



Office of the Washington State Auditor  
Pat McCarthy

## **Accountability Audit Report**

# **Burke-Gilman Place Public Development Authority**

**For the period January 1, 2018 through December 31, 2023**

*Published December 23, 2024*

Report No. 1036269



Scan to see another great way  
we're helping advance  
#GoodGovernment



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

December 23, 2024

Board of Directors  
Burke-Gilman Place Public 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

***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](mailto:webmaster@sao.wa.gov).*

## TABLE OF CONTENTS

Audit Results.....	4
Schedule of Audit Findings and Responses.....	5
Information about the Authority .....	7
About the State Auditor's Office.....	8

## 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, Authority 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 Authority 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 Burke-Gilman Place Public Development Authority from January 1, 2018 through December 31, 2023.

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, 2023, 2022, 2021, 2020, 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:

- Annual report filing – timeliness and completeness
- Treasury activities – bank reconciliations
- Accounts payable – general disbursements and electronic funds transfers
- Financial condition – reviewing for indications of financial distress
- Open public meetings – compliance with minutes, meetings and executive session requirements

## SCHEDULE OF AUDIT FINDINGS AND RESPONSES

### **Burke-Gilman Place Public Development Authority January 1, 2018 through December 31, 2023**

**2023-001 The Public Development Authority's internal controls over financial reporting were inadequate for ensuring it submitted required annual reports to the State Auditor's Office by the statutory deadline.**

#### ***Background***

Federal and state agencies, the Board of Directors and the public rely on the information included in financial statements and reports to make decisions. The Authority is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance its financial reporting is reliable.

State law (RCW 43.09.230) requires the Authority to submit an annual financial report to the State Auditor's Office within 150 days after the end of its fiscal year. The annual financial report includes summaries of financial information and supporting schedules.

#### ***Description of Condition***

As of November 2024, our audit determined the Authority did not submit the required annual reports to our Office within 150 days of fiscal year-end for 2020, 2021, 2022 and 2023.

#### ***Cause of Condition***

The Authority prepared its annual reports using the private sector financial reporting model when it should have used the government financial reporting model. Further, the Authority did not prioritize completing the annual report by the required due date.

#### ***Effect of Condition***

Delayed filing of the financial reports prevents the public from obtaining timely information about the Authority's fiscal operations. It also hinders public transparency and our Office's efforts to compile statistical information that the Legislature and other parties use.

### ***Recommendation***

We recommend the Authority establish internal controls to ensure it submits accurate and timely financial reports to our Office in accordance with state law. We further recommend the Authority prepare its financial report using the governmental financial reporting model.

### ***Authority's Response***

*We concur with this Finding and the recommendation. We cannot speak for the previous administration reasons for the late filings. Our efforts have been to catch up with the required filings and have successfully filed for 2018 and 2019. We see no need to change internal procedures other than to enforce what is already in place to timely file future reports. We want to thank the Audit Team for their support in helping to address these and future filings.*

### ***Auditor's Remarks***

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

### ***Applicable Laws and Regulations***

RCW 42.09.230, Local government accounting – Annual reports – Comparative statistics.

*Budgeting, Accounting and Reporting System (BARS) Manual 3.1.3, Internal Controls*

*Budgeting, Accounting and Reporting System (BARS) Manual 4.1.2.10, Reporting requirements*

*Budgeting, Accounting and Reporting System (BARS) Manual 4.1.1.10, GAAP Reporting requirements*

## INFORMATION ABOUT THE AUTHORITY

The Burke-Gilman Place Public Development Authority is a public authority that manages the former Coast Guard property in northeast Seattle, near Children's Hospital. The Authority developed facilities on the property consistent with the deed covenants that the City of Seattle and federal government placed on the property. The facilities on the property serve low- and middle-income families and the elderly and provide health-related housing and childcare.

The City of Seattle appoints the Board of Directors, consisting of representatives of certain facilities on the property, along with at-large representatives of the community. The Board is actively involved in the daily operations of the Authority. The Authority does not have employees. A management firm, under contract with the Authority, performs the administrative tasks. The Authority's operating expenses ranged from \$327,437 in 2018 to \$114,000 in 2023.

Contact information related to this report	
Address:	Burke-Gilman Place Public Development Authority 2800 Thorndyke Avenue West Seattle, WA 98199
Contact:	Shane Lewis, Director of IT, CWD Group
Telephone:	(206) 706-8000

*Information current as of report publish date.*

## Audit history

You can find current and past audit reports for the Burke-Gilman Place Public Development Authority at <https://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.

### Stay connected at [sao.wa.gov](http://sao.wa.gov)

- [Find your audit team](#)
- [Request public records](#)
- Search BARS Manuals ([GAAP](#) and [cash](#)), and find [reporting templates](#)
- 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](mailto:webmaster@sao.wa.gov)