

WALLER COUNTY TEXAS
COMPLIANCE
FEDERAL AND STATE AWARDS

For the Year Ended

December 31, 2024

WALLER COUNTY, TEXAS
FEDERAL AND STATE SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT - REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITOR'S REPORT - REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE	3
INDEPENDENT AUDITOR'S REPORT - REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH TEXAS UNIFORM GRANT MANAGEMENT STANDARDS.....	6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AND STATE	9
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AND STATE.....	11
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS	12
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONT.).....	13
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS.....	14



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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*

The Honorable Judge and Members of Commissioners' Court
Waller County, 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, each major fund, and the aggregate remaining fund information of Waller County, Texas, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Waller County, Texas, basic financial statements and have issued our report thereon dated September 29, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Waller County, Texas' 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 Waller County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the Waller County, Texas' 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Waller County's financial statements are free of 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 the 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Armstrong, Vaughan & Associates, P.C." in a cursive script.

Armstrong, Vaughan & Associates, P.C.

September 29, 2025



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

County Commissioners
Waller County

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Waller County's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024. Waller County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Waller County 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 programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal 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); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Waller County 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 program. Our audit does not provide a legal determination of Waller County'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 Waller County's federal programs.

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 Waller County'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*, and the Uniform Guidance 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 Waller County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Waller County'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 Waller County'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, but not for the purpose of expressing an opinion on the effectiveness of Waller County'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 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 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.

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.

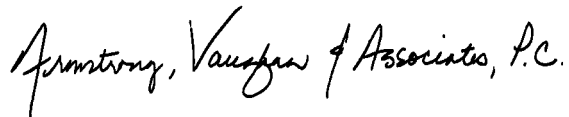
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waller County as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Waller County's basic financial statements. We issued our report thereon dated September 29, 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 awards is presented for purposes of additional analysis as required by 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* (the Uniform Guidance) 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 awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

September 29, 2025



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH TEXAS UNIFORM
GRANT MANAGEMENT STANDARDS

County Commissioners
Waller County

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Waller County's compliance with the types of compliance requirements described in the Texas Comptroller of Public Accounts, *State of Texas Uniform Grant Management Standards*, which includes the State of Texas Single Audit Circular (UGMS) that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024. Waller County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Waller County 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 state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major 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 and the audit requirements of the UGMS. Our responsibilities under those standards and the UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Waller County 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 state program. Our audit does not provide a legal determination of Waller County'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 Waller County's state programs.

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 Waller County'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*, and the UGMS 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 Waller County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, 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 Waller County'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 Waller County'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, but not for the purpose of expressing an opinion on the effectiveness of Waller County'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 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 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 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 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. 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 UGMS. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Armstrong, Vaughan & Associates, P.C." The script is cursive and fluid.

Armstrong, Vaughan & Associates, P.C.

September 29, 2025

WALLER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AND STATE
FOR THE YEAR ENDED DECEMBER 31, 2024

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No
One or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial
Statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No
One or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None Reported

Type of auditor's report issued on compliance for
major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with CFR Part 200
of the Uniform Guidance? Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Harvey Infrastructure Program
97.036	Public Assistance Grant 4781 – Debris Removal

Dollar threshold used to distinguish between
Type A and type B Programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

3. State Awards

Internal control over major programs:

Any material weaknesses identified? ☐ Yes ☒ No

Any significant deficiencies identified? ☐ Yes ☒ No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with TX Single Audit Circular? ☐ Yes ☒ No

Identification of major programs:

Name of State Programs
Senate Bill 22 District Attorney and Sheriff's Office

Dollar threshold used to distinguish between Type A and type B Programs: \$300,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

B. Financial Statement Findings

NONE

C. Federal or State Award Findings and Questioned Costs

NONE

WALLER COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – FEDERAL AND STATE
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Explanation Finding/Recommendation</u>	<u>Current Status</u>	Management's Explanation <u>If Not Implemented</u>
Not Applicable		

WALLER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL AWARDS	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Grantor/Pass-through Grantor Program Title			
U.S. DEPARTMENT OF JUSTICE			
Passed Through Office of the Governor			
Equitable Sharing Agreement and Certification	16.922	N/A	\$ 441,875
Total Passed Through Office of the Governor			441,875
TOTAL U.S. DEPARTMENT OF JUSTICE			441,875
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through the Department of Homeland Security			
Public Assistance Grant 4781 - Debris Removal	97.036	4781DRTXP00002931	548,666
Public Assistance Grant 4781 - Buildings & Equipment	97.036	4781DRTXP00004131	5,000
Public Assistance Grant 4798 - Hurricane Beryl Tax Office	97.036	4798DRTXP00001751	50,000
Public Assistance Grant 4798 - Hurricane Beryl Management Costs	97.036	4798DRTXP00015851	2,500
Total Passed Through Department of Homeland Security			606,166
Passed Through Texas Office of the Governor - (HSGD)			
Radio Program	97.067	4318102	29,267
Waller County Constable's Office, Precinct 4 Radio Program	97.067	5005301	60,680
Total Passed Through Texas Office of the Governor - (HSGD)			89,947
TOTAL U.S. DEPARTMENT OF Homeland Security			696,113
U.S. DEPARTMENT OF JUSTICE			
Passed Through Texas Office of the Governor (CJD)			
Victims of Crime Act Formula Grant Program	16.575	4254703	49,203
Victims of Crime Act Formula Grant Program	16.575	4254704	16,580
Total Passed Through Texas Office of the Governor (CJD)			65,783
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			65,783
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation			
State and Community Highway Safety- STEP CMV	20.600	2024-WallerCOSO-S-CMV-00029	37,223
State and Community Highway Safety- STEP CMV	20.600	2025-WallerCOSO-S-CMV-00024	1,991
State and Community Highway Safety- STEP Comprehensive	20.600	2024-WallerCOSO-S-1YG-00094	18,579
State and Community Highway Safety- STEP Comprehensive	20.600	2025-WallerCOSO-S-1YG-00054	5,753
Total Passed Through Texas Department of Transportation			63,546
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			63,546
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Texas General Land Office			
Harvey Buyout Program	14.228	20-066-011-C074	124,557
Harvey Infrastructure Program	14.228	20-065-062-C180	1,724,750
Local Hazard Mitigation Planning Program (LHMPP)	14.228	22-130-043-E436	92,690
Brookshire Detention Pond Mitigation	14.228	24-065-015-E172	298,713
Prairie View Water Plant Mitigation	14.228	24-065-016-E173	303,069
Total Passed Through Texas General Land Office			2,543,779
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			2,543,779
U.S. TREASURY			
Passed Through Department of U.S. Treasury			
Coronavirus State and Local Fiscal Recovery Funds, ARPA	21.027	N/A	4,056,988
Total Passed Through Department of U.S. Treasury			4,056,988
TOTAL U.S. TREASURY			4,056,988
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 7,868,084

WALLER COUNTY, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2024

STATE AWARDS	Pass-Through Entity Identifying Number	State Expenditures
HOUSTON GALVESTON ADVISORY COUNCIL		
Mental Health and Counseling for Juveniles	12000	\$ 4,300
Total Houston Galveston Advisory Council		<u>4,300</u>
TEXAS JUVENILE JUSTICE DEPARTMENT		
Long Term Detention Grant R	N/A	75,075
Total Texas Juvenile Justice Department		<u>75,075</u>
TEXAS INDIGENT DEFENSE COMMISSION		
Formula Grant Program	212-24-237	45,868
Total Texas Indigent Defense Commission		<u>45,868</u>
OFFICE OF THE ATTORNEY GENERAL		
SA VNS Grant (9-1-2023 to 08-31-2024)	C-01189	12,020
SA VNS Grant (9-1-2024 to 08-31-2025)	C-01830	4,644
Total Office of the Attorney General		<u>16,664</u>
TEXAS OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION (CJD)		
Body Armor Grant Program	2024-BG-ST-0025	33,300
Total Texas Office of the Governor - Criminal Justice Division (CJD)		<u>33,300</u>
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
SB22 Criminal District Attorney	IA-0000000266	275,472
SB22 Rural Sheriff's Office	IA-0000000044	500,481
Total Texas Comptroller of Public Accounts		<u>775,953</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 951,160</u>

WALLER COUNTY, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

The accompanying schedules of expenditures of federal and state awards include the grant activity of the County and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenue in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

Federal and state grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenue until earned.

The information in these schedules is presented in accordance with the requirements of the State of Texas Single Audit Circular ("Audit Circular") and Uniform Guidance. The Audit Circular was issued under the authority of the Texas Government Code, Chapter 783, entitled Uniform Grant and Contract Management.

This circular sets standards for obtaining consistency and uniformity among state agencies for the coordinated audit of local governments expending any state awards. Because the schedules present only a selected portion of the operations of the County, it is not intended to and does not present the financial position of the County.

The County did not use the 10% de minimis indirect cost rate as allowed by Uniform Guidance.