

**CITY OF AMARILLO, TEXAS**

**SINGLE AUDIT –**  
**FEDERAL AND STATE AWARDS**  
**SUPPLEMENTARY FINANCIAL REPORT**  
Year Ended September 30, 2023

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An ATLAS Navigators, LLC Firm

CMMS CPAs & Advisors PLLC - Amarillo  
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Amarillo, TX 79105

It's about time.

**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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 27, 2024.

***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 27, 2024



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It's about time.

**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, 2023. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the 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, 2023.

***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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 27, 2024, 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.

*CMMS CPAs & Advisors PLLC*

Amarillo, Texas  
February 27, 2024

**CITY OF AMARILLO, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended September 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Pass-through Entity Identifying Number	Pass-through To Subrecipients	Federal Expenditures
<b>FEDERAL AWARDS</b>				
<b>U.S. Department of Agriculture</b>				
<i>Pass-through from:</i>				
Texas Health and Human Services Commission Special Supplemental Nutrition Program for Women, Infants, and Children WIC Card Participation Total ALN No. 10.557	10.557	HHS000800400001	\$ -	\$ 1,531,154
SNAP-ED Go to WIC	10.561	HHS000800400001		156,873
<i>Pass-through from:</i>				
Texas Department of State Health Services Community and Clinical Health Bridge Total ALN No. 10.561	10.561	HHS000743500001	-	248,227
Total U.S. Department of Agriculture				405,100
				1,936,254
<b>U.S. Department of Energy</b>				
<i>Pass-through from:</i>				
State Energy Conservation Office AIP Grant CP1704 Total U.S. Department of Energy	81.214	CP2203; CMD 22-737BJM	-	168,478
				168,478
<b>U.S. Department of Health and Human Services</b>				
<i>Pass-through from:</i>				
Texas Department of State Health Services				
Immunization Branch - Locals	93.268	HHS000119700003	-	72,639
Immunization Branch - Locals	93.268	HHS001331300005	-	25,437
				98,076
COVID-19 / DSHS-LIDS-IMM	93.268	HHS001019500009	-	4,063,560
				1,255,224
Immunization Branch - NonCash Total ALN No. 93.268	93.268	HHS000119700003	-	5,416,850
PPCPS/Hazards	93.069	537-18-0125-00001	-	168,788
PPCPS/Hazards	93.069	HHS001311200018	-	83,154
Total ALN No. 93.069				251,942
Tuberculosis Prevention and Control and Laboratory Program	93.116	HHS001096400002	-	5,884
Tuberculosis Prevention and Control and Laboratory Program	93.116	HHS001096400002	-	36,137
Total ALN No 93.116				42,021
RLSS/LPHS	93.991	HHS001009100001	-	5,912
RLSS/LPHS	93.991	HHS001324900002	-	53,939
Total ALN No 93.991				59,851
HIV PrevS	93.940	HHS0000778000034	-	184,998
HIV PrevS	93.940	HHS0000778000034	-	20,752
Total ALN No 93.940				205,750
STD/HIV-DIS	93.977	HHS001120300001	-	395,521
Healthy Texas Babies Grant Program Total ALN No 93.994	93.994	HHS000093000001	-	29,952
				29,952
COVID-19 CPS/PH Workforce Contract	93.354	HHS001077900001	-	415,632
COVID-19 DSHS-IDCU	93.323	HHS000812700008	-	128,167
Health Equity	93.391	HHS001057600002	-	197,643
<i>Pass-through from:</i>				
U.S. Committee for Refugees & Immigrants Refugee Medical Screening Total Pass-through	93.566	2023-AMATX-07	-	573,076
				7,716,415
Total U.S. Department of Health and Human Services				7,716,415
<b>U.S. Department of Housing &amp; Urban Development</b>				
<i>Direct</i>				
Section 8 Housing Choice Vouchers	14.871	TX472	-	10,247,071
COVID-19 Emergency Housing Vouchers (ARPA) Total ALN No 14.871	14.871	TX472	-	191,220
				10,438,291
Supportive Housing for Persons with Disabilities (5 Yr Mainstream)	14.879	TX472	-	882,680
Continuum of Care Program - Permanent Housing (Shelter Plus Care)	14.267	TX0153L6T112114	-	51,587
Continuum of Care Program - Permanent Housing (Shelter Plus Care)	14.267	TX0153L6T112215	-	23,130
Continuum of Care Program -Planning	14.267	TX0636L6T112100	-	37,925
Continuum of Care Program -Planning	14.267	TX0695L6T112200	-	14,987
Continuum of Care Program- Coming Home	14.267	TX0561L6T112102	-	170,804
Continuum of Care Program - Homeless Management Information System (HMIS)	14.267	TX0533L6T112103	-	96,286
Continuum of Care Program - Homeless Management Information System (HMIS) Total ALN No 14.267	14.267	TX0533L6T112204	-	60,305
				455,024
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-48-0002	-	48,885
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-48-0002	-	310,932
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-48-0002	-	187,250
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-48-0002	-	91,226
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-48-0002	-	8,823
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-48-0002	-	573,603
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-48-0002	-	316,918
Community Development Block Grants/Entitlement Grants (CARES)	14.218	B-20-MW-48-0002	-	687,240



**CITY OF AMARILLO, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED**  
**Year Ended September 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Pass-through Entity Identifying Number	Pass-through To Subrecipients	Federal Expenditures
<b>U.S. Department of Housing &amp; Urban Development (Continued)</b>				
<i>Direct:</i>				
<i>Subrecipients:</i>				
Catholic Charities of the Texas Panhandle (interfaith hunger)	14.218	B-21-MC-48-0002	25,000	-
Texas Worforce Comission	14.218	B-21-MC-48-0002	75,000	-
Panhandle Regional Planning Commission	14.218	B-21-MC-48-0002	15,000	-
Guyon Saunders Resource Center	14.218	B-21-MC-48-0002	26,344	-
Maverick Club-After school Svc	14.218	B-21-MC-48-0002	26,334	-
Don Harrington Discovery Center	14.218	B-21-MC-48-0002	4,969	-
Guyon Saunders Resource Center (CARES)	14.218	B-20-MW-48-0002	42,000	-
Total ALN No 14.218				2,224,877
Home Investment Partnership Program - 2022	14.239	M-22-MC-48-0211		124,168
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	14.239	M-22-MC-48-0211	41,412	-
Home Investment Partnership Program - 2021	14.239	M-21-MC-48-0211	-	110,734
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	14.239	M-21-MC-48-0211	21,402	-
Home Investment Partnership Program - 2020	14.239	M-20-MC-48-0211	-	490,295
Home Investment Partnership Program - 2019	14.239	M-19-MC-48-0211	-	115,367
<i>Subrecipients:</i>				
Amarillo Habitat for Humanity	14.239	M-19-MC-48-0211	81,484	-
Total ALN No 14.239				840,564
<i>Pass-through from:</i>				
Texas Department of Housing and Community Affairs				
Texas Emergency Shelter Grants Program	14.231	42216110040	-	36,307
Texas Emergency Shelter Grants Program	14.231	42226110039	-	120,315
COVID-19 Texas Emergency Shelter Grants Program CARES 2	14.231	44206110042	-	86,397
Total ALN No 14.231				243,019
Total Pass-through				243,019
Total U.S. Department of Housing & Urban Development				15,084,455
<b>U.S. Department of Justice</b>				
<i>Direct:</i>				
Edward Byrne Memorial Justice Assistance Grant- FY22	16.738		-	124,476
<i>Subrecipients:</i>				
Potter County Texas	16.738	15PBJA-21-GG-01859-JAGX	62,238	-
Edward Byrne Memorial Justice Assistance Grant- FY21	16.738	15PBJA-21-GG-04381-SMTP	-	107,464
Total ALN No 16.738				231,940
Edward Byrne Memorial Justice Assistance Grant- FY20	16.034	2020-VD-BX-0499	-	19,643
<i>Pass-through from:</i>				
Texas Office of the Governor-Criminal Justice Division				
PN-Project Safe Neighborhoods Program	16.609	4088002	-	17,598
Total Pass-through				17,598
Total U.S. Department of Justice				269,181
<b>U.S. Department of Treasury</b>				
<i>Direct:</i>				
Equitable Sharing Program	21.016	5502-Amarillo	-	568,530
COVID-19 Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan	21.027	-	-	2,936,033
Total Direct				3,504,563
<i>Pass-through from:</i>				
Texas Department of Housing and Community Affairs				
COVID-19 Emergency Rental Assistance	21.023	20220000014	-	519,932
Total Pass-through				519,932
Total U.S. Department of Treasury				4,024,495
<b>U.S. Department of Transportation - Federal Aviation Administration</b>				
<i>Direct:</i>				
Airport Improvement Program	20.106	03-48-0007-049-2021	-	864,553
Airport Improvement Program	20.106	03-48-007-052-2022	-	239,949
Airport Improvement Program	20.106	03-48-007-053-2022	-	120,432
Airport Improvement Program	20.106	03-48-007-054-2022	-	113,439
FAA ARPA Concessions Relief	20.106	03-48-0007-051-2022	-	58,109
Total ALN No. 20.106				1,396,482
Total U.S. Dept. of Transportation - Federal Aviation Administration				1,396,482
<b>U.S. Department of Transportation - Federal Transit Administration</b>				
<i>Direct:</i>				
Federal Transit Administration FY2011 Capital	20.507	TX-90-X921-00	-	7,472
Federal Transit Administration FY2013 Capital	20.507	TX-90-Y020-00	-	30,044
Federal Transit Administration FY2019 Capital & Operations	20.507	TX-2020-040-00	-	2,009,574
Federal Transit Administration FY2020 & FY2021 Capital	20.507	TX-2022-030-00	-	4,696,027
Total ALN No. 20.507				6,743,117
Bus and Bus Facilities - Section 5339	20.526	TX-2020-148-00	-	212,749
Paratransit Vehicles and Support Equipment - Section 5339	20.526	TX-2021-117-00	-	626,021
Total ALN No. 20.526				838,770
Total U.S. Department of Transportation - Federal Transit Administration				7,581,887

**CITY OF AMARILLO, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED**  
**Year Ended September 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Pass-through Entity Identifying Number	Pass-through To Subrecipients	Federal Expenditures
<b>U.S. Department of Transportation</b>				
<i>Pass-through from:</i>				
Texas Department of Transportation			-	
Unified Planning Work Program (5303)	20.205	50-23XF0012	-	320,690
STEP-STEP Comprehensive	20.600	2023-AmarilloPD-S-1YG-00009	-	152,000
STEP-CMV	20.600	2023-AmarilloPD-S-CMV-00003	-	48,507
Total ALN No 20,600				200,507
Total U.S. Department of Transportation				521,197
<b>U.S. Department of Homeland Security</b>				
<i>Pass-through from:</i>				
Texas Office of the Governor			-	
Homeland Security Grant Program	97.067	4487701	-	31,847
Total Texas Office of the Governor				31,847
Total U.S. Department of Homeland Security				31,847
<b>Environmental Protection Agency</b>				
<i>Pass-through from:</i>				
Texas Water Development Board			-	
Capitalization Grants for Drinking Water - State Revolving Fund	66.458	L1001063 & LF1001102	-	2,483,510
Total Environmental Protection Agency				2,483,510
<b>Institute of Museum and Library Services</b>				
<i>Pass-through from:</i>				
Texas State Library and Archives Commission			-	
Grants to States	45.310	903732	-	34,993
Total ALN No. 45,310				34,993
Total Institute of Museum and Library Services				34,993
<b>US Food and Drug Administration</b>				
<i>Pass-through from:</i>				
National Environmental Health Association (NEHA)			-	
Translating Our Food Handler Course	93.103	G-OASP-202209-02731	-	7,111
Total Federal Emergency Management Agency				7,111
<b>U.S. Small Business Administration</b>				
<i>Pass-through from:</i>				
Shutter Venue Operators Grant	59.075	-	-	150,621
Shutter Venue Operators Grant	59.075	-	-	23,141
Shutter Venue Operators Grant	59.075	-	-	2,821
Shutter Venue Operators Grant	59.075	-	-	116,994
Total U.S. Small Business Administration				293,577
<b>Total Expenditures of Federal Awards</b>				<b>\$ 421,163    \$ 41,549,882</b>
<b>STATE AWARDS</b>				<b>State Expenditures</b>
<b>Texas Department of Parks and Wildlife</b>				
Center in Nature Series	N/A	52-23011	-	12,710
Total Texas Department of Parks and Wildlife				12,710
<b>Texas Department of Transportation</b>				
Routine Airport Maintenance Program (RAMP)	N/A	M2304AMRI	-	50,000
Transit Operating Assistance	N/A	STATE-U-2022-AMARILLO-00136	-	518,225
Total Texas Department of Transportation				568,225
<b>Texas Department of State Health Services</b>				
TB/PC-State	N/A	HHS001182200007	-	54,541
TB/PC-State	N/A	HHS001182200007	-	10,044
Total TB/PC-State				64,585
Tuberculosis Prevention and Control and Laboratory Program	N/A	HHS001096400002	-	8,567
Tuberculosis Prevention and Control and Laboratory Program	N/A	HHS001096400002	-	1,075
Total Tuberculosis Prevention and Control and Laboratory Program				9,642
HIV PrevS	N/A	HHS000077800034	-	35,000
RLSS/LPHS	N/A	HHS001009100001	-	36,232
RLSS/LPHS	N/A	HHS001324900002	-	3,223
Total RLSS/LPHS				39,455
Hansens/HS Grant Program	N/A	HHS000328700001	-	5,863
Hansens/HS Grant Program	N/A	HHS000328700001	-	7,770
Total Hansens/HS				13,633
Healthy Texas Babies Grant Program	N/A	HHS001130300001	-	45,542
Healthy Texas Babies Grant Program	N/A	HHS001130300001	-	7,089
Total Healthy Texas Babies Grant Program				52,631
IDCU/SUR	N/A	HHS000436300002	-	74,632
IDCU/SUR	N/A	HHS000436300002	-	8,884
Total IDCU/SUREB				83,516
Immunization Branch-Locals	N/A	HHS000119700003	-	144,900
Mosquito Abatement	N/A	HHSTX-3-0000321014	-	16,000
Total Texas Department of State Health Services				357,634
<b>Texas Health and Human Services Commission</b>				
Community Mental Health Grant	N/A	HHS000477100011	-	89,962
Community Mental Health Grant	N/A	HHS000477100011	-	7,477
Total Texas Health and Human Services Commission				97,439
<b>Total Expenditures of State Awards</b>				<b>\$ -    \$ 1,137,736</b>
<b>Total Expenditures of Federal and State Awards</b>				<b>\$ 421,163    \$ 42,687,618</b>
Clustering program required by 2023 Compliance Supplement				

**CITY OF AMARILLO, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended September 30, 2023**

**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, 2023. 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, 2023, has been computed to be \$1,255,224 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, 2023**

**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	\$ 214,647
Home Investment Partnership	14.239	144,298
Edward Byrne Memorial Justice Assistance Grant	16.738	<u>62,238</u>
		<u>\$ 421,183</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, 2023, the outstanding loan balances were:

TWDB Series 2009C	\$ 6,335,000
TWDB Series 2009C – due within one year	<u>905,000</u>
Series 2009C – Total	<u>\$ 7,240,000</u>
TWDB Series 2015	\$ 9,750,000
TWDB Series 2015 – due within one year	<u>830,000</u>
Series 2015 – Total	<u>\$ 10,580,000</u>
TWDB Series 2020	\$ 22,800,000
TWDB Series 2020 – due within one year	<u>1,425,000</u>
Series 2020 – Total	<u>\$ 24,225,000</u>

**CITY OF AMARILLO, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended September 30, 2023**

**NOTE 8 - REAL ESTATE ASSESSMENT CENTER (REAC) REPORT**

For purposes of the REAC Reporting Submission, the CARES Act grants, if applicable, 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, 2023**

**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:

<b><u>ALN Number(s)</u></b>	<b><u>Name of Federal or State Program or Cluster</u></b>
-----------------------------	---

Major Federal Programs:

- |        |   |
|--------|---|
| 10.557 | Special Supplemental Nutrition Program for Women, Infants and Children – WIC Card Participation |
| 14.239 | Home Investment Partnership Program   |
|        | Federal Transit Cluster:  |
| 20.507 | Federal Transit Formula Grants  |
| 20.526 | Bus and Bus Facilities Formula & Discretionary Programs   |
| 21.023 | COVID -19 Emergency Rental Assistance   |
| 21.027 | COVID -19 Coronavirus State and Local Fiscal Recovery Funds                                     |
| 66.458 | Clean Water State Revolving Fund  |

Major State Programs:

- |     |                              |
|-----|------------------------------|
| N/A | Transit Operating Assistance |
|-----|------------------------------|

Dollar threshold used to distinguish between type A and type B programs: \$1,246,496 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, 2023**

**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, 2023**

**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, 2023**

**None**



**Corrective Action Plan for the Year Ended September 30, 2023**



**City of Amarillo, Texas  
Summary schedule of prior audit finding  
Year ended September 30, 2023**

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



An ATLAS Navigators, LLC Firm

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Amarillo, TX 79105

It's about time.

**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, 2023.

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, 2023.

***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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 27, 2024, 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, 2023, 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 PARC*

Amarillo, Texas  
February 27, 2024

**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, 2023**

	Quarter ended December 31, 2022	Quarter ended March 31, 2023	Quarter ended June 30, 2023	Quarter ended September 30, 2023	Year ended September 30, 2023	Cumulative totals as of September 30, 2022	Cumulative totals as of September 30, 2023
Collections							
PFCs collected	\$ 360,356	\$ 303,932	\$ 373,736	\$ 326,049	\$ 1,364,073	\$ 18,505,035	\$ 19,869,108
Interest	1,504	2,717	4,597	1,811	10,629	27,995	38,624
Total Collections	<u>\$ 361,860</u>	<u>\$ 306,649</u>	<u>\$ 378,333</u>	<u>\$ 327,860</u>	<u>\$ 1,374,702</u>	<u>\$ 18,533,030</u>	<u>\$ 19,907,732</u>
Expenditures on approved PFC projects included in:							
Project 08-01-C-00-AMA Terminal Construction	\$ -	\$ 615,000	\$ 550,000	\$ 520,000	\$ 1,685,000	\$ 18,219,992	\$ 19,904,992
Total Expenditures	<u>\$ -</u>	<u>\$ 615,000</u>	<u>\$ 550,000</u>	<u>\$ 520,000</u>	<u>\$ 1,685,000</u>	<u>\$ 18,219,992</u>	<u>\$ 19,904,992</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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

None



**Corrective Action Plan for the Year Ended September 30, 2023**

None



**City of Amarillo, Texas  
Summary schedule of prior audit finding  
Year ended September 30, 2023**

**None**