

**ECTOR COUNTY, TEXAS**

**FEDERAL AND STATE SINGLE AUDIT REPORT**

**Year Ended September 30, 2023**

# 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, 2023 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 July 19, 2024.

**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 or significant deficiencies 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, grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Odessa, Texas  
July 19, 2024

**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**

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

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

***Opinion on Each Major 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 and state programs for the year ended September 30, 2023. 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.

In our opinion, the 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 and state programs for the year ended September 30, 2023

***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*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and the *Texas Grant Management Standards*. Our responsibilities under those standards, the Uniform Guidance and the *Texas Grant Management Standards* 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 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 and state program. Our audit does not provide a legal determination of the 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 the County’s federal and 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 the 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*, *the Uniform Guidance*, and the *Texas Grant Management Standards* 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 Example County'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 the *Texas Grant Management Standards*, 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 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 the 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*, and the *Texas Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of the 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 and 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 and 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 and 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 County Judge and Members  
of the Commissioners' Court  
Ector County, 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 the *Texas Grant Management Standards*. 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, each major fund, and the aggregate remaining fund information of the County as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 19, 2024, 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 *the 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.



Odessa, Texas  
July 19, 2024

**I. Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

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

**Identification of major programs:**

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
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**US Department of Treasury**

<i>COVID-19 - ARPA Coronavirus State and Local Fiscal Recovery Funds</i>	21.027
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$750,000
Auditee qualified as low risk auditee?	Yes



**I. Summary of Auditors' Results**

**State Awards**

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Internal control over major programs:

Material weakness (es) identified? No

Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditors' report issued on compliance with major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Texas Grant Management Standards? No

**Identification of major state programs:**

Name of State Program or Cluster

**Texas Department of Transportation**

*County Transportation Infrastructure Fund Grant Program*

Dollar Threshold Considered Between Type A and Type B State Programs \$750,000

Auditee qualified as low risk auditee? Yes

**ECTOR COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For The Year Ended September 30, 2023**

Federal Grantor/ Pass-Through Grantor/Program Title	ALN	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of the Treasury</b>			
<b>Passed through Texas Division of Emergency Management:</b>			
COVID-19 - ARPA Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 5,656,217
<b>Total U.S. Department of the Treasury</b>			<b>5,656,217</b>
<b>U.S. Department of Health and Human Services</b>			
<b>Passed through the Permian Basin Regional Planning Commission:</b>			
Senior Citizen Title III and C-2 Total Aging Cluster (ALN 93.045)	93.045	N/A	124,698
<b>Passed through Texas Department of Family and Protective Services:</b>			
IV-E Legal Co Atty	93.658	23939985	27,616
<b>Passed through Texas Health &amp; Human Services Commission:</b>			
Medicaid Administrative Claim Total Medicaid Cluster (ALN 93.778)	93.778	N/A	32,226
<b>Passed through Department of State Health Services :</b>			
COVID-19 - Health Disparities Program	93.391	HHS001057600018	95,020
COVID-19 - Immunization/Locals Grant Program	93.268	HHS000119700006	162
BRLHO	93.991	485600013	58,959
<b>Total U.S. Department of Health and Human Services</b>			<b>338,681</b>
<b>U.S. Department of Justice</b>			
<b>Passed through the City of Odessa:</b>			
Justice Assistance Grant	16.738	2008DJBX0184	34,699
<b>Total U.S. Department of Justice</b>			<b>34,699</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 6,029,597</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		CTIF02_069	\$ 431,693
<b>Total Texas Department of Transportation</b>			<b>431,693</b>
<b>Office of Attorney General</b>			
Texas VINE Program		2110914	22,052
D A Vic Asst - AG		3288402	9,375
<b>Total Office of Attorney General</b>			<b>31,427</b>
<b>Department of State Health Services</b>			
COVID-19 - Epidemiology		HHS000812700018	36,194
COVID-19 - Immunization/Locals Grant Program		HHS000197000006	190,026
Epidemiology		HHS000436300010	86,677
<b>Total Department of State Health Services</b>			<b>312,897</b>
<b>Total Expenditures of State Awards</b>			<b>\$ 776,017</b>

**ECTOR COUNTY, TEXAS**

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

*For The Year Ended September 30, 2023*

**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, 2023 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, 2023***

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511, and the *Texas 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, 2023***

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, and the *Texas 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, 2023 has been prepared to address these requirements.

**I. Corrective Action Plan**

Not applicable.