



# Washington State Auditor's Office

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## Accountability Audit Report **Spokane Airport Board**

Spokane County

**For the period January 1, 2015 through December 31, 2015**

**Published June 13, 2016**

**Report No. 1016922**





## Washington State Auditor's Office

June 13, 2016

Board of Directors  
Spokane Airport Board  
Spokane, Washington

### Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Board operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Board's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, Board operations complied with applicable requirements and provided adequate safeguarding of public resources. The Board also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of the Spokane Airport Board from January 1, 2015 through December 31, 2015.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Board's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Billings/receivables
- Payments/expenditures
- Open public meeting minutes
- Third-party receipting

## RELATED REPORTS

### **Financial**

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available from Spokane Airport Board.

### **Federal grant programs**

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Board's major federal program, which is listed in the Schedule of Findings and Questioned Costs section of the separate financial statement and single audit report. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Passenger Facility Charges**

During the current audit period, a report on agreed-upon procedures was performed by a firm of certified public accountants. That firm's report is available from Spokane Airport Board.

## INFORMATION ABOUT THE BOARD

The Spokane Airport Board was formed in 1962 and currently includes the Spokane International Airport, Business Park and Felts Field Airport. These airports are jointly owned and operated by the City of Spokane and Spokane County in accordance with the Airport Joint Operating Agreement dated August 28, 1990. The City and County each own 50 percent of the Board.

An appointed, seven-member Board of Directors governs the operations of the Board. The Board of Directors is composed of three Members appointed by the City, three Members appointed by the County, and one Member appointed jointly by the City and County.

The Board of Directors appoint management to oversee the airport's daily operations as well as their approximately 110 full- and 40 part-time employees. The Board obtains operating funds from user fees, parking and building lease revenue. For fiscal year 2015, the airports produced annual operating revenue of \$30.2 million. The Board also receives non-operating and capital contribution revenues in the form of passenger facility charges, and state and federal grants. For fiscal year 2015, the Board had annual non-operating and capital contribution revenues of \$18 million.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Spokane Airport Board at <http://portal.sao.wa.gov/ReportSearch>.

## 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.

<b>Contact information for the State Auditor's Office</b>	
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