



Exit Recommendations
on State Major League Baseball Stadium Public Facilities District
Audit Period Ending: 12/31/2021

We are providing the following exit recommendations for management's consideration. They are not referenced in the audit report. We may review the status of the following exit items in our next audit.

Accountability:

Annual Report Deadline

The District was one day late in filing its fiscal year 2021 annual report with the Washington State Auditor's Office (SAO).

We recommend the District take steps to ensure annual reports are prepared, certified, and filed with SAO within 150 days after the close of each fiscal year, as required by state law (RCW 43.09.230).

Reimbursements

Per RCW 42.24.080 and the District's reimbursement policy, District staff must receive manager's written authorization prior to incurring an expense on behalf of the District. In order to be reimbursed for all authorized expenses, District staff must submit an expense report or voucher accompanied by receipts to the manager. We tested 20 reimbursement transactions totaling \$4,857 and noted the following:

- 18 transactions did not have adequate documentation supporting the validity of the charge.
- 18 transactions did not have a manager's written authorization prior to incurring the expense, as required by their policy.
- 18 transactions did not have documentation in order to determine if the charge was allowable under state law and District policy.

We recommend the District retain prior written approval and original receipts for all purchase as required by the District's policy.

Cellphone Reimbursement

District staff received reimbursement for their cellphone usage. Although the reimbursement was approved by the Board Chair, the District did not have a policy in place related to cellphone reimbursement.

We recommend the District establish a policy related to cellphone reimbursement, specifically include who can be reimbursed, the amount and any other requirements to receive the reimbursement.

COBRA Reimbursement

Per the District's policy, employees are eligible for health insurance coverage the first of the



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month after 30 days of employment. The District reimbursed one staff for COBRA payment before they were eligible to receive health insurance.

We recommend the District follow its own policy or consider updating it to reflect actual practice.

Financial Statements:

Financial Statement Preparation

The District lacks adequate internal controls to ensure financial statements are prepared accurately. The current preparation and review process was not able to effectively identify and correct all errors. As a result, we noted the following financial statement errors, including presentation errors:

- Accounts Payable balance was overstated by \$40,366.
- Cash & Investment was overstated by \$135,964.
- Note 5 was not prepared in accordance with BARS manual.
- General & Administrative expenses was overstated by \$53,871.
- Restaurant Tax Revenue was understated by \$8,691.91.
- Unrealized Gain was overstated by \$29,433.
- Parking Tax Revenue was overstated by \$15,392.

We recommend the District enhance its financial statement preparation and review process to ensure the accuracy of their financial statements and schedules.