
**DENVER METROPOLITAN MAJOR
LEAGUE BASEBALL STADIUM DISTRICT**
(A Component Unit of the State of Colorado)
FINANCIAL STATEMENTS
DECEMBER 31, 2020

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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, 2020 and 2019 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, 2020 and 2019 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 7, 2021

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Management's Discussion and Analysis For the Years Ended December 31, 2020 and 2019

Our discussion of the District's financial performance provides an overview of our activities for 2020 and 2019, 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 increased by \$1.3 million or 29.5%. The increase was a result of an increase in cash accounts and an increase in the amount receivable due from the Rockies.

Total noncurrent assets, which is made up of building, equipment and view plane costs, reduced by the accumulated depreciation, decreased by \$4.3 million or 2.4%. The decrease was from capital fixed asset additions of \$8 million, a decrease in construction in progress of \$4.6 million and additional depreciation of assets of \$7.7 million in 2020.

Accounts payable decreased by \$4.4 million. This decrease is a result of less capital expenses incurred in 2020 and less due to vendors at year end.

Deferred revenue was reduced by \$1 million in 2020. 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. In 2020, \$1 million of the prepaid amount was applied to the West Lot rent payment due September 15, 2020. This leaves \$6 million deferred revenue as of December 31, 2020.

Parking and event revenue decreased in 2020 by \$1.2 million. This was a result of COVID-19 not allowing for any events or parking revenue.

Rent income stayed constant in 2020, 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 \$547,788 or 7%. Included in operating expenses are depreciation expense which increased by \$627,308, 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 \$23,400 and professional services which decreased by \$52,189. The other items included in operating expenses and general and administrative costs remained consistent with prior year.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

**Management's Discussion and Analysis
For the Years Ended December 31, 2020 and 2019**

FINANCIAL HIGHLIGHTS, continued

Interest income decreased in 2020 by \$27,265 due to a decrease in interest rates.

Noncash capital contributions decreased by \$917,571. There were less asset contributions and improvements made by Aramark during 2020.

Capital fund contribution from CRBC stayed the same. The current lease provides for an annual capital fund contribution. In 2020 the amount received was \$1.5 million.

The District's net position increased by \$2.4 million or 1.4%. Key factors to this were the decrease in accounts payable, the decrease of the prepaid lease of the Rockies and the decrease of the net fixed assets as a result of the current year depreciation.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

Management's Discussion and Analysis For the Years Ended December 31, 2020 and 2019

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.
- (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, 2020 and 2019**

Condensed comparative financial statement information (in thousands):

	For the Years Ended December 31,		
	2020	2019	2018
Operating Revenue from Coors Field	\$ 8,500	\$ 9,675	\$ 9,663
Nonoperating Revenues (Expenses)			
Noncash lease income	766	1,684	1,000
Loss on disposition of assets	-	-	(75)
Interest income	10	37	46
Easement income	-	-	402
Capital fund contribution	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Total Revenue	10,776	12,896	12,536
Operating Expense	<u>8,348</u>	<u>7,800</u>	<u>6,782</u>
Increase In Net Position	\$ <u><u>2,428</u></u>	\$ <u><u>5,096</u></u>	\$ <u><u>5,754</u></u>

In 2020, the operating revenue decreased by \$1.2 million or 12.2%. The reason for the decline was due to no event or parking revenue. No events were able to be scheduled due to COVID-19.

Operating expenses increased by \$547,788 or 7% in 2020. 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, 2020 and 2019**

Condensed Statements of Net Position (in thousands):

	December 31,		
	2020	2019	2018
Current assets	\$ 5,753	\$ 4,444	\$ 8,175
Noncurrent assets and capital assets net of accumulated depreciation	<u>172,720</u>	<u>177,014</u>	<u>166,751</u>
Total Assets	<u>178,473</u>	<u>181,458</u>	<u>174,926</u>
Current liabilities	6,178	5,592	3,156
Noncurrent liabilities	<u>-</u>	<u>6,000</u>	<u>7,000</u>
Total Liabilities	<u>6,178</u>	<u>11,592</u>	<u>10,156</u>
Net investment in capital assets	172,720	177,014	166,751
Restricted	1,706	1,220	2,893
Unrestricted	<u>(2,132)</u>	<u>(8,369)</u>	<u>(4,874)</u>
Total Net Position	<u>\$ 172,294</u>	<u>\$ 169,865</u>	<u>\$ 164,770</u>

Activity in noncurrent and capital assets for 2020 is summarized as follows:

Balance at beginning of year	\$ 177,014
Plus:	
Additions - clubhouse project, club level improvements, sports lighting project and other improvements including work in process at year end	3,369
Less:	
Deletions - assets disposed of and related depreciation taken	
Current year depreciation	<u>7,663</u>
Balance at end of year	<u>\$ 172,720</u>

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, 2020 and 2019**

BUDGET COMPARISON (in thousands):

	2020 Actual (000s)	2020 Budget (000s)	(Under) Over Budget (000s)
Revenues			
Lease rentals - CRBC	\$ 8,500	\$ 8,500	\$ —
Capital contribution/CRBC	1,500	1,500	—
Capital contributions/Aramark	766	—	766
Parking and event revenue	—	1,000	(1,000)
Investment income	10	35	(25)
Total Revenue	<u>10,776</u>	<u>11,035</u>	<u>(259)</u>
Expenditures			
Depreciation/amortization	7,663	7,500	163
Administrative and professional services	261	340	(79)
Stadium improvements	3,368	7,048	(3,680)
Stadium repairs and maintenance	424	454	(30)
Total expenditures	<u>11,716</u>	<u>15,342</u>	<u>(3,626)</u>
Decrease in Net Assets - Budget Basis	(940)	(4,307)	(3,367)
Less: Capital Expenditures	<u>3,368</u>	<u>7,048</u>	<u>(3,680)</u>
Change in Net Assets - GAAP Basis	<u>\$ 2,428</u>	<u>\$ 2,741</u>	<u>\$ 313</u>

District received \$766,005 million from Aramark toward capital improvements for the stadium concession areas. This was not originally budgeted. Parking and event revenue was under budget due to COVID-19, all events were cancelled or rescheduled.

Stadium improvements were under budget, due to COVID-19, capital expenditures were reduced in 2020.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF NET POSITION

Assets

	December 31,	
	2020	2019
Current Assets		
Cash	\$ 1,347,075	\$ 841,556
Restricted cash	1,406,282	884,435
Accounts receivable - lessee	3,000,000	2,717,865
Total Current Assets	5,753,357	4,443,856
Noncurrent Assets		
Land	20,664,165	20,664,165
Land improvements	13,214,443	13,214,443
Buildings	217,653,342	211,799,567
Other property and equipment	36,240,694	34,138,051
Construction in progress	83,177	4,670,583
	287,855,821	284,486,809
Accumulated depreciation	(115,354,339)	(107,691,033)
	172,501,482	176,795,776
Intangible asset - view plane	218,252	218,252
Total Noncurrent Assets	172,719,734	177,014,028
Total Assets	178,473,091	181,457,884

Liabilities

Current Liabilities		
Accounts payable	178,750	4,591,755
Current portion of unearned rent and capital contribution	6,000,000	1,000,000
Total Current Liabilities	6,178,750	5,591,755
Noncurrent Liabilities		
Unearned rent and capital contribution	—	6,000,000
Total Liabilities	6,178,750	11,591,755

Net Position

Net Position		
Net investment in capital assets	172,719,734	177,014,028
Restricted for capital projects	1,406,282	884,435
Restricted for TABOR	300,288	336,362
Unrestricted	(2,131,963)	(8,368,696)
Total Net Position	\$ 172,294,341	\$ 169,866,129

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended December 31,	
	2020	2019
Operating Revenue From Lease Of The Ballpark		
Parking and events	\$ —	\$ 1,175,178
Rent income	8,500,000	8,500,000
Total Operating Revenue From Lease Of The Ballpark	8,500,000	9,675,178
Operating Expense		
Depreciation and amortization	7,663,306	7,035,998
Professional services	217,286	269,476
General, administrative and other	42,441	46,370
Repairs and maintenance	424,375	447,776
Total Operating Expense	8,347,408	7,799,620
Operating Income	152,592	1,875,558
Nonoperating Revenues (Expenses)		
Interest income	9,615	36,880
Total Nonoperating Revenues	9,615	36,880
Change In Net Position Before Capital Contributions	162,207	1,912,438
Capital Contributions		
Noncash income - contributed capital assets	766,005	1,683,576
Capital fund contribution - CRBC	1,500,000	1,500,000
Total Capital Contributions	2,266,005	3,183,576
Change In Net Position	2,428,212	5,096,014
Net Position - Beginning Of Year	169,866,129	164,770,115
Net Position - End Of Year	\$ 172,294,341	\$ 169,866,129

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
	2020	2019
Cash Flows From Operating Activities		
Receipts from lessee	\$ 7,217,865	\$ 9,666,503
Payments for professional and other services	(755,712)	(763,972)
Net Cash Provided By Operating Activities	6,462,153	8,902,531
Cash Flows From Capital And Related Financing Activities		
Payments for capital additions	(6,944,402)	(14,178,834)
Capital contribution - CRBC	1,500,000	1,500,000
Cash Flows Used In Capital And Related Financing Activities	(5,444,402)	(12,678,834)
Cash Flows Provided By Investing Activities		
Interest income	9,615	36,880
Net Change In Cash	1,027,366	(3,739,423)
Cash, Beginning Of Year	1,725,991	5,465,414
Cash, End Of Year	\$ 2,753,357	\$ 1,725,991
Shown In The Statement Of Financial Position As		
Cash	\$ 1,347,075	\$ 841,556
Restricted cash	1,406,282	884,435
Cash, End Of Year	\$ 2,753,357	\$ 1,725,991
Reconciliation Of Operating Cash Flows		
Operating income	\$ 152,592	\$ 1,875,558
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	7,663,306	7,035,998
Change in assets and liabilities:		
Accounts receivable lessee	(282,135)	(8,675)
Accounts payable	(71,610)	(350)
Unearned rent and capital contribution	(1,000,000)	—
Net Cash Provided By Operating Activities	\$ 6,462,153	\$ 8,902,531
Noncash Capital And Related Financing Activity		
Capital additions in accounts payable	\$ 171,449	\$ 4,512,844

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

NOTES TO FINANCIAL STATEMENTS December 31, 2020 And 2019

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**

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 appropriations exceeded total expenditures in 2020 by approximately \$3,626,000, and total expenditures exceeded total appropriation by \$3,277,000 in 2019, of which capital additions accounted for a \$3,680,000 favorable variance in 2020 and a \$1,799,000 unfavorable variance in 2019.

**DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT**

Notes To Financial Statements (*Continued*)

2. Cash

The District's cash consists of the following:

	<u>2020</u>	<u>2019</u>
Cash		
Checking account	\$ 104,611	\$ 101,819
Bank savings accounts	1,242,464	739,737
Total Cash	<u>1,347,075</u>	<u>841,556</u>
Restricted Cash		
Checking account - capital improvements	112,493	15,375
Checking account - replacement parking	862,084	869,060
Sweep account - capital improvements	431,705	—
Total Restricted Cash	<u>1,406,282</u>	<u>884,435</u>
	<u>\$ 2,753,357</u>	<u>\$ 1,725,991</u>

The District maintains all of its cash with two Denver banks resulting in a concentration of credit risk. 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**

Notes To Financial Statements (*Continued*)

At December 31, 2020 and 2019, the District's cash deposits had bank balances of \$3,253,795 and \$1,770,737, 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, *Deposit and Investment Risk Disclosures - An Amendment of GASB Statement No. 3*, 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, 50,398 seats, over 4,300 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 2020 and 2019 were as follows:

	(In Thousands)			
	Beginning Balance	Additions	Transfers	Ending Balance
2020				
Land	\$ 20,664	\$ —	\$ —	\$ 20,664
Land improvements	13,214	—	—	13,214
Buildings	211,800	1,182	4,671	217,653
Construction in progress	4,672	82	(4,671)	83
Other property and equipment	34,138	2,104	—	36,242
Totals At Historical Cost	284,488	3,368	—	287,856
Accumulated depreciation:				
Land improvements	(6,705)	(217)	—	(6,922)
Buildings	(76,334)	(5,860)	—	(82,194)
Other property and equipment	(24,653)	(1,586)	—	(26,239)
Total Accumulated Depreciation	(107,692)	(7,663)	—	(115,355)
Net Capital Assets	\$ 176,796	\$ (4,295)	\$ —	\$ 172,501
2019				
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
Totals At Historical Cost	267,189	17,299	—	284,488
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)
Total Accumulated Depreciation	(100,656)	(7,036)	—	(107,692)
Net Capital Assets	\$ 166,533	\$ 10,263	\$ —	\$ 176,796

**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 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 2 equal semi-annual installments in January and September. The lease also contains parking revenue-sharing provisions. Additionally, the 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

Unearned rent and capital contribution on the statement of net position represents prepayments of future years' scheduled amounts to provide for an acceleration of certain capital projects. CRBC expects to complete these projects in 2021 and therefore the District has reflected the prepayments as a current liability at December 31, 2020.

Capital Projects

As of December 31, 2020, the District has contracts for the construction of various capital projects. The costs to complete these projects total \$1,007,035.

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

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 2020 and 2019. 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, 2020 and December 31, 2019. 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 defined revenues 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, 2020**

	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	—	1,000	(1,000)
Noncash revenue	766	—	766
Investment income	10	35	(25)
Total Revenue	10,776	11,035	(259)
Expenditures			
Depreciation/amortization	7,663	7,500	163
Administration and professional services	261	340	(79)
Stadium improvements	3,368	7,048	(3,680)
Stadium repairs and maintenance	424	454	(30)
Total Expenditures	11,716	15,342	(3,626)
Decrease In Net Assets - Budget Basis	(940)	(4,307)	(3,367)
Less: Capital Expenditures	3,368	7,048	(3,680)
Change In Net Assets - GAAP Basis	\$ 2,428	\$ 2,741	\$ 313

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, and is therefore not in accordance with GAAP), approved by the District's Board of Directors and filed with designated state officials in compliance with Colorado Revised Statutes.

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.