

Single Audit Report

For The Fiscal Year Ended September 30, 2022

CITY OF CORPUS CHRISTI, TEXAS
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City of Corpus Christi, Texas

Compliance Report

For the Fiscal Year Ended September 30, 2022



City of Corpus Christi, Texas
Compliance Report
For the Fiscal Year Ended September 30, 2022
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City of Corpus Christi, Texas

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended September 30, 2022

| 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 | | \$ | 7,853 |
| Women, Infants, & Children's Nutrition Program | 10.557 | HHS000802100001 | | | 812,446 |
| Total Assistance Listing Number 10.557 | | | | | <u>820,299</u> |
| <u>Passed through Texas Department of Agriculture</u> | | | | | |
| Child and Adult Care Food Program | 10.558 | | 806780706 | | 84 |
| Total U.S. Department of Agriculture | | | | | <u>820,383</u> |
| U.S. Department of Commerce | | | | | |
| <u>Direct Programs</u> | | | | | |
| Economic Adjustment Assistance - Disaster Supplemental Assistance Junior Beck Drive Improvements | 11.307 | 08-79-05330: 113378 | | | 1,024,025 |
| Total U.S. Department of Commerce | | | | | <u>1,024,025</u> |
| 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 | | \$ 743,451 | 778,757 |
| Comm. Dev. Block Grant-Entitlement Grant 2018 | 14.218 | B-18-MC-48-0502 | | -- | (6,512) |
| Comm. Dev. Block Grant-Entitlement Grant 2019 | 14.218 | B-19-MC-48-0502 | | -- | 153 |
| Comm. Dev. Block Grant-Entitlement Grant 2020 | 14.218 | B-20-MC-48-0502 | | -- | 365,424 |
| Comm. Dev. Block Grant-Entitlement Grant 2021 | 14.218 | B-21-MC-48-0502 | | 53,459 | 1,449,295 |
| Total Assistance Listing Number 14.218 | | | | <u>796,910</u> | <u>2,587,117</u> |
| Total CDBG Entitlement Grants Cluster | | | | <u>796,910</u> | <u>2,587,117</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 | | 4,910 |
| <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 | | 11,911 |
| Comm. Dev. Block Grant-Entitlement Grant | 14.228 | B-20-DW-48-0001 | 70300001013 | | 173,437 |
| Comm. Dev. Block Grant-Entitlement Grant | 14.228 | B-20-DW-48-0001 | 70300001013 | | 23,958 |
| Total Assistance Listing Number 14.228 | | | | | <u>214,216</u> |
| COVID-19 - Emergency Solutions Grants Program - CARES Act Funding | 14.231 | E-20-MW-48-0502 | | | 301,482 |
| Emergency Solutions Grants Program 2020 | 14.231 | E-20-MC-48-0502 | | | 40,722 |
| Emergency Solutions Grants Program 2021 | 14.231 | E-21-MC-48-0502 | | | 209,242 |
| Total Assistance Listing Number 14.231 | | | | | <u>551,446</u> |
| Home Investment Partnerships Program - 2016 | 14.239 | M-16-MC-48-0502 | | -- | 48,401 |
| Home Investment Partnerships Program - 2017 | 14.239 | M-17-MC-48-0502 | | 91,985 | 191,646 |
| Home Investment Partnerships Program - 2018 | 14.239 | M-18-MC-48-0502 | | 236,771 | 608,526 |
| Home Investment Partnerships Program - 2019 | 14.239 | M-19-MC-48-0502 | | -- | 42,608 |
| Home Investment Partnerships Program - 2020 | 14.239 | M-20-MC-48-0502 | | 171,244 | 269,989 |
| Total Assistance Listing Number 14.239 | | | | <u>500,000</u> | <u>1,161,170</u> |
| Total U.S. Department of Housing and Urban Development | | | | <u>1,296,910</u> | <u>4,513,949</u> |
| U.S. Department of Justice | | | | | |
| <u>Direct Programs</u> | | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 16.034 | 2020-VD-BX-0441 | | | 39,201 |
| <u>Direct Programs</u> | | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2018-DJ-BX-0408 | | 12,425 | 16,990 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2019-DJ-BX-0569 | | 42,221 | 68,942 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2020-DJ-BX-0642 | | 22,769 | 22,769 |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 15PBJ-21-GG-01871 | | -- | 29,900 |
| Total Edward Byrne Memorial Justice Assistance Grant | | | | <u>77,415</u> | <u>138,601</u> |
| <u>Passed through Coastal Bend Wellness Foundation</u> | | | | | |
| Red Cord Initiative Diversion Program | 16.738 | 2019-DJ-BX-0016 | 3720002 | -- | 65,126 |
| Total Assistance Listing Number 16.738 | | | | <u>77,415</u> | <u>203,727</u> |
| <u>Passed through Texas Office of the Governor - Criminal Justice Division</u> | | | | | |
| Coverdell Forensic Sciences Improvement Grant Program | 16.742 | 15PBJA21GG02933COVE | 4,225,701 | | 31,188 |
| <u>Direct Program</u> | | | | | |
| Federal Confiscated Property | | | | | |
| Equitable Sharing Program | 16.922 | | | | 242,985 |
| <u>Passed through Office of the Governor/Criminal Justice Division</u> | | | | | |
| Victims of Crime Act | 16.575 | 2019-V2-GX-0011 | 2677016 | | 6 |
| Victims of Crime Act | 16.575 | 2020-V2-GX-0004 | 1522319 | | 128,866 |
| Victims of Crime Act | 16.575 | 2020-V2-GX-0004 | 2677107 | | 89,282 |
| Total Assistance Listing Number 16.575 | | | | | <u>218,154</u> |
| Violence Against Women Formula Grant Program | 16.588 | 15JOVW21GG00566STOP | 1517123 | | 27,578 |
| Total U.S. Department of Justice | | | | <u>77,415</u> | <u>762,833</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, 2022

| 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 | | | 3,218,831 |
| Rehabilitate Terminal Apron; Rescue Truck | 20.106 | 3-48-0051-060-2020 | | | 2,672,348 |
| Runway 13/31 & Taxiways | 20.106 | 3-48-0051-062-2021 | | | 2,912,189 |
| Passenger Loading Bridges | 20.106 | 3-48-0051-067-2021 | | | 4,441,014 |
| Terminal Improvements | 20.106 | 3-48-0051-068-2021 | | | 747,450 |
| Terminal Improvements | 20.106 | 3-48-0051-069-2021 | | | 170,335 |
| Total Assistance Listing Number 20.106 | | | | | <u>14,162,167</u> |
| <u>Passed through Texas Department of Highways and Public Transportation</u> | | | | | |
| Highway Safety Cluster: | | | | | |
| State and Community Highway Safety | 20.600 | 69A37522300004020TX0 | 2022-CorpusPD-S-1YG-00069 | | 128,595 |
| Total Highway Safety Cluster | | | | | <u>128,595</u> |
| Total U.S. Department of Transportation | | | | | <u>14,290,762</u> |
| U.S. Department of the Treasury | | | | | |
| <u>Direct Programs</u> | | | | | |
| COVID-19 - Emergency Rental Assistance Program 1 | 21.023 | | | | 7,347,457 |
| COVID-19 - Emergency Rental Assistance Program 2 | 21.023 | | | | 8,255,927 |
| Total Assistance Listing Number 21.023 | | | | | <u>15,603,384</u> |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | | | | 8,063,995 |
| Total U.S. Department of the Treasury | | | | | <u>23,667,379</u> |
| Institute of Museum and Library Services | | | | | |
| <u>Passed through Texas State Library & Archives Commission</u> | | | | | |
| Grants to States - Institute of Museum and Library Services | 45.310 | | LS-246561-OLS-20 | | (261) |
| Total Institute of Museum and Library Services | | | | | <u>(261)</u> |
| Texas Water Development Board | | | | | |
| <u>Passed through Texas Water Development Board</u> | | | | | |
| Principal Forgiveness Agreement | 66.458 | | | | 108,605 |
| Total Assistance Listing Number 66.458 | | | | | <u>108,605</u> |
| U.S. Environmental Protection Agency | | | | | |
| <u>Passed through Texas General Land Office</u> | | | | | |
| Beach Monitoring and Notification Program Implementation | 66.472 | | 21-043-001 | | 219 |
| Total Assistance Listing Number 66.472 | | | | | <u>219</u> |
| Total U.S. Environmental Protection Agency | | | | | <u>108,824</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: | | | | | |
| COVID-19 - Special Programs for the Aging Title III, Part C Nutrition Svcs, CARES | 93.045 | | AA3-2148-4 | | 896,962 |
| Special Programs for the Aging Title III, Part C Nutrition Svcs | 93.045 | | AA3-2148-4 | | 261,462 |
| Total Assistance Listing Number 93.045 | | | | | <u>1,158,424</u> |
| Nutrition Services Incentive Program | 93.053 | | AA3-2148-4 | | 124,284 |
| Total Aging Cluster | | | | | <u>1,282,708</u> |
| <u>Passed through Texas Department of State Health Services</u> | | | | | |
| CPS-Laboratory Response Network-PHEP | 93.069 | NU90TP922045 | 537-18-0147-00001 | | 203,519 |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | U52PS004694 | HHS000686100012 | | 27,645 |
| COVID-19 - Coronavirus 2019 | 93.354 | NU90TP92067 | HHS000904900001 | | 53,574 |
| CPS/PH Workforce Contract | 93.354 | NU90TP922165 | HHS001076700001 | | 82,441 |
| Total Assistance Listing Number 93.354 | | | | | <u>136,015</u> |
| Immunization Grants | 93.268 | | HHS000114000001-3 | | 106,525 |
| COVID-19 Vaccination Capacity | 93.268 | NH23IP922616 | HHS001019500010 | | 5,232,320 |
| Total Assistance Listing Number 93.268 | | | | | <u>5,338,845</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, 2022

| 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 | NB01OT009365 | HHS001021100001 | | 78,575 |
| <u>Passed Through Texas Department of Family and Protective Services</u> | | | | | |
| Promoting Safe and Stable Families | 93.556 | HHS000841700013 | 24426873 | 54 | 54 |
| Promoting Safe and Stable Families | 93.556 | HHS000841700013 | 24426873 | 51,852 | 86,239 |
| Promoting Safe and Stable Families | 93.556 | HHS000841700013 | 24426873 | 5,411 | 8,785 |
| Total Assistance Listing Number 93.268 | | | | <u>57,317</u> | <u>95,078</u> |
| TANF Emergency Assistance | 93.558 | HHS000841700013 | 24426873 | 22,810 | 22,810 |
| Total U.S. Department of Health and Human Services | | | | <u>80,127</u> | <u>7,185,195</u> |
| Corporation for National and Community Service | | | | | |
| <u>Direct Programs</u> | | | | | |
| Retired and Senior Volunteer Program | 94.002 | | 21SRGT005 | | 47,363 |
| Retired and Senior Volunteer Program | 94.002 | | 21SRGT005 | | 31,324 |
| Total Assistance Listing Number 94.002 | | | | | <u>78,687</u> |
| Foster Grandparent/Senior Companion Cluster: | | | | | |
| Senior Companion Program | 94.016 | | 19SCWT002 | | 136,228 |
| Senior Companion Program | 94.016 | | 22SCGT002 | | 227,712 |
| Total Assistance Listing Number 94.016 | | | | | <u>363,940</u> |
| Total Foster Grandparent/Senior Companion Cluster | | | | | <u>363,940</u> |
| Total Corporation for National and Community Service | | | | | <u>442,627</u> |
| Executive Office of the President | | | | | |
| <u>Direct Programs</u> | | | | | |
| High Intensity Drug Trafficking Areas Program | 95.001 | G21HN0006A | | | 42,769 |
| High Intensity Drug Trafficking Areas Program | 95.001 | G22HN0006A | | | 1,770 |
| Total Assistance Listing Number 95.001 | | | | | <u>44,539</u> |
| Total Executive Office of the President | | | | | <u>44,539</u> |
| U.S. Department of Homeland Security | | | | | |
| <u>Passed Through Texas Department of Public Safety</u> | | | | | |
| Disaster Grants - Public Assistance | | | | | |
| Packery Channel Restoration | 97.036 | 4332DRTXP0000001 | PA-06-TX-4332-PW04514 | | 1,632,211 |
| Packery Channel Sewer | 97.036 | 4332DRTXP0000001 | PA-06-TX-4332-PW07421 | | 911 |
| Winter Weather Event 2021 | 97.036 | 4586PATXP0000001 | PA-06-TX-4586-PW-00476 | | 236,718 |
| Total Assistance Listing Number 97.036 | | | | | <u>1,869,840</u> |
| Emergency Management Performance Grant | 97.042 | | EMT-2020-EP-00004 | | 8,561 |
| <u>Passed Through Nueces County</u> | | | | | |
| FY20 Operation Stonegarden Grant Program | 97.067 | EMW-2020-SS-00054 | 3173706 | | 72,185 |
| FY21 Operation Stonegarden Grant Program | 97.067 | EMW-2021-SS-00062 | 3173707 | | 97,230 |
| <u>Passed Through Office of the Texas Governor - Homeland Security Grants Division (HSGD)</u> | | | | | |
| Bomb Squad Detection | 97.067 | EMW-2020-SS-00054 | 4067701 | | 115,000 |
| Incident Command Training | 97.067 | EMW-2020-SS-00054 | 4076001 | | 45,389 |
| AET Bomb Squad Portable Detection | 97.067 | EMW-2021-SS-00062 | 4067702 | | 70,940 |
| AET Bomb Squad Safety Enhancement | 97.067 | EMW-2021-SS-00062 | 4309901 | | 28,705 |
| AET Hazmat Response Enhancement | 97.067 | EMW-2021-SS-00062 | 4079502 | | 34,950 |
| Total Assistance Listing Number 97.067 | | | | | <u>464,399</u> |
| Total U.S. Department of Homeland Security | | | | | <u>2,342,800</u> |
| Total Federal and Passed Through Assistance | | | | <u>\$ 1,454,452</u> | <u>\$ 55,203,055</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, 2022

| 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 | | | \$ 124,128 | <u>124,128</u> |
| Total Direct Programs | | | | | <u>124,128</u> |
| Total Texas Commission on Environmental Quality | | | | | <u>124,128</u> |
| Texas Department of Agriculture | | | | | |
| <u>Direct Programs</u> | | | | | |
| Texans Feeding Texans Program | HDM-21-6091 | | | | 1,347 |
| Texans Feeding Texans Program | HDM-20-22264 | | | | 29,474 |
| Total Texas Department of Agriculture | | | | | <u>30,821</u> |
| Texas Department of Family and Protective Services | | | | | |
| <u>Direct Programs</u> | | | | | |
| Promoting Safe and Stable Families | 24426873 | | | \$ 178,946 | 261,363 |
| Promoting Safe and Stable Families | 24426873 | | | 12,968 | 21,056 |
| Community Youth Development | 24426873 | | | 129 | 129 |
| Total Texas Department of Family and Protective Services | | | | <u>192,043</u> | <u>282,548</u> |
| Texas Department of Public Safety | | | | | |
| <u>Direct Programs</u> | | | | | |
| Local Border Security | 2022-BL-ST-0016 | | 3404805 | | 59,000 |
| Local Border Security | 2023-BL-ST-0016 | | 3404806 | | 7,547 |
| Total Texas Department of Public Safety | | | | | <u>66,547</u> |
| Texas Department of State Health Services | | | | | |
| <u>Direct Programs</u> | | | | | |
| TB/PC | HH5001182200013 | | | | 59,972 |
| Immunization Grants | HH5000114000001-2 | | | | 57,341 |
| Regional Local Services System | HH5001021100001 | | | | 72,749 |
| IDCU/SUR | HH5000436300009 | | | | 94,467 |
| IDCU/FLU-Lab FY20-21 | HH5000442100001 | | | | 2,500 |
| Total IDCU Program | | | | | <u>96,967</u> |
| Total Texas Department of State Health Services | | | | | <u>287,029</u> |
| Texas General Land Office | | | | | |
| <u>Direct Programs</u> | | | | | |
| Redhead Pond Adjacent Tracts Acquisition | 21-060-018-C678 | | | | 358,082 |
| Total Texas General Land Office | | | | | <u>358,082</u> |
| Texas Health and Human Services Commission | | | | | |
| <u>Direct Programs</u> | | | | | |
| Retired and Senior Volunteer Program | HH5000871100033 | | | | 21,987 |
| Senior Companion Program | HH5000871100038 | | | | 6,791 |
| Senior Companion Program | HH5000871100038 | | | | 6,791 |
| Total Texas Health and Human Services Commission | | | | | <u>35,569</u> |
| Texas Department of Motor Vehicles | | | | | |
| <u>Direct Programs</u> | | | | | |
| Corpus Christi Auto Theft Prevention Grant | 608-21-1780200 | | | | 499 |
| Corpus Christi Auto Theft Prevention Grant | 608-22-1780200 | | | | 381,207 |
| Corpus Christi Auto Theft Prevention Grant | 608-23-1780200 | | | | 46,874 |
| Total Corpus Christi Auto Theft Prevention Program | | | | | <u>428,580</u> |
| Total Texas Department of Motor Vehicles | | | | | <u>428,580</u> |
| Office of the Governor | | | | | |
| <u>Direct Programs</u> | | | | | |
| Defense Economic Adjustment Assistance Grant ("DEAAG") | TMPC 2020-01-09 | | | | 883,968 |
| Defense Economic Adjustment Assistance Grant ("DEAAG") | TMPC 2020-02-06 | | | | 175,479 |
| Total Office of the Governor | | | | | <u>1,059,447</u> |
| Office of the Governor Criminal Justice Division | | | | | |
| <u>Direct Programs</u> | | | | | |
| BC- Body-Worn Camera (BWC) Project | 2022-BC-ST-0020 | | | | 75,000 |
| Total Office of the Governor Criminal Justice Division | | | | | <u>75,000</u> |
| Total State and Passed Through Assistance | | | | <u>\$ 192,043</u> | <u>\$ 2,747,751</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

Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2022

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, 2022. 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 Grant Management Standards (TxGMS). 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 TxGMS, 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 CFDA Number 97.036 - Texas Department of Emergency Management, Public Assistance Grant | |
| Packery Channel Restoration | \$ 295,444 |
| Winter Weather Event 2021 | 236,718 |
| State Program - Office of the Governor | |
| Defense Economic Adjustment Assistance Grant (DEAAG) | 83,038 |
| Total | \$ 615,200 |

City of Corpus Christi, Texas

Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2022

Note 6. Loans Outstanding

The City had the following loan balance outstanding as of September 30, 2022 under the United States Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds program (passed through the Texas Water Development Board).

| Program Title | Assistance Listing | Loan Balance September 30, 2021 | Repayments | Loan Balance September 30, 2022 |
|---|--------------------|---------------------------------|------------|---------------------------------|
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | - | - | 3,561,000 |

Loans received under this program do not have continuing compliance requirements. There was \$108,605 in Bond Issuance costs during Fiscal Year 2022. This grant also includes forgivable principal in the amount of \$1,190,000.

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 the City of Corpus Christi, Texas (City) as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2023. Our report includes a reference to other auditors who audited the financial statements of the 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*.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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.

The Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 31, 2023



**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 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

Opinion on 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 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, 2022. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standard generally accepted in the United States of America (GAAS); the standards application to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *Texas Grant Management Standards* (TxGMS). Our responsibilities under those standards, the Uniform Guidance and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts of grant agreements applicable to the City's federal and state programs.

Weaver and Tidwell, L.L.P.
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The Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001. Our opinion on each major federal and state program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The Honorable Mayor and
Members of City Council
City of Corpus Christi, Texas

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other 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 TxGMS. Accordingly, this report is not suitable for any other purpose.

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 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, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 31, 2023, 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 TxGMS 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
April 10, 2023

City of Corpus Christi, Texas
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended September 30, 2022

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? | Yes, 2022-001 |
| 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 Uniform Guidance §200.516(a)? | Yes |

4. Identification of major programs:

| <u>Assistance Listing Number(s)</u> | <u>Name of Federal Program</u> |
|-------------------------------------|---|
| 14.218 | CDBG Entitlement Grants Cluster |
| 20.106 | Airport Improvement Programs |
| 21.023 | Emergency Rental Assistance Program |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |
| 97.036 | Disaster Grants - Public Assistance |

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between Type A and Type B federal programs: | \$1,656,092 |
| 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, 2022

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 Grant Management Standards? No

- 4. Identification of major programs:

| <u>Award Number(s)</u> | <u>Name of State Program</u> |
|---|--|
| TMPC 2020-01-09, TMPC 2020-02-06 | Defense Economic Adjustment Assistance Grant ("DEAAG") |
| 608-21-1780200, 608-22-1780200, 608-23-1780200 | Corpus Christi Auto Theft Prevention Grant |

- 5. Dollar threshold used to distinguish between Type A and Type B state programs: \$750,000

- 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, 2022

Section 3. Federal and State Award Findings and Questioned Costs

Finding 2022-001

Information on Federal Program:

Federal Program: CDBG Entitlement Grants Cluster

Federal Agency: U.S. Department of Housing and Urban Development (HUD)

Assistance Listing: 14.218

Compliance Requirements: Allowable Costs/Cost Principles

Material Weakness in Internal Control over Compliance and Noncompliance (Questioned Costs over \$25,000 for a Major Program)

Criteria: 24 CFR 570.202 (c) § 570.202 Code Enforcement, allows costs incurred for inspection for code violations and enforcement of codes (e.g., salaries and related expenses of code enforcement inspectors and legal proceedings, but not including the cost of correcting the violations) in deteriorating or deteriorated areas when such enforcement together with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.

Condition: A HUD review of the City's FY2021 CDBG-funded activities on the CDBG Summary Activity Report showed the City funded two ineligible Code Enforcement activities. Both activities included the expenditure of funds to correct code enforcement violations.

Cause: City staff did not correctly identify these code enforcement activities as ineligible under the CDBG regulations.

Effect or Potential Effect: By not appropriately reviewing the CDBG regulations and guidance to determine whether activity eligibility requirements were met, the City has used federal funds for ineligible activities which has resulted in required repayment of funds from non-federal sources.

Context: Of the approximately \$3.3 million reported as grant expenditures in fiscal year 2021, \$0.2 million were disallowed.

Questioned Costs: \$247,429

Recommendation: We recommend City officials work with HUD to determine the nature of demolition costs and ensure all demolition costs are being appropriately expended under the grant agreement and ensure costs reported through the Consolidated Annual Performance Evaluation Report have the correct IDIS numbers.

Views of Responsible Official(s) 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, 2022

Prior Year Findings

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

Status: Complete



FINANCE & PROCUREMENT

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**City of Corpus Christi
Corrective Action Plan
For the Fiscal Year Ended September 30, 2022**

Finding 2202-001

Information on Federal Program:

Federal Program: CDBG Entitlement Grants Cluster

Federal Agency: U.S. Department of Housing and Urban Development (HUD)

Assistance Listing: 14.218

Compliance Requirements: Allowable Costs/Cost Principles

Corrective Action Plan

The City of Corpus Christi's Responsible Official(s) will work with HUD to determine the nature of demolition costs and ensure all demolition costs are being appropriately expended under the grant agreement and ensure costs reported through the Consolidated Annual Performance Evaluation Report have the correct IDIS numbers.

Person Responsible: Leticia Kanmore, Grant Monitoring Manager, Neighborhood Services

Anticipated Completion Date: May 31, 2023

