



Office of the Washington State Auditor  
Pat McCarthy

## **Accountability Audit Report**

# **Washington State Convention Center Public Facilities District**

**(Seattle Convention Center)**

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

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

December 23, 2024

Board of Directors  
Seattle Convention Center  
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 Seattle Convention Center from January 1, 2023 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 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, 2023, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Compliance with marketing contract and project development contract terms
- Accounts payable - credit cards
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

## 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, <https://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DISTRICT

The Washington State Convention Center Public Facilities District was created on July 19, 2010, by King County (Ordinance 16883), pursuant to Substitute Senate Bill 6889, which authorized the creation of the public facilities district by King County and the transfer of assets and liabilities from the nonprofit corporation, established by the Washington State Legislature in 1982, to design, construct, promote and operate the Washington State Convention Center.

The District is a municipal corporation governed by a nine-member Board of Directors which establishes and approves policy and budgets. Three members of the Board are appointed by the Governor of the state, three members of the Board are nominated by the County Executive subject to confirmation by the County Council, and three members of the Board are nominated by the Mayor of the City of Seattle subject to confirmation by the City Council.

The District operates a convention center (two separate buildings) that generates significant regional economic activity by attracting conventions, tradeshow, and other events to the State of Washington. The new \$1.9 billion addition called Summit opened in January 2023. Each building can operate independently or simultaneously. The District generates event-related revenue primarily from the sale and use of meeting and exhibition space, the sales of services that support the use of that space, such as electricity, water/drain, audio/video and telecommunications, and sales of food and beverage at the facility. The District also operates three separate public parking garages in downtown Seattle.

In addition, the District administers a \$1.9 billion debt portfolio, receives approximately \$80 million to \$95 million in lodging tax annually for the last two years, and runs a treasury operations that supports the City of Seattle, King County, and the State of Washington.

The District's operating revenue for fiscal year 2023 exceeded \$47 million. There was a total of 160 events in 2023 with 352,728 attendees. National event bookings are gaining momentum going forward as travel returns to normal.

Non-operating lodging tax revenues were \$89 million for fiscal year 2023 and in 2022 were \$82.1 million.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Seattle Convention Center 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.

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