



Office of the Washington State Auditor
Pat McCarthy

Accountability Audit Report

Washington State Major League Baseball Stadium Public Facilities District

For the period January 1, 2024 through December 31, 2024

Published December 11, 2025

Report No. 1038672



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

December 11, 2025

Board of Directors
Washington State Major League Baseball Stadium Public Facilities District
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

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.

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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 the Washington State Major League Baseball Stadium Public Facilities District from January 1, 2024 through December 31, 2024.

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, 2024, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. We examined the following areas during this audit period:

- Accounts payable – general disbursements
- Open public meetings – compliance with minutes, meetings and executive session requirements
- Financial condition – reviewing for indications of financial distress

RELATED REPORTS

Financial

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <https://portal.sao.wa.gov//ReportSearch>.

INFORMATION ABOUT THE DISTRICT

Washington State and King County created the Washington State Major League Baseball Stadium Public Facilities District by joint action. The District operates as a municipal corporation of the state of Washington and was formed to research a site and design, build and operate a major league baseball park. In December 1996, the District signed a lease with the Mariners owners.

On March 8, 1997, ground was broken, and on April 2, 1997, bonds totaling \$336 million were sold to finance construction. The ballpark opened with construction completed on July 15, 1999. The Seattle Mariners started paying rent on the stadium in accordance with the lease agreement.

The District is governed by a seven-member Board of Directors. Directors are appointed by King County and state government. Four members are appointed by the King County Executive and confirmed by the Metropolitan King County Council. Three members are appointed by the Governor. Of those, one is nominated by the Speaker of the House and one is nominated by the Senate Majority Leader.

Contact information related to this report

Contact:	Joshua Curtis, Executive Director
Telephone:	(206) 664-3079
Website:	www.ballpark.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the Washington State Major League Baseball Stadium Public Facilities District 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. 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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- Email:
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Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Washington State Major League Baseball Stadium Public Facilities District

For the period January 1, 2024 through December 31, 2024

Published December 11, 2025

Report No. 1038673



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

December 11, 2025

Board of Directors
Washington State Major League Baseball Stadium Public Facilities District
Seattle, Washington

Report on Financial Statements

Please find attached our report on the Washington State Major League Baseball Stadium Public Facilities District's financial statements.

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

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

Americans with Disabilities

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INDEPENDENT AUDITOR'S REPORT

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*

Washington State Major League Baseball Stadium Public Facilities District January 1, 2024 through December 31, 2024

Board of Directors

Washington State Major League Baseball Stadium Public Facilities District
Seattle, 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 Washington State Major League Baseball Stadium Public Facilities District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2025.

REPORT ON 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) as a basis for designing 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.



Pat McCarthy, State Auditor

Olympia, WA

December 5, 2025

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Washington State Major League Baseball Stadium Public Facilities District January 1, 2024 through December 31, 2024

Board of Directors

Washington State Major League Baseball Stadium Public Facilities District

Seattle, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of the Washington State Major League Baseball Stadium Public Facilities District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Washington State Major League Baseball Stadium Public Facilities District, as of December 31, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 December 5, 2025 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 the effectiveness of the District's 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.



Pat McCarthy, State Auditor

Olympia, WA

December 5, 2025

FINANCIAL SECTION

Washington State Major League Baseball Stadium Public Facilities District January 1, 2024 through December 31, 2024

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2024

BASIC FINANCIAL STATEMENTS

Balance Sheet – 2024

Statement of Revenues, Expenses and Changes in Net Position – 2024

Statement of Cash Flows – 2024

Notes to Financial Statements – 2024

WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC FACILITIES DISTRICT

Management's Discussion and Analysis December 31, 2024

The Management's Discussion and Analysis of Washington State Major League Baseball Stadium Public Facilities District (the District) is designed to:

- Assist the reader in focusing on significant financial issues.
- Provide an overview of the District's financial activity.
- Identify changes in the District's financial position and their ability to meet future challenges.

The Management's Discussion and Analysis focuses on the current year's activities, resulting changes and currently known facts. Therefore, it should be read in conjunction with the District's financial statements.

Reporting Entity

The District is governed by a seven-member board of directors. Four directors are appointed by the King County Executive subject to confirmation by the King County Council, while the remaining three directors are appointed by the Governor based on one recommendation each from the Speaker of the House and the Majority Leader of the Senate. The mission of the District is to maintain and enhance the baseball park in order to promote the success of Major League Baseball in the State of Washington, enhance fan enjoyment and contribute to an economically successful, safe, desirable, innovative and walkable stadium neighborhood.

Overview of the Financial Statements

The District's financial statements consist of Management's Discussion and Analysis (this section), and financial statements required by the Governmental Accounting Standards Board (GASB). The financial statements include the District's financial statements and notes to the financial statements.

- The financial statements provide information about the District's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the balance sheet, statement of revenues, expenses and change in net position, and the statement of cash flows.
- The financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the District's financial statements.

The District's financial statements report information about the organization as a whole using accounting methods substantially similar to those used by private sector companies and private nonprofit corporations. The balance sheet includes all of the District's assets, deferred outflows, liabilities, deferred inflows and net position. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and change in net position regardless of when cash is received or paid.

Fund Financial Statements - The fund financial statements are the traditional reporting format for governments. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. The District only has one fund type, proprietary funds.

Proprietary funds are used by governments to account for their business-type activities and use the same basis of accounting utilized in private industry. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers. There is a direct relationship between the fees paid and the services rendered.

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Management's Discussion and Analysis
December 31, 2024**

Overview of the Financial Statements (Continued)

The District has one type of proprietary funds, enterprise funds. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services.

Financial Highlights

- The District's net position increased by \$16,369,645. Total operating revenues of \$1,464,513 and total nonoperating revenues of \$32,582,068 were adequate to cover total operating expenses of \$17,676,936. Depreciation expense made up most of total operating expenses. This is due to the District's assets being concentrated in depreciable capital assets.
- The District's total capital assets increased by \$5,008,431 due to additions made to the baseball stadium. Annual depreciation expense totaled \$16,805,617.

Financial Analysis

Overall Analysis - The District's overall financial position changed due to operating revenues not covering operating expenses.

Balance Sheet As of December 31,	2024	2023
Current assets	\$ 17,909,813	\$ 18,418,427
Net capital assets	382,817,829	377,809,398
Noncurrent assets	30,809,338	31,357,717
Total Assets	\$431,536,980	\$427,585,542
Current liabilities	\$ 53,634,186	\$ 64,861,603
Total Liabilities	53,634,186	64,861,603
Deferred Inflows	29,769,735	30,960,525
Net investment in capital assets	331,810,987	316,994,472
Restricted for capital expenditure fund	3,534,581	4,619,146
Unrestricted	12,787,491	10,149,796
Total Net Position	348,133,059	331,763,414
Total Liabilities, Deferred Inflows and Net Position	\$431,536,980	\$427,585,542

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Management's Discussion and Analysis
December 31, 2024**

Financial Analysis (Continued)

Total Assets - Total assets increased by \$3,951,438 during 2024. The most significant component of this increase was due to capital contributions from the Mariners of \$21,814,048 which was offset by \$16,805,617 in current year depreciation expense, for a net of \$5,008,431 in additions to the baseball stadium.

Total Liabilities and Deferred Inflows - Total liabilities decreased by \$11,227,417 during 2024 and was related to outstanding accounts payable balance at year end. The majority of the outstanding accounts payable balance was related to ballpark capital improvements, a balance which, per the lease between the District and Mariners, is to be paid down upon receipt of capital contributions and other capital-dedicated revenue flows. There was no new debt obligation.

Net Position - Increases and decreases in net position categories are as follows:

Net Investment in Capital Assets - Balance increased by \$5,008,431 during 2024. The increase is primarily due to the capital expenditures financed by accounts payable totaling \$51,006,842 and addition of capital assets totaling \$21,814,048 which was partially offset by depreciation to capital assets totaling \$16,805,617.

Restricted for Capital Expenditure Fund - Balance decreased \$1,084,565 during 2024. This decrease is primarily due to \$18,678,934 in additions to the capital expenditure fund from restricted tax revenue which was exceeded by \$19,770,958 in reimbursements made to the Mariners for capital improvements.

Unrestricted - Unrestricted net position increased from \$10,149,796 at December 31, 2023 to \$22,595,575 at December 31, 2024.

Statements of Revenues, Expenses and Change in Net Position
For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 1,464,513	\$ 1,406,432
Operating expenses	<u>(17,676,936)</u>	<u>(17,023,697)</u>
Total Operating Loss	(16,212,423)	(15,617,265)
Nonoperating revenues	<u>32,582,068</u>	<u>24,928,973</u>
Total Nonoperating Revenues	<u>32,582,068</u>	<u>24,928,973</u>
Change in Net Position	16,369,645	9,311,708
Net position, beginning of year	<u>331,763,414</u>	<u>322,451,706</u>
Net Position, End of Year	<u><u>\$348,133,059</u></u>	<u><u>\$331,763,414</u></u>

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Management's Discussion and Analysis
December 31, 2024**

Financial Analysis (Continued)

Operating Revenues - During 2024, operating revenues increased \$58,081 due to an increase in Ballpark rent.

Operating Expenses - Operating expenses of the District consisted of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Depreciation	\$ 16,805,617	\$ 16,194,640
Professional fees	363,304	423,602
Personnel	322,515	271,929
Other	153,120	131,704
Insurance	<u>32,380</u>	<u>1,822</u>
Total Operating Expenses	<u><u>\$ 17,676,936</u></u>	<u><u>\$ 17,023,697</u></u>

Total operating expenses reflected an increase of \$653,239 in 2024 primarily due to an increase in depreciation expense of \$610,977 and a decrease in professional fees of \$60,298 offset by an increase in other expenses of \$21,416, and increase in personnel expenses of \$50,586, and an adjustment of \$21,663 to correct prior year prepaid insurance expense.

Nonoperating Revenues - During 2024, nonoperating revenues increased \$7,653,095 due to an increase in the capital contribution from the Mariners in the amount of \$4,672,849. There was also an increase in admissions tax revenue of \$1,016,359 due to the NHL Winter Classic and the Enchant Christmas event. Additionally, there was a \$181,376 increase in interest revenue, a \$295,048 increase in revenue share, and a \$146,917 increase in hotel motel tax. The increases in nonoperating revenues were offset by a \$1,460,810 decrease in reimbursement expense to the Neighborhood Improvement Fund for the construction of a rideshare lot which was unique to the prior year.

Capital Contribution - During the year ended December 31, 2024, the District received \$16,101,230 in capital contributions from the Mariners.

Budget - The District's operating results are consistent with its operating budgets.

Net Capital Assets and Long-Term Debt Activity - The District's capital assets include the baseball stadium, parking garage, related land, and furniture, fixtures and equipment. The baseball stadium and parking garage are under a long-term lease with the Mariners. In 2024, the District's net capital assets balance increased by \$5,008,431 from the prior year primarily due to improvements made to the baseball stadium.

There was no new debt obligation in 2024.

Contacting the District's Financial Management - This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the District at P.O. Box 94445, Seattle, WA 98124.

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Balance Sheet
December 31, 2024**

Assets	
Current Assets:	
Cash and cash equivalents (Note 5)	\$ 13,323,689
Accounts receivable	4,037,745
Lease receivable, current portion	<u>548,379</u>
Total Current Assets	17,909,813
Capital Assets Net of Accumulated Depreciation (Note 2):	
Baseball stadium	657,032,760
Parking garage	24,873,877
Furniture, fixtures and equipment	<u>69,427</u>
	681,976,064
Less accumulated depreciation	<u>(337,582,640)</u>
	344,393,424
Capital Assets Not Being Depreciated (Note 2):	
Land	<u>38,424,405</u>
Net Capital Assets	382,817,829
Noncurrent Assets:	
Lease receivable, net of current portion	<u>30,809,338</u>
Total Assets	<u>\$431,536,980</u>
Liabilities, Deferred Inflows and Net Position	
Current Liabilities:	
Accounts payable	\$ 53,629,214
Wages and vacation payable	<u>4,972</u>
Total Current Liabilities	<u>53,634,186</u>
Total Liabilities	<u>53,634,186</u>
Deferred Inflows	<u>29,769,735</u>
Net Position:	
Net Investment in capital assets	331,810,987
Restricted for capital expenditure fund (Note 4)	3,534,581
Unrestricted	<u>12,787,491</u>
Total Net Position	<u>348,133,059</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$431,536,980</u>

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Statement of Revenues, Expenses and Change in Net Position
For the Year Ended December 31, 2024**

Operating Revenues:	
Ballpark rent (Note 6)	\$ 1,464,513
Total Operating Revenues	1,464,513
Operating Expenses:	
General and administrative	871,319
Depreciation	16,805,617
Total Operating Expenses	17,676,936
Total Operating Loss	(16,212,423)
Nonoperating Revenues and Expenses:	
Admission tax revenue (Note 6)	8,071,138
Hotel motel tax revenue (Note 6)	3,325,810
Revenue share (Note 6)	2,416,926
Interest revenue (Note 6)	1,110,900
Parking tax revenue (Note 6)	879,894
Interest earnings	613,555
Restaurant tax revenue (Note 6)	44
Reimbursement revenue (Note 6)	1,347
Unrealized investment gain	61,224
Capital contribution (Note 4)	16,101,230
Total Nonoperating Revenues and Expenses	32,582,068
Change in Net Position	16,369,645
Net position, January 1, 2024	331,763,414
Net Position, December 31, 2024	\$348,133,059

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Statement of Cash Flows
For the Year Ended December 31, 2024**

Cash Flows From Operating Activities:	
Cash receipts from ballpark rent	\$ 781,975
Cash payments for operating expenses	<u>(808,184)</u>
Total Cash Used in Operating Activities	(26,209)
Cash Flows From Investing Activities:	
Interest earnings	<u>1,785,679</u>
Total Cash Provided by Investing Activities	1,785,679
Cash Flows From Capital and Related Financing Activities:	
Cash receipts from admission tax revenue	7,663,526
Cash receipts from capital contribution	16,101,230
Cash receipts from revenue share	2,276,642
Cash receipts from hotel motel tax revenue	3,178,893
Cash receipts from parking tax revenue	818,531
Cash receipts from restaurant tax revenue	44
Cash receipts from reimbursement revenue	1,347
Payment for Neighborhood Improvement Fund reimbursement	(1,460,810)
Payment for capital assets	<u>(31,622,127)</u>
Total Cash Used in Capital and Related Financing Activities	<u>(3,042,724)</u>
Net Change in Cash and Cash Equivalents	(1,283,254)
Cash and cash equivalents, January 1, 2024	<u>14,606,943</u>
Cash and Cash Equivalents, December 31, 2024	<u>\$ 13,323,689</u>
Reconciliation to Operating Loss:	
Operating loss	\$ (16,212,423)
Adjustment to reconcile net cash used in operating activities-	
Depreciation	16,805,617
Changes in assets/liabilities:	
Lease receivable	508,252
Accounts payable	41,406
Wages payable	66
Deferred inflow	<u>(1,190,790)</u>
Total Cash Used in Operating Activities	<u>\$ (26,209)</u>
Noncash Capital and Related Financing Activities:	
Capital Asset Purchases in Accounts Payable	<u>\$ 9,808,079</u>

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Notes to Financial Statements
For the Year Ended December 31, 2024**

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Washington State Major League Baseball Stadium Public Facilities District (the District) conform to accounting principles generally accepted in the United States of America as applicable to special purpose governments. The following is a summary of the most significant policies.

The Reporting Entity - The District was created through the passage of Engrossed House Bill 2115 and King County Ordinance 12000, which was approved by the Metropolitan King County Council on October 24, 1995. The Washington State Governor and King County Executive appoint the District board members. The Governor and King County Council may remove District board members whom they have appointed or ratified. The District operates as a municipal corporation of the State of Washington and was formed to site, design, build and operate a major league baseball park.

Basis of Accounting - The District uses the accrual basis of accounting. Expenses are recorded at the time liabilities are incurred and revenues are recorded when earned.

Operating and Nonoperating Activity - Operating activities represent revenues and expenses related to the lease, including Mariner revenue sharing. Nonoperating activities are the revenues and expenses related to investments and debt, including admission tax and parking tax revenues.

Cash and Cash Equivalents - For the purpose of reporting cash flows, the District considers all highly liquid instruments purchased with an original maturity of three months or less and investments in the King County Treasury Division's Investment Pool to be cash equivalents. The King County Treasury Division Manager pools and invests all short-term cash surpluses not otherwise invested by individual funds of the County. Earnings from these pooled investments are allocated to the District based upon the District's proportionate share in the pooled investments.

Receivables - Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances which are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Based on prior experience, management has determined that expected losses on balances outstanding are immaterial at December 31, 2024. Accordingly, no allowance for doubtful accounts has been recorded.

Capital Assets - Capital assets include land, the baseball stadium, the parking garage, and furniture, fixtures and equipment. The baseball stadium includes all costs associated with the development and construction of the ballpark project. Furniture, fixtures and equipment include items with a cost greater than or equal to \$500 and an estimated useful life greater than one year.

Capital assets are valued at historical costs and depreciated on a straight-line basis based over their estimated useful lives. Furniture, fixtures and equipment are depreciated over three or five years. The baseball stadium is depreciated over 40 years from the date it was placed in service.

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Notes to Financial Statements
For the Year Ended December 31, 2024**

Note 1 - Continued

Net Position - Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets - Consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - Consists of all other assets that are not included in the other categories previously mentioned.

Risk Management - The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District carries commercial insurance for risk of loss. The District did not settle any claims in excess of its commercial insurance coverage during the year ended December 31, 2024.

Compensated Absences Payable - The District accrues leave for compensated absences as an expense and a liability, based on the District's estimated usage patterns and future payouts in compliance with Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. District employees earn one hour of paid sick leave for every 40 hours worked. Unused paid sick leave by the end of the calendar year may be carried over up to 40 hours to the following year. District employees also earn 20 to 25 days of vacation per year, depending on the employee's length of service, of which 5 days may be carried over to the following year. An employee leaving the employment of the District is entitled to be paid for all unused vacation, taking into account the annual carryover limit of five days, at the base hourly rate. On termination of employment, unused sick leave is paid at the base hourly rate up to a maximum of 92 hours. There were two employees employed by the District at December 31, 2024. There was an accrual of \$4,906 for unused vacation in the accompanying balance sheet as part of Wages and Vacation Payable.

Adoption of New Accounting Standards - In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

GASB Statement No. 101, *Compensated Absences*, is required to be applied retrospectively to all periods presented in the financial statements. However, the effect of the standard on the years ended December 31, 2024 and 2023 was not material, and therefore the standard has not been applied.

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Notes to Financial Statements
For the Year Ended December 31, 2024**

Note 1 - Continued

Subsequent Events - The District has evaluated subsequent events through May 6, 2025, the date on which the financial statements were available to be issued. Subsequent events include certain events that occur between the date of the financial statements and the date they are issued must be disclosed.

Note 2 - Capital Assets

The following is a summary of changes in capital assets:

	Balance December 31, 2023	Increases	Decreases	Balance December 31, 2024
Capital Assets Not Being Depreciated:				
Land	\$ 38,424,405	\$ -	\$ -	\$ 38,424,405
Total Capital Assets Not Being Depreciated	38,424,405			38,424,405
Capital Assets Being Depreciated:				
Capital assets cost-				
Baseball stadium	635,218,712	21,814,048		657,032,760
Parking garage	24,873,877			24,873,877
Furniture, fixtures and equipment	69,427			69,427
	660,162,016	21,814,048		681,976,064
Accumulated depreciation-				
Baseball stadium	(305,784,957)	(16,182,644)		(321,967,601)
Parking garage	(14,924,328)	(621,847)		(15,546,175)
Furniture, fixtures and equipment	(67,738)	(1,126)		(68,864)
	(320,777,023)	(16,805,617)		(337,582,640)
Total Capital Assets Being Depreciated, Net	339,384,993	5,008,431		344,393,424
Total Capital Assets, Net	\$377,809,398	\$ 5,008,431	\$ -	\$382,817,829

Note 3 - Employee Benefit Plans

All employees of the District can participate in the Washington State Major League Baseball Stadium Public Facilities District 457(b) or 401(a) Plans. Employer contributions are paid by the District in accordance with rate specified by each plan.

Washington State Major League Baseball Stadium Public Facilities District 457(b) Plan - During 2020 the District established the 457(b) retirement plan (the 457(b) Plan) for eligible employees. The District and employees through salary reductions can contribute to the Plan. No contributions by participants are required and rollover contributions are not permitted. The District's matching contributions are discretionary. All contributions to the Plan vest immediately. One District employee participated in the Plan during 2024.

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Notes to Financial Statements
For the Year Ended December 31, 2024**

Note 3 - Continued

Washington State Ballpark Public Facilities District 401(a) Plan - During 2023 the District established the 401(a) retirement plan (the 401(a) Plan) for eligible employees. The District and employees through salary reductions can contribute to the Plan. No contributions by participants are required and rollover contributions are not permitted. The District's matching contributions are at 3% of annual salary. All contributions to the Plan vest immediately. Two District employees participated in the Plan during 2024.

The District's total match under both Plans was \$7,360 during the year ended December 31, 2024, of which \$7,034 was paid in 2024 and \$326 was paid in 2025.

Note 4 - Contributed Capital

Under King County Ordinance 12000, the County issued five series of general obligation bonds for the purpose of funding the construction of the baseball park and related parking facilities. Total par value of \$336,000,000 less any costs related to bond issuance were contributed to the District. The contributed capital is included in the net position restricted for capital expenditure fund. During the years ended December 31, 2024 and 2023, the Mariners contributed \$16,101,230 and \$11,428,381, respectively.

Note 5 - Deposits With Financial Institutions and Investments

The King County Treasurer is the ex-officio treasurer for the District. In this capacity, the County Treasurer receives deposits and transacts investments on the District's behalf. The District is a voluntary participant in the Local Government Investment Pool (LGIP), an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather; oversight is provided by the State Finance Committee in accordance with RCW 43.250. Investments in the LGIP are reported at fair value, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Statutes authorize the District to: 1) deposit in any state bank or trust company, national banking association, stock savings bank, mutual savings bank, savings and loan association, and any branch bank engaged in banking in this state, if the institution has been approved by the PDPC to hold public deposits; and 2) invest in obligations of the United States Treasury and instrumentalities, banker's acceptances issued in the secondary market, commercial paper, primary certificates of deposits issued by PDPC qualified public depositories, and the State Treasurer's Investment Pool. The District is also authorized to enter into repurchase and reverse repurchase agreements.

All of the District's investments during the year and at year end were insured or registered, or were held by the District or its agent in the District's name. The District does not have a custodial credit risk policy.

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Notes to Financial Statements
For the Year Ended December 31, 2024**

Note 6 - Significant Revenues

The District's total revenues are primarily comprised of the following:

Operating Revenues -

Ballpark Rent - The original lease between the District and the Mariners, which expired on December 31, 2018, was amended and restated effective January 1, 2019. The amended 25-year lease calls for an annual base rent of \$1,500,000 for each lease year during the term, with an annual CPI index adjustment. The lease has two renewal periods, each with a term of three lease years. Cash payments under the agreement with the Mariners totaled \$1,892,975 in 2024. For the year ended December 31, 2024, the District recognized ballpark rent of \$1,464,513 and interest income \$1,110,900.

As of December 31, 2024, future lease receivable principal and interest payments are as follows:

For the Year Ended December 31,	Principal	Interest	Total
2025	\$ 548,379	\$ 1,092,763	\$ 1,641,142
2026	590,224	1,073,207	1,663,431
2027	633,853	1,052,170	1,686,023
2028	679,331	1,029,591	1,708,922
2029	726,726	1,005,404	1,732,130
2030 - 2034	4,416,953	4,603,021	9,019,974
2035 - 2039	5,934,409	3,714,943	9,649,352
2040 - 2044	7,786,836	2,535,810	10,322,646
2045 - 2049	10,041,006	1,001,915	11,042,921
	\$ 31,357,717	\$ 17,108,824	\$ 48,466,541

Nonoperating Revenues -

Revenue Sharing - The revenue sharing provision calls for a 1.5% tax on the first \$100 million in revenue subject to the admissions tax, then 2% of all revenue subject to the admissions tax above \$100 million with no minimum and no cap. The \$100 million revenue threshold will be adjusted every year by CPI escalation. The District will contribute 100% of the annual revenue share to the capital expenditure fund.

Admission Tax Revenue - This represents tax on ballpark admissions authorized by RCW 36.38.010.

Hotel Motel Tax Revenue - Starting in 2021, King County dedicated a portion of the Hotel Motel Tax towards basic infrastructure improvements at the ballpark. Per a funding agreement between the District and King County, King County disburses these funds to the District, who then reimburse the Mariners for eligible basic infrastructure capital improvement costs.

Parking Tax Revenue - This represents tax on parking facility charges authorized by RCW 36.100.220.

Interest Revenue - This is interest income associated with lease receivable.

**WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT**

**Notes to Financial Statements
For the Year Ended December 31, 2024**

Note 6 - Continued

Restaurant Tax Revenue - Between 1996 and 2011, the Restaurant Tax was part of a funding package dedicated to paying off bonds used to fund the construction of the ballpark. While the bonds were paid off in 2011, the District still receives small amounts from delinquent accounts.

Reimbursement Revenue - The District shares offices with the Seattle Sports Commission. As part of their agreement, the SSC reimburses the District for certain office support services.

Note 7 - Stewardship, Compliance and Accountability

There have been no material violations of finance-related, legal or contractual provisions.

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.

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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.

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