

City of Corpus Christi Single Audit Report

For The Fiscal Year Ended September 30, 2021



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City of Corpus Christi, Texas

Compliance Report

For the Fiscal Year Ended September 30, 2021



City of Corpus Christi, Texas
Compliance Report
For the Fiscal Year Ended September 30, 2021
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City of Corpus Christi, Texas

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal Assistance Listing or State Award Number	Federal Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Federal Assistance:					
U.S. Department of Agriculture					
<u>Passed through Texas Health and Human Services Commission</u>					
Women, Infants, & Children's Nutrition Program	10.557	HHS000802100001			\$ 788,229
Total U.S. Department of Agriculture					788,229
U.S. Department of Housing and Urban Development					
<u>Direct Programs</u>					
CDBG Entitlement Grants Cluster:					
COVID-19 - Comm. Dev. Block Grant-CARES Act Funding	14.218	B-20-MW-48-0502		\$ 407,357	621,070
Comm. Dev. Block Grant-Entitlement Grant 2017	14.218	B-17-MC-48-0502		--	1
Comm. Dev. Block Grant-Entitlement Grant 2018	14.218	B-18-MC-48-0502		--	343,112
Comm. Dev. Block Grant-Entitlement Grant 2019	14.218	B-19-MC-48-0502		--	363,242
Comm. Dev. Block Grant-Entitlement Grant 2020	14.218	B-20-MC-48-0502		118,570	1,926,976
Comm. Dev. Block Grant-Entitlement Grant 2021	14.218	B-21-MC-48-0502		--	454
Total Assistance Listing Number 14.218				<u>525,927</u>	<u>3,254,855</u>
Total CDBG Entitlement Grants Cluster				<u>525,927</u>	<u>3,254,855</u>
<u>Passed through Texas General Land Office</u>					
Comm. Dev. Block Grant-Recovery Program	14.228	B-17-DM-48-0001	20-066-017-C123		24,424
<u>Passed through Texas Department of Housing and Community Affairs</u>					
Comm. Dev. Block Grant-Entitlement Grant	14.228	B-20-DW-48-0001	70200001010		35,269
Comm. Dev. Block Grant-Entitlement Grant	14.228	B-20-DW-48-0001	70200001010		741,946
Total Assistance Listing Number 14.228					<u>801,639</u>
COVID-19 - Emergency Solutions Grants Program - CARES Act Funding	14.231	E-20-MW-48-0502		372,574	372,574
Emergency Solutions Grants Program 2018	14.231	E-18-MC-48-0502		7,116	7,116
Emergency Solutions Grants Program 2019	14.231	E-19-MC-48-0502		47,108	48,108
Emergency Solutions Grants Program 2020	14.231	E-20-MC-48-0502		174,710	193,436
Total Assistance Listing Number 14.231				<u>601,508</u>	<u>621,234</u>
Home Investment Partnerships Program - 2016	14.239	M-16-MC-48-0502		394,895	411,136
Home Investment Partnerships Program - 2017	14.239	M-17-MC-48-0502		481,937	481,937
Home Investment Partnerships Program - 2018	14.239	M-18-MC-48-0502		--	123,526
Home Investment Partnerships Program - 2019	14.239	M-19-MC-48-0502		--	44,837
Total Assistance Listing Number 14.239				<u>876,832</u>	<u>1,061,436</u>
Fair Housing Assistance Program State and Local	14.401				102,195
Total U.S. Department of Housing and Urban Development				2,004,267	5,841,359
U.S. Department of the Interior					
<u>Passed through Texas Historical Commission</u>					
Downtown Historic Resources Survey	15.904		TX-20-10035		24,638
Total U.S. Department of the Interior					24,638
U.S. Department of Justice					
<u>Direct Programs</u>					
Edward Byrne Memorial Justice Assistance Grant	16.034	2020-VD-BX-0441			157,816
Edward Byrne Memorial Justice Assistance Grant	16.034	2020-VD-BX-0441			212,127
<u>Passed through Texas Office of the Governor - Criminal Justice Division</u>					
CV-Coronavirus Emergency Supplemental Funding Program - Municipal Court	16.034	2020-VD-BX-0002	4138501		42,440
CV-Coronavirus Emergency Supplemental Funding Program - Police Department	16.034	2020-VD-BX-0002	4138501		25,865
CV-Coronavirus Emergency Supplemental Funding Program - Fire Department	16.034	2020-VD-BX-0002	4138501		27,257
Total Assistance Listing Number 16.034					<u>465,505</u>
<u>Direct Programs</u>					
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0571		17,883	17,883
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0408		32,061	61,638
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0569		11,684	11,684
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0569		12,940	12,940
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0642		--	75,993
Total Edward Byrne Memorial Justice Assistance Grant				<u>74,568</u>	<u>180,138</u>
<u>Passed through Coastal Bend Wellness Foundation</u>					
Red Cord Initiative Diversion Program	16.738	2019-DJ-BX-0016	3720002	--	22,734
Total Assistance Listing Number 16.738				<u>74,568</u>	<u>202,872</u>
<u>Direct Program</u>					
Federal Confiscated Property					
Equitable Sharing Program	16.922				166,510
<u>Passed through Office of the Governor/Criminal Justice Division</u>					
Victims of Crime Act	16.575	2018-V2-GX-0040	2677105		121,029
Victims of Crime Act	16.575	2020-V2-GX-0004	1522319		3
Victims of Crime Act	16.575	2019-V2-GX-0011	2677106		76,117
Total Assistance Listing Number 16.575					<u>197,149</u>
Violence Against Women Formula Grant Program	16.588	2020-WF-AX-0002	1517122		49,124
<u>Passed through Office of the Attorney General</u>					
Recovery Act - Internet Crimes Against Children Task Force Program	16.543	2018-MC-FX-K065	2113561		10,004
Total U.S. Department of Justice				74,568	1,091,164

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

City of Corpus Christi, Texas
Schedule of Expenditures of Federal and State Awards
for the Fiscal Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal Assistance Listing or State Award Number	Federal Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Transportation					
<u>Direct Programs</u>					
Airport Improvement Programs					
Coronavirus Relief Grant Program	20.106	3-48-0051-065-2021			753,586
Coronavirus Relief Grant Program	20.106	3-48-0051-063-2021			2,598,104
Rehabilitate Terminal Apron	20.106	3-48-0051-057-2018			960,274
Rehabilitate Terminal Apron - Phase III	20.106	3-48-0051-058-2019			3,274,587
Rehabilitate Terminal Apron; Rescue Truck	20.106	3-48-0051-060-2020			5,721,730
Runway 13/31 & Taxiways	20.106	3-48-0051-062-2021			367,300
Passenger Loading Bridges	20.106	3-48-0051-067-2021			234,700
Total Assistance Listing Number 20.106					<u>13,910,281</u>
<u>Passed through Texas Department of Transportation</u>					
Highway Planning and Construction Cluster:					
Saratoga Rd to Killarney - Schanen Ditch Hike and Bike Trail	20.205		0916-35-200		9,342
HAWK Traffic Signal (Ocean Dr and Del Mar Blvd)	20.205		0916-35-207		(7,445)
Ennis Joslin Signals	20.205		0916-00-067		(51,389)
SeaTown Pedestrian Improvements	20.205		0916-00-068		334,778
Total Assistance Listing Number 20.205					<u>285,286</u>
Total Highway Planning and Construction Cluster					<u>285,286</u>
<u>Passed through Texas Department of Highways and Public Transportation</u>					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	18X9204020TX21	2021-CorpusPD-S-1YG-00049		157,739
National Priority Safety Programs	20.616	18X9204058TX21	2021-CorpusPD-CIOT-00012		5,974
National Priority Safety Programs	20.616	18X9204058TX21	2021-CorpusPD-CIOT-IHA-00019		5,124
Total Assistance Listing Number 20.616					<u>11,098</u>
Total Highway Safety Cluster					<u>168,837</u>
Total U.S. Department of Transportation					<u>14,364,404</u>
U.S. Department of the Treasury					
<u>Passed Through Texas Division of Emergency Management</u>					
COVID-19 - Coronavirus Relief Fund	21.019	2020-CF-21019		150,564	2,731,675
<u>Direct Programs</u>					
COVID-19 - Emergency Rental Assistance Program	21.023			--	1,612,125
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027			--	1,109,071
Total U.S. Department of the Treasury				<u>150,564</u>	<u>5,452,871</u>
Texas State Library & Archives Commission					
<u>Direct Programs</u>					
Grants to States - Institute of Museum and Library Services	45.310	LS-246561-OLS-20	CAR2-21006		20,513
Total Texas State Library & Archives Commission					<u>20,513</u>
U.S. Department of Health and Human Services					
<u>Passed through Texas Department of Aging and Disability Services (DADS)</u>					
<u>Passed through CBCOG-AAA</u>					
Aging Cluster:					
Special Programs for the Aging Title III, Part B					
Grants For Supportive Services and Senior Centers	93.044		AA3-2148-4		14,221
COVID-19 - Special Programs for the Aging Title III, Part C Nutrition Svcs, CARES					
Special Programs for the Aging Title III, Part C Nutrition Svcs	93.045		AA3-2148-4		235,975
Special Programs for the Aging Title III, Part C Nutrition Svcs	93.045		AA3-2148-4		578,697
Total Assistance Listing Number 93.045					<u>814,672</u>
Nutrition Services Incentive Program	93.053		AA3-2148-4		111,399
Total Aging Cluster					<u>940,292</u>
<u>Passed through Texas Department of State Health Services</u>					
CPS-Laboratory Response Network-PHEP	93.069	NU90TP922045	537-18-0147-00001-04		135,298
CPS-Laboratory Response Network-PHEP	93.069	NU90TP922045	537-18-0147-00001-05		44,242
Total Assistance Listing Number 93.069					<u>179,540</u>
Project Grants and Cooperative Agreements for					
Tuberculosis Control Programs	93.116	U52PS004694	HHS000686100012		1,417
Tuberculosis Control Programs	93.116	U52PS004694	HHS000686100012		16,629
Total Assistance Listing Number 93.116					<u>18,046</u>
2017 Hurricane Public Health Crisis Response	93.354	NU90TP921945-01-00	HHS000371500016-04		8,586
COVID-19 - Coronavirus 2019	93.354		HHS000768700001-1		215,626
COVID-19 - Coronavirus 2019	93.354	NU90TP92067	HHS000904900001		103,853
Total Assistance Listing Number 93.354					<u>328,065</u>
Immunization Grants	93.268		HHS000114000001-2		80,680
Immunization Grants	93.268		HHS000114000001-3		17,015
COVID-19 Vaccination Capacity	93.268	NH23IP922616	HHS001019500010		944,995
Total Assistance Listing Number 93.268					<u>1,042,690</u>

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

City of Corpus Christi, Texas
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal Assistance Listing or State Award Number	Federal Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Preventive Health and Health Services Block Grant	93.991	NB01OT009193-01-00	HHS00047600001		31,114
Preventive Health and Health Services Block Grant	93.991	NB01OT009365	HHS001021100001		6,380
Total Assistance Listing Number 93.991					<u>37,494</u>
<u>Passed Through Texas Department of Family and Protective Services</u>					
Promoting Safe and Stable Families	93.556	G-2001TXFPSS	24426873	133,610	156,671
Total U.S. Department of Health and Human Services				<u>133,610</u>	<u>2,702,798</u>
Corporation for National and Community Service					
<u>Direct Programs</u>					
Retired and Senior Volunteer Program	94.002		17SRWTX018		31,836
Retired and Senior Volunteer Program	94.002		21SRGTX005		18,979
Total Assistance Listing Number 94.002					<u>50,815</u>
Foster Grandparent/Senior Companion Cluster:					
Senior Companion Program	94.016		19SCWTX002		11,361
Senior Companion Program	94.016		19SCWTX002		166,887
Senior Companion Program	94.016		19SCWTX002		232,849
Total Assistance Listing Number 94.016					<u>411,097</u>
Total Foster Grandparent/Senior Companion Cluster					<u>411,097</u>
Total Corporation for National and Community Service					<u>461,912</u>
Executive Office of the President					
<u>Direct Programs</u>					
High Intensity Drug Trafficking Areas Program	95.001	G19HN0006A			(3,568)
High Intensity Drug Trafficking Areas Program	95.001	G20HN0006A			82,227
High Intensity Drug Trafficking Areas Program	95.001	G21HN0006A			2,612
Total Assistance Listing Number 95.001					<u>81,271</u>
Total Executive Office of the President					<u>81,271</u>
U.S. Department of Homeland Security					
<u>Passed Through Texas Department of Public Safety</u>					
Disaster Grants - Public Assistance					
Oso WWTP ECR4	97.036		PA-06-TX-4332-PW01048		27,325
Police Station & Municipal Court Project #2	97.036		PA-06-TX-4332-PW01083		65,459
Oso WWTP Blower House 4	97.036		PA-06-TX-4332-PW01663		(2,316)
CCIA - Airport Terminal	97.036		PA-06-TX-4332-PW01302		16,045
Oso WWTP ECR2	97.036		PA-06-TX-4332-PW01398		9,753
Emergency Protective Measures	97.036		PA-06-TX-4332-PW06047		5,030
Street Signs and Traffic Signals	97.036		PA-06-TX-4332-PW06856		328,564
Total Assistance Listing Number 97.036					<u>449,860</u>
Hazard Mitigation Grant					
Nueces County Tuloso High School Community Safe Room	97.039		FEMA-1791-DR-TX PW-0348		115,380
Emergency Management Performance Grant	97.042		EMT-2020-EP-00004		53,026
<u>Passed Through Nueces County</u>					
FY19 Operation Stonegarden Grant Program	97.067	EMW-2019-SS-00034-S01	3173705		186,110
FY20 Operation Stonegarden Grant Program	97.067	EMW-2020-SS-00054	3173706		134,602
<u>Passed Through Office of the Texas Governor - Homeland Security Grants Division (HSGD)</u>					
SWAT Equipment & Hazmat Team Enhancement	97.067	EMW-2019-SS-00034-S01	3822901		304,278
Incident Command Training Program	97.067	EMW-2020-SS-00054	4076001		42,697
Airport Medical Response	97.067	EMW-2020-SS-00054	4078601		4,430
Regional HazMat Response Enhancement	97.067	EMW-2020-SS-00054	4079501		79,088
Total Assistance Listing Number 97.067					<u>751,205</u>
Total U.S. Department of Homeland Security					<u>1,369,471</u>
Total Federal and Passed Through Assistance				\$ 2,363,009	\$ 32,198,630

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

City of Corpus Christi, Texas
 Schedule of Expenditures of Federal and State Awards
 For the Fiscal Year Ended September 30, 2021

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal Assistance Listing or State Award Number	Federal Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
State Assistance:					
State Comptroller of Public Accounts					
Texas Commission on Environmental Quality					
<u>Direct Programs</u>					
Rider 7 Local Air Quality Planning	582-20-11981				\$ 133,901
Total Direct Programs					133,901
Total Texas Commission on Environmental Quality					133,901
Texas Department of Agriculture					
<u>Direct Programs</u>					
Texans Feeding Texans Program	HDM-20-5167				30,229
Texans Feeding Texans Program	HDM-21-6091				3,224
Total Texas Department of Agriculture					33,453
Texas Department of Family and Protective Services					
<u>Direct Programs</u>					
Community Youth Development	24426873			\$ 199,499	233,884
Total Texas Department of Family and Protective Services				199,499	233,884
Texas Department of Public Safety					
<u>Direct Programs</u>					
Local Border Security	3404804				50,000
Total Texas Department of Public Safety					50,000
Texas Department of State Health Services					
<u>Direct Programs</u>					
TB/PC	HHS000461700001-2				4,068
TB/PC	HHS000461700001				20,475
Immunization Grants	HHS000114000001-2				134,125
Regional Local Services System	HHS00047600001				80,438
IDCU/SUR	HHS000436300009				93,947
IDCU/SUR	HHS000436300009				6,950
IDCU/FLU-Lab FY20-21	HHS000442100001				4,881
Total IDCUs Program					105,778
Total Texas Department of State Health Services					344,884
Texas General Land Office					
<u>Direct Programs</u>					
Redhead Pond Adjacent Tracts Acquisition	21-060-018-C678				24,350
Total Texas General Land Office					24,350
Texas Health and Human Services Commission					
<u>Direct Programs</u>					
Retired and Senior Volunteer Program	HHS000871100033				21,766
Senior Companion Program	HHS000871100038				6,791
Total Texas Health and Human Services Commission					28,557
Texas Department of Motor Vehicles					
<u>Direct Programs</u>					
Corpus Christi Auto Theft Prevention Grant	608-20-1780200				(73)
Corpus Christi Auto Theft Prevention Grant	608-21-1780200				346,400
Corpus Christi Auto Theft Prevention Grant	608-22-1780200				47,435
Total Corpus Christi Auto Theft Prevention Program					393,762
Total Texas Department of Motor Vehicles					393,762
Texas Department of Emergency Management					
<u>Direct Programs</u>					
Oso WWTP ECR4	TDEM-4332 PA-PW01048				2,277
Police Station/Municipal Court	TDEM-4332 PA-PW01083				5,542
CCIA - Airport Terminal	TDEM-4332 PA-PW01302				1,403
Oso WWTP ECR2	TDEM-4332 PA-PW01398				813
Oso WWTP Blower House 4	TDEM-4332 PA-PW01663				(1,055)
Total Texas Department of Emergency Management					8,980
Office of the Governor Criminal Justice Division					
<u>Direct Programs</u>					
Defense Economic Adjustment Assistance Grant ("DEAAG")	TMPC 1801-01-05				124,975
Defense Economic Adjustment Assistance Grant ("DEAAG")	TMPC 2020-01-09				35,532
Total Office of the Governor Criminal Justice Division					160,507
Total State and Passed Through Assistance				\$ 199,499	\$ 1,412,278

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

City of Corpus Christi, Texas

Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of the City of Corpus Christi, Texas (the "City") under programs of the federal government and State of Texas for the year ended September 30, 2021. The information in this 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 Texas Uniform Grant Management Standards (UGMS). 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. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, or UGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Relationship to Federal and State Financial Reports

Amounts reported in the Schedule may not agree with the amounts reported in the related Federal/State financial reports filed with grantor agencies because of accruals which would be included in the next report filed with the agencies.

Note 4. Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5. Expenditures Incurred in a Prior Year

The City disclosed amounts in the Schedule for expenditures incurred in a prior year as follows:

Description	Amount
Federal Program Assistance Listing Number 16.034 - U.S. Department of Justice Edward Byrne Memorial Justice Assistance Grant	\$ 144,879
Federal Program Assistance Listing Number 20.205 - U.S. Department of Transportation, Highway Planning and Construction Cluster HAWK Traffic Signal (Ocean Dr and Del Mar Blvd) Ennis Joslin Signals	(7,445) (51,389)
Federal Program Assistance Listing Number 21.019 - U.S. Department of the Treasury COVID-19 - Coronavirus Relief Fund	(76,449)
Federal Program Assistance Listing Number 97.036 - Texas Department of Public Safety, Public Assistance Grant Oso WWTP Blower House 4 CCIA - Airport Terminal Emergency Protective Measures Street Signs and Traffic Signals	(2,316) 16,045 5,030 328,564
State Program - Texas Department of Emergency Management, Public Assistance Grant Oso WWTP Blower House 4	(1,055)
Total	\$ 355,864



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Corpus Christi, Texas (City) as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2022. Our report includes a reference to other auditors who audited the financial statements of Corpus Christi Firefighters' Retirement System, as described in our report on the City's financial statements. The financial statements of the Corpus Christi Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

To the Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
March 29, 2022



**Independent Auditor's Report on Compliance for Each Major Federal and State Program;
Report on Internal Control over Compliance; and Report on Schedule of Expenditures
of Federal and State Awards Required by the Uniform Guidance and
Texas Uniform Grant Management Standards**

To the Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

Report on Compliance for Each Major Federal and State Program

We have audited the City of Corpus Christi, Texas' (the City) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* and the *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 September 30, 2021. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and *Texas Uniform Grant Management Standards* (UGMS). Those standards, the Uniform Guidance and UGMS 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 September 30, 2021.

To the Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

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 UGMS, 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 UGMS. Accordingly, this report is not suitable for any other purpose.

To the Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 29, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and UGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
March 29, 2022

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2021

Section 1. Summary of Auditor's Results

Financial Statements

- 1. Type of auditor's report issued Unmodified
- 2. Internal control over financial reporting:
 - a. Material weaknesses identified? No
 - b. Significant deficiencies identified that are not considered to be material weaknesses? None reported
- 3. Noncompliance material to the financial statements noted? No

Federal Awards

- 1. Internal control over major programs:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes, 2021-001
- 2. Type of auditor's report issued on compliance with major programs: Unmodified
- 3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance §200.516(a)? Yes
- 4. Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program</u>
14.239	Home Investment Partnerships Program
20.106	Airport Improvement Programs
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.268	Immunization Grants

- 5. Dollar threshold used to distinguish between Type A and Type B federal programs: \$965,959
- 6. Auditee qualified as a low-risk auditee? Yes

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2021

State Awards

- 1. Internal control over major programs:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

- 2. Type of auditor's report issued on compliance with major programs: Unmodified

- 3. Any audit findings disclosed that are required to be reported in accordance with Texas Uniform Grant Management Standards? No

- 4. Identification of major programs:

<u>Award Number(s)</u>	<u>Name of State Program</u>
HHS000114000001-2	Immunization Grants
608-20-1780200, 608-21-1780200,	Corpus Christi Auto Theft Prevention Grant
608-22-1780200	

- 5. Dollar threshold used to distinguish between Type A and Type B state programs: \$300,000

- 6. Auditee qualified as a low-risk auditee? Yes

Section 2. Findings Related to Financial Statements

None reported

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2021

Section 3. Federal and State Award Findings and Questioned Costs

Finding 2021-001

Information on Federal Program:

Assistance Listing 21.023 COVID – 19 Emergency Rental Assistance

United States Department of the Treasury

Compliance Requirements: Allowable Costs/Cost Principles

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria

As a condition of receiving Federal awards, non-Federal entities agree to comply with laws, regulations, and the terms and conditions of the grant agreements and contracts, and to maintain internal control to provide reasonable assurance of compliance with these requirements.

The United States Department of the Treasury established "allowable costs/cost principles" compliance requirements applicable to the Emergency Rental Assistance (ERA) grant which stipulates the number of months a beneficiary may receive rental assistance under the federal award. The City expended funds under ERA1 during the fiscal year ended September 30, 2021 which limited households to twelve months of rental assistance plus three additional months if necessary to ensure housing stability for the eligible household.

Condition

During the year ended September 30, 2021, the City did not have effective internal controls over compliance with the allowable costs/cost principles requirement described above. The City processed a reimbursement to an eligible household under the grant that exceeded the number of months of rental assistance allowed under ERA1.

Cause

The City and the City's contactor did not have adequately operating controls to ensure compliance with the allowable costs/cost principles requirement.

Effect or Potential Effect

The City was not in compliance with the allowable costs/cost principles requirement. Payments to eligible households could be made that are not allowable under the terms and conditions of the grant agreements.

Questioned Costs

\$5,425

Context

Of the approximately \$1.6 million reimbursed from ERA1, 0.3% claimed for reimbursement exceeded the allowable months of rental assistance reimbursement for an eligible household.

Repeat Finding

No.

Recommendation

We recommend the City implement procedures to ensure the review of the beneficiary's application includes all significant terms and conditions of the grant agreement to prevent or detect and correct noncompliance with applicable compliance requirements.

Views of Responsible Officials and Planned Corrective Action

See corrective action plan.

City of Corpus Christi, Texas

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended September 30, 2021

Prior Year Findings

None noted



Finding 2021-001

Information on Federal Program:

Assistance Listing 21.023 COVID – 19 Emergency Rental Assistance

United States Department of the Treasury

Compliance Requirements: Allowable Costs/Cost Principles

Type of Finding: Significant Deficiency in Internal Control over Compliance

FINANCE & PROCUREMENT

PO Box 9277
Corpus Christi, Texas 78469-9277
Phone 361-826-3613 • Fax 361-826-3601
www.cctexas.com

Corrective Action Plan

The City will implement procedures to ensure the review of the beneficiary's application includes all significant terms and conditions of the grant agreement to prevent, detect, and correct noncompliance with applicable compliance requirements. Dollar amount thresholds will be put into place, where if a payment goes over this designated dollar amount threshold, additional reviews will be administered. In addition to this, if a request is for more than 15 months, it will be flagged for further review.

Person Responsible: Jennifer Buxton, Assistant Director of Neighborhood Services

Anticipated Completion Date: September 30, 2022



COLE PARK PIER

