



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Greater Tacoma Regional Convention Center Public Facilities District

For the period January 1, 2019 through December 31, 2019

Published June 15, 2020

Report No. 1026422





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

June 15, 2020

Board of Directors
Greater Tacoma Regional Convention Center Public Facilities District
Tacoma, Washington

Report on Financial Statements

Please find attached our report on the Greater Tacoma Regional Convention Center Public Facilities District's financial statements.

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

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

Americans with Disabilities

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**INDEPENDENT AUDITOR'S 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**

**Greater Tacoma Regional Convention Center Public Facilities District
January 1, 2019 through December 31, 2019**

Board of Directors

Greater Tacoma Regional Convention Center Public Facilities District
Tacoma, 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 governmental activities and each major fund of the Greater Tacoma Regional Convention Center Public Facilities District, a component unit of the City of Tacoma, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 14, 2020.

As discussed in Note 5 to the financial statements, in March 2020, a state of emergency was declared that could have a negative financial effect on the District.

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) to determine the 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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy
State Auditor
Olympia, WA

May 14, 2020

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Greater Tacoma Regional Convention Center Public Facilities District January 1, 2019 through December 31, 2019

Board of Directors
Greater Tacoma Regional Convention Center Public Facilities District
Tacoma, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and each major fund of the Greater Tacoma Regional Convention Center Public Facilities District, a component unit of the City of Tacoma, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed on page 10.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Greater Tacoma Regional Convention Center Public Facilities District, as of December 31, 2019, and the changes in financial position thereof, and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 5 to the financial statements, in March 2020 a state of emergency was declared that could have a negative financial effect on the District. Our opinion is not modified with respect to this matter.

Other Matters

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, 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 May 14, 2020 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 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.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly legible.

Pat McCarthy
State Auditor
Olympia, WA

May 14, 2020

FINANCIAL SECTION

Greater Tacoma Regional Convention Center Public Facilities District January 1, 2019 through December 31, 2019

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2019

BASIC FINANCIAL STATEMENTS

Governmental Funds Balance Sheet/Statement of Net Position – 2019

Governmental Funds Revenues, Expenditures and Changes in Fund Balance/Statement of
Activities – 2019

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual –
2019

Notes to Financial Statements – 2019

Management's Discussion and Analysis

Greater Tacoma Regional Convention Center Public Facilities District (PFD) For the Year Ended December 31, 2019

The following is an overview and analysis of the financial activities of the Greater Tacoma Regional Convention Center Public Facilities District (the District) for the year ended December 31, 2019. This management discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any changes in the financial position. Please read this information in conjunction with the District's financial statements.

Introduction

The District was originally founded to assist in financing the construction and operation of the Greater Tacoma interlocal agreement in 1999 for the design, development, construction, and operation of the GTCC. Under the agreement, the City of Tacoma, as the primary funding and sole debt-issuing agency for the project, possessed all authority regarding design, development, construction, and operation of the GTCC. Insofar as the District's charter precludes it from issuing debt, all project debt was issued by the City of Tacoma. The majority of the project funding came from the City of Tacoma's Hotel/Motel Tax revenues.

Construction of the Greater Tacoma Convention & Trade Center and related parking projects were completed in October 2004, and the facility was opened on November 13, 2004.

The District is responsible for overseeing the collection and payment of the sales and use tax rebate to the City of Tacoma. The District's funds currently assist in servicing the debt issued by the City of Tacoma for design and construction of the GTRCC and supporting its operations.

Financial Highlights

- Total assets for 2019 were \$2,706,820, a decrease of \$102,172 or 3.6 percent from 2018 levels.
- Sales tax revenue of \$4,363,305 is an increase of \$201,149 or 4.8 percent compared to amounts collected in 2018.

Overview of the Financial Statements

The District's basic financial statements are comprised of: (1) Governmental Fund Balance Sheet/Statement of Net Position, (2) Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities and 3) Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual and 4) Notes to the Financial Statements.

Governmental Fund Balance Sheet/Statement of Net Position – This statement presents a snapshot view of the assets of the District, the liabilities it owes and the net difference or fund balance/net position. It focuses on the resources available for future operations.

Management's Discussion and Analysis

Greater Tacoma Regional Convention Center Public Facilities District (PFD)
For the Year Ended December 31, 2019

Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities – This statement presents all revenues and expenditures of the District during the fiscal year, including other sources and uses.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – This statement presents the budgeted amount and actual result, and the difference of all revenue and expenditures of the District.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read in conjunction with the financial statements.

Financial Analysis

The Districts total assets decreased in 2019 by \$102,172 or 3.6% from 2018. The District had \$2,706,820 in total assets comprising of \$1,967,694 in cash and cash equivalents, and \$739,126 in taxes receivable. The decrease in assets was due to increased contribution expenses. Total assets for 2018 were \$2,808,992.

The District's liability for December 31, 2019 was \$2,706,820, an overall decrease of \$102,172 from 2018 and all due to the City of Tacoma for financial support of the District.

Condensed Statement of Net Position

	2019	2018
ASSETS		
Current and other assets	\$2,706,820	\$2,808,992
TOTAL ASSETS	2,706,820	2,808,992
DEFERRED OUTFLOW OF RESOURCES	-	-
LIABILITIES		
Current and other liabilities	2,706,820	2,808,992
TOTAL LIABILITIES	2,706,820	2,808,992
DEFERRED INFLOW OF RESOURCES	-	-
TOTAL NET POSITION	\$ -	\$ -

Management's Discussion and Analysis

Greater Tacoma Regional Convention Center Public Facilities District (PFD)
For the Year Ended December 31, 2019

Revenues

Overall revenues increased by 5.5% or \$230,159 from 2018 for a total of \$4,424,578 in 2019. Sales and use tax revenues increased by \$201,149 or 4.8% from 2018 for a total of \$4,363,305 as a result of the economy growth continuously. Investment earnings for 2019 increased by 89.9% or \$29,010 from 2018 for a total of \$61,273 significantly due to an increased interest rate.

Expenses

In 2019, total expenses increased by \$230,159 to \$4,424,578 from 2018. Contributions to the City of Tacoma increased by \$228,464 or 5.5% from 2018 and are used to pay for the operations, debt service, interests and capital reserves. Accounting services expense for 2019 increased from 2018 by \$1,695. Other operating service expenses of \$1,274 are used to pay for conference attendance in accordance with the Agreement with the City.

Condensed Statement of Activities

	2019	2018
GENERAL REVENUES		
Sales and use tax	\$ 4,363,305	\$ 4,162,156
Investment earnings	61,273	32,263
Total revenues	<u>4,424,578</u>	<u>4,194,419</u>
EXPENSES		
Contributions	4,419,070	4,191,880
Accounting services	4,234	2,539
Other operating services	1,274	
Total expenses	<u>4,424,578</u>	<u>4,194,419</u>
Change in net position	<u>-</u>	<u>-</u>
NET POSITION - Ending	<u>\$ -</u>	<u>\$ -</u>

Economic Outlook

The Public Facilities District (PFD) was formed to construct the Greater Tacoma Convention Center that acts as an economic engine for the entire region.

The Greater Tacoma Convention Center hosts an average of 250 events annually with more than 121,000 attendees. Over 17,000 room nights are confirmed through 2024, for an estimated \$15 million in economic impact over the next five years.

Management's Discussion and Analysis

Greater Tacoma Regional Convention Center Public Facilities District (PFD)

For the Year Ended December 31, 2019

The adjacent and connected 4-star, 304 room convention center headquarter hotel is expected to open in July of 2020. Additional revenue to B&O, sales, utility, and hotel-motel taxes will be reinvested into Tacoma and Pierce County.

Requests for Information

The financial report is designed to provide a general overview of the Greater Tacoma Regional Convention Center Public Facilities District finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Tacoma, Public Facilities District
747 Market St. Room 132
Tacoma, Washington 98402

Greater Tacoma Regional Convention Center Public Facilities Distric
Governmental Fund Balance Sheet/Statement of Net Position
December 31, 2019

	General Fund Government Activites
	<u>2019</u>
ASSETS	
Cash and cash equivalents	\$1,967,694
Taxes receivable	<u>739,126</u>
Total assets	<u>2,706,820</u>
DEFERRED OUTFLOW OF RESOURCES	<u>-</u>
Total assets and deferred outflows of resources	<u>2,706,820</u>
LIABILITIES	
Due to City of Tacoma	<u>2,706,820</u>
Total liabilities	<u>2,706,820</u>
DEFERRED INFLOW OF RESOURCES	<u>-</u>
FUND BALANCE/NET POSITION	-
Total liabilities, deferred inflows of resources and net position	<u>\$2,706,820</u>

The notes to the financial statements are an integral part of this statement.

**Greater Tacoma Regional Convention Center Public Facilities District
Governmental Funds Revenues, Expenditures, and Changes in Fund Balance/Statement
of Activities**

For the Year Ended December 31, 2019

	General Fund Governmental Activities
	<u>2019</u>
GENERAL REVENUES	
Sales and use tax	\$ 4,363,305
Investment earnings	<u>61,273</u>
Total revenues	<u>4,424,578</u>
EXPENDITURES/EXPENSES:	
Contributions	4,419,070
Accounting services	4,234
Other operating services	<u>1,274</u>
Total expenditures/expenses	<u>4,424,578</u>
Change in fund balance/Net position	-
Fund balance / net position - beginning of year	<u>-</u>
Fund balance / net position - end of year	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

Greater Tacoma Regional Convention Center Public Facilities District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended December 31, 2019

	Budgeted Amounts 2019-2020 Biennium		Actual Biennium To-Date Thru 12/31/2019	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and use tax	\$ 8,600,000	\$ 8,600,000	\$ 4,363,305	\$ (4,236,695)
Investment earnings	40,116.00	40,116	\$ 61,273	21,157
Total revenues	<u>8,640,116</u>	<u>8,640,116</u>	<u>4,424,578</u>	<u>(4,215,538)</u>
EXPENDITURES				
Contributions	9,223,332	9,223,332	4,419,070	(4,804,262)
Accounting services	5,000	5,000	4,234	(766)
Other operating services	-	-	1,274	1,274
Total expenditures	<u>9,228,332</u>	<u>9,228,332</u>	<u>4,424,578</u>	<u>(4,803,754)</u>
Excess (deficiency) of revenues over expenditures	<u>(588,216)</u>	<u>(588,216)</u>	<u>-</u>	<u>588,216</u>
Fund balance - January 1	623,332	623,332	-	(623,332)
Fund balance - December 31	<u>\$ 35,116</u>	<u>\$ 35,116</u>	<u>\$ -</u>	<u>\$ (35,116)</u>

The notes to the financial statements are an integral part of this statement.

*Greater Tacoma Regional Convention Center Public Facilities District
For the Year Ended December 31, 2019*

Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

The accompanying financial statements present the activities of the Greater Tacoma Convention Center Public Facilities District (the District). The District is a public corporation organized under the Laws of Washington, Chapter 165, 1999 Regular Session, Sections 1 through 23, and created pursuant to an interlocal agreement between the Cities of Fife, Lakewood, Tacoma, University Place and Pierce County.

For financial reporting purposes, in conformance with GASB Statement No. 14 as amended by GASB Statement No. 39 and GASB No. 80 along with GASB Statement 34 amended by GASB Statement 61, the District is considered a discretely presented component unit of the City of Tacoma and it presented as so in the City's financial statements. The City of Tacoma includes in its financial statements all governmental activities, organizations and functions, whether they are structured as funds, account groups, departments, agencies, institutions, boards, commissions, districts, authorities, or in other ways for which the Tacoma City Council is financially accountable.

The District entered into an interlocal agreement with the City of Tacoma to assist with, finance, and otherwise facilitate, the construction and operation of the Greater Tacoma Convention Center (GTCC). In order to accomplish this, the District imposed a sales and use tax rebate of not more than 0.033 percent under RCW 82.08 and 82.12. The revenues are paid to the City of Tacoma and used primarily for the debt service for bonds issued by the City of Tacoma to fund the design, development, construction and operation of the GTCC. Further, the District assigned title to the GTCC inclusive of the real property, buildings, fixtures, furnishings, appurtenances, and improvements, to the City of Tacoma. This interlocal agreement was entered into November 1, 1999 and was amended on September 2, 2003 to include unincorporated areas of Pierce County as part of the District.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting policies of the District conform to Generally Accepted Accounting Principles as applicable to special-purpose governments engaged in governmental activities.

The basic financial statements include both entity-wide and fund financial statements. The District uses an alternate presentation allowable under accounting principles generally accepted in the United States that combines the fund statements and entity wide statements (the Governmental Funds Balance Sheet / Statement of Net Position and the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities).

Notes to the Financial Statements

Greater Tacoma Regional Convention Center Public Facilities District For the Year Ended December 31, 2019

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

The District uses the modified accrual basis of accounting for its fund statements. Under this method, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon thereafter to pay current liabilities. Expenditures are recognized when incurred. Revenues consist of sales and use tax rebates received from the State of Washington and interest earnings. The District considers revenues derived from sales and use tax available when they are collected within 60 days after year-end.

The District reports one major fund:

General Fund: The General Fund accounts for the financial resources of the District. The principal sources of revenue are sales and use taxes as well as interest income. The primary expenditures are contributions to the City of Tacoma to assist in the payment of debt issued for the design and construction of the Greater Tacoma Convention Center.

C. New GASB Implementation

Effective for the fiscal year 2019, the District reviewed the impact of the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The objective of this statement is to address the accounting and financial reporting for certain asset retirement obligations (AROs) that carry legally enforceable remediation obligation. It establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources. There is no material impact to the District in implementing this standard.

GASB Statement No. 84 – *Certain Debt Extinguishment Issues*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. It establishes criteria for identifying activities related to control of those assets. There is no material impact to the District in implementing this standard.

GASB Statement No. 88 – *Certain Disclosure Related to Debt, Including Direct Borrowing and Direct Placements*. The objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debts, including direct borrowing and direct placements. It also clarifies which liabilities governments should include

Notes to the Financial Statements

*Greater Tacoma Regional Convention Center Public Facilities District
For the Year Ended December 31, 2019*

when disclosing information related debt. There is no material impact to the District in implementing this standard.

GASB Statement No. 90 – *Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61*. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for a certain component units. There is no material impact to the District in implementing this standard.

D. Assets, Liabilities and Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are held and controlled by the City of Tacoma treasury pool as agreed by the interlocal agreement between the District and the City of Tacoma. Investments, including equity in pooled cash and investments are stated at fair value. Each fund receives interest based on a pro-rata share of its cash balance to the total cash invested. Portfolio earnings are distributed daily based on cash balances of the participating funds. The District's cash and cash equivalents include tax revenues and the interest on investment earnings. Equity in cash and cash equivalents for year-end December 31, 2019 is \$1,967,694.

2. Receivable

The District uses the modified accrual basis of accounting. In adopting this basis of accounting, the District recognizes revenue by recording various receivables and accrued revenue in its financial statements.

3. Fund Balance/Net Position

The District has a zero net position balance at year-end as the ending liability balance should equal the ending asset balance as all assets are pledged to the City of Tacoma. The District's material liability is due to City of Tacoma to support debt service, interest, operating costs and capital reserves.

Note 2 – Reconciliation of Governmental Fund Balance Sheet /Statement of Net Position and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities to Entity Wide Statements

There is no difference between "Fund Balance" or "Changes in Fund Balance" as presented in the fund statements and the "Net Position" or "Changes in Net Position" at the entity wide level. As a result, separate entity-wide statements are not presented. The Statement of Net

Notes to the Financial Statements

Greater Tacoma Regional Convention Center Public Facilities District
For the Year Ended December 31, 2019

Position is presented in combination with the Governmental Fund Balance Sheet and the Statement of Activities is presented in combination with the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.

Note 3 – Cash and Investments

The City measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	As of 12/31/2019	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Treasury Securities	\$ 394,034,439	\$ -	\$ 394,034,439	\$ -
Supranational Securities	20,035,790	-	20,035,790	-
Municipal Bonds	17,764,606	-	17,764,606	-
Agency Securities	449,502,580	-	449,502,580	-
Corporate Securities	63,736,264	-	63,736,264	-
Total	\$ 945,073,679	\$ -	\$ 945,073,679	\$ -

The District's share of City investments:

	As of 12/31/2019
Cash and equity in pooled investments	
Cash in City pool	\$ 1,701,110
Total City pooled investments	933,471,499
Total	0.18%

Total cash	\$ 266,584
Total pooled investments	1,701,110
Total cash and pooled investments	\$ 1,967,694

Note 4 – Tax Receivable

Sales and use tax revenues are collected as a result of the District's imposition of 0.033 percent sales and use tax rebate, and an accompanying deduction against the State of Washington's share of the sales tax per RCW 82.08 and 82.12. These revenues are collected by the State of Washington's Department of Revenue on a monthly basis and remitted to the City of Tacoma Treasurer for deposit. As of December 31, 2019, receivables totaled \$739,126.

Notes to the Financial Statements

*Greater Tacoma Regional Convention Center Public Facilities District
For the Year Ended December 31, 2019*

Note 5 – Subsequent Events

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. Given the dynamic nature of these circumstances and potential business disruption, the PFD could experience a significant short-term impact to operations. Management will continue to monitor the situation closely, but given the uncertainty about the situation, it is unable to estimate the impact to the financial statements.

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.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(564) 999-0950
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov