



Washington State Auditor's Office

Independence • Respect • Integrity

Federal Single and Passenger Facility Charges Audit Report

Spokane Airport Board

Spokane County

For the period January 1, 2014 through December 31, 2014

Published June 22, 2015

Report No. 1014520





Washington State Auditor

June 22, 2015

Board of Directors
Spokane Airport Board
Spokane, Washington

Report on Federal Single Audit and Passenger Facility Charges

Please find attached our report on the Spokane Airport Board's Schedule of Passenger Facility Charges, Schedule of Expenditures of Federal Awards, compliance with federal laws and regulations and compliance with requirements applicable to its passenger facility charge program.

We are issuing this report in order to provide information on specific financial activities of the Board.

Sincerely,

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

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FEDERAL SUMMARY

Spokane Airport Board Spokane County January 1, 2014 through December 31, 2014

The results of our audit of the Spokane Airport Board are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

Financial Statements

An unmodified opinion was issued on the Schedule of Expenditures of Federal Awards.

We did not audit the financial statements of the Spokane Airport Board. Those financial statements were audited by other auditors, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, and in their report thereon, dated June 4, 2015, they expressed an unmodified opinion on those financial statements.

Internal Control Over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting related to the Schedule of Expenditures of Federal Awards that we consider to be significant deficiencies. The auditors of the financial statements reported no deficiencies in the design or operation of internal control over reporting that they consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses related to the Schedule of Expenditures of Federal Awards. The auditors of the financial statements identified no deficiencies that they considered to be material weaknesses.

We noted no instances of noncompliance that were material to the Schedule of Expenditures of Federal Awards of the Board.

Federal Awards

Internal Control Over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Board's compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following was a major program during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
20.106	Airport Improvement Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$543,644.

The Board qualified as a low-risk auditee under OMB Circular A-133.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Spokane Airport Board
Spokane County
January 1, 2014 through December 31, 2014**

Board of Directors
Spokane Airport Board
Spokane, Washington

We have audited, 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, the Schedule of Expenditures of Federal Awards of the Spokane Airport Board, Spokane County, Washington, as of and for the year ended December 31, 2014, and the related notes to the Schedule of Expenditures of Federal Awards and have issued our report thereon dated June 8, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the Schedule of Expenditures of Federal Awards, we considered the Board'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 opinion on the Schedule of Expenditures of Federal Awards, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board's Schedule of Expenditures of Federal Awards 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 may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Board's Schedule of Expenditures of Federal Awards is free from material misstatement, we performed tests of the Board's 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 the Schedule of Expenditures of Federal Awards 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

June 8, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

**Spokane Airport Board
Spokane County
January 1, 2014 through December 31, 2014**

Board of Directors
Spokane Airport Board
Spokane, Washington

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM**

We have audited the compliance of the Spokane Airport Board, Spokane County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The Board's major federal programs are identified in the accompanying Federal Summary.

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 the Board'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 Board'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. Our audit does not provide a legal determination on the Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the Board 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 December 31, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Board 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 Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order 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 on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board'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 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.

PURPOSE OF THIS REPORT

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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in blue ink that reads "Jan M. Jutte". The signature is written in a cursive style with a large initial "J" and "M".

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

June 8, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY
CHARGE PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE**

**Spokane Airport Board
Spokane County
January 1, 2014 through December 31, 2014**

Board of Directors
Spokane Airport Board
Spokane, Washington

**REPORT ON COMPLIANCE FOR PASSENGER FACILITY
CHARGES**

We have audited the compliance of the Spokane Airport Board, Spokane County, Washington, with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide) issued by the Federal Aviation Administration for its passenger facility charge program for the year ended December 31, 2014.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on the Board's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Board'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. Our audit does not provide a legal determination of the Board's compliance with those requirements.

Opinion on Compliance

In our opinion, the Spokane Airport Board complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws and regulations applicable to its passenger facility charge program. In planning and performing our audit, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on the passenger facility charge program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board'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 the passenger facility charge 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 the passenger facility charge 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 the passenger facility charge 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 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, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 Guide. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in blue ink that reads "Jan M. Jutte". The signature is written in a cursive, flowing style.

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

June 8, 2015

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGES

Spokane Airport Board Spokane County January 1, 2014 through December 31, 2014

Board of Directors
Spokane Airport Board
Spokane, Washington

REPORT ON THE SCHEDULE

We have audited the accompanying Schedule of Passenger Facility Charges Collected, Held and Used of the Spokane Airport Board, Spokane County, Washington, for the year ended December 31, 2014, and the related notes (the schedule) as listed on pages 19 through 20.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit 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 requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide) issued by the Federal Aviation Administration.. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule referred to above presents fairly, in all material respects, the passenger facility charges collected, held and used of the Spokane Airport Board, for the year ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Jan M. Jutte". The signature is written in a cursive style with a large initial "J" and "M".

JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

June 8, 2015

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARD

Spokane Airport Board Spokane County January 1, 2014 through December 31, 2014

Board of Directors
Spokane Airport Board
Spokane, Washington

REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the accompanying Schedule of Expenditures of Federal Awards for the Spokane Airport Board, Spokane County, Washington, for the year ended December 31, 2014 and the related notes.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on our audit. We conducted our audit 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 the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the Board's preparation and fair presentation of the Schedule of Expenditures of Federal Awards in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule of Expenditures of Federal Awards referred to above presents fairly, in all material respects, the expenditures of federal awards of the Spokane Airport Board, as of December 31, 2014, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2015 on our consideration of Spokane Airport Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

Sincerely,



JAN M. JUTTE, CPA, CGFM
ACTING STATE AUDITOR
OLYMPIA, WA

June 8, 2015

FINANCIAL SECTION

**Spokane Airport Board
Spokane County
January 1, 2014 through December 31, 2014**

SCHEDULES

Schedule of Passenger Facility Charges Collected and Used – 2014

Notes to the Schedule of Passenger Facility Charges Collected and Used – 2014

Schedule of Expenditures of Federal Awards and Notes – 2014

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND USED
YEAR ENDED DECEMBER 31, 2014
Reported on an Accrual Basis

Program	Application Number	Amount Authorized	Collection Level	Period Beginning Cumulative Collections	Current PFC Revenues	Current Interest Earned	Period Ending Cumulative Collections	Remaining Collection Authority	Period		Collections vs. Expenditures	
									Beginning Cumulative Expenditures	Current Expenditures		
Quarter Ended March 31, 2014												
Passenger Facility Charges	09-07-U-00-GEG	\$ 32,000,000	4.50	\$ 31,636,557	-	\$ -	\$ 31,636,557	\$ 363,443	\$ -	\$ 31,636,557	\$ -	\$ -
	10-08-C-00-GEG	850,000	4.50	850,000	-	-	850,000	-	-	850,000	-	850,000
	11-09-C-00-GEG	16,365,000	4.50	11,076,844	815,869	694	11,893,407	4,471,593	-	13,979,619	-	13,979,619
				\$ 43,563,401	\$ 815,869	\$ 694	\$ 44,379,964	\$ 4,835,036	\$ -	\$ 46,466,176	\$ -	\$ 46,466,176
Quarter Ended June 30, 2014												
Passenger Facility Charges	09-07-U-00-GEG	31,636,557	4.50	31,636,557	-	-	31,636,557	-	-	31,636,557	-	31,636,557
	10-08-C-00-GEG	850,000	4.50	850,000	-	-	850,000	-	-	850,000	-	850,000
	11-09-C-00-GEG	16,365,000	4.50	11,893,407	1,529,735	1,784	13,424,926	2,940,074	-	13,979,619	-	13,979,619
				\$ 44,379,964	\$ 1,529,735	\$ 1,784	\$ 45,911,483	\$ 2,940,074	\$ -	\$ 46,466,176	\$ -	\$ 46,466,176
Quarter Ended September 30, 2014												
Passenger Facility Charges	09-07-U-00-GEG	31,636,557	4.50	31,636,557	-	-	31,636,557	0	-	31,636,557	-	31,636,557
	10-08-C-00-GEG	850,000	4.50	850,000	-	-	850,000	-	-	850,000	-	850,000
	11-09-C-00-GEG	16,365,000	4.50	13,424,926	1,404,068	2,079	14,831,073	1,533,927	-	13,979,619	293	13,979,912
				\$ 45,911,483	\$ 1,404,068	\$ 2,079	\$ 47,317,630	\$ 1,533,927	\$ -	\$ 46,466,176	\$ 293	\$ 46,466,469
Quarter Ended December 31, 2014												
Passenger Facility Charges	09-07-U-00-GEG	31,636,557	4.50	31,636,557	-	-	31,636,557	0	-	31,636,557	-	31,636,557
	10-08-C-00-GEG	850,000	4.50	850,000	-	-	850,000	-	-	850,000	-	850,000
	11-09-C-00-GEG	16,365,000	4.50	14,831,073	1,965,051	2,591	16,798,715	(433,715)	-	13,979,912	445,018	14,424,930
				\$ 47,317,630	\$ 1,965,051	\$ 2,591	\$ 49,285,272	\$ (433,715)	\$ -	\$ 46,466,469	\$ 445,018	\$ 46,911,487
Year Ended December 31, 2014												
Passenger Facility Charges	09-07-U-00-GEG	31,636,557	4.50	\$ 31,636,557	\$ -	\$ -	\$ 31,636,557	\$ -	\$ -	\$ 31,636,557	\$ -	\$ 31,636,557
	10-08-C-00-GEG	850,000	4.50	850,000	-	-	850,000	-	-	850,000	-	850,000
	11-09-C-00-GEG	16,365,000	4.50	11,076,844	5,714,723	7,148	16,798,715	(433,715)	-	13,979,619	445,311	14,424,930
				\$ 43,563,401	\$ 5,714,723	\$ 7,148	\$ 49,285,272	\$ (433,715)	\$ -	\$ 46,466,176	\$ 445,311	\$ 46,911,487
Cumulative Year Ended 12/31/14												
				\$ 43,563,401	\$ 5,714,723	\$ 7,148	\$ 49,285,272	\$ (433,715)	\$ -	\$ 46,466,176	\$ 445,311	\$ 46,911,487
												2,373,785

SPOKANE AIRPORTS
NOTES TO THE SCHEDULE OF PASSENGER FACILITY CHARGES – COLLECTED AND USED
YEAR ENDED DECEMBER 31, 2014

Note 1. Basis of Presentation

The accompanying schedule of passenger facility charges collected and expended reports the activity of Spokane Airports related to its passenger facility charges.

The following is the basis of presentation:

PFC Revenues — These amounts represent the receipt of PFC charges from airlines for the year ended December 31, 2014. Amounts are reported on an accrual basis.

Interest Earned — These amounts represent the interest income earned on deposit balances of PFC receipts. Amounts are reported on the accrual basis.

Expenditures — Expenditures represent the amount of capital and other approved cost expended for approved projects. Amounts are reported on an accrual basis.

SPOKANE AIRPORT BOARD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED DECEMBER 31, 2014

1 Federal Agency Name/ Pass-Through Agency Name	2 Federal Program Name	3 CFDA Number	4 Other I.D. Number	5 Expenditures		6 Footnote Ref.
				From Pass-Through Awards	From Direct Awards	
Department of Transportation: Federal Aviation Administration	Airport Improvement Program	20.106		9,693,797		
				6,001,012		
				20,605		
				142,849		\$ 18,031,872
				1,530,424		
				3,406		
			639,779			
Department of Transportation: Federal Highway Administration & WaDOT	Highway Planning and Construction	20.205	STPUL-9932(050)	88,255		2
U.S Department of Justice	Equitable Sharing Program	16.922			1,356	2
Total Federal Awards Expended					\$ 18,121,483	

The accompanying note to the Schedule of Expenditures of Federal Awards is an integral part of this Schedule.

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Spokane Airport Board and is presented 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*.

Note 2: Program Costs

The amount shown as current year expenditures represents only the federal grant portion of the program costs. Entire program costs, including the Airport's portion, are more than shown.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov