

CITY OF CORPUS CHRISTI SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019



City of Corpus Christi, Texas
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City of Corpus Christi, Texas

Compliance Report

For the Fiscal Year Ended September 30, 2019



City of Corpus Christi, Texas
Compliance Report
For the Fiscal Year Ended September 30, 2019
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City of Corpus Christi, Texas
 Schedule of Expenditures of Federal and State Awards
 For the Fiscal Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA or State 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	2017-049800-001-2		738,337
Total CFDA Number 10.557				738,337
Total Passed Through Texas Health and Human Services Commission				738,337
<u>Passed through Texas Department of Agriculture</u>				
Child and Adult Care Food Program	10.558	CE-ID 01507		2,828
Total CFDA Number 10.558				2,828
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	CE-ID 01507		22
Summer Food Service Program for Children	10.559	CE-ID 01507		24,504
Total CFDA Number 10.559				24,526
Total Child Nutrition Cluster				24,526
Total Passed Through Texas Department of Agriculture				27,354
Total U.S. Department of Agriculture				765,691
U.S. Department of Housing and Urban Development				
<u>Direct Programs</u>				
CDBG Entitlement Grants Cluster:				
Community Development Block Grant - Entitlement Grant 15-16	14.218		1,554	16,765
Community Development Block Grant - Entitlement Grant 16-17	14.218		14,968	76,718
Community Development Block Grant - Entitlement Grant 17-18	14.218		135,264	794,535
Community Development Block Grant - Entitlement Grant 18-19	14.218		101,259	1,604,769
Total CFDA Number 14.218			253,045	2,492,787
Total CDBG Entitlement Grants Cluster			253,045	2,492,787
Emergency Solutions Grants Program 17-18	14.231		31,101	69,095
Emergency Solutions Grants Program 18-19	14.231		98,223	191,909
Total CFDA Number 14.231			129,324	261,004
Home Investment Partnerships Program 14-15	14.239		13,936	23,881
Home Investment Partnerships Program 15-16	14.239		207,677	322,062
Home Investment Partnerships Program 16-17	14.239		--	48,024
Home Investment Partnerships Program 17-18	14.239		126,689	126,689
Home Investment Partnerships Program 18-19	14.239		178,321	178,321
Total CFDA Number 14.239			526,623	698,977
Fair Housing Assistance Program State and Local	14.401		--	2,035
Total CFDA Number 14.401			--	2,035
Total Direct Programs			908,992	3,454,803
Total U.S. Department of Housing and Urban Development			908,992	3,454,803
U.S. Department of Justice				
<u>Direct Programs</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-DJ-BX-0571	30,626	(36,859)
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-0161	--	156,000
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0408	43,413	93,483
Total CFDA Number 16.738			74,039	212,624
Federal Confiscated Property - Federal Account	16.922			482,162
Total CFDA Number 16.922				482,162
Total Direct Programs			74,039	694,786
<u>Passed through Office of the Governor/Criminal Justice Division</u>				
Victims of Crime Act	16.575	2016-VA-GX-0033		126,254
Victims of Crime Act	16.575	2018-V2-GX-0040		102,930
Victims of Crime Act	16.575	2018-V2-GX-0040		550
Total CFDA Number 16.575				229,734
Violence Against Women Formula Grant Program	16.588	2018-WF-AX-0022		42,959
Violence Against Women Formula Grant Program	16.588	2018-WF-AX-0022		4,030
Total CFDA Number 16.588				46,989
Total Passed through Office of the Governor/Criminal Justice Division				276,723

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, 2019

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA or State Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<u>Passed through Office of the Attorney General</u>				
Recovery Act - Internet Crimes Against Children Task Force Program	16.543	2015-MC-FX-K049		(2,517)
Recovery Act - Internet Crimes Against Children Task Force Program	16.543	2018-MC-FX-K065		10,100
Total CFDA Number 16.543				7,583
Total U.S. Department of Justice			74,039	979,092
U.S. Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Programs	20.106			233,462
Replace Perimeter Security Fence	20.106			429,061
Terminal Apron Reconstruction and Reconstruct East GA Area3-7	20.106			1,596,528
Rehabilitate Terminal Apron	20.106			4,238,312
Total CFDA Number 20.106				6,497,363
Total Direct Programs				6,497,363
<u>Passed through Texas Department of Transportation</u>				
Highway Planning and Construction Cluster:				
Dr. Hector Garcia Park - Hike and Bike	20.205	0916-35-201		14,931
Saratoga Rd to Killarmet - Schanen Ditch Hike and Bike Trail	20.205	0916-35-200		249,192
Ennis Joslin Signals	20.205	0916-00-067		20,028
HAWK Traffic Signal (Ocean Dr. and Del Mar Blvd.)	20.205	0916-35-207		122,470
Strategic Integration (Travel Demand Model) Feasibility Study	20.205	0916-35-205		380,241
FM 2444 Waterline Adjust	20.205	2343-01-037		560,117
Total CFDA 20.205				1,346,979
Total Passed through Texas Department of Transportation				1,346,979
<u>Passed through Texas Department of Highways and Public Transportation</u>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2019-CorpusPD-S-1YG-00034		136,704
Total CFDA Number 20.600				136,704
National Priority Safety Programs	20.616	2019-Corpus PD-CIOT-00013		10,403
Total CFDA Number 20.616				10,403
Total Highway Safety Cluster				147,107
Total Passed Through Texas Department of Highways and Public Transportation				147,107
Total U.S. Department of Transportation				7,991,449
Equal Employment Opportunity Commission				
<u>Direct Programs</u>				
Employment Discrimination Title VII of the Civil Rights Act of 1964	30.001			11,430
Total CFDA Number 30.001				11,430
Total Direct Programs				11,430
Total Equal Employment Opportunity Commission				11,430
National Foundation on the Arts and the Humanities				
<u>Direct Programs</u>				
Grants to States - Institute of Museum and Library Services	45.310	LS-00-18-0044-18		8,370
Total CFDA Number 45.310				8,370
Total Direct Programs				8,370
Total National Foundation on the Arts and the Humanities				8,370
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	AA3-1948-4		17,086
Total CFDA Number 93.044				17,086
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	AA3-1948-4		862,017
Total CFDA Number 93.045				862,017
Nutrition Services Incentive Program	93.053	AA3-1948-4		110,957
Total CFDA Number 93.053				110,957
Total Aging Cluster				990,060
Total Passed Through Texas Department of Aging & Disability Services				990,060

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, 2019

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA or State Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Passed through Texas Department of State Health Services				
CPS-Laboratory Response Network-PHEP	93.069	537-18-0147-00001-02		21,257
Total CFDA Number 93.069				<u>21,257</u>
CPS-Laboratory Response Network-PHEP	93.074	537-18-0147-00001-01		149,607
Total CFDA Number 93.074				<u>149,607</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HHS000036000002		13,105
Tuberculosis Control Programs	93.116	HHS000036000002-01		26,674
Total CFDA Number 93.116				<u>39,779</u>
2017 Hurricane Public Health Crisis Response	93.354	HHS000371500016		87,101
Total CFDA Number 93.354				<u>87,101</u>
Immunization Grants	93.268	HHS000114000001		92,009
Immunization Grants	93.268	HHS000114000001-1		7,755
Total CFDA Number 93.268				<u>99,764</u>
Preventive Health and Health Services Block Grant	93.991	537-18-0210-00001		68,673
Total CFDA Number 93.991				<u>68,673</u>
Texas Healthy Communities	93.758	2016-003808D-5		48,031
Total CFDA Number 93.758				<u>48,031</u>
Total Passed Through Texas Department of State Health Services				<u>514,212</u>
Passed through Texas Department of Family and Protective Services				
Promoting Safe and Stable Families	93.556	1801TXFPSS	146,919	214,460
Total CFDA Number 93.556			<u>146,919</u>	<u>214,460</u>
Total Passed Through Department of Family and Protective Services			<u>146,919</u>	<u>214,460</u>
Total U.S. Department of Health and Human Services			<u>146,919</u>	<u>1,718,732</u>
Corporation for National and Community Service				
<u>Direct Programs</u>				
Retired and Senior Volunteer Program	94.002	17SRWTX018		19,128
Retired and Senior Volunteer Program	94.002	17SRWTX037		21,671
Retired and Senior Volunteer Program	94.002	17SRWTX018		29,135
Total CFDA Number 94.002				<u>69,934</u>
Foster Grandparent/Senior Companion Cluster:				
Senior Companion Program	94.016	16SCWTX003		199,290
Senior Companion Program	94.016	17SCWTX011		6,475
Senior Companion Program	94.016	19SCWTX002		100,688
Total CFDA Number 94.016				<u>306,453</u>
Total Foster Grandparent/Senior Companion Cluster				<u>306,453</u>
Total Direct Programs				<u>376,387</u>
Total Corporation for National and Community Service				<u>376,387</u>
Executive Office of the President				
<u>Direct Programs</u>				
High Intensity Drug Trafficking Areas Program	95.001	G18HN0006A		95,246
High Intensity Drug Trafficking Areas Program	95.001	G19HN0006A		2,768
Total CFDA Number 95.001				<u>98,014</u>
Total Direct Programs				<u>98,014</u>
Total Executive Office of the President				<u>98,014</u>
U.S. Department of Homeland Security				
<u>Direct Program</u>				
Assistance to Firefighters Grant	97.044	EMW-2016-FO-02944		884
Total CFDA Number 97.044				<u>884</u>
Total Direct Programs				<u>884</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, 2019

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA or State Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<u>Passed Through Texas Department of Public Safety</u>				
Disaster Grants - Public Assistance				
CORP-B2 Emergency Protective Measures	97.036	PA-06-TX-1791-PW-05869(1)		856
MAW 157 Emergency Protective Measures	97.036	PA-06-TX-1791-PW-12493(0)		2,791
CCC006F - Damage to Sewer Mains-Cimarron	97.036	PA-06-TX-4223-PW-01382		273,017
CCC003F - Damage to Sewer Mains-2 contract repair	97.036	PA-06-TX-4223-PW-01435		240,780
Allison WW Treatment Plant - Belt Press Bldg.	97.036	4332DRTXP0000001		2,521
City-County Health Building	97.036	4332DRTXP0000001		17,011
Greenwood WW Treatment Plant - Fence	97.036	4332DRTXP0000001		328
Oso W WTP Light Pole	97.036	4332DRTXP0000001		2,907
Whitecap Wastewater Treatment Plant - Lift station	97.036	4332DRTXP0000001		5,737
Police Station and Municipal Court Project #2	97.036	4332DRTXP0000001		938
Greenwood WW Treatment Plant - Chlorine Build	97.036	4332DRTXP0000001		3,975
Greenwood WW Treatment Plant Belt Press Bay D	97.036	4332DRTXP0000001		14,594
Fire Station # 16- Park Operations- Vehicle	97.036	4332DRTXP0000001		17,612
Animal Care/Vector Control Administration	97.036	4332DRTXP0000001		1,200
Whitecap Wastewater Treatment Plant - Office	97.036	4332DRTXP0000001		2,976
Xeriscape Garden Museum Gazebo	97.036	4332DRTXP0000001		9,448
Science & History Museum - Museum Mechanical	97.036	4332DRTXP0000001		9,250
Lindale Rec Cntr Courts	97.036	4332DRTXP0000001		2,207
Lindale Rec Center	97.036	4332DRTXP0000001		5,496
Airport Terminal	97.036	4332DRTXP0000001		793
Press Box/Concession	97.036	4332DRTXP0000001		1,313
City Hall Damages - Roof Repairs	97.036	4332DRTXP0000001		24,885
City Hall Damages - Roof Repairs (amendment 1)	97.036	4332DRTXP0000001		1,101
Oso W W Treatment Plant Blower House 2	97.036	4332DRTXP0000001		8,031
Laguna Waste Water Treatment Plant	97.036	4332DRTXP0000001		5,041
Greenwood WW Treatment Plant - Sodium Bisulfite	97.036	4332DRTXP0000001		2,100
Laguna Wastewater Treatment Plant - Blower	97.036	4332DRTXP0000001		3,386
Laguna Wastewater Treatment Plant - Lift Station	97.036	4332DRTXP0000001		66
Oso WW Treatment Plant Belt Press Building	97.036	4332DRTXP0000001		2,870
Neyland Public Library	97.036	4332DRTXP0000001		273
La Retama Central Library	97.036	4332DRTXP0000001		36,339
HEB Pool Bathhouse	97.036	4332DRTXP0000001		3,690
Oso WW Treatment Plant Blower House 4	97.036	4332DRTXP0000001		17,103
Greenwood WW Treatment Plant - Blower Building	97.036	4332DRTXP0000001		2,988
Fire Station # 16 - Park Operations Administration	97.036	4332DRTXP0000001		9,603
East GA Hangar #1	97.036	4332DRTXP0000001		73
Allison WW Treatment Plant - Light Pole	97.036	4332DRTXP0000001		4,545
Fire Station #1	97.036	4332DRTXP0000001		21,611
O.N. Stevens Water Treatment Plant- Oil Shed	97.036	4332DRTXP0000001		36,500
Fire Admin & Dev. Svcs. Building (Frost Bldg)	97.036	4332DRTXP0000001		17,197
Cooper's Alley L-Head, Marina L Dock/Pier	97.036	4332DRTXP0000001		187,301
Oso Waste Water Treatment Plant	97.036	4332DRTXP0000001		20,648
CCIA - Airport Entrance Monument Sign	97.036	4332DRTXP0000001		7,159
Packery Channel 20 Water Main Repairs	97.036	4332DRTXP0000001		376,250
American Bank Center	97.036	4332DRTXP0000001		96,243
City Hall Building - Engineering Assessment	97.036	4332DRTXP0000001		7,825
Police Communications Tower (Violet Site)	97.036	4332DRTXP0000001		8,287
Police Communications Tower (Harbor Island Site)	97.036	4332DRTXP0000001		7,709
CCIA - Airport Complex (Rescue Station/Maintenance)	97.036	4332DRTXP0000001		125
Emergency Protective Measures	97.036	4332DRTXP0000001		1,941,010
Corpus Christi, City of EXP Category A Debris	97.036	4332DRTXP0000001		10,431,098
Total CFDA Number 97.036				<u>13,896,807</u>
<u>Passed Through Texas Department of Public Safety</u>				
<u>Passed Through Nueces County</u>				
FY16 Operation Stonegarden Grant Program	97.067	EMW-2016-SS-00056		3,732
FY17 Operation Stonegarden Grant Program	97.067	EMW-2017-SS-00005		311,390
FY18 Operation Stonegarden Grant Program	97.067	EMW-2018-SS-00022		65,337
Total Passed Through Texas Department of Public Safety				<u>14,277,266</u>

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City of Corpus Christi, Texas
 Schedule of Expenditures of Federal and State Awards
 For the Fiscal Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA or State Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
<u>Passed Through Office of the Texas Governor</u>				
State Homeland Security Program	97.067	EMW-2017-SS-00005		12,250
State Homeland Security Program	97.067	EMW-2018-SS-00022-S01		83,653
<u>Passed Through Office of the Texas Governor</u>				
<u>Passed Through Nueces County</u>				
MetroCom Dispatch Center Enhancements	97.067	EMW-2018-SS-00022-S01		146,672
Total Passed Through Office of the Texas Governor				242,575
Total CFDA Number 97.067				623,034
Total U.S. Department of Homeland Security				14,520,725
Total Federal and Passed Through Assistance			\$ 1,129,950	\$ 29,924,693
State Assistance:				
State Comptroller of Public Accounts				
Texas Commission on Environmental Quality				
<u>Direct Programs</u>				
Local Emergency Planning Committee (LEPC) Grant Program	582-19-91803			4,968
Total Direct Programs				4,968
Total Texas Commission on Environmental Quality				4,968
Texas Department of Agriculture				
<u>Direct Programs</u>				
Texans Feeding Texans Program	HDM-18-3116			17,393
Texans Feeding Texans Program	HDM-19-4161			3,912
Total Direct Programs				21,305
Total Texas Department of Agriculture				21,305
Texas Department of Family and Protective Services				
<u>Direct Programs</u>				
Community Youth Development	1801TXFPSS		140,200	204,653
Total Texas Department of Family and Protective Services			140,200	204,653
Texas Department of Public Safety				
<u>Direct Programs</u>				
Local Border Security	2019-BL-ST-0016			39,899
Total Direct Programs				39,899
<u>Passed Through Texas Division of Emergency Management</u>				
Category A Debris Removal Project	TCEQ-4332-PW00058			1,159,011
Total Passed Through Texas Division of Emergency Management				1,159,011
Total Texas Department of Public Safety				1,198,910
Texas Department of State Health Services				
<u>Direct Programs</u>				
TB/PC	537-18-0032-00001-01			56,374
TB/PC	HHS00461700001			4,305
Total TB/PC Program				60,679
Immunization Grants	HHS000114000001			125,792
Regional Local Services System	537-18-0210-00001			88,935
IDCU/SUR	537-18-0289-00001			74,648
IDCU/SUR	HHS000436300009			19
IDCU/FLU-Lab FY18-19	537-18-0101-00001			4,976
Total IDCU Program				79,643
Total Direct Programs				355,049
Total Texas Department of State Health Services				355,049

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, 2019

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA or State Award Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
Texas Department of Motor Vehicles				
<u>Direct Programs</u>				
Corpus Christi Auto Theft Prevention Grant	608-18-1780200			10,129
Corpus Christi Auto Theft Prevention Grant	608-19-1780200			359,357
Corpus Christi Auto Theft Prevention Grant	608-20-1780200			51,383
Total Direct Programs				<u>420,869</u>
Total Texas Department of Motor Vehicles				
				<u>420,869</u>
Texas Water Development Board				
<u>Direct Programs</u>				
Aquifer Storage and Recovery	1600011956			208,290
Total Direct Programs				<u>208,290</u>
Total Texas Water Development Board				
				<u>208,290</u>
Office of the Governor, Texas Military Preparedness Commission				
<u>Direct Programs</u>				
Defense Economic Adjustment Assistance Grant ("DEAAG")	TMPC 1801-01-05			2,540,601
Defense Economic Adjustment Assistance Grant ("DEAAG")	TMPC 1801-01-07			3,162,749
Total Direct Programs				<u>5,703,350</u>
Total Office of the Governor, Texas Military Preparedness Commission				
				<u>5,703,350</u>
Total State and Passed Through Assistance			\$ 140,200	\$ <u>8,117,394</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, 2019

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, 2019. 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
Texas Department of Public Safety, Public Assistance Grant, CORP-B2 Emergency Protective Measures	856
Texas Department of Public Safety, Public Assistance Grant, MAW 157 Emergency Protective Measures	2,791
Texas Department of Public Safety, Public Assistance Grant, CCC006-F Damage to Sewer Main – Cimarron Blvd	273,017
Texas Department of Public Safety, Public Assistance Grant, CCC0003F – Damage to Sewer Mains – 2 contract repair sites	240,780
Texas Department of Public Safety, Public Assistance Grant, Police Station and Municipal Court Project #2	938
Texas Department of Public Safety, Public Assistance Grant, Airport Terminal	284
Texas Department of Public Safety, Public Assistance Grant, City Hall Damages – Roof Repairs	24,885
Texas Department of Public Safety, Public Assistance Grant, City Hall Damages – Roof Repairs (amendment 1)	1,101
Texas Department of Public Safety, Public Assistance Grant, Oso WW Treatment Plant Blower House 2	8,031
Texas Department of Public Safety, Public Assistance Grant, La Retama Central Library	18,737
Texas Department of Public Safety, Public Assistance Grant, Oso WW Treatment Plant Blower House 4	14,650
Texas Department of Public Safety, Public Assistance Grant, Fire Station #1	463
Texas Department of Public Safety, Public Assistance Grant, Cooper's Alley L-Head, Marina L Dock/Pier	36,886
Texas Department of Public Safety, Public Assistance Grant, CClA – Airport Entrance Monument Sign	7,159
Texas Department of Public Safety, Public Assistance Grant, Packery Channel 20 Water Main Repairs	376,250
Texas Department of Public Safety, Public Assistance Grant, American Bank Center	51,659
Texas Department of Public Safety, Public Assistance Grant, City Hall Building – Engineering Assessment	7,825
Texas Department of Public Safety, Public Assistance Grant, Emergency Protective Measures	1,941,000
Texas Department of Public Safety, Public Assistance Grant, Corpus Christi, City of EXP Category A Debris	10,431,098
Total	<u>\$ 13,438,410</u>



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, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 30, 2020. Our report includes a reference to other auditors who audited the financial statements of the Corpus Christi Firefighters' Retirement System, American Bank Center Convention Center Fund and the American Bank Center Arena Operations Fund, as described in our report on the City's financial statements. The financial statements of the Corpus Christi Firefighters' Retirement System, American Bank Center Convention Center Fund and the American Bank Center Arena Operations Fund 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 30, 2020



**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, 2019. 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, 2019.

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 a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding 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, 2019 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 30, 2020, 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
April 8, 2020

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2019

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 - 2019-001
- 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? Yes
- 4. Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
93.044, 93.045, 93.053	Aging Cluster
97.036	Disaster Grants – Public Assistance

- 5. Dollar threshold used to distinguish between Type A and Type B federal programs: \$897,741
- 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, 2019

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? Yes – 2019-001

- 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 Texas Uniform Grant Management Standards? Yes

- 4. Identification of major programs:

<u>Award Number(s)</u> TMPC 1801-01-05, TMPC 1801-01-07 TCEQ-4332-PW00058	<u>Name of State Program</u> Defense Economic Adjustment Assistance Grant Category A Debris Removal Project
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- 5. Dollar threshold used to distinguish between Type A and Type B state programs: \$300,000

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

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, 2019

Section 3. Federal and State Award Findings and Questioned Costs

2019-001 Incomplete review of supporting documentation

Federal Program: Disaster Grants – Public Assistance

Federal Agency: U.S. Department of Homeland Security

CFDA: 97.036

Pass-through Entity: Texas Department of Public Safety

State Program: Disaster Grants – Public Assistance

State Agency: Texas Department of Public Safety

State Award Number: TCEQ-4332-PW00058

Pass-through Entity: Texas Division of Emergency Management

Compliance requirements: Allowable cost

Type of finding

Significant deficiency in internal control over compliance

Criteria

Eligible costs for reimbursement should be supported with adequate documentation, reviewed for accuracy and approved by management. All project worksheets submitted to the federal/state agency should be reviewed and approved.

Condition

During our audit, we tested 15 employees' total payroll costs submitted for reimbursement and identified 5 employees for which the overtime claimed did not agree to the underlying timesheets. We also tested 13 days of employees' usage of equipment submitted for the reimbursement and identified 1 discrepancy out of 13 days tested. The discrepancies identified resulted in charges to the grant that were less than the supporting timesheets or equipment usage.

Cause

The City contracted with a third party consultant to accumulate reimbursable costs for the program and prepare reimbursement requests. The City did not adequately review the information provided by the third party consultant to ensure accuracy of the data.

Effect or Potential Effect

The City may submit reimbursement for costs that were not accurate or adequately supported.

Questioned Costs

Unknown

Context

See "condition" description above. Our sample of payroll covered \$13,532 out of a total of \$1,976,156 included in fiscal year 2019 expenditures included in the schedule of expenditures of federal and state awards, and our sample of employee equipment usage costs covered \$9,186 out of a total of \$1,730,218 included in fiscal year 2019 expenditures included in the schedule of expenditures of federal and state awards. The sampling method utilized was not, and was not intended to be, a statistically valid sample.

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2019

Repeat Finding

No

Recommendation

We recommend that the City review all information provided by the third party consultant to ensure costs are accurate and adequately supported and reviewed prior to submitting for reimbursement.

Views of Responsible Officials and Planned Corrective Action

See corrective action plan.



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PO Box 9277
Corpus Christi
Texas 78469-9277
Phone 361-826-3600
Fax 361-826-3601
www.cctexas.com

Section 4. Summary Schedule of Prior Audit Findings

2018-001 Significant Deficiency in Internal Controls - Accounts Payable Cutoff

Condition

During our testing for proper recording of accounts payable, we found approximately \$1,100,000 in over accrued accounts payable in the streets capital project fund related to three invoices for capital projects. The City recorded an adjustment to correct these errors.

Recommendation

The City should strengthen its process for recording accounts payable at the end of the fiscal year by communicating and training individuals responsible for entering payment information into the accounts payable system. Additionally, management of the City should increase the oversight of this process to ensure accounts payable are properly recorded as of fiscal year end.

Current Status

The recommendation was adopted in fiscal year 2019.

2018-002 Significant Deficiency in Internal Controls - Utility Billing System

Condition

In December 2017, the City implemented a new utility billing system. After the implementation, and throughout the fiscal year, the City noted various errors, which included the following:

- The integration into the general ledger was not recording the transaction into the proper general ledger accounts. The City was not able to reconcile certain accounts throughout the year, including the cash account related to utilities.
- Certain customer accounts were not billed during the year (i.e., customers did not receive a utility bill after the new system was implemented). These accounts were billed to the customers subsequent to the end of the fiscal year in the amount of \$809,000. The portion of these bills related to fiscal year 2018 have been recorded as accounts receivable and revenue as of September 30, 2018.
- Certain other customer accounts were billed sporadically throughout the year. Management has estimated the additional billing for the sporadically billed accounts to be \$1,075,000. The portion of this amount related to fiscal year 2018 have been recorded as accounts receivable and revenue as of September 30, 2018.

Recommendation

We recommend the City continue to monitor the billing system to ensure controls are working effectively and errors can be detected and corrected in a more timely basis.

Current Status

The recommendation was adopted in fiscal year 2019.



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PO Box 9277
Corpus Christi
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2018-003 Significant Deficiency in Internal Controls - Loans Receivable

Condition

During our testing of loans in progress receivable account, we noted the City had not reconciled the subsidiary account to the general ledger. In addition, approximately \$3,000,000 in errors related to either uncollectible loans or grants were incorrectly recorded as loans receivable. Approximately \$2,000,000 of the correction is related to transactions from the previous year.

Recommendation

We recommend the City periodically reconcile this account to a subsidiary ledger and investigate and correct any errors. Additionally, monitoring procedures should be put in place to ensure only valid loans are recorded to the loan receivable account.

Current Status

The recommendation was adopted in fiscal year 2019.

2018-004 Subrecipient Monitoring

United States Department of Health and Human Services
Federal Program: Promoting Safe and Stable Families
CFDA Number: 93.556
Federal Award Number: 24186672 and 24426873
Federal Award Year: 2017 and 2018

Type of Finding

Significant Deficiency

Condition

The City's agreements with subrecipients did not contain all the information required by paragraph 200.331 of the Uniform Guidance. Additionally, the City did not perform a formal risk assessment for each subrecipient. The City did not perform monthly site visits for two of the eight subrecipients selected for testing; however, the City did review documentation supporting reimbursement request for activities allowed and unallowed. Also, the City did not obtain any subrecipient audits during the year. Subsequent receipt of these audit reports did not disclose any findings that would require additional follow-up by the City.

Recommendation

We recommend the City formalize its subrecipient monitoring process. This should include training specifically related to subrecipient monitoring requirements risk assessments, as well as developing a checklist for monitoring activities to document subrecipient monitoring activities.

Current Status

The recommendation was adopted in fiscal year 2019.



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2018-005 Subrecipient Monitoring

United States Department of Health and Human Services
Federal Program: Promoting Safe and Stable Families
CFDA Number: 93.556
Federal Award Numbers: 24186672 and 24426873
Federal Award Years: 2017 and 2018

Type of Finding

Noncompliance

See finding 2018-004 above.

Current Status

The recommendation was adopted in fiscal year 2019.

2018-006 Subrecipient Monitoring

Texas Department of Family and Protective Services
State Program: Community Youth Program
State Award Number: 24186672 and 24426873
State Award Year: 2017 and 2018

Type of Finding

Significant Deficiency

Condition

The City's agreements with subrecipients did not contain all the information required by paragraph Section .400(d) of the Uniform Grant Management Standards. The City did not perform monthly site visits for two of the eight subrecipient selected for testing; however, the City did review documentation supporting reimbursement requests for activities allowed and unallowed. Also, the City did not obtain any subrecipient audits during the year. Subsequent receipt of these audit reports did not disclose and findings that would requirement additional follow-up by the City.

Recommendation

We recommend the City formalize its subrecipient monitoring process. This should include training specifically related to subrecipient monitoring requirements risk assessments, as well as developing a checklist for monitoring activities to document subrecipient monitoring activities.

Current Status

The recommendation was adopted in fiscal year 2019.



2018-007 Subrecipient Monitoring

Texas Department of Family and Protective Services
State Program: Community Youth Program
State Award Numbers: 24186672 and 24426873
State Award Years: 2017 and 2018

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Corpus Christi
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Fax 361-826-3601
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Type of Finding

Noncompliance

See finding 2018-006 above.

Current Status

The recommendation was adopted in fiscal year 2019.



**City of Corpus Christi, Texas
Corrective Action Plan
For the Fiscal Year Ended September 30, 2019**

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Corpus Christi
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Fax 361-826-3601
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2019-001 Incomplete review of supporting documentation

Federal Program: Disaster Grants – Public Assistance
Federal Agency: U.S. Department of Homeland Security
CFDA: 97.036
Pass-through Entity: Texas Department of Public Safety
State Program: Disaster Grants – Public Assistance
State Agency: Texas Department of Public Safety
State Award Number: TCEQ-4332-PW00058
Pass-through Entity: Texas Division of Emergency Management
Compliance requirements: Allowable cost

Type of finding

Significant deficiency in internal control over compliance

Condition

During our audit, we tested 15 employees' total payroll costs submitted for reimbursement and identified 5 employees for which the overtime claimed did not agree to the underlying timesheets. We also tested 13 days of employees' usage of equipment submitted for the reimbursement and identified 1 discrepancy out of 13 days tested. The discrepancies identified resulted in charges to the grant that were less than the supporting timesheets or equipment usage.

Context

See "condition" description above. Our sample of payroll covered \$13,532 out of a total of \$1,976,156 included in fiscal year 2019 expenditures included in the schedule of expenditures of federal and state awards, and our sample of employee equipment usage costs covered \$9,186 out of a total of \$1,730,218 included in fiscal year 2019 expenditures included in the schedule of expenditures of federal and state awards. The sampling method utilized was not, and was not intended to be, a statistically valid sample.

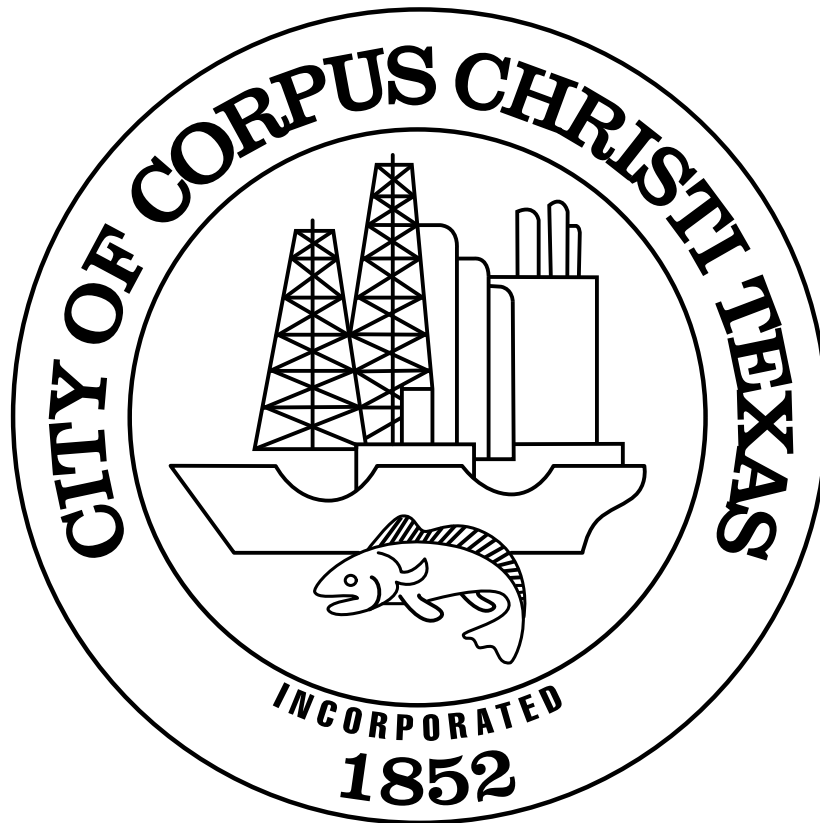
Recommendation

We recommend that the City review all information provided by the third party consultant to ensure costs are accurate and adequately supported and reviewed prior to submitting for reimbursement.

Corrective Action Plan

The City will review all information provided by the third party consultants to ensure costs are accurate and adequately supported and reviewed prior to submitting for reimbursement. We will do this by having a Disaster Grants Coordinator who will work with departments in assessing the documentation submitted. Thereafter, the Disaster Grants Liaison will be responsible for reviewing the documentation that will ultimately be submitted for reimbursement. In addition to this, City documentation will clearly indicate base hourly pay rates with the base fringe benefits rate and overtime rates with the overtime fringe benefits rate for labor expenses.

Person Responsible: Disaster Grants Liaison
Anticipated Completion Date: September 30, 2020



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