

Green Bay/Brown County
Professional Football Stadium District
Brown County, Wisconsin

ANNUAL FINANCIAL REPORT

December 31, 2018



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Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

DECEMBER 31, 2018

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Independent auditors' report

To the Board of Directors
Green Bay/Brown County Professional Football Stadium District
Brown County, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and each major fund of the Green Bay/Brown County Professional Football Stadium District ("the District") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District'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 District'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 District as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund, the 8257 special revenue fund, the operations and maintenance special revenue fund, and the special event and economic development special revenue fund 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 on pages 3 through 14 and the schedules relating to pensions on page 42 be presented to supplement the basic financial statements. Such information, although not 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.

Prior Year Summarized Financial information

The 2017 financial statements were audited by Schenck SC, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2019, and whose report dated September 11, 2018, expressed unmodified opinions on those respective financial statements of the governmental activities and each major fund from which the prior year summarized financial information was derived.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2020, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
February 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

GREEN BAY/BROWN COUNTY PROFESSIONAL FOOTBALL STADIUM DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS For Year Ended December 31, 2018

INTRODUCTION

The Green Bay/Brown County Professional Football Stadium District (the “District”) is a special district under the provisions of 1999 Wisconsin Act 167 (the “Act”). Pursuant to the Act, the District serves a public purpose by: providing recreation, encouraging economic development and tourism, reducing unemployment and bringing needed capital into the District’s jurisdiction (Brown County, Wisconsin). The District is a local governmental unit, that is a body corporate and politic and that is separate and distinct from, and independent of, the State of Wisconsin, Brown County and all local governmental units falling within the District’s jurisdiction.

The District has all of the powers set forth in § 229.824 of the Wisconsin Statutes. To carry out its statutory purpose the District has undertaken various activities including the renovation of Lambeau Field and the provision of funds for redevelopment, maintenance and operation of stadium facilities. Under the provisions of a Construction Administration Agreement between the District and Lambeau Field Redevelopment, LLC, redevelopment of the stadium was substantially completed on July 31, 2003. The District continues to work with the Team to monitor construction projects undertaken since completion of the 2003 redevelopment. Maintenance and operation of the stadium is governed by provisions of the Lambeau Field Lease Agreement by and among the District, Green Bay Packers Inc. and City of Green Bay, Wisconsin. Consistent with its mission, the District has undertaken an initiative to provide financial support for special events or projects outside of the stadium to foster economic development.

The District is governed by the District Board, which is comprised of seven members. The Mayor of the City of Green Bay appoints three members subject to confirmation by the City Council; the Brown County Executive appoints three members subject to confirmation by the County Board; and the President of the Village of Ashwaubenon appoints one member subject to confirmation by the Village Board of Trustees. Each Board member serves at the pleasure of the appointing authority.

The District’s priorities have evolved over time and can be viewed in the context of several phases. Outlined below are the major activities undertaken by the District during each phase. Although the lists of activities by phase are not exhaustive, they are illustrative of the District’s changing focus throughout the years.

a. **Planning and Organization Phase (May 2000 to May 2001):**

During the Planning and Organization Phase the District’s focus was on developing the organization structure and relationships necessary to complete its duties under the Act and securing the public component of funding for the Lambeau Field Redevelopment. The District’s activities focused on:

- Secured Board appointments.

- Hired staff, obtained a loan for expenses and established an office.
- Selected and retained outside expertise (e.g. local counsel, bond counsel, underwriter and construction consultant).
- Negotiated and entered into the Lambeau Field Lease Agreement and Construction Administration Agreement.
- Enacted the sales tax and ticket tax, developed and executed a plan of financing and issued bonds.
- Carried out general administrative tasks (e.g. established and maintained an accounting system, ensured compliance with open records and meeting law, coordinated public and media relations etc.).

b. Construction Phase (May 2001 to December 2003):

During the Construction Phase the District focused on oversight of the Lambeau Field renovation project to ensure that the project was completed on time, within budget and consistent with the architectural program statement. Tasks completed include but are not limited to:

- Received and invested project funds and allocated funds as required by Statute, Lease and Construction Administration Agreement.
- Complied with bond covenants including payments of principal and interest and continuing disclosure requirements.
- Administered the Construction Administration Agreement, processed applications for payment and monitored the renovation project through monthly project briefings and tours focused on:
 - Master Project Budget,
 - Master Project Schedule,
 - Targeted Business Participation and Workforce Diversity,
 - Design Status,
 - Insurance,
 - Quality Control and Quality Assurance,
 - Project Safety, and
 - Claims.
- Administered the Lambeau Field Lease Agreement.
- Implemented the Commemorative Brick and Tile Program.
- Secured alternative revenues from State Department of Transportation (Packers license plates) and State Department of Revenue (Income Tax Check Off).
- Carried out general administrative tasks.

c. Post-Construction Phase (January 2004 to Present):

During the Post-Construction Phase focus continued on administration of the Lease and Construction Administration Agreement. A major emphasis was given to retiring all outstanding debt as quickly as possible, and all debt was retired on August 1, 2011. A primary objective of this phase was to complete funding of the statutorily required escrows for stadium operations and maintenance and District administrative expenses which allowed the District to terminate the sales tax in 2015. Additionally, the District revised its Mission and Philosophy to include the following:

“We will work with the City, Packers and other public/private organizations to leverage Lambeau Field to bring additional economic development for the benefit of Brown County businesses and taxpayers.”

Consequently, the District will give additional emphasis to using its resources to foster economic development by attracting additional events to Lambeau Field and other Brown County venues and providing financial support for capital projects that encourage economic development and tourism. Post-construction activities of the District include but are not limited to the following:

- Reorganization of District staffing for post-construction environment.
- Administering the Construction Administration Agreement and completing construction closeout.
- Continuing the Commemorative Brick and Tile Program.
- Administering the Lambeau Field Lease Agreement and implementing various programs and activities including:
 - Planning and scheduling Coordination Meetings,
 - Processing draw requests for operations and maintenance and capital improvements,
 - Coordinating the user fee and ticket tax with the City and/or Team,
 - Monitoring Post-Construction Targeted Business Participation and Workforce Diversity,
 - Implementing the Standards for Maintenance Monitoring Program (quarterly monitoring reports, annual maintenance review, game and special event reviews),
 - Establishing Long-Range Capital Improvements Planning and monitoring construction consistent with the Project Management Program agreed upon by the District and Team. The District was also involved in discussion regarding future development of the areas surrounding Lambeau Field,
 - Working to bring Special Events to Lambeau Field including the following Team and/or District events:
 - ✓ WSA Snocross (2004 – 2006)
 - ✓ Frozen Tundra Hockey Classic (2006)
 - ✓ Leap of Faith Lambeau (2007)
 - ✓ LZ Lambeau (2010)
 - ✓ Kenny Chesney Goin’ Coastal Tour (2011)
 - ✓ Kenny Chesney and Jason Aldean concert (2015),
 - ✓ Wisconsin Badgers vs. LSU football (2016),
 - ✓ Billy Joel concert (2017),
 - ✓ Paul McCartney Concert (2019), and
 - ✓ Wisconsin Badgers vs. Notre Dame football (2020)
 - Fostering economic development and tourism through grants from the Special Event and Economic Development Fund.
 - Coordinating the District’s insurance program and conducting the annual insurance review.
 - Receiving and investing project funds and allocating funds as required by statutes and Lease.

- Retiring debt as quickly as possible and complying with bond covenants including payments of principal and interest and fulfilling continuing disclosure requirements. (Note: All debt was retired on August 1, 2011.)
- Managing funds and establishing and fully funding statutorily required escrow funds for stadium operations and maintenance and District operating expenses.
- Completing an Economic Impact Study of the Packers and Redeveloped Lambeau Field.
- Carrying out general administrative duties.

Under the statutes, the District can optionally dissolve once three conditions are met: 1) payment of all bonds (completed in 2011), 2) certification of full-funding of reserves (completed in 2015) and 3) performance of other contractual obligations. If the District optionally dissolves, landlord duties would shift to the City of Green Bay.

The District certified full funding of reserves by letter dated March 31, 2015 and the sales tax was terminated effective October 1, 2015. The process of terminating the sales tax resulted in excess funds being accumulated. On November 30, 2015, the Governor signed a bill into law providing for the return of over \$17 million in excess Lambeau Field taxes to Brown County taxpayers. The law provides for 25% of the excess to be distributed to Brown County and restricted for use for purposes of redeveloping the Brown County Arena and the land on which the arena is located. The remaining 75% of the excess was required to be distributed to the cities, villages and towns in Brown County based on population, and use of these funds is restricted to property tax relief, tax levy supported debt relief or economic development.

A process has been completed evaluating optional dissolution or continuing in operation. The District solicited input regarding optional dissolution from interested parties including the Green Bay Packers, City of Green Bay, Brown County, HALO (local elected officials) and the Brown County Taxpayers Association. In May 2015, the Packers released the following statement to the media, “The Stadium District is working well and the Packers, Brown County and Village of Ashwaubenon support the current structure. The Legislature designed and voters deliberately chose the structure of a single-purpose, non-political entity to oversee Lambeau Field. The District was not designed to dissolve upon termination of the sales tax. To the contrary, its work is not complete and halting its progress now would require a complicated process. The District should continue its vital role of keeping politics out of Lambeau Field and Lambeau Field out of politics.” Based on the input received and an extensive analysis of the Lease and legislation, the District has decided to continue operations.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$245,432,488 (net position). Of this amount, \$157,875,462 represents its net investment in capital assets. Restricted net position of \$85,528,663 is available and includes \$14,381,035 for construction and capital improvements, \$1,009,169 for District administrative expenditures and \$70,138,459 for Lambeau Field operations.

- The District's total net position decreased by \$15,109,427 during 2018.
- As of the close of the current fiscal year, the District's Governmental Funds reported combined ending fund balances of \$87,538,851, a decrease of \$2,960,861 in comparison with the prior year. This decrease is a result of escrowed funds being used for required operations and maintenance payments to the Team. These annual payments will continue through expiration of the current Lease in 2031.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of three components: 1) District-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. The basic financial statements also include the following statements:

- Budgetary Comparison Statement General Fund
- Budgetary Comparison Statement 8257 Fund
- Budgetary Comparison Statement Operations and Maintenance Fund
- Budgetary Comparison Statement Special Event and Economic Development Fund

District-Wide Financial Statements

The District-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.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as total net position. Over time, increases or decreases in total net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, in this case the decrease in net position is the result of the planned drawdown of escrowed funds for stadium operations and maintenance as required by statute and Lease. To assess the overall health of the District additional non-financial factors such as overall economic conditions and new regulations also should be considered.

The Statement of Activities presents information showing the District's expenses and program revenues for total governmental activities as well as changes in net position for 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 future fiscal periods (e.g., uncollected sales taxes).

The District-Wide Financial Statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

A fund is a group 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 and used to account for essentially the same functions reported as governmental activities in the District-Wide Financial Statements. However, unlike the District-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 District-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the District-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate comparison between Governmental Funds and governmental activities.

The District maintains five 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 following major funds: General Fund, 8257 Fund, Operations & Maintenance Fund, Special Event and Economic Development Fund, and Capital Projects Fund. The basic Governmental Fund Financial Statements can be found on pages 16 to 25 of this report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the District-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 26 to 40 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of District's financial position. As of December 31, 2018 the District's net position equaled \$245,432,488 as is shown in the following table.

A portion of the District's net position equal to \$157,875,462 reflects its investments in capital assets (e.g., leasehold improvements, building, works of art, infrastructure etc.), less any debt used to acquire capital assets that is still outstanding. The District uses these capital assets to operate Lambeau Field; 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 District retired all outstanding debt on August 1, 2011.

STATEMENT OF NET POSITION

	2018 Governmental Activities	2017 Governmental Activities
Current and Other Assets	\$ 88,145,699	\$ 92,882,864
Capital Assets (Net of Depreciation)	157,875,462	170,019,728
Total Assets	246,021,161	262,902,592
Long-term Liabilities	-	-
Other Liabilities	588,673	2,360,677
Total Liabilities	588,673	2,360,677
Net Position:		
Net Investment in Capital Assets	157,875,462	170,019,728
Restricted	85,528,663	88,346,010
Unrestricted	2,028,363	2,176,177
Total Net Position	\$ 245,432,488	\$ 260,541,915

Statement of Activities

The following table provides a summary of the District's operations for the year ended December 31, 2018.

Program revenues of the District come from charges for services and operating grants and contributions. Charges for services equal \$8,934,747 and consist of Ticket Fees, License Plate Fees, and Brick and Tile Fees.

Historically, general revenues of the District were generated by three primary sources. The first is the Sales and Use Tax. The District filled required statutory reserves by March 2015, but the tax was not terminated until October 2015. Sales and Use Tax collected subsequent to termination was returned to the State for distribution to political subdivisions as required by recently updated legislation. The second source is change in the fair market value of investments which decreased by \$1,231,566 in 2018. The third source of revenue is investment earnings on restricted and unrestricted cash assets and the District earned \$2,155,755 on its investments in 2018.

The Statement of Activities shows a decrease of \$15,109,427 in the net position at year end.

STATEMENT OF ACTIVITIES

	2018 Governmental Activities	2017 Governmental Activities
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,934,747	\$ 9,752,088
General Revenues:		
Change in fair value of investments	(1,231,566)	146,225
Investment Income	2,155,755	2,021,472
Total Revenues	9,858,936	11,919,785
Expenses:		
Operating and Administrative	415,397	527,506
Stadium Operations and Maintenance	12,408,700	12,783,000
Depreciation	12,144,266	12,144,266
Total Expenses	24,968,363	25,454,772
Change in Net Position	(15,109,427)	(13,534,987)
Net Position - January 1	260,541,915	274,076,902
Net Position - December 31	\$ 245,432,488	\$ 260,541,915

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

All of the District's funds are Governmental Funds and are used to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District uses the following major Governmental Funds:

General Fund: This fund is the general operating fund of the District and is used to account for all financial resources except those accounted for in another fund.

Special Revenue Funds: These funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes. The District uses three Special Revenue Funds: the 8257 Fund; the Operations and Maintenance Fund; and the Special Event and Economic Development Fund.

Capital Projects Fund: This fund is used to account for all financial resources used for the acquisition or construction of major capital facilities.

At the end of current fiscal year, the District's Governmental Funds reported combined ending fund balances of \$87,538,851. The majority of the fund balance is not available for new spending and is restricted or committed for the following purposes:

- 1) Lambeau Field operations and maintenance - \$70,138,459,
- 2) construction - \$14,381,035, and
- 3) special event and economic development - \$1,896,541.

Budgetary Highlights

General Fund

The final amended General Fund budget had total appropriations of \$265,462 – the same as the original budget. Actual expenditures were \$269,041 or \$3,579 more than appropriated as a result of various small amounts.

Special Revenue Funds

As noted above, the District uses three Special Revenue Funds: 8257 Fund, Operations & Maintenance Fund, and Special Event and Economic Development Fund. These funds are used for the following purposes:

8257 Fund - Revenues from the Income Tax Check Off Program, sales of Packers license plates, net revenues from the sales of engraved tiles and bricks, the first \$500,000 in annual ticket tax proceeds and investment earnings thereon are recorded in this fund. The annual sales tax contribution to be used for the operations and maintenance of Lambeau Field is also recorded here. Annual transfers are made to the Operations and Maintenance Fund as required by the Lease.

The final amended 8257 Fund budget had total appropriations of \$8,125, the same as originally budgeted. Actual expenditures were nearly the same at \$8,112.

Revenue was less than budget by approximately \$941,000. A change in the fair value of investments had a negative impact of \$1,200,110, while investment income exceeded budget by \$239,645. Brick and tile fees were \$727 more than anticipated and license plate fees were \$18,221 more than budgeted.

Operations and Maintenance Fund - Revenues from the ticket tax are recorded in this fund, less the first \$500,000 recorded in the 8257 Fund. The ticket tax is 10% of the face value of paid admissions net of sales tax. In addition, annual transfers from the 8257 Fund were made to this fund as required by the Lease for payment of qualified bank fees and for the operations and maintenance of Lambeau Field.

The final amended Operations and Maintenance Fund budget had total appropriations of \$12,519,636, the same as the original budgeted amount. The actual expenditures were less than the budget by \$58,051. These reduced expenditures were offset by decreased ticket tax revenue of \$128,401 and investment income that was \$59,869 more than budgeted.

Special Event and Economic Development Fund – Section 9.1 of the Lambeau Field Lease Agreement provides that the Team’s Permitted Uses of the Lambeau Field Complex include Special Events. Section 9.4 of the Lease provides that “Commencing with the 2004 Lease Year, the City and/or District shall have the right to use the seating bowl, playing field and common areas of the Lambeau Field Complex (excluding private boxes and indoor and outdoor club seats) for commercial events...” This Fund is used to record the District’s revenues and expenses associated with the above events and with certain economic development activities of the District as authorized by Resolution 97.

The final amended Special Event and Economic Development Fund budget had total appropriations of \$175,000 and actual expenditures of \$64,289. This savings in expenditures was due to budgeted grant awards being payable in future years rather than 2018.

Special Event and Economic Development Fund revenue was budgeted at \$12,000. Actual revenue was \$32,123. This was the result of interest revenue exceeding budget.

It is anticipated that the Special Event and Economic Development Fund will experience decreased activity in the future years as a result of several large capital project grants awarded in 2017. The District awarded \$1,000,000 to Brown County dedicated to a capital improvements fund for an expo hall and \$500,000 to the City of Green Bay to support the outdoor events center component of the Shipyard Redevelopment. These awards have nearly exhausted available funding that can only be replenished through the ticket tax and/or parking revenue generated by special events held in the seating bowl of the stadium or recouping of awarded grant funds if projects do not develop as anticipated (Note: The City of Green has withdrawn its request for the Shipyard Redevelopment as not all of the contingencies in the Grant Award Agreement could be met. However, the City has indicated that it intends to submit a future funding request for a similar amount for redevelopment of the Shipyard.) The next major bowl events scheduled are the Paul McCartney Concert scheduled for June 8, 2019 and the Notre Dame vs. Wisconsin football game in October, 2020.

Capital Assets

At the end of 2018, the District had invested a total of \$157,875,462 in capital assets (net of accumulated depreciation).

The major capital asset event during the fiscal year was the depreciation of the capital assets - \$12,144,266.

Additional information on the District's capital assets is shown on page 34.

Long-Term Debt

At December 31, 2018, the District had no long-term debt. The District retired all outstanding debt on August 1, 2011.

CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS

As noted previously, the District completed an analysis of optional dissolution and has determined to remain in operation. As a result of this decision, the length of service and age of staff and the remaining Lease term, the District Board determined that undertaking a succession planning process would be prudent. Consequently, staff developed a Succession Planning Discussion Paper that outlined a number of succession models for Board consideration:

- Employee/Contract Models:
 - Part-Time Employee/Contract
 - Fulltime Employee/Contract

- Management Contract Models:
 - Private Contract
 - Intergovernmental Agreement

At the District Board's meeting of August 30, 2017, the Succession Planning Discussion Paper was reviewed and discussed. Staff agreed to continue to move forward with succession planning and committed to making the transition as seamless as possible. After further discussion at the October 15, 2017 District Board meeting, it was decided that staff should continue investigation of the Private Management Contract Model and bring something forward for consideration by the District Board.

On November 15, 2017, District staff met with representatives of The Sigma Group Inc. ("Sigma") to review the District's programs and activities and explore the firm's interest in assuming overall responsibility for management of the District. Sigma is familiar with Lambeau Field as a result of its completion of the District's Annual Maintenance Assessment since 2004 and also participated in the November 7, 2010, October 15, 2018 and September 15, 2019+ game reviews. These activities have provided Sigma opportunity to:

- Establish positive working relationships with District staff,
- Become acquainted with the District Board members,
- Establish a positive working relationship with the Green Bay Packers – in particular the Facilities Management Department,
- Develop extensive knowledge regarding the Lambeau Field complex and the many changes implemented since the 2003 redevelopment, and
- Gain exposure to game day operations.

Sigma expressed interest and submitted a Proposal for Maintenance Monitoring and Management Services. This proposal was reviewed at the District Board's April 16, 2018 meeting and the Board requested staff to develop a contract with Sigma through 2020. Staff worked with representatives of Sigma to draft a contract between the District and Sigma for maintenance monitoring and management services and submitted it to the District Board for consideration at its June 18, 2018 meeting. The Board approved the contract to commence effective as of July 1, 2018.

Sigma assumed responsibility for management services and maintenance monitoring on July 1, 2018 and has retained the Executive Director as an employee and the Program Consultant as a subcontractor. The Administrative Specialist remains an employee of the District.

To ensure that Sigma is prepared for the eventual retirement of the Executive Director and Program Consultant a Succession Work Plan has been developed which includes orientation of other Sigma personnel and development of (policies, procedures and/or work process flows). Sigma was provided with an orientation binder and orientation kicked off with an August 20, 2018 meeting that included discussion of the following items:

1. Orientation Binder Information:
 - a. Board Roster
 - b. Mission and Philosophy
 - c. Wisconsin Act 167
 - d. Bylaws
 - e. Lease and Amendments
 - f. Budget Assumptions
 - g. Flow of Funds
 - h. Open Meetings Law
 - i. Grant Guidelines
 - j. Contract with Sigma
 - k. Outside Contracts
2. Succession Work Plan
3. Policies, Standard Operating Procedures and Work Process Flows:
 - a. Accounting and Financial Reporting
 - b. Special Event and Economic Development Fund
4. Monthly Tickler (sample format for review and discussion)
5. Board Meeting Agenda

Additional orientation activities undertaken in 2018 included participation of other Sigma personnel in District Board meetings, Annual Insurance Review, Annual Maintenance Assessment, and the 2018 Game Review. During 2019 work will continue on update of development of Policies, Standard Operating Procedures and/or Work Process Flows as appropriate.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances. If you have questions about this report or need any additional information, contact:

Mr. Patrick R. Webb
Executive Director
Green Bay/Brown County Professional Football Stadium District
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Green Bay, WI 54304
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BASIC FINANCIAL STATEMENTS

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF NET POSITION

DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and investments	\$ 87,994,776	\$ 92,846,565
Receivables		
Other	150,911	36,288
Prepaid items	12	11
Capital assets, depreciable	<u>157,875,462</u>	<u>170,019,728</u>
Total assets	<u>246,021,161</u>	<u>262,902,592</u>
LIABILITIES		
Accounts payable	586,721	2,356,171
Accrued and other current liabilities	<u>1,952</u>	<u>4,506</u>
Total liabilities	<u>588,673</u>	<u>2,360,677</u>
NET POSITION		
Investment in capital assets	157,875,462	170,019,728
Restricted	85,528,663	88,346,010
Unrestricted	<u>2,028,363</u>	<u>2,176,177</u>
Total net position	<u>\$ 245,432,488</u>	<u>\$ 260,541,915</u>

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position	
			Governmental Activities 2018	Governmental Activities 2017
GOVERNMENTAL ACTIVITIES				
Operating and administration	\$ 415,397	\$ -	\$ (415,397)	\$ (527,506)
Stadium operations and maintenance	12,408,700	8,934,747	(3,473,953)	(3,030,912)
Depreciation - unallocated	12,144,266	-	(12,144,266)	(12,144,266)
Total	<u>\$ 24,968,363</u>	<u>\$ 8,934,747</u>	<u>(16,033,616)</u>	<u>(15,702,684)</u>
General revenues				
Change in fair value of investments			(1,231,566)	146,225
Investment income			<u>2,155,755</u>	<u>2,021,472</u>
Total general revenues			<u>924,189</u>	<u>2,167,697</u>
Change in net position			(15,109,427)	(13,534,987)
Net position - January 1			<u>260,541,915</u>	<u>274,076,902</u>
Net position - December 31			<u>\$ 245,432,488</u>	<u>\$ 260,541,915</u>

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	<u>General</u>	<u>8257</u>	<u>Operations and Maintenance</u>	<u>Special Event and Economic Development</u>
ASSETS				
Cash and investments	\$ 1,130,927	\$ 70,122,564	\$ 454,409	\$ 1,896,541
Receivables				
Other	-	29,155	121,756	-
Prepaid items	12	-	-	-
Total assets	<u>\$ 1,130,939</u>	<u>\$ 70,151,719</u>	<u>\$ 576,165</u>	<u>\$ 1,896,541</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,171	\$ -	\$ 571,250	\$ -
Accrued and other current liabilities	1,952	-	-	-
Total liabilities	<u>8,123</u>	<u>-</u>	<u>571,250</u>	<u>-</u>
Deferred inflows of resources				
License plate revenue	-	18,175	-	-
Fund balances				
Nonspendable	12	-	-	-
Restricted	1,009,169	70,133,544	4,915	-
Committed	100,000	-	-	1,896,541
Unassigned	13,635	-	-	-
Total fund balances	<u>1,122,816</u>	<u>70,133,544</u>	<u>4,915</u>	<u>1,896,541</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,130,939</u>	<u>\$ 70,151,719</u>	<u>\$ 576,165</u>	<u>\$ 1,896,541</u>

The notes to the basic financial statements are an integral part of this statement.

Capital Projects	Totals	
	2018	2017
\$ 14,390,335	\$ 87,994,776	\$ 92,846,565
-	150,911	36,288
-	12	11
<u>\$ 14,390,335</u>	<u>\$ 88,145,699</u>	<u>\$ 92,882,864</u>
\$ 9,300	\$ 586,721	\$ 2,356,171
-	1,952	4,506
<u>9,300</u>	<u>588,673</u>	<u>2,360,677</u>
-	18,175	22,475
-	12	11
14,381,035	85,528,663	88,346,010
-	1,996,541	2,147,402
-	13,635	6,289
<u>14,381,035</u>	<u>87,538,851</u>	<u>90,499,712</u>
<u>\$ 14,390,335</u>	<u>\$ 88,145,699</u>	<u>\$ 92,882,864</u>

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

BALANCE SHEET
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION TO THE STATEMENT OF NET POSITION		
Total fund balances as shown on previous page	\$ 87,538,851	\$ 90,499,712
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	157,875,462	170,019,728
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	<u>18,175</u>	<u>22,475</u>
Net position of governmental activities as reported on the statement of net position (see page 15)	<u>\$ 245,432,488</u>	<u>\$ 260,541,915</u>

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>8257</u>	<u>Operations and Maintenance</u>	<u>Special Event and Economic Development</u>
REVENUES				
Ticket fees	\$ -	\$ 500,000	\$ 7,676,599	\$ -
Special events	-	-	-	-
License plate fees	-	418,221	-	-
Brick and tile sales	-	60,727	-	-
Change in fair value of investments	(20,888)	(1,200,110)	-	-
Investment income	30,092	1,739,645	91,788	32,123
Total revenues	<u>9,204</u>	<u>1,518,483</u>	<u>7,768,387</u>	<u>32,123</u>
EXPENDITURES				
Current				
Operating and administration	269,041	8,112	52,885	64,289
Stadium operations and maintenance	-	-	12,408,700	-
Total expenditures	<u>269,041</u>	<u>8,112</u>	<u>12,461,585</u>	<u>64,289</u>
Excess of revenues over (under) expenditures	<u>(259,837)</u>	<u>1,510,371</u>	<u>(4,693,198)</u>	<u>(32,166)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	171,164	-	4,716,780	-
Transfers out	-	(4,742,305)	(26,944)	(118,695)
Total other financing sources (uses)	<u>171,164</u>	<u>(4,742,305)</u>	<u>4,689,836</u>	<u>(118,695)</u>
Net change in fund balances	<u>(88,673)</u>	<u>(3,231,934)</u>	<u>(3,362)</u>	<u>(150,861)</u>
Fund balances - January 1	<u>1,211,489</u>	<u>73,365,478</u>	<u>8,277</u>	<u>2,047,402</u>
Fund balances - December 31	<u>\$ 1,122,816</u>	<u>\$ 70,133,544</u>	<u>\$ 4,915</u>	<u>\$ 1,896,541</u>

The notes to the basic financial statements are an integral part of this statement.

Capital Projects	Totals	
	2018	2017
\$ 283,500	\$ 8,460,099	\$ 9,037,424
-	-	236,269
-	418,221	418,348
-	60,727	59,347
(10,568)	(1,231,566)	146,225
<u>262,107</u>	<u>2,155,755</u>	<u>2,021,472</u>
<u>535,039</u>	<u>9,863,236</u>	<u>11,919,085</u>
21,070	415,397	527,506
<u>-</u>	<u>12,408,700</u>	<u>12,783,000</u>
<u>21,070</u>	<u>12,824,097</u>	<u>13,310,506</u>
<u>513,969</u>	<u>(2,960,861)</u>	<u>(1,391,421)</u>
-	4,887,944	4,777,273
<u>-</u>	<u>(4,887,944)</u>	<u>(4,777,273)</u>
<u>-</u>	<u>-</u>	<u>-</u>
513,969	(2,960,861)	(1,391,421)
<u>13,867,066</u>	<u>90,499,712</u>	<u>91,891,133</u>
<u>\$ 14,381,035</u>	<u>\$ 87,538,851</u>	<u>\$ 90,499,712</u>

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION TO THE STATEMENT OF ACTIVITIES		
Net change in fund balances as shown on previous page	\$ (2,960,861)	\$ (1,391,421)
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 activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense reported in the statement of activities	(12,144,266)	(12,144,266)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.	<u>(4,300)</u>	<u>700</u>
Change in net position of governmental activities as reported in the statement of activities (see page 16)	<u>\$ (15,109,427)</u>	<u>\$ (13,534,987)</u>

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
REVENUES					
Change in fair value of investments	\$ -	\$ -	\$ (20,888)	\$ (20,888)	\$ 869
Investment income	32,600	32,600	30,092	(2,508)	31,143
Total revenues	32,600	32,600	9,204	(23,396)	32,012
EXPENDITURES					
Operating and administration	265,462	265,462	269,041	(3,579)	263,544
Excess of revenues under expenditures	(232,862)	(232,862)	(259,837)	(26,975)	(231,532)
OTHER FINANCING SOURCES					
Transfers in	165,262	165,262	171,164	5,902	163,294
Net change in fund balance	(67,600)	(67,600)	(88,673)	(21,073)	(68,238)
Fund balance - January 1	1,211,489	1,211,489	1,211,489	-	1,279,727
Fund balance - December 31	<u>\$ 1,143,889</u>	<u>\$ 1,143,889</u>	<u>\$ 1,122,816</u>	<u>\$ (21,073)</u>	<u>\$ 1,211,489</u>

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - 8257 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
REVENUES					
Ticket fees	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ 500,000
License plate fees	400,000	400,000	418,221	18,221	418,348
Brick and tile sales	60,000	60,000	60,727	727	59,347
Change in fair value of investments	-	-	(1,200,110)	(1,200,110)	225,136
Investment income	1,500,000	1,500,000	1,739,645	239,645	1,725,184
Total revenues	2,460,000	2,460,000	1,518,483	(941,517)	2,928,015
EXPENDITURES					
Operating and administration	8,125	8,125	8,112	13	2,210
Excess of revenues over expenditures	2,451,875	2,451,875	1,510,371	(941,504)	2,925,805
OTHER FINANCING USES					
Transfers out	(4,693,261)	(4,693,261)	(4,742,305)	(49,044)	(4,613,979)
Net change in fund balance	(2,241,386)	(2,241,386)	(3,231,934)	(990,548)	(1,688,174)
Fund balance - January 1	73,365,478	73,365,478	73,365,478	-	75,053,652
Fund balance - December 31	\$ 71,124,092	\$ 71,124,092	\$ 70,133,544	\$ (990,548)	\$ 73,365,478

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - OPERATIONS AND MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
REVENUES					
Ticket fees	\$ 7,805,000	\$ 7,805,000	\$ 7,676,599	\$ (128,401)	\$ 8,203,899
Investment income	31,919	31,919	91,788	59,869	37,214
Total revenues	7,836,919	7,836,919	7,768,387	(68,532)	8,241,113
EXPENDITURES					
Operating and administration	50,650	50,650	52,885	(2,235)	50,141
Stadium operations and maintenance	12,468,986	12,468,986	12,408,700	60,286	12,783,000
Total expenditures	12,519,636	12,519,636	12,461,585	58,051	12,833,141
Excess of revenues under expenditures	(4,682,717)	(4,682,717)	(4,693,198)	(10,481)	(4,592,028)
OTHER FINANCING SOURCES (USES)					
Transfers in	4,718,717	4,718,717	4,716,780	(1,937)	4,613,979
Transfers out	(36,000)	(36,000)	(26,944)	9,056	(33,419)
Total other financing sources (uses)	4,682,717	4,682,717	4,689,836	7,119	4,580,560
Net change in fund balance	-	-	(3,362)	(3,362)	(11,468)
Fund balance - January 1	8,277	8,277	8,277	-	19,745
Fund balance - December 31	<u>\$ 8,277</u>	<u>\$ 8,277</u>	<u>\$ 4,915</u>	<u>\$ (3,362)</u>	<u>\$ 8,277</u>

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - SPECIAL EVENT AND ECONOMIC DEVELOPMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2018
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget		Actual	Variance Final Budget - Positive (Negative)	2017 Actual
	Original	Final			
REVENUES					
Special events	\$ -	\$ -	\$ -	\$ -	\$ 236,269
Miscellaneous	12,000	12,000	32,123	20,123	9,268
Total revenues	12,000	12,000	32,123	20,123	245,537
EXPENDITURES					
Operating and administration	175,000	175,000	64,289	110,711	191,467
Excess of revenues over (under) expenditures	(163,000)	(163,000)	(32,166)	130,834	54,070
OTHER FINANCING USES					
Transfers out	(103,807)	(103,807)	(118,695)	(14,888)	(129,875)
Net change in fund balance	(266,807)	(266,807)	(150,861)	115,946	(75,805)
Fund balance - January 1	-	-	2,047,402	2,047,402	2,123,207
Fund balance - December 31	<u>\$ (266,807)</u>	<u>\$ (266,807)</u>	<u>\$ 1,896,541</u>	<u>\$ 2,163,348</u>	<u>\$ 2,047,402</u>

The notes to the basic financial statements are an integral part of this statement.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Green Bay/Brown County Professional Football Stadium District, Wisconsin (the "District"), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

A. REPORTING ENTITY

The District is a special district formed under 1999 Wisconsin Act 167 of the Wisconsin Statutes. The District operates as a local governmental unit whose authority includes, but is not limited to, issuing bonds and imposing a sales and use tax in Brown County, Wisconsin for the purpose of construction and operating a football stadium facility. The District was created to assist in the expansion and redevelopment of Lambeau Field for the use of the Green Bay Packers professional football team.

A board consisting of seven members manages the business and affairs of the District. The board has the authority to adopt bylaws to govern the District's activities. The composition of the board is governed by Wisconsin statutes as follows:

- ▶ Three members appointed by the chief elected official of the most populous city located wholly or partly within the jurisdiction of the District (Mayor of Green Bay), subject to confirmation or rejection by a majority of the members-elect of the Common Council.
- ▶ Three members appointed by the chief elected official of Brown County (County Executive), subject to confirmation or rejection by a majority of the members-elect of the County Board.
- ▶ One member appointed by the District President of Ashwaubenon, subject to confirmation or rejection by a majority of the members-elect of the District Board of Trustees.

The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Governmental funds include general, special revenue, debt service and capital projects funds. The District has no proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

The District reports the following major governmental funds:

General Fund

This is the District's main operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

8257 Fund

Revenues from the income tax checkoff program and the sales of Packer license plates, net revenues from the sale of engraved tiles and bricks, the first \$500,000 in annual ticket tax proceeds and investment earnings thereon are recorded in this fund. The annual sales tax contributions to be used for the operations and maintenance of Lambeau Field is also recorded here. Annual transfers are made to the Operations and Maintenance Fund as required by the lease.

Operations and Maintenance Fund

Revenues from the ticket tax fee are recorded in this fund, less the first \$500,000 which is recorded in the 8257 Fund. The ticket tax is 10% of the face value of paid admissions net of sales tax. In addition, annual transfers from the 8257 Fund are made as required by the lease. Such revenues will be used for qualified bank fees and for operations and maintenance of Lambeau Field as required under the lease.

Special Event and Economic Development Fund

This fund accounts for revenues and expenses associated with the use of Lambeau Field for certain special events and for other District economic development activities. Net revenues of the fund will be used to offset expenditures for certain special events and/or other economic development activities. Excess interest revenue from the Debt Service Reserve Fund upon retirement of all District obligations was transferred into this fund and committed to support District operations and to promote economic development, tourism and recreation within Brown County.

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter 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 generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include public charges for services and interest.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

2. Receivables

Receivables are recorded at gross amount with uncollectible amounts, if any, recognized under direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

3. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

4. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are accounted for on the consumption method.

Prepaid items of governmental funds in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available financial resources.

5. Capital Assets

Capital assets, which include buildings and improvements, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$1,500 or higher and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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 asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Governmental Activities Years
Buildings	25 - 50
Improvements other than buildings	25 - 75

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

6. **Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The District reports unavailable revenues for license plate revenue. These inflows are recognized as revenues in the government-wide financial statements.

7. **Pensions**

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

8. **Fund Equity**

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Committed fund balance.** Amounts that are constrained for specific purposes by action of the District Board. These constraints can only be removed or changed by the District Board using the same action that was used to create them.
- ▶ **Assigned fund balance.** Amounts that are constrained for specific purposes by action of District management. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- ▶ **Unassigned fund balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The District has not adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. By contract, the District has certain requirements on spending for the 8257 fund. When a policy does not specify the spend-down policy, GASB Statement No. 54 indicates that restricted funds would be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Government-Wide Statements

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

- ▶ **Net investment in capital assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- ▶ **Restricted net position.** Amount of net position that is subject to restrictions that are imposed 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.
- ▶ **Unrestricted net position.** Net position that is neither classified as restricted nor as net investment in capital assets.

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

F. PRIOR YEAR INFORMATION

Comparative amounts for the prior year have been presented in the basic financial statements to provide an understanding of changes in the District's financial position and operations. The comparative amounts may be summarized in total and not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

NOTE 2: STEWARDSHIP AND COMPLIANCE

A. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During the operating year, the District management submits to the Board of Directors a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The proposed budget, including authorized additions and deletions, is legally enacted by District Board action.
2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and special revenue funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to the appropriate fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the general and special revenue funds. Management control for the capital projects fund is achieved through project authorizations included in debt issue resolutions or capital project plans.
4. Expenditures of all funds may not exceed appropriation in total. The Executive Director reports monthly to the Board of Directors in regard to variations in the actual expenditures compared to budget. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the District Board.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

5. Encumbrance accounting is not used by the District to record commitments related to unperformed contracts for goods or services.

The District did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2018.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The District maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and investments".

Investments of the District funds is restricted by the permitted investments as defined by the lease agreement.

Allowable investments include:

- ▶ Bonds or securities of any state of the United States or any agency, instrumentality or local government of a state, under certain circumstances.
- ▶ Bonds or securities issued or guaranteed by the federal government or an agency of the federal government.
- ▶ The Wisconsin local government investment pool.
- ▶ Certificates of deposit and bankers acceptances having the highest or second highest rating category of a nationally recognized rating agency.
- ▶ Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- ▶ Repurchase agreements with public depositories, with certain conditions.

The carrying amount of the District's cash and investments totaled \$87,994,776 on December 31, 2018 as summarized below:

Deposits with financial institutions	\$ 17,087
Investments	87,977,689
	<u>\$ 87,994,776</u>

Reconciliation to the basic financial statements:

Government-wide Statement of Net Position	
Cash and investments	<u>\$ 87,994,776</u>

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Fair Value Measurements

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 observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following fair value measurements as of December 31, 2018:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Goldman Sachs money market mutual funds	\$ 9,475,896	\$ -	\$ -
U.S. treasury notes	4,626,853	-	-
Federal Agency securities	-	6,024,175	-
Municipal bonds	-	4,559,522	-
Corporate bonds	-	1,346,346	-
U.S. Treasury STRIPS	-	61,944,897	-
	<u>\$ 14,102,749</u>	<u>\$ 73,874,940</u>	<u>\$ -</u>

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the District's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2018, none of the District's deposits with financial institutions were in excess of federal and state depository insurance limits.

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

Investment Type	Amount	Exempt from		
		Disclosure	AAA	Aa
Goldman Sachs money market mutual funds	\$ 9,475,896	\$ 9,475,896	\$ -	\$ -
U.S. treasury notes	4,626,853	4,626,853	-	-
Federal Agency securities	6,024,175	-	6,024,175	-
Municipal bonds	4,559,522	-	880,545	3,678,977
Corporate bonds	1,346,346	-	546,420	799,926
U.S. Treasury STRIPS	61,944,897	61,944,897	-	-
Totals	<u>\$ 87,977,689</u>	<u>\$76,047,646</u>	<u>\$ 7,451,140</u>	<u>\$ 4,478,903</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Goldman Sachs money market mutual funds	\$ 9,475,896	\$ 9,475,896	\$ -	\$ -	\$ -
U.S. treasury notes	4,626,853	1,847,062	707,597	2,072,194	-
Federal Agency securities	6,024,175	572,975	1,261,765	4,189,435	-
Municipal bonds	4,559,522	933,423	1,707,031	1,739,470	179,598
Corporate bonds	1,346,346	546,420	49,540	750,386	-
U.S. Treasury STRIPS	61,944,897	5,110,573	5,124,847	15,501,006	36,208,471
Totals	<u>\$ 87,977,689</u>	<u>\$ 18,486,349</u>	<u>\$ 8,850,780</u>	<u>\$ 24,252,491</u>	<u>\$ 36,388,069</u>

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

B. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, depreciable:				
Buildings and improvements	\$330,525,886	\$ -	\$ -	\$330,525,886
Less accumulated depreciation for:				
Buildings and improvements	160,506,158	12,144,266	-	172,650,424
Governmental activities capital assets, net	<u>\$170,019,728</u>	<u>\$(12,144,266)</u>	<u>\$ -</u>	<u>\$157,875,462</u>

C. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2018 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General		
Special Revenue	\$ 171,164	\$ -
8257	-	4,742,305
Operations and Maintenance	4,716,780	26,944
Special Event and Economic Development	-	118,695
	<u>\$ 4,887,944</u>	<u>\$ 4,887,944</u>

Interfund transfers were made for the following purposes:

Transfer to finance annual maintenance costs due to the Packers	\$ 4,742,305
Annual required transfer to General Fund from O&M Fund	26,944
Annual required transfer to General Fund from the Special Event and Economic Development Fund	118,695
	<u>\$ 4,887,944</u>

D. PENSION PLAN

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled a retirement benefit, based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants retire at or after age 55 (50 for protective occupations) and receive an actuarially reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

2. Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

During the year ending December 31, 2018, the WRS recognized \$7,888 in contributions from the District.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the District reported an asset of \$23,173 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.00078050%, which was an increase of 0.00000166% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the District recognized pension expense of \$9,937.

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 29,442	\$ 13,772
Net differences between projected and actual earnings on pension plan investments	-	31,852
Changes in assumptions	4,578	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	209	296
Employer contributions subsequent to the measurement date	5,445	-
Total	<u>\$ 39,674</u>	<u>\$ 45,920</u>

\$5,445 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2019	\$ 2,393
2020	(209)
2021	(7,905)
2022	(6,023)
2023	53
Total	<u>\$ (11,691)</u>

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

5. Actuarial Assumptions

The total pension asset in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset):	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* *No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
U.S. Equities	27%	7.6%	4.7%
International Equities	24.5%	8.5%	5.6%
Fixed Income	27.5%	4.4%	1.6%
Inflation Sensitive Assets	10%	4.2%	1.4%
Real Estate	7%	6.5%	3.6%
Private Equity/Debt	7%	9.4%	6.5%
Multi-Asset	4%	6.7%	3.8%
Total Core Fund	107%	7.4%	4.5%
Variable Fund Asset Class			
U.S. Equities	70%	7.6%	4.7%
International Equities	30%	8.5%	5.6%
Total Variable Fund	100%	7.9%	5.0%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

Single Discount Rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long-term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase to Discount Rate (8.20%)</u>
District's proportionate share of the net pension liability (asset)	\$ 59,958	\$ (23,173)	\$ (86,357)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

6. Payables to the Pension Plan

At December 31, 2018, the District reported a payable of \$459 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2018.

E. FUND EQUITY

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by District Board action. At December 31, 2018, fund balance was committed as follows:

General Fund	
Committed for	
Administrative expenditures	\$ 100,000
Special Revenue Funds	
Committed for	
Special events and other District operations	<u>1,896,541</u>
Total Committed Fund Balance	<u>\$ 1,996,541</u>

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2018, restricted fund balance was as follows:

General Fund		
Restricted for		
District administrative expenditures	\$	1,009,169
Special Revenue Funds		
Restricted for		
Operations and maintenance		70,138,459
Capital Improvements Fund		
Restricted for		
Capital projects		<u>14,381,035</u>
Total Restricted Fund Balance	\$	<u><u>85,528,663</u></u>

NOTE 4: OTHER INFORMATION

A. LEASE DISCLOSURES

On January 1, 2001, the District entered into the Lambeau Field Lease Agreement by and among the District, the City of Green Bay Wisconsin, and the Green Bay Packers, Inc. (the Team). The initial term of the lease commenced on the date the lease was signed and continued until the commencement date of the primary term of the lease, which occurred during 2003. The primary term of the lease will continue for 30 years with the final lease year to be extended to include any post season games played during the final lease year. The Team has an option to extend the primary term of the lease up to five consecutive periods of two year each.

Under the terms of the lease, the Team is responsible for stadium operating and maintenance costs. In 2018, the District provided \$12.409 million for the operations and maintenance of Lambeau Field. The lease provides that the amount will increase 3% annually for municipal employees' labor component and 2% annually for the non-labor component during the remainder of the primary term of the lease. Currently, the blended rate of increase is 2.2%. The District's 8257 Fund is used to accumulate revenues available to pay this commitment.

B. JOINT VENTURE

As discussed in Note 4.A, the District, the City of Green Bay, and the Team entered into a lease agreement for the Lambeau Field stadium project on January 1, 2001. The agreement discusses the acquisition, construction, development, and use and operation of the renovated Lambeau Field.

The agreement states that the City shall be the sole owner of the Lambeau Field site for which the City will be credited \$100 million equity contribution. Except for the site and except as otherwise provided in Section 3.2 of the lease, the City and the District 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 City's ownership interest at any point in time will be the quotient obtained by dividing the City's equity contribution by the sum of the equity contribution of the City and District. The same is true of the District's ownership interest. The Team shall have the right to discrete ownership of particular components whenever the team pays for the costs of such components.

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

The revenue bonds of the District have been paid in full and all bond covenants are deemed as satisfied. The 8257 Fund and the reserve to pay the District Board's administrative expenses were fully funded by March 15, 2015 and as a result, the sales tax ended effective October 1, 2015. The costs and benefits of the two possible landlord models are under development in consultation with officials from the State of Wisconsin and District legal counsel. If the District optionally dissolves, landlord duties would transfer to the City of Green Bay.

C. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage in conjunction with the City of Green Bay and the Team to ensure adequate coverage.

D. CONTINGENCIES

From time to time, the District is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management 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.

E. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. The District is currently evaluating the impact this standard will have on the financial statements when adopted.

REQUIRED SUPPLEMENTARY INFORMATION

Green Bay/Brown County Professional Football Stadium District

Brown County, Wisconsin

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Plan Year Ending</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll (plan year)</u>	<u>Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)</u>
12/31/14	0.00079208%	\$ (19,456)	\$ 108,656	17.91%	102.74%
12/31/15	0.00078678%	12,785	110,696	11.55%	98.20%
12/31/16	0.00077884%	6,420	112,914	5.69%	0.00%
12/31/17	0.00078050%	(23,173)	116,013	19.97%	102.93%

SCHEDULE OF CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM LAST 10 FISCAL YEARS

<u>Fiscal Year Ending</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll (fiscal year)</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/15	\$ 7,527	\$ 7,527	\$ -	\$ 110,696	6.80%
12/31/16	7,452	7,452	-	112,914	6.60%
12/31/17	7,888	7,888	-	116,013	6.80%
12/31/18	5,445	5,445	-	81,272	6.70%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

There were no changes of benefit terms or assumptions for any participating employer in the WRS.

The District is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR BASIC FINANCIAL STATEMENTS



Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Board of Directors
Green Bay/Brown County Professional Football Stadium District
Brown County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Green Bay/Brown County Professional Football Stadium District (the "District") as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 21, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2018-001 that we consider to be a significant deficiency.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

GREEN BAY/BROWN COUNTY PROFESSIONAL FOOTBALL STADIUM DISTRICT'S RESPONSE TO FINDING

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
February 21, 2020

Green Bay/Brown County Professional Football Stadium District Brown County, Wisconsin

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I. INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING NO.	CONTROL DEFICIENCIES
2018-001	Segregation of Duties Repeat of Finding 2017-001
Condition:	The District's Executive Director currently completes all financial, treasury and recordkeeping duties of the District's operations. Accordingly, this does not allow for proper segregation of duties for internal control purposes.
Criteria:	Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single staff member has control over all phases of a transaction.
Cause:	The lack of segregation of duties is due to the limited number of staff and the size of the District's operations.
Effect:	Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.
Recommendation:	We recommend the Board of Directors continue to monitor the transactions and the financial records of the District.
Management Response:	The Lambeau Field Lease Agreement requires that the District establish and maintain various trust funds. Movement of funds held in trust can only be accomplished through the Trustee, who is responsible for ensuring that funds are utilized only for their intended purposes. In addition, management believes that the cost of further segregation of duties would outweigh any benefit.

SECTION II. COMPLIANCE AND OTHER MATTERS

There are no findings related to compliance and other matters that are required to be reported under governmental auditing standards generally accepted in the United States of America for the year ended December 31, 2018.

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