

CITY OF AMARILLO, TEXAS

SINGLE AUDIT –
FEDERAL AND STATE AWARDS
SUPPLEMENTARY FINANCIAL REPORT
Year Ended September 30, 2022

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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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 21, 2023.

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 PLLC

Amarillo, Texas
February 21, 2023



**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

Opinion on 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, 2022. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance 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, 2022.

Basis for Opinion on Each Major Federal Program

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and the State UGMS, 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 the State UGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

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

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

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 21, 2023, 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.

CHHS CPAs & Advisors PLLC

Amarillo, Texas
February 21, 2023

CITY OF AMARILLO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal 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	10.557	HHS000800400001	\$ -	\$ 2,469,195
Total ALN No. 10.557				<u>2,469,195</u>
SNAP-ED Go to WIC	10.561	HHS000800400001	-	98,963
<i>Pass-through from:</i>				
Texas Department of State Health Services Community and Clinical Health Bridge	10.561	HHS000743500001	-	226,559
Texas Department of Agriculture Total ALN No. 10.561				<u>325,522</u>
Total U.S. Department of Agriculture				<u>2,794,717</u>
U.S. Department of Energy				
<i>Pass-through from:</i>				
State Energy Conservation Office AIP Grant CP1704	81.214	CP2203; CMD 22-7378JM	-	177,788
Total U.S. Department of Energy				<u>177,788</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	-	160,608
Immunization Division - Locals	93.268	HHS000119700003	-	43,510
COVID-19 DSHS-LIDS-IMM	93.268	HHS001019500009	-	4,453,440
Immunization Branch - NonCash	93.268	HHS000119700003	-	933,781
Total ALN No. 93.268				<u>5,591,339</u>
PPCPS/Hazards	93.069	537-18-0125-00001	-	189,842
PPCPS/Hazards	93.069	537-18-0125-00001	-	87,289
Total ALN No. 93.069				<u>276,931</u>
Tuberculosis Prevention and Control and Laboratory Program	93.116	HHS000686100007	-	29,818
Total ALN No 93.116				<u>29,818</u>
RLSS/LPHS	93.991	HHS000485600029	-	55,582
RLSS/LPHS	93.991	HHS001009100001	-	21,572
Total ALN No 93.991				<u>77,154</u>
HIV PrevS	93.940	HHS000077800034	-	104,110
HIV PrevS	93.940	HHS000077800034	-	28,127
Total ALN No 93.940				<u>132,237</u>
STD/HIV-DIS	93.977	HHS001120300001	-	82,799
Healthy Texas Babies Grant Program	93.994	HHS000093000001	-	58,175
Healthy Texas Babies Grant Program	93.994	HHS001130300001	-	4,458
Total ALN No 93.994				<u>62,633</u>
COVID-19 CPS/PH Workforce Contract	93.354	HHS001077900001	-	369,184
COVID-19 DSHS-IDCU	93.323	HHS000812700008	-	238,239
Health Equity	93.391	HHS001057600002	-	125,524
U.S. Committee for Refugees & Immigrants				
Refugee Medical Screening	93.566	2022-AMATX-06	-	348,364
Total Pass-through				<u>7,334,222</u>
<i>Pass-through from:</i>				
Texas Health and Human Services Commission Medicaid Administrative Claiming (MAC)	93.778	HHS000537900287	-	21,385
Total Pass-through				<u>21,385</u>
Total U.S. Department of Health and Human Services				<u>7,355,607</u>
U.S. Department of Housing & Urban Development				
<i>Direct:</i>				
Section 8 Housing Choice Vouchers	14.871	TX472	-	10,235,246
COVID-19 Emergency Housing Vouchers (ARPA)	14.871	TX472	-	172,405
Total ALN No 14.871				<u>10,407,651</u>
Supportive Housing for Persons with Disabilities (5 Yr Mainstream)	14.879	-	-	903,389
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-48-0002	-	246,045
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-48-0002	-	51,128
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-48-0002	-	483,698
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0002	-	704,946
COVID-19 Community Development Block Grant/Entitlement Grants CARES	14.218	B-21-MC-48-0002	-	464,150
<i>Subrecipients:</i>				
Catholic Charities of the Texas Panhandle CARES	14.218	B-20-MW-48-0002	167,470	-
Guyon Saunders Resource Center (CARES)	14.218	B-20-MW-48-0002	44,864	-
Maverick Club (CARES)	14.218	B-20-MW-48-0002	35,400	-
Amarillo Housing First (CARES)	14.218	B-20-MW-48-0002	11,000	-
Catholic Charities of the Texas Panhandle	14.218	B-21-MC-48-0002	15,000	-
Guyon Saunders Resource Center	14.218	B-21-MC-48-0002	15,000	-
Texas Workforce Commission	14.218	B-21-MC-48-0002	82,000	-
Panhandle Regional Planning Commission	14.218	B-21-MC-48-0002	25,000	-
Salvation Army	14.218	B-21-MC-48-0002	15,000	-
Total ALN No 14.218				<u>1,949,967</u>

CITY OF AMARILLO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED
Year Ended September 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal 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 - 2021	14.239	M-21-MC-48-0211	-	205,915
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity			13,927	-
Home Investment Partnership Program - 2020	14.239	M-20-MC-48-0211	-	35,339
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	14.239	M-20-MC-48-0211	25,711	-
Home Investment Partnership Program - 2019	14.239	M-19-MC-48-0211	-	7,821
Home Investment Partnership Program - 2018	14.239	M-18-MC-48-0211	-	17,360
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	14.239	M-18-MC-48-0211	17,360	-
Home Investment Partnership Program - 2017	14.239	M-17-MC-48-0211	-	7,345
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	14.239	M-17-MC-48-0211	7,345	-
Total ALN No 14.239				<u>273,780</u>
Continuum of Care Program - HMIS Capacity Building Project	14.261	TX0541HST111800	-	27,884
Continuum of Care Program - Permanent Housing (Shelter Plus Care)	14.267	TX0153L6T112013	-	32,501
Continuum of Care Program - Permanent Housing (Shelter Plus Care)	14.267	TX0153L6T112114	-	25,262
Continuum of Care Program - Planning	14.267	TX0600L6T112000	-	12,663
Continuum of Care Program - Planning	14.267	TX0600L6T112100	-	1,580
Continuum of Care Program - Coming Home	14.267	TX0561L6T112001	-	168,280
Continuum of Care Program - Homeless Management Information System (HMIS)	14.267	TX0533L6T112002	-	65,772
Continuum of Care Program - Homeless Management Information System (HMIS)	14.267	TX0533L6T112103	-	65,920
Total ALN No 14.267				<u>372,958</u>
Total Direct				<u>13,935,629</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	-	12,817
COVID-19 Community Development Block Grant Program	14.228	B-20-DW-48-0001, 70300001005	-	391,385
Total ALN No 14.228				<u>404,202</u>
Texas Emergency Shelter Grants Program	14.231	42206110041	-	23,219
Texas Emergency Shelter Grants Program	14.231	42216110040	-	118,345
COVID-19 Texas Emergency Shelter Grants Program CARES	14.231	43206110042	-	9,120
COVID-19 Texas Emergency Shelter Grants Program CARES 2	14.231	44206110042	-	668,008
Total ALN No 14.231				<u>818,692</u>
Housing Stability Services and Other Financial Assistance	21.023	20220000014	-	27,049
Total Pass-through				<u>1,249,743</u>
Total U.S. Department of Housing & Urban Development				<u>15,185,372</u>
U.S. Department of Justice				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant- FY20 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0499	-	48,106
Edward Byrne Memorial Justice Assistance Grant- FY20	16.738	2020-DJ-BX-0516	-	5,228
Edward Byrne Memorial Justice Assistance Grant- FY17	16.738	15PBJA-21-GG-01859-JAGX	-	119,760
<i>Subrecipients:</i>				
Potter County Texas	16.738	15PBJA-21-GG-01859-JAGX	59,880	-
Edward Byrne Memorial Justice Assistance Grant- FY19	16.738	15PBJA-21-GG-04361-SMTP	-	26,335
Total ALN No 16.738				<u>151,323</u>
<i>Pass-through from:</i>				
Texas Office of the Governor-Criminal Justice Division				
PN-Project Safe Neighborhoods Program	16.609	4088002	-	87,402
Total Pass-through				<u>87,402</u>
Total U.S. Department of Justice				<u>288,831</u>
U.S. Department of Transportation				
<i>Pass-through from:</i>				
Texas Department of Transportation				
Unified Planning Work Program (5303)	20.205	50-21XF0012	-	258,213
STEP-STEP Comprehensive	20.600	2022-AmarilloPD-S-1YG-00042	-	149,400
STEP-CMV	20.600	2022-AmarilloPD-S-CMV-00017	-	47,401
Total ALN No 20.600				<u>196,801</u>
Total U.S. Department of Transportation				<u>455,014</u>
U.S. Department of Transportation - Federal Transit Administration				
<i>Direct:</i>				
Federal Transit Administration	20.507	TX90-Y921-00	-	218,901
Federal Transit Administration	20.507	TX90-Y020-00	-	62,116
Federal Transit Administration	20.507	TX2018-007-00	-	325,143
Federal Transit Administration	20.507	TX2020-040-00	-	692,732
Federal Transit Administration	20.507	TX2020-111-00	-	1,663,824
Federal Transit Administration	20.507	TX2022-017-00	-	1,264,924
Federal Transit Administration	20.507	TX2022-030-00	-	1,600
Total ALN No. 20.507				<u>4,229,240</u>
U.S. Department of Transportation - Federal Aviation Administration				
<i>Direct:</i>				
Airport Improvement Program - 2020-45	20.106	03-48-0007-045-2020	-	2,307,781
Airport Improvement Program - 2021-49	20.106	03-48-0007-049-2021	-	2,363,577
Airport Improvement Program - 2022-52	20.106	03-48-0007-052-2022	-	265,481
Airport Improvement Program - 2022-53	20.106	03-48-0007-053-2022	-	20,217
Airport Improvement Program - 2022-54	20.106	03-48-0007-054-2022	-	1,800
COVID-19 FAA ARPA Grant	20.106	03-48-0007-050-2021	-	4,356,675
COVID-19 FAA ARPA Concessions Relief Grant Program	20.106	03-48-0007-051-2022	-	32,499
Total ALN No. 20.106				<u>9,348,030</u>
Total U.S. Dept. of Transportation - Federal Aviation Administration				<u>13,577,270</u>

CITY OF AMARILLO, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED
Year Ended September 30, 2022

Grantor/Pass-Through Grantor/Program Title	Federal 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	5502-Amarillo	-	195,715
American Rescue Plan	21.027	-	-	27,684,223
Total Direct				27,879,938
Total U.S. Department of Treasury				27,879,938
U.S. Department of Homeland Security				
<i>Direct:</i>				
Fire Prevention & Safety Grant Program	97.044	EMW-2018-FP-00705	-	1,259
Federal Emergency Management Agency	97.044	EMW-2018-FP-00705	-	11,876
Total ALN No. 97.044				13,135
Total Direct				13,135
<i>Pass-through from:</i>				
Texas Office of the Governor				
Homeland Security Grant Program	97.067	4024101	-	190,000
Total Texas Office of the Governor				190,000
Total U.S. Department of Homeland Security				203,135
Institute of Museum and Library Services				
<i>Pass-through from:</i>				
Texas State Library and Archives Commission				
Grants to States	45.310	903355	-	34,190
Total ALN No. 45.310				34,190
Total Institute of Museum and Library Services				34,190
Total Expenditures of Federal Awards			\$ 534,957	\$ 67,949,862
STATE AWARDS				State Expenditures
Texas Department of Transportation				
Routine Airport Maintenance Program (RAMP)	N/A	M2204AMRI	-	\$ 49,585
Transit Operating Assistance	N/A	STATE-U-2021-AMARILLO-00084	-	518,225
Total Texas Department of Transportation				567,810
Texas Department of Housing and Community Affairs				
2021 Texas Ending Homelessness Fund	N/A	30216110009	-	51,022
Texas Department of State Health Services				
TB/PC-State	N/A	HHS000484100005	-	68,284
TB/PC-State	N/A	HHS001182200007	-	7,088
Total TB/PC-State				75,352
HIV Prev	N/A	HHS000077800034	-	35,000
RLSS/LPHS	N/A	HHS001009100001	-	43,499
Hansens/HS Grant Program	N/A	HHS000328700001	-	2,250
Hansens/HS Grant Program	N/A	HHS000328700001	-	7,291
Total Hansens/HS				9,541
IDCU/SUR	N/A	HHS000436300002	-	77,177
IDCU/SUR	N/A	HHS000436300002	-	9,972
Total IDCU/SUREB				87,149
Healthy Texas Babies Grant Program	N/A	HHS000093000001	-	43,093
Immunization Branch-Locals	N/A	HHS000119700003	-	174,889
Total Texas Department of State Health Services				468,523
Texas Health and Human Services Commission				
Community Mental Health Grant	N/A	HHS000477100011	-	93,414
Community Mental Health Grant	N/A	HHS000477100011	-	9,418
Total Texas Health and Human Services Commission				102,832
Total Expenditures of State Awards			\$ -	\$ 1,190,187
Total Expenditures of Federal and State Awards			\$ 534,957	\$ 69,140,049

*Clustered program required by 2022 Compliance Supplement

CITY OF AMARILLO, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2022

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, 2022. 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 (ALN 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, 2022, has been computed to be \$933,781 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, 2022

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 ALN Number</u>	<u>Amounts Provided to Subrecipients</u>
Community Development Block Grants	14.218	\$ 410,734
Home Investment Partnership	14.239	64,343
Edward Byrne Memorial Justice Assistance Grant	16.738	<u>59,880</u>
		<u>\$ 534,957</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 (ALN 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, 2022, the outstanding loan balances were:

TWDB Series 2009C	\$ 7,240,000
TWDB Series 2009C – due within one year	<u>905,000</u>
Series 2009C – Total	<u>\$ 8,145,000</u>
TWDB Series 2015	\$ 10,580,000
TWDB Series 2015 – due within one year	<u>825,000</u>
Series 2015 – Total	<u>\$ 11,405,000</u>
TWDB Series 2020	\$ 24,225,000
TWDB Series 2020 – due within one year	<u>1,425,000</u>
Series 2020 – Total	<u>\$ 25,650,000</u>

CITY OF AMARILLO, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2022

NOTE 8 - REAL ESTATE ASSESSMENT CENTER (REAC) REPORT

For purposes of the REAC Reporting Submission, the CARES Act grants, Mainstream CARES Act ALN# 14.879, Housing Choice Vouchers CARES Act ALN #14.871, and Emergency Housing Vouchers ALN #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, 2022**

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:

<u>ALN Number(s)</u>	<u>Name of Federal or State Program or Cluster</u>
Major Federal Programs:	
14.218	Community Development Block Grant
20.106	Airport Improvement Grant
	Federal Transit Cluster:
20.507	Federal Transit Formula Grants
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
Major State Programs:	
N/A	Transit Operating Assistance

Dollar threshold used to distinguish between type A and type B programs: \$2,038,496 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, 2022**

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, 2022**

SECTION II – Financial Statement Findings

None

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

None

**CITY OF AMARILLO, TEXAS
SCHEDULE OF CORRECTIVE ACTION PLAN
Year Ended September 30, 2022**

None



Corrective Action Plan for the Year Ended September 30, 2022

There were no findings for the year ended September 30, 2022.



**City of Amarillo, Texas
Summary schedule of prior audit finding
Year ended September 30, 2022**

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



**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

Opinion on the 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, 2022.

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, 2022.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance Section of the reports.

We are required to be independent of the City and to meet our 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 the Passenger Facility Charge 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 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.



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 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.

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, and the Guide 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 the program as a whole.

In performing an audit in accordance with GAAS, and the Guide, 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 Guide, 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.

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.

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 21, 2023, 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, 2022, 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 21, 2023

**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, 2022**

	<u>Quarter ended December 31, 2021</u>	<u>Quarter ended March 31, 2022</u>	<u>Quarter ended June 30, 2022</u>	<u>Quarter ended September 30, 2022</u>	<u>Year ended September 30, 2022</u>	<u>Cumulative totals as of September 30; 2021</u>	<u>Cumulative totals as of September 30, 2022</u>
Collections							
PFCs collected	\$ 315,378	\$ 280,651	\$ 423,209	\$ 308,466	\$ 1,327,704	\$ 17,177,331	\$ 18,505,035
Interest	120	160	170	406	856	27,139	27,995
Total Collections	<u>\$ 315,498</u>	<u>\$ 280,811</u>	<u>\$ 423,379</u>	<u>\$ 308,872</u>	<u>\$ 1,328,560</u>	<u>\$ 17,204,470</u>	<u>\$ 18,533,030</u>
Expenditures on approved PFC projects included in:							
Project 08-01-C-00-AMA Terminal Construction	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 615,000</u>	<u>\$ 1,115,000</u>	<u>\$ 17,104,992</u>	<u>\$ 18,219,992</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 615,000</u>	<u>\$ 1,115,000</u>	<u>\$ 17,104,992</u>	<u>\$ 18,219,992</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, 2022**

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, 2022**

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, 2022**

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, 2022**

None



Corrective Action Plan for the Year Ended September 30, 2022

None



**City of Amarillo, Texas
Summary schedule of prior audit finding
Year ended September 30, 2022**

None