

# **City of Frisco, Texas**

Single Audit Reports

September 30, 2021

**City of Frisco, Texas**  
**September 30, 2021**

**Contents**

<b>Schedule of Expenditures of Federal Awards .....</b>	<b>1</b>
<b>Notes to the Schedule of Expenditures of Federal Awards .....</b>	<b>3</b>
<b>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.....</b>	<b>4</b>
<b>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.....</b>	<b>6</b>
<b>Schedule of Findings and Questioned Costs.....</b>	<b>9</b>
<b>Summary Schedule of Prior Audit Findings.....</b>	<b>12</b>

**City of Frisco, Texas**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Department of Housing and Urban Development</b>				
Direct Program:				
<i>CDBG – Entitlement Grants Cluster</i>				
Community Development Block Grants/Entitlement Grants	14.218		\$ 366,405	\$ 622,218
COVID-19 – Community Development Block Grants/Entitlement Grants	14.218		23,581	24,903
<i>Total CDBG – Entitlement Grants Cluster</i>			<u>389,986</u>	<u>647,121</u>
<b>Total Department of Housing and Urban Development</b>			<u><b>389,986</b></u>	<u><b>647,121</b></u>
<b>Department of Justice</b>				
Passed through from:				
Texas Office of the Governor Criminal Justice Division				
COVID-19 – Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0544, 2020-VD-BX-0002	-	100,598
Crime Victim Assistance	16.575	2018-VZ-GX-0040, 2018-V2-GX-0040, 2019-V2-GX-0011	-	247,113
Violence Against Women Formula Grants	16.588	2020-WF-AX-0002	-	163,096
Public Safety Partnership and Community Policing Grants	16.710	2020UMWX0204, 2020CKWX0010	-	199,465
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0639, 2018-DJ-BX-0485, 2019-H4213-TX-DJ	-	83,548
<b>Total Department of Justice</b>			<u>-</u>	<u><b>793,820</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 # 2351-01-023	-	700,398
<i>Total Highway Planning and Construction Cluster</i>			<u>-</u>	<u>700,398</u>
<i>Highway Safety Cluster</i>				
State and Community Highway Safety	20.600	2021-FriscoPD-S-1YG-0002	-	52,155
<i>Total Highway Safety Cluster</i>			<u>-</u>	<u>52,155</u>
<b>Total Department of Transportation</b>			<u>-</u>	<u><b>752,553</b></u>

**City of Frisco, Texas**  
**Schedule Expenditures of Federal Awards (Continued)**  
**Year Ended September 30, 2021**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>Department of Treasury</b>				
Passed through from:				
Collin County				
COVID-19 – Coronavirus Relief Fund	21.019	City of Frisco	\$ 717,524	\$ 5,174,297
Direct Programs:				
COVID-19 – Emergency Rental Assistance Program	21.023		3,480,000	3,488,567
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027		-	3,950
<b>Total Department of Treasury</b>			<b>4,197,524</b>	<b>8,666,814</b>
<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	-	1,675
<b>Total Institute of Museum and Library Services</b>			<b>-</b>	<b>1,675</b>
<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	-	207,787
Direct Program:				
Staffing for Adequate Fire and Emergency Personnel (SAFER)	97.083		-	329,665
<b>Total Department of Homeland Security</b>			<b>-</b>	<b>537,452</b>
<b>Department of Health and Human Services</b>				
Direct Program:				
COVID-19 – Provider Relief Fund and American Rescue Plan (ARP)				
Rural Distribution	93.498		-	55,753
<b>Total Department of Health and Human Services</b>			<b>-</b>	<b>55,753</b>
<b>Total Federal Awards Expended</b>			<b>\$ 4,587,510</b>	<b>\$ 11,455,188</b>

**City of Frisco, Texas**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2021**

**Notes to Schedule**

1. General: 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, 2021. 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/fund balance or cash flows of the City.
2. Basis of Accounting: 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, 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. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. Prior Period Expenditures: During 2021, the City elected not to seek reimbursement for amounts reported as expenditures in prior year under the Disaster Grants - Public Assistance Program (Federal Assistance Listing Number 97.036), passed through from the Texas Division of Emergency Management of approximately \$520,000. These amounts are not reported as negative amounts on the Schedule.
4. Federal Loan Programs: At September 30, 2021, 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, 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, 2021, 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 22, 2022.

***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 opinion 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 may exist that have not been identified.

### ***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.

**BKD, LLP**

Dallas, Texas  
February 22, 2022

**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**

We have audited the City of Frisco, Texas' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

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

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

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

In our opinion, the City complied, in all material respects, with the types of 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, 2021.

### **Report on Internal Control over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 22, 2022, which contained an unmodified opinion on those financial statements. 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.

*BKD, LLP*

Dallas, Texas  
February 22, 2022



**City of Frisco, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2021**

7. The City's major programs were:

<b>Cluster/Program</b>	<b>Federal Assistance Listing Number</b>
COVID-19 – Coronavirus Relief Fund	21.019
COVID-19 – Emergency Rental Assistance Program	21.023

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

9. The City qualified as a low-risk auditee?

Yes       No

**City of Frisco, Texas**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended September 30, 2021**

**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, 2021**

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