## Appendix H ► Sample Audit Information

P B T K PIERCY BOWLER TAYLOR & KERN
Certified Public Accountants • Business Advisors

Independent Auditors' Report on Financial Statements and Accompanying Information

The Honorable Members of the County Commission
County Manager and Director of Aviation
Clark County, Nevada

We have audited the accompanying financial statements of the Clark County Department of Aviation - Clark County, Nevada (the Department), as of and for the years ended June 30, 2003 and 2002. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Clark County Department of Aviation - Clark County, Nevada, as of June 30, 2003 and 2002, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 8 through 16 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Department's basic financial statements. The introductory section, statistical section and accompanying information in the financial section on pages 41 through 47 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying information on pages 41 through 47 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2003, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report presented on page 47, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Piercy, Bowler, Taylor & Kern

September 22, 2003

**Sample Auditor's Report Excerpts – Page 1**

CLARK COUNTY DEPARTMENT OF AVIATION
CLARK COUNTY, NEVADA

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2003

The following Management's Discussion and Analysis provides information regarding the financial operations and financial position as reported in the Clark County Department of Aviation (Department) accompanying Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003.

The Department comprises a single enterprise fund of Clark County, Nevada (the County), and operates as a separate department of the County. The Board of County Commissioners is responsible for governing the affairs of the Department.

As an enterprise fund, users of the Department facilities provide the revenues to operate, maintain and acquire necessary services and facilities. The Department is not subsidized by tax revenues of the County.

The Department's vision is to be "A Global Leader." With this vision the Department operates the Clark County Airport System.

The fiscal year ended June 30, 2003, has seen a continuation of the effects of the terrorist attacks of September 11, 2001. The commercial aviation world has faced a continued struggle for survival with hopes for a brighter tomorrow and expectations of an economic rebound for the industry.

The following is a summary of statistical and operating results and highlights for the fiscal year ended June 30, 2003.

Airline rates and charges:

| | 2003 | % Change From Prior Year | 2002 | % Change From Prior Year | 2001 | % Change From Prior Year |
|---|---|---|---|---|---|---|
| Landing fee per 1000 pounds | $ 1.22 | 0.0% | $ 1.22 | -1.6% | $ 1.24 | 0.0% |
| Terminal rental rates per square foot per annum | 68.04 | 0.0% | 68.04 | -1.4% | 69.00 | -1.7% |
| Gate use fee per year | 62,700 | 0.0% | 62,700 | -2.3% | 64,200 | -0.9% |

The Department is committed (especially in these uncertain times) to manage airline rates and charges to its benefit and that of the air carriers bringing passengers to Southern Nevada. This continuing commitment is evidenced by the fact that airline rates and charges have been increased only one time in the past fourteen years.

**Sample Auditor's Report Excerpts – Page 1**