



SINGLE AUDIT REPORTS
CITY OF EL PASO, TEXAS

August 31, 2020

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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, 2020 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, 2021, which contained an emphasis of matter paragraph regarding implementation of a governmental accounting standard. 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 determination of financial statement amounts. 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, 2021



Report of Independent Auditors on Compliance for Each Major Federal 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, 2020. 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 \$432,017 in federal awards for the year ended February 28, 2020, which are not included in the schedule of expenditures of federal and state awards during the year ended August 31, 2020. 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, 2020.

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, 2020 and have issued our report thereon dated February 22, 2021 which contained an unmodified opinion on those financial statements, and an emphasis of matter paragraph regarding implementation of a new governmental accounting standard. 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, 2021

City of El Paso, Texas
Schedule of Expenditures of Federal and State Awards
Year Ended August 31, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA 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 Health and Human Services				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2017-049739-001	\$ -	\$ 4,731,556
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	2017-049739-001B	-	1,017,533
Total U.S. Department of Agriculture			\$ -	\$ 5,749,089
U.S. Department of Housing and Urban Development (HUD)				
Direct Programs:				
CDBG - Entitlement Grant Cluster				
Community Development Block Grants/Entitlement Grants	14.218		3,983,134	4,755,025
Total CDBG - Entitlement Grant Cluster			3,983,134	4,755,025
COVID-19 Emergency Solutions Grant Program	14.231		723,305	723,305
Emergency Solutions Grant Program	14.231		392,011	453,547
Home Investment Partnerships Program	14.239		446,268	1,393,739
COVID-19 Housing Opportunities for Persons with AIDS	14.241		627	627
Housing Opportunities for Persons with AIDS	14.241		559,685	577,056
Total U.S. Department of Housing and Urban Development			\$ 6,105,030	\$ 7,903,299
U.S. Department of The Interior				
Direct Program:				
Water SMART (Sustaining and Manage America's Resources for Tomorrow)				
	15.507		-	36,542
Total U.S. Department of The Interior			\$ -	\$ 36,542
U.S. Department of Justice (DOJ)				
Direct Program:				
Equitable Sharing Program	16.922		-	162,134
Coronavirus Emergency Supplemental Funding Program	16.034		-	494,978
Passed through from:				
Texas Office of The Attorney General				
Missing Children's Assistance	16.543	2018-MC-FX-K065	-	9,653
Texas Office of The Governor				
Coronavirus Emergency Supplemental Funding Program	16.034	4157701	-	63,788
Crime Scene Investigations	16.738	2017-DJ-BX-0053	-	83,758
Crime Scene Investigations	16.738	2017-H2367-TX-DJ	-	109,410
Crime Victim Assistance	16.575	259806	-	244,601
El Paso County				
Crime Scene Investigations	16.738	2018-DJ-BX-0406	-	106,785
Crime Scene Investigations	16.738	2019-DJ-BX-0508	-	104,314
Emergency Law Enforcement Assistance Grant	16.824	2018-EL-BX-0001	-	66,381
Total U.S. Department of Justice			\$ -	\$ 1,445,802

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, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. Department of Transportation (DOT)				
Direct Program:				
Airport Improvement Program	20.106		\$ -	\$ 7,681,874
COVID-19 Airport Improvement Program	20.106		-	7,142,400
Alternatives Analysis	20.522		-	166,589
Highway Planning and Construction Cluster				
Passed through from:				
Texas Department of Transportation				
Highway Planning and Construction	20.205	0167-02-059	-	14,193
		0374-02-089	-	1,406,968
		0924-06-421	-	59,298
		0924-06-425	-	57,754
		0924-06-496	-	6
		0924-06-498	-	3,219,002
		0924-06-503	-	31,136
		0924-06-504	-	226,193
		0924-06-542	-	111,487
		0924-06-544	-	211,792
		0924-06-546	-	222,311
		0924-06-548	-	781,940
		0924-06-562	-	449,534
		0925-06-422	-	64,203
		50-19XF0004	-	1,392,589
			<u>-</u>	<u>8,248,406</u>
Passed through from:				
New Mexico Department of Transportation				
Highway Planning and Construction	20.205	D16018	-	34,543
Total Highway Planning and Construction Cluster			<u>\$ -</u>	<u>\$ 34,543</u>
Direct Programs:				
Metropolitan Transportation Planning	20.505		16,610	16,610
Federal Transit Cluster				
Federal Transit - Capital Investment Grants	20.500		-	11,000,303
Federal Transit - Formula Grants	20.507		-	11,672,780
COVID-19 Federal Transit - Formula Grants	20.507		-	20,557,516
Bus and Bus Facilities Formula Program	20.526		-	324,333
Total Federal Transit Cluster			<u>\$ -</u>	<u>\$ 43,554,932</u>
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		-	1,180,131
Total Transit Services Programs Cluster			<u>\$ -</u>	<u>\$ 1,180,131</u>
Passed through from:				
Texas Office of The Governor				
Highway Safety Cluster				
State and Community Highway Safety	20.600	2019-EIPasoPD-S-1YG-00037	-	1,163
State and Community Highway Safety	20.600	2020-EI PasoPD-S-1YG-00013	-	249,741
Total Highway Safety Cluster			<u>\$ -</u>	<u>\$ 250,904</u>
Total Department of Transportation			<u>\$ 16,610</u>	<u>\$ 68,276,389</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, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
Department of Treasury				
Direct Program:				
Equitable Sharing Program	21.016		\$ -	\$ 7,827
Coronavirus Relief Funds-Treasury Cares Act	21.019		5,310,565	19,347,255
Total Department of Treasury			\$ 5,310,565	\$ 19,355,082
National Endowment for the Arts (NEA)				
Direct Program:				
Promotion of the Arts Grants to Organizations and Individuals	45.024		-	8
Promotion of the Arts_Partnership Agreements	45.025		-	9,491
COVID-19 Promotion of the Arts_Partnership Agreements	45.025		-	1,372
COVID-19 Promotion of the Humanities Public Programs	45.164		-	31,496
Total National Endowment for the Arts			\$ -	\$ 42,367
Institute of Museum and Library Services				
Passed through from:				
Texas State Library and Archives Commission (TSLAC)				
Grants to States	45.310	901483	-	74,497
		G5319WSTBF	-	3,348
		SPP-20004	-	40
Total Institute of Museum and Library Services			\$ -	\$ 77,885
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	-	119,543
Performance Partnership Grants	66.605	582-18-80087	-	100,740
Total Environmental Protection Agency			\$ -	\$ 220,283

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, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA 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		\$ -	\$ 794,468
Passed through from:				
Texas Department of Health and Human Services				
Emergency Preparedness (PHEP) Aligned Co-Op Agreements	93.074	537-18-0112-00001-I HHS000288900002	-	19,242
		537-18-0126-00001-02	-	364,786
COVID-19 Emergency Preparedness Aligned Co-Op Agreements		537-18-0126-00001-02	-	178,588
		537-18-0126-00001-04	-	101,501
			-	896,530
Project Grants and Cooperative Agreements for Tuberculosis Control Programs				
	93.116	HHS000036000001	-	121,949
		HHS000686100009	-	150,732
Immunization Cooperative Agreements	93.268	537-18-0055-00001	-	685,588
COVID-19 Health Crisis Response	93.354	HHS000771100001	-	695,947
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations- financed in part by Prevention and Public Health Funds (PPHF)				
Preventive Health and Health Services Block Grant funded solely	93.524	2012-111203	-	63
Child Care and Development	93.575	529-16-0006-00001G	-	30,564
with Prevention and Public Health Funds (PPHF)	93.758	537-18-0215-00001	-	150,260
Medical Assistance Program	93.778	529-16-0006-00001G	-	229,628
HIV Prevention Activities Health Department Based	93.940	2016-001335B HHS0000778000021	-	197,563
			-	227,979
			-	425,542
Preventive Health and Health Services Block Grant				
	93.991	2016-003907B	-	8,188
		2016-003907C	-	88,720
			-	96,908
Sexually Transmitted Diseases (STD) Prevention and Control Grants				
	93.977	HHS000288900002	-	397,302
Maternal and Child Health Services Block Grant to the States				
	93.994	2011-0393-001	-	53,246
		2012-039349	-	71,104
		2014-044589-001	-	14,911
		2015-046359-001	-	53,869
		2016-003924-00	-	10,010
		HHS000136500031	-	295,754
		HHS000059200001	-	158,030
			-	656,924
Total Department of Health and Human Services			\$ -	\$ 5,332,405

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, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA 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		\$ -	\$ 462,202
Passed through from:				
Texas Department of Health and Human Services				
Foster Grandparent Program	94.011	GS7119FGP	-	424
		GS7120FGP	-	5,000
			<u>-</u>	<u>467,626</u>
Total Foster Grandparent/Senior Companion Cluster				
Retired and Senior Volunteer Program	94.002		-	112,191
Passed through from:				
Texas Department of Aging and Disability Services				
Retired and Senior Volunteer Program	94.002	GS7119RSVP	-	1,400
		GS7120RSVP	-	32,282
		GS7121RSVP	-	173
			<u>-</u>	<u>613,672</u>
Total Corporation for National and Community Service				
Executive Office of the President				
Direct Program:				
High Intensity Drug Trafficking Areas Program	95.001		-	2,447,672
Total Executive Office of the President				
			<u>\$ -</u>	<u>\$ 2,447,672</u>
Department of Homeland Security (DHS)				
Direct Programs:				
Emergency Management Performance Grants	97.024		-	178,900
FEMA COVID-19 Disaster Grants	97.036		-	2,506,380
Assistance to Firefighters Grant	97.044		-	58,740
Emergency Management Performance Grants	97.042		-	180,652
Passed through from:				
Department of Homeland Security				
Homeland Security Biowatch Program	97.091	582-19-90044	-	129,650
Severe Repetitive Loss Program	97.110	EMT-2019-GR-00013	-	122,275
Texas Office of the Governor				
Homeland Security Grant Program	97.067	2950603	-	20,028
		2950605	-	225,528
		2950704	-	84,837
		2950705	-	435,602
		2951003	-	7,440
		2951005	-	57,510
		3007104	-	1,095,892
		3007105	-	668,837
		3221403	-	50,083
		3311803	-	103,822
			<u>-</u>	<u>2,749,579</u>
Total Department of Homeland Security				
			<u>\$ -</u>	<u>\$ 5,926,176</u>
Total Federal Awards Expended				
			<u>\$ 11,432,205</u>	<u>\$ 117,426,663</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, 2020

State Granting Agency/Grant Program	Grant or Identifying Number	Total State Expenditures
Texas Commission on Environmental Quality		
Compliance Grant GS341917	582-19-90044	\$ 290,210
Total Texas Commission on Environmental Quality		\$ 290,210
Texas Commission on the Arts (TCA)		
TCA Yr1 Arts Create	20-46151	10,500
Texas Cares	20-46151	1,362
TCA Cultural District Project- El Paso Museum of Art	20-46458	119,999
TCA Cultural District Project-Cultural Affairs	20-46451	50,000
TCA Arts Respond	20-46568	2,500
TCA Arts Respond Natural Resources	20-46834	1,500
Total Texas Commission on the Arts (TCA)		\$ 185,861
Texas Department of Housing and Community Affairs		
Homeless Housing and Services Program 9th Round	63196030004	23,863
Homeless Housing and Services Program 10th Round	63196030004	36,393
Homeless Housing and Services Program 11th Round	632160300007	327
HHSP Youth EP Center for Children	GS7110HY01	16,360
HHSP Youth EP Human Services	GS7110HY02	16,899
FY20 HHSP COVID-19	GS7110HC01	18,132
HHSP Youth Admin	GS7110HYAD	9,559
Total Texas Department of Housing and Community Affairs		\$ 121,533
Texas Department of State Health Services		
Info & Referral Svc 211 Operations	HHS000464400001	459,618
Tuberculosis Prevention -State	HHS000442100003	3,483
HIV Surveillance - State	HHS0004363000011	143,254
Information & Referral Service	HHS000435400001	54,991
Total Texas Department of State Health Services		\$ 661,346
Texas Office of the Governor		
Local Border Security Program	2020-BL-ST-0016	377,112
Texas Anti-Gang	3060703	4,086
Texas Anti-Gang (TAG) Program	3060704	1,084,840
Border Zone Fire Department FY20	3931301	156,840
Total Texas Office of the Governor		\$ 1,622,878
Texas Department of Motor Vehicles		
Motor Vehicle Crime Prevention Authority	608-18-0710200	905,938
Total Texas Department of Motor Vehicles		\$ 905,938
Total State Awards Expended		\$ 3,787,766
Total Federal and State Awards Expended		\$ 121,214,429

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, 2020. 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.

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 – Summary of Significant Event

On August 3, 2019, an active shooter opened fire on the City's citizens and visitors at a Walmart Store in the City in an unprecedented and tragic event. This event resulted in the activation of the City's emergency response Office of Emergency Management. All law enforcement agencies were activated and responded to the attack and subsequent investigations. Many City employees, particularly police officers worked extended hours for several weeks. In response to the fluid activity, the Texas Office of the Governor deployed emergency funding to the City through CFDA number 16.824 totaling \$1,020,485, of which \$954,102 was for expenses incurred in fiscal year 2019. However, due to the nature and timing of the mass shooting, the fiscal year 2019 expenses were inadvertently omitted from the SEFA submitted for 2019. The Schedule for the year ended August 31, 2020 reports only the amounts expended during fiscal year 2020 and do not include the amounts disclosed here for fiscal year 2019.

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

Note 5 – Compliance Supplement Amendment

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 worldwide coronavirus pandemic (COVID-19). The Supplement provides guidance for programs with expenditures of COVID-19 related awards. The Provider Relief Fund assistance under CFDA 93.498 is not included in this fiscal year's SEFA in accordance with the Supplement. The City received a total of \$182,171 from the Department of Health and Human Services for healthcare-related expenses attributable to COVID-19 to help ensure that uninsured Americans can get treatment for COVID-19. Reporting guidance for fiscal year 2021 and future periods related to these programs will be provided in the 2021 Compliance Supplement and included in future SEFA reporting, as applicable.

Note 6 – 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, since there are no continuing compliance requirements other than required loan payments. 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, 2020 consists of the following:

CFDA Number	Program Name	August 31, 2020
14.218	Community Development Block Grants/Entitlement Grants	\$ 11,578,533
14.239	HOME Investment Partnerships Program	54,860,038
		\$ 66,438,571

City of El Paso, Texas
Schedule of Findings and Questioned Costs
Year Ended August 31, 2020

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>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
20.500/20.507/20.525/20.526	Federal Transit Cluster Grants	Unmodified
21.019	COVID-19 Coronavirus Relief Fund	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, 2020

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>
HHS000464400001	Tuberculosis Prevention and Control Grant	Unmodified
582-19-90044	TCEQ Local Air Program Contract	Unmodified
20-46458	Texas Commission on the Arts Grant	Unmodified
HHS0004363000011	Epidemiology Capacity Expansion Grant	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, 2020

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, 2020

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, 2020

No matters reported.