



**Southeast Wisconsin Professional  
Baseball Park District**

Financial Statements  
(with Required Supplementary Information)  
Year Ended December 31, 2020

# **Southeast Wisconsin Professional Baseball Park District**

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Financial Statements  
(with Required Supplementary Information)  
Year Ended December 31, 2020

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

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## **Independent Auditor's Report**

Board of Directors  
Southeast Wisconsin Professional Baseball Park District  
Milwaukee, Wisconsin

### ***Opinion***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southeast Wisconsin Professional Baseball Park District (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Southeast Wisconsin Professional Baseball Park District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 16 and 41 through 42 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, who 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.

*BDO USA, LLP*

June 8, 2021

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

The Southeast Wisconsin Professional Baseball Park District (the District), a local government unit created under 1995 State of Wisconsin Act 56, is honored to present the fiscal year 2020 financial statements. The District is charged with oversight and monitoring of planning, financing, designing, constructing, commissioning, operating, and maintaining a baseball park facility (American Family Field, formerly Miller Park). The District's responsibilities include joint ownership of American Family Field, with the Milwaukee Brewers Baseball Club (the Team), under a shared ownership agreement. The District leases its ownership interest in American Family Field to the Team under a formal lease agreement. Additional responsibilities include management of leases, subleases and agreements; monitoring and oversight of American Family Field's routine maintenance and operations performed by the Team; and, management and oversight of American Family Field's major capital repairs and necessary improvements. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

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### FINANCIAL HIGHLIGHTS

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#### OVERVIEW

- As a result of the conversion to the full accrual basis for the government-wide statements required by GASB Statement No. 34, the assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$177,667,530 (*net position*). Of this amount, \$73,758,983 (*unrestricted net position*) may be used to meet the District's obligations to citizens and creditors and \$90,349,966 represents its net investment in capital assets. The total net position includes all capital assets including major infrastructure networks.
- The District's total net position decreased by \$4,672,819 during 2020.
- At the end of 2020, the District's governmental fund reported an ending fund balance of \$87,317,564. Of this amount, \$13,558,581 is restricted for major capital repairs and improvements and \$66,229,385 is committed for long term contractual liabilities.

#### MAJOR CAPITAL REPAIRS AND IMPROVEMENTS

- The 1995 Memorandum of Understanding for the Milwaukee Stadium Project (the "MOU") called for a Segregated Reserve Fund (the "SRF") that would be funded jointly by the District and the Team and would be used for major capital repairs and improvements. Per the MOU, the Segregated Reserve Fund has been defined and described under the terms of the lease agreement between the District and the Team. Each year the District and the Team make an annual contribution into the Segregated Reserve Fund and the expenditure of those funds is limited to such major capital repairs and improvements. At the end of 2020, the SRF had a balance of \$13,558,581, which is included in the restricted assets of the general fund.

#### DEBT

- In its efforts to be financially responsible and retire the debt used to finance the baseball park facilities early, the District took action to defease a portion of its debt in 2005, 2008,

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

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### FINANCIAL HIGHLIGHTS (concluded)

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#### DEBT (cont.)

- 2015, 2016, and 2019 by establishing escrow accounts containing U.S. government securities.
- Through these debt defeasances, the District invested \$178.8 million in available operating funds, which resulted in the elimination of \$260.7 million in future scheduled debt service payments (\$160.8 million in principal payments and \$99.9 million in interest payments). In addition, the District has made \$263.2 million in regularly scheduled debt service payments.

In total, the District paid \$442 million to retire \$524 million in debt. With the execution of a debt escrow on December 18, 2019, the District fully defeased all of its future bond payments. The following exhibits further illustrate the effects of the debt defeasances and the remaining non-callable debt service payments held in irrevocable trust at the end of 2020.

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# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

### FINANCIAL HIGHLIGHTS (cont.)

#### Pre-defeased December 31, 2001 Debt Service

Year	Series 2001A		Series 2001B		Series 1999		Series 1998A		Series 1997	Series 1996		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	P&I (CABs)	Principal	Interest	
2002	85,000	2,604,798	2,350,000	2,697,263	690,000	465,566	110,000	6,908,993	-	730,000	127,410	16,769,030
2003	85,000	2,602,248	2,440,000	2,597,388	705,000	435,551	115,000	6,904,593	-	955,000	96,020	16,936,800
2004	90,000	2,599,485	2,525,000	2,493,688	725,000	403,826	115,000	6,899,993	-	1,200,000	54,000	17,105,892
2005	90,000	2,596,290	4,080,000	2,386,375	740,000	370,476	120,000	6,895,278	-	-	-	17,278,419
2006	95,000	2,592,960	4,470,000	2,182,375	780,000	335,896	125,000	6,890,238	-	-	-	17,451,289
2007	100,000	2,589,279	4,885,000	1,958,875	785,000	299,216	130,000	6,884,925	-	-	-	17,632,295
2008	105,000	2,585,279	5,350,000	1,690,200	805,000	260,751	140,000	6,879,335	-	-	-	17,815,565
2009	105,000	2,580,869	5,845,000	1,395,950	825,000	220,501	145,000	6,873,315	-	-	-	17,990,635
2010	4,800,000	2,576,354	1,970,000	1,074,475	555,000	178,428	150,000	6,868,935	-	-	-	18,171,190
2011	5,110,000	2,312,354	2,235,000	966,125	570,000	149,566	155,000	6,860,185	-	-	-	18,358,230
2012	5,435,000	2,031,304	2,515,000	843,200	575,000	119,356	165,000	6,853,055	-	-	-	18,536,915
2013	155,000	1,732,379	2,700,000	730,025	680,000	88,306	5,795,000	6,845,300	-	-	-	18,726,010
2014	165,000	1,725,094	2,780,000	605,825	905,000	50,906	6,160,000	6,526,575	-	-	-	18,918,400
2015	1,315,000	1,717,174	2,880,000	452,925	-	-	6,555,000	6,187,775	-	-	-	19,107,874
2016	1,575,000	1,654,711	2,985,000	294,525	-	-	6,965,000	5,827,250	-	-	-	19,301,486
2017	1,780,000	1,577,930	2,370,000	130,350	-	-	7,405,000	5,444,175	720,000	-	-	19,407,455
2018	1,840,000	1,489,930	-	-	-	-	7,880,000	5,036,900	3,295,000	-	-	19,541,830
2019	1,935,000	1,397,930	-	-	-	-	8,370,000	4,603,500	3,235,000	-	-	19,541,430
2020	2,030,000	1,301,180	-	-	-	-	8,895,000	4,143,150	3,170,000	-	-	19,539,330
2021	2,135,000	1,199,680	-	-	-	-	9,455,000	3,653,925	3,100,000	-	-	19,543,605
2022	2,240,000	1,092,930	-	-	-	-	10,050,000	3,133,900	3,025,000	-	-	19,541,830
2023	2,345,000	978,690	-	-	-	-	10,680,000	2,581,150	2,950,000	-	-	19,534,840
2024	2,470,000	859,095	-	-	-	-	11,355,000	1,993,750	2,860,000	-	-	19,537,845
2025	2,595,000	733,125	-	-	-	-	12,065,000	1,369,225	2,775,000	-	-	19,537,350
2026	2,730,000	600,780	-	-	-	-	12,830,000	705,650	2,675,000	-	-	19,541,430
2027	2,870,000	461,550	-	-	-	-	-	-	16,210,000	-	-	19,541,550
2028	3,015,000	315,180	-	-	-	-	-	-	16,210,000	-	-	19,540,180
2029	3,165,000	161,415	-	-	-	-	-	-	16,210,000	-	-	19,536,415
Total	50,440,000	46,669,993	52,380,000	22,499,564	9,320,000	3,378,143	125,930,000	133,769,070	76,435,000	2,885,000	277,430	523,964,200

Debt Service payments made on schedule	(263,255,767)
Debt Service defeased with extra sales tax revenue in 2005	(73,138,983)
Debt Service defeased or partially defeased with extra sales tax revenue in 2008	(45,372,975)
Debt Service defeased with extra sales tax revenue in 2015	(62,185,650)
Debt Service defeased or partially defeased with extra sales tax revenue in 2016	(41,294,225)
Debt Service defeased or partially defeased with extra sales tax revenue in 2019	(38,756,600)

Remaining Debt Service payments as of December 31, 2020 -

#### Post-defeased December 31, 2020, Debt Service

Year	Series 2001A		Series 2001B		Series 1999		Series 1998A		Series 1997	Series 1996		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	P&I (CABs)	Principal	Interest	
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

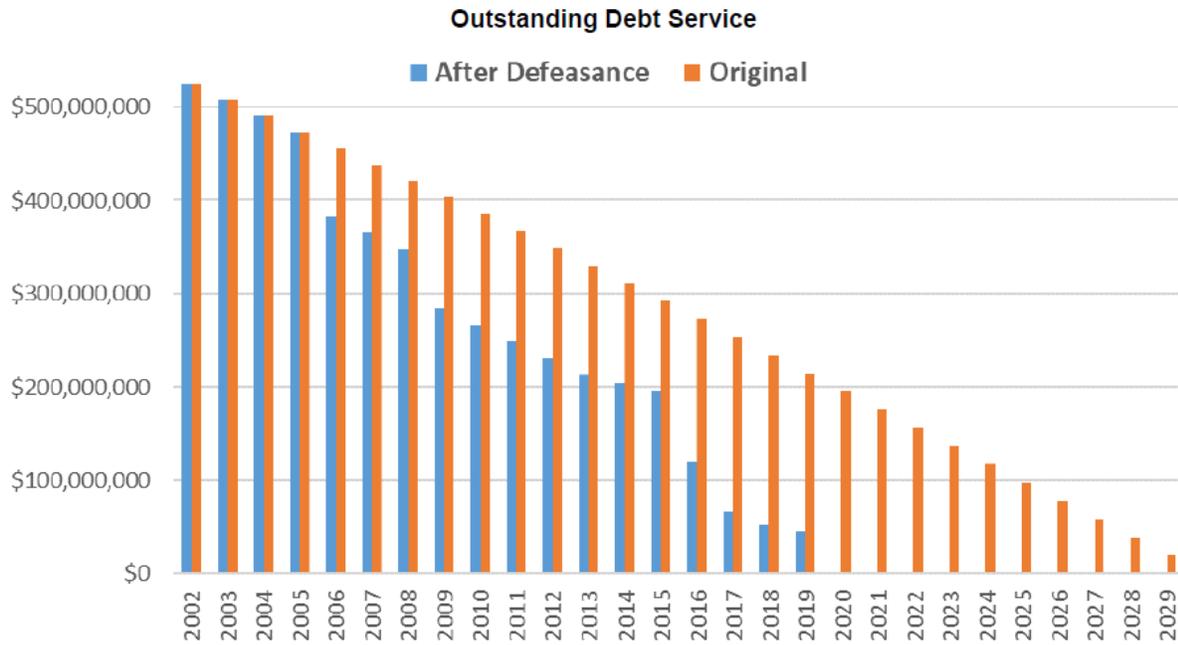
Debt Service defeased with extra sales tax revenue in 2005
Debt Service defeased or partially defeased with extra sales tax revenue in 2008
Debt Service defeased with extra sales tax revenue in 2015
Debt Service defeased or partially defeased with extra sales tax revenue in 2016
Debt Service defeased or partially defeased with extra sales tax revenue in 2019

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and For the Year Ended December 31, 2020

### FINANCIAL HIGHLIGHTS (cont.)



**Noncallable Debt Service Payments Held in Irrevocable Trust**

Year	1998A		Series 1997	Total
	Principal	Interest	P&I (CABs)	
2021	\$ 9,455,000	\$ 3,653,925	\$ 3,100,000	\$ 16,208,925
2022	10,050,000	3,133,900	3,025,000	16,208,900
2023	10,680,000	2,581,150	2,950,000	16,211,150
2024	11,355,000	1,993,750	2,860,000	16,208,750
2025	12,065,000	1,369,225	2,775,000	16,209,225
2026	12,830,000	705,650	2,675,000	16,210,650
2027	-	-	16,210,000	16,210,000
2028	-	-	16,210,000	16,210,000
2029	-	-	16,210,000	16,210,000
<b>Total</b>	<b>\$ 66,435,000</b>	<b>\$ 13,437,600</b>	<b>\$ 66,015,000</b>	<b>\$ 145,887,600</b>

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

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### FINANCIAL HIGHLIGHTS (concluded)

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#### SALES TAX RETIREMENT

- The District's enabling legislation, 1995 State of Wisconsin Act 56, authorized the District to levy a 0.1% sales tax in the five-county district. The legislation, more specifically Section 229.685(2), says the District shall make a certification to the department of revenue and the department of transportation as soon as practicable after 1) the retirement of all bonds issued for the initial construction of baseball park facilities and all bonds issued to fund or refund those bonds and 2) after funding a fund for maintenance costs and capital improvements sufficient to meet any maintenance or capital improvement obligations between the District and any professional baseball team using baseball park facilities constructed under this subchapter as a home stadium.
- The District received a bond counsel opinion on February 21, 2020, that all bond payments are in an irrevocable trust and therefore its obligations under the General Resolution have been fully discharged. In addition, the District received a report on March 2, 2020, from its independent financial advisor verifying that the funds to meet the District's other statutory and contractual obligations have been set aside in designated committed funds. With the conditions of Wisconsin Statute, Section 229.685(2) met, the District Board of Directors met on March 10, 2020, and approved a resolution authorizing the retirement of the 0.1% sales tax. The last day of the sales tax was March 31, 2020.

#### ASSET-LIABILITY MATCHING FUND/STABILIZATION FUND

- With the retirement of the 0.1% sales tax, the District's annual expenses, including its statutory and contractual responsibilities and obligations, are primarily funded through the use of committed funds designated for that purpose. Those committed funds, called the Asset-Liability Matching and Stabilization funds, were created for the purpose of funding the District's obligations through the initial term of the lease agreement with the Team (through 2030), as well as any lease extension (through 2040).
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### OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

#### *GOVERNMENT-WIDE STATEMENTS*

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

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### OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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#### *GOVERNMENT-WIDE STATEMENTS (cont.)*

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District you need to consider additional non-financial factors such as overall economic conditions and new regulations.

The *Statement of Activities* presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected license plate sales).

The Government-wide financial statements can be found on pages 17 and 18 of this report.

#### *FUND FINANCIAL STATEMENTS*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

*Governmental Funds*-Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund.

The basic Governmental Fund financial statements can be found on pages 19 to 21 of this report.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

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### OVERVIEW OF THE FINANCIAL STATEMENTS (concluded)

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*Notes to the Financial Statements*-The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 to 39 of this report.

*Other Information*-In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a detailed budgetary comparison schedule for the General Fund to demonstrate compliance with the budget. This information can be found on pages 41 and 42 of this report. Also included are notes to required supplementary information.

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### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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An analysis of the District's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the District's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions and new regulations.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$177,667,530 as of December 30, 2020.

A portion of the District's net position, \$90,349,966, reflects its investments in capital assets (e.g., leasehold improvements, building, works of art and infrastructure). The District has no debt related to its capital assets. The District uses these capital assets to operate American Family Field; consequently, these assets are not available for future spending.

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**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

As of and for the Year Ended December 31, 2020

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (cont.)**

**SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT'S NET POSITION**

December 31,	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 88,250,451	\$ 87,432,504
Capital Assets	90,349,966	95,183,037
Total Assets	178,600,417	182,615,541
Other Liabilities	932,887	275,192
Total Liabilities	932,887	275,192
Net Position		
Net Investment in Capital		
Assets	90,349,966	95,183,037
Restricted	13,558,581	15,612,925
Unrestricted	73,758,983	71,544,387
<b>Total Net Position</b>	<b>\$ 177,667,530</b>	<b>\$ 182,340,349</b>

A portion of the District's net position, \$13,558,581, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$73,758,983, may be used to meet the District's ongoing obligations.

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# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (cont.)

Analysis of the District's Operations - The following table provides a summary of the District's operations for the year ended December 31, 2020, with comparative information for the fiscal year ended December 31, 2019.

#### SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT CONDENSED STATEMENT OF ACTIVITIES

December 31,	Governmental Activities	
	2020	2019
Revenues		
Program Revenues		
Charges for services	\$ 900,000	\$ 1,500,000
General Revenues		
Taxes - sales and use tax	-	33,910,213
License plate sales	416,477	268,417
Investment income	5,792,512	8,479,847
Miscellaneous	2,249	40,156
<b>Total Revenues</b>	<b>6,211,238</b>	<b>44,198,633</b>
Expenses		
General government	11,784,057	10,765,380
Interest and fiscal charges	-	6,594,055
Loss on defeasance of debt	-	9,013,795
<b>Total Expenses</b>	<b>11,784,057</b>	<b>26,373,230</b>
<b>Change in Net Position</b>	<b>(4,672,819)</b>	<b>17,825,403</b>
<b>Net Position - Beginning of Year</b>	<b>182,340,349</b>	<b>164,514,946</b>
<b>Net Position - End of Year</b>	<b>\$ 177,667,530</b>	<b>\$ 182,340,349</b>

Program revenues of the District are generated by two primary sources. The first is the annual rent paid by the Milwaukee Brewers Baseball Club, Limited Partnership (the "Team") in accordance with the lease agreement for the stadium (\$600,000 in 2020). The second is the segregated reserve fund payment also made by the Team, which is used for future major capital repairs and improvements of the stadium (\$300,000 in 2020).

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

As of and for the Year Ended December 31, 2020

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (cont.)**

General revenues of the District are generated by investment earnings on restricted and unrestricted cash assets. The District experienced a gain of \$5,792,512 on its investments in 2020. Total investment earnings for the District by fund in 2020 and 2019 were as follows:

Fund/Source	2020	2019
Bond Redemption Escrow	\$ -	\$ 3,101,185
Unrestricted	46,188	878,262
Restricted for Major Capital Repairs and Improvements	313,877	473,558
Committed for Contractual Liabilities	5,432,447	4,002,873
<b>Total General Fund</b>	<b>5,792,512</b>	<b>8,455,879</b>
Debt Service Fund	-	23,968
<b>Total Investment Earnings</b>	<b>\$ 5,792,512</b>	<b>\$ 8,479,847</b>

The District receives proceeds from the sale of specialized Brewer license plates per Wis. Stat. 341.14(6r)(b)13.b. The District collected \$416,477 from the sale of specialized Brewers license plates in 2020.

In prior years, the District's primary source of general revenue was the 0.1% sales tax levied in the five-county District. With the retirement of the 0.1% sales tax in March 2020, the District's annual expenses, including its statutory and contractual obligations, are primarily funded through the use of committed resources that are designated for that purpose.

The Statement of Activities shows a decrease of \$4,672,819 in the net position at year-end.

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# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2020

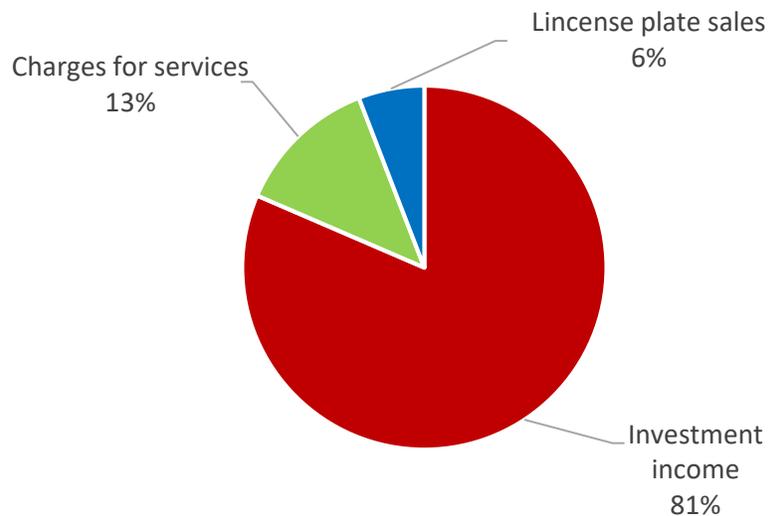
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### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (cont.)

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The following graph shows the revenues by source for governmental activities:

Revenue by Source - Governmental Activities



### **GOVERNMENTAL FUND**

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At the end of current fiscal year, the District's governmental fund reported an ending fund balance of \$87,317,564. Approximately 9% of this total amount, \$7,518,208, constitutes unassigned fund balance. \$11,390 is considered nonspendable for prepaids and another \$66,229,385 is considered committed for contractual liabilities. The remaining \$13,558,581 of the fund balance is restricted for major capital repairs and improvements.

The District reports the following major governmental funds:

*General Fund* - accounts for the District's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

The general fund balance increased from \$87,157,312 at December 31, 2019, to \$87,317,564 at December 31, 2020.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

As of and for the Year Ended December 31, 2020

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The expenditures experienced an unfavorable variance due to segregated reserve fund expenditures being more than the budgeted annual required contribution into the fund. Expenditures from the segregated reserve fund are approved at the committee level and the 2020 expenditures were paid for out of current year contributions and prior year surplus funding. The unfavorable variance was offset by a number of outside services coming in under budget.

**CAPITAL ASSETS**

At the end of 2020, the District had invested a total of \$90,349,966 in capital assets (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, buildings, equipment, works of art (reimbursed expenditures) and infrastructure.

**CAPITAL ASSETS AT YEAR-END  
NET OF ACCUMULATED DEPRECIATION**

December 31,	Governmental Activities	
	2020	2019
Leasehold improvements	\$ 5,745,658	\$ 5,745,658
Construction in progress	137,744	-
Buildings	78,937,887	86,198,165
Equipment	4,460,028	2,880,832
Statues and monuments (reimbursed expenditures)	258,277	284,105
Parking lot and parking lot improvements	810,372	74,277
<b>Total</b>	<b>\$ 90,349,966</b>	<b>\$ 95,183,037</b>

Additional information on the District's capital assets can be found in Note II.D. of this report.

# **SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**

As of and for the Year Ended December 31, 2020

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### **CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS**

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The District is not aware of any facts, decisions or conditions that will have a significant impact on the financial conditions during the fiscal year other than those mentioned earlier in this discussion and beyond those unforeseen situations that will have the same global effect on virtually all types of business operations.

In January 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. The full impact that the COVID-19 outbreak continues to evolve as of the date of this report. Management does not foresee any significant negative impact of the pandemic to the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the situation on its financial condition, liquidity, operations, and industry. Refer to Note III.D for further discussion.

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. Refer to Note III.D for further discussion.

The District Board will continue to monitor revenues and closely watch expenditures in a continuing effort to protect the taxpayers of the five-county district.

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### **REQUESTS FOR INFORMATION**

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The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the District’s finances. If you have questions about this report or need any additional information, contact the District’s Office at American Family Field, 1 Brewers Way, Milwaukee, Wisconsin, 53214, call (414) 902-4040 or email [contact@wibaseballdistrict.com](mailto:contact@wibaseballdistrict.com).

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
As of December 31, 2020

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 74,617,831
Restricted assets-cash and investments	13,558,581
License plate proceeds receivable	58,286
Interest receivable	4,363
Prepaid items	11,390
Capital Assets	
Construction in progress	137,744
Leasehold improvements, non-depreciable	5,745,658
Capital assets, net of depreciation	84,466,564
Total Assets	178,600,417
<b>LIABILITIES</b>	
Accounts payable	932,887
<b>NET POSITION</b>	
Net investment in capital assets	90,349,966
Restricted	
Major capital repairs and improvements	13,558,581
Unrestricted	73,758,983
<b>Total Net Position</b>	<b>\$ 177,667,530</b>

*See accompanying notes to financial statements.*



**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2020

	General Fund
<b>ASSETS</b>	
Cash and investments	\$ 74,617,831
Restricted assets-cash and investments	13,558,581
Receivables	
License plate proceeds receivable	58,286
Interest	4,363
Prepaid items	11,390
<b>Total Assets</b>	<b>88,250,451</b>
 <b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts payable	932,887
Fund Balances	
Nonspendable for prepaid items	11,390
Restricted for major capital repairs and improvements	13,558,581
Committed for contractual liabilities	66,229,385
Unassigned	7,518,208
<b>Total Fund Balances</b>	<b>87,317,564</b>
 <b>Total Liabilities and Fund Balances</b>	 <b>\$ 88,250,451</b>
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the fund.	90,349,966
 <b>Net Position of Governmental Activities</b>	 <b>\$ 177,667,530</b>

*See accompanying notes to financial statements.*

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2020

	General Fund
<b>REVENUES</b>	
License plate sales	\$ 416,477
Income from other entities	900,000
Investment income	5,792,512
Miscellaneous	2,249
<b>Total Revenues</b>	<b>7,111,238</b>
<b>EXPENDITURES</b>	
Current	
General government	6,950,986
<b>Total Expenditures</b>	<b>6,950,986</b>
<b>Net Change in Fund Balances</b>	160,252
<b>Fund Balances - Beginning of Year</b>	<b>87,157,312</b>
<b>Fund Balances - End of Year</b>	<b>\$ 87,317,564</b>

*See accompanying notes to financial statements.*

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2020

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Net change in fund balances - total governmental fund (from page 20)	\$ 160,252
--	------------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of net position, the cost of these assets is capitalized and they are depreciated over their estimated useful lives, and reported as depreciation expense in the Statement of Activities.

Some items capitalized were reported as current expenditures	4,649,512
Depreciation is reported in the government-wide statements	(8,934,104)
Net book value of assets disposed	<u>(548,479)</u>

<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (4,672,819)</u></b>
--	------------------------------

*See accompanying notes to financial statements.*

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the Southeast Wisconsin Professional Baseball Park District (“District”) conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### *A. REPORTING ENTITY*

The reporting entity for the District does not consist of a primary government but instead is that of a joint venture. The foundation for a primary government is a separately elected governing body - one that is elected by the citizens in a general, popular election. A primary government can also be a special-purpose government that meets all of the following criteria: (a) it has a separately elected governing body, (b) it is legally separate and (c) it is fiscally independent of other state and local governments. The District Board is appointed (see below) and, therefore, is not defined as a primary government.

The District is a special district that is a local governmental unit existing under the laws of the State of Wisconsin. The District was created under 1995 Wisconsin Act 56. The District has the authority to issue bonds and impose a sales and use tax for the purpose of constructing and maintaining baseball park facilities.

The District’s jurisdiction is comprised of Milwaukee, Ozaukee, Racine, Washington and Waukesha Counties, Wisconsin. The District was created to assist in the development of a professional baseball park for the use of the Milwaukee Brewers Baseball Club, Limited Partnership. The Board has the authority to adopt by-laws to govern the District’s activities.

The business and affairs of the District are managed by a Board consisting of thirteen members. The composition of the Board is governed by Section 229.66 of the Wisconsin statutes as follows:

- a. Six members appointed by the Governor, subject to confirmation or rejection by the Wisconsin State Senate. At least one member shall reside within each of the five counties in the District.
- b. Two members appointed by the Chief Executive Officer of Milwaukee County, subject to confirmation or rejection by a majority of the members-elect of the county’s Board of Supervisors.
- c. One member appointed by the Chief Executive Officer of Ozaukee County, subject to confirmation or rejection by a majority of the members-elect of the county’s Board of Supervisors.
- d. One member appointed by the Chief Executive Officer of Racine County, subject to confirmation or rejection by a majority of the members-elect of the county’s Board of Supervisors.
- e. One member appointed by the Chief Executive Officer of Washington County, subject to confirmation or rejection by a majority of the members-elect of the county’s Board of Supervisors.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### A. *REPORTING ENTITY* (cont.)

f. One member appointed by the Chief Executive Officer of Waukesha County, subject to confirmation or rejection by a majority of the members-elect of the county's Board of Supervisors.

g. One member appointed by the Mayor of the City of Milwaukee, subject to confirmation or rejection by a majority of the members-elect of the common council of the City of Milwaukee.

Three of the six Board members appointed by the Governor are appointed to two-year terms, while the other three Board members appointed by the Governor are appointed to four-year terms. Each of the seven other Board members serves at the pleasure of the official responsible for making the member's appointment. By statute, not more than four members of the Board may reside in any one county.

The Governor selects the Chairperson of the Board. The Board has the power to elect from its own membership a vice chairperson, a secretary and a treasurer. The Board has delegated the responsibility for the general supervision and control of the business and affairs of the District to its Executive Director. The District also has an Associate Director, who is responsible for the oversight of all District financial operations.

#### B. *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

##### *Government-Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

##### *Fund Financial Statements*

Financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or non-major funds within the Governmental Statements. An emphasis is placed on major funds within the governmental categories. Major individual governmental funds are reported as separate columns in the Fund Financial Statements. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expense of that individual governmental are at least 10 percent of the corresponding total for all funds of the category or type, and
- b. The same element of the individual governmental fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental funds.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

The District reports the following major governmental fund:

General Fund - accounts for the District's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

This report contains no non-major funds.

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

##### ***Government-Wide Financial Statements***

The Government-Wide Statement of Net Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Sales taxes are recognized as revenues in the year in which the underlying sale relating to it takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

As a general rule, the effect of interfund activity has been eliminated from the Government-Wide Financial Statements.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)*

##### *Fund Financial Statements*

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, and judgments, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Revenues susceptible to accrual include license plate sales and interest.

Other miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY*

##### *1. Deposits and Investments*

Deposits consist of demand deposits and money market accounts. Investment of District funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association maturing in three years or less.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

##### *1. Deposits and Investments (cont.)*

- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

The District has adopted an investment policy that further restricts permitted investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the Operating Statement as increases or decreases in investment income. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

#### *Custodial Credit Risk*

The District's policy states that amounts on deposit in excess of FDIC and State Deposit Guarantee amounts must be fully collateralized and held by a third party or fully insured by an insurance company with an A rating or better by A.M. Best.

For investments, the District's policy states that securities will be held by a third-party custodian and shall be registered in the name of the District or in the name of a nominee of the District or in the name of the custodian or its nominee.

#### *Interest Rate Risk*

The District's policy requires the maturities of individual securities to be in compliance with Section 66.0603 of the Wisconsin Statutes. Individual issues that are guaranteed as to principal and interest by the Federal Government or its agencies or a Wisconsin municipality shall not exceed ten years in maturity from the date of purchase. For paydown securities, the average life shall be considered the effective maturity date. For floating rate securities, the time to coupon reset shall be used as the effective maturity.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

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**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

***1. Deposits and Investments (cont.)***

***Credit Risk***

The District's policy requires all investments be made in accordance with Section 66.0603 of the Wisconsin Statutes. The District's policy further limits its investment choices to permitted investments defined within the policy.

***Concentration of Credit Risk***

It is the intent of the District's policy to diversify the investments made under the policy to avoid exposure to unreasonable risks associated with the volatility of any single, particular investment. Total holdings of any one issuer may not exceed ten percent of the market value of the portfolio at the time of purchase, with the exception of U.S. Government issues and issues of U.S. Government agencies fully guaranteed as to both principal and interest by the U.S. Government.

See Note II.A. for further information.

***2. Receivables***

***License Plate Sales***

The District receives proceeds from the sale of specialized Brewer license plates from the State of Wisconsin. The District accrued the proceeds from the last three months of 2020 as a receivable.

***3. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both Government-Wide and Fund Financial Statements.

***4. Restricted Assets***

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by external parties. See Note II.C.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)**

##### **5. Capital Assets**

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the Government-Wide Financial Statements. Capital assets are defined by the District as assets with an initial cost of more than \$120,000 for both general capital assets and infrastructure assets after applying the District's ownership percentage, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30 Years
Equipment	10-20 Years
Works of Art	30 Years
Infrastructure	15 Years

###### ***Fund Financial Statements***

The District reviews the carrying value of their capital assets to determine if circumstances exist indicating impairment. If facts or circumstances support the possibility of impairment, management follows the guidance in GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. If impairment is indicated, an adjustment is made to the carrying value of the capital assets. No impairments were reported during the 2020 fiscal year.

In the Fund Financial Statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

##### **6. Equity Classifications**

###### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

##### *6. Equity Classifications (cont.)*

###### *Government-Wide Statements (cont.)*

- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

###### *Fund Statements*

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the District. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2020

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded.)**

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note II.F. for further information.

**NOTE II - DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The District's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balance</u>	<u>Associated Risks</u>
Deposits	\$ 3,964,446	\$ 4,131,796	Custodial credit
U.S. agencies - implicitly guaranteed	10,861,532	10,861,532	Custodial credit, credit, concentration of credit, interest rate
Mutual funds (U.S. Government Money Market fund)	207,813	207,813	N/A
U.S. treasuries	50,116,532	50,116,532	Custodial credit, interest rate
Municipal bonds	18,241,542	18,241,542	Custodial credit, credit, concentration of credit, interest rate
Corporate bonds	4,784,547	4,784,547	Custodial credit, credit, concentration of credit, interest rate
Total Deposits and Investments	<u>\$ 88,176,412</u>	<u>\$ 88,343,762</u>	

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

Reconciliation to financial statements	
Per Statement of Net Position	
Unrestricted cash and investments	\$ 74,617,831
Restricted cash and investments	<u>13,558,581</u>
Total Deposits and Investments	<u>\$ 88,176,412</u>

***Fair Value***

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The valuation methods for recurring methods fair value measurements are as follows:

Investment Type	December 31, 2020			Total
	Level 1	Level 2	Level 3	
U.S. treasuries	\$ 50,116,532	\$ -	\$ -	\$ 50,116,532
U.S. agencies - implicitly guaranteed	657,137	10,204,395	-	10,861,532
Mutual funds (U.S. Government Money Market fund)	207,813	-	-	207,813
Municipal bonds	-	18,241,542	-	18,241,542
Corporate bonds	-	<u>4,784,547</u>	-	<u>4,784,547</u>
<b>Total</b>	<b><u>\$ 50,981,482</u></b>	<b><u>\$ 33,230,484</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 84,211,966</u></b>

***Custodial Credit Risk***

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District.

The District does not have any deposits exposed to custodial credit risk.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit amounts (interest-bearing and noninterest bearing). Any amounts on deposit above FDIC limits are further protected

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2020

**NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Custodial Credit Risk (cont.)***

by pledged collateral. In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposits.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing custodial credit risk.

The District maintains a collateral agreement with one of its banks. At December 31, 2020, the bank had pledged various government securities in the amount of \$5,619,718 to secure the District's deposits.

The market value of pledged collateral may have changed significantly after year-end.

Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2020, the District's investments were rated as follows:

Investment Type	Standard & Poor's Investor Service	Moody's Investor Service	Amount
U.S. Agencies - implicitly guaranteed	AA+	Aaa	\$ 10,861,532
Municipal bonds	AAA - AA-	Aaa - Aa3	18,241,542
Corporate bonds	AAA - AA-	Aaa - Aa3	4,784,547

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The District does not have any investments exposed to concentration of credit risk as there are no investments greater than 5% in any one issuer.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2020, the District's investments were as follows:

Investment Type	Fair Value	Maturity (In years)		
		Less than 1	1 - 10	10 - 40*
U.S. treasuries	\$ 50,116,532	\$ 5,755,528	\$ 23,746,365	\$ 20,614,639
U.S. agencies - implicitly guaranteed	10,861,532	1,232,476	9,556,565	72,491
Municipal bonds	18,241,542	5,664,509	12,577,033	-
Corporate bonds	4,784,547	1,314,927	3,469,620	-
<b>Totals</b>	<b>\$ 84,004,153</b>	<b>\$ 13,967,440</b>	<b>\$ 49,349,583</b>	<b>\$ 20,687,130</b>

\*U.S. treasuries in this category are held in the Asset-Liability Matching Fund and designated for a specific future liability and therefore are in compliance with the District's investment policy.

See Note I.D.1. for further information on deposit and investment policies.

**B. RECEIVABLES**

The District has no receivables that are not expected to be collected within one year, and has no allowance for uncollectible receivables.

**C. RESTRICTED ASSETS**

Under the terms of the lease agreement, the District and the Milwaukee Brewers Baseball Club (the "Team") make an annual payment to provide for future capital repairs and improvements at the stadium. The District's required payment was \$1,791,852 for 2020. Additional contributions from the Team bring the total contribution to the segregated reserve fund to \$2,500,000. On January 1, 2020, \$15,612,925 was held in the segregated reserve fund from unused funds deposited in previous years. The 2020 expenditures were paid out of the current year contributions and the prior year surplus funding. The balance in the segregated reserve fund at December 31, 2020, was \$13,558,581 and is shown as restricted cash and investments in the General Fund.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2020

**NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Leasehold improvements	\$ 5,745,658	\$ -	\$ -	\$ 5,745,658
Construction in progress	-	137,744	-	137,744
<b>Total capital assets not being depreciated</b>	<b>5,745,658</b>	<b>137,744</b>	<b>-</b>	<b>5,883,402</b>
Capital assets being depreciated				
Buildings	\$ 234,570,733	\$ 1,096,298	\$ 1,645,438	\$ 234,021,593
Equipment	9,659,969	2,614,535	-	12,274,504
Works of art	774,835	-	-	774,835
Parking lot and parking lot improvements	19,373,326	800,935	600,000	19,574,261
<b>Total capital assets being depreciated</b>	<b>264,378,863</b>	<b>4,511,768</b>	<b>2,245,438</b>	<b>266,645,193</b>
Less Accumulated depreciation for:				
Buildings	\$ (148,372,568)	\$ (7,808,097)	\$ 1,096,959	\$ (155,083,706)
Equipment	(6,779,137)	(1,035,339)	-	(7,814,476)
Works of art	(490,730)	(25,828)	-	(516,558)
Parking lot and parking lot improvements	(19,299,049)	(64,840)	600,000	(18,763,889)
<b>Total accumulated depreciation</b>	<b>(174,941,484)</b>	<b>(8,934,104)</b>	<b>1,696,959</b>	<b>(182,178,629)</b>
<b>Net capital assets being depreciated</b>	<b>\$ 89,437,379</b>	<b>\$ (4,422,336)</b>	<b>\$ 548,479</b>	<b>\$ 84,466,564</b>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	<u>\$ 8,934,104</u>

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2020

**NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

***Defeasance of Debt***

During 2019, the District defeased all of the remaining 1998A Sales tax revenue refunding bonds by placing investments in an irrevocable trust to provide for all future debt service payments. Similarly, in prior years, the District defeased portions of the 1997 Sales tax revenue capital appreciation bonds by placing investments in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's financial statements. At December 31, 2020, \$145,887,600 in principal and interest of bonds outstanding are considered defeased. The bonds are being paid off in accordance with the original repayment schedule as follows:

<u>Maturity Date</u>	<u>Amount</u>
2021	\$ 16,208,925
2022	16,208,900
2023	16,211,150
2024	16,208,750
2025	16,209,225
2026	16,210,650
2027	16,210,000
2028	16,210,000
2029	16,210,000

**E. LEASE DISCLOSURES**

***Lessor - Operating Leases***

On December 31, 1996, the District entered into a lease agreement with the Milwaukee Brewers Baseball Club (the Team) for the new stadium. The cost of the stadium being leased is \$230,457,261 and the accumulated depreciation is \$152,889,003 at December 31, 2020. Therefore, the carrying value of the stadium is \$77,568,258 at December 31, 2020. The lease was effective upon completion of the new baseball stadium project. The terms of the lease agreement are: the Team agrees to pay the District \$900,000 annual rent for the first 10 years of the lease, \$1,200,000 annually for the second 10 years of the lease and \$1,208,401 for the third 10 years of the lease. The scheduled lease payments by the Team to the District for the next five years are \$1,208,401 for the years 2021-2025. During 2020, per the terms of the lease agreement, the lease payment was \$600,000 due to the Team's inability to play home baseball games at American Family Field for half of the original baseball season due to the COVID-19 pandemic.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
As of and for the Year Ended December 31, 2020

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**NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)**

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**F. NET POSITION**

Net position reported on the Government-Wide Statement of Net Position at December 31, 2020, includes the following:

***Governmental Activities***

Investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 90,349,966
Total Investment in Capital Assets	<u>90,349,966</u>
Restricted	
Major capital repairs and improvements	13,558,581
Total Restricted	<u>13,558,581</u>
Unrestricted	<u>73,758,983</u>
Total Governmental Activities Net Position	\$ <u><u>177,667,530</u></u>

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**NOTE III - OTHER INFORMATION**

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**A. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors and omissions. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

**B. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are recorded in the Government-Wide Statements as expenses when the related liabilities are incurred.

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - OTHER INFORMATION (cont.)

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#### *C. JOINT VENTURES*

The District and the Team entered into a shared ownership agreement for the Milwaukee Stadium project on December 31, 1996. The agreement has subsequently been amended and restated.

The agreement states that the District and the Team will be the owner of the improvements constituting the stadium project and all infrastructure other than public highways and roads. Subject to the terms and conditions of the agreement, the Team will own an undivided 35.77% interest in the stadium project and the District will own an undivided 64.23% interest in the stadium project. The agreement also discusses the contributions of the District and the Team towards the financing of the stadium project along with conditions for re-calculating the percentage of shared ownership for each party.

#### *D. RISKS AND UNCERTAINTIES*

##### **COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management does not foresee any significant negative impact of the pandemic to the District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations and industry.

##### **CARES Act**

On March 27, 2020, President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security (CARES) Act.” The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. The District examined the impact that the CARES Act may have on the business and considering that the District is a tax-exempt government entity with no employees the Act will have no impact on the financial condition, results of operations, or liquidity of the District.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - OTHER INFORMATION (cont.)

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#### *D. RISKS AND UNCERTAINTIES (cont.)*

##### *CARES Act (cont.)*

The CARES Act also appropriated funds for the Small Business Administration's (SBA) Paycheck Protection Program (PPP) which provides forgivable loans to qualifying companies to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by the COVID-19 pandemic. Further, on December 27, 2020, President Trump signed into law the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act). The Economic Aid Act extends the authority to make PPP loans through March 31, 2021, and revises certain PPP requirements. There was a second round of SBA PPP loans accepting applications on January 13, 2021. The application for these funds requires the Company to, in good faith, certify that the current economic uncertainty at the time of the application made the loan request necessary to support the ongoing operations of the Company. The District did not apply for any of these loans during 2020 and has not applied for any of these loans as of the date the financial statements were available to be issued.

#### *E. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD STATEMENTS*

The Governmental Accounting Standards Board (GASB) has approved the following standards that may affect the District:

- > *Statement No. 87, Leases*
- > *Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period*
- > *Statement No. 91, Conduit Debt Obligations*
- > *Statement No. 92, Omnibus 2020*
- > *Statement No. 93, Replacement of Interbank Offered Rates*
- > *Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- > *Statement No. 96, Subscription-Based Information Technology Arrangements*
- > *Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

The District is reviewing the impact of these statements. When they become effective, application of these standards may restate portions of these financial statements.

## Required Supplementary Information

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**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (UNAUDITED)  
GENERAL FUND  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>INCOME FROM OTHER ENTITIES</b>	\$ 7,210,000	\$ 7,210,000	\$ 1,616,477	\$ (5,593,523)
<b>INVESTMENT INCOME</b>				
Interest on general fund investments	637,100	637,100	5,792,512	5,155,412
Total Investment Income	637,100	637,100	5,792,512	5,155,412
<b>Miscellaneous</b>				
Miscellaneous general revenue	-	-	2,249	2,249
Total Miscellaneous	-	-	2,249	2,249
<b>TOTAL REVENUES</b>	7,847,100	7,847,100	7,411,238	(435,862)
<b>EXPENDITURES</b>				
<b>CURRENT</b>				
<b>GENERAL GOVERNMENT</b>				
Operating	30,000	30,000	16,980	13,020
Outside services	1,010,000	1,010,000	892,683	117,317
Insurance	295,000	295,000	170,466	124,534
Annual maintenance and repair contribution	408,148	408,148	-	408,148
Segregated reserve fund expenditures	1,791,852	1,791,852	5,705,413	(3,913,561)
Total General Government	3,535,000	3,535,000	6,785,542	(3,250,542)
<b>TOTAL EXPENDITURES</b>	3,535,000	3,535,000	6,785,542	(3,250,542)
Excess (deficiency) of revenues over expenditures	4,312,100	4,312,100	625,696	(3,686,404)
<b>OTHER FINANCING SOURCES (USES)</b>				
Use of asset-liability matching fund	(2,275,000)	(2,275,000)	-	2,275,000
Total Other Financing Sources (Uses)	(2,275,000)	(2,275,000)	-	2,275,000
Net Change in Fund Balance	2,037,100	2,037,100	625,696	(1,411,404)
<b>Fund Balance - Beginning of Year</b>	87,157,312	87,157,312	87,157,312	-
<b>Fund Balance - End of Year</b>	\$ 89,194,412	\$ 89,194,412	\$ 87,783,008	\$ (1,411,404)

*See accompanying notes to required supplementary information.*

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

As of and for the Year Ended December 31, 2020

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### *BUDGETARY INFORMATION*

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C.

A budget has been adopted for the general fund.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the major expenditure category.

### *SEGREGATED RESERVE FUND*

Under the terms of the lease agreement, the District and the Team make an annual payment to provide for future capital repairs and improvements at the stadium. The District's required payment was \$1,791,852 for 2020. Additional contributions from the Team bring the total contribution to the segregated reserve fund to \$2,500,000. On January 1, 2020, \$15,612,925 was held in the segregated reserve fund from unused funds deposited in previous years. The 2020 expenditures were paid out of the current year contributions and the prior year surplus funding. The balance in the segregated reserve fund at December 31, 2020, was \$13,558,581 and is shown as restricted cash and investments in the General Fund.

Under the terms of the lease agreement, the Brewers have pledged the annual maintenance and repair contribution directly to the segregated reserve fund. Therefore, the \$408,148 maintenance and repair contribution is not paid directly to the Brewers but instead transferred directly from the District's operating fund to the segregated reserve fund.