
**DENVER METROPOLITAN MAJOR
LEAGUE BASEBALL STADIUM DISTRICT**
(A Component Unit of the State of Colorado)
FINANCIAL STATEMENTS
DECEMBER 31, 2018

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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, 2018 and 2017 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, 2018 and 2017 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 vi 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 13 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 21, 2019

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Management's Discussion and Analysis For the Years Ended December 31, 2018 and 2017

Our discussion of the District's financial performance provides an overview of our activities for 2018 and 2017, 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

Total current assets decreased by \$2.3 million or 22.2%. The decline was a result of a decrease in cash accounts of \$2.4 million which was due to the large capital expenses paid out in 2018.

Total noncurrent assets increased by \$18.2 million or 12.3%. The increase was from capital fixed asset additions of \$24.3 million and additional depreciation of assets of \$6 million in 2018.

Accounts payable increased by \$3.2 million. This increase is a result of large capital expenses paid out in 2019 that were for assets and expenses of 2018.

Deferred revenue increased by \$7 million. This is a new account for 2018. The CRBC is pre-paying some of their lease rent so that the District can proceed with the planned capital repairs and improvements on the stadium.

Parking and event revenue increased in 2018 by \$495,260. This was a result of more concert revenue during 2018.

Rent income increased by \$2.1 million 2018. This was because of the lease agreement which began March 31, 2018. 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, 2018 was \$1,000,000 for operating rent and \$7,500,000 for ground lease rent.

Operating expenses increased by \$884,906 or 15%. Included in operating expenses are depreciation expense which increased by \$1.2 million, due to increased fixed assets and the related depreciation on those assets. Also included in operating expenses is repairs and maintenance expense which decreased by \$312,183. The other items included in operating expenses, professional services and general and administrative costs remained amount the same as the prior year.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

**Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017**

FINANCIAL HIGHLIGHTS, continued

Nonoperating revenues increased by \$365,204. The category is made up of Easement income, which is a new account. The District received \$402,000 from Denver for a sewer easement for the 27th Street sewer project. Also included is interest income which increased by \$38,328 because of increased cash balances throughout the year and an increase in interest rates. The other account in the nonoperating revenues is Loss on disposal of assets. This is a new account and in 2018 reported a loss of \$75,124. This was as a result of the removal of old items which were no longer in service.

Noncash lease income decreased by \$1,041,774. In 2017, the District received \$2,041,774 from CRBC for capital improvement. In 2018, the District received \$1 million from Aramark for capital improvements to the stadium.

Capital fund contribution from CRBC increased by \$375,000. This is as a result of the new lease. It provides for an annual capital fund contribution. In 2018 the amount received was \$1.5 million.

The District's net position increased by \$5,753,822. Key factors to this increase are the increased rent income and event income.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Management's Discussion and Analysis For the Years Ended December 31, 2018 and 2017

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**

**Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017**

Condensed comparative financial statement information (in thousands):

	For the Years Ended December 31,		
	2018	2017	2016
Operating Revenue from Coors Field	\$ 9,663	\$ 7,043	\$ 1,660
Nonoperating Revenues (Expenses)			
Noncash lease income	1,000	2,042	—
Gain on RTD land replacement	—	—	1,326
Loss on disposition of assets	(75)	—	—
Interest income	46	7	7
Easement income	402	—	—
Capital fund contribution	1,500	1,125	—
Total Revenue	12,536	10,217	2,993
Operating Expense	6,782	5,897	5,157
Increase (Decrease) In Net Position	\$ 5,754	\$ 4,320	\$ (2,164)

In 2018, the total revenue increased by \$2,318,690 or 22.7%. The largest increase in this category was lease and rent income from CRBC.

Operating expenses increased by \$884,906 or 15% in 2018. The major increase in this category was depreciation expense.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

**Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017**

Condensed Statements of Net Position (in thousands):

	December 31,		
	2018	2017	2016
Current assets	\$ 8,175	\$ 10,505	\$ 7,546
Capital assets, net of accumulated depreciat	166,533	148,297	145,789
Other assets	218	218	1,416
Total Assets	174,926	159,020	154,751
Current liabilities	3,156	4	55
Noncurrent liabilities	7,000	—	—
Total Liabilities	10,156	4	55
Net investment in capital assets	166,534	148,297	145,789
Restricted	2,893	6,087	2,454
Unrestricted	(4,657)	4,632	6,453
Total Net Position	\$ 164,770	\$ 159,016	\$ 154,696

Activity in capital assets for 2018 is summarized as follows:

Balance at beginning of year	\$ 148,297
Plus:	
Additions - scoreboard project and control room, clubhouse project, club level improvements, speaker project and other improvements including work in process at year end	24,354
Less:	
Deletions - assets disposed of and related depreciation taken	75
Current year depreciation	6,043
Balance at end of year	\$ 166,533

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

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

**Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017**

BUDGET COMPARISON (in thousands):

	2018 Actual (000s)	2018 Budget (000s)	(Under) Over Budget (000s)
Revenues			
Lease rentals - CRBC	\$ 8,500	\$ 8,500	\$ —
Capital contribution/CRBC	1,500	1,500	—
Capital contributions/Aramark	1,000	—	1,000
Parking and event revenue	1,163	600	563
Easement income	402	—	402
Investment income	46	5	41
Total Revenue	<u>12,611</u>	<u>10,605</u>	<u>2,006</u>
Expenditures			
Depreciation/amortization	6,043	5,500	543
General and administrative	37	25	12
Professional services	353	300	53
Stadium improvements	24,356	7,500	16,856
Stadium repairs and maintenance	349	115	234
Loss on disposal of assets	75	—	75
Total expenditures	<u>31,213</u>	<u>13,440</u>	<u>17,773</u>
Decrease in Net Assets - Budget Basis	(18,602)	(2,835)	15,767
Less: Capital Expenditures	<u>24,356</u>	<u>7,500</u>	<u>16,856</u>
Change in Net Assets - GAAP Basis	<u>\$ 5,754</u>	<u>\$ 4,665</u>	<u>\$ (1,089)</u>

District received \$1 million from Aramark toward capital improvements for the stadium concession areas. This was not originally budgeted. Parking and event revenue was more than budgeted due to an increase in the amount of concerts held at the stadium. Easement income was not on the original budget, it was an easement for sewer access received from Denver. Investment income was over budget due to larger cash balances and higher interest rates throughout the year.

Depreciation was higher than budgeted due to the increase in capital asset additions. Stadium improvements were more than budgeted due to additional capital expenditures which were approved after the budget was established.

Overall, the net increase in assets was \$1 million more than originally budgeted.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF NET POSITION

Assets	December 31,	
	2018	2017
Current Assets		
Cash	\$ 2,917,701	\$ 2,083,614
Accounts receivable - lessee	2,709,190	2,579,356
Restricted cash	2,547,713	5,842,083
Total Current Assets	8,174,604	10,505,053
Noncurrent Assets		
Land	20,613,345	20,613,345
Land improvements	13,214,443	13,214,443
Buildings	197,239,562	174,888,022
Other property and equipment	32,182,519	30,944,331
Construction in progress	3,938,660	3,627,815
	267,188,529	243,287,956
Accumulated depreciation	(100,655,035)	(94,990,919)
	166,533,494	148,297,037
Intangible asset - view plane	218,252	218,252
Total Noncurrent Assets	166,751,746	148,515,289
Total Assets	174,926,350	159,020,342
Liabilities And Net Position		
Current Liabilities		
Accounts payable	3,156,235	4,049
Noncurrent Liabilities		
Unearned rent and capital contribution	7,000,000	—
Total Liabilities	10,156,235	4,049
Net Position		
Net investment in capital assets	166,533,494	148,297,037
Restricted for capital projects	2,547,713	5,842,083
Restricted for TABOR	346,082	245,269
Unrestricted	(4,657,174)	4,631,904
Total Net Position	\$ 164,770,115	\$ 159,016,293

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended December 31,	
	2018	2017
Operating Revenue From Lease Of The Ballpark		
Parking and events	\$ 1,163,317	\$ 668,057
Rent income	8,500,000	6,375,000
Total Operating Revenue From Lease Of The Ballpark	9,663,317	7,043,057
Operating Expense		
Depreciation and amortization	6,043,425	4,802,317
Professional services	352,690	397,877
General, administrative and other	37,294	36,126
Repairs and maintenance	348,849	661,032
Total Operating Expense	6,782,258	5,897,352
Operating Income	2,881,059	1,145,705
Nonoperating Revenues (Expenses)		
Easement income	402,000	—
Interest income	45,887	7,559
Loss on disposal of assets	(75,124)	—
Total Nonoperating Revenues	372,763	7,559
Change In Net Position Before Capital Contributions	3,253,822	1,153,264
Capital Contributions		
Noncash income - contributed capital assets	1,000,000	2,041,774
Capital fund contribution - CRBC	1,500,000	1,125,000
Total Capital Contributions	2,500,000	3,166,774
Change In Net Position	5,753,822	4,320,038
Net Position - Beginning Of Year	159,016,293	154,696,255
Net Position - End Of Year	\$ 164,770,115	\$ 159,016,293

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2018	2017
Cash Flows From Operating Activities		
Receipts from lessee	\$ 16,533,483	\$ 5,949,772
Payments for professional and other services	(663,621)	(1,146,159)
Net Cash Provided By Operating Activities	15,869,862	4,803,613
Cash Flows From Capital And Related Financing Activities		
Building improvements	(17,723,725)	(1,445,713)
Construction in progress	(861,686)	(1,586,041)
Other property additions	(1,692,621)	(2,232,893)
Capital contribution - CRBC	1,500,000	1,125,000
Cash Flows Used In Capital And Related Financing Activities	(18,778,032)	(4,139,647)
Cash Flows From Investing Activities		
Interest income	45,887	7,559
Easement income	402,000	—
Cash Provided By Investing Activities	447,887	7,559
Net Change In Cash	(2,460,283)	671,525
Cash, Beginning Of Year	7,925,697	7,254,172
Cash, End Of Year	\$ 5,465,414	\$ 7,925,697
Shown In The Statement Of Financial Position As		
Cash	\$ 2,917,701	\$ 2,083,614
Restricted cash	2,547,713	5,842,083
Cash, End Of Year	\$ 5,465,414	\$ 7,925,697
Reconciliation Of Operating Cash Flows		
Operating income	\$ 2,881,059	\$ 1,145,705
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	6,043,425	4,802,317
Increase in receivable from lessee	(129,834)	(2,287,482)
Decrease in prepaid expenses	—	1,194,197
Increase (decrease) in accounts payable	75,212	(51,124)
Increase in deferred revenue	7,000,000	—
Total Adjustments	12,988,803	3,657,908
Net Cash Provided By Operating Activities	\$ 15,869,862	\$ 4,803,613
Noncash Capital And Related Financing Activity		
Capital additions in accounts payable	\$ 3,076,974	\$ —

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 And 2017

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 expired in 2017. Amortization amounted to \$3,947 in 2017.

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.

Total expenditures exceeded total appropriations by approximately \$17,773,000 and \$6,607,000 in 2018 and 2017, respectively, of which approximately \$16,856,000 and \$5,922,000, respectively, was due to capital additions.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

In addition to liabilities, the statement of net position reports a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue or capital fund contributions) until that time. The District has only one type of item that qualifies for reporting in this category, which pertains to CRBC's prepayment of capital fund contribution and West Lot rent.

2. Cash

The District's cash consists of the following:

	<u>2018</u>	<u>2017</u>
Cash		
Checking account	\$ 477,761	\$ 148,979
Bank savings accounts	2,439,940	1,934,635
Total Cash	2,917,701	2,083,614
Restricted Cash		
Checking account - capital improvements	1,598,962	4,794,737
Checking account - replacement parking	948,751	1,047,346
Total Restricted Cash	2,547,713	5,842,083
	\$ 5,465,414	\$ 7,925,697

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) 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 banks participate in the PDPA program.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

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, 2018 and 2017, the District's cash deposits had bank balances of \$5,587,564 and \$7,925,697, 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 interest rates could 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.

The District holds all cash funds in bank accounts and therefore does not have an investment policy beyond that set forth in Colorado statutes which specify investment instruments meeting defined rating and risk criteria in which local government entities may invest, as follows:

- Obligations of the United States and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements *(Continued)*

3. 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 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 2018 and 2017 were as follows:

	(In Thousands)				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
2018					
Land	\$ 20,613	\$ —	\$ —	\$ —	\$ 20,613
Land improvements	13,214	—	—	—	13,214
Buildings	174,888	18,724	3,628	—	197,240
Construction in progress	3,628	3,939	(3,628)	—	3,939
Other property and equipment	30,944	1,693	—	(454)	32,183
Totals At Historical Cost	243,287	24,356	—	(454)	267,189
Accumulated depreciation:					
Land improvements	(6,253)	(226)	—	—	(6,479)
Buildings	(65,911)	(4,785)	—	—	(70,696)
Other property and equipment	(22,828)	(1,032)	—	379	(23,481)
Total Accumulated Depreciation	(94,992)	(6,043)	—	379	(100,656)
Net Capital Assets	\$ 148,295	\$ 18,313	\$ —	\$ (75)	\$ 166,533
2017					
Land	\$ 20,613	\$ —	\$ —	\$ —	\$ 20,613
Land improvements	13,214	—	—	—	13,214
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	235,980	7,307	—	—	243,287
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	\$ 145,787	\$ 2,508	\$ —	\$ —	\$ 148,295

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

4. 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

5. 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 2018 and 2017. 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 \$489,651,849 for the year ended December 31, 2018 and \$448,448,143 for the year ended December 31, 2017. The District has had no insurance settlements for the past several years.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

6. 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.

7. 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.

8. 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, 2018**

	Actual (000s)	Budget (000s)	Over (Under) Budget (000s)
Revenues			
Lease rentals - CRBC	\$ 8,500	\$ 8,500	\$ —
Capital fund contribution - CRBC	1,500	1,500	—
Parking and event revenue	1,163	600	563
Noncash revenue	1,000	—	1,000
Easement income	402	—	402
Investment income	46	5	41
Total Revenue	12,611	10,605	2,006
Expenditures			
Depreciation/amortization	6,043	5,500	543
Administration and professional services	390	325	65
Stadium improvements	24,356	7,500	16,856
Stadium repairs and maintenance	349	115	234
Loss on disposal of assets	75	—	75
Total Expenditures	31,213	13,440	17,773
Decrease In Net Assets - Budget Basis	(18,602)	(2,835)	15,767
Less: Capital Expenditures	24,356	7,500	16,856
Change In Net Assets - GAAP Basis	\$ 5,754	\$ 4,665	\$ (1,089)

Notes 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.

In accordance with the State Budget Law, the District's Board of Directors holds public hearings before the end of each year to approve the budget and appropriate funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation is at the total fund expenditures level and lapses at year end.