

**CLARK COUNTY  
DEPARTMENT OF AVIATION  
CLARK COUNTY, NEVADA**

**OMB CIRCULAR A-133  
REPORT AND SCHEDULES**

**FOR THE YEAR ENDED JUNE 30, 2013**

**CLARK COUNTY DEPARTMENT OF AVIATION  
CLARK COUNTY, NEVADA  
OMB CIRCULAR A-133 REPORT AND SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2013**

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KAFOURY, ARMSTRONG & CO.  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND ON  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Honorable Board of County Commissioners  
Clark County Department of Aviation  
Clark County, Nevada

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

We have audited Clark County Department of Aviation, Clark County, Nevada's (the "Department") 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 the Department's major federal program for the year ended June 30, 2013. The Department's major federal program is 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 the Department's major federal program 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 Department'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 the major federal program. However, our audit does not provide a legal determination of the Department's compliance.

***Opinion on the Department's Major Federal Program***

In our opinion, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

**Report on Internal Control over Compliance**

Management of the Department 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 Department's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the

auditing procedures that are appropriate in the circumstances of the purpose of expressing an opinion on compliance for the 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 on the effectiveness of the Department'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the basic financial statements of the Department, as of and for the year ended June 30, 2013, and have issued our report thereon dated October 24, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Department. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
October 24, 2013

**CLARK COUNTY DEPARTMENT OF AVIATION  
CLARK COUNTY, NEVADA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>Federal Grantor / Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Agency or Pass-through Number</b>	<b>Program Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
DIRECT PROGRAMS:			
Airport Improvement Program	20.106	3-32-0012-073	\$ 911,401
Airport Improvement Program	20.106	3-32-0012-076	142,162
Airport Improvement Program	20.106	3-32-0012-077	243,384
Airport Improvement Program	20.106	3-32-0012-078	264,841
Airport Improvement Program	20.106	3-32-0012-079	468,087
Airport Improvement Program	20.106	3-32-0012-080	7,914,515
Airport Improvement Program	20.106	3-32-0027-024	523,014
<b>Total U.S. Department of Transportation</b>			<u>10,467,404</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 10,467,404</u>

**CLARK COUNTY DEPARTMENT OF AVIATION  
CLARK COUNTY, NEVADA**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013**

**(1) Reporting Entity**

The Clark County Department of Aviation, Clark County, Nevada, (the “Department”), the reporting entity, is a single enterprise fund of Clark County and the seven member Clark County Board of Commissioners serves as the Department’s governing body.

The accompanying schedule of expenditures of federal awards presents the expenditures activity of all federal awards programs of the Department for the year ended June 30, 2013. All expenditures of federal awards are included in the schedule.

**(2) Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Department and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**CLARK COUNTY DEPARTMENT OF AVIATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements*

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None
Noncompliance material to financial statements noted	No

*Federal Awards*

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None
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 section 510(a) of Circular A-133?	No

Identification of major programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs:	\$ 314,022
Auditee qualified as low-risk auditee?	No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no findings.

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

There were no findings.

**CLARK COUNTY DEPARTMENT OF AVIATION  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

**DEPARTMENT OF TRANSPORTATION / FEDERAL AVIATION ADMINISTRATION**

2012-1-A133      *Condition:* This material weakness in internal controls, related to lack of procedures for obtaining a qualified review appraisal.

*Recommendation:* The auditor recommended that procedures be enhanced for acquisition of real property to ensure a qualified review appraisal is obtained whenever federal funds are used.

*Current Status:* The Department has adopted new procedures ensuring qualified review appraisals are obtained before any reimbursement requests are made under Airport Improvement Program. In May, 2012, the new procedures were submitted to Federal Aviation Administration (FAA) in response to the fiscal year ending June 30, 2011 finding. As the June 30, 2012 finding occurred before the Department being informed of the 2011 finding, the submission of the new procedures encompassed this finding. Upon review of the new procedures and correspondence by the Department with the FAA, the FAA considers the matter corrected and closed.