



Office of the Washington State Auditor  
Pat McCarthy

## **Accountability Audit Report**

# **Seattle Chinatown International District Preservation and Development Authority**

**For the period January 1, 2018 through December 31, 2019**

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

March 29, 2021

Board of Directors  
Seattle Chinatown International District Preservation and Development Authority  
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 Authority 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 Authority'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, Authority 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 Seattle Chinatown International District Preservation and Development Authority from January 1, 2018 through December 31, 2019.

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 Authority'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 years ended December 31, 2019 and 2018, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Financial condition
- Electronic fund transfers
- Bonus and incentive payments

## RELATED REPORTS

### **Financial**

A financial statement audit was performed by a firm of certified public accountants. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

### **Federal grant programs**

A firm of certified public accountants evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Authority's major federal programs. That firm's report is available on our website, <http://portal.sao.wa.gov/ReportSearch>. That report includes a federal finding regarding a blended component unit distributing funds to the Authority from surplus cash in the same accounting period as the annual surplus cash calculation.

## INFORMATION ABOUT THE AUTHORITY

The Seattle Chinatown International District Preservation and Development Authority (SCIDpda) was established by a charter issued by the city of Seattle on December 16, 1975. The purpose of the Authority is to preserve, promote, and develop the Seattle Chinatown-International District as a vibrant community and unique ethnic neighborhood.

The most significant areas of work are:

- **Property Operations:** SCIDpda owns and/or manages 358 low-income residential units and 160,000 square feet of commercial and retail space. The majority of the residential properties provide low-income housing.
- **Real Estate Development:** SCIDpda develops new real estate projects and rehabilitated historic buildings to meet the community's needs such as affordable housing for family-sized households, commercial space for service-providers to seniors and children, and encouraging future growth in the Chinatown International District.
- **Community Initiatives:** SCIDpda serves as a steward of the community's economic health and development of the neighborhood, and a vehicle for the engagement of residents, business owners, and stakeholders of the neighborhood to work on community development projects and issues.

The Authority is governed by a Board of Directors of up to 17 members. The Authority is supported primarily through revenue from service agreements and rental income.

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*Information current as of report publish date.*

## **Audit history**

You can find current and past audit reports for the Seattle Chinatown International District Preservation and Development Authority 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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