

# SINGLE AUDIT SECTION

CITY OF ANDREWS  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant/ Contract Number	Federal Awards Expended
<b>U.S. Department of Housing &amp; Urban Development</b>			
Passed through Texas Dept. of Housing & Community Affairs HOME Program	14.239	M-10-SG-48-0100	\$ 670,459
<b>Total Federal Financial Assistance</b>			<u><u>\$ 670,459</u></u>

**CITY OF ANDREWS**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2014

**1. GENERAL**

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal awards to the City of Andrews. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Federal awards include expenditures funded with program income, but excludes expenditures funded with City matching funds and revolving loan funds.

**2. BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

**3. SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

The Schedule of Findings and Questioned Costs, including the summary of auditors' results is included on page 132.

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Grant expenditure reports as of September 30, 2014, which have been submitted to grantor agencies, will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**5. SUB-RECIPIENTS**

Of the federal expenditures presented in the Schedule, the City provided no federal awards to sub-recipients.

**6. OUTSTANDING LOANS**

The City has provided no loans through related to any program receiving federal awards.

### 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*

#### Independent Auditor's Report

To the City Council  
City of Andrews, Texas  
111 Logsdon  
Andrews, Texas 79714

Members of the City Council:

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Andrews, Texas (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2014.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 the 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 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 determination of 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. This report is intended for the information of the City's council, management, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Wayne M. Manning, CPA".

Wayne M. Manning, CPA

December 15, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Independent Auditor's Report

To the City Council  
City of Andrews, Texas  
111 Logsdon  
Andrews, Texas 79714

Members of the City Council:

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

We have audited the City of Andrews, Texas's ("the City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2014. The City'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 City'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 City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City 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, 2014.

**Report on Internal Control Over Compliance**

Management of the City 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 City'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 OMB Circular A-133, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. This report is intended for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Wayne M. Manning, CPA".

Wayne M. Manning, CPA

December 15, 2014

CITY OF ANDREWS  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2014

**Summary of Auditor's Results**

1. The opinion expressed in the independent auditor's report was:  
 Unmodified       Qualified       Adverse       Disclaimed
  
2. The independent auditor's report on internal control over financial reporting disclosed:  
 Significant deficiency(ies)?       Yes       None reported  
 Material weakness(es)?       Yes       No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?  
 Yes       None reported
  
4. The independent auditor's report on internal control over compliance with requirements that could have a direct and material effect on the major federal awards program disclosed:  
 Significant deficiency(ies)?       Yes       No  
 Material weakness(es)?       Yes       No
  
5. The opinion expressed in the independent accountants' report on compliance with requirements that could have a direct and material effect on the major awards was:  
 Unmodified       Qualified       Adverse       Disclaimed
  
6. The audit disclosed findings required to be reported by OMB Circular A-133?  
 Yes       No
  
7. The City's major programs were:  

Cluster / Program	CFDA Number
HUD - Home Investment Partnerships Program	14.239
HHS	
  
8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$300,000.
  
9. The City qualified as a low-risk auditee as that term is defined in OMB Circular A-133?  
 Yes       No

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CITY OF ANDREWS  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended September 30, 2014

**Findings Required to be Reported by Government Auditing Standards**

Reference Number	Summary of Finding	Questioned Costs
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No matters reportable.

**Findings Required to be Reported by OMB Circular A-133**

Reference Number	Summary of Finding	Questioned Costs
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No matters reportable.

CITY OF ANDREWS  
Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2014

**Findings Required to be Reported by OMB Circular A-133**

Reference Number	Summary of Finding	Status
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No matters reportable.

**CITY OF ANDREWS**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended September 30, 2014**

<b>State Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Grant/ Contract Number</b>	<b>State Awards Expended</b>
<b>Texas Department of State Health Services</b> EMS / Trauma Care System Funds	2013-043603	\$ 11,554
<b>Total State Financial Assistance</b>		<u><u>\$ 11,554</u></u>

**CITY OF ANDREWS**  
**Notes to Schedule of Expenditures of State Awards**  
**For the Year Ended September 30, 2014**

**1. GENERAL**

The accompanying schedule of expenditures of state awards presents the activity of all applicable state awards to the City of Andrews. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All state awards received directly from state agencies, not passed through the State by the Federal Government, as well as state awards passed through other government agencies are included on the schedule.

**2. BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

**3. SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

The Schedule of Findings and Questioned Costs, including the summary of auditors' results is included on page 139.

**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Grant expenditure reports as of September 30, 2014, which have been submitted to grantor agencies, will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**5. SUB-RECIPIENTS**

Of the state expenditures presented in the Schedule, the City provided no state awards to sub-recipients.

**6. OUTSTANDING LOANS**

The City has provided no loans through related to any program receiving state awards.



**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 AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

Independent Auditor's Report

To the City Council  
City of Andrews, Texas  
111 Logsdon  
Andrews, Texas 79714

Members of the City Council:

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Andrews, Texas (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 15, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City's 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 the 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 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 determination of 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*.



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**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. This report is intended for the information of the City's council, management, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Wayne M. Manning, CPA". The signature is written in a cursive style with a horizontal line underlining the name.

Wayne M. Manning, CPA

December 15, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE STATE OF TEXAS *Uniform Grant Management Standards***

**Independent Auditor's Report**

To the City Council  
City of Andrews, Texas  
111 Logsdon  
Andrews, Texas 79714

Members of the City Council:

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

We have audited the City of Andrews, Texas's ("the City") compliance with the types of compliance requirements described in the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of City's major state programs for the year ended September 30, 2014. The City's major 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 the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City's major 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; and the *Uniform Grant Management Standards* issued by the State of Texas. Those standards and the State of Texas *Uniform Grant Management Standards* 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 state program occurred. An audit includes examining, on a test basis, evidence about the City'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 state program. However, our audit does not provide a legal determination of City's compliance.

***Opinion on Each Major State Program***

In our opinion, the City 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 state programs for the year ended September 30, 2014.

**Report on Internal Control Over Compliance**

Management of the City 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 City's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the State of Texas *Single Audit Circular*, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 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 the 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 State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose. This report is intended for the information and use of the City Council, management, state awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Wayne M. Manning, CPA".

Wayne M. Manning, CPA

December 15, 2014



CITY OF ANDREWS  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2014

**Summary of Auditor's Results**

1. The opinion expressed in the independent auditor's report was:  
 Unmodified       Qualified       Adverse       Disclaimed
  
2. The independent auditor's report on internal control over financial reporting disclosed:  
 Significant deficiency(ies)?       Yes       None reported  
 Material weakness(es)?       Yes       No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?  
 Yes       None reported
  
4. The independent auditor's report on internal control over compliance with requirements that could have a direct and material effect on the major state awards program disclosed:  
 Significant deficiency(ies)?       Yes       No  
 Material weakness(es)?       Yes       No
  
5. The opinion expressed in the independent accountants' report on compliance with requirements that could have a direct and material effect on the major awards was:  
 Unmodified       Qualified       Adverse       Disclaimed
  
6. The audit disclosed findings required to be reported by the State of Texas *Uniform Grant Management Standards* ?  
 Yes       No
  
7. The City's major programs were:  

Cluster / Program	State Agency	Contract Number
2013 EMS/Trauma Care System Funds	Texas Department of State Health Services	2013-043603
  
8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the State of Texas *Uniform Grants Management Standards* was \$300,000.
  
9. The City qualified as a low-risk auditee as that term is defined in the State of Texas *Uniform Grant Management Standards*?  
 Yes       No

(continued)

**CITY OF ANDREWS**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended September 30, 2014**

**Findings Required to be Reported by Government Auditing Standards**

Reference Number	Summary of Finding	Questioned Costs
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No matters reportable.

**Findings Required to be Reported by Uniform Grant Management Standards**

Reference Number	Summary of Finding	Questioned Costs
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No matters reportable.

**CITY OF ANDREWS**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended September 30, 2014**

**Findings Required to be Reported by Uniform Grant Management Standards**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters reportable.