

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

DISTRICT OF COLUMBIA

**SPORTS AND ENTERTAINMENT
COMMISSION**

**Financial Statements and Management's
Discussion and Analysis, and
Independent Auditors' Report
Years Ended September 30, 2008
And September 30, 2007**



**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



March 16, 2009

The Honorable Adrian M. Fenty
Mayor of the District of Columbia
Mayor's Correspondence Unit, Suite 316
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

The Honorable Vincent C. Gray
Chairman
Council of the District of Columbia
John A. Wilson Building, Suite 504
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

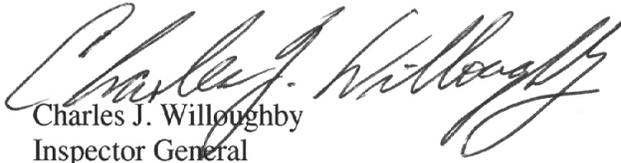
Dear Mayor Fenty and Chairman Gray:

As part of our contract for the audit of the District of Columbia's general purpose financial statements for fiscal year (FY) 2008, Bert Smith and Company (Bert Smith) submitted the enclosed final report on the District of Columbia Sports and Entertainment Commission (Commission).

Bert Smith opined that the financial statements present fairly, in all material respects, the financial position of the Commission for the years ended September 30, 2008, and 2007, in conformity with accounting principles generally accepted in the United States of America. In accordance with *Government Accounting Standards*, Bert Smith also has issued its report on consideration of the Commission's internal control over financial reporting and on its tests of the Commission's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters.

If you have questions or need additional information, please contact William J. DiVello, Assistant Inspector General for Audit, at (202) 727-2540.

Sincerely,


Charles J. Willoughby
Inspector General

Enclosure

CJW/ws

cc: See Distribution List

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FY 2008 and 2007 Sports and Entertainment Commission
Financial Statements, Independent Auditor's Report,
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OIG No. 09-1-12SC – Final Report
March 16, 2009
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**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2008 AND 2007
*(Together with Independent Auditor's Report)***

**BERT SMITH
& Co.**

Certified Public Accountants and Management Consultants

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2008 AND 2007**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of
The Council of the Government of the District of Columbia and
Sports and Entertainment Commission Board of Directors
Washington, D.C.

We have audited the accompanying statements of net assets of the District of Columbia Sports and Entertainment Commission (the Commission), a component unit of the District of Columbia, as of September 30, 2008 and 2007, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of September 30, 2008 and 2007 and the changes in net assets and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2009 on our consideration of the Commission'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis on pages 3 through 6 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Commission's financial statements taken as a whole. The supplemental information in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Commission. The schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Best Smith & Co.

January 16, 2009
Washington D.C.

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2008**

This Management's Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the District of Columbia Sports and Entertainment Commission (Commission) for the fiscal year ended September 30, 2008. This discussion and analysis should be read in conjunction with the basic financial statements and the notes to the basic financial statements, which follow this discussion on pages 7 through 16.

REPORTING THE COMMISSION AS A WHOLE

The Commission's mission is to promote the District as a venue for sports and entertainment activities. The Commission operates and manages Robert F. Kennedy Memorial Stadium (the Stadium) and the non-military functions of the D.C. National Guard Armory (the Armory). The funds required to operate and maintain these facilities and to support the Commission's general operations are derived from revenues generated from events held at the Stadium and the Armory. The Commission also was responsible for managing the construction of the new baseball stadium.

COMMISSION HIGHLIGHTS

During fiscal year 2008, the Commission completed construction of the new baseball stadium, which is operated by the Washington Nationals. The Commission currently operates the RFK Stadium for its major league soccer tenant - D.C. United. D.C. United played approximately 22 games and held several international soccer games at RFK.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Commission's financial statements provide an overview of the Commission's activities and operations in a manner similar to that of a private-sector business. The statements provide information about the Commission's financial position, which assists in assessing the Commission's economic condition at the end of the fiscal year 2008. These statements are prepared using the accrual basis of accounting, which is the method used by most businesses. The statements account for all revenues and expenses connected with fiscal year 2008 even if the cash involved in the transactions has not been received or paid out.

The Commission's basic financial statements are comprised of four components:

- ◆ Statement of Net Assets – The statement of net assets presents all of the Commission's assets, liabilities, and net assets. Net assets are the difference between assets and liabilities. Over time, increases or decreases in the Commission's net assets may serve as a useful indicator of whether the Commission's financial position is improving or deteriorating.
- ◆ Statement of Revenues, Expenses and Changes in Net Assets – The statement of activities presents information showing how the Commission's net assets have changed during the fiscal year. All changes in net assets are reported as soon as the event underlying the change occurs without respect to the timing of the related cash flows. Accordingly, the revenues and expenses reported in this statement for certain items would result in cash flow in future periods (e.g. accounts receivable and accrued liabilities).
- ◆ Statement of Cash Flows – The cash flow statement presents information on sources and uses of cash for operations, financing, and investing activities.
- ◆ Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the Commission's financial statements.

DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2008

FINANCIAL HIGHLIGHTS

- Net assets decreased by \$5 million to \$20.9 million, primarily as a result of a \$7 million operating loss.
- Operating revenues decreased by \$7.5 million, primarily as a result of decreases in rental, commission and management fee revenues.
- Operating expenses decreased by 4.8 million as a result of decreases in outside services costs (event services), repair and maintenance, equipment and supplies, and personnel.
- Current assets decreased by \$20 million to \$16.5 million, primarily as a result of the Due from D.C. Government of \$12.8 million, a \$3.3 million decrease in restricted cash used to make vendor payments for Ballou and Kenilworth projects for vendor payments, a decrease in accounts receivable of \$2.7 million, and a decrease in operating cash of \$1.2 million.
- Current liabilities also decreased by \$20 million as a result of a decrease in new stadium liability (\$15.8 million), accounts payables (\$2.2 million), and accrued liabilities (\$2.1 million).
- Unrestricted assets increased by \$1.9 million to \$3.7 million, mainly as a result of the \$1.7 million liability forgiveness from the District's Metropolitan Police Department and unamortized capital equipment liability, interest revenue of \$248,000, offset by an operating loss of \$110,000.

OVERALL FINANCIAL ANALYSIS

The Summary Statement of Net Assets below shows a significant decrease in both current assets and current liabilities for the fiscal year ended September 30, 2008.

SUMMARY STATEMENT OF NET ASSETS
(In Thousands)

	<u>2008</u>	<u>2007</u>	<u>Variance</u>
Assets			
Current Assets	\$ 16,507	\$ 36,746	\$ (20,239)
Capital Assets, Net	17,130	22,163	(5,033)
Total Assets	<u>\$ 33,637</u>	<u>\$ 58,909</u>	<u>\$ (25,272)</u>
Liabilities			
Current Liabilities	\$ 12,660	\$ 32,918	\$ (20,258)
Total Liabilities	<u>\$ 12,660</u>	<u>\$ 32,918</u>	<u>\$ (20,258)</u>
Net Assets			
Invested in Capital Assets	\$ 17,130	\$ 22,166	\$ (5,036)
Restricted-Kenilworth	145	213	(68)
Restricted-RFK Renovations	-	29	(29)
Restricted-Ballou	-	1,811	(1,811)
Unrestricted	3,702	1,772	1,930
Total Net Assets	<u>\$ 20,977</u>	<u>\$ 25,991</u>	<u>\$ (5,014)</u>

DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2008

- Current assets decreased by \$20.2 million as a result of a \$12.8 million and 1.2 million decrease in the funds due from the District and Washington Nationals, respectively for costs incurred on the new baseball stadium, a 3.3 million decrease in restricted cash for the Ballou and Kenilworth projects for vendor payments, and overall \$1.2 million decrease in general cash due to the timing of receipts and payments.
- Capital assets decreased by \$5 million. The decrease is primarily due to depreciation expense of \$4.8 million. The Commission also write off several fully depreciated assets totaling \$1.2M that were no longer used by the Commission and disposed of capital assets totaling \$552 that were purchased specifically for the Washington Nationals games. The Commission realized a loss of \$356K on the disposal of the capital assets related to the Washington Nationals. The Commission also made furniture and equipment purchases of \$91,521 during the fiscal year.
- Current liabilities decreased by \$20 million as a result of a decrease in vendor payables related to the new baseball stadium and other payables. The new stadium payables decreased by \$15.8 million and the other Commission payables decreased by \$4.3 million. A major reason for the decrease in the Commission payables is the forgiveness of debts by the District Metropolitan Police Department and a vendor of \$1.2M and \$500K, respectively for services performed and equipment used for the Washington Nationals games.

SUMMARY STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
(In Thousands)

Operating Revenues	\$ 5,665	\$ 13,136	\$ (7,471)
Operating Expenses	<u>13,047</u>	<u>17,865</u>	<u>(4,818)</u>
Operating Loss	(7,382)	(4,729)	(2,653)
Non-Operating Revenue (Expenses)	<u>2,368</u>	<u>(1,998)</u>	<u>4,366</u>
Change in Net Assets	<u>\$ (5,014)</u>	<u>\$ (6,727)</u>	<u>\$ 1,713</u>

Revenues

Operating revenues decreased by \$7.5 million. The reduction in operating revenue is primarily attributed to the Washington Nationals no longer playing at RFK stadium. The Washington Nationals began playing at the new baseball stadium in March 2008. In 2007, the Commission recognized rental revenue of \$4.8 million, event service revenue of \$600 thousand, and commission revenue of more than \$500 thousand than in 2008 in part from the Washington National games. In addition, the Commission did not receive a \$2.0 million management fee from the District in 2008 for managing the construction of the new stadium similar to 2007. The decrease in revenue was offset by increases in parking revenues of about \$260 thousand and a District contribution of \$410 thousand for repair and maintenance expenses for RFK Stadium.

Expenses

Operating expenses decreased by \$4.8 million. Like operating revenues, operating expenses reduced primarily as a result of the Washington Nationals no longer playing at RFK Stadium. Reductions were recognized in outside services-costs directly related to holding an event at the RFK Stadium (\$1.5 million), repairs and maintenance (\$1.2 million), and equipment and supplies (about \$600 thousand). In addition, through attrition and evaluation of salaries for new hires, personnel costs decreased by about \$600 thousand.

DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
SEPTEMBER 30, 2008

Non-Operating Revenues and Expenses

In fiscal year 2008, the District provided an operating subsidy from the District of \$2.5 million. The Commission received \$2 million of the subsidy in 2008 and the remaining \$500 thousand in 2009. Also, the District Metropolitan Police Department and a vendor forgave the Commission for liabilities that had been accrued on the books in prior years for services performed and equipment used at the Washington National games. The forgiveness of the debts was \$1.7M. During fiscal year 2008, the Commission continued the management of the Ballou and Kenilworth projects and incurred expenses totaling \$1.7 million and \$81 thousand respectively.

Changes in Fund Net Assets

The Commission had a decrease in net assets of \$5 million. This decrease was primarily due to depreciation expense of \$4.8 million, loss on disposal of fixed assets of \$356 thousand, and the Kenilworth and Ballou project expenses of \$1.8 million, which have been netted against the \$2.5 million operating subsidy and forgiveness of debt of \$1.7 million. The change in net assets was an increase of \$1.7 million from 2007.

DESIGN, DEVELOPMENT AND CONSTRUCTION OF NEW BASEBALL STADIUM

During fiscal year 2008, the Commission significantly completed the construction of the new stadium and parking garages on schedule. The structures were completed in time for the Washington Nationals 2008 opening season. The Commission is currently proceeding with managing the completion of the punch list items and closing out the project.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances. If you have any questions about this report or need additional information, contact the Office of the Chief Financial Officer at 2400 East Capitol Street, SE, Washington, D.C. 20003 or call (202) 547-9077.

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2008 AND 2007
(In Thousands)**

	2008	2007
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 7,702	\$ 8,989
Restricted Cash	682	3,950
Due from the District Government	6,205	19,073
Accounts Receivable, Net	1,797	4,536
Prepaid Expenses	121	198
Total Current Assets	16,507	36,746
Capital Assets, Net	17,130	22,163
Total Assets	\$ 33,637	\$ 58,909
Liabilities		
Payables:		
Accounts	\$ 763	\$ 2,998
New Stadium Accounts	11,180	26,985
Compensation	179	319
Accrued Liabilities	367	2,511
Deferred Revenue	171	105
Total Current Liabilities	12,660	32,918
Net Assets:		
Invested in Capital Assets	17,130	22,166
Restricted-Kenilwork Park	145	213
Restricted-Ballou Project	-	1,811
Restricted-RFK Renovations	-	29
Unrestricted	3,702	1,772
Total Net Assets	\$ 20,977	\$ 25,991

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(In Thousands)

	<u>2008</u>	<u>2007</u>
Operating Revenues:		
Rental	\$ 1,446	\$ 6,283
Event Services	1,312	1,866
Management Fee	-	2,110
District Contribution	410	-
Commissions	664	1,187
Advertising and Sponsorship	600	802
Parking	893	633
Other Income	340	255
Total Operating Revenues	<u>5,665</u>	<u>13,136</u>
Operating Expenses:		
Personnel Cost	3,581	4,142
Outside Services	1,303	2,776
Equipment and Supplies	226	843
Repairs and Maintenance	670	1,800
Utilities	1,308	1,560
Advertising and Promotions	26	114
Professional Services	86	399
Administration	127	248
Technology	187	155
Insurance	587	738
Grants	100	152
Depreciation	4,770	4,928
Other	76	10
Total Operating Expenses	<u>13,047</u>	<u>17,865</u>
Operating Loss	(7,382)	(4,729)
Non-Operating Revenue (Expense):		
Loss on Disposal of Fixed Assets	(355)	-
District Operating Subsidy	2,500	-
Kenilworth Expenses	(81)	(4,198)
Ballou Grant	-	3,797
Ballou Expenses	(1,681)	(2,073)
Liability Forgiveness	1,737	-
Investment Income	248	476
Total Non-operating Revenues (Expenses)	<u>2,368</u>	<u>(1,998)</u>
Change in Net Assets	(5,014)	(6,727)
Net Assets, October 1	25,991	32,718
Net Assets, September 30	<u>\$ 20,977</u>	<u>\$ 25,991</u>

The accompanying notes are an integral part of these financial statements.

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007
(In Thousands)**

	2008	2007
Cash Flows from Operating Activities:		
Cash Receipts from Customers	\$ 5,515	\$ 12,819
Cash Receipts from Other	410	-
Cash Payments to Vendors	(8,250)	(6,564)
Cash Payments to Employees	(2,732)	(4,108)
Net Cash (Used in) Provided by Operating Activities	(5,057)	2,147
Cash Flows from Capital and Related Financing Activities:		
Acquisitions of Fixed Assets	(92)	(201)
Net Cash Used in Capital and Related Financing Activities	(92)	(201)
Cash Flows from Noncapital Financing Activities		
District Operating Subsidy	2,000	-
Receipts of Ballou Grant	-	3,797
Payment of Ballou Grant Expenses	(1,681)	(1,151)
Payment of Kenilworth Expenses	(81)	(4,354)
Receipts of New Stadium	187,935	191,676
New Stadium Disbursements	(187,908)	(207,193)
Net Cash Provided by (Used in) Noncapital Financing Activities	265	(17,225)
Cash Flows from Investing Activities:		
Proceeds from Sale and Maturities of Investments	-	243
Interest Income-New Stadium	81	80
Interest Income	248	476
Net Cash Provided by Investing Activities	329	799
Decrease in Cash and Cash Equivalents	(4,555)	(14,480)
Cash and Cash Equivalent at October 1	12,939	27,419
Cash and Cash Equivalent at September 30	\$ 8,384	\$ 12,939
Reconciliation of Operating Loss to Net Cash (Used in) Provided by Operating Activities		
Operating Loss	\$ (7,382)	\$ (4,729)
<i>Adjustments to Reconcile Operating Loss to Net Cash (Used in) Provided by Operating Activities</i>		
Depreciation	4,770	4,928
Allowance for Uncollectibles	72	(13)
Decrease (Increase) in Assets:		
Receivables	124	(232)
Other Current Assets	74	71
Increase (Decrease) in Liabilities:		
Accounts Payable	(1,316)	2,226
Compensation	(140)	10
Due to D.C. Government	372	103
Accrued Liabilities	(1,697)	(142)
Deferred Revenue	66	(75)
Total Adjustments	2,325	6,876
Net Cash (Used in) Provided by Operating Activities	\$ (5,057)	\$ 2,147

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008 AND 2007

NOTE 1 REPORTING ENTITY

Organization: Effective August 23, 1994, the District of Columbia (District) enacted D.C. Law 10-152, Omnibus Sports Consolidation Act of 1994 (the Act), which established the District of Columbia Sports and Entertainment Commission (Commission). The Commission is responsible for promoting and managing sporting and entertainment events primarily in the District. The Commission operates Robert F. Kennedy Memorial Stadium (RFK Stadium) and manages the non-military functions of the District of Columbia National Guard Armory (Armory). The Commission is also responsible for coordinating the development, construction, and implementation of new facilities and the improvement of RFK Stadium and enhancement of the arena within the Armory and has the authority to issue bonds, notes, or other obligations to finance such activities. As of September 30, 2008, the Commission had neither issued any such bonds, notes, or obligations nor borrowed any funds.

The Commission's Board of Directors (Board) consists of thirteen members. Ten of the members are nominated by the Mayor, subject to the advice and consent of the District's Council. The Commanding General of the District's National Guard, the Director of the District's Department of Parks and Recreation, and the Chief Financial Officer of the District of Columbia also serve on the Board. The Board appoints the Chief Executive Officer of the Commission.

The Commission is a component unit of the Government of the District of Columbia and its financial statements are included in the District's Comprehensive Annual Financial Report (CAFR).

Relationship to the District of Columbia Government: The Commission is an independent agency and corporate body and instrumentality of the District government established by the Act. The commission's activities are governed by the Act, regulations and policies promulgated pursuant to the Act, and District government statutes, regulations, and policies of general application.

The Commission purchases at arms length certain services, including cleaning, water and sewer, and police services, from District government agencies. Since the Armory exists primarily for use by the D.C. National Guard and the Commission is authorized only to manage non-military uses of the facility, the District provides for the Armory's basic maintenance.

Relationship to the United States Government: The United States government contracted with the Commission's predecessor, the District of Columbia Armory Board, for the construction of RFK Stadium while the United States government constructed the surrounding motor vehicle parking areas. Both were constructed on land owned by the United States government. (D.C. ST 3-322)

In 1988, the United States government deeded, pursuant to Public Law 99-581, "all right, title, and interest of the United States in and to the Stadium" to the District. In addition, the United States Department of the Interior leased to the District the land occupied by the stadium and the parking areas without consideration for 50 years.

NOTE 2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The accompanying financial statements are prepared on the accrual basis of accounting. Under this accounting method, all revenues are recognized when earned and expenses are recognized as incurred in the production of that revenue.

The Commission has elected not to apply the option allowed in paragraph 7 of GASB Statement No. 20 titled *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. Therefore, the Commission does not apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

Basis of Presentation: The accounting policies of the Commission used in the accompanying financial statements conform to the U.S. General Accepted Accounting Principles applicable to governments as prescribed by the Governmental Accounting Standards Board (GASB).

Measurement Focus: The financial statements are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included in the statement of net assets. The related statement of activities presents increases (revenues) and decreases (expenses) in net assets.

Cash Equivalents: For the purpose of the cash flow statement, cash and overnight bank deposits are considered cash and cash equivalents.

Allowance for Doubtful Accounts: The Commission establishes an allowance for doubtful accounts for all account receivables over 120 days old.

Investments: Pursuant to the Financial Institutions Deposit Investment Emergency Act of 1997 (D.C. ST 47-351.01), the Commission may invest in obligations issued by the United States government, insured or uninsured evidences of deposit at a financial institution, obligations of quasi-governmental corporations, prime banker acceptances, prime commercial paper, investment grade obligations of the District or a state or local government, repurchase agreements, investment grade asset-backed or mortgage-backed investments, securities, or money market funds. The carrying value of investments approximates fair value.

Capital Assets: The Commission capitalizes capital assets categorized as personal property (i.e. equipment, furniture, computers, major tools, etc.) exceeding \$500 at cost. The Commission also capitalizes all other capital assets exceeding \$5,000 at cost. Depreciation is recorded on a straight-line basis over capital assets' estimated useful lives.

The Commission uses the following useful lives:

Furniture & Equipment	3-10 years
Structure and Parking Lot Improvements	5-35 years
RFK Stadium	50 years

When capital assets are sold or retired, the cost of the assets and the related accumulated depreciation are written-off and any gain or loss is recognized.

Revenue Recognition: The Commission distinguishes between operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Commission's ongoing operation. The principal operating revenues of the Commission are the RFK Stadium and D.C. Armory Stadium rental and event revenues. Operating expenses include personal services, contractual services, depreciation, event services, supplies, and other miscellaneous expenses. All revenue and expenses not meeting this definition are non-operating.

Net Assets: Net assets are classified in the following components: invested in capital assets, restricted net assets and unrestricted net assets. Invested in capital assets consist of capital assets net of accumulated depreciation. Unrestricted net assets consist of all other net assets. Restricted assets consist of those assets restricted for specific use or purpose.

Deferred Revenue: Deferred revenue represents revenue and deposits received in advance from event promoters, advertisers, and others. Event revenue is recognized when the events are settled and advertising revenue is recognized on a monthly basis.

Compensated Absences: The Commission employees earn annual vacation leave based on a prescribed formula. Accumulated annual leave is recorded as a liability as the benefits accrue to employees.

Employees are not paid for unused sick leave when they resign or retire. The expense for employee sick leave is recorded only as paid. Therefore, no liability is reflected in the accompanying financial statements for accumulated sick leave.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes: The Commission is a public benefit corporation and is not subject to income tax.

NOTE 3 DEPOSITS

The Commission has deposits as of September 30, 2008 and 2007 of \$8,565,034 and \$13,986,388, respectively that exceeded the FDIC insured limit of \$100,000. However, the uninsured deposits are collateralized with federal agency securities.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts Receivable at September 30, 2008 and 2007 consists of the following:

	<u>2008</u>	<u>2007</u>
Trade Accounts Receivable	\$ 471	\$ 189
Washington Nationals Team Directed Change Orders	-	3,545
Commissions	547	594
Other Receivables	865	221
Less Allowance for Doubtful Accounts	(86)	(13)
Total	<u>\$ 1,797</u>	<u>\$ 4,536</u>

At September 30, 2008 and 2007, accounts receivables were shown net of allowance of doubtful accounts of \$85,801 and \$13,166, respectively.

NOTE 5 CAPITAL ASSETS

The land, on which the Armory, RFK Stadium, and motor vehicle parking areas are located on, is legally titled to the government of the United States. Accordingly, the cost of the land is not reported in the accompanying financial statements. The Armory structure was built for the District, primarily for the use by the National Guard and is not reported in the accompanying financial statements, except to the extent of building improvements paid for by the Commission. As disclosed in Note 2, the cost of RFK Stadium has been recorded in the accompanying financial statements.

Capital assets as of September 30, 2008, and 2007 consist of the following (in thousands):

	Balance @ 10/1/2007	Additions	Dispositions	Adjustments	Balance @ 9/30/2008
Stadium Structure	\$ 19,037	\$ -	\$ -	\$ -	\$ 19,037
Building Improvements/Displays	34,704	-	(552)	(401)	33,751
Furniture & Equipment	3,341	92	-	(806)	2,627
Parking Lot Improvements	<u>5,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,966</u>
Total Capital Assets	63,048	92	(552)	(1,207)	61,381
Less-Accumulated Depreciation	<u>(40,885)</u>	<u>(4,770)</u>	<u>197</u>	<u>1,207</u>	<u>(44,251)</u>
Net Capital Assets	<u>\$ 22,163</u>	<u>\$ (4,678)</u>	<u>\$ (355)</u>	<u>\$ -</u>	<u>\$ 17,130</u>

	Balance @ 10/1/2006	Additions	Dispositions	Adjustments	Balance @ 9/30/2007
Stadium Structure	\$ 19,037	\$ -	\$ -	\$ -	\$ 19,037
Building Improvements/Displays	34,905	82	-	(283)	34,704
Furniture & Equipment	3,472	119	-	(250)	3,341
Parking Lot Improvements	<u>5,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,966</u>
Total Capital Assets	63,380	201	-	(533)	63,048
Less-Accumulated Depreciation	<u>(36,490)</u>	<u>(4,928)</u>	<u>-</u>	<u>533</u>	<u>(40,885)</u>
Net Capital Assets	<u>\$ 26,890</u>	<u>\$ (4,727)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,163</u>

In 2008 and 2007, the Commission acquired capital assets totaling \$91,521 and \$201,478 respectively. The Commission recorded depreciation expense on total capital assets of \$4,770,426 in 2008, and \$4,927,649 in 2007.

NOTE 6 DUE FROM THE DISTRICT OF COLUMBIA GOVERNMENT

The Commission's full-time employees' salaries and wages and benefits are paid through the District's payroll, benefits, and retirement systems with the Commission reimbursing the District for the costs associated therewith. At September 30, 2008 and 2007, the Commission owes the District a total of \$4,486,986 and \$4,065,539 respectively, for these payroll and benefit costs. At September 30, 2007, the Commission also owes the District \$79,097 for interest earned on the RFK renovation funds and \$3,768,106 for unused new stadium funds.

Note 6 – Due from the District of Columbia Government*(Continued)*

At September 30, 2008 and 2007, the payables have been offset by a \$10,691,398 and a \$26,984,773 receivable from the District for unpaid costs incurred on the new baseball stadium construction.

	<u>2008</u>	<u>2007</u>
Due to D.C.: Salaries, Wages and Benefits	\$ 4,487	\$ 4,065
Due to D.C.: Interest on RFK Renovation Funds	-	79
Due to D.C.: Balance of New Stadium Construction Funding	-	3,768
Subtotal (Due to D.C.)	<u>4,487</u>	<u>7,912</u>
Due from D.C.: Additional New Stadium Funding Due to the Commission	<u>(10,692)</u>	<u>(26,985)</u>
Net Due (From) the District of Columbia	<u>\$ (6,205)</u>	<u>\$ (19,073)</u>

NOTE 7 ACCRUED LIABILITIES

	<u>2008</u>	<u>2007</u>
Metropolitan Police Department Baseball Liability	\$ -	\$ 1,237
Other	367	1,274
Total	<u>\$ 367</u>	<u>\$ 2,511</u>

NOTE 8 RETIREMENT PLANS

Employees hired before October 1, 1987 contribute 7 percent of their salaries into the United States Civil Service Retirement System. The Commission contributes the equivalent of 8.5 percent of each participating employee's salary to the plan. The United States government through the Office of Personnel Management is responsible for the administration of the system and payment of benefits.

Employees hired on or after October 1, 1987, participate in the District Retirement Plan, a defined contribution plan (D.C. ST 1-626) with a qualified trust under Internal Revenue Code Section 401 for permanent full time employees covered by the Social Security System. The Commission contributes 5 percent of eligible employee base salaries. Employees cannot contribute to the plan. Contributions and earnings vest fully after four years of service following a one-year waiting period. Contributions are reduced if separation occurs before five years of credited service. The Commission contributed \$106,369 in 2008 and \$124,935 in 2007 to both retirement plans.

NOTE 9 KENILWORTH PARK PROJECT

The Commission received \$5,467,500 from the federal government to renovate a soccer field at Kenilworth Park and an additional \$100,000 from the Washington Nationals to renovate the Fort Greble fields. The Commission also contributed \$175,000 towards the Fort Greble renovation. During fiscal year 2006, the Commission received \$1,394,258 from the District of Columbia Department of Parks and Recreation for the Kenilworth and Fort Greble fields. As of September 30, 2008, and 2007, the Commission had expended \$7,486,963, and \$7,406,642 of the funds, respectively.

The Commission held these funds in a separate public fund money rate interest bearing checking account in 2008, and invested the unexpended funds in a separate money market account and certificate of deposit in 2007, which earned interest (net of bank fees) totaling \$12,838 in 2008, and \$193,412 in 2007. Accordingly, the unexpended balance of \$145,193 in 2008 and \$212,676 in 2007 is reflected as restricted net assets in the statement of net assets.

NOTE 10 BALLOU FIELD PROJECT

The Commission received a \$3,907,000 grant from Fannie Mae in fiscal year 2007 for the management and renovation of the Ballou High School athletic field. The grant included a \$220,000 management fee (\$110,000 earned in 2007 and \$110,000 in 2008). As of September 30, 2008, and 2007 the Commission had expended \$1,797,273 and \$2,127,579. The Commission held unexpended funds in a separate account, which has earned interest totaling \$35,029 in 2008 and \$31,399 in 2007. As of September 30, 2008, the project has been completed and the unexpended balance of \$48,576 has been reflected as a liability to Fannie Mae in the financial statements. The unexpended restricted project balance was \$1,810,920 in 2007.

NOTE 11 DISTRICT CONTRIBUTIONS

The District originally appropriated a \$2,000,000 operating subsidy to the Commission and then later approved an additional \$500,000 subsidy. The Commission received \$2,000,000 of the subsidy in 2008 and the remaining \$500,000 in 2009. The Commission also received \$409,987 from the District for repair and maintenance expenses for RFK stadium.

NOTE 12 LIABILITY FORGIVENESS

The District's Metropolitan Police Department and a vendor forgave the amounts owed from the Commission for services performed and equipment used during the Washington National games. The total amount waived was \$1,736,618.

NOTE 13 NEW BASEBALL STADIUM

As of September 30, 2008, the Commission as a conduit received \$462,595,707 from the District and \$24,738,491.45 from the Washington Nationals to pay for construction costs of the new baseball stadium.

The Commission entered into an agreement with the District to manage the construction of the new baseball stadium. Under the agreement, the District agreed to pay the Commission a management fee totaling \$6,000,000 payable over three years. The Commission received the last \$2,000,000 in 2007.

NOTE 14 COMMITMENTS AND CONTINGENCIES

In November 2006, the Commission was named as a defendant in the WDC Baseball Partners, LLC case v. the District of Columbia, et al., where the WDC Baseball Partners, LLC has sued the District of Columbia, the Anacostia Waterfront Corporation, and the Commission for \$40 million in compensatory damages, and up to \$100 million in punitive damages alleging that they conspired to and/or wrongfully prevented WDC from implementing a mixed-use development project on the site of the new Washington Nationals Ballpark. On December 3, 2007, the court dismissed the Commission's motion to dismiss the case. In May 2008, the District's Office of Attorney General settled the lawsuit, with no liability to the Commission.

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To limit this exposure, the Commission carries general liability, property and casualty, auto liability, and commercial crime insurance policies. The Commission has a \$25,000 deductible. During fiscal year 2008, there was one incident at RFK Stadium that has been referred to the Commission's insurance carrier; however, it is not likely to exceed the Commission's insurance limits.

NOTE 15 SUBSEQUENT EVENT

On November 17, 2008, the District of Columbia, the D.C. Sports and Entertainment, and the Washington Nationals entered into a settlement agreement regarding the new baseball stadium whereby all matters related to the delivery date of the ballpark, and claims regarding scope of the project, were settled.



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

To the Mayor and Members of
 The Council of the Government of the District of Columbia and
 Sports and Entertainment Commission Board of Directors
 Washington, D.C.

We have audited the financial statements of the District of Columbia Sports and Entertainment Commission (the Commission) as of and for the year ended September 30, 2008, and have issued our report thereon dated January 16, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedure 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 Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting: 2008-1 through 2008-4.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe items 2008-1 and 2008-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2008-3.

The Commission's responses to the findings identified in our audit are described in the schedule of findings and responses. We did not audit the Commission's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Directors, management, and others within the organization, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



January 19, 2009
Washington, D.C.

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

2008-1 Development of Written Box Office Ticket Sales Policies and Procedures

The Sports Commission was not consistently following its internal policies and procedures over the processing of its box office ticket sales. The Sports Commission required each ticket seller to complete and sign bank verification and close out forms and to have those forms signed by a Ticket Seller Supervisor and a Finance representative. Our review of two ticket sellers each of the ten events reviewed revealed the following inconsistencies in the Sports Commission's box office receipts process:

- There was no ticket supervisor signature on the bank verification forms for five events and seven ticket sellers.
- The bank verification form was used instead of the close out forms to summary the ticket and cash sales for the game for three events and eight ticket sellers. The purpose of the bank verification form is to certify the receipt and return of cash from/by ticket sellers and ticket supervisor from/to the Finance department.
- There was no ticket supervisor signature on the close out forms for two events and three ticket sellers.
- There was no ticket seller signature on the bank verification forms for six events and nine ticket sellers.
- There was no ticket seller signature on the close-out form for one event and one ticket seller.

In addition, we also identified one discrepancy between the operator sales report and deposit slip. The operator sales report reflected a refund of \$105 but the deposit slip only showed a refund of \$75.

It appears that the primary reason for the inconsistencies in the Sports Commission's box office ticket sales process is the lack of written policies and procedures. The absence of written procedures and oversight of the process resulted in employees performing different procedures from the verbal documented procedures.

Recommendation:

We recommend the Sports Commission develop written policies and procedures over the ticket sale process and provide training to employees on the process. We also recommend the Sports Commission perform periodic reviews of the box office receipt sales documentation to ensure that its policies and procedures are being consistently followed by the employees.

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Views of Responsible Officials and Planned Corrective Action:

The Commission agrees with the recommendation and has in fact started to develop written procedures for the Box Office Ticket Sales Process. During the audit period, the Commission shared the flow charts and interview documents with the auditor.

In regards to the one (\$30) discrepancy found between the operator sales report and the amount of the funds deposited per the deposit ticket, the Commission recognizes that this was a “shortage” in the deposit. The Commission’s cash handling procedures did not result in significant overages or shortages during the fiscal year. The Commission overages and shortage account reflected a \$348.80 shortage balance at year-end. The Commission’s Box Office personnel handled \$1,062,585.69 in cash transactions during fiscal year 2008.

The Commission expects to have its procedures finalized and employees trained by May 1, 2009.

2008-2

Establishment of Human Resource Function

Similar to prior fiscal years, the Sports Commission has not established an adequate human resource function within the organization. In fiscal year 2008, the Sports Commission continued to use the same two part-time employees, who have a limited knowledge of personnel laws and regulations, to process its personnel action changes with the District and a local payroll vendor. As a result, the Sports Commission’s has a higher risk of noncompliance with personnel laws and regulations. In our testing of forty payroll transactions, we identified missing personnel action forms for two employees and incorrect personnel action forms for two employees.

The Sport Commission also has not developed a written personnel policy and procedure manual that covers all employees. The Sports Commission has some employees whose pay are processed by the District and therefore follow the District’s personnel policies and procedures. However, it has other full, part-time, and seasonal employees who are not paid through the District’s payroll system. The development of a comprehensive personnel manual, that addresses the unique personnel aspects of the organization, will assist in establishing accountability and uniformity among employees.

Recommendation:

We recommend the Sports Commission evaluate the feasibility of establishing an adequate in-house human resource function or outsourcing the function. We also recommend the Sports Commission develop a written personnel manual for the organization.

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Views of Responsible Officials and Planned Corrective Action:

The Commission recognizes that its Human Resource (HR) function needs to be quickly and thoroughly addressed, as the issue has been raised from a significant internal control deficiency to a material weakness. The Commission plans to conduct a cost-benefit analysis to determine whether to obtain in-house resources or to outsource this function.

After the Commission completes the cost-benefit analysis, the Commission will ensure that a Human Resources policy and procedure manual is created that adheres to the Commission's independent HR authority, and incorporates best practices in the HR industry.

The Commission expects to have its cost-benefit analysis completed by July 1, 2009.

2008-3

Procurement Oversight and Monitoring

The Sports Commission has written procurement procedures that it follows when procuring goods and services for the organization and on behalf of the District. In particular, the Sports Commission requires that procurements be done by competitive bid. If procurements are not competitively bided, a written justification is required. The organization also requires that all procurements over \$50,000 require Board approval (except for new stadium) and those procurements that exceed \$1,000,000 require D.C. Council approval. In our review of fourteen procurement transactions, we identified instances of noncompliance with those procurement procedures that are outlined further below:

- There was no evidence of D.C. Council approval for two construction vendors whose contracts and/or amendment exceeded \$1 million.
- There was no evidence of Board approval for two vendors.
- There was no evidence that the Sports Commission competitively bided one contract.

During the fiscal year, the employee who was responsible for processing the Sports Commission's procurements left the organization and the duties were assumed by another employee. The purpose of procurement procedures is to ensure that goods and services are purchased at reasonable and economical prices. Noncompliance with those procurement procedures increases the risk of the Commission not receiving a fair and economical price for goods and services.

Recommendation:

We recommend the Sports Commission have more than one employee be responsible for processing the organization's procurements and maintaining the procurement file documentation. We also recommend the Sports Commission perform periodic reviews of its procurement files to ensure that it includes all the required procurement documentation.

**DISTRICT OF COLUMBIA
SPORTS AND ENTERTAINMENT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES *(Continued)*
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

Views of Responsible Officials and Planned Corrective Action:

The Commission currently has several employees involved in the procurement process, including the Chief Operating Officer, Chief Financial Officer, General Counsel, and Chief Executive Officer. The Commission agrees that its procurement process needs to be reviewed and refined to ensure that the procurement files are properly maintained. The Commission will establish a complete repository of its procurement files with a written standardized method for file maintenance, and conduct quarterly reviews of its files to ensure compliance with the established procedures.

The Commission expects to have its file maintenance procedures developed by July 1, 2009.

2008-4

Timesheet Approval

The Sports Commission requires employees to complete and sign timesheets and the timesheets be reviewed and approved by their supervisor. Of the forty (40) payroll transactions reviewed, one timesheet had not been signed by an employee; and two timesheets had not been signed by the employee's supervisor. As a result, the employees may have been paid for hours not actually worked. As indicated previously, the Sports Commission does not have a written personnel manual that addresses the completion and approval of timesheets. It has verbal undocumented procedures.

Recommendation:

We recommend the Sports Commission address in its personnel manual the requirements for completing, approving, and processing employee's timesheets.

Views of Responsible Officials and Planned Corrective Action:

The Commission will include timesheet processing procedures in its HR policy and procedure manual.

DISTRICT OF COLUMBIA SPORTS AND ENTERTAINMENT COMMISSION
 SCHEDULE OF EVENTS HELD AT RFK STADIUM AND ARMORY
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

D.C. ARMORY RENTALS

Armory Concerts and Entertainment (AC) and Athletics (AA):

October 20, 2007	Howard University Step Show
November 24, 2007	Latin Concert
December 31, 2007	Ethiopian Concert
February 17, 2008	Latin Concert
February 23, 2008	Roller Girls Bout
March 1 - 2, 2008	Kids Fun Fair
March 15, 2008	RBD Show
March 22, 2008	Roller Girls Bout
March 29, 2008	National Marathon
April 5, 2008	Roller Girls Bout
May 3, 2008	Roller Girls Bout
June 28, 2008	Knockboyz Concert
July 3 - 5, 2008	Ethiopian Sports Federation Concert

Armory Retail and Tradeshows (AR and AT):

October 13, 2007	Parent Expo - Greater Washington Urban League
November 2, 2007	Women in the Military
December 14 - 16, 2007	La Feria de la Familia 2007
June 13, 2008	2008 Summer Youth Registration
June 25, 2008	Summer Youth Program

Armory Other:

October 25 - 27, 2007	Marine Corp Marathon
October 30, 2007	DOES Job Fair
November 15, 2007	Senior Luncheon
November 16, 2007	DOT Luncheon
December 8, 2007	Mixed Martial Arts
December 13, 2007	Senior Christmas Luncheon
December 21 - 23, 2007	Great Mdse Sale
March 8 - 9, 2008	Encuentro Catolico
April 1, 2008	United Food & Commercial Workers
April 11, 2008	National Cherry Blossom Fest
April 19, 2008	Flaming Knights Fundraiser
May 14, 2008	Senior Luncheon
May 17, 2008	Taste of the South

**DISTRICT OF COLUMBIA SPORTS AND ENTERTAINMENT COMMISSION
SCHEDULE OF EVENTS HELD AT RFK STADIUM AND ARMORY
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

RFK STADIUM RENTALS

D.C. United Soccer Events:

Month	No. of Hosted Games
October 2007	2
November 2007	1
March 2008	2
April 2008	4
May 2008	3
June 2008	4
July 2008	4
August 2008	6
September 2008	<u>3</u>
Total Games	<u>29</u>

Other Events at RFK Stadium:

Date	Event
October 15 - 19, 2007	Pro vs. Joe
November 18, 2007	MLS Cup
May 10, 2008	US Women Soccer
June 29 - July 5, 2008	Ethiopian Sports Federation

OTHER LOCATIONS - AUXILIARY FIELD

Virginia International Soccer:

Month	No. of Hosted Games
October 2007	3
November 2007	2
April 2008	3
May 2008	5
June 2008	3
July 2008	3
August 2008	5
September 2008	<u>6</u>
Total Games	<u>30</u>

**DISTRICT OF COLUMBIA SPORTS AND ENTERTAINMENT COMMISSION
SCHEDULE OF EVENTS HELD AT RFK STADIUM AND ARMORY
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

RFK STADIUM RENTALS (Continued)

Other Locations - Parking Lots:

Date	Parking Lots
Oct 1, 2007 - September 1, 2008 (monthly)	Farmers Market
October 4, 2007	Motor & Equipment Assoc.
October 6, 2007	Blocktober Fest
October 9, 2007	OnStar Communications
October 14, 2007	Drive 2 Survive
Nov. 1, 2007 - Sept 1, 2008	Capital Paving of D.C.
November 17, 2007	Drive 2 Survive
December 9, 2007	Drive 2 Survive
January 13, 2008	Drive 2 Survive
January 27, 2008	Drive 2 Survive
March 2, 2008	Drive 2 Survive
March 15, 2008	Shamrock Festival
March 31, 2008	Community Empowerment Training
April 17, 2008	Global Events Partners
April 19, 2008	Powerade Pro Challenge
April 20, 2008	Drive 2 Survive
April 25, 2008	Allstate Ride and Drive
May 4, 2008	Drive 2 Survive
May 11, 2008	Drive 2 Survive
May 12, 2008	VW Sales Event
May 17, 2008	Chartered Appreciation
May 25, 2008	Bega Services (Bicycle Races)
June 23 - 25, 2008	Bendix Ride and Drive
August 9, 2008	Stone Soul Picnic 2008
September 7, 2008	Reggae Concert