

**CITY OF WINNEMUCCA**

**JUNE 30, 2012**

**CITY OF WINNEMUCCA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Winnemucca Airport Improvement Program	20.106	3-32-0021-16	\$ 368,676
<b>Highway Safety Cluster:</b>			
Passed through State of Nevada			
Department of Public Safety, Office of Traffic Safety:			
Joining Forces Project	20.609	22-406PT-1.1	<u>9,702</u>
Total U.S. Department of Transportation			<u>378,378</u>
<u>U.S. Department of Energy</u>			
Passed through State of Nevada			
Office of Energy:			
Energy Efficiency and Conservation Block Grant			
ARRA-EECBG Street Light Retrofit Project	81.128	DE-EE00000687	<u>894,079</u>
Total Expenditures of Federal Awards			<u>\$ 1,272,457</u>

See accompanying notes to the schedule of expenditures of federal awards.

**CITY OF WINNEMUCCA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**(1) Reporting Entity**

The accompanying schedule of expenditures of federal awards presents the expenditure activity of all federal awards programs of the City of Winnemucca (the City) for the year ended June 30, 2012. The City's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

**(2) Basis of Accounting**

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

**(3) Relationship to Basic Financial Statements**

Expenditures of federal awards have been included in the individual funds of the City as follows:

General Fund	\$ 9,702
Major Capital Projects Fund	<u>1,262,755</u>
Total	<u>\$1,272,457</u>

**CITY OF WINNEMUCCA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF AUDIT RESULTS:**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Significant deficiency(ies) identified not considered to be material weakness(es)? No

Material weakness(es) identified? No

Noncompliance material to financial statements noted No

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified not considered to be material weakness(es)? No

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of major programs:

*CFDA Number Name of Federal Program or Cluster*

20.106 U.S. Department of Transportation-  
Winnemucca Airport Improvement Program

81.128 U.S. Department of Energy-  
ARRA-EECBG Street Light Retrofit Project

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? No

**CITY OF WINNEMUCCA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS (GAGAS):**

None

**C. FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARDS PROGRAMS:**

None

**CITY OF WINNEMUCCA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012**

No prior year findings related to federal awards were reported at June 30, 2011.

**CITY OF WINNEMUCCA  
 SCHEDULE OF FEES IMPOSED SUBJECT TO THE  
 PROVISIONS OF NRS 354.5989  
 LIMITATION OF FEES FOR BUSINESS LICENSES  
 FOR THE YEAR ENDED JUNE 30, 2012**

Flat Fixed Fees:	
Adjusted base, June 30, 2011	\$528,680
Adjusted to Base:	
Base year	
1. Percentage increase (decrease) in population of local government	4.84%
2. Percentage increase in the Consumer Price Index for the year ending on December 31, next preceding the year for which the limit is being calculated	<u>3.21%</u>
	<u>8.05%</u>
	<u>42,559</u>
Adjusted Base at June 30, 2012	571,239
Actual Revenue (Net of Amounts not Subject to Limitation)	<u>233,526</u>
Amount (Over) Under Allowable Amount	<u>\$337,713</u>

## AUDITOR'S COMMENTS

### STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The following actions were taken during 2011-12 relating to potential statute violations reported in the June 30, 2011 audit report, as reported by other auditors in their report dated November 8, 2011.

- The statute violation of NRS 354.626 was due to unanticipated expenses. All efforts were made during the current fiscal year to monitor expenditures and avoid any violations. However, the City was unable to avoid all potential violations.

### PRIOR YEAR RECOMMENDATIONS

Management implemented prior year recommendations related to financial statement reporting.

### CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our report.





**Independent Accountant's Report**

To the Honorable Mayor and Council  
of the City of Winnemucca, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The fund balances/ net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2012 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2012.
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the City of Winnemucca.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

*Drake Rose & Associates, LLC*

Winnemucca, Nevada  
November 14, 2012