



SINGLE AUDIT REPORTS
CITY OF EL PASO, TEXAS

August 31, 2021

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Report of Independent Auditors 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 El Paso, 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 City of El Paso, Texas (the City), as of and for the year ended August 31, 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. Our report includes a reference to other auditors who audited the financial statements of El Paso Water Utilities Public Service Board, a discretely presented component unit of the City, and City of El Paso Employees Retirement Trust, a pension trust fund included in the aggregate remaining fund information, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
February 22, 2022

Report of Independent Auditors on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas Uniform Grant Management Standards

The Honorable Mayor and
Members of the City Council
City of El Paso, Texas

Report on Compliance for Each Major Federal and State Program

We have audited City of El Paso, Texas's (the City's) compliance with the types of compliance requirements described in the OMB Compliance Supplement and the State of Texas Uniform Grant 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 August 31, 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.

The City's basic financial statements include the operations of the El Paso Water Utilities Public Service Board (EPWU), a discretely presented component unit of the City, which received \$3,310,590 in federal awards for the year ended February 28, 2021, which are not included in the schedule of expenditures of federal and state awards during the year ended August 31, 2021. Our audit, described below, did not include the operations of EPWU because the component unit engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Management's Responsibility

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

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 the State of Texas Uniform Grant Management Standards, issued by the Texas Comptroller of Public Accountants. Those standards, the Uniform Guidance and the State of Texas Uniform Grant 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 or 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 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 August 31, 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 Grant 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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of Texas Uniform Grant Management Standards. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the City as of and for the year ended August 31, 2021 and have issued our report thereon dated February 22, 2022 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 Grant Management Standards and is not a required part of the 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 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 financial statements or to the 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 financial statements as a whole.

Mess Adams LLP

Albuquerque, New Mexico
February 22, 2022

City of El Paso, Texas
Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture (USDA)				
Passed through from:				
Texas Department of State Health Services				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	HHS000743500002	\$ -	\$ 189,908
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	529-16-0006-00001	-	46,629
			-	236,537
Texas Department of Health and Human Services				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	HHS000803400001	-	4,576,429
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2017-049739-001	-	581,890
			-	5,158,319
Total U.S. Department of Agriculture			\$ -	\$ 5,394,856
U.S. Department of National Oceanic and Atmospheric Administration				
Direct Program:				
National Oceanic and Atmospheric Administration (NOAA), Cooperative Institutes				
	11.432		-	1,440
Total U.S. Department of National Oceanic and Atmospheric Administration			\$ -	\$ 1,440
U.S. Department of Housing and Urban Development (HUD)				
Direct Programs:				
CDBG - Entitlement Grant Cluster				
Community Development Block Grants/Entitlement Grants	14.218		4,546,678	5,590,353
COVID-19 CARES PHASE III Community Development Block Grants	14.218		3,506,231	3,512,565
Total CDBG - Entitlement Grant Cluster			8,052,909	9,102,918
COVID-19 Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231		1,575,623	1,575,623
	14.231		531,632	571,976
			2,107,255	2,147,599
Home Investment Partnerships Program				
Home Investment Partnerships Program	14.239		1,626,934	1,930,765
	14.239	Program Income	-	(1,930,765)
			1,626,934	-
COVID-19 Housing Opportunities for Persons with AIDS				
Housing Opportunities for Persons with AIDS	14.241		584,349	584,349
	14.241		76,011	76,011
			660,360	660,360
Total U.S. Department of Housing and Urban Development			\$ 12,447,458	\$ 11,910,877
U.S. Department of The Interior				
Direct Program:				
Water SMART (Sustaining and Manage America's Resource for Tomorrow)				
	15.507		-	1,301
Total U.S. Department of The Interior			\$ -	\$ 1,301
U.S. Department of Justice (DOJ)				
Direct Program:				
Equitable Sharing Program				
	16.922		-	101,407
COVID-19 Coronavirus Emergency Supplemental Funding Program				
	16.034		-	109,543
Passed through from:				
Texas Office of The Attorney General				
Missing Children's Assistance	16.543	2113421	-	9,582
Texas Office of The Governor				
Coronavirus Emergency Supplemental Funding Program	16.034	4157701	-	625,533
Crime Scene Investigations	16.738	3947401	-	92,565
Crime Victim Assistance	16.575	2592806	-	20,122
Crime Victim Assistance	16.575	2592807	-	222,750
Project Safe Neighborhoods	16.609	2952701	-	23,465
El Paso County				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0638	-	30,462
Total U.S. Department of Justice			\$ -	\$ 1,235,429

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

City of El Paso, Texas
Schedule of Expenditures of Federal and State Awards (continued)
Year Ended August 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. Department of Transportation (DOT)				
Federal Aviation Administration				
Direct Program:				
Airport Improvement Program	20.106		\$ -	\$ 2,217,106
COVID-19 Airport Improvement Program	20.106		-	1,840,680
COVID-19 CRRSAA Airport Expenses	20.106		-	<u>5,019,472</u>
			-	<u>9,077,258</u>
Alternative Analysis	20.522		-	11,880
Highway Planning and Construction Cluster				
Passed through from:				
Texas Department of Transportation				
Highway Planning and Construction	20.205	0374-02-089	-	2,234,191
Highway Planning and Construction	20.205	0924-06-419	-	517,247
Highway Planning and Construction	20.205	0924-06-421	-	10,530
Highway Planning and Construction	20.205	0924-06-422	-	484,000
Highway Planning and Construction	20.205	0924-06-425	-	750,988
Highway Planning and Construction	20.205	0924-06-498	-	514,260
Highway Planning and Construction	20.205	0924-06-539	-	904,786
Highway Planning and Construction	20.205	0924-06-542	-	642,480
Highway Planning and Construction	20.205	0924-06-543	-	428,843
Highway Planning and Construction	20.205	0924-06-544	-	1,032,844
Highway Planning and Construction	20.205	0924-06-546	-	28,896
Highway Planning and Construction	20.205	0924-06-548	-	96,182
Highway Planning and Construction	20.205	0924-06-549	-	337,515
Highway Planning and Construction	20.205	0924-06-562	-	54,844
Highway Planning and Construction	20.205	0924-06-577	-	318,828
Highway Planning and Construction	20.205	50-19XF0004	-	5,619
Highway Planning and Construction	20.205	50-20XF0004	-	227,354
Highway Planning and Construction	20.205	50-21XF0004	-	<u>1,211,351</u>
			-	<u>9,800,758</u>
Passed through from:				
New Mexico Department of Transportation				
Highway Planning and Construction	20.205	D16018	-	94,162
Highway Planning and Construction	20.205	D18496	-	287,848
Total Highway Planning and Construction Cluster			<u>\$ -</u>	<u>\$ 10,182,768</u>
Passed through from:				
New Mexico Department of Transportation				
Metropolitan Transportation Planning	20.505	M01620	-	<u>22,825</u>
Federal Transit Cluster				
Federal Transit - Capital Investment Grants	20.500		-	6,199,577
Federal Transit - Formula Grants	20.507		-	12,452,041
COVID-19 FY20 CARES Act Funding	20.507		-	20,224,020
COVID-19 CRRSAA Sun Metro Expenses	20.507		-	679,951
Bus and Bus Facilities Formula Program	20.526		-	<u>452,997</u>
Total Federal Transit Cluster			<u>\$ -</u>	<u>\$ 40,008,586</u>
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		225,520	<u>264,231</u>
Passed through from:				
Texas Office of The Governor				
Highway Safety Cluster				
State and Community Highway Safety	20.600	2021-ELPASOPD-S-1YG-00020	-	215,978
Total Department of Transportation			<u>\$ 225,520</u>	<u>\$ 59,783,526</u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

City of El Paso, Texas
Schedule of Expenditures of Federal and State Awards (continued)
Year Ended August 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
Department of Treasury				
Direct Program:				
COVID-19 Emergency Rental Assistance Program	21.023		\$ 12,250,000	\$ 12,250,000
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027		-	14,841,064
COVID-19 Coronavirus Relief Fund-SLT0192	21.019		33,942,942	99,738,415
Passed through from:				
El Paso County				
COVID-19 Coronavirus Relief Fund El Paso County	21.019	1080432	850,000	850,000
			<u>34,792,942</u>	<u>100,588,415</u>
			<u>\$ 47,042,942</u>	<u>\$ 127,679,479</u>
Total Department of Treasury				
National Endowment for the Arts (NEA)				
Pass through from:				
TSLAC				
Promotion of the Arts Partnership Agreements	45.025	21-48109	-	11,906
			<u>\$ -</u>	<u>\$ 11,906</u>
Total National Endowment for the Arts				
National Endowment for the Humanities				
Direct Program:				
Promotion of the Humanities Division of Preservation and Access	45.149		-	10,000
COVID-19 NEH CARES Promotion of the Humanities Public Programs	45.164		-	78,501
			<u>\$ -</u>	<u>\$ 88,501</u>
Total National Endowment for the Humanities				
Institute of Museum and Library Services				
Passed through from:				
Texas State Library and Archives Commission (TSLAC)				
Grants to States	45.310	901632 SPP-21006	-	1,686
			-	73,582
			<u>\$ -</u>	<u>\$ 75,268</u>
Total Institute of Museum and Library Services				
Environmental Protection Agency (EPA)				
Passed through from:				
Environmental Protection Agency				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	582-19-90036	-	94,281
Performance Partnership Grants	66.605	582-18-80087 582-22-30103	-	76,622
			-	854
			<u>\$ -</u>	<u>\$ 171,757</u>
Total Environmental Protection Agency				

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

City of El Paso, Texas
Schedule of Expenditures of Federal and State Awards (continued)
Year Ended August 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
Department of Health and Human Services				
Direct Program:				
Family Planning Services	93.217		\$ -	\$ 1,081,298
COVID-19 Health Department Response to Public Health or Healthcare Crises Activities to Support State, Tribal, Local and Territorial (STLT)	93.391		-	714
Passed through from:				
Texas Department of Health and Human Services				
Emergency Preparedness (PHEP) Aligned Co-Op Agreements	93.069	537-18-0112-00001	-	218,723
Emergency Preparedness (PHEP) Aligned Co-Op Agreements	93.069	537-18-0126-00001	-	533,878
Food and Drug Administration Research	93.103	2021-032903	-	1,827
			-	754,428
Project Grants and Cooperative Agreements for Tuberculosis				
Control Programs	93.116	HHS000046440001	-	153,282
Control Programs	93.116	HHS000686100009	-	111,105
Immunization Cooperative Agreements	93.268	HHS000111200001	-	331,752
Immunization Cooperative Agreements	93.268	HHS001019500015	-	3,965
COVID-19 IDCU Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HHS000812700010	-	203,394
COVID-19 Health Crisis Response	93.354	HHS000771100001	-	570,714
COVID-19 Activities Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	6NU38OT000306-02-08	-	62,214
COVID-19 CARES Provider Relief Fund	93.498	HHS-04505296566	-	216,108
Temporary Assistance for Needy Families	93.558	529-16-0006-00001	-	1,245
Children's Health Insurance Program	93.767	529-16-0006-00001	-	7,597
Medical Assistance Program (Medicaid Cluster)	93.778	529-16-0006-00001	-	52,480
HIV Prevention Activities Health Department Based	93.940	HHS000778000021	-	417,915
HIV Prevention Activities Health Department Based	93.940	HHS000288900002	-	136,771
Preventive Health and Health Services Block Grant	93.991	HHS000475700001	-	76,140
Preventive Health and Health Services Block Grant	93.991	HHS000438400001	-	99,678
			-	175,818
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	HHS000288900002	-	207,691
Maternal and Child Health Services Block Grant to the States	93.994	2016-003924-02	-	134,121
Maternal and Child Health Services Block Grant to the States	93.994	HHS000136500031	-	232,979
			-	367,100
Total Department of Health and Human Services			\$ -	\$ 4,855,591

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

City of El Paso, Texas
Schedule of Expenditures of Federal and State Awards (continued)
Year Ended August 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
Corporation for National and Community Service (CNCS)				
Foster Grandparent/Senior Companion Cluster				
Direct Programs:				
Foster Grandparent Program	94.011		\$ -	\$ 412,580
Retired and Senior Volunteer Program	94.002		-	158,857
Retired and Senior Volunteer Program	94.002		-	11,439
Passed through from:				
Texas Department of Aging and Disability Services				
Retired and Senior Volunteer Program	94.002	21SRGTX003	-	277
Retired and Senior Volunteer Program	94.002	20SRWTX010	-	187
			-	170,760
			-	<u>583,340</u>
Total Corporation for National and Community Service				
			<u>\$ -</u>	<u>\$ 583,340</u>
Executive Office of the President				
Direct Program:				
High Intensity Drug Trafficking Areas Program	95.001		-	2,433,278
Total Executive Office of the President				
			<u>\$ -</u>	<u>\$ 2,433,278</u>
Department of Homeland Security (DHS)				
Direct Programs:				
Emergency Food and Shelter National Board Program	97.024		-	62,680
COVID-19 FEMA Disaster Grants	97.036		-	36,033
Assistance to Firefighters Grant	97.044		-	564,217
Emergency Management Performance Grants	97.042		-	114,033
Passed through from:				
Department of Homeland Security				
Homeland Security Biowatch Program	97.091	582-19-90035	-	126,928
Severe Repetitive Loss Program	97.110	EMT-2019-GR-00013-S01	-	230,076
Texas Office of the Governor				
Homeland Security Grant Program	97.067	2950604	-	21,609
Homeland Security Grant Program	97.067	2950605	-	60,189
Homeland Security Grant Program	97.067	2950606	-	50,308
Homeland Security Grant Program	97.067	2950705	-	7,269
Homeland Security Grant Program	97.067	2950706	-	393,769
Homeland Security Grant Program	97.067	2951004	-	75,629
Homeland Security Grant Program	97.067	2951005	-	4,905
Homeland Security Grant Program	97.067	2951006	-	95,395
Homeland Security Grant Program	97.067	3007105	-	730,708
Homeland Security Grant Program	97.067	3007106	-	646,524
Homeland Security Grant Program	97.067	3221404	-	42,901
Homeland Security Grant Program	97.067	3967901	-	143,020
			-	2,272,226
			-	<u>3,406,193</u>
Total Department of Homeland Security				
			<u>\$ -</u>	<u>\$ 3,406,193</u>
Total Federal Awards Expended				
			<u>\$ 59,715,920</u>	<u>\$ 217,632,742</u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

City of El Paso, Texas
Schedule of Expenditures of Federal and State Awards (continued)
Year Ended August 31, 2021

State Granting Agency/Grant Program	Grant or Identifying Number	Passed Through To Subrecipients	Total State Expenditures
Texas Commission on Environmental Quality			
TCEQ Rider 7 Air Quality	582-20-11979	\$ -	\$ 168,612
Compliance FY21	582-19-90044	-	278,683
Compliance FY22	582-22-30103	-	817
Total Texas Commission on Environmental Quality		\$ -	\$ 448,112
Texas Commission on the Arts (TCA)			
TCA CAD Cultural District Project	21-48442	-	31,500
TCA EPMA Yr2 Arts Create	21-48154	-	12,906
TCA CAD Arts Respond/Economic Development	21-48563	-	2,000
Total Texas Commission on the Arts (TCA)		\$ -	\$ 46,406
Texas Department of Aging and Disabilities			
Foster Grandparent Program	HHS000871100028	-	2,767
Retired Senior Volunteer Program	HHS00087110008	-	34,380
Total Texas Department of Aging and Disabilities		\$ -	\$ 37,147
Texas Department of Housing and Community Affairs			
HHSP Youth EP Center for Children	18206030007	25,168	25,168
HHSP Youth EP Human Services	18206030007	45,391	45,391
FY21 HHSP Round 11 Admin	63216030007	-	14,882
FY21 HHSP Grant Recipient 1	63216030007	45,341	45,341
FY21 HHSP Grant Recipient 2	63216030007	93,318	93,318
FY21 HHSP Grant Recipient 3	63216030007	101,017	101,017
FY21 HHSP Grant Recipient 4	63216030007	39,178	39,178
FY21 HHSP Youth 11th Round RCPT 1	18216030007	49,647	49,647
FY21 HHSP Youth 11th Round RCPT 2	18216030007	59,110	59,110
Ending Homeless Fund	30206030004	35,135	35,135
Total Texas Department of Housing and Community Affairs		\$ 493,305	\$ 508,187
Texas Department of State Health Services			
TB Prevention Control - State	HHS000464400001	-	508,223
LRN Influenza Surv & EPID Act	HHS000442100003	-	1,434
FY21 IDCU-SUR & SUREB	HHS0004363000011	-	140,934
FY20 HIV Surveillance - State	HHS000435400001	-	242
RLSS/LPHS	HHS000475700001	-	75,891
FY21 HIV Surveillance - State	HHS000435400001	-	56,767
Diabetes Prevention and Control	HHS000712400001	-	31,969
Immunization Branch - Locals	HHS000111200001	-	422,015
STD-HIV Prevention and Control	HHS000288900002	-	142,921
2-1-1 TIRN Referral Service Child Care	529-16-0006-00001	-	32,355
2-1-1 TITN Referral Service Operations	529-16-0006-00001	-	119,981
COVID-2-1-1 TIRN Referral Service Operations	529-16-0006-00001	-	2,063
Total Texas Department of State Health Services		\$ -	\$ 1,534,795
Texas Office of the Governor			
Local Border Security Program	2998206	-	477,828
Texas Anti-Gang (TAG) Program	3060705	-	1,006,568
Texas Anti-Gang (TAG) Program	3060704	-	49,365
Border Zone Fire Department FY20	3931301	-	75,445
Total Texas Office of the Governor		\$ -	\$ 1,609,206
Texas Department of Motor Vehicles			
Motor Vehicle Crime Prevention Authority	608-18-0710200	-	892,109
Total Texas Department of Motor Vehicles		\$ -	\$ 892,109
Texas Parks and Wildlife			
El Paso Northeast Regional Park	55-000033	-	31,994
Total Texas Department of Motor Vehicles		\$ -	\$ 31,994
Total State Awards Expended		\$ 493,305	\$ 5,107,956
Total Federal and State Awards Expended		\$ 60,209,225	\$ 222,740,698

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

City of El Paso, Texas

Notes to Schedule of Expenditures of Federal and State Awards

Note 1 – Presentation Scope

The accompanying schedule of expenditures of federal and state awards (the Schedule or SEFA) includes the federal and state award activity of City of El Paso, Texas (the City) under programs of the federal and state government for the year ended August 31, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Uniform Grant Management Standards issued by the Texas Comptroller of Public Accounts. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

Note 2 – Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, or the cost principles contained in the State of Texas Uniform Grant Management Standards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. The City performs an annual indirect cost rate study for purposes of federal allocation costs.

Note 4 – Provider Relief Fund Expenditures Included in Schedule

The Executive Office of the President's Office of Management and Budget (OMB) released the 2020 Compliance Supplement Amendment (the Supplement) during December 2020 in response to the federal funding provided to Tribal, State, and Local Governments due to the COVID-19 pandemic. The Supplement provided guidance for programs with expenditures of COVID-19 related awards. The Provider Relief Fund assistance under ALN #93.498 was not included in the fiscal 2020 Single Audit in accordance with the Supplement. The City has included aid totaling \$216,108 in the Schedule that was received during fiscal 2020 from the Department of Health and Human Services for healthcare-related expenses attributable to COVID-19.

City of El Paso, Texas
Notes to Schedule of Expenditures of Federal and State Awards

Note 5 – Community Development Block Grants Section 108 Loan Program

The federal loan programs listed subsequently are administered directly by the City and balances and transactions relating to these programs are included in the City’s basic financial statements. Loans outstanding at the beginning of the year are not included in the federal expenditures presented in the schedule. New loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding as of August 31, 2021 consists of the following:

Assistance Listing Number	Program Name	August 31, 2021
14.218	Community Development Block Grants/Entitlement Grants	\$ 10,929,866
14.239	HOME Investment Partnerships Program	55,117,482
		\$ 66,047,348

Note 6 – HOME Program Income

The total program income generated for this program in fiscal 2021 was \$2,565,528. Program income is the amount related to the HUD revolving loans fund for principal and interest payments. During fiscal 2021, the total expenditures related to this program were \$1,994,727. As a result, our total expenditures for the program will reflect as zero in SEFA given that the program income generated offset to all of the expenditures during the year.

City of El Paso, Texas
Schedule of Findings and Questioned Costs
Year Ended August 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
20.500/20.507/20.526	Federal Transit Cluster Grants	Unmodified
21.019	COVID-19 Coronavirus Relief Fund	Unmodified
21.027	COVID-19 Coronavirus State & Local Fiscal Recovery Fund	Unmodified
20.106	Airport Improvement Program	Unmodified
21.023	Emergency Rental Assistance	Unmodified
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? Yes No

City of El Paso, Texas
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2021

State Awards

Internal control over major state programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance the State of Texas Uniform Grant Management Standards?

- Yes No

Identification of major state programs and type of auditor's report issued on compliance for major state programs:

<i>Grant Numbers</i>	<i>Name of State Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
HHS000111200001	Immunization Branch Locals Program	Unmodified
306075	Texas Anti-Gang Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

- Yes No

City of El Paso, Texas
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2021

Section II - Financial Statement Findings

No matters were reported.

City of El Paso, Texas
Schedule of Findings and Questioned Costs (continued)
Year Ended August 31, 2021

Section III – Federal and State Award Findings and Questioned Costs

No matters were reported.

City of El Paso, Texas
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2021

No matters were reported.