



City of Arlington, Texas

Single Audit Reports

September 30, 2023



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City of Arlington, Texas
Schedule of Expenditures of Federal and State Awards
Year Ended September 30, 2023
(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
FEDERAL AWARDS				
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
CDBG – Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-48-0008	\$ (144)	\$ (146)
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0008	986	986
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-48-0008	31	51
Community Development Block Grants/Entitlement Grants	14.218	B-20-DW-48-0001	437	472
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0008	1,601	1,604
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-48-0008	942	1,446
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-48-0008	413	446
Total CDBG – Entitlement Grants Cluster			<u>4,266</u>	<u>4,859</u>
Emergency Solutions Grants Program COVID	14.231	E-20-MW-48-008	1,338	1,397
Emergency Solutions Grants Program (2021)	14.231	E-21-MC-48-0009	97	101
Emergency Solutions Grants Program (2022)	14.231	E-22-MC-48-0008	31	219
Emergency Solutions Grants Program (2023)	14.231	E-23-MC-48-0008	107	107
Total Emergency Solutions Grants Program			<u>1,573</u>	<u>1,824</u>
Home Investment Partnerships Program (2020)	14.239	M20-MC-480212	(23)	(23)
Home Investment Partnerships Program (2021)	14.239	M21-MC-480212	459	423
Home Investment Partnerships Program (2022)	14.239	M22-MC-480212	358	375
Home Investment Partnerships Program (2023)	14.239	M23-MC-480212	835	935
Total Home Investment Partnerships Program			<u>1,629</u>	<u>1,710</u>
Total Department of Housing and Urban Development			<u>7,468</u>	<u>8,393</u>
DEPARTMENT OF EDUCATION				
Pass-through Workforce Solutions for Tarrant County:				
Adult Education Basic – Grants to States (Adult Education and Literacy 2023)	84.002	22-SPC-AEL-002	-	387
Adult Education Basic – Grants to States (Adult Education and Literacy 2024)	84.002	23-SPC-AEL-002	-	75
Total Adult Education Basics - Grants to States			<u>-</u>	<u>462</u>
Total Department of Education			<u>-</u>	<u>462</u>
FEDERAL AWARDS				
ENVIRONMENTAL PROTECTION AGENCY				
Pass-through Texas Water Development Board:				
Drinking Water State Revolving Fund Cluster (Drinking Water Loan 2019)	66.468	62813	-	16,211
Clean Water State Revolving Fund Cluster				
Capitalization Grants for Drinking Water State Revolving Funds (Clean Water Loan 2019)	66.458	73827	-	1,036
Capitalization Grants for Drinking Water State Revolving Funds (Clean Water Loan 2018)	66.458	73788	-	309
Total Capitalization Grants for Drinking Water State Revolving Funds			<u>-</u>	<u>17,556</u>
Total Pass-through Texas Water Development Board			<u>-</u>	<u>17,556</u>
Total Environmental Protection Agency			<u>-</u>	<u>17,556</u>
EXECUTIVE OFFICE OF THE PRESIDENT				
Direct Programs:				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	HIDTA Task Force 22-23	-	14
DEPARTMENT OF JUSTICE				
Direct Programs:				
Public Safety Partnership and Community Policing Grants (2022 COPS DE-ESCALATION)	16.710	22-GG-04804	-	72
Public Safety Partnership and Community Policing Grants (COPS RECRUITMENT & RETENTION)	16.710	22-GG-04532	-	98
Public Safety Partnership and Community Policing Grants (22 Cops Mental Health and Wellness)	16.710	22-GG-04053	-	38
Total Public Safety Partnership and Community Policing Grants			<u>-</u>	<u>208</u>
Criminal Justice Department				
23 Coverdell Forensic Sciences Improvement	16.742	22-GG-02029	-	196
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1481	-	31
Total Direct from the Department of Justice			<u>-</u>	<u>449</u>
Pass-through Office of the Governor – Criminal Justice Division:				
Crime Victim Assistance (Partner Violence Counselor 22)	16.575	3850203	-	20
Total Crime Victim Assistance			<u>-</u>	<u>20</u>
Pass-through Office of the Governor - Criminal Justice Division:				
Violence Against Women (Intimate Partner Violence Detective) 22 IPV Detectives	16.588	4405001	-	64
			<u>-</u>	<u>64</u>
Pass-through City of Fort Worth:				
Edward Byrne Memorial Justice Assistance Grant Program				
CJ-JAG Pistol Mounted Lights	16.738	4454801	-	50
23 Internet Crimes Against Children (Justice Assistance Grant 20)	16.738	22-GK-04883	-	17
	16.738	2020-DJ-BX-0259	-	18
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>-</u>	<u>85</u>
Total Department of Justice			<u>-</u>	<u>618</u>

The accompanying notes are an integral part of this Schedule.

City of Arlington, Texas
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended September 30, 2023
(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
DEPARTMENT OF TRANSPORTATION				
Federal Transit Cluster				
Direct Programs:				
Federal Transit Formula Grants (Handitran - Capital Maintenance)	20.507	TX-2021-032	-	433
Federal Transit Formula Grants (Handitran - Capital/Capital Maintenance)	20.507	TX-2018-026	-	412
Federal Transit Formula Grants (Handitran - Capital Maintenance)	20.507	TX-2019-008	-	909
Federal Transit Formula Grants (Handitran - Capital & Operating 2020)	20.507	TX-2022-070	-	560
Federal Transit Formula Grants (Handitran - Capital & Operating 2020)	20.507	TX-2022-070	-	(337)
Federal Transit Formula Grants (Handitran - Capital & Operating 2021)	20.507	TX-2023-062	-	1,464
Federal Transit Formula Grants (Handitran - Capital & Operating 2022)	20.507	TX-2023-103	-	130
Federal Transit Formula Grants (CARES Handitran - Operating/Capital/Capital Maintenance)	20.507	TX-2020-156	-	226
Federal Transit Formula Grants (Ride Share 2021)	20.507	TX-2023-062	-	2,411
Federal Transit Formula Grants (Ride Share 2022 grant)	20.507	TX-2023-103	-	1,437
Subtotal Federal Transit Cluster			-	7,645
Public Transportation Innovation	20.237	69A3602140652MHP0TX	-	265
Subtotal FMCSA Cluster			-	265
Total Direct from the Department of Transportation			-	7,910
Pass-through Texas Department of Transportation:				
State and Community Highway Safety (STEP Comprehensive 2023)	20.600	2023-Arlington-S-1YG-00003	-	213
State and Community Highway Safety (STEP CMV 2023)	20.600	2023-Arlington-S-CMV-00002	-	65
Total Highway Safety Cluster			-	278
Airport Improvement Program - CARES	20.106	M2302ARLN	-	50
			-	50
Total Department of Transportation			-	8,238
FEDERAL AWARDS				
DEPARTMENT OF HOMELAND SECURITY – FEDERAL EMERGENCY MANAGEMENT AGENCY				
Homeland Security Cluster				
Pass-through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program (UASI 19 Special Response Team)	97.067	2978405	-	(31)
Homeland Security Grant Program (UASI 20 Special Ops Sustainment)	97.067	2978205	-	37
Homeland Security Grant Program (UASI 20 CYBERSECURITY)	97.067	2978205	-	99
Homeland Security Grant Program (UASI 20 Management & Administration)	97.067	2978905	-	(16)
Homeland Security Grant Program (UASI 20 First Responder)	97.067	2977805	-	157
Homeland Security Grant Program (UASI 20 EOD Sustainment)	97.067	2944305	-	150
Homeland Security Grant Program (ASST TO FIREFIGHTER 20)	97.067	2977805	-	(10)
Homeland Security Grant Program (2020-SHSP-Arlington -EOD Bomb Suit)	97.067	EMW-2020-SS-00054	-	39
Homeland Security Grant Program (UASI 21 EOD Sustainment)	97.067	2944307	-	5
Homeland Security Grant Program (UASI 21 CYBERSECURITY)	97.067	4354101	-	133
Homeland Security Grant Program (UASI 21 Management & Administration)	97.067	2977807	-	27
Homeland Security Grant Program (UASI 21 Special response Team)	97.067	2978407	-	139
Homeland Security Grant Program (UASI 21 First Responder)	97.067	2977807	-	8
Homeland Security Grant Program (UASI 21 Planning LE)	97.067	2978607	-	24
Homeland Security Grant Program (UASI 21 Soft Target Hardening)	97.067	4355301	-	150
Homeland Security Grant Program (UASI 21 Countering Domestic Violent)	97.067	4354501	-	15
Homeland Security Grant Program (UASI 21 Interlligence Sustainment)	97.067	2978507	-	125
Homeland Security Grant Program (UASI 21 Law Enforcement Planning)	97.067	2978007	-	111
Homeland Security Grant Program (UASI 21 Special Ops Sustainment)	97.067	2978207	-	275
Homeland Security Grant Program (UASI 22 First Responder)	97.067	2977808	-	558
Homeland Security Grant Program (UASI 22 Counter Domestic Violent)	97.067	4354502	-	97
Homeland Security Grant Program (UASI 22 CRITICAL FACILITY HARDENING)	97.067	4574701	-	129
Homeland Security Grant Program (UASI 22 EOD Sustainment)	97.067	2944308	-	161
Homeland Security Grant Program (UASI 22Intelligence Sustainment LE)	97.067	2978508	-	108
Homeland Security Grant Program (UASI 22Management & Administration)	97.067	2978908	-	74
Homeland Security Grant Program (UASI 22 Planning LE)	97.067	2978608	-	102
Homeland Security Grant Program (UASI 22 Planning)	97.067	2978008	-	240
Homeland Security Grant Program (UASI 22 SHSP-ARLINGTON-HAZMAT DRY DECONTAMINATION)	97.067	4479501	-	13
Homeland Security Grant Program (UASI 22 Special Ops Sustainment)	97.067	2978208	-	76
Homeland Security Grant Program (UASI 22 Special Response Team)	97.067	2978408	-	116
Total Homeland Security Grant Program			-	3,111
Total Texas Office of the Governor – Homeland Security Grants Division			-	3,111
Pass-through Texas Department of Public Safety – Division of Emergency Management				
COVID Vaccination Local	97.036		-	1
Total pass-through Texas Dept of Public Safety-Division of Emergency Management			-	1
Total Department of Homeland Security - Federal Emergency Management Agency			-	3,112

The accompanying notes are an integral part of this Schedule.

City of Arlington, Texas
Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended September 30, 2023
(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
FEDERAL AWARDS				
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Pass-through Texas State Library and Archives Commission: Grants to States (IMLS 2022)	45.312	68378231	-	8
Grants to States (Special Projects 2023)	45.310	SPP-23006	-	22
Grants to States (TEXAS READ 23)	45.310	TXR-23001	-	5
Total Grants to State Program (45.310)			-	27
Total Institute of Museum and Library Services			-	35
DEPARTMENT OF TREASURY				
Homebound Services Program 23	32.009	MO#05242022-010	-	24
COVID-19 Emergency Rental Assistance Admin and HAP	21.023		-	803
COVID-19 Emergency Rental Assistance Program	21.023		-	933
Total Emergency Rental Assistance Program			-	1,736
Pass-through Tarrant County: COVID-19 American ARP-FY21 Spend	21.027		-	37,648
IPV Counselors 23	21.027	3850204	-	304
			-	37,952
Total Department of Treasury			-	39,712
TOTAL EXPENDITURES OF FEDERAL AWARDS			7,468	78,126
STATE AWARDS				
TEXAS DEPARTMENT OF TRANSPORTATION:				
CRSSSA 22	N/A	068378231	-	51
Handitran Operating	N/A	51309010219	-	342
Total Texas Department of Transportation			-	393
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS				
Homeless Housing and Services Program 2023	N/A	63236010005	-	174
Homeless Housing and Services Program 2024	N/A	63246010005	-	17
Homeless Housing and Services Program Youth 2023	N/A	18236010005	-	57
Total Texas Department of Housing and Community Affairs			-	248
OFFICE OF THE GOVERNOR – CRIMINAL JUSTICE DIVISION				
Direct:				
Truancy Prevention 22	N/A	3536404	-	25
Truancy Prevention 23	N/A	3536405	-	235
Discovery Mentoring 23	N/A	4256402	-	37
Truancy Prevention 24	N/A	3536406	-	20
Discovery Mentoring 24	N/A	4256403	-	4
FY2022-2023 NCTCOG SOLID WASTE	N/A	23-04-05	-	73
Total Office of the Governor – Criminal Justice Division			-	394
TEXAS PARKS AND WILDLIFE				
TPWD GLOW GIRLS 23.24	N/A	52.23012	-	7
The US Conference of Mayors				
2023 Childhood Obesity Prevention/Environmental Health and Sustainability	N/A		-	10
			-	17
Texas Commission on Environmental Quality (TCEQ)				
Texas Volkswagen Environmental Mitigation Program	N/A	582-21-21818-VWL2 AND 582-22-31896-VW	-	38
			-	38
TEXAS DEPARTMENT OF PUBLIC SAFETY				
Tarrant County Human Trafficking 2023	N/A		-	1
Tarrant County Auto Theft Task Force 21	N/A	608-21-2200000	-	(25)
Tarrant County Auto Theft Task Force 22	N/A	608-22-2200000	-	(71)
Tarrant County Auto Theft Task Force 23	N/A	608-23-2200000	-	104
Tarrant County Auto Theft Task Force 24	N/A	608-24-2200000	-	5
Total Texas Department of Public Safety			-	14
TOTAL EXPENDITURES OF STATE AWARDS			-	1,104
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			\$ -	\$ 79,230

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, 2023

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, 2023. 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% 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 is reported on separately.

Note 5: Relationship to Federal and State Financial Reports

Grant expenditures reports as of September 30, 2023, 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, 2023, the outstanding loan payable balances were: TWDB Series 2017 \$8,420,000 and TWDB Series 2019 \$63,600,000.

City of Arlington, Texas
Notes to the Schedule of Expenditures of Federal and State Awards (Continued)
Year Ended September 30, 2023

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, 2023, the outstanding loan payable balances were: TWDB Series 2010 \$4,855,000; TWDB Series 2014 \$1,870,000; TWDB Series 2016 \$1,345,000; TWDB Series 2017 \$3,250,000; TWDB Series 2018 \$3,425,000; and TWDB Series 2019 \$3,540,000.

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	\$	62,193
Plus Texas Water Development Board Loan		17,556
Less intergovernmental awards from sources other than federal and state award		<u>(519)</u>
 Total expenditures per schedule of expenditures of federal and state awards	 \$	 <u>79,230</u>



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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 14, 2024, which contained a reference to the reports of other auditors and an emphasis of matter paragraph related to changes in accounting principles. 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 14, 2024**



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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, 2023. 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, 2023.

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 \$42,682,596 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2023. Our compliance audit, described in the "Opinion on Each Major Federal and State Program" section above, does not include the operations of the Arlington Housing Authority, which is audited separately 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, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements. We issued our report thereon dated March 14, 2024, which contained unmodified opinions on those financial statements and a reference to the reports of other auditors and an emphasis of matter paragraph regarding changes in accounting principles. 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
March 14, 2024**

City of Arlington, Texas
Schedule of Findings and Questioned Costs
Year Ended September 30, 2023

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:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.023	COVID-19 – Emergency Rental Assistance Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Relief Funds

8. Dollar threshold used to distinguish between Type A and Type B programs: \$2,343,780.

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

City of Arlington, Texas
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2023

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

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, 2023**

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal and State Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**City of Arlington, Texas
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2023**

Reference Number	Summary of Finding	Status
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No matters are reportable.