

Washington State Auditor's Office
Accountability Audit Report

**Cultural Development Authority of King
County
(4Culture)
King County**

Report Date
September 22, 2008

Report No. 75427

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October 13, 2008



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

October 13, 2008

Board of Directors
4Culture
Seattle, Washington

Report on Accountability

Please find attached our report on 4Culture's accountability and compliance with state laws and regulations and its own policies and procedures.

In addition to this work, we also audit the Authority's financial statements. The results of that audit will be included in a separately issued audit report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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King County
September 22, 2008**

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Audit Summary

**4Culture
King County
September 22, 2008**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of 4Culture.

We performed audit procedures to determine whether the Authority complied with state laws and regulations and its own policies and procedures. We also examined Authority management's accountability for public resources. Our work focused on specific areas that have potential for abuse and misuse of public resources.

Areas examined during the audit were selected using financial transactions from January 1, 2007, through December 31, 2007.

RESULTS

The Authority complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets.

RELATED REPORTS

Our opinion on the Authority's financial statements is provided in a separate report, which includes the Authority's financial statements.

CLOSING REMARKS

We thank Authority officials and personnel for their assistance and cooperation during the audit.

Description of the Authority

4Culture King County September 22, 2008

ABOUT THE AUTHORITY

The Cultural Development Authority of King County, doing business as 4Culture, was established January 1, 2003, by the King County Council. The Authority was established to further the goals and objectives of the King County Comprehensive Plan, to establish cultural resource policies and to operate in a manner that ensures King County citizens and visitors have access to high-quality cultural programs and experiences.

The Authority operates under a charter, which provides the articles of organization for the Authority. The charter and all amendments were adopted by King County. The Authority's Board of Directors is composed of 15 directors and five ex-officio members. The Director's are appointed by the King County Executive and subject to confirmation by the King County Council. The ex-officio members are three designated King County Council Members, one designated County Executive staff member and the Authority's Executive Director.

The Authority administers public art programs, cultural programs, a hotel/motel tax-funded cultural education program, a cultural facilities program, a sustained support program for arts and a hotel/motel tax-funded special projects program. In 2007 the Authority's expenditures totaled approximately \$8.8 million. The Authority is predominantly funded by King County hotel/motel taxes and King County One Percent for Art money. The One Percent for Art money comes from financing for King County construction projects. The Authority uses that money to purchase art and art services, which are returned to King County.

AUDIT HISTORY

We audit the Authority annually. The Authority was established in January 2003. The Authority has not had any findings.

APPOINTED OFFICIALS

These officials served during the audit period:

Board of Directors:

Patricia Akiyama
Nancy Colson
Bill Finkbeier
Leonard Garfield
Paul Ishii
Margaret Lowe
Louise Miller
Skip Rowley
Ron Sher
Dale Smith
Roxanne Thayer
Paul Toliver
Stephanie Toothman
Bill True
Judy Whetzel

Ex-Officio Members of the Board:

Larry Phillips (King County)
Jane Hauge (King County)
Dow Constantine (King County)
Karen Ann Freeman (King County)

Executive Director

Jim Kelly

ADDRESS

Authority

101 Prefontaine Place S.
Seattle, WA 98104

Audit Areas Examined

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In keeping with general auditing practices, we do not examine every portion of 4Culture's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Authority were examined during this audit period:

ACCOUNTABILITY

We evaluated the Authority's accountability in the following areas:

- County Treasurer
- Restricted revenues
- General disbursements
- Conflict of interest

FINANCIAL AREAS

Our opinion on the Authority's financial statements is provided in a separate report. That report includes the Authority's financial statements and other required financial information. We examined the financial activity and balances of the Authority including:

- Cash and investments
- Revenues
- Expenditures/expenses
- Equity
- Inter-fund activities



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.

Our mission is to work in cooperation with our audit clients and citizens as an advocate for government accountability. 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.

The State Auditor's Office has 300 employees who are located around the state to deliver our services effectively and efficiently. Approximately 65 percent of our staff are certified public accountants or hold other certifications and advanced degrees.

Our regular 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. We also perform fraud and whistleblower investigations. In addition, we have the authority to conduct performance audits of state agencies and local governments.

The results of our audits are widely distributed through a variety of reports, which are available on our Web site. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive program to coordinate audit efficiency and to ensure high-quality audits.

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