

# **City of Frisco, Texas**

## **Single Audit Reports**

**September 30, 2022**



## Contents

Schedule of Expenditures of Federal Awards .....	1
Notes to the Schedule of Expenditures of Federal Awards .....	2
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 .....	3
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance – Independent Auditor’s Report.....	6
Schedule of Findings and Questioned Costs.....	8
Summary Schedule of Prior Audit Findings .....	11

**City of Frisco, Texas**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2022**

<b>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>Department of Housing and Urban Development</b>				
Direct Program:				
<i>CDBG – Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218		\$ 608,122	\$ 610,322
COVID-19 – Community Development Block Grants/Entitlement Grants	14.218		100,781	758,607
<i>Total CDBG – Entitlement Grants Cluster</i>			<u>708,903</u>	<u>1,368,929</u>
<b>Total Department of Housing and Urban Development</b>			<u><b>708,903</b></u>	<u><b>1,368,929</b></u>
<b>Department of Justice</b>				
Passed through from:				
Texas Office of the Governor Criminal Justice Division				
Crime Victim Assistance	16.575	2020-V2-GX-0004	-	209,652
Violence Against Women Formula Grants	16.588	15JOVW21GG00566STOP	-	163,096
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0204	-	271,003
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0639, 2019-H4213-TX-DJ	-	11,093
<b>Total Department of Justice</b>			<u>-</u>	<u><b>654,844</b></u>
<b>Department of Transportation</b>				
Passed through from:				
Texas Department of Transportation				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	20.205	CSJ #0918-24-182, CSJ #0918-24-235, CSJ #0918-24-238, CSJ #0918-24-204	-	531,246
<i>Total Highway Planning and Construction Cluster</i>			<u>-</u>	<u>531,246</u>
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	2022-FriscoPD-S-1YG-00007	-	58,963
<i>Total Highway Safety Cluster</i>			<u>-</u>	<u>58,963</u>
<b>Total Department of Transportation</b>			<u>-</u>	<u><b>590,209</b></u>
<b>Department of Treasury</b>				
Passed through from:				
Collin County				
COVID-19 – Coronavirus Relief Fund	21.019	Collin County	-	(113)
Direct Programs:				
COVID-19 – Emergency Rental Assistance Program	21.023		2,152,550	2,161,701
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		-	2,042,995
<b>Total Department of Treasury</b>			<u><b>2,152,550</b></u>	<u><b>4,204,583</b></u>
<b>Institute of Museum and Library Services</b>				
Passed through from:				
Texas State Library and Archives Commission				
Grants to States	45.310	LS-246193-OLS-20	-	3,252
<b>Total Institute of Museum and Library Services</b>			<u>-</u>	<u><b>3,252</b></u>
<b>Department of Homeland Security:</b>				
Passed through from:				
Texas Office of the Governor				
Homeland Security Grant Program	97.067	EMW-2019-SS-00034-S01, EMW-2018-SS-00022-S01, EMW-2020-SS-00054	-	229,299
<b>Total Department of Homeland Security</b>			<u>-</u>	<u><b>229,299</b></u>
<b>Total Federal Awards Expended</b>			<u><b>\$ 2,861,453</b></u>	<u><b>\$ 7,051,116</b></u>

**City of Frisco, Texas**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2022**

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**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Frisco, Texas (City) under programs of the federal 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). 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 modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3: Indirect Cost Rate**

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

**Note 4: Federal Loan Programs**

At September 30, 2022, the City had no loans or loan guarantees outstanding with federal awarding agencies.

## **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**

The Honorable Mayor and Members of City Council  
City of Frisco, Texas  
Frisco, Texas

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 (*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 Frisco, 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 February 28, 2023, which contained an emphasis of matter paragraph regarding a change in accounting principle.

### **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  
February 28, 2023**



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## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

The Honorable Mayor and Members of City Council  
City of Frisco, Texas  
Frisco, Texas

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

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

We have audited the City of Frisco, Texas' (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 September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

### ***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.

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

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



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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the 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. We have issued our report thereon dated February 28, 2023, which contained unmodified opinions on those financial statements 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 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.

**FORVIS, LLP**

**Dallas, Texas  
February 28, 2023**

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

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**Section I – 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 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 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 major federal programs:

<u>Cluster/Program</u>	<u>Federal Assistance Listing Number</u>
CDBG – Entitlement Grants Cluster	14.218
COVID-19 – Emergency Rental Assistance Program	21.023
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027

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

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

9. Auditee qualified as a low-risk auditee?

☒ Yes

☐ No

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

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**Findings Required to be Reported by *Government Auditing Standards***

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

**Findings Required to be Reported by the Uniform Guidance**

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

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

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