



Office of the Washington State Auditor  
Pat McCarthy

## **Accountability Audit Report**

# **Washington State Major League Baseball Stadium Public Facilities District**

**For the period January 1, 2022 through December 31, 2022**

*Published February 26, 2024*

Report No. 1034311



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

February 26, 2024

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

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## AUDIT RESULTS

### Results in brief

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

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

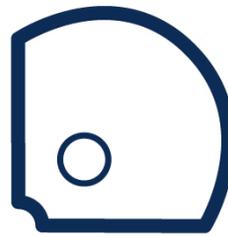
This report contains the results of our independent accountability audit of the Washington State Major League Baseball Stadium Public Facilities District from January 1, 2022 through December 31, 2022.

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, 2022, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Procurement – personal services contracts
- Use of Neighborhood Improvement Funds – compliance with contract terms
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Washington State Major League Baseball Stadium Public Facilities District  
January 1, 2022 through December 31, 2022**

This schedule presents the status of findings reported in prior audit periods

<b>Audit Period:</b> 1/1/2021 - 12/31/2021	<b>Report Ref. No.:</b> 133092	<b>Finding Ref. No.:</b> 2021-001
<b>Finding Caption:</b> The District’s internal controls over credit cards were inadequate for ensuring all charges were for allowable business purposes and adequately supported.		
<b>Background:</b> 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. 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.		
<b>Status of Corrective Action: (check one)</b> <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid		

**Corrective Action Taken:**

*The District has put into place several safeguards to ensure that misuse of business credit cards does not reoccur. Upon learning of the issue, the District contracted with a third-party bookkeeper. The District's Office Manager now provides receipts to the bookkeeper, who reviews the monthly charges. In addition, the District's Executive Director provides credit card statements to the Board of Directors' Treasurer for their review prior to each Board Meeting. Finally, the Office Manager does not have possession of the business credit card and is required to request the use of it from the Executive Director for non-recurring office-related expenses.*

## 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.

### 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:	<a href="http://www.ballpark.org">www.ballpark.org</a>

*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](http://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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