

CITY OF AMARILLO, TEXAS

**SINGLE AUDIT –
FEDERAL AND STATE AWARDS
SUPPLEMENTARY FINANCIAL REPORT
Year Ended September 30, 2021**

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

The Honorable Mayor and Members of the City Council
City of Amarillo, 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 Amarillo, Texas (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, 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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CMMS CPAS & ADVISORS P.A.C.

Amarillo, Texas
February 22, 2022



**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance
and the State of Texas Uniform Grants Management Standards**

The Honorable Mayor and Members of the City Council
City of Amarillo, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the City of Amarillo, Texas (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the State of Texas Uniform Grants Management Standards 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, 2021. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state 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) and State of Texas Uniform Grants Management Standards. Those standards, the Uniform Guidance, and the State of Texas Uniform Grants Management Standards 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 and state 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 and state program. However, our audit does not provide a legal determination of the City's compliance.



Opinion on Each Major Federal and State Program

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state 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 and state 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas Uniform Grants Management Standards, 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 and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 and 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 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.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas Uniform Grants Management Standards

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 unmodified opinions 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 and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State of Texas Uniform Grants Management Standards 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.

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 the State of Texas Uniform Grants Management Standards. Accordingly, this report is not suitable for any other purpose.

CUMS CPAS Advisors PLLC

Amarillo, Texas
February 22, 2022

CITY OF AMARILLO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal CFDA/ALN Number	Pass-through Entity Identifying Number	Pass-through To Subrecipients	Federal Expenditures
FEDERAL AWARDS				
U.S. Department of Agriculture				
<i>Pass-through from:</i>				
Texas Health and Human Services Commission Special Supplemental Nutrition Program for Women, Infants, and Children WIC Card Participation Total CFDA No. 10.557	10.557	HHS000800400001	\$ -	\$ 1,712,973
SNAP-ED Go to WIC	10.561	HHS000800400001	-	97,438
<i>Pass-through from:</i>				
Texas Department of State Health Services Community and Clinical Health Bridge Texas Department of Agriculture Total CFDA No. 10.561	10.561	HHS000743500001	-	132,134
Total U.S. Department of Agriculture				229,572
				<u>1,942,545</u>
U.S. Department of Energy				
<i>Pass-through from:</i>				
State Energy Conservation Office AIP Grant CP1704 Total U.S. Department of Energy	81.214	CP1704; CMD 17-6218JM	-	408,544
				<u>408,544</u>
U.S. Department of Health and Human Services				
<i>Pass-through from:</i>				
Texas Department of State Health Services				
Immunization Division - Locals	93.268	HHS000119700003	-	104,485
Immunization Division - Locals	93.268	HHS000119700003	-	14,707
COVID-19 DSHS-LIDS-IMM	93.268	HHS001019500009	-	1,234,074
Immunization Branch - NonCash	93.268	HHS000119700003	-	681,935
Total CFDA No. 93.268				<u>2,035,201</u>
PPCPS/Hazards	93.069	537-18-0125-00001	-	166,505
PPCPS/Hazards	93.069	537-18-0125-00001	-	66,435
Total CFDA No. 93.069				<u>232,940</u>
Tuberculosis Prevention and Control and Laboratory Program	93.116	HHS000686100007	-	44,269
RLSS/LPHS	93.991	HHS000485600029	-	40,279
RLSS/LPHS	93.991	HHS001009100001	-	6,705
Total CFDA No 93.911				<u>46,984</u>
HIV PrevS	93.940	HHS000077800034	-	117,281
HIV PrevS	93.940	HHS000077800034	-	16,541
Total CFDA No 93.940				<u>133,822</u>
Medicaid Administrative Claiming (MAC)	93.778	HHS000537900287	-	77,422
Healthy Texas Babies Grant Program	93.994	HHS000093000001	-	48,955
COVID-19 CPS/PH Workforce Contract	93.354	HHS001077900001	-	37,791
COVID-19 DSHS-IDCU	93.323	HHS000812700008	-	137,821
U.S. Committee for Refugees & Immigrants Refugee Medical Screening Total U.S. Department of Health and Human Services	93.566	2021-AMATX-05	-	144,446
				<u>2,939,651</u>
U.S. Department of Housing & Urban Development				
<i>Direct:</i>				
Section 8 Housing Choice Vouchers	14.871	-	-	10,070,216
COVID-19 Housing Choice Vouchers CARES Act	14.871	-	-	279,639
COVID-19 Emergency Housing Vouchers (ARPA)	14.871	-	-	7,037
Total CFDA No 14.871				<u>10,356,892</u>
Supportive Housing for Persons with Disabilities (5 Yr Mainstream)	14.879	-	-	1,049,764
COVID-19 Mainstream CARES Act	14.879	-	-	16,731
Total CFDA No 14.879				<u>1,066,495</u>
Community Development Block Grants/Entitlement Grants	14.218	-	-	71,210
Community Development Block Grants/Entitlement Grants	14.218	-	-	49,500
Community Development Block Grants/Entitlement Grants	14.218	-	-	3,335
Community Development Block Grants/Entitlement Grants	14.218	-	-	130,929
COVID-19 Community Development Block Grant/Entitlement Grants CARES	14.218	-	-	667,741
<i>Subrecipients:</i>				
Catholic Charities of the Texas Panhandle CARES	14.218	-	130,213	-
Guyon Saunders Resource Center (CARES)	14.218	-	54,617	-
Community Development Block Grants/Entitlement Grants	14.218	-	-	1,078,794
<i>Subrecipients:</i>				
Texas Workforce Commission	14.218	-	85,000	-
Panhandle Regional Planning Commission	14.218	-	25,000	-
Salvation Army	14.218	-	25,000	-
Total CFDA No 14.218				<u>2,001,509</u>

CITY OF AMARILLO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED
Year Ended September 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal CFDA/ALN Number	Pass-through Entity Identifying Number	Pass-through To Subrecipients	Federal Expenditures
U.S. Department of Housing & Urban Development (Continued)				
<i>Direct:</i>				
Home Investment Partnership Program - 2020	14.239	-	-	94,800
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	14.239	-	17,975	-
Home Investment Partnership Program - 2019	14.239	-	-	168,135
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	-	-	8,608	-
Home Investment Partnership Program - 2018	14.239	-	-	13,288
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	-	-	13,288	-
Home Investment Partnership Program - 2017	14.239	-	-	35,830
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	-	-	35,830	-
Total CFDA No 14.239				<u>312,053</u>
Continuum of Care Program - HMIS Capacity Building Project	14.261	-	-	53,442
Continuum of Care Program - Permanent Housing (Shelter Plus Care)	14.267	-	-	16,005
Continuum of Care Program - Permanent Housing (Shelter Plus Care)	14.267	-	-	8,562
Continuum of Care Program - Planning	14.267	-	-	26,732
Continuum of Care Program - Planning	14.267	-	-	130
Continuum of Care Program - Coming Home	14.267	-	-	170,412
Continuum of Care Program - Homeless Management Information System (HMIS)	14.267	-	-	84,765
Continuum of Care Program - Homeless Management Information System (HMIS)	14.267	-	-	97,459
Total CFDA No 14.267				<u>404,065</u>
Total Direct				<u>14,194,456</u>
<i>Pass-through from:</i>				
Texas Department of Housing and Community Affairs				
COVID-19 Community Development Block Grant Program	14.228	B-20-DW-48-0001, 70200001004	-	401,388
COVID-19 Community Development Block Grant Program	14.228	B-20-DW-48-0001, 70300001005	-	5,215
Total CFDA No 14.228				<u>406,603</u>
Texas Emergency Shelter Grants Program	14.231	42196110042	-	11,102
Texas Emergency Shelter Grants Program	14.231	42206110041	-	147,541
COVID-19 Texas Emergency Shelter Grants Program CARES	14.231	43206110042	-	294,866
COVID-19 Texas Emergency Shelter Grants Program CARES 2	14.231	44206110042	-	327,869
Total CFDA No 14.231				<u>781,378</u>
Total Pass-through				<u>1,187,981</u>
Total U.S. Department of Housing & Urban Development				<u>15,382,437</u>
U.S. Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant- FY20 - Coronavirus Emergency Supplemental Funding Program	16.034	-	-	105,279
Edward Byrne Memorial Justice Assistance Grant- FY20	16.738	-	-	96,066
<i>Subrecipients:</i>				
Potter County Texas	-	-	50,647	-
Total CFDA No 16.738				<u>96,066</u>
Equitable Sharing Program	16.922	-	-	2,616
<i>Pass-through from:</i>				
Texas Office of the Governor-Criminal Justice Division				
PN-Project Safe Neighborhoods Program	16.809	4088001	-	103,850
Total Pass-through				<u>103,850</u>
Total U.S. Department of Justice				<u>307,811</u>
U.S. Department of Transportation				
<i>Pass-through from:</i>				
Texas Department of Transportation				
Unified Planning Work Program (5303)	20.205	50-21XF0012	-	631,793
STEP-STEP Comprehensive	20.600	2021-AmarilloPD-S-1YG-00031	-	139,102
Click It or Ticket STEP - Memorial Day Holiday	20.616	2021 AmarilloPD-CIOT-00005	-	10,057
Total U.S. Department of Transportation				<u>780,952</u>
U.S. Department of Transportation - Federal Transit Administration				
<i>Direct:</i>				
Federal Transit Administration FY2011	20.507	-	-	173,615
Federal Transit Administration FY2018 Capital	20.507	-	-	94,704
COVID-19 Federal Transit Administration FY2020 Capital & Operations - CARES	20.507	-	-	5,090,111
Total CFDA No. 20.507				<u>5,358,430</u>
Total U.S. Department of Transportation - Federal Transit Administration				<u>5,358,430</u>
U.S. Department of Transportation - Federal Aviation Administration				
<i>Direct:</i>				
Airport Improvement Program - 2020-45	20.106	-	-	5,161,613
COVID-19 FAA CARES Act Grant	20.106	-	-	1,684,431
COVID-19 FAA CRSSA Concessions Relief Grant Program	20.106	-	-	75,630
COVID-19 FAA CRSSA Act Grant	20.106	-	-	2,736,716
Total CFDA No. 20.106				<u>9,658,390</u>
Total U.S. Dept. of Transportation - Federal Aviation Administration				<u>9,658,390</u>

CITY OF AMARILLO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED
Year Ended September 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal CFDA/ALN Number	Pass-through Entity Identifying Number	Pass-through To Subrecipients	Federal Expenditures
U.S. Department of Treasury				
<i>Direct:</i>				
Equitable Sharing Program	21.016		-	33,040
Total CFDA No. 21.016				33,040
Total Direct				33,040
Total U.S. Department of Treasury				33,040
U.S. Department of Homeland Security				
<i>Direct:</i>				
Federal Emergency Management Agency	97.044		-	1,846
Total CFDA No. 97.044				1,846
Total Direct				1,846
Total U.S. Department of Homeland Security				1,846
Institute of Museum and Library Services				
<i>Pass-through from:</i>				
Texas State Library and Archives Commission				
Grants to States	45.310	902350	-	40,172
Texas State Library and Archives Commission	45.310	SPP-21001	-	23,897
Total CFDA No. 45.310				64,069
Total Institute of Museum and Library Services				64,069
Federal Emergency Management Agency				
<i>Pass-through from:</i>				
Texas Division of Emergency Management (TDEM)				
COVID-19 Disaster Grant	97.036		-	2,380,530
Total Federal Emergency Management Agency				2,380,530
Total Expenditures of Federal Awards			\$ 446,178	\$ 39,258,245
STATE AWARDS				State Expenditures
Texas Department of Transportation				
Routine Airport Maintenance Program (RAMP)	N/A	M2104AMRI	-	\$ 44,038
Transit Operating Assistance	N/A	STATE-U-2020-AMARILLO-00201	-	518,225
Total Texas Department of Transportation				562,263
Texas Department of State Health Services				
TB/PC-State	N/A	HHS000484100005	-	56,446
TB/PC-State	N/A	HHS000484100005	-	1,903
Total TB/PC-State				58,349
HIV PrevS	N/A	HHS000077600034	-	43,095
Total HIV PrevS				43,095
RLSS/LPHS	N/A	HHS000485600029	-	55,872
RLSS/LPHS	N/A	HHS001009100001	-	5,959
Total RLSS/LPHS				61,831
Hansens/HS Grant Program	N/A	HHS000328700001	-	2,715
Hansens/HS Grant Program	N/A	HHS000328700001	-	333
Total Hansens/HS				3,048
IDCU/SUR	N/A	HHS000436300002	-	77,976
IDCU/SUR	N/A	HHS000436300002	-	7,427
Total IDCU/SUREB				85,403
Healthy Texas Babies Grant Program	N/A	HHS000093000001	-	44,095
Healthy Texas Babies Grant Program	N/A	HHS000093000001	-	6,907
				51,002
Community Mental Health Grant	N/A	HHS000477100011	-	86,718
Community Mental Health Grant	N/A	HHS000477100011	-	7,607
Total Community Health				94,325
Immunization Branch-Locals	N/A	HHS000119700003	-	144,900
Total Texas Department of State Health Services				541,953
Texas Commission on Environmental Quality				
<i>Pass-through from:</i>				
Panhandle Regional Planning Commission				
Regional Solid Waste Grants Program	N/A	PRPC-21-01-02	-	26,731
Total Texas Commission on Environmental Quality				26,731
Total Expenditures of State Awards			\$ -	\$ 1,130,947
Total Expenditures of Federal and State Awards			\$ 446,178	\$ 40,389,192

*Clustered program required by 2021 Compliance Supplement

CITY OF AMARILLO, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2021

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) presents the activity of all federal and state Awards programs of the City of Amarillo, Texas, (the City) for the year ended September 30, 2021. The City's reporting entity is defined in the Summary of Significant Accounting Policies to the City's financial statements. Federal and state financial assistance received directly from federal and state agencies, as well as assistance passed through other government agencies, is included on the Schedule. The City did not elect to use the 10% de minimis indirect cost rate.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the Summary of Significant Accounting Policies to the City's financial statements.

NOTE 3 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal and state financial reports considering timing differences of cash receipts.

NOTE 4 - FEDERAL AND STATE PROGRAMS

The City participates in numerous federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required.

NOTE 5 - NONCASH GRANTS

The City received vaccines from the Texas Department of State Health Services, Immunization Division (CFDA Number 93.268), for distribution to "Texas Health Step" providers. It continues to receive vaccines from the Division for usage in its own public health facilities. As the City does not purchase these vaccines, the value of the vaccines received by the City during the fiscal year ended September 30, 2021, has been computed to be \$681,935 based on information supplied by the City Department of Public Health. This amount is included in the accompanying Schedule of Expenditures of Federal and State Awards.

CITY OF AMARILLO, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2021

NOTE 6 - SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amounts Provided to Subrecipients</u>
Community Development Block Grants	14.218	\$ 319,830
Home Investment Partnership	14.239	75,701
Edward Byrne Memorial Justice Assistance Grant	16.738	<u>50,647</u>
		<u>\$ 446,178</u>

NOTE 7 - OUTSTANDING LOAN BALANCES

The City has an outstanding loan payable under the Drinking Water State Revolving Loan Fund from the Texas Water Development Board (TWDB), as a pass-through agency for the Environmental Protection Agency (CFDA 66.458). There are no longer continuing compliance requirements for the Series 2009C loan, while the Series 2015 and Series 2020 are currently subject to single audit requirements. As of September 30, 2021, the outstanding loan balances were:

TWDB Series 2009C	\$ 8,145,000
TWDB Series 2009C – due within one year	<u>905,000</u>
Series 2009C – Total	<u>\$ 9,050,000</u>
TWDB Series 2015	\$ 11,405,000
TWDB Series 2015 – due within one year	<u>820,000</u>
Series 2015 – Total	<u>\$ 12,225,000</u>
TWDB Series 2020	\$ 25,650,000
TWDB Series 2020 – due within one year	<u>1,425,000</u>
Series 2020 – Total	<u>\$ 27,075,000</u>

**CITY OF AMARILLO, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2021**

NOTE 8 - REAL ESTATE ASSESSMENT CENTER (REAC) REPORT

For purposes of the REAC Reporting Submission, the CARES Act grants, Mainstream CARES Act CFDA# 14.879, Housing Choice Vouchers CARES Act CFDA #14.871, and Emergency Housing Vouchers CFDA #14.871 are reported as 14.MSC, 14.HCC and 14.EHV, respectively.

This information is an integral part of the accompanying schedule.

CITY OF AMARILLO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2021

SECTION I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiencies identified? yes X none reported

Type of Auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs:

CFDA/ALN Number(s)	Name of Federal or State Program or Cluster
--------------------	---

Major Federal Programs:

14.231	Emergency Solutions Grant
	Housing Voucher Cluster:
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers Program (MV)
20.106	Airport Improvement Grant
	Federal Transit Cluster:
20.507	Federal Transit Formula Grants
93.268	Immunization Grant
97.036	COVID-19 Disaster Grant – Public Assistance

Major State Programs:

N/A	Transit Operating Assistance
N/A	Transit Capital Improvement

Dollar threshold used to distinguish between type A and type B programs: \$1,177,747 Federal
\$300,000 State

Auditee qualified as Federal low-risk auditee? X yes no

Auditee qualified as State low-risk auditee? X yes no

**CITY OF AMARILLO, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended September 30, 2021**

SECTION II – Financial Statement Findings

None

SECTION III—Major Federal Award Findings and Questioned Costs – Major Federal and State Programs

None

**CITY OF AMARILLO, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2021**

SECTION II – Financial Statement Findings

None

SECTION III – Federal and State Award Findings and Questioned Costs – Major Federal and State Programs

Finding 2020-001

Program: Special Supplemental Nutrition Program for Women, Infants, and Children CFDA #10.557

Condition: An invoice dated August 14, 2019 with a balance due amount of \$1,440 was not paid until November 2019. The period of performance for the WIC grant is October 1, 2019 through September 30, 2020. The invoice for the FY 2018-2019 expenditure was not accrued during year end close and was paid in FY 2019-2020.

Recommendation: The City should pay each invoice as it is received and review year end payables for grant invoices that need to be accrued.

Current Status: Corrected

Finding 2020-002

Program: HOME Investment Partnership Program Grant CFDA# 14.239

Condition: In accordance with City policy, applications are approved by both the Grant Administrator and the Director of Community Development.

Recommendation: Applications should be approved by appropriate personnel in accordance with City policy.

Current Status: Corrected

**CITY OF AMARILLO, TEXAS
SCHEDULE OF CORRECTIVE ACTION PLAN
Year Ended September 30, 2021**

None



Corrective Action Plan for the Year Ended September 30, 2021

There were no findings for the year ended September 30, 2021.



**City of Amarillo, Texas
Summary schedule of prior audit finding
Year ended September 30, 2021**

Status of prior audit finding

2020-001

CFDA #: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Status: Closed

2020-002

CFDA #: 14.239 HOME Investment Partnership Program Grant

Status: Closed



**Independent Auditor's Report on Compliance with
Requirements Applicable to the Passenger Facility Charge
Program and on Internal Control Over Compliance in Accordance
with the Passenger Facility Charge Audit Guide**

The Honorable Mayor and Members of the City Council
City of Amarillo, Texas

Report on Compliance for Passenger Facility Charge Program

We have audited the City of Amarillo, Texas (the City) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration (the Guide) that could have a direct and material effect on the City's passenger facility charge program for the year ended September 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the City's passenger facility charge program based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program. 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 the passenger facility charge program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program 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 Guide. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the Guide that could have a direct and material effect on the City's passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, 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 the Guide on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the Guide 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 the Guide 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.

Report on Schedule of Passenger Facility Charges Collected and Expended

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 unmodified opinions 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 passenger facility charges collected and expended for the year ended September 30, 2021, is presented for purposes of additional analysis as required by the Federal Aviation Administration 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 passenger facility charges collected and expended is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 Guide. Accordingly, this report is not suitable for any other purpose.

CMMS CPAS & ADVISORS PLLC

Amarillo, Texas
February 22, 2022

**CITY OF AMARILLO, TEXAS
 AMARILLO RICK HUSBAND INTERNATIONAL AIRPORT
 SCHEDULE OF PASSENGER FACILITY CHARGES (PFCs)
 COLLECTED AND EXPENDED (AS REPORTED TO FAA)
 Year Ended September 30, 2021**

	<u>Quarter ended December 31, 2020</u>	<u>Quarter ended March 31, 2021</u>	<u>Quarter ended June 30, 2021</u>	<u>Quarter ended September 30, 2021</u>	<u>Year ended September 30, 2021</u>	<u>Cumulative totals as of September 30, 2020</u>	<u>Cumulative totals as of September 30, 2021</u>
Collections							
PFCs collected	\$ 213,381	\$ 139,499	\$ 301,088	\$ 324,247	\$ 978,215	\$ 16,199,116	\$ 17,177,331
Interest	68	141	96	142	447	26,692	27,139
Total Collections	<u>\$ 213,449</u>	<u>\$ 139,640</u>	<u>\$ 301,184</u>	<u>\$ 324,389</u>	<u>\$ 978,662</u>	<u>\$ 16,225,808</u>	<u>\$ 17,204,470</u>
Expenditures on approved PFC projects included in:							
Project 08-01-C-00-AMA Terminal Construction	\$ -	\$ -	\$ 403,000	\$ 527,000	\$ 930,000	\$ 16,174,992	\$ 17,104,992
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,000</u>	<u>\$ 527,000</u>	<u>\$ 930,000</u>	<u>\$ 16,174,992</u>	<u>\$ 17,104,992</u>

See accompanying notes to schedule of passenger facility charges collected and expended

**CITY OF AMARILLO, TEXAS
NOTES TO SCHEDULE OF PASSENGER FACILITY
CHARGES COLLECTED AND EXPENDED
Year Ended September 30, 2021**

NOTE 1 - GENERAL

The accompanying Schedule of Passenger Facility Charges Collected and Expended presents the activity of all passenger facility charges of the City of Amarillo, Texas.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Passenger Facility Charges Collected and Expended is presented using the cash basis of accounting.

This information is an integral part of the accompanying schedule.

CITY OF AMARILLO, TEXAS
PASSENGER FACILITY CHARGE PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2021

Financial Statement Findings

None

Passenger Facility Charge Findings and Questioned Costs

None

CITY OF AMARILLO, TEXAS
PASSENGER FACILITY CHARGE PROGRAM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2021

Findings and Questioned Costs

None

Passenger Facility Charge Findings and Questioned Costs

None

**CITY OF AMARILLO, TEXAS
PASSENGER FACILITY CHARGE PROGRAM
SCHEDULE OF CORRECTIVE ACTION PLAN
Year Ended September 30, 2021**

None



Corrective Action Plan for the Year Ended September 30, 2021

None



City of Amarillo, Texas
Summary schedule of prior audit finding
Year ended September 30, 2021

None