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**DENVER METROPOLITAN MAJOR  
LEAGUE BASEBALL STADIUM DISTRICT**  
*(A Component Unit of the State of Colorado)*  
FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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1900 16th Street  
Suite 300  
Denver, CO 80202

T: 303.698.1883  
E: info@rubinbrown.com  
www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## **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, 2019 and 2018 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, 2019 and 2018 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*

May 2, 2020

# DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

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## Management's Discussion and Analysis For the Years Ended December 31, 2019 and 2018

Our discussion of the District's financial performance provides an overview of our activities for 2019 and 2018, 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 \$3.7 million or 45.6%. The decline was a result of a decrease in cash accounts of \$3.7 million due to the large capital expenses paid out in 2019.

Total noncurrent assets, which is made up of building and equipment reduced by accumulated depreciation, increased by \$10.3 million or 6.2%. The increase was from capital fixed asset additions of \$17.3 million and additional depreciation of assets of \$7 million in 2019.

Accounts payable increased by \$1.4 million. This increase is a result of large capital expenses paid out in 2020 that were for assets and expenses of 2019.

Unearned rent remained constant at \$7 million. The CRBC had pre-paid some of their lease rent in 2018 so that the District could proceed with the planned capital repairs and improvements on the stadium. The CRBC is scheduled to use this pre-paid lease rent towards their future lease obligations, \$1 million in 2020 and \$6 million in 2021.

Parking and event revenue increased in 2019 by \$11,861. This was a result of a small increase in parking and concert revenue during 2019.

Rent income stayed constant in 2019, no increase or decrease. CRBC paid the District \$1 million for operating rent and \$7.5 million for the ground lease of the West Lot.

Operating expenses increased by \$1,017,362 or 15%. Included in operating expenses are depreciation expense which increased by \$992,573, due to increased fixed assets and the related depreciation on those assets. Also included in operating expenses is repairs and maintenance expense which increased by \$98,927. 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**

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**Management's Discussion and Analysis  
For the Years Ended December 31, 2019 and 2018**

**FINANCIAL HIGHLIGHTS, continued**

Nonoperating revenues decreased by \$335,883. The majority of this change was due to no easement income received in 2019. In 2018, the District received \$402,000 from Denver for a sewer easement for the 27<sup>th</sup> Street sewer project.

Noncash capital contributions increased by \$683,576. This was additional asset contribution by Aramark during 2019.

Capital fund contribution from CRBC stayed the same. The current lease provides for an annual capital fund contribution. In 2019, the amount received was \$1.5 million.

The District's change in net position decreased by 657,808 or 11.4%. Key factors to this decrease were the increased depreciation expense on the increased fixed assets.

# DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

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## Management's Discussion and Analysis For the Years Ended December 31, 2019 and 2018

### 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**

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**Management's Discussion and Analysis  
For the Years Ended December 31, 2019 and 2018**

Condensed comparative financial statement information (in thousands):

	<u>For the Years Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Operating Revenue from Coors Field</b>	\$ 9,675	\$ 9,663	\$ 7,043
<b>Nonoperating Revenues (Expenses)</b>			
Noncash lease income	1,684	1,000	2,042
Loss on disposition of assets	—	(75)	—
Interest income	37	46	7
Easement income	—	402	—
Capital fund contribution	<u>1,500</u>	<u>1,500</u>	<u>1,125</u>
<b>Total Revenue</b>	12,896	12,536	10,217
<b>Operating Expense</b>	<u>7,800</u>	<u>6,782</u>	<u>5,897</u>
<b>Increase (Decrease) In Net Position</b>	\$ <u><u>5,096</u></u>	\$ <u><u>5,754</u></u>	\$ <u><u>4,320</u></u>

In 2019, the total revenue increased by \$359,554 or 2.9%. The new lease with CRBC began in 2018, there were no changes to the annual lease payments in 2019, therefore, income remained consistent.

Operating expenses increased by \$1,017,362 or 15% in 2019. 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, 2019 and 2018**

Condensed Statements of Net Position (in thousands):

	<b>December 31,</b>		
	2019	2018	2017
Current assets	\$ 4,444	\$ 8,175	\$ 10,505
Capital assets, net of accumulated depreciat	176,796	166,533	148,297
Other assets	218	218	218
<b>Total Assets</b>	181,458	174,926	159,020
Current liabilities	5,592	3,156	4
Noncurrent liabilities	6,000	7,000	—
<b>Total Liabilities</b>	11,592	10,156	4
Net investment in capital assets	176,796	166,534	148,297
Restricted	1,220	2,893	6,087
Unrestricted	(8,150)	(4,657)	4,632
<b>Total Net Position</b>	\$ 169,866	\$ 164,770	\$ 159,016

Activity in capital assets for 2019 is summarized as follows:

<b>Balance at beginning of year</b>	\$ 166,533
<b>Plus:</b>	
Additions - clubhouse project, club level improvements, sports lighting project and other improvements including work in process at year end	17,299
<b>Less:</b>	
Current year depreciation	7,036
<b>Balance at end of year</b>	\$ 176,796

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 Year Ended December 31, 2019**

**BUDGET COMPARISON (in thousands):**

	2019 Actual (000s)	2019 Budget (000s)	(Under) Over Budget (000s)
<b>Revenues</b>			
Lease rentals - CRBC	\$ 8,500	\$ 8,500	\$ —
Capital contribution/CRBC	1,500	1,500	—
Capital contributions/Aramark	1,684	—	1,684
Parking and event revenue	1,175	600	575
Investment income	37	30	7
Total Revenue	<u>12,896</u>	<u>10,630</u>	<u>2,266</u>
<b>Expenditures</b>			
Depreciation/amortization	7,036	5,500	1,536
General and administrative	46	37	9
Professional services	270	285	(15)
Stadium improvements	17,299	15,500	1,799
Stadium repairs and maintenance	448	500	(52)
Total expenditures	<u>25,099</u>	<u>21,822</u>	<u>3,277</u>
Decrease in Net Assets - Budget Basis	(12,203)	(11,192)	1,011
Less: Capital Expenditures	<u>17,299</u>	<u>15,500</u>	<u>1,799</u>
Change in Net Assets - GAAP Basis	<u>\$ 5,096</u>	<u>\$ 4,308</u>	<u>\$ (788)</u>

District received \$1.7 million from Aramark toward capital improvements for the stadium concession areas. This was not originally budgeted. Parking and event revenue was more than budgeted because concert income was higher than originally budgeted.

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 included the Aramark capital contributions.

**DENVER METROPOLITAN MAJOR LEAGUE  
BASEBALL STADIUM DISTRICT**

**STATEMENT OF NET POSITION**

**Assets**

	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Current Assets</b>		
Cash	\$ 841,556	\$ 2,917,701
Restricted cash	884,435	2,547,713
Accounts receivable - lessee	2,717,865	2,709,190
<b>Total Current Assets</b>	<b>4,443,856</b>	<b>8,174,604</b>
<b>Noncurrent Assets</b>		
Land	20,664,165	20,613,345
Land improvements	13,214,443	13,214,443
Buildings	211,799,567	197,239,562
Other property and equipment	34,138,051	32,182,519
Construction in progress	4,670,583	3,938,660
	<b>284,486,809</b>	<b>267,188,529</b>
Accumulated depreciation	(107,691,033)	(100,655,035)
	<b>176,795,776</b>	<b>166,533,494</b>
Intangible asset - view plane	218,252	218,252
<b>Total Noncurrent Assets</b>	<b>177,014,028</b>	<b>166,751,746</b>
<b>Total Assets</b>	<b>181,457,884</b>	<b>174,926,350</b>

**Liabilities**

<b>Current Liabilities</b>		
Accounts payable	4,591,755	3,156,235
Current portion of unearned rent and capital contribution	1,000,000	—
<b>Total Current Liabilities</b>	<b>5,591,755</b>	<b>3,156,235</b>
<b>Noncurrent Liabilities</b>		
Unearned rent and capital contribution	6,000,000	7,000,000
<b>Total Liabilities</b>	<b>11,591,755</b>	<b>10,156,235</b>

**Net Position**

<b>Net Position</b>		
Net investment in capital assets	176,795,776	166,533,494
Restricted for capital projects	884,435	2,547,713
Restricted for TABOR	336,362	346,082
Unrestricted	(8,150,444)	(4,657,174)
<b>Total Net Position</b>	<b>\$ 169,866,129</b>	<b>\$ 164,770,115</b>

**DENVER METROPOLITAN MAJOR LEAGUE  
BASEBALL STADIUM DISTRICT**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	For The Years Ended December 31,	
	2019	2018
<b>Operating Revenue From Lease Of The Ballpark</b>		
Parking and events	\$ 1,175,178	\$ 1,163,317
Rent income	8,500,000	8,500,000
<b>Total Operating Revenue From Lease Of The Ballpark</b>	<b>9,675,178</b>	<b>9,663,317</b>
<b>Operating Expense</b>		
Depreciation and amortization	7,035,998	6,043,425
Professional services	269,476	352,690
General, administrative and other	46,370	37,294
Repairs and maintenance	447,776	348,849
<b>Total Operating Expense</b>	<b>7,799,620</b>	<b>6,782,258</b>
<b>Operating Income</b>	<b>1,875,558</b>	<b>2,881,059</b>
<b>Nonoperating Revenues (Expenses)</b>		
Easement income	—	402,000
Interest income	36,880	45,887
Loss on disposal of assets	—	(75,124)
<b>Total Nonoperating Revenues</b>	<b>36,880</b>	<b>372,763</b>
<b>Change In Net Position Before Capital Contributions</b>	<b>1,912,438</b>	<b>3,253,822</b>
<b>Capital Contributions</b>		
Noncash income - contributed capital assets	1,683,576	1,000,000
Capital fund contribution - CRBC	1,500,000	1,500,000
<b>Total Capital Contributions</b>	<b>3,183,576</b>	<b>2,500,000</b>
<b>Change In Net Position</b>	<b>5,096,014</b>	<b>5,753,822</b>
<b>Net Position - Beginning Of Year</b>	<b>164,770,115</b>	<b>159,016,293</b>
<b>Net Position - End Of Year</b>	<b>\$ 169,866,129</b>	<b>\$ 164,770,115</b>

**DENVER METROPOLITAN MAJOR LEAGUE  
BASEBALL STADIUM DISTRICT**

**STATEMENT OF CASH FLOWS**

	For The Years Ended December 31,	
	2019	2018
<b>Cash Flows From Operating Activities</b>		
Receipts from lessee	\$ 9,666,503	\$ 16,533,483
Payments for professional and other services	(763,972)	(663,621)
<b>Net Cash Provided By Operating Activities</b>	<b>8,902,531</b>	<b>15,869,862</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Payments for capital additions	(14,178,834)	(20,278,032)
Capital contribution - CRBC	1,500,000	1,500,000
<b>Cash Flows Used In Capital And Related Financing Activities</b>	<b>(12,678,834)</b>	<b>(18,778,032)</b>
<b>Cash Flows From Investing Activities</b>		
Interest income	36,880	45,887
Easement income	—	402,000
<b>Cash Provided By Investing Activities</b>	<b>36,880</b>	<b>447,887</b>
<b>Net Change In Cash</b>	<b>(3,739,423)</b>	<b>(2,460,283)</b>
<b>Cash, Beginning Of Year</b>	<b>5,465,414</b>	<b>7,925,697</b>
<b>Cash, End Of Year</b>	<b>\$ 1,725,991</b>	<b>\$ 5,465,414</b>
<b>Shown In The Statement Of Financial Position As:</b>		
Cash	\$ 841,556	\$ 2,917,701
Restricted cash	884,435	2,547,713
<b>Cash, End Of Year</b>	<b>\$ 1,725,991</b>	<b>\$ 5,465,414</b>
<b>Reconciliation Of Operating Cash Flows</b>		
Operating income	\$ 1,875,558	\$ 2,881,059
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	7,035,998	6,043,425
Change in assets and liabilities:		
Accounts receivable lessee	(8,675)	(129,834)
Accounts payable	(350)	75,212
Unearned rent and capital contribution	—	7,000,000
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 8,902,531</b>	<b>\$ 15,869,862</b>
<b>Noncash Capital And Related Financing Activity</b>		
Capital additions in accounts payable	\$ 4,512,844	\$ 3,076,974

# DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

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## NOTES TO FINANCIAL STATEMENTS December 31, 2019 And 2018

### 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 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**

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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.

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 \$3,277,000 and \$17,773,000 in 2019 and 2018, respectively, of which approximately \$1,799,000 and \$16,856,000, respectively, was due to capital additions.

**DENVER METROPOLITAN MAJOR LEAGUE  
BASEBALL STADIUM DISTRICT**

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Notes To Financial Statements (*Continued*)

**2. Cash**

The District's cash consists of the following:

	<u>2019</u>	<u>2018</u>
<b>Cash</b>		
Checking account	\$ 101,819	\$ 477,761
Bank savings accounts	<u>739,737</u>	<u>2,439,940</u>
<b>Total Cash</b>	<u>841,556</u>	<u>2,917,701</u>
<b>Restricted Cash</b>		
Checking account - capital improvements	15,375	1,598,962
Checking account - replacement parking	<u>869,060</u>	<u>948,751</u>
<b>Total Restricted Cash</b>	<u>884,435</u>	<u>2,547,713</u>
	 <u>\$ 1,725,991</u>	 <u>\$ 5,465,414</u>

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.

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**

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Notes To Financial Statements (*Continued*)

At December 31, 2019 and 2018, the District's cash deposits had bank balances of \$1,770,737 and \$5,587,564, 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 2019 and 2018 were as follows:

	(In Thousands)				
	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
<b>2019</b>					
Land	\$ 20,613	\$ 51	\$ —	\$ —	\$ 20,664
Land improvements	13,214	—	—	—	13,214
Buildings	197,240	11,132	3,428	—	211,800
Construction in progress	3,939	4,671	(3,938)	—	4,672
Other property and equipment	32,183	1,445	510	—	34,138
<b>Totals At Historical Cost</b>	<b>267,189</b>	<b>17,299</b>	<b>—</b>	<b>—</b>	<b>284,488</b>
Accumulated depreciation:					
Land improvements	(6,479)	(226)	—	—	(6,705)
Buildings	(70,696)	(5,638)	—	—	(76,334)
Other property and equipment	(23,481)	(1,172)	—	—	(24,653)
<b>Total Accumulated Depreciation</b>	<b>(100,656)</b>	<b>(7,036)</b>	<b>—</b>	<b>—</b>	<b>(107,692)</b>
<b>Net Capital Assets</b>	<b>\$ 166,533</b>	<b>\$ 10,263</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 176,796</b>
<b>2018</b>					
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
<b>Totals At Historical Cost</b>	<b>243,287</b>	<b>24,356</b>	<b>—</b>	<b>(454)</b>	<b>267,189</b>
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)
<b>Total Accumulated Depreciation</b>	<b>(94,992)</b>	<b>(6,043)</b>	<b>—</b>	<b>379</b>	<b>(100,656)</b>
<b>Net Capital Assets</b>	<b>\$ 148,295</b>	<b>\$ 18,313</b>	<b>\$ —</b>	<b>\$ (75)</b>	<b>\$ 166,533</b>

**DENVER METROPOLITAN MAJOR LEAGUE  
BASEBALL STADIUM DISTRICT**

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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

**Capital Projects**

As of December 31, 2019, the District has contracts for the construction of various capital projects. The costs to complete these projects total \$2,428,366.

**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.

## **DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT**

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### 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 2019 and 2018. 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 years ended December 31, 2019 and December 31, 2018. The District has had no insurance settlements for the past several years.

#### **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.

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**Supplementary Information**

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**DENVER METROPOLITAN MAJOR LEAGUE  
BASEBALL STADIUM DISTRICT**

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL  
For The Year Ended December 31, 2019**

	Actual (000s)	Budget (000s)	Over (Under) Budget (000s)
<b>Revenues</b>			
Lease rentals - CRBC	\$ 8,500	\$ 8,500	\$ —
Capital fund contribution - CRBC	1,500	1,500	—
Parking and event revenue	1,175	600	575
Noncash revenue	1,684	—	1,684
Investment income	37	30	7
<b>Total Revenue</b>	<b>12,896</b>	<b>10,630</b>	<b>2,266</b>
<b>Expenditures</b>			
Depreciation/amortization	7,036	5,500	1,536
Administration and professional services	316	322	(6)
Stadium improvements	17,299	15,500	1,799
Stadium repairs and maintenance	448	500	(52)
<b>Total Expenditures</b>	<b>25,099</b>	<b>21,822</b>	<b>3,277</b>
<b>Decrease In Net Assets - Budget Basis</b>	<b>(12,203)</b>	<b>(11,192)</b>	<b>1,011</b>
<b>Less: Capital Expenditures</b>	<b>17,299</b>	<b>15,500</b>	<b>1,799</b>
<b>Change In Net Assets - GAAP Basis</b>	<b>\$ 5,096</b>	<b>\$ 4,308</b>	<b>\$ (788)</b>

**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.