
**DENVER METROPOLITAN MAJOR
LEAGUE BASEBALL STADIUM DISTRICT**
(A Component Unit of the State of Colorado)
FINANCIAL STATEMENTS
DECEMBER 31, 2017

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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, 2017 and 2016 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, 2017 and 2016 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 15, 2018

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Management's Discussion and Analysis For the Years Ended December 31, 2017 and 2016

Our discussion of the District's financial performance provides an overview of our activities for 2017 and 2016, 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 decreased in 2017 by \$1,155,662 or 75.5%. The District and CRBC entered into a new Ballpark lease agreement commencing March 31, 2017. The new lease provides for parking revenue sharing, thus the amount received for parking revenue was significantly reduced in 2017.

Attendance revenue was reduced by \$100,000 because of the new lease agreement that began on March 31, 2017.

Rent income increased by \$6,375,000 in 2017. This is a new account and was set up because of the new lease agreement commencing March 31, 2017. The new lease provides for payments by CRBC to the District for operating rent and ground lease. The total amount attributable to the year ending December 31, 2017 was \$750,000 for operating rent and \$5,625,000 for ground lease rent.

Repairs and maintenance expense increased by \$627,919. This was due to the approved capital improvement plan set in place with the new lease agreement. There were several planned repairs and improvements approved for 2017.

Gain on RTD land replacement decreased by \$1,325,984. The sale occurred in 2016 and nothing in 2017.

Noncash lease income increased by \$2,041,774. These are the capital improvements funded by CRBC for the stadium.

Capital fund contribution from CRBC increased by \$1,125,000. This is as a result of the new lease. It provides for an annual capital fund contribution.

The District's net position increased by \$4,320,038 mainly as a result of the additional rent income from the new lease agreement and capital contributions.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Use of this report

This report comprises three financial statements:

- (1) The Statement 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 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 sources, uses and net change in our cash. 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,		
	2017	2016	2015
Operating Revenue from Coors Field	\$ 7,043	\$ 1,660	\$ 1,465
Nonoperating Revenues			
Gain on RTD land replacement	—	1,326	—
City outfall easement income	—	—	239
Interest income	7	7	9
Total Revenue	7,050	2,993	1,713
Operating Expense	5,897	5,157	5,126
Capital Contributions	3,167	—	858
Change in Net Position	\$ 4,320	\$ (2,164)	\$ (2,555)

In 2017, the operating revenue increased by \$5,382,778 or 324.2%. This is a result of new lease agreement with CRBC commencing March 31, 2017.

Operating expenses increased by \$740,651 or 14.4% in 2017. The major increase in this category was repairs and maintenance.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Condensed Statements of Net Position (in thousands):

	December 31,		
	2017	2016	2015
Current assets	\$ 10,505	\$ 7,546	\$ 5,573
Capital assets	148,297	145,789	147,574
Other assets	218	1,416	3,747
Total Assets	159,020	154,751	156,894
Total Liabilities	4	55	34
Net investment in capital assets	148,297	145,789	147,085
Restricted	6,087	2,454	4,175
Unrestricted	4,632	6,453	5,600
Total Net Position	\$ 159,016	\$ 154,696	\$ 156,860

For 2017, current assets increased by \$2,959,007 or 39.2%. The increase was a result of the additional bank account set up for the Capital contributions from CRBC as a result of the new lease agreement and the increase in Receivables from CRBC also resulting from the new lease agreement.

Capital assets increased from 2016 to 2017 by \$2,508,051 or 1.7%. The reason for the increase is due to the additional capital assets and improvements done to the stadium in 2017. These improvements were approved by the board and CRBC. They included a new phone system, speaker replacement, HVAC control improvements, roof replacements, lighting improvements, seat replacements, other improvements and the preliminary work on the scoreboard replacement.

The current liabilities decreased by \$51,124 in 2017. There were more outstanding bills for 2016 that were not paid until 2017 for legal and stadium repairs. The only outstanding bills for expenses of 2017, which were paid in 2018 were for the monthly legal and accounting fees.

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

	December 31,	
	2017	2016
Assets		
Current Assets		
Cash	\$ 2,083,614	\$ 6,046,505
Accounts receivable - lessee	2,579,356	291,874
Restricted cash	5,842,083	1,207,667
Total Current Assets	10,505,053	7,546,046
Noncurrent Assets		
Land	20,613,345	20,613,345
Land improvements	13,214,443	13,214,443
Buildings	174,888,022	173,442,309
Other property and equipment	30,944,331	28,711,438
Construction in progress	3,627,815	—
	243,287,956	235,981,535
Accumulated depreciation	(94,990,919)	(90,192,549)
	148,297,037	145,788,986
Prepaid expenses - capital improvements	—	1,194,197
Deferred costs, net of accumulated amortization of \$456,641 in 2017 and \$452,694 in 2016	—	3,947
Intangible asset - view plane	218,252	218,252
Total Noncurrent Assets	148,515,289	147,205,382
Total Assets	159,020,342	154,751,428

Liabilities And Net Position

Current Liabilities		
Accounts payable	4,049	55,173
Net Position		
Investment in capital assets	148,297,037	145,788,986
Restricted for capital projects	5,842,083	2,401,864
Restricted for TABOR	245,269	52,268
Unrestricted:		
Board-designated	1,000,000	1,000,000
Undesignated	3,631,904	5,453,137
Total Net Position	\$ 159,016,293	\$ 154,696,255

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended December 31,	
	2017	2016
Operating Revenue From Lease Of Coors Field		
Parking and events	\$ 668,057	\$ 1,530,839
Attendance	—	100,000
Rent income	6,375,000	—
Concessions and other	—	29,440
Total Operating Revenue From Lease Of Coors Field	7,043,057	1,660,279
Operating Expense		
Depreciation and amortization	4,802,317	4,681,190
Professional services	397,877	406,904
General, administrative and other	36,126	35,494
Repairs and maintenance	661,032	33,113
Total Operating Expense	5,897,352	5,156,701
Operating Income (Loss)	1,145,705	(3,496,422)
Nonoperating Revenues		
Gain on RTD land replacement	—	1,325,984
Interest income	7,559	6,972
Total Nonoperating Revenues	7,559	1,332,956
Change In Net Position Before Capital Contributions	1,153,264	(2,163,466)
Capital Contributions		
Noncash lease income - contributed capital assets	2,041,774	—
Capital fund contribution - CRBC	1,125,000	—
Total Capital Contributions	3,166,774	—
Change In Net Position	4,320,038	(2,163,466)
Net Position - Beginning Of Year	154,696,255	156,859,721
Net Position - End Of Year	\$ 159,016,293	\$ 154,696,255

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2017	2016
Cash Flows From Operating Activities		
Receipts from lessee	\$ 5,949,772	\$ 1,624,052
Payments for professional and other services	(1,146,159)	(454,050)
Net Cash Provided By Operating Activities	4,803,613	1,170,002
Cash Flows From Capital And Related Financing Activities		
Building improvements	(1,445,713)	(2,700,334)
Construction in progress	(1,586,041)	—
Other property additions	(2,232,893)	3,460,631
Capital contribution - CRBC	1,125,000	—
Cash Flows Provided By (Used In) Capital And Related Financing Activities	(4,139,647)	760,297
Cash Flows Provided By Investing Activities		
Interest income	7,559	6,972
Net Increase In Cash	671,525	1,937,271
Cash, Beginning Of Year	7,254,172	5,316,901
Cash, End Of Year	\$ 7,925,697	\$ 7,254,172
Shown In The Statement Of Financial Position As		
Cash	\$ 2,083,614	\$ 6,046,505
Restricted cash	5,842,083	1,207,667
Cash, End Of Year	\$ 7,925,697	\$ 7,254,172
Reconciliation Of Operating Cash Flows		
Operating income (loss)	\$ 1,145,705	\$ (3,496,422)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	4,802,317	4,681,190
Increase in receivable from lessee	(2,287,482)	(36,227)
Decrease in prepaid expenses	1,194,197	—
Increase (decrease) in accounts payable	(51,124)	21,461
Total Adjustments	3,657,908	4,666,424
Net Cash Provided By Operating Activities	\$ 4,803,613	\$ 1,170,002

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 And 2016

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 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*, 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. Subsequent capital additions funded by the Colorado Rockies Baseball Club (CRBC) are donated to the District and recorded at their acquisition value.

Direct costs related to the Ballpark property leases were deferred and were amortized on the straight-line basis over the remaining life of the lease, which will expire in 2017. Amortization amounted to \$3,947 in 2017 and \$24,456 in 2016.

View plane relates to costs incurred to preserving west view sight lines from within the Ballpark. The view plane is considered to be an indefinite-lived intangible asset and therefore is not subject to amortization.

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 interest, sale of property, donation of CRBC-funded capital additions 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 (GAAP) 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.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

2. Cash

The District's cash consists of the following:

	<u>2017</u>	<u>2016</u>
Cash		
Checking account	\$ 148,979	\$ 196,434
Bank savings accounts	1,934,635	5,850,071
Total Cash	2,083,614	6,046,505
Restricted Cash		
Checking account - capital improvements	4,794,737	—
Checking account - replacement parking	1,047,346	1,207,667
Total Restricted Cash	5,842,083	1,207,667
	\$ 7,925,697	\$ 7,254,172

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>\$ 22,335,477</u>

Settlement proceeds to the District were first required to be used to acquire suitable replacement parking for the 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 for 2017 and 2016 were as follows:

	(In Thousands)			
	Beginning Balance	Additions	Retirements	Ending Balance
2017				
Land	\$ 20,614	\$ —	\$ —	\$ 20,614
Land improvements	13,215	—	—	13,215
Buildings	173,442	1,446	—	174,888
Construction in progress	—	3,628	—	3,628
Other property and equipment	28,711	2,233	—	30,944
Totals At Historical Cost	235,982	7,307	—	243,289
Accumulated depreciation:				
Land improvements	(6,026)	(227)	—	(6,253)
Buildings	(62,232)	(3,679)	—	(65,911)
Other property and equipment	(21,935)	(893)	—	(22,828)
Total Accumulated Depreciation	(90,193)	(4,799)	—	(94,992)
Net Capital Assets	\$ 145,789	\$ 2,508	\$ —	\$ 148,297
2016				
Land	\$ 19,993	\$ 2,951	\$ (2,330)	\$ 20,614
Land improvements	13,215	—	—	13,215
Buildings	171,409	2,105	(72)	173,442
Other property and equipment	28,510	201	—	28,711
Totals At Historical Cost	233,127	5,257	(2,402)	235,982
Accumulated depreciation:				
Land improvements	(5,799)	(227)	—	(6,026)
Buildings	(58,699)	(3,550)	17	(62,232)
Other property and equipment	(21,055)	(880)	—	(21,935)
Total Accumulated Depreciation	(85,553)	(4,657)	17	(90,193)
Net Capital Assets	\$ 147,574	\$ 600	\$ (2,385)	\$ 145,789

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

5. Other Commitments And Contingencies

Ballpark Lease

The District and CRBC signed a new Ballpark lease commencing on March 31, 2017 and terminating March 31, 2047 plus three 5-year renewal options. The lease provides for payments by CRBC to the District of \$2,500,000 annually consisting of \$1,000,000 in rent and \$1,500,000 contribution to the capital fund. These annual amounts will be paid in two equal semi-annual installments in January and September. The lease also contains parking revenue-sharing provisions. Additionally, the new Ballpark lease agreement provides for a 99-year ground lease of the West Lot for which CRBC will make annual payments to the Capital Repairs Fund as follows:

<u>Years</u>	<u>Amount</u>
1 - 5	\$ 7,500,000
6 - 20	5,000,000
21 - 30	1,250,000
31 - 99	100

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 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 was completed in September 2016 at a contract price of \$2,835,000, inclusive of the \$250,000 deposit.

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.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Notes To Financial Statements *(Continued)*

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 2017 and 2016. 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, 2017 and 2016. The District has had no insurance settlements for the past several years.

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 with two Denver banks 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 is covered by adequate collateral required by the Public Deposit Protection Act (PDPA) (Note 2) and Federal Deposit Insurance Corporation insurance.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

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 banks participate 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.

At December 31, 2017 and 2016, the District's cash deposits had bank balances of \$7,925,697 and \$7,254,172, respectively. 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 Statement No. 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. The District does not hold any debt securities and therefore is not exposed to this credit quality risk.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements *(Continued)*

9. Unrestricted Net Position

The District has 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

Management has evaluated subsequent events through the date the financial statements were available for issuance which is the date of the Independent Auditors' Report.

Supplementary Information

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
For The Year Ended December 31, 2017**

	Actual	Budget	Over (Under) Budget
	(000s)	(000s)	(000s)
Revenues			
Lease rentals - CRBC	\$ 7,043	\$ 1,200	\$ 5,843
Capital fund contribution - CRBC	1,125	—	1,125
Noncash revenue	2,042	1,500	542
Investment income	7	5	2
Total Revenue	10,217	2,705	7,512
Expenditures			
Depreciation/amortization	4,802	4,600	202
Administration and professional services	434	497	(63)
Stadium improvements	7,307	1,385	5,922
Stadium repairs and maintenance	661	115	546
Total Expenditures	13,204	6,597	6,607
Decrease In Net Assets - Budget Basis	(2,987)	(3,892)	(905)
Less: Capital Expenditures	7,307	1,385	5,922
Change In Net Assets - GAAP Basis	\$ 4,320	\$ (2,507)	\$ (6,827)

Note To Supplementary Information

The District's annual budget is prepared on the same basis as its accounting records, with the exception of expensing capital additions; approved by the District's Board of Directors; and filed with designated state officials in compliance with Colorado Revised Statutes. This budget basis is not in accordance with GAAP.