
***DENVER METROPOLITAN MAJOR
LEAGUE BASEBALL STADIUM DISTRICT
(A Component Unit of the State of Colorado)
FINANCIAL STATEMENTS
DECEMBER 31, 2015***

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Independent Auditors' Report

Board of Directors

Denver Metropolitan Major League Baseball Stadium District
Legislative Audit Committee
State Auditor of the State of Colorado
Denver, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of Denver Metropolitan Major League Baseball Stadium District (the District), a component unit of the State of Colorado, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2015 and 2014 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through iv be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison information on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RubinBrown LLP

June 24, 2016

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Management's Discussion and Analysis For the Years Ended December 31, 2015 and 2014

Our discussion of the District's financial performance provides an overview of our activities for 2015 and 2014, with a comparison to the prior year in each case and certain other background information. Please read it in conjunction with the District's financial statements, which begin on page three.

FINANCIAL HIGHLIGHTS

Parking revenue increased in 2015 by \$145,676 or 12.2%. Attendance revenue remained consistent with prior periods, due to attendance figures not exceeding baseline figures.

The District received \$239,150 in 2015 for an easement agreement for access given on land that is being used for parking by the District.

The Delgany property sublease to a third party expired in April 2014. The property was put on the market for sale. On May 10, 2016, the District sold this property for \$3,730,000. There was no lease income received on this property in 2015.

Professional services expense increased by \$276,055 or 92.4% in 2015. The source of the increase included consulting expense for a capital reserve study, increased legal fees regarding the RTD parking replacement, and the capital lease agreement.

The District's net position decreased \$2.5 million in 2015 as a result of depreciation expense being in excess of net operating and non-operating revenues.

The District contributed \$3.5 million to the capital repair fund held by the CRBC. This fund is used to pay expenses related to repair, maintenance and use of the Stadium (including property taxes) on a year-round basis. The District also paid to the CRBC \$1.4 million for new seating cost for the lower deck. The CRBC used \$857,773 of the funds in 2015 for stadium repairs, improvements and replacements. This fund is owned by the CRBC.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Use of this report

This report comprises three financial statements:

- (1) The Statements of Net Position measures the District's financial condition at year-end. It represents the difference between the District's assets and liabilities. Net position is displayed in three components: Cost of the stadium and related property less accumulated depreciation and related debt is included in *Net Investment in Capital Assets*. When constraints are imposed externally by laws, other governments, or creditors on net position they are reported as *Restricted*. *Unrestricted* net position represents that portion of net position that can be used to finance daily operations without constraints established by laws, enabling legislation or other legal requirements. The District currently considers its unrestricted net position as unavailable for refund to local governments as a result of the obligation to acquire additional parking spaces as a result of RTD's acquisition of the District's prime parking spaces.
- (2) Increases or decreases to net position are presented in the Statement of Revenues, Expenses and Changes in Net Position.
- (3) The Statement of Cash Flows portrays the source, uses and net change in our cash and cash equivalents. Cash flows are segregated by three major elements--operating, capital and related financing and investing activities.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Condensed comparative financial statement information (in thousands):

	For The Years Ended December 31,		
	2015	2014	2013
Operating Revenue from Coors Field	1,465	1,321	\$ 1,201
Nonoperating Revenues (Expenses)			
Noncash lease income	858	2,313	736
Gain on RTD land replacement	—	—	22,335
Net lease rentals Delgany Street	—	39	133
City outfall easement income	239	—	—
Interest income	9	17	763
Loss on the disposal of capital assets	—	(147)	—
Total Revenue	2,571	3,543	25,168
Operating Expense	5,126	4,929	4,465
(Decrease) Increase In Net Position	\$ (2,555)	\$ (1,386)	\$ 20,703

In 2015, the operating revenue increased by 144,728 or 11.0%. This is a result of increased income from parking.

In 2015, non-cash revenues decreased by 1.4 million or 62.9%. This is a result of decreased amounts paid out of the capital replacement fund for Stadium improvements and repairs. The District paid out \$1.4 million for capital expenses to the CRBC as well as contributing \$3.5 million to the capital repairs fund held by the CRBC.

In 2015, the District received \$239,150 for the City Outfall easement. This was money received for an easement on land owned by the District. The land is still available for use for parking.

Operating expenses increased by \$197,688 or 4.0% in 2015. The major increase in this category was legal and professional fees.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Condensed Statements of Net Position (in thousands):

	2015	2014	2013
Current assets	\$ 9,073	\$ 9,398	\$ 19,666
Capital assets	147,574	149,757	140,849
Deferred costs	247	271	297
Total Assets	156,894	159,426	160,812
Current liabilities	34	—	—
Security deposit	—	12	12
Total Liabilities	34	12	12
Net investment in capital assets	147,085	149,507	140,849
Restricted	4,175	7,671	17,653
Unrestricted	5,600	2,236	2,298
Total Net Position	\$ 156,860	\$ 159,414	\$ 160,800

For 2015, current assets decreased by \$325,518 or 3.5%. Receivables from CRBC were down in 2015. The cash accounts were also decreased by approximately \$3.3 million. These funds are being shown as a prepaid amount for the Capital Repair fund held by the CRBC. As a result prepaid funding asset increased by the same \$3.5 million.

Capital assets decreased in total from 2014 to 2015 by \$2.2 million. The reason for the decrease is due to the depreciation recorded for 2015. In 2015, capital asset purchases were \$2.3 million. This was for new seating and building improvements and replacements. Accumulated depreciation increased by \$2.8 million. This is the annual depreciation expense of all capital assets.

The current liabilities in 2015 consisted of outstanding bills for 2015 services that were paid in 2016.

Restricted net position fluctuates based upon compliance with the TABOR Amendment. For additional information, see Footnote 7 of the financial statements.

Additional information and analysis can be obtained from the District's office.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF NET POSITION

Assets		December 31,	
		2015	2014
Current Assets			
Cash and cash equivalents	\$	1,186,627	\$ 1,007,613
Accounts receivable - lessee		255,647	760,543
Prepaid expenses - capital improvements		3,500,000	—
Restricted cash - replacement parking		4,130,274	7,629,910
Total Current Assets		9,072,548	9,398,066
Noncurrent Assets			
Land		19,993,220	19,993,220
Land improvements		13,214,443	13,214,443
Buildings		171,409,385	170,869,380
Other property and equipment		28,510,084	28,415,413
		233,127,132	232,492,456
Accumulated depreciation		(85,552,902)	(82,735,243)
		147,574,230	149,757,213
Deferred costs, net of accumulated amortization of \$428,238 in 2015 and \$457,187 in 2014		246,655	271,111
Total Noncurrent Assets		147,820,885	150,028,324
Total Assets		156,893,433	159,426,390

Liabilities

Current Liabilities			
Accounts payable		33,712	—
Noncurrent Liabilities			
Refundable security deposit		—	11,667
Total Liabilities		33,712	11,667

Net Position

Net Investment In Capital Assets		147,085,080	149,507,213
Restricted For Capital Projects		4,130,274	7,629,910
Restricted For TABOR		44,235	41,308
Unrestricted		5,600,132	2,236,292
Total Net Position	\$	156,859,721	\$ 159,414,723

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended December 31,	
	2015	2014
Operating Revenue From Lease Of Coors Field		
Parking	\$ 1,336,141	\$ 1,190,465
Attendance	100,000	100,000
Concessions and other	29,374	30,322
Total Operating Revenue From Lease Of Coors Field	1,465,515	1,320,787
Operating Expense		
Depreciation and amortization	4,516,059	4,593,299
Professional services	574,975	298,920
General, administrative and other	35,407	36,534
Total Operating Expense	5,126,441	4,928,753
Operating Loss	(3,660,926)	(3,607,966)
Nonoperating Revenues (Expenses)		
Noncash lease income - contributed capital assets	857,773	2,313,129
Net lease rentals and expenses - Delgany Street	(90)	38,790
Interest income	9,091	17,366
City outfall easement income	239,150	—
Loss on disposal of fixed asset	—	(147,310)
Total Nonoperating Revenues	1,105,924	2,221,975
Decrease In Net Position	(2,555,002)	(1,385,991)
Net Position - Beginning Of Year	159,414,723	160,800,714
Net Position - End Of Year	\$ 156,859,721	\$ 159,414,723

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2015	2014
Cash Flows From Operating Activities		
Receipts from lessee	\$ 1,970,411	\$ 765,423
Payments for professional and other services	(588,337)	(335,454)
Net Cash Provided By Operating Activities	1,382,074	429,969
Cash Flows From Capital And Related Financing Activities		
Lease rent Delgany Street property	—	46,668
Payments for Delgany Street property	(90)	(7,878)
Transfers to restricted cash	3,500,000	9,960,123
Net Cash Provided By Capital And Related Financing Activities	3,499,910	9,998,913
Cash Flows From Investing Activities		
Payments for capital assets	(1,450,847)	(11,059,505)
City outfall easement	239,150	—
Deposit on land purchase	—	(250,000)
Transfer to CRBC for future capital improvements	(3,500,000)	—
Interest income, less amount on restricted cash account	8,727	17,366
Net Cash Used In Capital And Related Financing Activities	(4,702,970)	(11,292,139)
Net Increase (Decrease) In Cash And Cash Equivalents	179,014	(863,257)
Cash And Cash Equivalents, Beginning Of Year	1,007,613	1,870,870
Cash And Cash Equivalents, End Of Year	\$ 1,186,627	\$ 1,007,613
Reconciliation Of Operating Cash Flows		
Operating loss	\$ (3,660,926)	\$ (3,607,966)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization	4,516,059	4,593,299
(Increase) decrease in receivable from lessee	504,896	(555,364)
Increase in accounts payable and accrued expenses	22,045	—
Total Adjustments	5,043,000	4,037,935
Net Cash Provided By Operating Activities	\$ 1,382,074	\$ 429,969
Restricted Cash Received From RTD For Land Taking, Interest Thereon And Initial Project Funds	\$ —	\$ 7,629,910
Noncash Capital Activity - Other Lease Income - Capitalized Assets Pertaining To Coors Field Paid For By Lessee	857,773	2,313,129

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2015 And 2014

1. **Organization And Summary Of Significant Accounting Policies**

Organization

The Denver Metropolitan Major League Baseball Stadium District (the District) is a body corporate and politic and a subdivision of the State of Colorado, established pursuant to the Denver Metropolitan Major League Baseball Stadium District Act, Title 32, Article 14, of the Colorado Revised Statutes, as amended (the Act). The District currently includes all or part of seven counties in the Denver metropolitan area. The District was created for the purpose of acquiring, constructing and operating a major league baseball stadium (the Ballpark).

The Act authorized the District to levy and collect sales/use tax as of August 1, 1991 of one-tenth of one percent throughout the District to assist in financing the acquisition and construction of the Ballpark. On January 1, 2001, the District discontinued the levy of the sales tax upon the final defeasance of all of its outstanding debt.

On July 5, 1991, Denver, Colorado, was awarded a major league baseball club franchise by the National League of Professional Baseball Clubs.

Summary Of Significant Accounting Policies

The District is a separate legal entity responsible for its own financial operations and obligations and is governed by a Board of Directors (the Board) of seven members who are appointed by the Governor of the State of Colorado, and who serve without compensation. All activities for which the District exercises responsibility have been included in these financial statements. The District has been classified as a component unit of the State of Colorado, and is included in the Comprehensive Annual Financial Report of the State.

The financial statements of the District are presented on the basis of governmental proprietary fund accounting concepts, using the economic resources measurement focus and the accrual basis of accounting, and in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34), as amended.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

The Ballpark consists of land improvements, buildings and other property and equipment, which are stated at cost and amortized and depreciated using the straight-line method over their respective estimated useful lives of 3 to 50 years beginning April 1995 when the Ballpark was placed in service.

Direct costs related to the Ballpark property leases were deferred and are amortized on the straight-line basis over the remaining life of the lease, which will expire in 2017.

The District defines operating revenues as those revenues for which cash flows are reported as operating activities, i.e., derived from its principal ongoing operations (lease of the Ballpark and related activities). Nonoperating revenues include revenue from other than exchange or exchange-like transactions, such as sales and use taxes, interest, sale of property and other income not related to lease of the Ballpark.

The preparation of the financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosed amount of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

When the District incurs an expense for which both restricted and unrestricted net position are available, the District will first apply restricted net position.

Reclassifications

Certain 2014 amounts on the statement of net position have been reclassified to conform to the financial statement presentation used in 2015. These reclassifications did not result in any change to the District's net position.

Subsequent Events

Management has evaluated subsequent events through June 24, 2016, the date the financial statements were available for issuance.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

2. Cash And Cash Equivalents

The District classifies all highly liquid investments with an original maturity of three months or less when purchased as cash equivalents. See Note 3 for restricted cash. The District's cash and cash equivalents comprise the following:

	<u>2015</u>	<u>2014</u>
Checking account	\$ 265,492	\$ 143,356
Bank savings accounts	921,135	864,257
	<u>\$ 1,186,627</u>	<u>\$ 1,007,613</u>

3. RTD Land Transaction

In December 2011, the District received \$15 million from the Regional Transportation District (RTD) representing the minimum fee compensation due for RTD's taking of the land covering 640 parking spaces in the Main Lot at Coors Field pursuant to an Intergovernmental Agreement dated November 23, 2011.

Pursuant to the settlement agreement dated March 4, 2013, the District and RTD reached a final settlement, where the District received total compensation of \$24,720,000 (inclusive of the prior \$15,000,000 payment), which represented the \$24,000,000 value of the land, as well as \$720,000 in interest received.

RTD total settlement collected	\$ 24,720,000
Cost of land taken (249,442 square feet)	(512,781)
Estimated carrying cost of improvements	(85,835)
RTD legal costs reimbursement	(1,065,907)
Interest earned	<u>(720,000)</u>
Gain On Sale Of Land	<u><u>\$ 22,335,477</u></u>

Settlement proceeds to the District are first required to be used to acquire suitable replacement parking for the Colorado Rockies Baseball Club (CRBC) and next to recover District expenses incurred in this matter. In September of 2015, the District and CRBC agreed to release the remaining \$3.5 million from the sale to the capital repair and replacement fund for future use.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (Continued)

4. Ballpark Property And Equipment

The Ballpark includes, among other facilities, approximately 50,550 seats, approximately 4,150 on-site revenue parking spaces, administrative offices for the lessee and the District and the renovation and inclusion of a “bar/restaurant” as part of an existing 5-story brick building. The lessee owns certain furniture, fixtures and equipment located within the Ballpark.

Changes in capital assets and deferred costs for 2015 and 2014 were as follows:

	(In Thousands)				
	Beginning Balance	Additions	Retirements	Reclassification	Ending Balance
2015					
Land	\$ 19,993	\$ —	\$ —	\$ —	\$ 19,993
Land improvements	13,215	—	—	—	13,215
Buildings	170,869	540	—	—	171,409
Other property and equipment	28,415	1,769	(1,674)	—	28,510
Totals At Historical Cost	232,492	2,309	(1,674)	—	233,127
Accumulated depreciation					
Land improvements	(5,571)	(228)	—	—	(5,799)
Buildings	(55,254)	(3,445)	—	—	(58,699)
Other property and equipment	(21,910)	(819)	1,674	—	(21,055)
Total Accumulated Depreciation	(82,735)	(4,492)	1,674	—	(85,553)
Net Capital Assets	\$ 149,757	\$ (2,183)	\$ —	\$ —	\$ 147,574
2014					
Land	\$ 19,993	\$ —	\$ —	\$ —	\$ 19,993
Land improvements	13,215	—	—	—	13,215
Buildings	152,158	2,740	—	15,971	170,869
Other property and equipment	28,478	1,038	(1,101)	—	28,415
Construction in progress	6,377	9,594	—	(15,971)	—
Totals At Historical Cost	220,221	13,372	(1,101)	—	232,492
Accumulated depreciation					
Land improvements	(5,343)	(228)	—	—	(5,571)
Buildings	(52,074)	(3,180)	—	—	(55,254)
Other property and equipment	(21,705)	(1,159)	954	—	(21,910)
Total Accumulated Depreciation	(79,122)	(4,567)	954	—	(82,735)
Net Capital Assets	\$ 141,099	\$ 8,805	\$ (147)	\$ —	\$ 149,757
Changes In Deferred Costs Comprise:					
	Stadium Lease	View Plane	Total		
Balance January 1, 2015	\$ 52,859	\$ 218,252	\$ 271,111		
Amortization	(24,456)	—	(24,456)		
Balance December 31, 2015	\$ 28,403	\$ 218,252	\$ 246,655		

* View Plane costs are not subject to amortization as the View Plane is considered an indefinite-lived intangible asset.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

5. Other Commitments And Contingencies

Ballpark Lease

In 1995, the District entered into an Amended and Restated Lease and Management Agreement (the Agreement) with CRBC (the lessee). The Agreement provides for the lease of the Ballpark “Premises” (as defined in the lease) to CRBC for a period of 22 years commencing March 31, 1995, with three 5-year renewals at the option of CRBC (the lease term). The Agreement also provides for the acquisition and ownership of certain property by CRBC and for revenue sharing, on a variable basis each year, principally with respect to attendance, parking and concessions, as more fully described in the Agreement. In 2009, the District approved an amendment to the lease to include the Delgany Street property (Note 610). Income for the District is economically dependent upon CRBC.

The District has classified the Agreement as an operating lease for financial reporting purposes.

Under the Agreement, CRBC is responsible on a year-round basis for all costs associated with the repair, maintenance, operation, use and ownership of the Premises and CRBC property (including a possessory interest property tax on District-owned property) during the entire lease term.

In January 1996, CRBC established an escrow Repairs Fund (the Fund) to be used solely for repairs, restorations and replacements of District and CRBC property. Pursuant to the lease, payments of \$949,029 were made by CRBC to this fund for the years 2015 and 2014. The Fund had a balance of \$3,696,464 and \$245,132 at December 31, 2015 and 2014, respectively. Expenditures totaling \$1,249,273 and \$2,553,295 were paid from the fund in 2015 and 2014, respectively. Of these amounts, \$857,773 was expensed in 2015. In 2014, \$2,313,129 of the amounts were capitalized by the District and recognized as noncash revenues.

Annual payments are subject to escalation and are due on each succeeding January 15th of the lease term. The payments are expected to correspond to the anticipated costs to repair, restore or replace the Premises and CRBC property. The Fund remains the property of CRBC, although the District has a first lien security interest therein and a District representative co-signs checks drawn on the Fund.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

Deposit On Land Purchase

On April 2, 2014, the District entered into a land purchase and sale agreement with Public Service Company of Colorado. The agreement had an initial inspection period of 120 days after the signed agreement and required a \$150,000 deposit. This agreement also contained an additional extension period, requiring a \$75,000 deposit, which was paid for by CRBC. On December 23, 2014, an amendment to the purchase and sale agreement extended the inspection period further through September 30, 2015 and required an additional \$100,000 payment. The purchase price of the contract is \$2,835,000.

As of December 31, 2015, the agreement has still not been finalized. If the agreement is terminated by the District for a reason not specified in the Agreement, the deposit of \$250,000 will become nonrefundable.

6. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. Certain of these risks are covered by commercial insurance purchased directly by the District from independent third parties (principally public official's and employer's liability). Claim liabilities are reported if and when it is probable that a loss has occurred and the amount can be reasonably estimated.

The District's lease agreement for the Ballpark requires the lessee (and other entities that perform services for the lessee) to cover certain other risks named above on behalf of the District, its directors and others. These parties provided the required coverage for the District at their own expense for 2015 and 2014. CRBC participates in a league-wide property insurance program with all other major-league teams under an arrangement involving numerous insurance companies. The insurable property values for this policy (including buildings, equipment and other items), aggregated \$448,448,143 for both the years ended December 31, 2015 and 2014. The District has had no insurance settlements for the past several years.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

7. TABOR Amendment

In 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The amendment mandates that reserves equal to 3% of fiscal year spending be established for declared emergencies. The amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

8. Financial Instruments, Deposits And Concentrations

The District maintains all of its cash and cash equivalents with one Denver bank and has accounts receivable due from the District's lessee, resulting in a concentration of credit risk with respect to these financial instruments. Management of the District believes its risk of exposure with respect to cash and equivalents is adequately covered by the Public Deposit Protection Act (PDPA) (Note 2) and Federal Deposit Insurance Corporation insurance.

PDPA requires that all units of Colorado government deposit cash in eligible public depositories. State regulators determine the eligibility of depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA, which allows the financial institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another financial institution or held in trust. The fair value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The District's bank participates in the PDPA program.

The state regulatory commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

At December 31, 2015 and 2014, the District's deposits had bank balances of \$67,402 and \$27,252, respectively, greater than their carrying amounts of \$1,186,627 and \$1,007,613, respectively, due to outstanding checks. Risks associated with such deposits and investments in general include:

- Custodial credit risk, which is the risk that, in event of failure of the bank or counter-party, the District would be unable to recover its deposits or collateral securities. The District's investment policy does not limit the amount of deposit custodial credit risk. Under the provisions of GASB 40, deposits collateralized under PDPA are not deemed to be exposed to custodial credit risk.
- Interest rate risk is the risk that changes in financial market rates of interest will adversely affect the value of an investment. Since all of the District's deposits are highly liquid, management believes this risk is minimal.
- Credit quality risk is the risk that the issuer or other counter-party to a debt security will not fulfill its obligations. Coverage under PDPA should serve as a compensating measure if and when the District's deposit accounts hold underlying debt securities.

9. Unrestricted Net Position

The District previously designated \$1,000,000 of unrestricted net position for operational and other purposes. Such funds are not considered available for refund to the various counties comprising the District or for other purposes. These designated amounts are subject to change, at the discretion of the District.

10. Subsequent Events

On February 12, 2016, the Board, along with CRBC, agreed to sell the Delgany Property (also known as the Light Bulb Supply property). The land was purchased in 2009 to use for additional parking, but was never completed. The sale of the property is contingent upon CRBC agreement to the sale, as the property is currently under lease to CRBC, and thus the lease would need to be amended to complete the sale. On May 10, 2016, the District completed this sale transaction in the amount of \$3,730,000 and the related lease amendment to release the subject property.

Supplementary Information

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
For The Year Ended December 31, 2015**

	Actual (000s)	Budget (000s) *	(Under) Over Budget (000s) ^
Revenues			
Lease rentals - CRBC	\$ 1,465	\$ 1,200	\$ 265
Noncash revenue	858	890	(32)
City outfall easement	239	—	239
Investment income	9	18	(9)
Total Revenue	2,571	2,108	463
Expenditures			
Depreciation/amortization	4,516	4,220	296
Administration and professional services	610	402	208
Stadium repair and improvements	2,309	2,390	(81)
Total Expenditures	7,435	7,012	423
Decrease In Net Assets - Budget Basis	(4,864)	(4,904)	(40)
Less: Capital Expenditures	2,309	2,390	(81)
Decrease In Net Assets - GAAP Basis	\$ (2,555)	\$ (2,514)	\$ 41

* Excludes repair and maintenance expense paid by lessee.

^ Ballpark lease rentals and noncash revenues are derived from activities under control of the lessee and are subject to many variable factors including suits and claims; accordingly, budget amounts and variances may be significant as such amounts are not susceptible to reasonable estimation by the District. These sources account for \$234 favorable variance of the net unfavorable budget variance of \$41.

Note To Supplementary Information

The District's annual budget is prepared on the same basis as its accounting records, approved by the District's Board of Directors and filed with designated state officials in compliance with Colorado Revised Statutes.