



Office of the Washington State Auditor

Pat McCarthy

Exit Conference: Washington State Major League Baseball Stadium Public Facility District

The Office of the Washington State Auditor's vision is increased trust in government. Our mission is to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develop strategies that make government more efficient and effective.

The purpose of this meeting is to share the results of your audit and our draft reporting. We value and appreciate your participation.

Audit Reports

We will publish the following reports:

- Accountability audit for January 1, 2021 through December 31, 2021– see draft report.
- Financial statement audit for January 1, 2021 through December 31, 2021 – see draft report.

Audit Highlights

We greatly appreciate Joshua Curtis, Executive Director, on his cooperation and quick turnaround in providing us with any information that we requested throughout the audit. Joshua made the audit process smooth and efficient.

Recommendations not included in the Audit Reports

Exit Items

We have provided exit recommendations for management's consideration. Exit items address control deficiencies or noncompliance with laws or regulation that have an insignificant or immaterial effect on the entity, or errors with an immaterial effect on the financial statements. Exit items are not referenced in the audit report.

Financial Statement Audit Communication

We would like to bring the following to your attention:

- We didn't identify any material misstatements during the audit.
- Uncorrected misstatements in the audited financial statements are summarized on the attached schedule. We agree with management's representation that these misstatements are immaterial to the fair presentation of the financial statements. However, the conditions that led to these misstatements may result in more significant misstatements if not corrected.
- The audit addressed the following risks, which required special consideration:
 - Due to the possibility that management may be able to circumvent certain controls, standards require the auditor to assess the risk of management override.

Finalizing Your Audit

Report Publication

Audit reports are published on our website and distributed via email in a .pdf file. We also offer a subscription service that notifies you by email when audit reports are released or posted to our website. You can sign up for this convenient service at <https://portal.sao.wa.gov/SAOPortal>.

Management Representation Letter

We have included a copy of representations received from management.

Audit Cost

At the entrance conference, we estimated the cost of the audit to be \$12,000 and actual audit costs will approximate that amount. There was an additional cost of \$3,200 related to our fraud investigation work.

Your Next Scheduled Audit

Your next audit is scheduled to be conducted in 2023 and will cover the following general areas:

- Accountability for public resources
- Financial statement

The estimated cost for the next audit based on current rates is \$13,000 plus travel expenses. This preliminary estimate is provided as a budgeting tool and not a guarantee of final cost.

If expenditures of federal awards are \$750,000 or more in any fiscal year, notify our Office so we can schedule your audit to meet federal Single Audit requirements. Federal awards can include grants, loans, and non-cash assistance like equipment and supplies.

Working Together to Improve Government

Audit Survey

When your report is released, you will receive an audit survey from us. We value your opinions on our audit services and hope you provide feedback.

Local Government Support Team

This team provides support services to local governments through technical assistance, comparative statistics, training, and tools to help prevent and detect a loss of public funds. Our website and client portal offers many resources, including a client Help Desk that answers auditing and accounting questions. Additionally, this team assists with the online filing of your financial statements.

The Center for Government Innovation

The Center for Government Innovation at the Office of the Washington State Auditor offers services specifically to help you help the residents you serve at no additional cost to your government. What does this mean? We provide expert advice in areas like Lean process improvement, peer-to-peer networking, and culture-building to help local governments find ways to be more efficient, effective and transparent. The Center can help you by providing assistance in financial management, cybersecurity and more. Check out our best practices and other

resources that help local governments act on accounting standard changes, comply with regulations, and respond to recommendations in your audit. The Center understands that time is your most precious commodity as a public servant, and we are here to help you do more with the limited hours you have. If you are interested in learning how we can help you maximize your effect in government, call us at (564) 999-0818 or email us at Center@sao.wa.gov.

Questions?

Please contact us with any questions about information in this document or related audit reports.

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Office of the Washington State Auditor
Pat McCarthy

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Accountability Audit Report

Washington State Major League Baseball Stadium Public Facilities District

For the period January 1, 2021 through December 31, 2021

Published (Inserted by OS)

Report No. 1033092



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Office of the Washington State Auditor Pat McCarthy

Issue Date – (Inserted by OS)

Board of Directors
Washington State Major League Baseball Stadium Public Facilities District
Seattle, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The Office of the Washington State Auditor 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 District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

Attached is our independent audit report on the District's compliance with applicable requirements and safeguarding of public resources for the areas we examined. We appreciate the opportunity to work with your staff and value your cooperation during the audit.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

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AUDIT RESULTS

Results in brief

This report describes the overall results and conclusions for the areas we examined. In most of the areas we examined, District operations complied, in all material respects, with applicable state laws, regulations, and its own policies, and provided adequate controls over safeguarding of public resources.

As referenced above, we identified areas where the District could make improvements. These recommendations are included with our report as a finding.

In keeping with general auditing practices, we do not examine every transaction, activity, policy, internal control, or area. As a result, no information is provided on the areas that were not examined.

About the audit

This report contains the results of our independent accountability audit of the Washington State Major League Baseball Stadium Public Facilities District from January 1, 2021 through December 31, 2021.

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.

This audit was conducted under the authority of RCW 43.09.260, which requires the Office of the Washington State Auditor to examine the financial affairs of all local governments. Our audit involved obtaining evidence about the District's use of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters. The procedures performed were based on our assessment of risks in the areas we examined.

Based on our risk assessment for the year ended December 31, 2021, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – credit cards and employee reimbursements
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

Washington State Major League Baseball Stadium Public Facilities District January 1, 2021 through December 31, 2021

2021-001 The District's internal controls over credit cards were inadequate for ensuring all charges were for allowable business purposes and adequately supported.

Background

The Washington State Major League Baseball Stadium Public Facility District is governed by a seven-member Board of Directors. Established in 1995, the District's mission is to maintain and enhance T-Mobile Park, formerly Safeco Field, in order to promote the success of major league baseball in Washington, enhance fan enjoyment, and contribute to an economically successful, safe, desirable, innovative, and walkable stadium neighborhood.

Management is responsible for establishing and following effective internal controls to ensure the District is adequately safeguarding public resources. The *Budgeting, Accounting and Reporting System* (BARS) Manual includes requirements for using credit cards. Specifically, BARS 3.8.4.20 requires local governments, in accordance with RCW 43.09.2855, to adopt policies and procedures to control credit card payments, including distribution of cards, credit limits, authorization of purchases, and support and payment of bills. The District's credit card policy prohibits personnel from using District-issued credit cards for purposes other than District business. The policy also requires someone to independently review credit charges before issuing payment. The District's annual credit card expenses for 2021 totaled \$12,137.

Description of Condition

Our audit found the District's internal controls over its credit card activity were inadequate for safeguarding the use of public funds. Specifically, the District did not have a process in place to ensure someone independently reviewed and reconciled all credit card transactions before issuing payment.

This issue was not reported as a finding in the prior audit.

Cause of Condition

District management did not devote sufficient attention to reviewing credit card transactions.

Effect of Condition

Inadequate internal controls over credit card transactions increase the risk that a loss or misappropriation of public funds could occur and not be detected by management quickly, if at all.

In 2021, the District maintained two credit cards and made 132 purchases totaling \$12,137. We reviewed 10 of these transactions, which totaled \$1,186. We found eight out of these transactions, totaling \$874, did not have adequate supporting documentation, such as an itemized receipt. Without proper support, the District cannot demonstrate that the payments were an allowable use of public funds. Additionally, District staff did not perform an independent review for all 10 transactions.

On December 5, 2022, the District notified our Office about a loss of public funds, as required by state law. The District investigated the loss and determined the former Office Manager charged one of the District's credit cards for personal purchases between April 2021 to July 2022, totaling \$3,566. We reviewed the District's investigation and determined the former Office Manager misappropriated \$1,405 of public funds through the District's credit card. We also found questionable credit card transactions totaling \$2,348.

In an email sent to District management on October 17, 2022, the former Office Manager acknowledged two of the credit payments, totaling \$82, were personal charges. She said she would repay the District for these charges, but has not as of the publication of this report.

Recommendation

We recommend the District strengthen its internal controls by establishing an independent review of credit card charges, as required by its policy. We also recommend the District obtain and retain receipts and invoices to support each credit card expense.

District's Response

The District agrees with the State Auditor's Office (SAO) recommendation and has strengthened its internal controls. The District now obtains and retains receipts and invoices to support credit card expenses. The District has also hired a third party consultant to run payroll and review all credit card purchases on a monthly basis as part of financial statement preparation. In addition, credit card statements have been included in the packet the District Treasurer reviews prior to each Board meeting.

The District also agrees with the SAO's characterization of the credit card charges made by the District's former Office Manager. In addition to working closely with SAO to provide transparency into the issue at the outset of the audit, the District devoted significant time and energy to both recoup the misused funds from the departed employee and to institute measures internally to ensure the issue does not arise again. After providing the former Office Manager the opportunity to reimburse the District, the District filed a claim against the former employee in the King County District Small Claims Court. The District ultimately chose to dismiss the case without prejudice due to the inability to serve the former employee following multiple attempts.

The District appreciates the work of the SAO in helping to resolve this matter.

Auditor's Remarks

We appreciate the District's commitment to resolve this finding and thank the District for its cooperation and assistance during the audit. We will review the corrective action taken during our next audit.

Applicable Laws and Regulations

RCW 42.24.080 – Municipal corporations and political subdivisions – Claims against for contractual purposes – Auditing and payment – Forms – Authentication and certification.

RCW 43.09.200 – Local government accounting—Uniform system of accounting.

RCW 43.09.2855 – Local governments – Use of credit cards.

Budgeting, Accounting and Reporting System (BARS) Manual – Accounting, Expenditures, Purchase Cards, Sections 3.8.4

RELATED REPORTS

Financial

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

INFORMATION ABOUT THE DISTRICT

Washington State and King County created the Washington State Major League Baseball Stadium Public Facilities District by joint action. The District operates as a municipal corporation of the state of Washington and was formed to research a site and design, build and operate a major league baseball park. In December 1996, the District signed a lease with the Mariners owners.

On March 8, 1997, ground was broken, and on April 2, 1997, bonds totaling \$336 million were sold to finance construction. The ballpark opened with construction completed on July 15, 1999. The Seattle Mariners started paying rent on the stadium in accordance with the lease agreement.

The District is governed by a seven-member Board of Directors. Directors are appointed by King County and state government. Four members are appointed by the King County Executive and confirmed by the Metropolitan King County Council. Three members are appointed by the Governor. Of those, one is nominated by the Speaker of the House and one is nominated by the Senate Majority Leader. Annual rental revenue totaled \$1.6 million in 2021.

Contact information related to this report

Address:	Washington State Major League Baseball Stadium Public Facilities District P.O. Box 94445 Seattle, WA 98124
Contact:	Joshua Curtis, Executive Director
Telephone:	(206) 664-3079
Website:	www.ballpark.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Washington State Major League Baseball Stadium Public Facilities District at <http://portal.sao.wa.gov/ReportSearch>.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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- Learn about our [training workshops](#) and [on-demand videos](#)
- Discover [which governments serve you](#) — enter an address on our map
- Explore public financial data with the [Financial Intelligence Tool](#)

Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov



Office of the Washington State Auditor
Pat McCarthy

Preliminary Draft - Please do not duplicate, distribute, or disclose.

Financial Statements Audit Report

Washington State Major League Baseball Stadium Public Facilities District

For the period January 1, 2021 through December 31, 2021

Published (Inserted by OS)

Report No. 1033038



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**Office of the Washington State Auditor
Pat McCarthy**

Issue Date – (Inserted by OS)

Board of Directors
Washington State Major League Baseball Stadium Public Facilities District
Seattle, Washington

Report on Financial Statements

Please find attached our report on the Washington State Major League Baseball Stadium Public Facilities District's financial statements.

We are issuing this report in order to provide information on the District's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

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INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Washington State Major League Baseball Stadium Public Facilities District January 1, 2021 through December 31, 2021

Board of Directors

Washington State Major League Baseball Stadium Public Facilities District
Seattle, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Washington State Major League Baseball Stadium Public Facilities District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 31, 2023.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

July 31, 2023

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Washington State Major League Baseball Stadium Public Facilities District January 1, 2021 through December 31, 2021

Board of Directors

Washington State Major League Baseball Stadium Public Facilities District
Seattle, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of the Washington State Major League Baseball Stadium Public Facilities District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Washington State Major League Baseball Stadium Public Facilities District, as of December 31, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and

for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

July 31, 2023

FINANCIAL SECTION

Washington State Major League Baseball Stadium Public Facilities District January 1, 2021 through December 31, 2021

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2021

BASIC FINANCIAL STATEMENTS

Balance Sheet – 2021

Statement of Revenues, Expenses and Changes in Net Position – 2021

Statement of Cash Flows – 2021

Notes to Financial Statements – 2021

ABOUT THE STATE AUDITOR'S OFFICE

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- Email:
webmaster@sao.wa.gov

Summary of Uncorrected Items

Description	Statement / Schedule	Opinion Unit
Valuation: Accounts Payable: Accounts Payable was overstated due to ballpark capital improvements incorrectly recorded. We verified this during our conversation with the District on 11/18/22.	Balance Sheet	Proprietary
Existence - Cash & Investments: We inquired with King County Treasury and determined the PFD incorrectly recorded the fair market value adjustment at year end for \$97,476 when the fair market value adjustment at year-end should have been (\$38,488) resulting in an overstatement in the PFD's financial statement cash and cash equivalents balance of \$135,964.	Balance Sheet	Proprietary
Presentation : Note 5 - Deposits with financial institutions and Investments: Note 5 includes the following: "The District's deposits are covered entirely by federal depository insurance or uninsured but collateralized under the Public Deposit Protection Commission of the State of Washington (PDPC) collateral pool. The PDPC's agent in the name of the pool holds pledged securities under the PDPC pool." whereas BARS Note X – Deposits and Investments states "The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The (city/county/district) reports its investment in the pool at (amortized cost / fair value), which is (the same as the value of the pool per share / or disclose the difference between the reported amount and the value of pool shares)."	Notes to Financial Statements	Single Opinion Unit
Valuation: (Operating Expenses) General & Administrative expenses was overstated due to benefits for payroll and office supplies expenses incorrectly recorded. We verified this during our conversation with the District on 11/18/22.	Operating Statement	Proprietary
Restaurant Tax Revenue: Per King County Treasury Report GL 30 for December 2021, ending balance for restaurant tax should be \$8,691.91. No restaurant tax was reported on the financial statements. Per our conversation with Joshua Curtis, Executive Director, on 11/9/2022, the District did receive restaurant tax revenue from the County in 2021 based on the County treasurer bank statements. However, the amount was not recorded in 2021.	Operating Statement	Proprietary
Unrealized Gains: Adjusting year-end journal entry was made to adjust unrealized gains at 12/31/2021 - We followed up with the District to obtain supporting documentation on the adjusting journal entry for unrealized gains. The District was unable to provide justification and evidence to confirm the validity of the amount. As a result, we determined unrealized gains amount is overstated.	Operating Statement	Proprietary

Summary of Uncorrected Items

Description	Statement / Schedule	Opinion Unit
Classification: (Nonoperating Revenue) Parking Tax Revenue was overstated due to incorrect allocation to Accounts Receivable account. We verified this during our conversation with the District on 11/18/22.	Operating Statement	Proprietary



July 31, 2023

Office of the Washington State Auditor
3200 Capitol Blvd
P.O. Box 40031
Olympia, WA 98504-0031

To the Office of the Washington State Auditor:

We are providing this letter in connection with your audit of Washington State Major League Baseball Stadium Public Facilities District for the period from January 1, 2021 through December 31, 2021. Representations are in relation to matters existing during or subsequent to the audit period up to the date of this letter.

Certain representations in this letter are described as being limited to matters that are significant or material. Information is considered significant or material if it is probable that it would change or influence the judgment of a reasonable person.

We confirm, to the best of our knowledge and belief, having made appropriate inquiries to be able to provide our representations, the following representations made to you during your audit. If we subsequently discover information that would change our representations related to this period, we will notify you in a timely manner.

General Representations:

1. We have provided you with unrestricted access to people you wished to speak with and made available all requested and relevant information of which we are aware, including:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Other internal or external audits, examinations, investigations or studies that might concern the objectives of the audit and the corrective action taken to address significant findings and recommendations.
 - d. Communications from regulatory agencies, government representatives or others concerning possible noncompliance, deficiencies in internal control or other matters that might concern the objectives of the audit.


- e. Related party relationships and transactions.
 - f. Results of our internal assessment of business risks and risks related to financial reporting, compliance and fraud.
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- 2. We acknowledge our responsibility for compliance with requirements related to confidentiality of certain information and have notified you whenever records or data containing information subject to any confidentiality requirements were made available.
 - 3. We acknowledge our responsibility for compliance with applicable laws, regulations, contracts and grant agreements.
 - 4. We have identified and disclosed all laws, regulations, contracts and grant agreements that could have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 - 5. We have complied with all material aspects of laws, regulations, contracts and grant agreements.
 - 6. We acknowledge our responsibility for establishing and maintaining effective internal controls over compliance with applicable laws and regulations and safeguarding of public resources, including controls to prevent and detect fraud.
 - 7. Except as discussed with you, we have established adequate procedures and controls to provide reasonable assurance of safeguarding public resources and compliance with applicable laws and regulations.
 - 8. Except as reported to you in accordance with RCW 43.09.185, we have no knowledge of any loss of public funds or assets or other illegal activity, or any allegations of fraud or suspected fraud involving management or employees.
 - 9. In accordance with RCW 43.09.200, all transactions have been properly recorded in the financial records.

Additional representations related to the financial statements:

- 10. We acknowledge our responsibility for fair presentation of financial statements and believe financial statements are fairly presented in conformity with generally accepted accounting principles in the United States of America.
- 11. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
- 12. The financial statements include financial information of the primary government and all component units, fiduciary and other activity required by generally accepted accounting principles to be included in the financial reporting entity.
- 13. The financial statements properly classify all funds and activities.

14. All funds that meet the quantitative criteria in GASB requirements or are otherwise particularly important to financial statement users, are presented as major funds.
15. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported and depreciated as applicable.
16. We have no plans or intentions that may materially affect the reported value or classification of assets, liabilities or net position.
17. Revenues are appropriately classified by fund and account.
18. Expenses have been appropriately classified by fund and account, and allocations have been made on a reasonable basis.
19. Net position components (net investment in capital assets, restricted and unrestricted) are properly classified and, as applicable, approved.
20. Significant assumptions we used in making accounting estimates are reasonable.
21. The following have been properly classified, reported and disclosed in the financial statements, as applicable:
 - a. Interfund, internal, and intra-entity activity and balances.
 - b. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - c. Joint ventures and other related organizations.
 - d. Guarantees under which the government is contingently liable.
 - e. All events occurring subsequent to the fiscal year end through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
 - f. Effects of all known actual or possible litigation, claims, assessments, violations of laws, regulations, contracts or grant agreements, and other loss contingencies.
22. We have accurately disclosed to you all known actual or possible pending or threatened litigation, claims or assessments whose effects should be considered when preparing the financial statements. We have also accurately disclosed to you the nature and extent of our consultation with outside attorneys concerning litigation, claims and assessments.
23. We have disclosed to you all significant changes to the methods of measurement and presentation of supplementary information, reasons for any changes and all significant assumptions or interpretations underlying the measurement or presentation.
24. We believe the effects of uncorrected financial statement misstatements summarized in the schedule of uncorrected items provided to us by the auditor are not material, both individually and in the aggregate, to each applicable opinion unit.

25. We acknowledge our responsibility not to publish any document containing the audit report with any change in the financial statements, supplementary and other information referenced in the auditor's report. We will contact the auditor if we have any needs for publishing the audit report with different content included.



Joshua Curtis
(Executive Director)



Mike Fong
(District Board Treasurer)