

PANHANDLE COMMUNITY SERVICES
Amarillo, Texas

Independent Auditors' Report and
Financial Statements with
Supplementary Information

For the Year Ended December 31, 2019

PANHANDLE COMMUNITY SERVICES
Amarillo, Texas

TABLE OF CONTENTS

| | <u>PAGE NUMBER</u> |
|---|------------------------|
| Independent Auditors' Report | 1-2 |
| Statement of Financial Position | 3 |
| Statement of Activities | 4 |
| Statement of Functional Expenses | 5 |
| Statement of Cash Flows | 6 |
| Notes to the Financial Statements | 7-14 |
| Supplementary Information: | |
| Combining Schedule of Activities | 15-20 |
| Financial Data Schedule | 21-25 |
| Schedule of Expenditures of Federal and State Awards | 26-28 |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 29-30 |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Texas Single Audit Circular | 31-32 |
| Schedule of Findings and Questioned Costs | 33 |
| Summary Schedule of Prior Audit Findings | 34 |

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Panhandle Community Services
Amarillo, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Panhandle Community Services (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Panhandle Community Services as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Other Information*

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 awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas Uniform Grants Management Standards, Single Audit Circular, is presented for purposes of additional analysis and is not a required part of the financial statements. The combining schedule of activities (presented on Pages 15-20) and Financial Data Schedule (presented on pages 21-25) are prepared for additional analysis and are 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2020, on our consideration of Panhandle Community Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Panhandle Community Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Panhandle Community Services' internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

May 21, 2020
Chanute, Kansas

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Statement of Financial Position

December 31, 2019

ASSETS

Current Assets:

| | | |
|---------------------------|----|---------------------|
| Cash and Cash Equivalents | \$ | 3,796,497.69 |
| Investments | | 45,886.22 |
| Accounts Receivable, Net | | 590,046.98 |
| Prepaid Expense | | 116,001.63 |
| Total Current Assets | | <u>4,548,432.52</u> |

| | | |
|---------------------|--|---------------------|
| Capital Assets, Net | | <u>2,550,177.52</u> |
|---------------------|--|---------------------|

| | | |
|--------------|----|----------------------------|
| TOTAL ASSETS | \$ | <u><u>7,098,610.04</u></u> |
|--------------|----|----------------------------|

LIABILITIES

Current Liabilities:

| | | |
|------------------------------|----|-------------------|
| Accounts Payable | \$ | 517,200.84 |
| Accrued Payroll | | 153,932.01 |
| Accrued Annual Leave | | 31,227.47 |
| Accrued Liabilities | | 23,526.60 |
| Accrued Payroll Withholdings | | 52,895.46 |
| Refundable Grant Advance | | 57,011.77 |
| Total Current Liabilities | | <u>835,794.15</u> |

| | | |
|-------------------|--|-------------------|
| TOTAL LIABILITIES | | <u>835,794.15</u> |
|-------------------|--|-------------------|

NET ASSETS

| | | |
|----------------------------|--|---------------------|
| Without Donor Restrictions | | 4,808,548.76 |
| With Donor Restrictions | | <u>1,454,267.13</u> |

| | | |
|------------------|--|---------------------|
| TOTAL NET ASSETS | | <u>6,262,815.89</u> |
|------------------|--|---------------------|

| | | |
|----------------------------------|----|----------------------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ | <u><u>7,098,610.04</u></u> |
|----------------------------------|----|----------------------------|

The accompanying notes are an integral part of the financial statements.

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Statement of Activities

For the Year Ended December 31, 2019

CHANGES IN NET ASSETS

Changes in Net Assets without Donor Restrictions:

Support and Revenues

| | |
|---|----------------------|
| Contributions | \$ 7,886,060.69 |
| Interest Income | 17,431.10 |
| Program Income | 2,070,637.88 |
| Other Income | 83,606.50 |
| Gain / (Loss) on Sale of Assets | 12,200.00 |
| Total Support and Revenues without Donor Restrictions | <u>10,069,936.17</u> |

Expenses:

Program Services

| | |
|-------------------------|---------------|
| Emergency Assistance | 3,488,943.85 |
| Community Services | 460,584.59 |
| Housing Services | 10,236,946.84 |
| Weatherization Services | 373,730.39 |
| Senior Activities | 171,406.96 |
| Transportation Services | 3,718,817.38 |

Supporting Activities

| | |
|----------------------------|--------------|
| General and Administration | 1,471,838.91 |
| Fundraising | 102,224.97 |

| | |
|----------------|----------------------|
| Total Expenses | <u>20,024,493.89</u> |
|----------------|----------------------|

| | |
|---|----------------------|
| Net Assets Released From Restrictions through Satisfaction of Program Restrictions | <u>10,713,994.22</u> |
|---|----------------------|

| | |
|--|-------------------|
| Increase (Decrease) in Net Assets without Donor Restrictions | <u>759,436.50</u> |
|--|-------------------|

Changes in Net Assets with Donor Restrictions:

Support:

| | |
|---------------|---------------|
| Contributions | 10,605,689.63 |
| Other Income | 38,171.38 |

| | |
|---|------------------------|
| Net Assets Released From Restrictions Through Satisfaction of Program Restrictions | <u>(10,713,994.22)</u> |
|---|------------------------|

| | |
|---|--------------------|
| Net Increase (Decrease) in Net Assets with Donor Restrictions | <u>(70,133.21)</u> |
|---|--------------------|

| | |
|-----------------------------------|-------------------|
| INCREASE (DECREASE) IN NET ASSETS | <u>689,303.29</u> |
|-----------------------------------|-------------------|

| | |
|-----------------------------------|---------------------|
| NET ASSETS, BEGINNING OF THE YEAR | <u>5,573,512.60</u> |
|-----------------------------------|---------------------|

| | |
|-----------------------------|------------------------|
| NET ASSETS, END OF THE YEAR | <u>\$ 6,262,815.89</u> |
|-----------------------------|------------------------|

The accompanying notes are an integral part of the financial statements.

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Statement of Functional Expenses

For the Year Ended December 31, 2019

| | Program Services | | | | |
|-------------------------|------------------------|----------------------|-------------------------|-------------------------|----------------------|
| | Emergency Assistance | Community Services | Housing Services | Weatherization Services | Senior Activities |
| Expenses | | | | | |
| Salary and Fringe | \$ 497,718.41 | \$ 291,881.87 | \$ 432,304.27 | \$ 83,169.90 | \$ 130,600.20 |
| Advertising | - | 1,034.30 | 400.25 | 137.99 | - |
| Assistance Payments | 2,910,847.87 | 58,818.01 | 9,384,060.03 | - | - |
| Depreciation Expense | 873.01 | 436.50 | 1,997.28 | 214.85 | - |
| Fees Expense | - | 24.52 | 31,247.56 | - | 325.00 |
| Insurance | - | - | - | 12,112.82 | 4,160.75 |
| Occupancy Expenses | 10,879.45 | 8,242.12 | 10,434.92 | 3,394.10 | 8,508.12 |
| Other Expenses | 1,963.36 | 1,383.82 | 179,202.51 | 262,884.24 | 17,772.98 |
| Professional Services | 44,332.11 | 61,056.59 | 141,995.16 | 2,330.38 | 74.05 |
| Repairs and Maintenance | 734.13 | 347.61 | 510.98 | 857.27 | - |
| Supplies | 16,729.02 | 8,222.33 | 40,218.27 | 1,409.09 | 6,474.87 |
| Taxes & Licenses | - | - | - | - | - |
| Travel | 4,866.49 | 29,136.92 | 14,575.61 | 7,219.75 | 3,490.99 |
| Total Expenses | \$ 3,488,943.85 | \$ 460,584.59 | \$ 10,236,946.84 | \$ 373,730.39 | \$ 171,406.96 |

| | Transportation Services | Total Program Services | Supporting Activities | | Total Organization Services |
|-------------------------|-------------------------|-------------------------|----------------------------|----------------------|-----------------------------|
| | | | General and Administration | Fundraising | |
| Expenses | | | | | |
| Salary and Fringe | \$ 1,998,087.34 | \$ 3,433,761.99 | \$ 472,733.63 | \$ 32,833.20 | \$ 3,939,328.82 |
| Advertising | 200.74 | 1,773.28 | 906.58 | 62.97 | 2,742.83 |
| Assistance Payments | - | 12,353,725.91 | 17,576.27 | 1,220.74 | 12,372,522.92 |
| Depreciation Expense | 264,096.37 | 267,618.01 | 68,448.42 | 4,754.01 | 340,820.44 |
| Fees Expense | 4,121.24 | 35,718.32 | 26,553.73 | 1,844.26 | 64,116.31 |
| Insurance | 215,924.50 | 232,198.07 | 40,237.39 | 2,794.64 | 275,230.10 |
| Occupancy Expenses | 58,771.50 | 100,230.21 | 164,020.13 | 11,391.84 | 275,642.18 |
| Other Expenses | 570,716.89 | 1,033,923.80 | 64,463.11 | 4,477.22 | 1,102,864.13 |
| Professional Services | 216,138.39 | 465,926.68 | 449,142.42 | 31,194.70 | 946,263.80 |
| Repairs and Maintenance | 364,811.62 | 367,261.61 | 54,473.68 | 3,783.41 | 425,518.70 |
| Supplies | 12,616.81 | 85,670.39 | 61,735.93 | 4,287.80 | 151,694.12 |
| Taxes & Licenses | 2,486.63 | 2,486.63 | 210.39 | 14.61 | 2,711.63 |
| Travel | 10,845.35 | 70,135.11 | 51,337.23 | 3,565.57 | 125,037.91 |
| Total Expenses | \$ 3,718,817.38 | \$ 18,450,430.01 | \$ 1,471,838.91 | \$ 102,224.97 | \$ 20,024,493.89 |

The accompanying notes are an integral part of the financial statements.

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Statement of Cash Flows

For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-----------------|
| Increase (Decrease) in Net Assets | \$ 689,303.29 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities: | |
| Depreciation Expense | 340,820.44 |
| (Gain)/ Loss on Sale of Assets | (12,200.00) |
| (Increase) Decrease in---- | |
| Grant and Contracts Receivable | 462,957.76 |
| Prepaid Expense | (54,684.23) |
| Increase (Decrease) in---- | |
| Accounts Payable | 265,655.76 |
| Accrued Payroll | (11,144.44) |
| Accrued Annual Leave | (6,551.43) |
| Accrued Liabilities | 16,835.48 |
| Accrued Payroll Withholdings | 12,397.51 |
| Refundable Grant Advance | 52,268.64 |
| | <hr/> |
| TOTAL ADJUSTMENTS | 1,066,355.49 |
| | <hr/> |
| Net Cash Provided (Used) by Operating Activities | 1,755,658.78 |
| | <hr/> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Purchase of Capital Assets | (288,920.14) |
| Proceeds from the Sale of Capital Assets | 12,200.00 |
| Re-investment of Interest Income | (995.24) |
| | <hr/> |
| Net Cash Provided by (Used in) Investing Activities | (277,715.38) |
| | <hr/> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,477,943.40 |
| Cash and Cash Equivalents, Beginning of the Year | 2,318,554.29 |
| | <hr/> |
| Cash and Cash Equivalents, End of the Year | \$ 3,796,497.69 |
| | <hr/> <hr/> |

The accompanying notes are an integral part of the financial statements.

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Notes to the Financial Statements

December 31, 2019

1. NATURE OF ACTIVITIES

Panhandle Community Services (the "Organization") is a nonprofit organization established in 1965 which serves the economically and socially disadvantaged persons throughout the northern 26 counties of the Texas Panhandle.

The Organization provides services to stimulate a better focusing of all available local, state, federal and private resources upon the goal of enabling low income families and individuals to attain the skills, knowledge, motivations and to secure the opportunities needed for them to become more fully self sufficient. The Organization administers the following major sources of revenue to meet the needs of the area it serves: Comprehensive Energy Assistance Programs, Weatherization Assistance, Low-Income Home Energy Assistance Programs, Community Services Block Grant Programs, Retired and Senior Volunteer Program, Transportation, Housing and Urban Development, and others. Expenses are broken down by program services. The following is a description of the program services:

Emergency Assistance – Provides utility assistance to low-income individuals to assist them with energy bills, including gas, electric, and Propane.

Community Services – Provides a variety of services to reduce poverty and empower low-income families to become self-sufficient.

Housing Services – Provides rental assistance to help low-income families afford decent, safe, and sanitary rental housing.

Weatherization Services – Provides services to help low-income people improve residential energy efficiency.

Senior Activities – Provides assistance in engaging persons 55 and over to meet critical community needs while enriching the lives of volunteers.

Transportation Services – Provides transportation in non-urban areas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, Panhandle Community Services' net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – consists of amounts that are available for use in carrying out the activities of Panhandle Community Services and are not subject to donor-imposed restrictions.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Accounting (continued)

Net assets with donor restrictions – Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid instruments with a maturity of three months or less when acquired.

Allowance for Doubtful Accounts

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of their grantors to meet their obligations. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Capital Assets

It is the Organization's policy to capitalize capital assets with a useful life of more than one year and a value over \$5,000.00. Capital assets are stated at cost, if purchased, and at fair value at the date of donation, if donated. Such items acquired under grants from Federal and state sources are considered to be owned by the Organization while used in the programs for which they are purchased or in programs authorized in the future. However, the funding source has a reversionary interest in the property. Property and equipment purchased or donated to the corporate account are depreciated based on estimated useful lives using the straight-line method as follows:

| | |
|----------------------------|------------|
| Buildings and Improvements | 5-30 Years |
| Furniture and Equipment | 5-7 Years |
| Vehicles | 5 Years |

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions. If a restriction is satisfied in the same period the contribution is received, the contribution is reported as unrestricted.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes

The Organization is exempt from Federal income taxes under IRS Code Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

In-Kind Goods/Services

The Organization receives donated goods and services as part of its programs. In-kind contributions are shown both as support and expenditures in these programs, and are recorded at the fair value of the goods or services at the time of donation. Amounts included are only those allowable under generally accepted accounting principles.

Allocated Costs

The Organization allocates its expenses on a functional basis among its various programs and support activities. Expenses that can be identified with a specific program and support activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using various allocation methods.

3. CONCENTRATION OF CREDIT RISK

At year-end, the Organization's carrying amount of deposits was \$3,796,497.69 and the bank balance was \$3,908,938.93. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$512,564.19 was covered by FDIC insurance, \$685,825.60 was covered with securities pledged, and the remaining \$2,710,549.14 was considered unsecured at year end.

4. INVESTMENTS

At year-end, the Organization had invested \$45,886.22 in the TexPool. The investment pool is under the oversight of the State of Texas Comptroller of Public Accounts. Federated Investors is the full service provider to the pools managing the assets, providing participant services, and arranging for all custody and other functions in support of the pools operations under a contract with the Comptroller. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool Prime invests in the same as the TexPool as well as commercial paper and certificates of deposits.

TexPool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2. Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
 - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019.

5. FAIR VALUE MEASUREMENTS (Continued)

Local Government Investment Pool: TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. Accordingly, the Organizations investments in TexPool are stated at cost, which approximates fair value. TexPool is currently rated AAAM by Standard and Poor's. This rating indicates excellent safety and a superior capacity to maintain principal value and limit exposure to risk.

| | December 31, 2019 | | | |
|---------|-------------------|------------------|---------------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| TexPool | \$ <u> --</u> | \$ <u> --</u> | \$ <u>45,886.22</u> | \$ <u>45,886.22</u> |

Changes in Fair value of Level 3 Assets and Related Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2019:

| | |
|----------------------------|---------------------|
| Balance, Beginning of Year | \$ 44,890.98 |
| Interest Income | <u>995.24</u> |
| Balance, End of Year | \$ <u>45,886.22</u> |

There were no significant transfers between level 1 and level 2 investments.

6. RECEIVABLES, NET

Receivables at December 31, 2019, consist of amounts due as follows:

| | |
|--|----------------------|
| 5311 Federal Transportation Grant | \$ 186,042.00 |
| 5311 State Transportation Grant | 84,175.32 |
| Medical Transportation | 65,071.75 |
| Transportation Maintenance Facility | 0.00 |
| Retired Senior Volunteer Program Federal | 12,660.19 |
| Retired Senior Volunteer Program State | 30,008.81 |
| Community Services Block Grant | 32,203.60 |
| HUD – Section 8 | |
| HUD – Tenant Fraud | 35,485.98 |
| LIHEAP | 34,150.17 |
| DOE WZN | 27,018.93 |
| Housing Preservation Grant | 34,306.85 |
| Transit to Work Program | 25,762.00 |
| Vehicle Preventive Maintenance Grant | 52,808.89 |
| Other Receivables | <u>5,838.47</u> |
| Sub-Total Accounts Receivable | 625,532.96 |
| Less Allowance for Doubtful Accounts | |
| Fraud Recovery | <u>(35,485.98)</u> |
| Total Receivables, Net | \$ <u>590,046.98</u> |

7. CAPITAL ASSETS, NET

Following are the changes in capital assets for the year ended December 31, 2019:

| | Balance 12/31/2018 | Additions | Retirements | Balance 12/31/2019 |
|--------------------------|------------------------|-----------------------|---------------------|------------------------|
| Capital Assets | | | | |
| Building Improvements | \$ 1,783,053.61 | \$ 43,960.46 | \$ - | \$ 1,827,014.07 |
| Buildings | 433,957.15 | - | - | 433,957.15 |
| Equipment | 364,639.86 | 36,493.68 | (5,376.49) | 395,757.05 |
| Land | 83,405.73 | 75,000.00 | - | 158,405.73 |
| Vehicles | 6,228,991.93 | 133,466.00 | (304,989.80) | 6,057,468.13 |
| Total Capital Assets | <u>8,296,871.36</u> | <u>288,920.14</u> | <u>(310,366.29)</u> | <u>8,872,602.13</u> |
| Accumulated Depreciation | <u>(6,291,970.46)</u> | <u>(340,820.44)</u> | <u>310,366.29</u> | <u>(6,322,424.61)</u> |
| Total Net Capital Assets | <u>\$ 2,365,226.43</u> | <u>\$ (51,900.30)</u> | <u>\$ -</u> | <u>\$ 2,550,177.52</u> |

8. LINE OF CREDIT

The Organization has obtained a line of credit with First State Bank of Spearman, Amarillo, Texas for operating expenses. The line of credit has an interest rate of 3.25% for the fiscal year ending December 31, 2019. The balance on the note at December 31, 2019 was \$0.00 and interest paid during the fiscal year ended December 31, 2019, was \$0.00.

9. REFUNDABLE GRANT ADVANCES

Refundable grant advances at December 31, 2019, consist of grant funds received in excess of expenses in the following programs:

| | |
|------|---------------------|
| CEAP | <u>\$ 57,011.77</u> |
| | <u>\$ 57,011.77</u> |

10. OPERATING LEASES

As of December 31, 2019, the Organization has entered into a number of operating leases for space. Total payments for the year ended December 31, 2019, were \$37,618.86. Future minimum lease payments are as follows:

| | |
|------|-----------|
| 2020 | 12,396.44 |
| 2021 | 3,297.33 |

11. COMPENSATED ABSENCES

Employees earn paid time off for paid time away from work for vacation, personal time, sick leave, or time off to care for dependents based upon the following schedule:

| <u>LENGTH OF SERVICE</u> | <u>FULL-TIME</u> | <u>PART-TIME</u> |
|--------------------------|------------------|------------------|
| Less than 1 Year | 120 hours | 40 Hours |
| 1 – less than 5 Years | 160 Hours | 40 Hours |
| 5 – less than 10 Years | 200 Hours | 40 Hours |
| 10 Years + | 240 Hours | 40 Hours |

Hours are awarded semi-annually on January 1st and July 1st. Employees may accumulate up to a maximum balance of 80 hours. No employee may carry over more than 40 hours of accrued leave into a new fiscal year and hours in excess of 40 hours will be forfeited. Employees who resign, have been terminated, or retire will be paid for all unused accrued paid time off. Paid time off cannot be paid out while employed.

The Organization determines a liability for compensated absences when the following conditions are met:

1. The Organization’s obligation relating to employees’ rights to receive compensation for future absences is attributable to employee services already rendered;
2. The obligation relates to rights that vest or accumulate;
3. Payment of the compensation is probable; and
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the Organization has accrued a liability for annual leave which has been earned, but not taken, by Organization employees.

12. EMPLOYEE BENEFIT PLANS

The Organization has a 403(b) plan available for its employees. An employee is eligible after one year of full-time or part-time service, minimum of 1,000 hours of service. The Organization will provide matching contributions (up to 6%) in accordance with plan provisions. Total contributions made by the Organization into the plan on behalf of the employees for the year ended December 31, 2019, was \$55,572.43.

13. NET ASSETS

Net assets without donor restrictions

At December 31, 2019, all unrestricted net assets are undesignated as to their use.

Net assets with donor restrictions

Donation balances received & restricted to use within the following programs:

| | | |
|------------------------------------|----|-----------|
| WTU Neighbor to Neighbor Donations | \$ | 5,819.32 |
| Techbridge Donations | | 4,990.27 |
| Texas Gas Company Donations | | 2,142.28 |
| United Way Donations | | 10,040.59 |
| Atmos Keeping the Warmth Donations | | 16,512.14 |

13. NET ASSETS (Continued)

| | |
|---|------------------------|
| Atmos Weatherization Assistance Donations | \$ 5,680.95 |
| Amarillo Area Foundation Donations | 21,862.65 |
| HUD Section 8 HAP and ADMIN reserves | 558,484.18 |
| TexDOT Vehicles – Net Book Value | 802,527.43 |
| RSVP Advisory Council Donations | 11,416.27 |
| Food Bank Donations | 4,618.37 |
| Utility Assistance Donations | <u>10,172.68</u> |
| Total Net Assets with Donor Restrictions | <u>\$ 1,454,267.13</u> |

14. LIQUIDITY

As part of the Organization’s liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds. At December 31, 2019, all net assets with donor restrictions are available for payment of qualifying expenses within the respective Panhandle Community Services funds as such expenses are incurred, except for contributions receivable which are available when the receivable is collected which is expected within the next year and the expense is incurred. Likewise, as of December 31, 2019, all net assets without donor restrictions are available to meet cash needs for general expenses of the organization within one year.

| | |
|---|-----------------------|
| Cash and Cash Equivalents | \$3,796,497.69 |
| Investments | 45,886.22 |
| Accounts Receivable, Net | 590,046.98 |
| Less: Cash Received with Donor Restrictions | <u>(651,739.70)</u> |
| Net Liquidity to Meet Current Obligations | <u>\$3,780,691.19</u> |

15. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

16. CONCENTRATION OF RISK

The Organization receives substantial revenue in the form of Federal and State grants. The effect on the Organization’s ability to continue operations if these funding sources were lost or cancelled is unknown.

17. SUBSEQUENT EVENTS

The Organization evaluated events and transactions occurring subsequent to December 31, 2019 through May 5, 2019 the date the financial statements were available to be issued. During this period, there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Combining Schedule of Activities

For the Year ended December 31, 2019

| | LIHEAP - CEAP | LIHEAP - CEAP | Techbridge Project | WTU Neighbor to Neighbor | Utility Assistance Admin | Texas Gas Company | Community Services Block Grant | Community Services Block Grant |
|-----------------------------------|----------------------|----------------------|---|---|---|---|--------------------------------|--------------------------------|
| Program #: | 374 | 375 | 380 | 325 | 328 | 327 | 301 | 301 |
| Grant Year End: | 3/31/2019 | 3/31/2020 | N/A | N/A | N/A | N/A | 3/31/2019 | 3/31/2020 |
| CFDA #: | 93.568 | 93.568 | N/A | N/A | N/A | N/A | 93.569 | 93.569 |
| | Emergency Assistance | Emergency Assistance | Emergency Assistance W/ Donor Restrictions | Emergency Assistance W/ Donor Restrictions | Emergency Assistance W/ Donor Restrictions | Emergency Assistance W/ Donor Restrictions | Community Services | Community Services |
| Support and Revenues | | | | | | | | |
| Contributions | | | | | | | | |
| Grant Revenue - Federal | \$ 103,834.19 | \$ 3,550,973.11 | \$ - | \$ - | \$ - | \$ - | \$ 8,778.08 | \$ 555,904.00 |
| Grant Revenue - State | - | - | - | - | - | - | - | - |
| Local | - | - | - | 5,850.00 | 3,765.13 | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - |
| Program Income | - | - | - | - | - | - | - | - |
| Other Income | - | 20,250.99 | - | - | - | - | - | - |
| Gain/ (Loss) on Sale of Assets | - | - | - | - | - | - | - | - |
| Total Support and Revenues | <u>103,834.19</u> | <u>3,571,224.10</u> | <u>-</u> | <u>5,850.00</u> | <u>3,765.13</u> | <u>-</u> | <u>8,778.08</u> | <u>555,904.00</u> |
| Expenses | | | | | | | | |
| Salary and Fringe | 35,568.05 | 462,150.36 | - | - | - | - | - | 284,548.02 |
| Advertising | - | - | - | - | - | - | - | 1,034.30 |
| Assistance Payments | 72,698.25 | 2,831,887.35 | - | 5,962.27 | 300.00 | - | - | 22,410.01 |
| Depreciation Expense | - | - | - | - | - | - | - | - |
| Fees Expense | - | - | - | - | - | - | - | 24.52 |
| Insurance | - | - | - | - | - | - | - | - |
| Occupancy Expenses | 176.66 | 10,702.79 | - | - | - | - | - | 8,242.12 |
| Other Expenses | - | 1,963.36 | - | - | - | - | - | 1,383.82 |
| Professional Services | 644.37 | 43,687.74 | - | - | - | - | 2,503.41 | 58,553.18 |
| Repairs and Maintenance | - | 734.13 | - | - | - | - | - | 347.61 |
| Supplies | 1,886.06 | 14,842.96 | - | - | - | - | - | 7,914.47 |
| Taxes & Licenses | - | - | - | - | - | - | - | - |
| Transfers | (18,187.86) | - | - | - | - | - | 1,175.00 | 10,000.00 |
| Travel | 1,089.61 | 3,776.88 | - | - | - | - | 2,318.67 | 26,797.89 |
| Indirect Costs | 9,959.05 | 129,402.13 | - | - | - | - | - | 79,673.46 |
| Allocated Costs | - | 72,076.40 | - | - | - | - | 2,781.00 | 54,974.60 |
| Total Expenses | <u>103,834.19</u> | <u>3,571,224.10</u> | <u>-</u> | <u>5,962.27</u> | <u>300.00</u> | <u>-</u> | <u>8,778.08</u> | <u>555,904.00</u> |
| Increase (Decrease) in Net Assets | - | - | - | (112.27) | 3,465.13 | - | - | - |
| Beginning Net Assets | - | - | 4,990.27 | 5,931.59 | 6,707.55 | 2,142.28 | - | - |
| Ending Net Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,990.27</u> | <u>\$ 5,819.32</u> | <u>\$ 10,172.68</u> | <u>\$ 2,142.28</u> | <u>\$ -</u> | <u>\$ -</u> |

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Combining Schedule of Activities

For the Year ended December 31, 2019

| | Community Services Block Grant - 2018 Carryover | Vista | HUD Section 8 | Housing Preservation Grant | DOE Weatherization | DOE Weatherization | LIHEAP Weatherization | LIHEAP Weatherization |
|-----------------------------------|--|--------------------|---|-------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| Program #: | 304 | 305 | 383 | 329 | 310 | 310 | 313 | 313 |
| Grant Year End: | 09/30/2019 | 10/10/2020 | 12/31/2019 | 10/31/2019 | 6/30/2019 | 6/30/2020 | 6/30/2019 | 6/30/2020 |
| CFDA #: | 93.569 | 94.013 | 14.871 | 10.433 | 81.042 | 81.042 | 93.568 | 93.568 |
| | Community Services | Community Services | Housing Services W/ Donor Restrictions | Housing Services | Weatherization Services | Weatherization Services | Weatherization Services | Weatherization Services |
| Support and Revenues | | | | | | | | |
| Contributions | | | | | | | | |
| Grant Revenue - Federal | \$ 36,408.00 | \$ - | \$ 10,453,841.00 | \$ 42,356.85 | \$ 76,548.95 | \$ 41,140.84 | \$ 175,769.72 | \$ 110,686.11 |
| Grant Revenue - State | - | - | - | - | - | - | - | - |
| Local | - | - | - | - | - | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - |
| Program Income | - | - | - | - | - | - | - | - |
| Other Income | - | - | 38,171.38 | - | - | - | - | - |
| Gain/ (Loss) on Sale of Assets | - | - | - | - | - | - | - | - |
| Total Support and Revenues | 36,408.00 | - | 10,492,012.38 | 42,356.85 | 76,548.95 | 41,140.84 | 175,769.72 | 110,686.11 |
| Expenses | | | | | | | | |
| Salary and Fringe | - | 7,333.85 | 432,184.04 | 120.23 | 7,584.53 | 843.51 | 31,523.07 | 43,218.79 |
| Advertising | - | - | 400.25 | - | - | - | 122.99 | 15.00 |
| Assistance Payments | 36,408.00 | - | 9,384,060.03 | - | - | - | - | - |
| Depreciation Expense | - | - | - | - | - | - | - | - |
| Fees Expense | - | - | 31,247.56 | - | - | - | - | - |
| Insurance | - | - | - | - | 2,438.00 | 1,473.00 | 5,025.39 | 3,176.43 |
| Occupancy Expenses | - | - | 10,434.92 | - | 727.47 | 821.91 | 327.42 | 1,517.30 |
| Other Expenses | - | - | 136,999.46 | 42,203.05 | 66,349.43 | 33,763.00 | 128,871.61 | 33,900.20 |
| Professional Services | - | - | 141,995.16 | - | - | - | - | 2,330.38 |
| Repairs and Maintenance | - | - | 510.98 | - | - | 196.47 | 61.97 | 598.83 |
| Supplies | - | 307.86 | 40,218.27 | - | - | 313.35 | 52.18 | 1,043.56 |
| Taxes & Licenses | - | - | - | - | - | - | - | - |
| Transfers | - | (9,715.54) | - | - | (10,422.04) | - | (8.88) | - |
| Travel | - | 20.36 | 14,575.61 | - | 6,737.70 | - | 372.99 | 109.06 |
| Indirect Costs | - | 2,053.47 | 121,011.54 | 33.57 | 2,175.61 | 236.19 | 8,822.98 | 16,569.39 |
| Allocated Costs | - | - | 130,621.88 | - | 958.25 | 3,493.41 | 598.00 | 8,207.17 |
| Total Expenses | 36,408.00 | (0.00) | 10,444,259.70 | 42,356.85 | 76,548.95 | 41,140.84 | 175,769.72 | 110,686.11 |
| Increase (Decrease) in Net Assets | - | 0.00 | 47,752.68 | - | - | - | - | - |
| Beginning Net Assets | - | - | 510,731.50 | - | - | - | - | - |
| Ending Net Assets | \$ - | \$ - | \$ 558,484.18 | \$ - | \$ - | \$ - | \$ - | \$ - |

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Combining Schedule of Activities

For the Year ended December 31, 2019

| | Atmos Keeping the Warmth | Atmos Weatherization Assistance | Federal RSVP | Federal RSVP | RSVP Advisory Council | State of Texas RSVP | State of Texas RSVP | 5311 State Transportation |
|-----------------------------------|--|--|-------------------|-------------------|--------------------------|------------------------|------------------------|------------------------------|
| Program #: | 328 | 341 | 316 | 316 | 343 | 335 | 335 | 320 |
| Grant Year End: | N/A | N/A | 3/31/2019 | 3/31/2020 | 8/31/2018 | 8/31/2019 | 8/31/2020 | 8/31/2019 |
| CFDA #: | N/A | N/A | 94.002 | 94.002 | N/A | 94.002 | 94.002 | N/A |
| | Weatherization Services W/ Donor Restrictions | Weatherization Services W/ Donor Restrictions | Senior Activities | Senior Activities | Senior Activities | Senior Activities | Senior Activities | Transportation Services |
| Support and Revenues | | | | | | | | |
| Contributions | | | | | | | | |
| Grant Revenue - Federal | \$ - | \$ - | \$ 25,197.02 | \$ 131,463.02 | \$ - | \$ 29,868.53 | \$ 30,008.81 | \$ - |
| Grant Revenue - State | - | - | - | - | - | - | - | 720,458.68 |
| Local | - | - | - | - | 2,267.50 | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - |
| Program Income | - | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | - | - |
| Gain/ (Loss) on Sale of Assets | - | - | - | - | - | - | - | - |
| Total Support and Revenues | - | - | 25,197.02 | 131,463.02 | 2,267.50 | 29,868.53 | 30,008.81 | 720,458.68 |
| Expenses | | | | | | | | |
| Salary and Fringe | - | - | 4,469.51 | 74,711.19 | - | 30,672.79 | 20,746.71 | 417,160.87 |
| Advertising | - | - | - | - | - | - | - | 47.19 |
| Assistance Payments | - | - | - | - | - | - | - | - |
| Depreciation Expense | - | - | - | - | - | - | - | - |
| Fees Expense | - | - | 200.00 | 125.00 | - | - | - | 37.00 |
| Insurance | - | - | 4,160.75 | - | - | - | - | 44,666.31 |
| Occupancy Expenses | - | - | 1,418.02 | 6,030.26 | - | 709.01 | 350.83 | 16,502.12 |
| Other Expenses | - | - | 4,397.78 | 11,027.30 | 1,406.19 | 29.37 | 912.34 | 57,335.16 |
| Professional Services | - | - | - | 74.05 | - | - | - | 5,686.80 |
| Repairs and Maintenance | - | - | - | - | - | - | - | 41,801.61 |
| Supplies | - | - | 5,247.36 | 972.74 | - | 162.95 | 91.82 | 1,808.68 |
| Taxes & Licenses | - | - | - | - | - | - | - | 112.51 |
| Transfers | - | - | 1,692.09 | - | - | (10,000.00) | - | 87.56 |
| Travel | - | - | 444.84 | 2,706.59 | 400.00 | (424.15) | 363.71 | - |
| Indirect Costs | - | - | 910.67 | 20,919.12 | - | 8,718.56 | 5,809.09 | 116,805.03 |
| Allocated Costs | - | - | 2,256.00 | 14,896.77 | - | - | 1,734.31 | 18,407.84 |
| Total Expenses | - | - | 25,197.02 | 131,463.02 | 1,806.19 | 29,868.53 | 30,008.81 | 720,458.68 |
| Increase (Decrease) in Net Assets | - | - | - | - | 461.31 | - | - | - |
| Beginning Net Assets | 16,512.14 | 5,680.95 | - | - | 10,954.96 | - | - | - |
| Ending Net Assets | \$ 16,512.14 | \$ 5,680.95 | \$ - | \$ - | \$ 11,416.27 | \$ - | \$ - | \$ - |

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Combining Schedule of Activities

For the Year ended December 31, 2019

| | 5311 State Transportation | 5311 Federal Transportation | 5311 Federal Transportation | Maintenance Facility | Maintenance Facility | 5310 State Transportation | 5339 State Transportation | Transit to Work |
|-----------------------------------|------------------------------|--------------------------------|--------------------------------|-------------------------|-------------------------|------------------------------|------------------------------|-------------------------|
| Program #: | 320 | 322 | 322 | 366 | 366 | 367 | 368 | 373 |
| Grant Year End: | 8/31/2020 | 8/31/2019 | 8/31/2020 | 05/31/2019 | 08/31/2019 | 12/31/2019 | 8/31/2019 | N/A |
| CFDA #: | - | 20.509 | 20.509 | 20.505 | 20.505 | 20.513 | 20.526 | N/A |
| | Transportation Services | Transportation Services | Transportation Services | Transportation Services | Transportation Services | Transportation Services | Transportation Services | Transportation Services |
| Support and Revenues | | | | | | | | |
| Contributions | | | | | | | | |
| Grant Revenue - Federal | \$ - | \$ 813,377.79 | \$ 568,112.75 | \$ 91,219.00 | \$ 108,797.00 | \$ 146,469.38 | \$ 193,642.00 | \$ - |
| Grant Revenue - State | 336,697.32 | - | - | - | - | - | - | - |
| Local | - | - | - | - | - | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - |
| Program Income | - | 84,292.34 | 46,846.25 | - | - | - | - | 393,618.00 |
| Other Income | - | - | - | - | - | - | - | - |
| Gain/ (Loss) on Sale of Assets | - | - | - | - | - | - | - | 9,000.00 |
| Total Support and Revenues | <u>336,697.32</u> | <u>897,670.13</u> | <u>614,959.00</u> | <u>91,219.00</u> | <u>108,797.00</u> | <u>146,469.38</u> | <u>193,642.00</u> | <u>402,618.00</u> |
| Expenses | | | | | | | | |
| Salary and Fringe | - | 562,106.98 | 593,813.96 | - | - | - | - | 267,140.91 |
| Advertising | - | 59.49 | 79.95 | - | - | - | - | - |
| Assistance Payments | - | - | - | - | - | - | - | - |
| Depreciation Expense | - | - | - | - | - | - | - | - |
| Fees Expense | - | 52.00 | 207.97 | - | - | - | - | - |
| Insurance | - | 61,774.74 | 64,183.57 | - | - | - | - | 12,937.87 |
| Occupancy Expenses | - | 17,209.09 | 24,772.54 | - | - | - | - | - |
| Other Expenses | - | 116,439.92 | 77,121.68 | - | - | 146,472.26 | 133,466.00 | 15,057.04 |
| Professional Services | - | 8,477.20 | 21,845.60 | 91,219.00 | 108,796.71 | (23,369.82) | - | - |
| Repairs and Maintenance | - | 88,891.65 | 131,109.44 | - | - | 96,603.07 | 60,176.00 | 36,097.03 |
| Supplies | - | 2,178.80 | 3,763.13 | - | - | - | - | 861.80 |
| Taxes & Licenses | - | 278.65 | 1,585.43 | - | - | - | - | 360.00 |
| Transfers | 336,697.32 | (134,794.90) | (491,776.34) | - | 0.29 | (73,236.13) | - | - |
| Travel | - | 4,239.23 | 806.63 | - | - | - | - | - |
| Indirect Costs | - | 157,389.96 | 166,267.92 | - | - | - | - | 74,795.09 |
| Allocated Costs | - | 13,367.32 | 21,177.52 | - | - | - | - | - |
| Total Expenses | <u>336,697.32</u> | <u>897,670.13</u> | <u>614,959.00</u> | <u>91,219.00</u> | <u>108,797.00</u> | <u>146,469.38</u> | <u>193,642.00</u> | <u>407,249.74</u> |
| Increase (Decrease) in Net Assets | - | - | - | - | - | - | - | (4,631.74) |
| Beginning Net Assets | - | - | - | - | - | - | - | 147,270.20 |
| Ending Net Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 142,638.46</u> |

PANHANDLE COMMUNITY SERVICES
Amarillo, Texas
Combining Schedule of Activities
For the Year ended December 31, 2019

| | Medical Transportation | Memorial Fund | Food Bank | United Way of Moore County | United Way of Friona | Amarillo Area Foundation | Cost Allocation | Information Technology Allocation |
|-----------------------------------|---------------------------|---|----------------|---|---|---|-------------------|---|
| Program #: | 323 | 339 | 369 | 382 | 347 | 33400 | 386 | 386 |
| Grant Year End: | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| CFDA #: | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Transportation Services | Mgmt & General W/ Donor Restrictions | Mgmt & General | Mgmt & General W/ Donor Restrictions | Mgmt & General W/ Donor Restrictions | Mgmt & General W/ Donor Restrictions | Mgmt & General | Mgmt & General |
| Support and Revenues | | | | | | | | |
| Contributions | | | | | | | | |
| Grant Revenue - Federal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant Revenue - State | - | - | - | - | - | - | - | - |
| Local | - | - | - | 5,000.00 | 1,500.00 | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - |
| Program Income | 1,539,212.02 | - | - | - | - | - | - | - |
| Other Income | - | - | - | - | - | - | 290,925.45 | - |
| Gain/ (Loss) on Sale of Assets | 1,700.00 | - | - | - | - | - | - | - |
| Total Support and Revenues | 1,540,912.02 | - | - | 5,000.00 | 1,500.00 | - | 290,925.45 | - |
| Expenses | | | | | | | | |
| Salary and Fringe | 157,864.62 | - | - | - | - | - | 21,335.98 | 98,440.64 |
| Advertising | 14.11 | - | - | - | - | - | - | - |
| Assistance Payments | - | - | - | 2,865.00 | - | - | - | - |
| Depreciation Expense | - | - | - | - | - | - | - | - |
| Fees Expense | 3,824.27 | - | - | - | - | - | 88.87 | - |
| Insurance | 32,362.01 | - | - | - | - | - | 35,630.13 | - |
| Occupancy Expenses | 287.75 | - | - | - | - | - | 121,609.19 | 28,367.72 |
| Other Expenses | 24,824.83 | 175.00 | - | - | - | - | 2,001.71 | 200.65 |
| Professional Services | 3,482.90 | - | - | - | - | - | 10,049.56 | 20,655.50 |
| Repairs and Maintenance | 43,598.82 | - | - | - | - | - | 39,389.42 | 1,323.80 |
| Supplies | 4,004.40 | - | - | - | 562.50 | - | 11,972.76 | 8,033.48 |
| Taxes & Licenses | 150.04 | - | - | - | - | - | - | - |
| Transfers | 363,022.20 | (1,469.41) | - | - | - | - | (11,973.02) | (25,928.46) |
| Travel | 5,799.49 | - | - | - | - | - | 3.71 | 2,140.43 |
| Indirect Costs | 44,202.10 | - | - | - | - | - | 5,974.26 | 27,563.39 |
| Allocated Costs | - | - | - | - | - | - | 59,958.26 | (160,797.15) |
| Total Expenses | 683,437.54 | (1,294.41) | - | 2,865.00 | 562.50 | - | 296,040.83 | - |
| Increase (Decrease) in Net Assets | 857,474.48 | 1,294.41 | - | 2,135.00 | 937.50 | - | (5,115.38) | - |
| Beginning Net Assets | 1,140,157.51 | (1,294.41) | 4,618.37 | 1,228.18 | 5,739.91 | 21,862.65 | 5,115.38 | - |
| Ending Net Assets | \$ 1,997,631.99 | \$ - | \$ 4,618.37 | \$ 3,363.18 | \$ 6,677.41 | \$ 21,862.65 | \$ - | \$ - |

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Combining Schedule of Activities

For the Year ended December 31, 2019

| | Agency Indirect Cost | Corporate, Non- Federal | Organization | Eliminating Entries | Organization |
|-----------------------------------|-------------------------|----------------------------|------------------------|------------------------|------------------------|
| Program #: | 99990 | 39100/39213 | | | |
| Grant Year End: | N/A | N/A | Wide | | Wide |
| CFDA #: | N/A | N/A | Sub-Totals | | Totals |
| | Mgmt & General | Mgmt & General | | | |
| Support and Revenues | | | | | |
| Contributions | | | | | |
| Grant Revenue - Federal | \$ - | \$ - | \$ 17,294,396.15 | \$ - | \$ 17,294,396.15 |
| Grant Revenue - State | - | - | 1,057,156.00 | - | 1,057,156.00 |
| Local | - | 255,281.54 | 273,664.17 | (133,466.00) | 140,198.17 |
| Interest Income | - | 17,431.10 | 17,431.10 | - | 17,431.10 |
| Program Income | - | 6,669.27 | 2,070,637.88 | - | 2,070,637.88 |
| Other Income | 1,013,494.00 | 63,355.51 | 1,426,197.33 | (1,304,419.45) | 121,777.88 |
| Gain/ (Loss) on Sale of Assets | - | 1,500.00 | 12,200.00 | - | 12,200.00 |
| Total Support and Revenues | <u>1,013,494.00</u> | <u>344,237.42</u> | <u>22,151,682.63</u> | <u>(1,437,885.45)</u> | <u>20,713,797.18</u> |
| Expenses | | | | | |
| Salary and Fringe | 369,518.03 | 16,272.18 | 3,939,328.82 | - | 3,939,328.82 |
| Advertising | 465.55 | 504.00 | 2,742.83 | - | 2,742.83 |
| Assistance Payments | (376.80) | 16,308.81 | 12,372,522.92 | - | 12,372,522.92 |
| Depreciation Expense | - | 340,820.44 | 340,820.44 | - | 340,820.44 |
| Fees Expense | 28,299.12 | 10.00 | 64,116.31 | - | 64,116.31 |
| Insurance | 14,470.13 | (7,068.23) | 275,230.10 | - | 275,230.10 |
| Occupancy Expenses | 25,435.06 | - | 275,642.18 | - | 275,642.18 |
| Other Expenses | 16,683.52 | 49,879.45 | 1,102,864.13 | - | 1,102,864.13 |
| Professional Services | 390,187.08 | 59,444.98 | 946,263.80 | - | 946,263.80 |
| Repairs and Maintenance | 16,104.18 | 1,439.69 | 558,984.70 | (133,466.00) | 425,518.70 |
| Supplies | 14,521.13 | 30,933.86 | 151,694.12 | - | 151,694.12 |
| Taxes & Licenses | - | 225.00 | 2,711.63 | - | 2,711.63 |
| Transfers | (4,674.36) | 79,512.48 | - | - | - |
| Travel | 22,121.99 | 30,636.67 | 125,037.91 | - | 125,037.91 |
| Indirect Costs | 2,404.18 | 11,797.24 | 1,013,494.00 | (1,013,494.00) | - |
| Allocated Costs | 39,986.33 | 6,227.54 | 290,925.45 | (290,925.45) | - |
| Total Expenses | <u>935,145.14</u> | <u>636,944.11</u> | <u>21,462,379.34</u> | <u>(1,437,885.45)</u> | <u>20,024,493.89</u> |
| Increase (Decrease) in Net Assets | 78,348.86 | (292,706.69) | 689,303.29 | - | 689,303.29 |
| Beginning Net Assets | (78,348.86) | 3,763,512.43 | 5,573,512.60 | - | 5,573,512.60 |
| Ending Net Assets | <u>\$ -</u> | <u>\$ 3,470,805.74</u> | <u>\$ 6,262,815.89</u> | <u>\$ -</u> | <u>\$ 6,262,815.89</u> |

Panhandle Community Services (TX481)
Amarillo, TX
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

| | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|-----------------------------------|-----------|-----------|
| 111 Cash - Unrestricted | \$492,953 | \$492,953 | \$492,953 |
| 112 Cash - Restricted - Modernization and Development | | | |
| 113 Cash - Other Restricted | \$89,244 | \$89,244 | \$89,244 |
| 114 Cash - Tenant Security Deposits | | | |
| 115 Cash - Restricted for Payment of Current Liabilities | | | |
| 100 Total Cash | \$582,197 | \$582,197 | \$582,197 |
| 121 Accounts Receivable - PHA Projects | | | |
| 122 Accounts Receivable - HUD Other Projects | | | |
| 124 Accounts Receivable - Other Government | | | |
| 125 Accounts Receivable - Miscellaneous | \$0 | \$0 | \$0 |
| 126 Accounts Receivable - Tenants | \$35,599 | \$35,599 | \$35,599 |
| 126.1 Allowance for Doubtful Accounts -Tenants | -\$35,599 | -\$35,599 | -\$35,599 |
| 126.2 Allowance for Doubtful Accounts - Other | | | |
| 127 Notes, Loans, & Mortgages Receivable - Current | | | |
| 128 Fraud Recovery | | | |
| 128.1 Allowance for Doubtful Accounts - Fraud | | | |
| 129 Accrued Interest Receivable | | | |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$0 | \$0 | \$0 |
| 131 Investments - Unrestricted | | | |
| 132 Investments - Restricted | | | |
| 135 Investments - Restricted for Payment of Current Liability | | | |
| 142 Prepaid Expenses and Other Assets | | | |
| 143 Inventories | | | |
| 143.1 Allowance for Obsolete Inventories | | | |
| 144 Inter Program Due From | | | |
| 145 Assets Held for Sale | | | |
| 150 Total Current Assets | \$582,197 | \$582,197 | \$582,197 |
| 161 Land | | | |
| 162 Buildings | | | |
| 163 Furniture, Equipment & Machinery - Dwellings | | | |
| 164 Furniture, Equipment & Machinery - Administration | | | |
| 165 Leasehold Improvements | | | |
| 166 Accumulated Depreciation | | | |
| 167 Construction in Progress | | | |
| 168 Infrastructure | | | |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$0 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | | |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | | |
| 173 Grants Receivable - Non Current | | | |
| 174 Other Assets | | | |
| 176 Investments in Joint Ventures | | | |
| 180 Total Non-Current Assets | \$0 | \$0 | \$0 |
| 200 Deferred Outflow of Resources | | | |

Panhandle Community Services (TX481)
Amarillo, TX
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

| | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|-----------------------------------|-----------|-----------|
| 290 Total Assets and Deferred Outflow of Resources | \$582,197 | \$582,197 | \$582,197 |
| 311 Bank Overdraft | | | |
| 312 Accounts Payable <= 90 Days | \$11,448 | \$11,448 | \$11,448 |
| 313 Accounts Payable >90 Days Past Due | | | |
| 321 Accrued Wage/Payroll Taxes Payable | \$12,266 | \$12,266 | \$12,266 |
| 322 Accrued Compensated Absences - Current Portion | | | |
| 324 Accrued Contingency Liability | | | |
| 325 Accrued Interest Payable | | | |
| 331 Accounts Payable - HUD PHA Programs | | | |
| 332 Account Payable - PHA Projects | | | |
| 333 Accounts Payable - Other Government | | | |
| 341 Tenant Security Deposits | | | |
| 342 Unearned Revenue | | | |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | | | |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | | |
| 345 Other Current Liabilities | | | |
| 346 Accrued Liabilities - Other | | | |
| 347 Inter Program - Due To | | | |
| 348 Loan Liability - Current | | | |
| 310 Total Current Liabilities | \$23,714 | \$23,714 | \$23,714 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | | |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | | |
| 353 Non-current Liabilities - Other | | | |
| 354 Accrued Compensated Absences - Non Current | | | |
| 355 Loan Liability - Non Current | | | |
| 356 FASB 5 Liabilities | | | |
| 357 Accrued Pension and OPEB Liabilities | | | |
| 350 Total Non-Current Liabilities | \$0 | \$0 | \$0 |
| 300 Total Liabilities | \$23,714 | \$23,714 | \$23,714 |
| 400 Deferred Inflow of Resources | | | |
| 508.4 Net Investment in Capital Assets | | | |
| 511.4 Restricted Net Position | \$89,244 | \$89,244 | \$89,244 |
| 512.4 Unrestricted Net Position | \$469,239 | \$469,239 | \$469,239 |
| 513 Total Equity - Net Assets / Position | \$558,483 | \$558,483 | \$558,483 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$582,197 | \$582,197 | \$582,197 |

Panhandle Community Services (TX481)
Amarillo, TX
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

| | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|-----------------------------------|--------------|--------------|
| 70300 Net Tenant Rental Revenue | | | |
| 70400 Tenant Revenue - Other | | | |
| 70500 Total Tenant Revenue | \$0 | \$0 | \$0 |
| 70600 HUD PHA Operating Grants | \$10,453,841 | \$10,453,841 | \$10,453,841 |
| 70610 Capital Grants | | | |
| 70710 Management Fee | | | |
| 70720 Asset Management Fee | | | |
| 70730 Book Keeping Fee | | | |
| 70740 Front Line Service Fee | | | |
| 70750 Other Fees | | | |
| 70700 Total Fee Revenue | | | |
| 70800 Other Government Grants | | | |
| 71100 Investment Income - Unrestricted | | | |
| 71200 Mortgage Interest Income | | | |
| 71300 Proceeds from Disposition of Assets Held for Sale | | | |
| 71310 Cost of Sale of Assets | | | |
| 71400 Fraud Recovery | \$24,402 | \$24,402 | \$24,402 |
| 71500 Other Revenue | \$13,769 | \$13,769 | \$13,769 |
| 71600 Gain or Loss on Sale of Capital Assets | | | |
| 72000 Investment Income - Restricted | | | |
| 70000 Total Revenue | \$10,492,012 | \$10,492,012 | \$10,492,012 |
| 91100 Administrative Salaries | \$340,267 | \$340,267 | \$340,267 |
| 91200 Auditing Fees | | | |
| 91300 Management Fee | | | |
| 91310 Book-keeping Fee | | | |
| 91400 Advertising and Marketing | | | |
| 91500 Employee Benefit contributions - Administrative | \$91,391 | \$91,391 | \$91,391 |
| 91600 Office Expenses | \$63,060 | \$63,060 | \$63,060 |
| 91700 Legal Expense | | | |
| 91800 Travel | \$14,575 | \$14,575 | \$14,575 |
| 91810 Allocated Overhead | \$121,012 | \$121,012 | \$121,012 |
| 91900 Other | \$398,421 | \$398,421 | \$398,421 |
| 91000 Total Operating - Administrative | \$1,028,726 | \$1,028,726 | \$1,028,726 |
| 92000 Asset Management Fee | | | |
| 92100 Tenant Services - Salaries | | | |
| 92200 Relocation Costs | | | |
| 92300 Employee Benefit Contributions - Tenant Services | | | |
| 92400 Tenant Services - Other | | | |
| 92500 Total Tenant Services | \$0 | \$0 | \$0 |
| 93100 Water | | | |
| 93200 Electricity | | | |
| 93300 Gas | | | |
| 93400 Fuel | | | |
| 93500 Labor | | | |

Panhandle Community Services (TX481)
Amarillo, TX
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

| | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|-----------------------------------|-------------|-------------|
| 93600 Sewer | | | |
| 93700 Employee Benefit Contributions - Utilities | | | |
| 93800 Other Utilities Expense | | | |
| 93000 Total Utilities | \$0 | \$0 | \$0 |
| 94100 Ordinary Maintenance and Operations - Labor | | | |
| 94200 Ordinary Maintenance and Operations - Materials and Other | | | |
| 94300 Ordinary Maintenance and Operations Contracts | | | |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | | |
| 94000 Total Maintenance | \$0 | \$0 | \$0 |
| 95100 Protective Services - Labor | | | |
| 95200 Protective Services - Other Contract Costs | | | |
| 95300 Protective Services - Other | | | |
| 95500 Employee Benefit Contributions - Protective Services | | | |
| 95000 Total Protective Services | \$0 | \$0 | \$0 |
| 96110 Property Insurance | | | |
| 96120 Liability Insurance | | | |
| 96130 Workmen's Compensation | \$526 | \$526 | \$526 |
| 96140 All Other Insurance | | | |
| 96100 Total insurance Premiums | \$526 | \$526 | \$526 |
| 96200 Other General Expenses | | | |
| 96210 Compensated Absences | | | |
| 96300 Payments in Lieu of Taxes | | | |
| 96400 Bad debt - Tenant Rents | | | |
| 96500 Bad debt - Mortgages | | | |
| 96600 Bad debt - Other | | | |
| 96800 Severance Expense | | | |
| 96000 Total Other General Expenses | \$0 | \$0 | \$0 |
| 96710 Interest of Mortgage (or Bonds) Payable | | | |
| 96720 Interest on Notes Payable (Short and Long Term) | | | |
| 96730 Amortization of Bond Issue Costs | | | |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$1,029,252 | \$1,029,252 | \$1,029,252 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$9,462,760 | \$9,462,760 | \$9,462,760 |
| 97100 Extraordinary Maintenance | | | |
| 97200 Casualty Losses - Non-capitalized | | | |
| 97300 Housing Assistance Payments | \$9,384,060 | \$9,384,060 | \$9,384,060 |
| 97350 HAP Portability-In | \$30,948 | \$30,948 | \$30,948 |
| 97400 Depreciation Expense | | | |
| 97500 Fraud Losses | | | |
| 97600 Capital Outlays - Governmental Funds | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | |

Panhandle Community Services (TX481)
Amarillo, TX
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

| | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|-----------------------------------|--------------|--------------|
| 97800 Dwelling Units Rent Expense | | | |
| 90000 Total Expenses | \$10,444,260 | \$10,444,260 | \$10,444,260 |
| 10010 Operating Transfer In | | | |
| 10020 Operating transfer Out | | | |
| 10030 Operating Transfers from/to Primary Government | | | |
| 10040 Operating Transfers from/to Component Unit | | | |
| 10050 Proceeds from Notes, Loans and Bonds | | | |
| 10060 Proceeds from Property Sales | | | |
| 10070 Extraordinary Items, Net Gain/Loss | | | |
| 10080 Special Items (Net Gain/Loss) | | | |
| 10091 Inter Project Excess Cash Transfer In | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | |
| 10093 Transfers between Program and Project - In | | | |
| 10094 Transfers between Project and Program - Out | | | |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$47,752 | \$47,752 | \$47,752 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$510,731 | \$510,731 | \$510,731 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0 | \$0 | \$0 |
| 11050 Changes in Compensated Absence Balance | | | |
| 11060 Changes in Contingent Liability Balance | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | |
| 11170 Administrative Fee Equity | \$469,239 | \$469,239 | \$469,239 |
| 11180 Housing Assistance Payments Equity | \$89,244 | \$89,244 | \$89,244 |
| 11190 Unit Months Available | 2001 | 2001 | 2001 |
| 11210 Number of Unit Months Leased | 1560 | 1560 | 1560 |
| 11270 Excess Cash | | | |
| 11610 Land Purchases | | | |
| 11620 Building Purchases | | | |
| 11630 Furniture & Equipment - Dwelling Purchases | | | |
| 11640 Furniture & Equipment - Administrative Purchases | | | |
| 11650 Leasehold Improvements Purchases | | | |
| 11660 Infrastructure Purchases | | | |
| 13510 CFFP Debt Service Payments | | | |
| 13901 Replacement Housing Factor Funds | | | |

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Schedule of Expenditures of Federal and State Awards

For the Year Ended December 31, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Year End | Pass Through Identifying Number | CFDA # | Federal Expenditures |
|---|------------|------------------------------------|------------------|-------------------------|
| <u>Corporation for National and Community Services</u> | | | | |
| Direct Programs: | | | | |
| Retired and Senior Volunteer Program - Combined | 3/31/2020 | N/A | 94.002 | \$ 156,660.04 |
| Retired and Senior Volunteer Program - Texas | 8/31/2020 | N/A | 94.002 | 59,877.34 |
| | | | Total 94.002 | <u>216,537.38</u> |
| Total Corporation for National and Community Services | | | | <u>216,537.38</u> |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Passed-through: | | | | |
| Texas Department of Housing and Community Affairs | | | | |
| Low-Income Home Energy Assistance Program (CEAP) | 3/31/2019 | 58180002795 | 93.568 | 103,834.19 |
| Low-Income Home Energy Assistance Program (CEAP) | 3/31/2020 | 58180002994 | 93.568 | 3,550,973.11 |
| Low-Income Home Energy Assistance Program (LiHEAP) | 3/31/2019 | 81180002892 | 93.568 | 175,769.72 |
| Low-Income Home Energy Assistance Program (LiHEAP) | 3/31/2020 | 81190003022 | 93.568 | 110,686.11 |
| | | | Total 93.568 (M) | <u>3,941,263.13</u> |
| 477 Cluster | | | | |
| Community Services Block Grant | 3/31/2019 | 61180002864 | 93.569 | 8,778.08 |
| Community Services Block Grant | 3/31/2020 | 61190003056 | 93.569 | 555,904.00 |
| Community Services Block Grant - Carryover | 09/30/2019 | 61180003113 | 93.569 | 36,408.00 |
| | | | Total 93.569 | <u>601,090.08</u> |
| Total U.S. Department of Health and Human Services | | | | <u>4,542,353.21</u> |
| <u>U.S. Department of Energy</u> | | | | |
| Passed-through: | | | | |
| Texas Department of Housing and Community Affairs | | | | |
| Weatherization Assistance for Low-Income Individuals | 6/30/2019 | 56180002962 | 81.042 | 76,548.95 |
| Weatherization Assistance for Low-Income Individuals | 6/30/2020 | 56190003133 | 81.042 | 41,140.84 |
| | | | Total 81.042 | <u>117,689.79</u> |
| Total U.S. Department of Energy | | | | <u>117,689.79</u> |

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Year End | Pass Through Identifying Number | CFDA # | Federal Expenditures |
|--|------------|------------------------------------|------------------|-------------------------|
| <u>U.S. Department of Transportation</u> | | | | |
| Passed-through: | | | | |
| State of Texas Department of Transportation | | | | |
| Formula Grants for Rural Areas | 8/31/2019 | RPT 1801 (27) | 20.509 | \$ 813,377.79 |
| Formula Grants for Rural Areas | 8/31/2020 | RPT 1902 (04) 39_19 | 20.509 | 568,112.75 |
| | | | Total 20.509 (M) | <u>1,381,490.54</u> |
| Metropolitan Transportation Planning | 5/31/2019 | PLN 1701 (04) 73 | 20.505 | 91,219.00 |
| Metropolitan Transportation Planning | 8/31/2019 | PLN 1902 (27) 73 | 20.505 | 108,797.00 |
| | | | Total 20.505 | <u>200,016.00</u> |
| Transit Services Cluster | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 12/31/2019 | ED 1901 (27) 59 | 20.513 | 146,469.38 |
| Bus and Bus Facilities Formula Program | 8/31/2019 | BBF 1901 (27) 45 | 20.526 | <u>193,642.00</u> |
| Total U.S. Department of Transportation | | | | <u>1,921,617.92</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| Direct Programs: | | | | |
| Housing Voucher Cluster | | | | |
| Section 8 Housing Choice Vouchers | 12/31/2019 | MO207 | 14.871 (M) | <u>10,453,841.00</u> |
| Total U.S. Department of Housing and Urban Development | | | | <u>10,453,841.00</u> |
| <u>U.S. Department of Agriculture</u> | | | | |
| Direct Programs: | | | | |
| Housing Preservation Grant | 10/31/2019 | N/A | 10.433 | <u>42,356.85</u> |
| Total U.S. Department of Agriculture | | | | <u>42,356.85</u> |
| Total Expenditures of Federal Awards | | | | <u>17,294,396.15</u> |

PANHANDLE COMMUNITY SERVICES

Amarillo, Texas

Schedule of Expenditures of Federal and State Awards

For the Year Ended December 31, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Year End | Pass Through Identifying Number | CFDA # | Federal Expenditures |
|---|-----------|------------------------------------|-----------|-------------------------|
| <u>STATE OF TEXAS PROGRAM TITLE</u> | | | | |
| Public Transportation (5311) Grant | 8/31/2019 | RUR 1801(04) | | \$ 720,458.68 |
| Public Transportation (5311) Grant | 8/31/2020 | RUR 2001(04) | | 336,697.32 |
| Total Expenditures of State Awards | | | | (S) <u>1,057,156.00</u> |
| TOTAL FEDERAL AND STATE EXPENDITURES | | | | <u>\$ 18,351,552.15</u> |

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Panhandle Community Services and presents expenditures on the accrual basis of accounting, except for subsidy programs, which follows REAC PHA - Financial Accounting Brief, which defines a Federal expenditure expended for single audit purposes as when meeting eligibility requirements. The information in this schedule is presented in accordance with the Uniform Guidance.

NOTE B --INDIRECT COST RATE

Panhandle Community Services did not elect to use the 10% de minimis cost rate, as it does not qualify.

(M) = Major Program (S) = Major State of Texas Program

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' 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**

Board of Directors
Panhandle Community Services
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 Panhandle Community Services (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Panhandle Community Services' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Panhandle Community Services' internal control. Accordingly, we do not express an opinion on the effectiveness of Panhandle Community Services' 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 Organization'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 Panhandle Community Services' 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

May 21, 2020
Chanute, Kansas

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' 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,
SINGLE AUDIT CIRCULAR**

Board of Directors
Panhandle Community Services
Amarillo, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Panhandle Community Services' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas Uniform Grants Management Standards, Single Audit Circular that could have a direct and material effect on each of Panhandle Community Services' major federal programs for the year ended December 31, 2019. Panhandle Community Services' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Panhandle Community Services' 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 Grants Management Standards single audit circular. Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about Panhandle Community Services' 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 Panhandle Community Services' compliance.

Opinion on Each Major Federal and State Program

In our opinion, Panhandle Community Services 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 December 31, 2019.

Report on Internal Control Over Compliance

Management of Panhandle Community Services 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 Panhandle Community Services' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas Uniform Grants Management Standards, Single Audit Circular, 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 Panhandle Community Services' 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 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 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.

Purpose of this Report

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, Single Audit Circular. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

May 21, 2020
Chanute, Kansas

PANHANDLE COMMUNITY SERVICES
Amarillo, Texas

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

The auditors' report expresses an unmodified opinion on the financial statements of Panhandle Community Services.

Internal Control over Financial Reporting:

| | | | | |
|---|-------|-----|----------------------|---------------|
| Material weakness(es) identified? | _____ | Yes | _____ <u>X</u> _____ | No |
| Significant deficiency(ies) identified? | _____ | Yes | _____ <u>X</u> _____ | None Reported |
| | | | | |
| Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i> | _____ | Yes | _____ <u>X</u> _____ | No |

Federal and State Awards:

| | | | | |
|---|-------|-----|----------------------|---------------|
| Internal control over major programs: | | | | |
| Material weakness(es) identified? | _____ | Yes | _____ <u>X</u> _____ | No |
| Significant deficiency(ies) identified? | _____ | Yes | _____ <u>X</u> _____ | None Reported |

The auditors' report on compliance for the major federal and state award programs for Panhandle Community Services expresses an unmodified opinion.

| | | | | |
|---|-------|-----|----------------------|----|
| Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a)? | _____ | Yes | _____ <u>X</u> _____ | No |
|---|-------|-----|----------------------|----|

Identification of major programs:
Federal Single Audit:

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Low-Income Home Energy Assistance Program CFDA 93.568

U.S. DEPARTMENT OF TRANSPORTATION

Formula Grants for Rural Areas CFDA 20.509

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Section 8 Housing Choice Vouchers CFDA 14.871

State Single Audit:

TEXAS DEPARTMENT OF TRANSPORTATION

Public Transportation (5311) Grant

| | | | | |
|---|----|------------|--|--|
| The threshold for distinguishing Types A and B programs was | | | | |
| Federal Threshold | \$ | 750,000.00 | | |

| | | | | |
|--|----------------------|-----|-------------|----|
| Auditee qualified as a low risk auditee? | _____ <u>X</u> _____ | Yes | _____ _____ | No |
|--|----------------------|-----|-------------|----|

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

None

PANHANDLE COMMUNITY SERVICES
Amarillo, Texas

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

Period Year Ended/Findings:

None