

**Washington State Auditor
Brian Sonntag**



July 21, 2009

Port of Seattle
Pier 69
P.O. Box 1209
Seattle, WA 98111-1209

Commissioner Hara:

In March of this year, Chuck Pfeil and I met with John Creighton, Joyce Kirangi, Rudy Caluza, Thomas Barnard and you concerning the Port of Seattle's Financial Statement Audit, Federal Single Audit and the Passenger Facility Charges Audit for 2009 audit period. At that time, you requested that the State Auditor's Office provide the Port with an estimate of the cost for the State Auditor's Office to complete these audits.

We estimate our charges to the Port for these audits would be approximately \$298,680. The cost for the Financial Statement Audit would be approximately \$168,990, the Federal Single Audit cost would be \$117,900, and the Passenger Facility Charges Audit cost would be \$11,790.

For the 2008 audit, the Port paid a private certified public accounting firm \$608,000 for these three audits.

If the Port would like to have us perform this work, we would require notification as soon as possible to schedule the audit and put staff in place. Please contact me when the Port has made its decision. My phone number is 206-615-0557.

Sincerely,

Carol Ehlinger
Audit Manager
Washington State Auditor
Central King County Team



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Port Commissioners
Port of Seattle
Pier 69
P.O. Box 1209
Seattle, WA. 98111-1209

Dear Commissioners:

Thank you for your request for information on the authority of other state auditors to audit local governments in the states in which the 20 largest airports and 10 largest seaports are located.

We searched the U.S. Department of Transportation's Bureau of Transportation Statistics to identify these airports and seaports and used information from the National Association of State Auditors, Comptrollers and Treasurers and state Web sites to determine the extent of other auditors' offices authority to audit local governments. For all but two of the states identified, the state auditor has the authority to audit local governments, typically only as a result of legislative request or citizen petition. Only one state, Minnesota, has a state auditor with authority similar to the Washington State Auditor's Office, yet that authority is limited to certain types of entities. For example, the Metropolitan Airports Commission in Minnesota operates the Minneapolis-St. Paul Airport and is not audited by their state auditor; rather, state law requires that it be audited by the state legislative auditor, subject to funding and availability of staff, yet also allows this audit to be contracted.

The Washington State Auditor's Office statutory authority is unique in that we are the auditor of all local governments. Thus, the 20 largest airports and 10 largest seaports are audited by private CPA firms because their state auditors do not have the authority to conduct those audits.

Also, we understand that the Port prefers to have the financial statement audit completed and our opinion issued on the financial statements by April 30 of each year, with the federal program audit and audit of Passenger Facility Charges completed by June 30. As previously mentioned, we can meet that timeline if the Port provides the information necessary to complete the audit in a timely manner.

The team that would conduct the audit is based in downtown Seattle and is staffed with auditors who have experience in auditing various types of local governments. Several of our auditors have been involved with the accountability audits of the Port of Seattle, and others have done audit work at other ports in the state. Our auditors also will do their work under auditing standards that require them to exercise reasonable care and professional skepticism when conducting audits. As part of our planning procedures, we must take in to account previous audit results and the results of outside audits or reviews.

Please let us know if you have any other questions or concerns. We are available to discuss any concerns you may have. You may reach me at (206) 615-0557.

Sincerely,

A handwritten signature in cursive script that reads "Carol J. Ehlinger".

Carol Ehlinger
Audit Manager
Washington State Auditor's Office
Central King County Team