

Single Audit Report

For The Fiscal Year Ended September 30, 2025



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City of Corpus Christi, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2025
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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 (*Government Auditing Standards*), 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, 2025, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2026.

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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, 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 schedule of findings and questioned costs. 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.

The Woodlands, Texas
March 20, 2026

**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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each major federal 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 finding identified in our compliance audit described in the accompany 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 above 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002, to be significant deficiency.

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 compliance 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 20, 2026, 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.

The Woodlands, Texas
March 20, 2026

City of Corpus Christi, Texas
 Schedule of Expenditures of Federal and State Awards
 For the Fiscal Year Ended September 30, 2025

<u>Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing or State Award Number</u>	<u>Federal Award Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
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	\$	925,147
<u>SNAP Cluster:</u>					
Supplemental Nutrition Assistance Program	10.561		HHS000802100001		38,588
<u>Passed through Texas Department of Agriculture</u>					
Child and Adult Care Food Program	10.558		NT4XL1YGLGC5		3,183
Total U.S. Department of Agriculture					966,918
U.S. Department of Housing and Urban Development					
<u>Direct Programs</u>					
<u>CDBG Entitlement Grants Cluster:</u>					
Community Development Block Grant - Entitlement Grant 2019	14.218	B-19-MC-48-0502		\$	173,565
COVID-19 - Community Development Block Grant - Salinas Park Improvements 2021	14.218	B-20-MW-48-0502			148,131
Community Development Block Grant - Entitlement Grant 2020	14.218	B-20-MC-48-0502			94,844
Community Development Block Grant - Entitlement Grant 2021	14.218	B-21-MC-48-0502			100,443
Community Development Block Grant - Entitlement Grant 2022	14.218	B-22-MC-48-0502			225,257
Community Development Block Grant - Entitlement Grant 2023	14.218	B-23-MC-48-0502			441,378
Community Development Block Grant - Entitlement Grant 2024	14.218	B-24-MC-48-0502			106,261
Total Assistance Listing Number 14.218					1,289,879
Total CDBG Entitlement Grants Cluster					4,681,734
<u>Passed through Texas General Land Office</u>					
Community Development Block Grant - Disaster Recovery Program	14.228	B-17-DM-48-0001	20-065-133-C445		6,930,194
<u>Direct Programs</u>					
Emergency Solutions Grants Program 2023	14.231	E-23-MC-48-0502		4,148	16,165
Emergency Solutions Grants Program 2024	14.231	E-24-MC-48-0502		216,527	225,361
Total Assistance Listing Number 14.231				220,675	241,526
Home Investment Partnerships Program - 2019	14.239	M-19-MC-48-0502		139,985	139,985
Home Investment Partnerships Program - 2020	14.239	M-20-MC-48-0502		76,070	76,070
Home Investment Partnerships Program - 2021 - ARP	14.239	M-21-MP-48-0502		-	74,136
Home Investment Partnerships Program - 2021	14.239	M-21-MC-48-0502		208,310	208,310
Home Investment Partnerships Program - 2022	14.239	M-22-MC-48-0502		328,401	361,209
Home Investment Partnerships Program - 2023	14.239	M-23-MC-48-0502		81,834	205,412
Home Investment Partnerships Program - 2024	14.239	M-24-MC-48-0502		117,000	151,520
Total Assistance Listing Number 14.239				951,600	1,216,642
Total U.S. Department of Housing and Urban Development					2,462,154
U.S. Department of Justice					13,070,096
<u>Direct Programs</u>					
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-01871-JAGX		-	28,080
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02183-JAGX		17,887	17,887
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-23-GG-03841-JAGX		26,570	26,706
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-23-GG-03034-JAGX		-	39,993
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-24-GG-05288-JAGX		26,706	119,725
Total Assistance Listing Number 16.738				71,163	232,391
<u>Passed through Texas Office of the Attorney General</u>					
Internet Crimes Against Children (ICAC)	16.543	15PJD-21-GK-03802-MECP	2214039-01		4,400
<u>Passed through Texas Office of the Governor - Criminal Justice Division</u>					
Victims of Crime Act	16.575	15POVC-23-GG-00468-ASSI	1522322		291,030
Violence Against Women Formula Grant Program	16.588	15JOVW-24-GG-00542-MUMU	1517126		59,609
<u>Direct Program</u>					
Federal Forfeited Property					
Equitable Sharing Program	16.922				114,726
Total U.S. Department of Justice					71,163
					702,156

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

Schedule of Expenditures of Federal and State Awards - Continued
For the Fiscal Year Ended September 30, 2025

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>					
<u>Airport Improvement Programs</u>					
Rehabilitate Terminal Building	20.106	3-48-0051-068-2022			119,236
Rehabilitate Terminal Building	20.106	3-48-0051-071-2023			3,258,602
Update Airport Master Plan & Update Airport Layout Plan (ALP)	20.106	3-48-0051-072-2023			492,293
Total Assistance Listing Number 20.106					3,870,131
Small Community Air Service Development Program	20.930	69A34521400200007			45,237
Total Assistance Listing Number 20.930					45,237
<u>Passed through Texas Department of Transportation</u>					
<u>Highway Safety Cluster:</u>					
State and Community Highway Safety Grant Program	20.600	69A37525300004020TX0	2025-CorpusPD-S-1YG-00074		68,183
Total Highway Safety Cluster					68,183
Total U.S. Department of Transportation					3,983,551
U.S. Department of the Treasury					
<u>Direct Programs</u>					
<u>Federal Confiscated Property</u>					
Federal Equitable Sharing Program	21.016				260,463
COVID-19 - Emergency Rental Assistance Program	21.023	ERA2-7104			55,464
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027				15,144,020
<u>Passed through Commission on State Emergency Communications</u>					
Nex Gen 911	21.027	020-1892	4549601		313,846
Total Assistance Listing Number 21.027					15,457,866
Total U.S. Department of the Treasury					15,773,793
U.S. Environmental Protection Agency					
<u>Passed through Texas Water Development Board</u>					
Clean Water State Revolving Fund	66.458		LF1001467		624,370
Total U.S. Environmental Protection Agency					624,370
U.S. Department of Energy					
<u>Direct Programs</u>					
Energy Efficiency and Conservation Block Grant Program	81.128	EECEQ-01421			3,722
Total U.S. Department of Energy					3,722
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>					
<u>Aging Cluster:</u>					
<u>Special Programs for the Aging Title III, Part B</u>					
Grants For Supportive Services and Senior Centers	93.045		AA3-2348-4		8,843
Grants For Supportive Services and Senior Centers	93.045		AA3-2448-4		65,269
Grants For Supportive Services and Senior Centers	93.045		AA3-2548-4		690,186
Total Assistance Listing Number 93.045					764,298
Total Aging Cluster					764,298
<u>Passed through Texas Health and Human Services Commission</u>					
Social Services Block Grant, Title XX	93.667		000167400		597,882
<u>Passed through Texas Department of Family and Protective Services</u>					
Community Youth Development Program	93.556		HHS000841700013	237,319	396,617
<u>Passed through Texas Department of State Health Services</u>					
Medical Reserve Corps - State, Territory and Tribal Nations	93.008	U3REP230710	HHS001409300017		10,244
Public Health Emergency Preparedness (PHEP) Cooperative Agreement	93.069		HHS001439000008		144,961
Public Health Emergency Preparedness (PHEP) Cooperative Agreement	93.069		HHS001439500046		267,487
Total Assistance Listing Number 93.069					412,448

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

Schedule of Expenditures of Federal and State Awards - Continued
For the Fiscal Year Ended September 30, 2025

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
Tuberculosis Control Programs	93.116	NU52PS910188	HH5001437400015		29,358
Immunization Grants	93.268	NH23IP922616	HH5001331300011		93,262
Vaccination Capacity Program	93.268	NH23IP922616	HH5001019500010		567,441
Total Assistance Listing Number 93.268					660,703
Epidemiology and Laboratory for Infectious Diseases	93.323	NU50CK000501	HH5000812700042		49,666
COVID-19 Health Disparities	93.391	NH75OT000045	HH5001208500001		7,578
STD/HIV-DIS Prevention Services Grant Program	93.940	NH25PS005182-05-00	HH5001315900002		19,171
Public Health Infrastructure Grant	93.967	NE11OE000001	HH5001310000001		336,189
Public Health Infrastructure Grant	93.967	NE11OE000001	HH5001593800001		34,337
Total Assistance Listing Number 93.967					370,526
STD/HIV-DIS Prevention Services Grant Program	93.977	NH25PS006293-03-04	HH5001120300007		57,240
STD/HIV-DIS Prevention Services Grant Program	93.977	NH25PS005182-05-00	HH5001315900002		10,410
Total Assistance Listing Number 93.977					67,650
Preventive Health and Health Services Block Grant	93.991	NB01OT009461	HH5001324900014		84,806
Total U.S. Department of Health and Human Services				237,319	3,470,947
Corporation for National and Community Service					
<u>Direct Programs</u>					
Retired and Senior Volunteer Program	94.002	21SRGTX005			30,824
Retired and Senior Volunteer Program	94.002	24SRGTX004			63,021
Total Assistance Listing Number 94.002					93,845
Foster Grandparent/Senior Companion Cluster: Senior Companion Program	94.016	22SCGTX002			400,798
Total Foster Grandparent/Senior Companion Cluster					400,798
Total Corporation for National and Community Service					494,643
Executive Office of the President					
<u>Direct Programs</u>					
High Intensity Drug Trafficking Areas Program	95.001	G23HN0006A			(899)
High Intensity Drug Trafficking Areas Program	95.001	G24HN0006A			40,593
Total Executive Office of the President					39,694
U.S. Department of Homeland Security					
<u>Passed Through Texas Department of Public Safety - Division of Emergency Management</u>					
Disaster Grants - Public Assistance					
DR4485 - COVID-19 Vaccine Distribution	97.036		PA-06-TX-4485-PW00699		512,701
DR4798 - Hurricane Beryl Administration	97.036		PA-06-TX-4798-PW01900		1,283
DR4798 - Hurricane Beryl Reimbursement	97.036		PA-06-TX-4798-PW00520		19,245
DR4586 - Texas 2021 Winter Storm	97.036		PA-06-TX-4586-PW00476		(232,523)
DR4332 - Packery Channel Sewer Pipe	97.036		PA-06-TX-4332-PW07421		3,567
DR4332 - Packery Channel Restoration	97.036		PA-06-TX-4332-PW04514		2,461,008
Total Assistance Listing Number 97.036					2,765,281
<u>Passed Through Office of the Texas Governor - Homeland Security Grants Division (HSGD)</u>					
Operation Stonegarden Grant Program	97.067	EMW-2023-SS-00025	3173709		117,073
Operation Stonegarden Grant Program	97.067	EMW-2024-SS-05096	3173710		99,089
CCPD Bomb Detection Equipment	97.067	EMW-2024-SS-05096	5105601		63,241
Total Passed through Texas Office of the Governor - Homeland Security Grants Division (HSGD)					279,403
Total Assistance Listing Number 97.067					279,403
Total U.S. Department of Homeland Security					3,044,684
Total Federal and Passed Through Assistance				\$ 2,770,636	\$ 42,174,574

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

Schedule of Expenditures of Federal and State Awards - Continued
For the Fiscal Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	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 Attorney General's Office					
<u>Direct Programs</u>					
State Account				\$ 630,871	<u>630,871</u>
Total Texas Attorney General's Office					
Texas Commission on State Emergency Communication					
<u>Direct Programs</u>					
Texas Broadband Infrastructure Fund				430,411	<u>430,411</u>
Total Texas Commission on State Emergency Communication					
Texas Commission on Environmental Quality					
<u>Direct Programs</u>					
Rider 7 Local Air Quality Planning	582-20-11981			\$ 139,493	140,343
Rider 7 Local Air Quality Planning	582-24-01390			-	(1,057)
Total Texas Commission on Environmental Quality					
				<u>139,493</u>	<u>139,286</u>
Texas Department of Agriculture					
<u>Direct Programs</u>					
Texans Feeding Texans Program	HDM2024264				2,232
Texans Feeding Texans Program	HDM2025198				454
Total Texas Department of Agriculture					
					<u>2,686</u>
Texas Department of Emergency Management					
<u>Direct Programs</u>					
State Disaster Assistance Awards					
23-0001 Wildfire Season 2023	23-0001-SPA-677				97,336
23-0001 Wildfire Season 2023	23-0001-SPA-678				59,393
23-0001 Wildfire Season 2023	23-0001-SPA-679				63,619
23-0001 Wildfire Season 2023	23-0001-SPA-682				41,155
24-0001 Wildfire Season 2024	24-0001-SPA-713				35,464
24-0001 Wildfire Season 2024	24-0001-SPA-714				26,583
24-0001 Wildfire Season 2024	24-0001-SPA-715				33,196
24-0001 Wildfire Season 2024	24-0001-SPA-716				(10,277)
24-0001 Wildfire Season 2024	24-0001-SPA-685				110
24-0014 26APR Severe Weather	24-0014-SPA-60				9,607
24-0014 26APR Severe Weather	24-0014-SPA-61				20,276
24-0014 26APR Severe Weather	24-0014-SPA-62				11,720
24-0016 06JUL Tropical Weather	24-0016-SPA-74				23,779
25-0001 Wildfire Season 2025	25-0001-SPA-388				45,496
25-0001 Wildfire Season 2025	25-0001-SPA-387				15,177
25-0026 02JUL Severe Weather	25-0026-SPA-21				48,893
25-0026 02JUL Severe Weather	25-0026-SPA-32				53,305
25-0026 02JUL Severe Weather	25-0026-SPA-15				46,480
FL-3156 2024 Florida Hurricane Milton	FL-3156-SPA-9				64,561
Total Texas Department of Emergency Management					
					<u>685,873</u>

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

Schedule of Expenditures of Federal and State Awards - Continued
For the Fiscal Year Ended September 30, 2025

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
Texas Department of Motor Vehicles					
<u>Direct Programs</u>					
Corpus Christi Auto Theft Prevention Grant	608-25-1780200				753,162
Corpus Christi Auto Theft Prevention Grant	608-26-1780200				68,256
Total Corpus Christi Auto Theft Prevention Program					821,418
SB224 Catalytic Converter	224-24-1780200				71,235
Total Texas Department of Motor Vehicles					892,653
Texas Department of Transportation					
<u>Direct Programs</u>					
Routine Airport Maintenance Grant Program	M2516CORP				100,000
Total Texas Department of Transportation					100,000
Texas Department of State Health Services					
<u>Direct Programs</u>					
Tuberculosis Prevention and Control Programs	HHS001437400015				56,248
HIV Surveillance	HHS001186300001				40,883
STD/HIV-DIS Prevention Services Grant Program	HHS001315900002				148,473
Immunization and Vaccines for Children	HHS001331300011				141,697
Preventive Health and Health Services Block Grant	HHS001324900014				68,189
Preventive Health and Health Services Block Grant	HHS001588400014				3,249
Total Preventive Health and Health Services Block Grant					71,438
IDCU/SUR	HHS001315700015				13,290
IDCU/FLU-Lab	HHS001323100004				4,980
Total IDCU Program					18,270
Total Texas Department of State Health Services					477,009
Texas Health and Human Services Commission					
<u>Direct Programs</u>					
Senior Companion Program	HHS001373500037				6,791
Retired and Senior Volunteer Program	HHS001373500033				374
Total Texas Health and Human Services Commission					7,165
Texas Historical Commission					
<u>Direct Program</u>					
Upper Westside Historic Resource Survey	4770				11,366
Total Texas Historical Commission					11,366
Office of the Governor					
<u>Direct Programs</u>					
Defense Economic Adjustment Assistance Grant ("DEAAG")	DEAAG 2022-02-10				43,969
Defense Economic Adjustment Assistance Grant ("DEAAG")	DEAAG 2023-01-03				154,721
Total Defense Economic Adjustment Assistance Grant					198,690
Local Border Security	2025-BL-ST-0016				120,500
Total Office of the Governor					319,190
Office of the Governor Criminal Justice Division					
<u>Direct Programs</u>					
ALERT Law Enforcement Training	5258201				2,736
Body-Worn Camera Program	4394803				106,017
Total Office of the Governor Criminal Justice Division					108,753
Total State and Passed Through Assistance				\$ 139,493	\$ 3,805,263

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, 2025

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, 2025. 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 15 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	Federal Assistance Listing or State Award Number	Amount
Federal Programs - Texas Department of Emergency Management Disaster Grants - Public Assistance Grant	97.036	\$ 2,765,281
State Programs - Texas Department of Emergency Management		
23-0001 Wildfire Season 2023	23-0001-SPA-677	97,336
23-0001 Wildfire Season 2023	23-0001-SPA-678	59,393
23-0001 Wildfire Season 2023	23-0001-SPA-679	63,619
23-0001 Wildfire Season 2023	23-0001-SPA-682	41,155
24-0001 Wildfire Season 2024	24-0001-SPA-713	35,464
24-0001 Wildfire Season 2024	24-0001-SPA-715	33,196
24-0001 Wildfire Season 2024	24-0001-SPA-716	(10,277)
24-0014 26APR Severe Weather	24-0014-SPA-60	9,607
24-0014 26APR Severe Weather	24-0014-SPA-61	20,276
Total		\$ 3,115,050

City of Corpus Christi, Texas

Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2025

Note 6. Loans Outstanding

The City had the following loan balance outstanding as of September 30, 2025 under the United States Environmental Protection Agency Capitalization Grants for Drinking Water State Revolving Funds program (passed through the Texas Water Development Board).

<u>Program Title</u>	<u>Assistance Listing</u>	<u>Loan Balance September 30, 2024</u>	<u>Additions</u>	<u>Repayments</u>	<u>Loan Balance September 30, 2025</u>
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$ 3,252,000	\$ -	\$ (159,000)	\$ 3,093,000

Loans received under this program do not have continuing compliance requirements. This loan is in addition to a grant with a forgivable principle 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, 2025

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? 2025-001
- 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? 2025-002
- 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>
14.228	Community Development Block Grant – Disaster Recovery Program
97.036	Disaster Grants – Public Assistance

- 5. Dollar threshold used to distinguish between Type A and Type B federal programs: \$1,265,237
- 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, 2025

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>
608-25-1780200/608-26-1780200	Corpus Christi Auto Theft Prevention Grant

- 5. Dollar threshold used to distinguish between Type A and Type B state programs: \$1,000,000

- 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, 2025

Section 2. Findings Related to Financial Statements

Finding 2025-001

Significant Deficiency in Internal Control: Hilliard Center Financial Statements

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 unreconciled cash of \$924 thousand related to the Hilliard Center bank accounts managed by a third party operator (the "Operator"). Additionally, audited financial statements for the Hilliard Center operations were not available from the third party operator for fiscal year 2025.

Cause

The City contracted with a new operator for the Hilliard Center [formerly known as "American Bank Center"] in 2022, replacing the previous operator who was unable to produce audited financial statements for fiscal year 2021 due to staffing issues related to the 2020 coronavirus pandemic. The current operator has experienced high turnover since 2022, creating difficulties with its staff having the knowledge and experience to perform the annual closing procedures and prepare supporting documents for annual financial reporting necessary to produce separately audited financial statements. The operator also implemented a change in its financial software during fiscal year 2025, resulting in delays in providing certain financial information.

Effect or Potential Effect

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

Recommendation

We recommend that City's management continue to request and review monthly financial statements and in addition, the City should request monthly bank reconciliations and other source documents from the operator and evaluate the City's options for providing accounting assistance, as necessary, to allow the City to achieve its external financial reporting timeline for issuance.

Views of Responsible Official(s) and Planned Corrective Action

See corrective action plan.

City of Corpus Christi, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2025

Section 3. Federal and State Award Findings and Questioned Costs

Finding 2025-002

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

Significant Deficiency in Internal Control over Compliance and Noncompliance (Questioned Costs over \$25,000 for a Non-Major Federal Program)

Criteria

24 CFR §570.205 and §570.206 allows costs incurred for planning activities, which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, as well as program administrative costs related to the planning and execution of community development activities. These costs are capped at twenty (20) percent.

Condition

A HUD review of the City's program year 2023 Consolidated Annual Performance and Evaluation Report (CAPER) and related CDBG funded activities on the CDBG Financial Summary Report showed the City expended more than twenty (20) percent in administrative and planning costs for origin years 2015, 2017, 2018 and 2020.

Cause

City staff did not correctly identify activities as exceeding the administrative cap under the CDBG regulations and award requirements.

Effect or Potential Effect

Federal funds were reimbursed for activities which has resulted in required repayment of funds from non-federal sources.

Questioned Costs

\$249,565

Recommendation

We recommend City officials work with HUD to determine the nature of noncompliance and implement any remedial actions to ensure future administrative and planning costs are being appropriately expended under the CDBG award agreements.

Views of Responsible Official(s) and Planned Corrective Action

See corrective action plan

City of Corpus Christi, Texas

Summary Schedule of Prior Year Findings
For the Fiscal Year Ended September 30, 2025

Prior Year Findings

Finding 2024-001 (Recurring)

Significant Deficiency in Internal Control: Financial Statement Closing

Status

Completed



Current Year Findings

Finding 2025-001

Significant Deficiency in Internal Control: Hilliard Center Financial Statements

Corrective Action Plan

Management agrees with the auditor's finding. The City will request that the operator provide City Finance staff with training and read-only access to their accounting software, reservation software, ticketing software, and any other systems that impact financial accounting.

Additionally, the City will request the operator to submit the following documents on a monthly basis:

- General Ledger Detail
- Payroll Detail Reports
- Accounts Payable Reports
- Aging Reports
- Event Settlements with executed agreements
- Ticketmaster Reports
- Bank Reconciliations
- Inventory Report
- Supporting documentation (e.g., invoices/quotes) for all capital purchase requests
- Construction in Progress Status Update
- Pro-forma Budget during the budget process
- Budget Re-estimates
- Any other documents or reports needed to reconcile and support financial statement amounts

All documents should be made available electronically on a shared site accessible to both the City and the operator. All electronic documents and reports should be provided in both PDF and Excel formats.

Person(s) Responsible

Sergio Villasana, Director of Finance and Procurement

Julie Sandoval, Assistant Director of Finance – Accounting and Treasury

Anticipated Completion Date

The anticipated completion date is September 2026.



Current Year Findings

Finding 2025-002

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 will submit payment to HUD for the \$249,565 of questioned costs. Additionally, the City will update its written program and financial policies and procedures per 24 CFR 570.200(g) which should outline how the City of Corpus Christi will monitor compliance with both of the Administrative and Planning expenditure tests and will provide HUD with a certification stating Planning and Community Development staff received training regarding the limitation on planning and administration costs for origin year grants.

Person(s) Responsible

Jennifer Buxton, Interim Director of Planning and Economic Development

Anticipated Completion Date

The City has completed all corrective actions.



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