From: Khokhar, Sonia (SAO)
To: Joshua Curtis
Subject: Audit Request - Legal Matters Inquiry
Date: Friday, November 4, 2022 2:36:00 PM
Attachments: image001.png

Hi Joshua,

As part of our audit of the Washington State Major League Baseball Stadium Public Facilities District's financial statements, we are required by professional standards to request a list of all litigation, claims and assessments, including threatened or unasserted claims that are probable of assertion and that, if asserted, would have at least a reasonable possibility of an unfavorable outcome. The list may be limited to matters involving amounts over $50,000 individually or in the aggregate. For each matter, the list should include:

a. A description of the matter, including the period in which the underlying cause for legal action occurred.

b. Progress of the matter to date and how the government is responding or intends to respond, if applicable (for example: seeking arbitration, contesting the case, appealing the verdict, seeking an out-of-court settlement, etc).

c. Whether the matter has been referred to external legal counsel.

d. An evaluation of the likelihood of an unfavorable outcome and an estimated amount or range of the potential loss before insurance coverage is applied, if one can be made. If such estimates are incorporated into a claims reserve, then we would accept the claims reserve amount for each matter, along with a description of your methodology for estimating claims reserves. Alternatively, if you do not wish to include these estimates in your response for confidentiality purposes, you may arrange a time to discuss this information verbally with us.

e. The extent to which losses will be covered by insurance or a risk pool and whether there are any disputes, disagreements or uncertainties regarding whether the insurer will pay the claim as expected.

Your response should include all matters that existed as of December 31, 2021 as well as all matters that arose subsequent to that date up to the effective date of your response. It should also include a description of any limitations in your response and the reasons for any such limitation.

At the conclusion of the audit, we will request a management representation letter, which will include representations regarding legal matters. Accordingly, if any new information comes to your attention during the course of the audit on matters covered in your response or on additional matters not covered in your original response, we request that you inform us as soon as practicable.

If you have any questions about our request or anticipate needing more than 3 business days to respond, please contact me via email or phone.

Thanks,

Sonia Khokhar
Assistant State Auditor, Office of the Washington State Auditor

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