
<b>Total Texas Office of the Governor – Homeland Security Grants Division</b>			-	<b>3,151</b>
<b>Pass-through Texas Department of Public Safety – Division of Emergency Management</b>				
Emergency Management Performance Grants				
Disaster grants – Winter Event 2021	97.036	EM-3554	-	10
Vaccination Site Drive 4485 (COVID-19 Pandemic)	97.036	DR 4485 DR-4485-TX	-	292 (274)
COVID-19 – COVID Vaccination Local	97.036		-	37
<b>Total pass-through Texas Dept of Public Safety-Division of Emergency Management</b>			-	<b>65</b>
<b>Total Department of Homeland Security - Federal Emergency Management Agency</b>			-	<b>3,216</b>

**City of Arlington, Texas**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2022**  
**(in Thousands)**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Award Number	Passed Through to Subrecipients	Federal & State Expenditures
<b>FEDERAL AWARDS</b>				
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>				
Direct Programs:				
National Leadership Grants				
Institute of Museum and Library Services (IMLS)	45.312	ARPML-250864-OMLS-22	-	39
<b>Pass-through Texas State Library and Archives Commission:</b>				
Grants to States (Special Projects 2021)	45.310	SPP-21003	-	1
Grants to States (Special Projects 2022)	45.310	SPP-22015	-	15
Grants to States (Texas Reads 22)	45.310	TXR-22010	-	9
<b>Total Grants to States Program</b>			<u>-</u>	<u>25</u>
<b>Total Institute of Museum and Library Services</b>			<u>-</u>	<u>64</u>
<b>DEPARTMENT OF TREASURY</b>				
COVID-19 Emergency Rental Assistance Program	21.023	1505-0266	-	12,378
COVID-19 Emergency Rental Assistance Admin 2022	21.023	1505-0270	-	9,127
COVID-19 Emergency Rental Assistance Program 2021	21.023	70,200,001,005	-	(5)
<b>Total Emergency Rental Assistance Program</b>			<u>-</u>	<u>21,500</u>
EMERGENCY CONNECTIVITY FUND (ECF)	32.009	EFC222120292	-	149
Pass-through Tarrant County:				
COVID-19 CARES Corona Virus Relief Fund	21.019		-	(33)
COVID-19 American Rescue Act ARP-FY21	21.027		-	14,612
VITA 21-22	21.009	VITA 2021-2022	-	27
<b>Total Department of Treasury</b>			<u>-</u>	<u>36,255</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 4,255</b>	<b>\$ 88,548</b>
<b>STATE AWARDS</b>				
<b>TEXAS DEPARTMENT OF TRANSPORTATION:</b>				
Routine Airport Maintenance Program 22 (RAMP)	N/A	M2202ARLN	-	50
Airport Coronavirus Relief Grant (TWARLN21)	N/A	68378231	-	6
Handitran Operating	N/A	51309010219	-	342
<b>Total Texas Department of Transportation</b>			<u>-</u>	<u>398</u>
<b>TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS</b>				
Homeless Housing and Services Program Youth 2021	N/A	18216010005	-	7
Homeless Housing and Services Program 2021	N/A	63216010005	-	56
Homeless Housing and Services Program Youth 2020	N/A	18206010005	-	(3)
Homeless Housing and Services Program Set Aside 2022	N/A	18206010011	-	5
Homeless Housing and Services Program End Homelessness 2022	N/A	18226010005	-	29
Homeless Housing and Services Program Admin 2022	N/A	6322601005	-	165
Homeless Housing and Services End 2022	N/A	30216010005	-	32
<b>Total Texas Department of Housing and Community Affairs</b>			<u>-</u>	<u>291</u>
<b>FEDERAL AWARDS</b>				
<b>OFFICE OF THE GOVERNOR – CRIMINAL JUSTICE DIVISION</b>				
Direct:				
Truancy Prevention 22	N/A	3536404	-	235
Discovery Mentoring 22	N/A	4256401	-	27
Truancy Prevention 23	N/A	3536405	-	50
			<u>-</u>	<u>312</u>
<b>Total Office of the Governor – Criminal Justice Division</b>			<u>-</u>	<u>312</u>
<b>TEXAS DEPARTMENT OF PUBLIC SAFETY</b>				
Tarrant County Auto Theft Task Force 2021	N/A	608-21-2200000	-	(3)
Tarrant County Auto Theft Task Force 2022	N/A	608-22-2200000	-	204
<b>Total Texas Department of Public Safety</b>			<u>-</u>	<u>201</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>\$ -</b>	<b>\$ 1,202</b>
<b>TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS</b>			<b>\$ -</b>	<b>\$ 89,750</b>

The accompanying notes are an integral part of this Schedule.

**City of Arlington, Texas**  
**Notes to the Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2022**

---

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards (Schedule) includes the federal and state award activity of the City of Arlington, Texas (City) under programs of the federal and state government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Grant Management Standards (TxGMS). 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 on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and TxGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. These primarily represent a reallocation of grant expenditures between grant program years or reimbursements of grant expenditures by the General Fund resulting from grant budget overruns in the fiscal year after the year of expenditure recognition.

**Note 3: Indirect Cost Rate**

The City of Arlington, Texas has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: Reporting Entity**

The City, for purposes of the Schedule of Expenditures of Federal and State Awards, includes all the funds of the primary government. This report does not include the results of testing of compliance applicable to each major program or of internal control over compliance in accordance with the Uniform Guidance and TxGMS for the Housing Authority of the City, which was audited by other auditors and is reported on separately.

**Note 5: Relationship to Federal and State Financial Reports**

Grant expenditures reports as of September 30, 2022, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**Note 6: Outstanding Loans**

The City has outstanding loan commitments under the Drinking Water State Revolving Loan Fund from the Texas Water Development Board, as a pass-through agency for the Environmental Protection Agency (AL #66.468). As of September 30, 2022, the outstanding loan payable balances were: TWDB Series 2017 \$9,025,000 and TWDB Series 2019 \$67,575,000.



**City of Arlington, Texas**  
**Notes to the Schedule of Expenditures of Federal and State Awards**  
**Year Ended September 30, 2022**

---

The City has outstanding loan commitments under the Clean Water State Revolving Loan Fund from the Texas Water Development Board, as a pass-through agency for the Environmental Protection Agency (AL #66.458). As of September 30, 2022, the outstanding loan payable balances were: TWDB Series 2010 \$5,550,000; TWDB Series 2014 \$2,040,000; TWDB Series 2016 \$1,450,000; TWDB Series 2017 \$3,500,000; TWDB Series 2018 \$3,670,000; and TWDB Series 2019 \$3,765,000.

Consistent with "Section IV – Other Information" of each of these programs' compliance supplement sections, the expenditures are considered subawards and not direct federal loans. Therefore, the amounts included in the SEFA for these programs relate to project expenditures incurred during the audit period under these loans.

**Note 7: Federal and State Awards Reconciliation (in thousands)**

Intergovernmental revenues per statement of revenues, expenditures, and changes in fund balances – governmental funds	\$ 59,225
Plus Texas Water Development Board Loan	34,896
Less intergovernmental awards from sources other than federal and state award	<u>(4,371)</u>
 Total expenditures per schedule of expenditures of federal and state awards	 <u><u>\$ 89,750</u></u>



14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254

P 972.702.8262 / F 972.702.0673

[forvis.com](http://forvis.com)

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

### **Independent Auditor's Report**

Honorable Mayor and Members of the City Council  
City of Arlington, Texas  
Arlington, Texas

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 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 Arlington, Texas (City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 16, 2023, which contained a reference to the reports of other auditors and an emphasis of matter paragraph related to a change in accounting principle. Our report includes a reference to other auditors who audited the financial statements of the Arlington Housing Authority, a discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Arlington Convention and Visitors Bureau, Inc. and the Arlington Tourism Public Improvement District, component units included in the financial statements of the aggregate discretely presented component units, and the financial statements of the Part-Time, Seasonal and Temporary Employees Deferred Income Plan were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Arlington Convention and Visitors Bureau, Inc., the Arlington Tourism Public Improvement District and the Part-Time, Seasonal and Temporary Employees Deferred Income Plan or that are reported separately by those auditors who audited those financial statements.

### ***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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS,LLP**

**Dallas, Texas  
March 16, 2023**



14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254

P 972.702.8262 / F 972.702.0673

[forvis.com](http://forvis.com)

## **Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the Texas Grant Management Standards (TxGMS)**

### **Independent Auditor's Report**

Honorable Mayor and Members of the City Council  
City of Arlington, Texas  
Arlington, Texas

### **Report on Compliance for Each Major Federal and State Program**

#### ***Opinion on Each Major Federal and State Program***

We have audited the City of Arlington, Texas' (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and Texas Grant Management Standards (TxGMS) that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2022. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended September 30, 2022.

#### ***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

The City's basic financial statements include the operations of the Arlington Housing Authority, a component unit, which expended \$39,907,696 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2022. Our compliance audit, described in the "Opinion on Each Major Federal and State Program" section above, does include the operations of the Arlington Housing Authority because the entity engaged other auditors to perform an audit in accordance with the Uniform Guidance.

#### ***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and TxGMS. Our responsibilities under those standards, the Uniform Guidance and TxGMS 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 and state 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 and state 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*, the Uniform Guidance, and TxGMS 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 and state program as a whole.

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

*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 or state 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 or state 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and TxGMS**

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 Arlington, Texas, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated March 16, 2023, which contained unmodified opinions on those financial statements and a reference to the reports of other auditors and an emphasis of matter paragraph regarding a change in accounting principle. 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 and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and TxGMS 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 and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

**FORVIS,LLP**

**Dallas, Texas  
June 12, 2023**

**City of Arlington, Texas**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2022**

---

**Summary of Auditor's Results**

*Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:  
 Unmodified       Qualified       Adverse       Disclaimer
  
2. Internal control over financial reporting:  
 Significant deficiency(ies) identified?       Yes       None reported  
 Material weakness(es) identified?       Yes       No
  
3. Noncompliance material to the financial statements noted?  
 Yes       No

*Federal Awards*

4. Internal control over the major federal awards programs:  
 Significant deficiency(ies) identified?       Yes       None reported  
 Material weakness(es) identified?       Yes       No
  
5. Type of auditor's report issued on compliance for the major federal programs:  
 Unmodified       Qualified       Adverse       Disclaimer
  
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?  
 Yes       No
  
7. Identification of the major federal program:

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
14.218	CDBG - Entitlement Grants Cluster
20.507	Federal Transit Cluster
21.023	COVID-19 – Emergency Rental Assistance Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Relief Funds
66.468	Drinking Water State Revolving Fund (DWSRF) Cluster

8. Dollar threshold used to distinguish between Type A and Type B programs: \$2,656,440.
  
9. Auditee qualified as a low-risk auditee?       Yes       No

**City of Arlington, Texas**  
**Schedule of Findings and Questioned Costs**  
**Year Ended September 30, 2022**

---

*State Awards*

10. Internal control over the major state awards programs:

- Significant deficiency(ies) identified?  Yes  None reported  
 Material weakness(es) identified?  Yes  No

11. Type of auditor’s report issued on compliance for the major state programs:

- Unmodified  Qualified  Adverse  Disclaimer

12. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?

- Yes  No

13. Identification of the major state programs:

Name of State Program or Cluster
Handitran Operating
Truancy Prevention

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

15. Auditee qualified as a low-risk auditee?  Yes  No



**City of Arlington, Texas  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2022**

---

**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Section III – Federal and State Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**City of Arlington, Texas**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended September 30, 2022**

---

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
2021-001	During the audit of the City's financial statements, FORVIS identified certain cash reconciling items, which were not properly cleared through the cash accounts. This resulted in a reclassification between liabilities and assets, reducing liabilities and cash by same amounts. This adjustment was proposed by FORVIS and recorded by management.	Corrected