

**ECTOR COUNTY, TEXAS**

**FEDERAL AND STATE SINGLE AUDIT REPORT**

**Year Ended September 30, 2021**

# ECTOR COUNTY, TEXAS

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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***

The Honorable County Judge and Members  
of the Commissioners’ Court  
Ector County, Texas

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ector County, Texas (the County) as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and we have issued our report thereon dated March 22, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing 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 County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 may exist that have not been identified.

The Honorable County Judge and Members  
of the Commissioners' Court  
Ector County, Texas

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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*.

**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.

Handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive style with a large, stylized "P" for Penn.

Odessa, Texas  
March 22, 2022

**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  
STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

The Honorable County Judge and Members  
of the Commissioners' Court  
Ector County, Texas

**Report on Compliance for Each Major Federal and State Program**

We have audited Ector County, Texas' (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2021. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and UGMS. Those standards, the Uniform Guidance, and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the County, 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, 2021.

The Honorable County Judge and Members  
of the Commissioners' Court  
Ector County, Texas

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 22, 2022, 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 UGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Odessa, Texas  
March 22, 2022

**ECTOR COUNTY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended September 30, 2021**

**I. Summary Of Auditor’s Report**

**Financial Statements**

Type of auditors’ report issued	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

**Federal and State Awards**

Internal controls over major programs:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	None

**Identification of Major Federal and State Programs:**

Name of Federal Program	ALN
COVID-19 CRF Funds	21.019

Name of State Program
County Transportation Infrastructure Fund Grant Program

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000 - Federal \$300,000 - State
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Auditee qualified as low-risk auditee?	No
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**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**III. FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**ECTOR COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

*For The Year Ended September 30, 2021*

Federal Grantor/ Pass-Through Grantor/Program Title	ALN	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of the Treasury</b>			
Passed through Texas Division of Emergency Management: COVID-19 CARES ACT Coronavirus Relief Fund (CRF)	21.019	2020-CF-2109	\$ 2,090,484
<b>Total U.S. Department of the Treasury</b>			<b><u>2,090,484</u></b>
<b>U.S. Department of Health and Human Services</b>			
Passed through the Permian Basin Regional Planning Commission: Senior Citizen Title III and C-2 - Aging Cluster	93.045	N/A	187,243
Passed through Texas Department of Family and Protective Services: IV-E Legal Co Atty	93.658	23939985	16,873
Passed through Texas Health & Human Services Commission: Medicaid Administrative Claim - Medicaid Cluster	93.778	N/A	31,169
<b>Total U.S. Department of Health and Human Services</b>			<b><u>235,285</u></b>
<b>U.S. Department of Justice</b>			
Passed through the City of Odessa: Justice Assistance Grant	16.738	2008DJBX0184	10,897
Passed through State of Texas Attorney General: COVID-19 Coronavirus Emergency Supplemental Funding	16.034	4151001	75,489
<b>Total U.S. Department of Justice</b>			<b><u>86,386</u></b>
<b>U.S. Department of Agriculture</b>			
Passed through Texas Department of Agriculture: National School Lunch/Breakfast Program - Child Nutrition Cluster	10.555	1346	32,863
<b>Total U.S. Department of Agriculture</b>			<b><u>32,863</u></b>
<b>U.S. Department of Transportation</b>			
Passed through Texas Department of Transportation: Routine Airport Maintenance Program	20.106	1609ODESA	50,000
<b>Total U.S. Department of Transportation</b>			<b><u>50,000</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 2,495,018</u></b>
State Grantor/ Pass-Through Grantor/Program Title		Pass-Through Entity Identifying Number	State Expenditures
<b>Texas Department of Transportation</b>			
County Transportation Infrastructure Fund Grant Program		2020-CF-21019	\$ 1,414,392
<b>Total Texas Department of Transportation</b>			<b><u>1,414,392</u></b>
<b>Office of Attorney General</b>			
Victim Assistance - AG - Co Atty		2107118	36,299
D A Vic Asst - AG		2107126	27,652
<b>Total Office of Attorney General</b>			<b><u>63,951</u></b>
<b>Department of State Health Services</b>			
Special Immunization Grant		HHS00019700006	136,290
BRLHO		485600013	30,576
Epidemiology		HHS000436300010	65,403
<b>Total Department of State Health Services</b>			<b><u>232,269</u></b>
<b>Total Expenditures of State Awards</b>			<b><u>\$ 1,710,612</u></b>



## **ECTOR COUNTY, TEXAS**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

*For The Year Ended September 30, 2021*

#### **Note 1 - General**

The accompanying schedule of expenditures of federal and state awards presents the activity of all federal and state financial assistance programs of Ector County, Texas (the "County"). The County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal and state financial assistance expended from funds received from federal and state agencies as well as federal and state financial assistance passed through other government agencies are included in the respective schedule. The value of federal and state awards expended in the form of non-cash assistance is zero. The value of loans or loan guarantees outstanding at the year ended September 30, 2021 is zero.

#### **Note 2 - Basis Of Accounting**

The accompanying schedule of expenditures of federal and state awards is presented using the modified accrual basis of accounting. Expenditures are recognized when the related fund liability is incurred. Federal and state grants 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.

#### **Note 3 - Relationship To Basic Financial Statements**

Federal and state financial assistance revenues are reported as intergovernmental revenues in the County's basic financial statements. The federal and state financial assistance revenues and expenditures are reported in the General Fund, Capital Projects Fund, and in Special Revenue Funds.

#### **Note 4 – De Minimis Indirect Cost Rate**

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

**ECTOR COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
***For The Year Ended September 30, 2021***

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511, and the State of Texas Uniform Grant Management Standards state that the auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings. The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

**I. Prior Audit Findings**

None noted.

**ECTOR COUNTY, TEXAS**  
**CORRECTIVE ACTION PLAN**  
***For the Year Ended September 30, 2021***

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, and the State of Texas Uniform Grant Management Standards state that at the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings, a corrective action plan to address each audit finding included in the current year auditor's reports.

The Corrective Action Plan for the year ended September 30, 2021 has been prepared to address these requirements.

**I. Corrective Action Plan**

Not applicable.