

# Southeast Wisconsin Professional Baseball Park District Financial Policy

**Adopted:  
June 11, 2019**

## ***BUDGET INFORMATION***

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### **Background**

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), “A district shall adopt a calendar year as its fiscal year for accounting purposes. The district board shall annually prepare a budget for the district.”

### **Policy**

The District shall adopt a calendar year as its fiscal year for accounting purposes and shall annually prepare a budget for the District.

### **Procedure**

The following information will be incorporated into the notice regarding the budget public hearing and the budget document.

- Proposed budget, the budget in effect and the actual revenues and expenditures for the preceding year. A summary budget will include:
  - a. All expenditures by major expenditure category
  - b. All revenues by major revenue source
  - c. Any financing source and use not included in (a) and (b) above
  - d. All beginning and year-end fund balances
- The place where the budget, in detail, is available for public inspection
- The time and place for holding the public hearing

The budget document will include the following items.

- Actual revenues and expenditures of the preceding year
- Actual revenues and expenditures for not less than the first six months of the current year and estimated revenues and expenditures for the balance of the year
- All anticipated revenue from all sources and all proposed appropriations for the following year (proposed budget)

The summary of the budget, the notice of the place where the budget is in detail and notice of the time and place for holding the public hearing shall be published and posted to the

District's website at least 15 days prior to the time of the public hearing. The budget must be formally adopted by the Board of Directors.

## **ANNUAL BUDGET**

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### **Background**

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), "The district board shall annually prepare a budget for the district. Rates and other charges received by the district shall be used for the general expenses and capital expenditures of the district and to pay interest, amortization, and retirement charges on bonds."

### **Policy**

The District shall annually prepare a budget. Rates and other charges received by the District shall be used for the general expenses and capital expenditures of the District and to pay interest, amortization, and retirement charges on bonds.

### **Procedure**

- The annual budget will include the any of the following necessary or applicable major expense categories:
  - District Operations, Management and Administration & Property Insurance
  - Debt Service
  - Annual Maintenance, Repairs and Improvements
- The annual budget will include any of the following necessary or applicable major revenue categories:
  - Sales Tax
  - Investment Income
  - Milwaukee Brewers Baseball Club (MBBC) Rent
  - License Plate Sales
  - Miscellaneous Revenue
- The major expense and revenue categories may be revised from time to time as circumstances warrant.
- Expenditures that exceed the annual approved budget will be reviewed by the Finance Committee. The District office will keep the Finance Committee informed of budget related issues at its regularly scheduled meetings. The Finance Committee may approve budget changes during the year unless the change represents 10% (ten percent) or more of the budget in the major expense category, in which case action by the full District Board is required.
- All appropriations lapse at year end, however, specific items may carry forward to the next year by action of the Finance Committee. Requests for carry forward of funds between budget years should be submitted in writing to the Finance Committee for inclusion in the budget resolution.

- Expenditures must be identified and budgeted for during the budget preparation period by line item accounts. The District office, with the assistance of the District's Accounting Firm, will maintain a budgetary control system to ensure adherence to the budget and will prepare timely, monthly financial reports comparing actual revenues and expenditures to budgeted amounts under the GAAP basis of accounting.
- The District office and the District's Accounting Firm will provide the Finance Committee with reports on the status of the budget.

## **APPROPRIATIONS**

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### **Policy**

The District shall spend within the total appropriation adopted for each line item as approved by the District Board. When this is not possible, the Finance Committee must be alerted as soon as an overrun is anticipated.

The Finance Committee may approve budget changes during the year unless the change represents 10% (ten percent) or more of the budget in the major expense category, in which case action by the full District Board is required.

### **Procedure**

- If the District knows in advance that an event unanticipated during the budget process will cause expenditures to exceed the appropriations in a line item, the District office will notify the Finance Committee at the next regularly scheduled Committee meeting. An estimate will be given to the Committee of the amount of the overrun, and a plan to offset and/or fund the over-expenditure.
- If the District knows in advance that an event unanticipated during the budget process will cause expenditures to exceed the appropriations in total for all items, the District office will notify the Finance Committee at the next regularly scheduled Committee meeting. An estimate will be given to the Committee of the amount of the overrun, and a plan to offset and/or fund the over-expenditure. If the amount represents 10% (ten percent) or more of the budget in the major expense category, action by the full District Board is required.
- If an emergency procurement causes expenditures to exceed the appropriations in total for all items, the District office will report the situation to the Finance Committee at the next regularly scheduled Committee meeting with their recommendation for resolution. The amount of the overrun and a plan to offset and/or fund the over-expenditure shall be provided. If the amount represents 10% (ten percent) or more of the budget in the major expense category, action by the full District Board will be requested.

## ***ASSET – LIABILITY MATCHING FUND***

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### **Background**

Pursuant to 1995 Wisconsin Act 56, and specifically Wis. Stat. §229.685 (2) and §229.76, before making a certification to the Wisconsin Department of Revenue as a precursor for retiring the Stadium Tax, the District must not only retire all bonds issued for the initial construction of baseball park facilities and all bonds issued to fund or refund those bonds, it must also ensure that it has funded a fund for maintenance costs and capital improvements sufficient to meet any maintenance or capital improvement obligations and must make adequate provision for the performance of its contracts.

### **Policy**

The District shall maintain a segregated investment account that contains securities guaranteed as to principal and interest by the United States Government or its agencies. The securities purchased and held in this investment account shall be matched to and committed for the purpose of payment of the following specific future contractual District liabilities: 1) Segregated Reserve Fund (SRF) Deposits 2) Annual Maintenance and Repair Contributions (AMRC) 3) Property Insurance 4) District Operations, Management and Administration. The assets held within this account must be used for its committed contractual liability. The assets held within this account are automatically released from this fund to the Operations Fund upon maturity. Any amounts not utilized for current year obligations will remain in the Operations Fund to offset any future year difference between the amount held in this fund and actual contractual obligations.

### **Procedure**

- The Chairperson, Treasurer and/or Finance Committee Chairperson, acting alone or together, shall determine the timing and amount of securities to purchase and hold in the Asset – Liability Matching Fund.
- The District office shall work with the District’s Investment Manager to purchase the authorized securities.
- The District office and the District’s Investment Manager will provide the Finance Committee with reports on the status of the Asset – Liability Matching Fund.
- When the security for a specific contractual liability matures it will be automatically released from the Asset – Liability Matching Fund and transferred to the District’s Operations Fund for payment of the liability.
- Any matured funds not utilized for current year obligations will remain in the Operations Fund for payment of future contractual obligations.

## ***STABILIZATION FUND***

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### **Background**

Pursuant to 1995 Wisconsin Act 56, and specifically Wis. Stat. §229.685 (2) and §229.76, before making a certification to the Wisconsin Department of Revenue as a precursor for retiring the Stadium Tax, the District must not only retire all bonds issued for the initial construction of baseball park facilities and all bonds issued to fund or refund those bonds, it must also ensure that it has funded a fund for maintenance costs and capital improvements

sufficient to meet any maintenance or capital improvement obligations and must make adequate provision for the performance of its contracts.

**Policy**

The District shall maintain a segregated investment account that contains securities authorized under the District’s current Investment Policy. All available funds not needed for current operating expenses, as determined by the Treasurer, shall be deposited into this investment account at the time of certification of Stadium Tax retirement by the Board of Directors. If possible, the total amount in the Stabilization Fund at the time of certification of the Stadium Tax retirement shall be at least \$21,145,000, as recommended by the District’s independent experts.

The purpose of the fund shall be to help ensure the District has sufficient funds to meet its future contractual obligations. The Stabilization Fund shall be a committed fund and only be used for the following purpose: to pay any difference between the estimated and actual contractual liability in any given year of the 1) Segregated Reserve Fund (SRF) Deposit 2) Annual Maintenance and Repair Contribution (AMRC) 3) Property Insurance, and 4) District Operations, Management and Administration amount as held in the Asset – Liability Matching Fund.

**Procedure**

- The Chairperson, Treasurer and/or Finance Committee Chairperson, acting alone or together, shall determine the timing and amount of securities to purchase and hold in the Stabilization Fund.
- The District office shall work with the District’s Investment Manager to purchase the authorized securities.
- The District office and the District’s Investment Manager will provide the Finance Committee with reports on the status of the Stabilization Fund.
- The Board of Directors shall authorize the transfer of funds from the Stabilization Fund to the Operations Fund when required as part of the budget adoption or budget amendment process, based on this policy’s stated purpose of the fund.

***MAINTENANCE AND CAPITAL IMPROVEMENT FUND***

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**Background**

Upon final debt retirement, pursuant to Wis. Stat. §20.395(5)(ij), the District shall maintain a “Maintenance and Capital Improvements Fund” for monies received from the sale of specialized Brewers license plates.

**Policy**

The District shall maintain a segregated account that contains deposits from the sale of specialized Brewers license plates. The purpose of the fund shall be to help ensure the District has sufficient funds to meet its future maintenance and capital improvement obligations. The Maintenance and Capital Improvement Fund shall be a committed fund and only be used to pay any difference between the estimated and actual contractual liability in any given year of the Segregated Reserve Fund (SRF) Deposit.

**Procedure**

- The Board of Directors shall authorize the withdrawal of funds from the Maintenance and Capital Improvement Fund to the Segregated Reserve Fund when required as part of the budget adoption or budget amendment process, based on this policy's stated purpose of the fund.
- The Maintenance and Capital Improvements Fund shall be utilized prior to the Stabilization Fund when there is a difference between the estimated and actual contractual liability in any given year of the Segregated Reserve Fund (SRF) Deposit.

***POST CERTIFICATION FUND***

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**Background**

Pursuant to Wis. Stat. §77.707(1), retailers and the Wisconsin Department of Revenue may not collect the Stadium Tax after the last day of the calendar quarter that is at least 120 days from the date the District makes a certification to the Department of Revenue.

**Policy**

The District shall maintain a segregated account that contains sales tax deposits received from the Wisconsin Department of Revenue after the date the District makes a certification of Stadium Tax retirement to the Department of Revenue.

**Procedure**

The District office will work with the District's Investment Manager to create and maintain a separate investment account that contains all sales tax deposits received after the date of certification and will provide the Finance Committee with reports on the status of the Post Certification Fund.

***PROCUREMENT***

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**Background**

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.68 (4)(d)), the District may "Enter into contracts, subject to such standards as may be established by the district board. The district board may award any such contract for any combination or division of work it designates and may consider any factors in awarding a contract, including price, time for completion of work, and qualifications and past performance of a contractor."

**Policy**

All District procurements of goods and services shall be obtained within the adopted budget amount.

**District Funds**

As part of the District's General Fund, the District maintains and tracks two funds used for the payment of District obligations, the Operations Fund and the Segregated Reserve Fund.

### **Operations Fund**

The Operations Fund is used for payment of District Operations, Management and Administration, Property Insurance, and Annual Maintenance, Repairs and Improvements. Operations Fund revenues consist of Sales Tax, Investment Income, Milwaukee Brewers Baseball Club (MBBC) Rent, License Plate Sales, and Miscellaneous Revenue.

### **Segregated Reserve Fund**

The Segregated Reserve Fund (SRF) is used for the payment of SRF expenditures and shall be maintained in accordance with the current Lease Agreement by and between the District and the Milwaukee Brewers Baseball Club.

### **Procedure**

Before making a procurement, the District office will ensure authority for such purchase exists either (a) by virtue of the annual budget appropriation, or (b) by virtue of specific Board or designated Committee action where the item or service to be procured has not been contemplated and provided for in the annual budget.

### ***District Operating Expenses***

District operating expenses primarily consist of utilities, office and computer equipment and maintenance, postage, office supplies, and other such items as necessary for the efficient operation of the District's office. Where applicable, such purchases shall be reviewed from time to time by the District. Authority for such purchases within the budgeted amounts shall reside with the Executive Director.

### ***Professional Service Contracts***

Professional service contracts are those contracts which require the services of an outside, independent, professional consultant or contractor. Professional services contracts shall be awarded on a qualification based selection process. On-going service contracts (accounting, auditing, engineering, legal, public communications, etc.) may be extended by dollars and time frames specifically defined when feasible and appropriate. On-going service contracts may be subject to a periodic professional service provider review process as directed and approved from time to time by the District Board or its designated Committee. Authority for the engagement of such services within the budgeted amounts shall reside with the Executive Director.

### ***Construction Contracts***

Construction contracts are those contracts which are directly related to the design or construction of Segregated Reserve Fund (SRF) projects.

The District shall seek competitive proposals for all construction contracts estimated to cost more than \$50,000. The competitive proposal process, including, when appropriate, a formal Request for Proposals (RFP) process, may be waived by the Operations Committee. Circumstances that may warrant the District's waiver of the competitive proposal process include:

1. The requirement for a unique or unusual level or type of expertise, not readily available within an industry

2. The need for historical knowledge or familiarity with a specific issue or circumstance within the ballpark complex
3. The requirement of an unusual urgency for specific construction services making the competitive proposal process impractical from a scheduling perspective

Authority for the execution of such construction contracts within the budgeted amounts and consistent with the above guidelines shall reside with the Executive Director.

### ***Emergency Purchases or Procurements***

Emergency purchases or procurements are those requests for goods or services which, due to time constraints, do not permit the use of normal requisition procedures. An emergency exists when a breakdown in equipment, withdrawal of a contractor or other unforeseen circumstances cause dangerous conditions to develop, or to maintain the integrity of the facility and/or cost effective operations. The Executive Director has authority to enter into such purchases or procurements within adopted budgeted amounts. If the emergency purchase or procurement exceeds the adopted budget, appropriations procedures will be followed.

### ***No Personal Purchases***

No personal purchases shall be allowed on any District established procurement accounts.

## ***PAYMENT PROCESSING***

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The following outlines the procedure for proper payment processing related to the District's operations.

1. Invoices are received and logged in at the District's office.
2. The expenditure authority information (purchase order amount, invoices paid against purchase order, and remaining expenditure authority) is attached to the invoice. The invoice is routed to the appropriate Project Manager for review.
3. The Project Manager reviews the invoice and does the following.
  - Verifies project progress
  - Verifies work identified in the pay request was completed as required and within the terms of the purchase order or contract
  - Verifies that the anticipated targeted firm participation for the purchase is being achieved
  - Identifies and receives from the vendor any documents required as a condition of payment (e.g., Targeted Firm Participation Form, lien waiver, O&M manual, warranty, etc.)
4. When all required documentation has been received and the verification process is complete, the Project Manager initials the invoice.



5. The invoice is prepared for processing, and the following will be verified:
  - Expenditure authority exists
  - The Project Manager has recommended payment
  - The invoice conforms to the terms of the contract or purchase order
  - The invoice conforms to the District's Guidelines Governing Professional Service Providers
6. When the review is complete, a voucher is prepared.
7. A list of all vouchers to be paid and copies of all vouchers is provided to Finance Committee members for review and to the District's Accounting Firm, who will enter expenditure information into the District's accounting system and prepare checks for distribution.
8. The Finance Committee will approve all vouchers to be paid through a normally scheduled Finance Committee meeting or per Finance Committee Resolution FC-09-01.
9. The District office will ensure adequate funds exist within the District's Operations and SRF checking accounts. If necessary, a fund transfer is made to the District's checking account to cover the corresponding expenditures.
10. The following information is provided to the District's Accounting Firm:
  - Individual vouchers and a summary list of all vouchers approved for payment by the Finance Committee;
  - Fund transfer(s)
11. The District's Accounting Firm sends checks for the approved vouchers to the District. Checks may only be signed by designated officers of the District as the appropriate District representatives on record at the bank. The District office retains a copy of each check for inclusion in the voucher packet and mails the checks.

For efficiency, and to take advantage of early payment credits or to avoid late payment fees, if contracts are properly executed and annual budgets are not exceeded, the Executive Director is authorized to make payments to service providers or suppliers up to the contracted / budgeted amount prior to approval by the Finance Committee. Any such payments will be included in the next normally scheduled Finance Committee meeting or approved per Finance Committee Resolution FC-09-01.

## ***RECONCILIATION AND REPORTING***

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### **Background**

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), "A district shall maintain an accounting system in accordance with generally accepted accounting principles..."

**Policy**

The District shall maintain an accounting system in accordance with generally accepted accounting principles (GAAP).

**Procedure**

Bank statements of all District bank accounts and accounts held by trustees are provided to District's Accounting Firm directly from the corresponding banks and trustees. The District's Accounting Firm will reconcile the accounts. Bank statements and trustee statements are reviewed by the District office for deposit and withdrawal accuracy.

By the 20<sup>th</sup> of each month, the District's Accounting Firm will prepare for the previous month the "Month-end Closing" which will include the review of general ledger coding for all vouchers approved by the Finance Committee and review of bank reconciliations. Upon completion, a Treasurer's Report will be sent to the District.

The District office will prepare a monthly report that includes the following:

- Operating and SRF budgets compared to actual expenditures
- Budgeted sales tax amounts compared to actual receipts
- Treasurer's Report for the prior month ended

**AUDIT**

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**Background**

Pursuant to 1995 Wisconsin Act 56 (Wis. Stat. 229.79), "A district shall maintain an accounting system in accordance with generally accepted accounting principles and shall have its financial statements and debt covenants audited annually by an independent certified public accountant."

**Policy**

The District shall have its financial statements and debt covenants audited annually by an independent certified public accountant.

**Procedure**

The District's Finance Committee is authorized to monitor and administer all financial aspects of the District's operations and expenditures. To this end, the Finance Committee shall annually present the District's independently audited financial statements to the Board of Directors for its acceptance.

**LICENSE PLATE REVENUE**

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**Background**

Pursuant to Wis. Stat. §77.705, 341.14(6r)(b)13.b, and 20.395(5)(ij), the proceeds from the sale of Brewers specialized license plates shall be used exclusively to retire the District's debt. Upon final debt retirement, the proceeds shall be deposited into a fund for maintenance and capital improvements.

**Policy**

Any monies received from the State of Wisconsin related to the issuance of special Milwaukee Brewers license plates shall be used exclusively to retire the District's debt. Upon retirement of the District's debt and certification of Stadium Tax retirement by the District Board, any monies received from the State of Wisconsin related to the issuance of special Brewers license plates shall be deposited into the Maintenance and Capital Improvements Fund.

**Procedure**

The District office and the District's Accounting Firm will track revenue received from the State of Wisconsin for the sale of special license plates. Revenue received from special license plate sales will be used exclusively to retire the District's debt. Upon retirement of all remaining debt, the funds will be deposited into the Maintenance and Capital Improvement Fund.

***FEE FOR ADMINISTRATION OF DISTRICT SALES TAX***

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**Background**

Pursuant to Wis. Stat. 77.705, "Any moneys transferred from the appropriations account under s. 20.566(1)(gd) to the appropriation account under s. 20.835(4)(gb) shall be used exclusively to retire the district's debt."

**Policy**

Any excess administration fees returned to the District from the State of Wisconsin will be used exclusively to retire the District's debt.

**Procedure**

The District office and the District's Accounting Firm will track revenue from the return of excess administration fees. Revenue from the return of excess administration fees will be used exclusively to retire the District's debt.

***TRAVEL AND RELATED EXPENSE REIMBURSEMENT***

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**Background**

Pursuant to Wis. Stat. 19.59(1)(g):

- No district board member may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with this paragraph.
- A district board member may receive and retain reimbursement or payment of actual and reasonable expenses for a published work or for the presentation of a talk or participation in a meeting related to processes, proposals and issues affecting a district if the payment or reimbursement is paid or arranged by the organizer of the event or the publisher of the work.
- A district board member may receive and retain from the district or on behalf of the district transportation, lodging, meals, food or beverage, or reimbursement therefor or payment or reimbursement of actual and reasonable costs that the member can show by clear and convincing evidence were incurred or received on behalf of the district and

primarily for the benefit of the district and not primarily for the private benefit of the member or any other person.

### **Policy**

District Board members shall only accept or retain transportation, lodging, meals, food or beverage or reimbursement of in accordance with the provisions of 1995 Wisconsin Act 56.

A District Board member may receive and retain reimbursement for payment of actual and reasonable expenses for a published work or for the presentation of a talk or participation in a meeting related to processes, proposals and issues affecting the District if the payment or reimbursement is paid or arranged by the organizer of the event or the publisher of the work.

A District Board member may receive and retain from the District or on behalf of the District, transportation, lodging, meals, food or beverage, or reimbursement or payment of actual and reasonable costs that the member can show by clear and convincing evidence were received on behalf of the District and primarily for the benefit of the District and not primarily for the benefit of the Board member or any other person.

### **Procedure**

The following paragraphs detail the guidelines and procedures for reimbursement of Board and District Contract Employee travel and related expenses incurred in relation to District business. All requests for reimbursement shall be accompanied by a signed expense report. Travel expense reimbursement must be pre-approved by the Chairperson of the District Board and/or the Executive Director.

### **Vehicle Expenses**

Mileage expenses shall be reimbursed for the use of personal vehicles for all travel at the maximum rate per mile currently allowed under Federal law. Miles traveled shall be recorded on a District expense report and include the location traveling from, to, and return point.

Other travel expenses for public transportation and/or rental cars shall be reimbursed for District Board members and District Contract Employees. The appropriate receipts shall be attached to the expense report. District board members and District Contract Employees shall limit travel expenses to best available rates.

### **Overnight Lodging**

The District shall reimburse District Board members and District Contract Employees for all necessary expenses incurred in staying overnight on District business. Requests for reimbursement shall include a receipt and a written description of the business purpose of the trip. Any overnight lodging expenses shall be limited to best available rates.

### **Meal Reimbursement**

Meal expenses shall be reimbursed for District Board members and District Contract Employees and guests (where appropriate) as a result of District business. Receipts substantiating claimed expenses shall be attached to the expense report. Requests for

reimbursement for business meals shall include a written description of the attendees. All requests for reimbursement shall be accompanied by receipts.

**Miscellaneous Reimbursements**

All other reimbursements (tips, taxi, parking fees, telephone charges, etc.) will be reimbursed without receipts as part of a signed District expense report.

**Reimbursement For Office Expenses**

Reimbursement shall be made for reasonable office expenses that are incurred in connection with District business.

**Expense Reimbursement Payment**

For reimbursement of Vehicle, Overnight Lodging, Meal, Miscellaneous or Office Expenses, District Board members and the District office shall submit a District expense report and receipts. The Executive Director shall determine the reasonableness of all requests for reimbursement. Upon review and approval by the Executive Director, reimbursement of such expenses will conform to the Payment Processing provisions outlined in this policy.

***CASH RECEIPTS***

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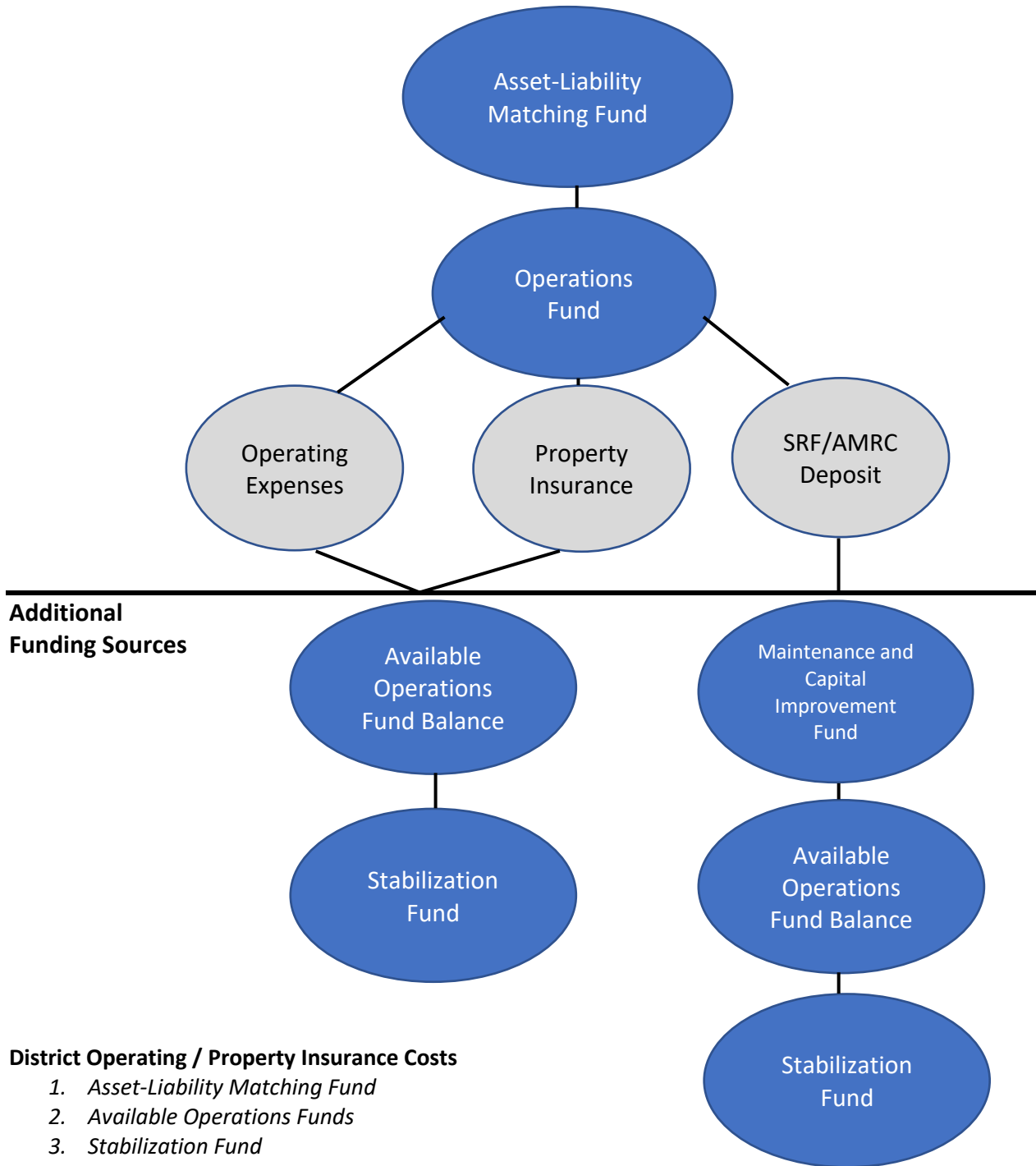
**Policy**

The District shall provide for the safe handling of cash received at its office.

**Procedure**

1. Cash and checks received at the District office are received and recorded in the District's pre-numbered cash receipts book.
2. Cash or checks are deposited into the District's bank account.
3. The District's Accounting Firm prepares the entry to record cash receipts and transfers in the general ledger from the information detailed in the cash receipts book.
4. The District's Accounting Firm reconciles all District bank accounts monthly.

**Southeast Wisconsin Professional Baseball Park District  
Post Sunset Date Financing  
Funding Sources for District Obligations**



**District Operating / Property Insurance Costs**

1. *Asset-Liability Matching Fund*
2. *Available Operations Funds*
3. *Stabilization Fund*

**SRF Deposit**

1. *Asset-Liability Matching Fund*
2. *Maintenance and Capital Improvement Fund*
3. *Available Operations Funds*
4. *Stabilization Fund*

**AMRC Payment**

1. *Asset-Liability Matching Fund*