



# ECTOR COUNTY, TEXAS

## FEDERAL SINGLE AUDIT REPORT

Year Ended September 30, 2020

**ECTOR COUNTY, TEXAS  
FEDERAL SINGLE AUDIT REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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**INDEPENDENT AUDITORS' 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 as of and for the year ended September 30, 2020 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 23, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Ector County, Texas' (the "County") 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.

### **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, the grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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*.

### **Other Matter**

We performed tests designed to verify the County's compliance with the requirements of the Texas Public Funds Investment Act. During the year ended September 30, 2020, no instances of noncompliance were found.

### **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.

The image shows a handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Odessa, Texas  
March 23, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE *UNIFORM GUIDANCE***

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

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

We have audited Ector County, Texas, (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2020. The County's major federal 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 statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal 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; 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). Those standards and the Uniform Guidance 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 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 program. However, our audit does not provide a legal determination of the County's Compliance.

**Opinion on Each Major Federal 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 programs for the year ended September 30, 2020.

## **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 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 program 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 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 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 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. Accordingly, this report is not suitable for any other purpose.

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

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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 23, 2021, 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 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.

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March 23, 2021  
Odessa, Texas

**ECTOR COUNTY, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Period</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b>U. S. Department of Health and Human Services</b>				
Aging Cluster				
Pass-Through Permian Basin Regional Planning Commission				
Senior Citizen Title III C-1 and C-2	10/01/19 - 09/30/20	93.045	N/A	\$ 105,283
<b>U. S. Department of Justice</b>				
Pass-Through City of Odessa				
Justice Assistance Grant	10/01/19-09/30/21	16.738	2008DJBX0184	25,208
Pass-Through Texas Department of Family and Protective Services				
IV-E Legal Co Atty	10/01/18-09/30/19	93.658	23939985	28,939
<b>U. S. Department of Transportation</b>				
Texas Department of Transportation				
Routine Airport Maintenance Program	09/01/19-08/31/20	20.106	1609ODESA	50,000
<b>U.S. Department of Treasury</b>				
Pass-Through Texas Division of Emergency Management				
COVID-19 CRF Funds	10/01/19-9/30/20	21.019	2020-CF-21019	522,621
<b>U.S. Department of Agriculture</b>				
Child Nutrition Cluster				
Pass-Through Texas Department of Agriculture				
National School Lunch / Breakfast Program	10/01/19-9/30/20	10.555	1346	58,803
<b>Total Federal Financial Assistance</b>				\$ <u>790,854</u>

**ECTOR COUNTY, TEXAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**NOTE 1: GENERAL**

The accompanying Schedule of Expenditures of Federal Financial Awards presents the activity of all federal/state financial assistance programs of Ector County, Texas. Ector County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal financial assistance expended from funds received from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule. The value of federal 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, 2020 is zero.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Financial Awards is presented using the modified accrual basis of accounting.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

**NOTE 4: STATE SINGLE AUDIT**

For the purpose of determining state awards subject to the single audit, TJJJ funds are excluded because they are audited separately for the state regulatory agency. For the fiscal year ended 2020, state awards subject to single audit requirements totaled \$470,549.

Reconciliation of state single audit expenditures:	
Total state financial expenditures	\$ 1,458,156
Less: TJJJ funds subject to state program specific regulatory requirements	<u>987,607</u>
Total state expenditures subject to single audit	<u>\$ 470,549</u>

**STATE FINANCIAL AWARDS**

Pass-Through State of Texas Attorney General			
Victim Assistance –Attorney General - County Attorney	09/01/18-08/31/19	1986983	\$ 42,000
Victim Assistance –Attorney General - County Attorney	09/01/20-08/31/21	2107118	5,701
Victim Assistance – County Attorney Criminal Justice Division	10/01/19-09/30/20	3288401	41,265
Victim Assistance–Attorney General – County Attorney	09/01/20-08/31/21	2107126	6,161
Victim Assistance–Attorney General – County Attorney	09/01/19-08/31/20	2098606	35,606
Texas VINE Program	09/01/19-08/31/20	2003135	30,170
Texas Department of Criminal Justice			
Texas Juvenile Justice Department (“TJJJ”)			
TJJJ “A” Basic Supervision	09/01/20-08/31/21	Basic Supervision	10,891
TJJJ “A” Basic Supervision	09/01/19-08/31/20	Basic Supervision	167,571
TJJJ “A” Community Programs	09/01/20-08/31/21	Community Program	15,080

**NOTE 4: STATE SINGLE AUDIT (CONTINUED)**

TJJD "A" Community Programs	09/01/19-08/31/20	Community Program	\$ 172,788
TJJD "A" Pre & Post	09/01/20-08/31/21	Pre & Post	6,055
TJJD "A" Pre & Post	09/01/19-08/31/20	Pre & Post	75,061
TJJD "A" Community Diversion	09/01/20-08/31/21	Community Diversion	6,716
TJJD "A" Community Diversion	09/01/19-08/31/20	Community Diversion	209,652
TJJD "A" Mental Health	09/01/19-08/31/20	Mental Health	12,027
TJJD "A" Mental Health	09/01/19-08/31/20	Mental Health	234,103
TJJD "S" Prevention and Intervention	09/01/19-08/31/20	Prevention and Intervention	77,663
Department of State Health Services			
Special Immunization Grant	09/01/19-08/31/20	HHS00019700006	177,218
Special Immunization Grant	09/01/20-08/31/21	HHS00019700006	10,663
Epidemiology	09/01/19-08/31/20	537-18-0297-00001	83,154
Epidemiology	09/01/20-08/31/21	HHS000436300010	6,694
BRLHO	09/01/19-08/31/20	485600013	27,998
BRLHO	09/01/20-08/31/21	485600013	3,919
<b>Total State Financial Expenditures</b>			<b>\$ <u>1,458,156</u></b>

Because total state expenditures subject to single audit are less than \$750,000, a state single audit is not required.

**ECTOR COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**SECTION 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 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 Programs:**

Name of Federal Program	CFDA Number
COVID-19 CRF Funds	21.019

Dollar threshold used to distinguish between Type A and Type B federal programs	\$750,000
Auditee qualified as low-risk auditee?	No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**ECTOR COUNTY, TEXAS  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.