



# **Southeast Wisconsin Professional Baseball Park District**

Financial Statements  
(with Required Supplementary Information)  
Year Ended December 31, 2015

# **Southeast Wisconsin Professional Baseball Park District**

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Financial Statements  
(with Required Supplementary Information)  
Year Ended December 31, 2015

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

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As of and for the Year Ended December 31, 2015

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## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### ***Opinions***

In our opinion, the financial statements referred to above 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, 2015, 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.

### ***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 3 through 13 and 39 through 40 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 14, 2016

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2015

The Southeast Wisconsin Professional Baseball Park District (the "District"), a local government unit created under 1995 State of Wisconsin Act 56, with the authority to issue bonds and impose a sales tax for the purpose of construction and operations of a baseball park facility ("Miller Park"), is honored to present the fiscal year 2015 financial statements. The District's responsibilities in addition to bond issuance and sales tax collection include joint ownership of Miller Park with the Milwaukee Brewers Baseball Club (the "Team") under a shared ownership agreement. The District leases its ownership interest in Miller Park to the Team under a formal lease agreement. Additional responsibilities include District management and administration, annual public budget hearings, and contributions to and oversight of the Segregated Reserve Fund for short and long-term capital and discretionary 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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- > 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 \$113,638,174 (*net position*). Of this amount, \$33,647,961 (*unrestricted net position*) may be used to meet the District's obligations to citizens and creditors and \$15,474,915 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 increased by \$958,227 during 2015.
- > At the end of 2015, the District's governmental funds reported combined ending fund balances of \$111,076,700. Of this amount, \$45,092,467 is restricted as part of the bond redemption escrow for debt retirement, \$7,605,469 is restricted for other debt service and \$12,072,105 is restricted for 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 2015, the SRF had a balance of \$12,072,105, which is included in the restricted assets of the general fund.
- > In its efforts to be financially responsible and retire the debt used to finance Miller Park early, the District took action to defease a portion of its debt in 2005, 2008, and 2015 by establishing escrow accounts containing U.S. government securities. In addition, a portion of the 1997 Capital Appreciation Bonds were extinguished and are considered defeased. Through these debt defeasances, the District invested \$108 million in available operating funds which resulted in the elimination of \$180.7 million in future scheduled debt service payments (\$112.5 million in principal payments and \$68.2 million in interest payments). The following exhibits further illustrate the effects of the debt defeasances.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As of and for the Year Ended December 31, 2015

### 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	16,935,800
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	17,105,992
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	760,000	335,696	125,000	6,890,238	-	-	-	17,451,269
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	178,426	150,000	6,866,935	-	-	-	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	843,200	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	1,760,000	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
<b>Total</b>	<b>50,440,000</b>	<b>46,669,993</b>	<b>52,380,000</b>	<b>22,499,564</b>	<b>9,320,000</b>	<b>3,378,143</b>	<b>125,930,000</b>	<b>133,769,070</b>	<b>76,435,000</b>	<b>2,885,000</b>	<b>277,430</b>	<b>523,984,200</b>

Debt Service payments made on schedule	(223,145,042)
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	(62,165,650)

**Remaining Debt Service payments as of December 31, 2015** 120,161,550

#### Post-defeased December 31, 2015 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	
2016	-	-	-	-	-	-	6,965,000	5,827,250	-	-	-	12,792,250
2017	-	-	-	-	-	-	7,405,000	5,444,175	720,000	-	-	13,569,175
2018	-	-	-	-	-	-	-	4,085,400	3,295,000	-	-	7,380,400
2019	-	-	-	-	-	-	-	3,133,900	3,235,000	-	-	6,368,900
2020	-	-	-	-	-	-	-	3,133,900	3,170,000	-	-	6,303,900
2021	-	-	-	-	-	-	-	3,133,900	3,100,000	-	-	6,233,900
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	-	-	-	-	-	-	-	-	2,675,000	-	-	2,675,000
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,520,000</b>	<b>33,836,550</b>	<b>27,805,000</b>	<b>-</b>	<b>-</b>	<b>120,161,550</b>

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

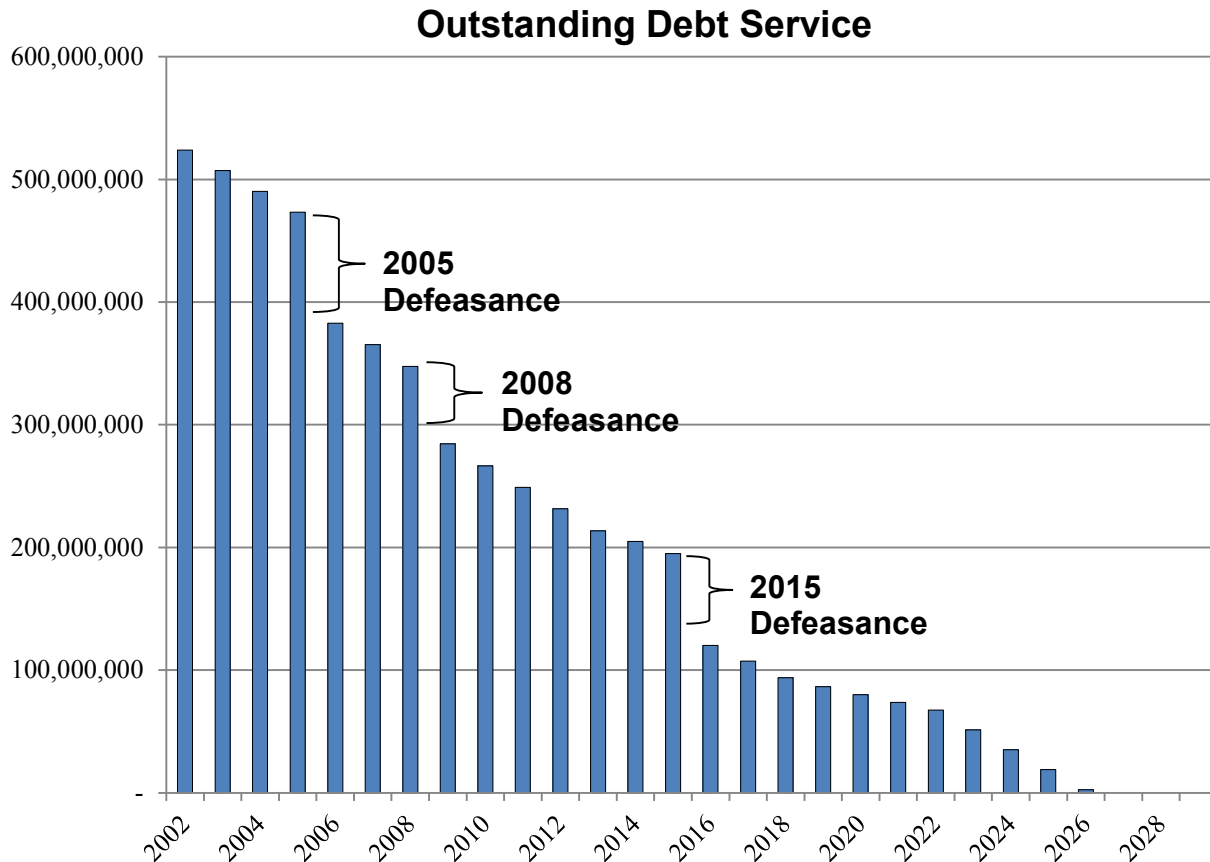
# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
As of and for the Year Ended December 31, 2015

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## FINANCIAL HIGHLIGHTS (cont.)

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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, 2015

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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 sales taxes).

The government-wide financial statements can be found on pages 14 and 15 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 two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, both of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 16 to 18 of this report.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As of and for the Year Ended December 31, 2015

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## OVERVIEW OF THE FINANCIAL STATEMENTS (cont.)

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### *FUND FINANCIAL STATEMENTS* (cont.)

*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 20 to 37 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 39 to 40 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 District's financial position. In the case of the District, assets exceeded liabilities by \$113,638,174 as of December 31, 2015.

A portion of the District's net position, \$15,474,915, reflects its investments in capital assets (e.g., leasehold improvements, building, works of art and infrastructure), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to operate Miller Park; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As of and for the Year Ended December 31, 2015

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

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

	Governmental Activities	
	2015	2014
Current and Other Assets	\$ 111,313,721	\$ 126,434,776
Capital Assets	127,581,270	137,645,842
Total Assets	238,894,991	264,080,618
Long-term Liabilities	124,765,053	151,004,785
Other Liabilities	491,764	395,886
Total Liabilities	125,256,817	151,400,671
Net Position		
Net Investment in Capital		
Assets		
Restricted	15,474,915	11,871,377
Unrestricted	64,515,298	52,033,550
	33,647,961	48,775,020
Total Net Position	\$ 113,638,174	\$ 112,679,947

A portion of the District's net position, \$64,515,298, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$33,647,961, may be used to meet the District's ongoing obligations.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As of and for the Year Ended December 31, 2015

**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, 2015.

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

	Governmental Activities	
	2015	2014
Revenues		
Program Revenues		
Charges for services	\$ 1,500,000	\$ 1,500,000
Capital grants and contributions	-	58,289
General Revenues		
Taxes – sales tax	29,327,158	28,573,461
License plate sales	239,487	225,866
Investment income	1,275,259	2,468,003
Miscellaneous	2,388	5,545
Total Revenues	32,344,292	32,831,164
Expenses		
General government	12,254,950	12,378,480
Interest and fiscal charges	7,907,765	8,769,278
Loss on debt extinguishment	11,223,350	-
Total Expenses	31,386,065	21,147,758
Increase in Net Position	958,227	11,683,406
Net Position – Beginning of Year	112,679,947	100,996,541
Net Position – End of Year	\$ 113,638,174	\$ 112,679,947

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 (\$1,200,000 in 2015). 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 2015).

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As of and for the Year Ended December 31, 2015

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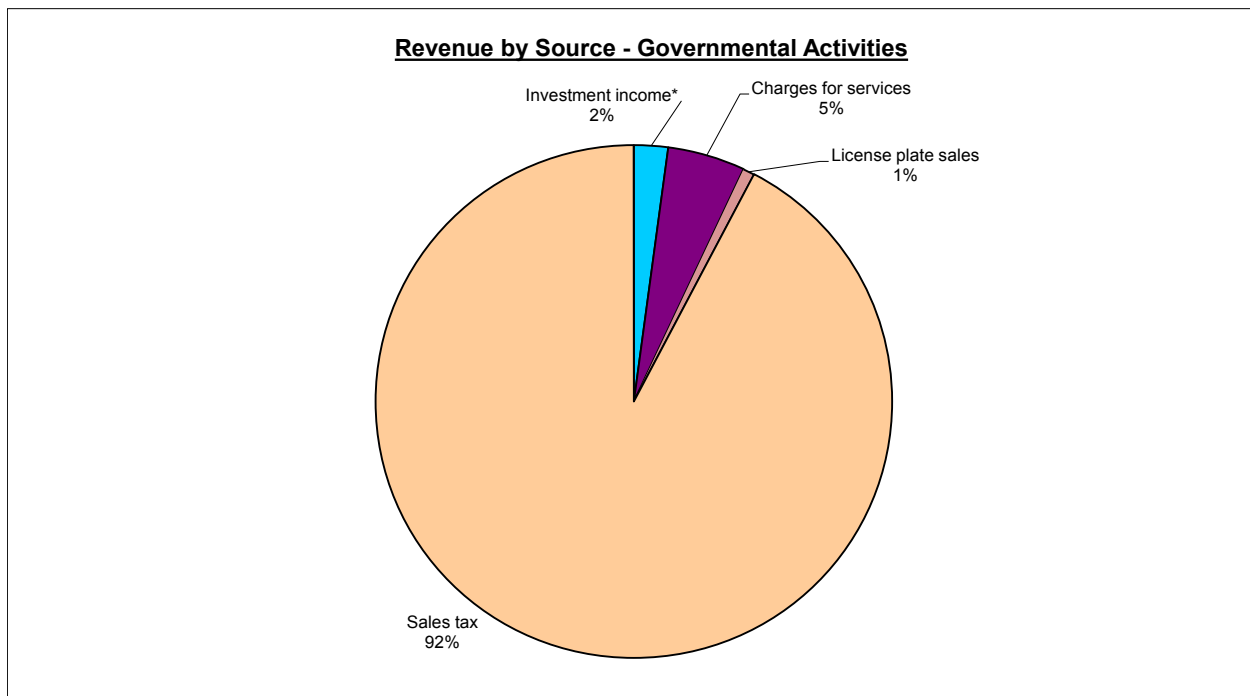
## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (cont.)

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General revenues of the District are generated by two primary sources. The first is the collection of State Sales Tax (\$29,327,158 in 2015). The District receives 0.1% in sales tax from the five county District jurisdiction areas: Milwaukee, Ozaukee, Racine, Washington and Waukesha Counties. The revenues of the District are used to pay down debt service the District has incurred in the construction of Miller Park as well as on-going obligations and future capital improvements to Miller Park. The second source of revenue is investment earnings on restricted and unrestricted cash assets. The District experienced a gain of \$1,275,259 on its investments in 2015. Of this amount, \$559,819 is investment income on the general fund investments, \$731 is investment income on the debt service fund investments, and \$714,709 represents an unrealized gain relating to changes in the market value of investments held in escrow for future bond redemption. In addition, in 2015 the District collected \$239,487 from the sale of specialized Brewers license plates and \$2,388 in miscellaneous revenue.

The Statement of Activities shows an increase of \$958,227 in the net position at year end.

The following graph shows the revenues by source, excluding the investment income of the escrowed U.S. Treasuries and Agencies, for the governmental activities:



\*Excludes investment income of the U.S. Treasuries and Agencies held in escrow for future bond redemption.

# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As of and for the Year Ended December 31, 2015

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## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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### *GOVERNMENTAL FUNDS*

The focus of the District's governmental funds 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 funds reported combined ending fund balances of \$111,076,700. Approximately 42% of this total amount, \$46,288,249, constitutes unassigned fund balance. \$18,410 is considered nonspendable for prepaids. The remainder of the fund balance is restricted for 1) major capital repairs and improvements from the segregated reserve fund \$12,072,105, and 2) debt retirement \$52,697,936.

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.

*Debt Service Fund* – accounts for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

The general fund balance decreased from \$119,116,929 at December 31, 2014, to \$103,471,231 at December 31, 2015. This was primarily due to the debt extinguishment for a portion of the Series 1997 Capital Appreciation Bonds whereby \$32,645,319 was transferred to a bond escrow agent. The debt service fund balance increased from \$7,150,662 at December 31, 2014, to \$7,605,469 at December 31, 2015 to account for the larger debt service requirement in 2015.

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## GENERAL FUND BUDGETARY HIGHLIGHTS

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The favorable variance in revenues was primarily due to an unrealized gain on investments in the escrow accounts held for future bond redemption which was not budgeted for. The expenditures experienced a favorable variance due to a decrease in segregated reserve fund expenditures and a number of outside services coming in under budget. In addition, the general fund transferred \$32,645,319 to a bond escrow agent to extinguish a portion of the Series 1997 Capital Appreciation Bonds which was not budgeted for.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As of and for the Year Ended December 31, 2015

**CAPITAL ASSETS**

At the end of 2015, the District had invested a total of \$127,581,270 in capital assets (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, buildings, works of art (reimbursed expenditures) and infrastructure.

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

	Governmental Activities	
	2015	2014
Leasehold improvements	\$ 5,745,658	\$ 5,745,658
Buildings	117,503,770	125,330,172
Equipment	3,824,372	4,745,159
Statues and monuments (reimbursed expenditures)	387,417	413,245
Parking lot and parking lot Improvements	120,053	1,411,608
Total	\$ 127,581,270	\$ 137,645,842

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

**LONG-TERM OBLIGATIONS**

During 2015, long-term obligations of the District decreased by \$26,239,732 due to the retirement of \$6,555,000 in revenue bonds and the extinguishment of a portion of the Series 1997 Capital Appreciation Bonds in excess of the accretion of those bonds. This resulted in \$124,765,053 in long-term obligations payable at the end of 2015.

**DISTRICT'S OUTSTANDING LONG-TERM OBLIGATIONS**

	Governmental Activities	
	2015	2014
Revenue bonds payable	\$ 112,106,355	\$ 125,774,465
Other liabilities	12,658,698	25,230,320
Total Long-Term Liabilities	\$ 124,765,053	\$ 151,004,785

Additional information on the District's long-term obligations can be found in Note III.F. of this report.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As of and for the Year Ended December 31, 2015

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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.

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 Miller Park, One Brewers Way, Milwaukee, Wisconsin, 53214, call (414) 902-4040 or email [contact@millerparkdistrict.com](mailto:contact@millerparkdistrict.com).



**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

STATEMENT OF NET POSITION  
As of December 31, 2015

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 46,490,167
Sales tax receivable	4,875,165
Interest receivable	35,215
Prepaid items	18,410
Restricted assets-cash and investments	59,894,764
Capital Assets	
Leasehold improvements	5,745,658
Capital assets, net of depreciation	121,835,612
Total Assets	238,894,991
<b>LIABILITIES</b>	
Accounts payable	237,021
Accrued interest payable	254,743
Noncurrent liabilities	
Due within one year	6,965,000
Due in more than one year	117,800,053
Total Liabilities	125,256,817
<b>NET POSITION</b>	
Net investment in capital assets	15,474,915
Restricted	
General debt service	52,443,193
Major capital repairs and improvements	12,072,105
Unrestricted	33,647,961
<b>TOTAL NET POSITION</b>	<b>\$ 113,638,174</b>

See accompanying notes to financial statements.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

<u>Functions/Programs</u>	Expenses	Program Revenues	Charges for Services	Net Expenses (Revenues) and Changes in Net Position
Governmental Activities				
General government	\$ 12,254,950	\$ 1,500,000	\$ -	\$ (10,754,950)
Interest and fiscal charges	7,907,765	-	-	(7,907,765)
Loss on debt extinguishment	11,223,350	-	-	(11,223,350)
<b>Total Governmental Activities</b>	<b>31,386,065</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>(29,886,065)</b>
General Revenues				
Taxes - sales tax				29,327,158
License plate sales				239,487
Investment income				1,275,259
Miscellaneous				2,388
<b>Total General Revenues</b>				<b>30,844,292</b>
<b>Change in Net Position</b>				958,227
Net Position - Beginning of Year				112,679,947
<b>Net Position - End of Year</b>				<b>\$ 113,638,174</b>

See accompanying notes to financial statements.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2015

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 46,490,167	\$ -	\$ 46,490,167
Receivables			
Sales tax	-	4,875,165	4,875,165
Interest	35,103	112	35,215
Prepaid items	18,410	-	18,410
Restricted Assets			
Cash and investments	57,164,572	2,730,192	59,894,764
<b>Total Assets</b>	<b>103,708,252</b>	<b>7,605,469</b>	<b>111,313,721</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	237,021	-	237,021
<b>Total Liabilities</b>	<b>237,021</b>	<b>-</b>	<b>237,021</b>
Fund Balances			
Nonspendable for prepaid items	18,410	-	18,410
Restricted for debt service	45,092,467	7,605,469	52,697,936
Restricted for major capital repairs and improvements	12,072,105	-	12,072,105
Unassigned	46,288,249	-	46,288,249
<b>Total Fund Balances</b>	<b>103,471,231</b>	<b>7,605,469</b>	<b>111,076,700</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 103,708,252</b>	<b>\$ 7,605,469</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 funds.			127,581,270
Long-term liabilities, including accrued interest and long-term debt, are not due and payable in the current period and therefore are not reported in the funds (see Note II.A.).			(125,019,796)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>			<b>\$ 113,638,174</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, 2015

	General Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>			
Sales and use tax	\$ -	\$ 29,327,158	\$ 29,327,158
License plate sales	-	239,487	239,487
Income from other entities	1,500,000	-	1,500,000
Investment income	1,274,528	731	1,275,259
Miscellaneous	45,659	18	45,677
<b>Total Revenues</b>	<b>2,820,187</b>	<b>29,567,394</b>	<b>32,387,581</b>
<b>EXPENDITURES</b>			
Current			
General government	2,190,378	-	2,190,378
Debt Service			
Principal retirement	7,113,110	6,555,000	13,668,110
Interest and debt defeasance	25,532,209	6,187,775	31,719,984
<b>Total Expenditures</b>	<b>34,835,697</b>	<b>12,742,775</b>	<b>47,578,472</b>
Excess of revenues over expenditures	(32,015,510)	16,824,619	(15,190,891)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	16,369,812	-	16,369,812
Transfers out	-	(16,369,812)	(16,369,812)
<b>Total Other Financing Sources (Uses)</b>	<b>16,369,812</b>	<b>(16,369,812)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(15,645,698)</b>	<b>454,807</b>	<b>(15,190,891)</b>
Fund Balances - Beginning of Year	119,116,929	7,150,662	126,267,591
<b>Fund Balances - End of Year</b>	<b>\$ 103,471,231</b>	<b>\$ 7,605,469</b>	<b>\$ 111,076,700</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 FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2015

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Net change in fund balances - total governmental funds	\$ (15,190,891)
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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.

Depreciation is reported in the government-wide statements	(10,064,572)
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Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

	(43,289)
--	----------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

	13,668,110
--	------------

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Increase in accretion (See Note III.F.)	(1,737,237)
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Decrease in accretion due to extinguishment of debt (See Note III.F.)	14,308,859
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Accrued interest on debt	17,247
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 958,227</u></b>
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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, 2015

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# SOUTHEAST WISCONSIN PROFESSIONAL BASEBALL PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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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.
- 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.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

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

---

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

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 a Finance Manager, 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.

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/expenses of that individual governmental are at least 10 percent of the corresponding total for all funds of that 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.



**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

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

---

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

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

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.

Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs. The Debt Service Fund’s revenue sources are generated by two primary sources. The first is the collection of State Sales Tax and proceeds from the sale of specialized Brewers license plates. The District receives 0.1% in sales tax from the five county District jurisdiction areas: Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties. The second source of revenue is investment earnings on restricted and unrestricted cash assets.

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.

***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 sales taxes and interest. Sales tax is accrued as a receivable when the underlying sale relating to it takes place.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

---

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

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

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**

Investment of District funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company 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.
- 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 policy follows the state statute for allowable 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 quoted market prices. 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.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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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.)***

***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. Collateral must be equal to 100% of the market value of the amount invested plus interest to be earned at the time of investment.

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.

***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 III.A. for further information.

***2. Receivables***

***Sales Tax***

The District has a 0.1% sales tax which is collected by the State of Wisconsin and remitted to the District monthly. Sales tax is accrued as a receivable when the underlying sale relating to it takes place. At December 31, 2015, the District has accrued two months of the subsequent year's collections as receivable.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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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.)**

**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 bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position. See Note III.C.

**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.

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**

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. Long-Term Obligations**

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) is reported as other financing sources and payments of principal and interest are reported as expenditures.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

---

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

---

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

***7. 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.
- 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 “net 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.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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

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

**7. Equity Classifications (cont.)**

**Fund Statements (cont.)**

- 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.

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 III.H. for further information.

**NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position.

One element of that reconciliation explains that long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net position.

Bonds payable	\$ 112,106,355
Accretion of long-term obligations	12,658,698
Accrued interest	<u>254,743</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 125,019,796</u>

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

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

	Carrying Value	Statement Balance	Associated Risks
Deposits	\$ 5,358,745	\$ 5,390,364	Custodial credit
U.S. agencies – explicitly guaranteed	6,541,929	6,541,929	Custodial credit, interest rate
U.S. agencies – implicitly guaranteed	48,078,002	48,078,002	Custodial credit, credit, concentration of credit, interest rate
Mutual funds (U.S. Government Money Market fund)	699,746	699,746	Credit, interest rate
U.S. treasuries	18,561,342	18,561,342	Custodial credit, interest rate
Asset-backed securities	299,814	299,814	Custodial credit, credit, concentration of credit, interest rate
Municipal bonds	22,960,363	22,960,363	Custodial credit, credit, concentration of credit, interest rate
Corporate bonds	3,884,990	3,884,990	Custodial credit, credit, concentration of credit, interest rate
	<u>\$ 106,384,931</u>	<u>\$ 106,416,550</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 46,490,167		
Restricted cash and investments	<u>59,894,764</u>		
Total Deposits and Investments	<u>\$ 106,384,931</u>		

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

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

***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 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, 2015, the bank had pledged various government securities in the amount of \$3,058,831 to secure the District's deposits.

Market values 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.

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



**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

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

**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, 2015, 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	AAA	N/A	\$ 45,091,421
U.S. Agencies – implicitly guaranteed	AA	N/A	2,986,581
Asset-backed securities	N/A	AAA	299,814
Municipal bonds	AAA	N/A	7,905,893
Municipal bonds	AA	N/A	8,143,234
Municipal bonds	N/A	AAA	3,110,318
Municipal bonds	N/A	AA	3,800,918
Corporate bonds	AA	N/A	3,738,983
Corporate bonds	A	N/A	146,007
Mutual funds (U.S. Government Money Market fund)	AAA	AAA	699,746

**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.

At December 31, 2015, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Resolution Funding Corporation	U.S. Agencies – implicitly guaranteed	45%

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – 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, 2015, the District's investments were as follows:

Investment Type	Fair Value	Maturity (In years)		
		Less than 1	1 – 10	10 – 40*
U.S. treasuries	\$ 18,561,342	\$ 1,528,368	\$ 17,032,974	\$ -
U.S. agencies – explicitly guaranteed	6,541,929	110,410	6,431,519	-
U.S. agencies – implicitly guaranteed	48,078,002	70,456	38,201,630	9,805,916
Asset-backed securities	299,814	299,814	-	-
Municipal bonds	22,960,363	4,404,628	17,817,793	737,942
Corporate bonds	3,884,990	798,036	3,086,954	-
<b>Totals</b>	<b>\$ 100,326,440</b>	<b>\$ 7,211,712</b>	<b>\$ 82,570,870</b>	<b>\$ 10,543,858</b>

\*U.S. agencies implicitly guaranteed in this category are held in escrow and not subject to the District's investment policy any longer. Municipal bonds in this category are considered prerefunded and must be called in 2016 and 2017, which is in compliance with the District's investment policy.

The District has \$646 and \$699,100 of mutual funds (JP Morgan U.S. Government Money Market fund and Goldman Sachs Financial Square Prime Obligations fund) with weighted average maturities of 42 days and 53 days, respectively.

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.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**C. RESTRICTED ASSETS**

The following represent the balances of the restricted assets:

**Long Term Debt Accounts**

- Redemption Escrow – Used to segregate resources accumulated for debt service payments on certain portions of the 1998A debt issue.
- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Reserve – Used to report resources set aside to make up potential future deficiencies in the redemption account.

Following is a list of restricted assets at December 31, 2015:

	Restricted Assets
General Fund	
Bond redemption escrow	\$ 45,092,467
Segregated reserve fund accounts	12,072,105
Debt Service Fund	
Bond redemption account	2,730,192
Total Restricted Assets	\$ 59,894,764

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015, 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
Total Capital Assets Not Being Depreciated	\$ 5,745,658	\$ -	\$ -	\$ 5,745,658
Capital Assets Being Depreciated				
Buildings	\$ 234,570,733	\$ -	\$ -	\$ 234,570,733
Equipment	9,821,713	-	-	9,821,713
Works of art	774,835	-	-	774,835
Parking lot and parking lot improvements	19,373,326	-	-	19,373,326
Total Capital Assets Being Depreciated	264,540,607	-	-	264,540,607

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Less: Accumulated Depreciation for				
Buildings	\$ (109,240,561)	\$ (7,826,402)	\$ -	\$ (117,066,963)
Equipment	(5,076,554)	(920,787)	-	(5,997,341)
Works of art	(361,590)	(25,828)	-	(387,418)
Parking lot and parking lot Improvements	<u>(17,961,718)</u>	<u>(1,291,555)</u>	<u>-</u>	<u>(19,253,273)</u>
Total Accumulated Depreciation	<u>(132,640,423)</u>	<u>(10,064,572)</u>	<u>-</u>	<u>(142,704,995)</u>
Net Capital Assets Being Depreciated	<u>\$ 131,900,184</u>	<u>\$(10,064,572)</u>	<u>\$ -</u>	<u>\$ 121,835,612</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	<u>\$ 10,064,572</u>
Total Governmental Activities Depreciation Expense	<u>\$ 10,064,572</u>

**E. INTERFUND TRANSFERS**

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General Fund	Debt Service Fund	\$ 16,369,812	Sales tax collections not needed to meet current debt obligations
	Total – Fund Financial Statements	<u>16,369,812</u>	
	Less: Fund Eliminations	<u>(16,369,812)</u>	
Total Transfers – Government-Wide Statement of Activities		<u>\$ -</u>	

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2015, was as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Revenue bonds	\$ 125,774,465	\$ -	\$ 13,668,110	\$ 112,106,355	\$ 6,965,000
Sub-total	<u>125,774,465</u>	<u>-</u>	<u>13,668,110</u>	<u>112,106,355</u>	<u>6,965,000</u>
Other Liabilities					
Accretion of long-term obligations	25,230,320	1,737,237	14,308,859	12,658,698	-
Total Other Liabilities	<u>25,230,320</u>	<u>1,737,237</u>	<u>14,308,859</u>	<u>12,658,698</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 151,004,785</u>	<u>\$ 1,737,237</u>	<u>\$ 27,976,969</u>	<u>\$ 124,765,053</u>	<u>\$ 6,965,000</u>

**Revenue Debt**

Revenue bonds are payable only from revenues derived from the operation of the District.

The District has pledged future sales tax revenues to repay revenue bonds issued and still outstanding. Proceeds from the bonds provided financing for construction of Miller Park. The bonds are payable solely from sales tax revenues and are payable through 2026. The proportion of the revenue stream that is pledged for the debt is approximately 95%. Total principal and interest remaining to be paid on the bonds is \$172,247,574. Principal and interest paid for the current year and total sales tax revenues were \$12,742,775 and \$29,327,158, respectively.

Revenue debt payable at December 31, 2015, consists of the following:

Governmental Activities Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/15
Sales tax revenue capital appreciation bonds, Series 1997	04/29/97	12/15/26	6.00 - 6.175%	\$ 13,269,465	\$ 6,156,355
Sales tax revenue refunding bonds, Series 1998A	09/16/98	12/15/26	5.50%	126,225,000	<u>105,950,000</u>
Total Governmental Activities – Revenue Debt					<u>\$112,106,355</u>

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Revenue Debt	
	Principal	Interest
	2016	\$ 6,965,000
2017	7,617,674	5,951,501
2018	8,787,838	7,424,062
2019	9,209,741	6,998,759
2020	9,670,255	6,537,895
2021 – 2025	56,581,316	24,465,634
2026	13,274,531	2,936,118
Totals	\$ 112,106,355	\$ 60,141,219

The Series 1997 Sales Tax Revenue Capital Appreciation Bonds is a deep discount financial instrument which is issued in such denominations as will result in the total amount received by the purchaser at maturity being equal to \$5,000 or any integral multiple thereof. As such, a portion of the appreciation in value of the certificates “accretes” to the certificate annually. Accretion of the certificate recorded as a long-term obligation payable at maturity of the certificate totaled \$12,658,698 at December 31, 2015. At maturity, the total amount of the Series 1997 Sales Tax Revenue Capital Appreciation Bonds will be \$27,805,000.

**Extinguishment of Debt**

On June 24, 2015, the District used \$32,645,319 of existing funds to purchase U.S. Government Securities to extinguish \$7,113,110 of the Series 1997 Capital Appreciation Bonds. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

**Capital Leases**

Refer to Note III. G.

**G. LEASE DISCLOSURES**

**Lessee – Capital Leases**

The District has no material outstanding sales-type or direct financing leases as lessee.

**Lessee – Operating Leases**

The District has no material operating leases with a remaining noncancellable term exceeding one year.

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)**

**G. LEASE DISCLOSURES (cont.)**

***Lessor – Capital Leases***

The District has no material outstanding sales-type or direct financing leases as lessor.

***Lessor – Operating Leases***

On December 31, 1996, the District entered into a lease agreement with the Milwaukee Brewers Baseball Club, Limited Partnership (the “Team”) for the new stadium. The cost of the stadium being leased is \$231,006,401 and the accumulated depreciation is \$115,503,201 at December 31, 2015. Therefore, the carrying value of the stadium is \$115,503,200 at December 31, 2015. 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 \$1,200,000 per year for the years 2016-2020.

**H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

***Governmental Activities***

Net investment in capital assets	
Capital assets, net of accumulated depreciation	\$ 127,581,270
Less: related long-term debt outstanding	<u>(112,106,355)</u>
Total Net Investment in Capital Assets	<u>15,474,915</u>
Restricted	
General debt service	52,443,193
Major capital repairs and improvements	<u>12,072,105</u>
Total Restricted	<u>64,515,298</u>
Unrestricted	<u>33,647,961</u>
Total Governmental Activities Net Position	<u>\$ 113,638,174</u>

**SOUTHEAST WISCONSIN PROFESSIONAL  
BASEBALL PARK DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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**NOTE IV – 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.

**C. JOINT VENTURES**

The District and the Milwaukee Brewers Baseball Club Limited Partnership (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 31.54% interest in the stadium project and the District will own an undivided 68.46% 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. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 72, *Fair Value Measurement and Application*. When it becomes effective, application of this standard 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, 2015

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
<b>INCOME FROM OTHER ENTITIES</b>	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -
<b>INVESTMENT INCOME</b>				
Interest on general fund investments	640,000	640,000	559,819	(80,181)
Interest on debt defeasance escrow accounts	-	-	714,709	714,709
Total Investment Income	640,000	640,000	1,274,528	634,528
<b>MISCELLANEOUS</b>				
Miscellaneous general revenue	-	-	620	620
Miscellaneous SRF revenue	-	-	45,039	45,039
Total Miscellaneous	-	-	45,659	45,659
<b>TOTAL REVENUES</b>	2,140,000	2,140,000	2,820,187	680,187
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
Operating	35,000	35,000	23,466	11,534
Outside services	817,000	817,000	682,654	134,346
Insurance	310,000	310,000	283,640	26,360
Annual maintenance and repair contribution	310,194	310,194	-	310,194
Segregated reserve fund expenditures	1,889,806	1,889,806	1,200,618	689,188
Total General Government	3,362,000	3,362,000	2,190,378	1,171,622
<b>PRINCIPAL RETIREMENT</b>	-	-	7,113,110	(7,113,110)
<b>INTEREST AND DEBT DEFEASANCE</b>	-	-	25,532,209	(25,532,209)
<b>TOTAL EXPENDITURES</b>	3,362,000	3,362,000	34,835,697	(31,473,697)
Excess (deficiency) of revenues over expenditures	(1,222,000)	(1,222,000)	(32,015,510)	(30,793,510)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	16,342,225	16,342,225	16,369,812	27,587
Total Other Financing Sources (Uses)	16,342,225	16,342,225	16,369,812	27,587
Net Change in Fund Balances	15,120,225	15,120,225	(15,645,698)	(30,765,923)
Fund Balance - Beginning of Year	119,116,929	119,116,929	119,116,929	-
<b>Fund Balance - End of Year</b>	<b>\$ 134,237,154</b>	<b>\$ 134,237,154</b>	<b>\$ 103,471,231</b>	<b>\$ (30,765,923)</b>

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, 2015

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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 and the debt service 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 object level of expenditure.

***SEGREGATED RESERVE FUND***

Under the terms of the lease agreement, the District and the Brewers make an annual payment to provide for future projects at the stadium. The District's required payment was \$1,889,806 for 2015. Additional contributions from the Milwaukee Brewers Baseball Club (MBBC) bring the total contribution to the segregated reserve fund to \$2,500,000. On January 1, 2015, \$10,557,943 was held in the segregated reserve fund from unused funds deposited in previous years. The 2015 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, 2015, was \$12,072,105.

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 \$310,194 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.

***EXTINGUISHMENT OF DEBT***

The negative variance shown in "Principal Retirement" and "Interest and Fiscal Charges" relates to the unbudgeted extinguishment of debt for a portion of the Series 1997 Capital Appreciation Bonds. A total of \$32,645,319 was placed in an irrevocable trust with an escrow agent to provide for \$48,630,000 in future bond payments.