

Single Audit Report

For The Fiscal Year Ended September 30, 2023

CITY OF CORPUS CHRISTI, TEXAS
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City of Corpus Christi, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2023
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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, 2023, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 15, 2024. 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001, which we consider to be a significant deficiency.

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*.

The City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
April 15, 2024

**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 *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, 2023. 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 and state programs for the year ended September 30, 2023.

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.

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.

Report on 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 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.

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

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.

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, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 15, 2024, 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 29, 2024

City of Corpus Christi, Texas

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended September 30, 2023

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		\$ 789,743
<u>Passed Through Texas Department of Agriculture</u>					
Child and Adult Care Food Program	10.558		NT4XL1YGLGCS		833
Total U.S. Department of Agriculture					790,576
U.S. Department of Commerce					
<u>Direct Programs</u>					
Economic Development Cluster					
Disaster Supplemental Assistance Junior Beck Drive Improvements	11.307	08-79-05330; 113378			1,556,693
Total U.S. Department of Commerce					1,556,693
U.S. Department of Housing and Urban Development					
<u>Direct Programs</u>					
CDBG Entitlement Grants Cluster:					
COVID-19 - Community Development Block Grant - CARES Act Funding	14.218	B-20-MW-48-0502		\$ 457,303	503,966
CV- Salinas Park Improvements 2021	14.218	B-20-MW-48-0502		1,391,987	1,461,430
Community Development Block Grant - Entitlement Grant 2020	14.218	B-20-MC-48-0502		96	(35,997)
Community Development Block Grant - Entitlement Grant 2021	14.218	B-21-MC-48-0502		198,696	307,306
Community Development Block Grant - Entitlement Grant 2022	14.218	B-22-MC-48-0502		349,518	1,203,194
Total Assistance Listing Number 14.218				2,397,600	3,439,899
Total CDBG Entitlement Grants Cluster				2,397,600	3,439,899
<u>Passed Through Texas General Land Office</u>					
Community Development Block Grant - Disaster Recovery Program	14.228	B-17-DM-48-0001	20-066-017-C123		11,140
Community Development Block Grant - Disaster Recovery Program	14.228	B-17-DM-48-0001	20-065-133-C445		1,322,488
<u>Passed Through Texas Department of Housing and Community Affairs</u>					
Community Development Block Grant - State	14.228	B-20-DW-48-0001	70200001010		(2,407)
Texas Emergency Rental Assistance Program	14.228	B-20-DW-48-0001	70200001010		2,028
Total Assistance Listing Number 14.228					1,333,249
<u>Direct Programs</u>					
COVID-19 - Emergency Solutions Grants Program - CARES Act Funding					
Emergency Solutions Grants Program 2021	14.231	E-20-MW-48-0502			44,870
Emergency Solutions Grants Program 2022	14.231	E-21-MC-48-0502			3,619
Emergency Solutions Grants Program 2022	14.231	E-22-MC-48-0502			234,034
Total Assistance Listing Number 14.231					282,523
Home Investment Partnerships Program - 2015					
Home Investment Partnerships Program - 2016	14.239	M-16-MC-48-0502		-	22,119
Home Investment Partnerships Program - 2017	14.239	M-16-MC-48-0502		-	227,892
Home Investment Partnerships Program - 2018	14.239	M-17-MC-48-0502		61,537	293,293
Home Investment Partnerships Program - 2019	14.239	M-18-MC-48-0502		291,214	51,807
Home Investment Partnerships Program - 2020	14.239	M-19-MC-48-0502		700,000	710,573
Home Investment Partnerships Program - 2021	14.239	M-20-MC-48-0502		5,271	16,890
Home Investment Partnerships Program - 2021	14.239	M-21-MC-48-0502		15,766	89,009
Total Assistance Listing Number 14.239				1,073,788	1,411,583
Fair Housing Assistance Program State and Local	14.401	FF206K22008			61,137
Total U.S. Department of Housing and Urban Development				3,471,388	6,528,391
U.S. Department of Justice					
<u>Direct Programs</u>					
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0408		-	3,736
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0642		-	2,727
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-DJ-BX-0642		17,062	56,462
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-01871		25,008	27,158
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02183		-	103,304
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02183		3,017	18,353
<u>Passed Through Texas Office of the Governor - Criminal Justice Division</u>					
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-00289	4487501	-	45,761
Total Assistance Listing Number 16.738				45,087	257,501
Internet Crimes Against Children (ICAC)	16.543	15PJD-21-GK-03802-MECP			9,961
<u>Direct Program</u>					
Federal Confiscated Property					
Equitable Sharing Program	16.922				291,213
<u>Passed Through Texas Office of the Governor - Criminal Justice Division</u>					
Victims of Crime Act	16.575	2020-V2-GX-0004	1522319		102
Violence Against Women Formula Grant Program	16.588	15JOVW-22-GG-00453-STOP	1517124		48,694
Coverdell Forensic Sciences Improvement Grant Program	16.742	15PBJA-21-GG-02933-COVE	4225701		152,900
Coverdell Forensic Sciences Improvement Grant Program	16.742	15PBJA-22-GG-02029-COVE	4433401		149,809
Total Assistance Listing Number 16.742					302,709
Total U.S. Department of Justice				45,087	910,180

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, 2023

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					
CARES Act Grant	20.106	3-48-0051-059-2020			1,576,900
Airport Coronavirus Relief Grant Program	20.106	3-48-0051-064-2021			70,272
Airport Coronavirus Relief Grant Program	20.106	3-48-0051-065-2021			130,890
Airport Coronavirus Relief Grant Program	20.106	3-48-0051-066-2022			157,638
Passenger Loading Bridges	20.106	3-48-0051-067-2021			85,023
Terminal Improvements	20.106	3-48-0051-068-2022			8,527,716
Total Assistance Listing Number 20.106					<u>10,548,439</u>
<u>Passed Through Texas Department of Highways and Public Transportation</u>					
Highway Safety Cluster:					
State and Community Highway Safety Grant Program	20.600	69A37523300004020TX0	2023-CorpusPD-S-1YG-00062		99,436
Total Highway Safety Cluster					<u>99,436</u>
Total U.S. Department of Transportation					
					<u>10,647,875</u>
U.S. Department of the Treasury					
<u>Direct Programs</u>					
COVID-19 - Emergency Rental Assistance Program 1	21.023				(3,593)
COVID-19 - Emergency Rental Assistance Program 2	21.023				123,627
Total Assistance Listing Number 21.023					<u>120,034</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027				13,572,046
<u>Passed Through Texas Office of the Governor - Criminal Justice Division</u>					
COVID-19 - Victims of Crime Act	21.027	2021-CS-21027	1522320		281,194
Total Assistance Listing Number 21.027					<u>13,853,240</u>
Total U.S. Department of the Treasury					
					<u>13,973,274</u>
Institute of Museum and Library Services					
<u>Passed Through Texas State Library & Archives Commission</u>					
TSLAC - Family Place Retraining	45.310		LS-252486-OLS-22		148
Special Projects 75.2024	45.310		LS-253655-OLS-23		29,472
Total Institute of Museum and Library Services					
					<u>29,620</u>
U.S. Environmental Protection Agency					
<u>Passed Through Texas Water Development Board</u>					
Clean Water State Revolving Fund Cluster	66.458		73907		152,000
Total U.S. Environmental Protection Agency					
					<u>152,000</u>
U.S. Department of Health and Human Services					
<u>Passed Through Texas Department of Aging and Disability Services (DADS)</u>					
<u>Passed Through Coastal Bend Council of Governments - Area Agency on Aging (CBCOG-AAA)</u>					
Aging Cluster:					
Special Programs for the Aging Title III, Part B					
Grants For Supportive Services and Senior Centers	93.045		AA3-2348-4		928,319
Grants For Supportive Services and Senior Centers	93.045		AA3-2348-4		140,913
Total Assistance Listing Number 93.045					<u>1,069,232</u>
Nutrition Services Incentive Program	93.045		AA3-2348-4		104,274
Total Aging Cluster					<u>1,173,506</u>
<u>Passed Through Texas Department of State Health Services</u>					
CPS-Laboratory Response Network-PHEP	93.069	NU90TF922045	537-18-0147-00001		149,882
CPS-Laboratory Response Network-PHEP	93.069	NU90TF922045	HHS001188100001		165,648
CPS-Laboratory Response Network	93.069		HHS001311400005		45,311
CPS-Laboratory Response Network - Hazards	93.069		HHS001311200033		37,661
Total Assistance Listing Number 93.069					<u>398,502</u>
Tuberculosis Control Programs	93.116	NU52PS910188	HHS001096400011		41,311
Immunization Grants	93.268		HHS000114000001-3		1,945
Immunization Grants	93.268		HHS000114000001-4		211,548
Immunization Grants	93.268		HHS001331300011		23,168
Immunization Grants	93.268	NH23IP922616	HHS001019500010		1,896,384
Total Assistance Listing Number 93.268					<u>2,133,045</u>
Epidemiology and Laboratory for Infectious Diseases	93.323	NU50CK000501	HHS000812700042		384,437
CPS/PH Workforce Contract	93.354	NU90TF922165	HHS001076700001		592,414
COVID-19 Health Disparities	93.391	NH75OT000045	HHS001208500001		23,090
STD/HIV-DIS Prevention Services Grant Program	93.977	NH25PS006293-03-04	HHS0001120300007		173,071
STD/HIV-DIS Prevention Services Grant Program	93.977	NH25PS005182	HHS000288900008		192,213
Total Assistance Listing Number 93.977					<u>365,284</u>
Preventive Health and Health Services Block Grant	93.991	NB01OT009365	HHS001021100001		1,096

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, 2023

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>Passed through Texas Department of Family and Protective Services</u>					
Promoting Safe and Stable Families - Community Youth Development Program Total Assistance Listing Number 93.556	93.556		HHS000841700013	75,605	128,244 <u>128,244</u>
477 Cluster TANF Emergency Assistance Total Assistance Listing Number 93.558	93.558	HH5000841700013	24426873		14,630 <u>14,630</u>
Total U.S. Department of Health and Human Services				75,605	5,255,559
Corporation for National and Community Service					
<u>Direct Programs</u>					
Retired and Senior Volunteer Program	94.002	215RGT005			31,585
Retired and Senior Volunteer Program Total Assistance Listing Number 94.002	94.002	215RGT005			44,789 <u>76,374</u>
Foster Grandparent/Senior Companion Cluster: Senior Companion Program Total Foster Grandparent/Senior Companion Cluster Total Corporation for National and Community Service	94.016	225CGTX002			436,913 <u>436,913</u> 513,287
Executive Office of the President					
<u>Direct Programs</u>					
High Intensity Drug Trafficking Areas Program	95.001	G22HN0006A			43,429
High Intensity Drug Trafficking Areas Program Total Executive Office of the President	95.001	G23HN0006A			899 <u>44,328</u>
U.S. Department of Homeland Security					
<u>Direct Program</u>					
Assistance to Firefighters Grant Total Assistance Listing Number 97.044 Total Direct Programs	97.044	EMW-2021-FG-01383			57,735 <u>57,735</u> <u>57,735</u>
<u>Passed Through Texas Department of Public Safety - Division of Emergency Management</u>					
Disaster Grants - Public Assistance					
Packery Channel Restoration	97.036	4332DRTXP0000001	PA-06-TX-4332-PW04514		6,607,248
Packery Channel Sewer	97.036	4332DRTXP0000001	PA-06-TX-4332-PW07421		2,656
Texas Covid-19 Pandemic	97.036	4485DRTXP0000001	PA-06-TX-4485-PW00970		81,789
Health Disaster - TDEM Total Assistance Listing Number 97.036	97.036	4485DRTXP00010071	PA-06-TX-4485-PW01007		59,777 <u>6,751,470</u>
<u>Passed Through Office of the Texas Governor - Homeland Security Grants Division (HSGD)</u>					
Operation Stonegarden Grant Program	97.067	EMW-2021-SS-00062	3173707		98,851
Operation Stonegarden Grant Program	97.067	EMW-2022-SS-00021	3173708		75,070
Dive Trailer	97.067	EMW-2020-SS-00054	4077301		44,064
AET Bomb Squad Safety Enhancement	97.067	EMW-2022-SS-00021	3599402		78,398
AET SWAT Enhancement	97.067	EMW-2021-SS-00062	4308801		54,952
HS GP- CCPD SW AT Detection Total Assistance Listing Number 97.067 Total U.S. Department of Homeland Security	97.067	EMW-2022-SS-00021	4532501		19,155 <u>370,490</u> 7,179,695
Total Federal and Passed Through Assistance				\$ 3,592,080	\$ 47,581,478

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, 2023

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				\$ 214,150
Total Direct Programs					<u>214,150</u>
Total Texas Commission on Environmental Quality					<u>214,150</u>
Texas Department of Agriculture					
<u>Direct Programs</u>					
Texans Feeding Texans Program	HDM2022264				46,044
Texans Feeding Texans Program	HDM2023190				29,515
Total Texas Department of Agriculture					<u>75,559</u>
Texas Department of Housing and Community Affairs					
<u>Direct Programs</u>					
FY2021 Texas Ending Homelessness Fund	30216070008				51,804
FY2022 Texas Homeless Housing and Services Program General Set-Aside	63226070008				195,606
Total Texas Department of Housing and Community Affairs					<u>247,410</u>
Texas Department of Family and Protective Services					
<u>Direct Programs</u>					
Community Youth Development	24817202	HHS000841700013		\$ 162,821	237,567
Total Texas Department of Family and Protective Services				<u>162,821</u>	<u>237,567</u>
Texas Department of Public Safety					
<u>Direct Programs</u>					
Local Border Security	2023-BL-ST-0016		3404806		86,953
Total Texas Department of Public Safety					<u>86,953</u>
Texas Department of State Health Services					
<u>Direct Programs</u>					
TB/PC	HHS001182200013				42,246
HIV Surveillance	HHS001186300001				32,365
Regional Local Services System	HHS001021100001				157,211
Total Regional Local Services System Program					<u>157,211</u>
TX EPI FY24	HHS000436300009				9,574
IDCU/SUR	HHS000436300009				93,640
IDCU/FLU-Lab	HHS000442100001				4,359
Total IDCU Program					<u>107,573</u>
Total Texas Department of State Health Services					<u>339,395</u>
Texas Health and Human Services Commission					
<u>Direct Programs</u>					
Retired and Senior Volunteer Program	HHS000871100038				21,987
Total Texas Health and Human Services Commission					<u>21,987</u>
Texas Department of Motor Vehicles					
<u>Direct Programs</u>					
Corpus Christi Auto Theft Prevention Grant	608-22-1780200				(454)
Corpus Christi Auto Theft Prevention Grant	608-23-1780200				377,519
Corpus Christi Auto Theft Prevention Grant	608-24-1780200				80,971
Corpus Christi Auto Theft Prevention Grant	608-22-RRS009				55,200
Total Corpus Christi Auto Theft Prevention Program					<u>513,236</u>
Total Texas Department of Motor Vehicles					<u>513,236</u>
Office of the Governor					
<u>Direct Programs</u>					
Defense Economic Adjustment Assistance Grant ("DEAAG")	TMPC 2020-02-06				720,051
Defense Economic Adjustment Assistance Grant ("DEAAG")	TMPC 2022-01-08				800,000
Total Office of the Governor					<u>1,520,051</u>
Office of the Governor Criminal Justice Division					
<u>Passed Through Coastal Bend Wellness Foundation</u>					
Innovations to Address Commercial Sexual Exploitation	2022-SF-ST-0015		4227501		(18,041)
Total Passed Through Coastal Bend Wellness Foundation					<u>(18,041)</u>
<u>Direct Programs</u>					
Bullet Resistant Shield Project	2023-SH-ST-0000		4646001		13,738
Total Office of the Governor Criminal Justice Division					<u>(4,303)</u>
Total State and Passed Through Assistance				<u>\$ 162,821</u>	<u>\$ 3,252,005</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, 2023

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, 2023. 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 Assistance Listing Number 20.106 - US Department of Transportation, Airport Improvement Programs	\$ 312,300
State Program - Office of the Governor Defense Economic Adjustment Assistance Grant (DEAAG)	327,030
Total	\$ 639,330

City of Corpus Christi, Texas

Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2023

Note 6. Loans Outstanding

The City had the following loan balance outstanding as of September 30, 2023 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, 2022	Additions	Repayments	Loan Balance September 30, 2023
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$ 3,561,000	\$ -	\$ (152,000)	\$ 3,409,000

Loans received under this program do not have continuing compliance requirements. This grant includes forgivable principal in the amount of \$1,190,000.

City of Corpus Christi, Texas
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended September 30, 2023

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? | 2023-001 |
| 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? | 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)? | No |

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
11.307	Economic Development Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between Type A and Type B federal programs: | \$1,427,444 |
| 6. Auditee qualified as a low-risk auditee? | No |

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2023

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 2022-01-08, TMPC 2020-02-06	Defense Economic Adjustment Assistance Grant ("DEAAG")

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

- 6. Auditee qualified as a low-risk auditee? No

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2023

Section 2. Findings Related to Financial Statements

Finding 2023-001

Significant Deficiency in Internal Control: Financial Statement Closing

Criteria

Management is responsible for the accuracy and completeness of all financial records and related information and for establishing and maintaining effective internal control over financial reporting used in the preparation of financial statements.

Condition

During our audit, we identified several accounts that were not reconciled timely and/or accurately that resulted in audit adjustments, adjustments received from the City late in the audit process, and delays in the audit process.

Cause

The City has experienced high turnover, creating difficulties with staff having the knowledge and experience to perform the annual closing procedures and prepare supporting documents for annual financial reporting.

Effect or Potential Effect

Activity in several accounts was unreconciled, resulting in adjusting entries after fiscal year-end. Continued delays in reconciling accounts at year end may result in undetected misstatements.

Recommendation

We recommend that City's management evaluate and modify its financial statement closing procedures to perform quarterly reconciliations, where appropriate, and provide additional staff training. The City also should evaluate if the proper staffing levels are in place to manage the volume and complexity of its data.

City's Response - Views of Responsible Officials

See corrective action plan.

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2023

Section 3. Federal and State Award Findings and Questioned Costs

None reported.

City of Corpus Christi, Texas

Summary Schedule of Prior Year Findings
For the Fiscal Year Ended September 30, 2023

Prior Year Findings

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)

Status: Completed



FINANCE DEPARTMENT

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Current Year Findings

Finding 2023-001

Significant Deficiency in Internal Control: Financial Statement Closing

Corrective Action Plan

The City of Corpus Christi agrees with the auditor's recommendation for City management to evaluate and modify its financial statement closing procedures to perform quarterly reconciliations, where appropriate, and provide additional staff training. The City will also evaluate if the proper staffing levels are in place to manage the volume and complexity of its data.

Person(s) Responsible

Quarterly Reconciliations

Tina Samford, Chief Accountant

Provide additional staff training and evaluate staffing levels

Judy A. Sandroussi, Controller

Alma I. Casas, Interim Director of Finance and Procurement

Anticipated Completion Date

The anticipated completion date is September 30, 2024.