



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

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

King County

For the period January 1, 2013 through December 31, 2013

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Washington State Auditor Troy Kelley

December 18, 2014

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 State Auditor's Office 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.

The attached comprises our report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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AUDIT SUMMARY

Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in the areas we 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, 2013 through December 31, 2013.

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.

Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Accounting/financial reporting
- Unanticipated capital costs
- Parking tax revenue
- Contracts/agreements

RELATED REPORTS

Financial

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

INFORMATION ABOUT THE DISTRICT

Washington State and King County created the Washington State Major League Baseball Stadium Public Facilities District by joint action. Through the passage of Enhance House Bill 2115, the state authorized King County to create the District to build a ballpark and identified the sources of revenue that could be used to finance it. King County adopted Ordinance 12000 in October 1995 to create the District and to use the financing package to build a major league ballpark.

The District is a component unit of King County and 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. Board Members serve as volunteers for four-year terms.

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. Annual rental revenue totaled \$950,018 in 2013. The District has one part-time contract employee and a contracted Executive Director.

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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 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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

Our 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. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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