

City of Waco, Texas

Single Audit Report

For the Fiscal Year Ended September 30, 2024

City of Waco, Texas
Single Audit Report
For the Fiscal Year Ended September 30, 2024
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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 the City Council of the
City of Waco, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waco, Texas (the City) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 18, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

To the Honorable Mayor and Members of the City Council of the
City of Waco, Texas

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.

Dallas, Texas
February 18, 2025

**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 the
Texas Grant Management Standards**

To the Honorable Mayor and Members of the City Council of the
City of Waco, 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 Waco, Texas (the City)'s compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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 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, 2024.

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 the Texas Grant Management Standards (TxGMS) issued by the Texas Governor's Office of Budget and Planning. 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 or grant agreements applicable to the City's federal and state programs.

The Honorable Mayor and Members of the City Council of the
City of Waco, 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 and state program as a whole.

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 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.

The Honorable Mayor and Members of the City Council of the
City of Waco, Texas

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waco, Texas as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated February 18, 2025, which contained unmodified opinions on those financial statements. 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 Texas Grant Management Standards 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 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.

Dallas, Texas
February 18, 2025

City of Waco, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Texas Health and Human Services Commission:				
Supplemental Food Program for Women, Infants and Children Administration	10.557	HHS000807600001	\$ 1,069,739	\$ -
Peer for Women, Infants and Children	10.557	HHS000807600001	189,663	-
Extra for Women, Infants and Children	10.557	HHS000807600001	99,616	-
Registered Dietian for Women, Infants and Children	10.557	HHS000807600001	71,662	-
Total Assistance Listing Number 10.557			1,430,680	-
Snap for Women, Infants and Children *	10.561	HHS000807600001	58,982	-
Total passed through Texas Health and Human Services Commission			1,489,662	-
Passed through the Texas Department of State Health Services:				
Obesity Prevention Program *	10.561	HHS001432000009	4,990	-
Obesity Prevention Program *	10.561	HHS000743500006 AMEND 4	54,107	-
Total passed through the Texas Department of State Health Services			59,097	-
Total U.S. Department of Agriculture			1,548,759	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
CDBG Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	B-20, B-21, B-22, B-23-MC-48-0029	1,378,308	365,572
COVID-19 - Community Development Block Grant - Coronavirus Grant	14.218	B-20-M W-48-0029	100,927	-
Total CDBG Entitlement Grants Cluster			1,479,235	365,572
Continuum of Care	14.267	TX0240L6T042113	4,549	4,549
Continuum of Care	14.267	TX0240L6T042214	57,436	57,436
Total Assistance Listing Number 14.267			61,985	61,985
Lead Based Paint Hazard Reduction	14.900	TXLHB0703-18	240,531	-
HOME Investment Partnerships Program	14.239	M-16, M-17, M-18, M-19, M-20, M-21, M-22-MC-48-0202	613,533	486,986
COVID-19 - HOME Investment Partnerships Program	14.239	M21-MP480202	21,745	-
HOME Investment Partnerships Program	14.239	loan program - non cash assistance	2,219,718	-
Total Assistance Listing Number 14.239			2,854,996	486,986
Passed through Heart of Texas Homeless Coalition:				
Continuum of Care	14.267	TX0598L6T042200	7,692	7,692
Continuum of Care	14.267	TX0624L6T042100	14,137	14,137
Total Assistance Listing Number 14.267			21,829	21,829
Total passed through Heart of Texas Homeless Coalition			21,829	21,829
Passed through Brazos Valley Council of Governments:				
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	5613/2-553-01	9,204	-
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	5613/1-553-02	122,443	-
Total Assistance Listing Number 14.241			131,647	-
Total passed through Brazos Valley Council of Governments			131,647	-
Total U.S. Department of Housing and Urban Development			4,790,223	936,372
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
FY21 COPS Hiring Program	16.710	15JCOPS-21-GG-03455-UHPX	525,033	-
JAG 2023	16.738	15PBJA-23-GG-03831-JAGX	74,916	33,713
JAG 2022 Byrne Justice Assistance	16.738	15PBJA-22-GG-02300-JAGX	23,280	23,280
Total Assistance Listing Number 16.738			98,196	56,993
Total Direct Programs			623,229	56,993
Passed through the State Governor's Office - Criminal Justice Division:				
Waco Family violence Unit Detectives & Coordinator/2023-2024	16.588	2868009	47,237	-
Waco Family Violence Unit Detectives & Coordinator/2022-2023	16.588	2868010	11,490	-
Total Assistance Listing Number 16.588			58,727	-
Total passed through the State Governor's Office - Criminal Justice Division			58,727	-
Total U.S. Department of Justice			681,956	56,993

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Waco, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Airport Improvement Program (FAA)	20.106	3-48-0220-049-2023	966,369	-
COVID-19 - Airport Improvement Program (FAA)	20.106	3-48-0220-046-2020	525,911	-
Airport Improvement Program (FAA)	20.106	3-48-0220-047-2020	637,116	-
COVID-19 - Airport Improvement Program (FAA)	20.106	3-48-0220-048-2021	1,448	-
Airport Improvement Program (FAA)	20.106	3-48-0220-050-2023	124,730	-
Airport Improvement Program (FAA)	20.106	3-48-0220-051-2024	21,215	-
Total Assistance Listing Number 20.106			2,276,789	-
COVID-19 - Federal Transit Urbanized Area Formula Grant	20.507	TX-2020-174-00	778,515	-
Federal Transit Urbanized Area Formula Grant	20.507	TX-2023-092-00	2,255,065	-
Federal Transit Urbanized Area Formula Grant	20.507	TX-2023-059-00	1,311,008	-
Total Federal Transit Cluster			4,344,588	-
Federal Highway Administration - Office of Safety	20.939	693JJ32340415	511,080	-
Passed through Texas Department of Transportation:				
Metropolitan Planning Grant	20.205	50-24XF0007	577,136	-
MKT East Rails to Trails Connection Phase II	20.205	CSJ#0055-15-076	1,825,145	-
Cedar Ridge Sidewalks	20.205	CSJ#0909-22-191	161,000	-
Total Assistance Listing Number 20.205			2,563,281	-
Selective Traffic Enforcement Program (Highway Safety Cluster)	20.600	2024-WACOPD-S-1YG-00020	109,713	-
Enhanced Mobility of Seniors Individuals with Disabilities (Transit Services Programs Clu	20.513	ED 2042(18)049_22	134,087	-
Total Passed through Texas Department of Transportation			2,807,081	-
Total U.S. Department of Transportation			9,939,538	-
U.S. DEPARTMENT OF TREASURY				
Direct Programs:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP3218	8,830,666	21,627
Total U.S. Department of Treasury			8,830,666	21,627
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Texas Department of State Health Services:				
CPS Hazards	93.069	HHS001439500044	24,938	-
CPS Hazards	93.069	HHS001311200025	98,050	-
Total Assistance Listing Number 93.069			122,988	-
NEHA -FDA	93.103	G-BDEV1-202310-04961	2,388	-
Tuberculosis Prevention and Control - Federal	93.116	HHS001096400027	26,741	-
Tuberculosis Prevention and Control - Combined	93.116	HHS001437400028	1,529	-
Total Assistance Listing Number 93.116			28,270	-
Immunization Branch - Locals	93.268	HHS001331300017	126,972	-
Immunization Branch - Locals	93.268	HHS001331300017 Amendment 1	20,709	-
COVID-19 - COVID Vaccine Vapacity Grant	93.268	HHS001019500031	355,741	-
Total Assistance Listing Number 93.268			503,422	-
COVID-19 - IDCU/SUR - COVID-19 Grant	93.323	HHS000812700033	18,976	-
COVID-19 - COVID Health Disparities	93.391	HHS001057600045	122,246	-
COVID-19 - Public Health Workforce	93.354	HHS001082900001	197,973	-
COVID-19 - Public Health Infrastructure	93.967	HHS001310800001	132,733	-
Texas Healthy Communities	93.991	HHS001456500001	2,346	-
Texas Healthy Communities	93.991	HHS000438400008 Amend #4	66,856	-
Total Assistance Listing Number 93.991			69,202	-
Healthy Babies	93.994	HHS001130300009 Amendment 2	-	-
Healthy Babies	93.994	HHS001130300009 Amendment 1	7,882	-
Total Assistance Listing Number 93.994			7,882	-

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Waco, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through to Subrecipients
HIV Prevention	93.940	HHS000077800025 AMEND# 6	180,333	-
Medical Reserve Corps	93.008	HHS001409300009	4,226	-
RLSS - LOCAL PUBLIC HEALTH SYSTEM	93.991	HHS001324900054	80,960	-
Total passed through the Texas Department of State Health Services			1,471,599	-
Passed through Brazos Valley Council of Governments:				
Ryan White Part B Service Delivery (RWSD)	93.917	5611/1-553-02	142,538	-
Ryan White Part B Service Delivery (RWSD)	93.917	5611/2-553-01	269,655	-
State R	93.917	5611/SR1-553-04	1,950	-
Total Assistance Listing Number 93.917			414,143	-
Total passed through Brazos Valley Council of Governments			414,143	-
Passed through Texas Health and Human Services Commission:				
Title XIX Medicaid Administrative Claiming (Medicaid Cluster)	93.778	HHS000537900178	341,284	-
Total passed through Texas Health and Human Services Commission			341,284	-
Passed through National Association of County and City Health Officials:				
NACCHO - Community Engagement to Decrease Syphilis	93.421	2023-112906	118,660	-
CDC Grant Medical Reserve Corp	93.008	MRC 15-1332	3,085	-
Total passed through National Association of County and City Health Officials			121,745	-
Passed through the National Recreation and Park Association:				
SHAPR 3.0 Chronic Disease Prevention and Control	93.945	NU58DP006985-03-00	3,541	-
Total passed through the National Recreation and Park Association			3,541	-
Total U.S. Department of Health and Human Services			2,352,312	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Texas Division of Emergency Management:				
Disaster Grants - Public Assistance:				
Winter Storm	97.036	4586 Texas Severe Winter Storms	26,824	-
COVID-19 Pandemic	97.036	4485 Texas COVID-19 Pandemic	161,641	-
Total Assistance Listing Number 97.036			188,465	-
Total passed through Texas Division of Emergency Management			188,465	-
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	21502201	80,525	-
Total passed through Texas Office of the Governor - Homeland Security Grants Division			80,525	-
Total U.S. Department of Homeland Security			268,990	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	903892	6,427	-
Total Institute of Museum and Library Services			6,427	-
TOTAL FEDERAL ASSISTANCE			\$ 28,418,871	\$ 1,014,992

* SNAP Cluster totals \$118,079.

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Waco, Texas

Schedule of Expenditures of Federal and State Awards – Continued For the Fiscal Year Ended September 30, 2024

State Grantor/Pass-Through Grantor Program Title	Grantor or Pass-Through Grantor's Number	Program Award Expenditures	Passed Through to Subrecipients
STATE OF TEXAS COMPTROLLER'S OFFICE			
Police LEOSE Grant	NA	\$ 6,560	\$ -
Total State of Texas Comptroller's Office		6,560	-
TEXAS DEPARTMENT OF TRANSPORTATION			
Public Transportation - Urban State Funds	URB 2401(18)	691,397	-
Routine Airport Maintenance Program	M2409WACO	30,169	-
Total Texas Department of Transportation		721,566	-
TEXAS DEPARTMENT OF STATE HEALTH SERVICES			
Direct Programs:			
TB State Grant	HHS001182200026	3,788	-
TB State Grant	HHS001182200026 AMEND 1	42,816	-
RLSS - Local Public Health System	HHS001324900054	73,337	-
HIV Prevention	HHS000077800025 AMEND #6	15,667	-
HIV Prevention	HHS000077800025 AMEND #7	53,598	-
IDCU Epi Disease Surveillance	HHS001315700029	75,801	-
IDCU Epi Disease Surveillance	HHS001315700029 yr 2	6,788	-
Immunization Branch - Locals	HHS001331300017	154,546	-
Healthy Babies	HHS001130300009 Amendment 2	5,848	-
Healthy Babies	HHS001130300009 Amendment 1	44,403	-
Passed through Brazos Valley Council of Governments:			
HIV State Services	5612/1-553-01	244,550	-
HIV State Services	5612/2-553-03	21,026	-
Total Texas Department of State Health Services		742,168	-
STATE OF TEXAS OFFICE OF THE GOVERNOR			
Texas Anti-Gang Program	3748205	716,479	-
Texas Anti-Gang Program	3742806	46,999	-
Total State of Texas Office of the Governor		763,478	-
TEXAS DIVISION OF EMERGENCY MANAGEMENT			
Texas Task Force 1	TX-TF1 47-10207	1,467	-
Wildfire Season 2023 Texas Intrastate Fire Mutual Aid System	23-0001 ST 23-102	9,007	-
Wildfire Season 2023 Texas Intrastate Fire Mutual Aid System	23-0001 ST 23-112	18,606	-
Wildfire Season 2023 Texas Intrastate Fire Mutual Aid System	23-0001 ST 23-146	42,204	-
Wildfire Season 2023 Texas Intrastate Fire Mutual Aid System	23-0001 ST 23-147	41,101	-
Wildfire Season 2023 Texas Intrastate Fire Mutual Aid System	23-0001 ST 23-123	23,464	-
June Severe Weather (Perryton) Texas Intrastate Fire Mutual Aid System	23-0017 ST 23-118	78,768	-
Wildfire Season 2024 Texas Intrastate Fire Mutual Aid System	24-0001 O-127	35,236	-
Total Texas Division of Emergency Management		249,853	-
TOTAL STATE ASSISTANCE		\$ 2,483,625	\$ -

See accompanying Notes to the Schedule of Expenditures of Federal and State Awards.

City of Waco, Texas

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state award activity of the City of Waco, Texas (the "City") under programs of federal and state governments for the year ended September 30, 2024. The information in these Schedules 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 Texas Grant Management Standards of the State of Texas. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the accompanying Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, and "frequently asked questions" ("FAQs") and other guidance issued by the U.S. Department of the Treasury and Texas Grant Management Standards of the State of Texas, wherein certain types of expenditures are not allowable or limited as to reimbursement. Grantor and pass-through grantor identifying numbers are presented where available.

Note 3. Indirect Cost Rate

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

Note 4. Federal Loan Program

The federal loan program listed as non-cash assistance on the accompanying schedule of federal awards is administered directly by the City, and balances and transactions relating to this program are included in the City's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedules. The balance of loans outstanding at September 30, 2024 consists of the following:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Outstanding Balance at September 30, 2024</u>
14.239	HOME Investment Partnership Program	\$ 1,843,177

City of Waco, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2024

Section 1. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Noncompliance material to the financial statements noted?

☐ Yes ☒ No

Federal and State Awards

An unmodified opinion was issued on compliance for the major programs.

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

Federal Assistance Listing/Grant Identification Number

Major Federal Programs:

14.239

21.027

14.218

20.507

Major State Program:

3748205/3748206

Name of Federal or State Program or Cluster

HOME Investment Partnerships Program
COVID-19 - Coronavirus State and Local
Fiscal Recovery Funds
Community Development Block Grants
Entitlement Cluster
Federal Transit Cluster

Texas Anti-Gang Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$852,566 for federal programs
\$750,000 for state programs

Auditee qualified as low-risk under Uniform Guidance?

☒ Yes ☐ No

Auditee qualified as low-risk under TxGMS?

☒ Yes ☐ No

City of Waco, Texas

Schedule of Findings and Questioned Costs – Continued
For the Fiscal Year Ended September 30, 2024

Section 2. Financial Statement Findings

None

Section 3. Federal and State Award Findings and Questioned Costs

None

Section 4. Schedule of Prior Year Findings and Questioned Costs

None