

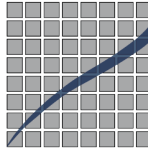
**STADIUM METROPOLITAN DISTRICT  
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

**STADIUM METROPOLITAN DISTRICT  
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## BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

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Board of Directors  
**Stadium Metropolitan District**  
Colorado Springs, Colorado

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Stadium Metropolitan District ("District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2021, the respective changes in financial position, and the budgetary comparison schedule for the general fund, and the budgetary comparison for the general fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibility of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional information procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 30, 2022

## **BASIC FINANCIAL STATEMENTS**

**STADIUM METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 216,495
Cash and Investments - Restricted	255,183
Accounts Receivable - Concessions	25,191
Accounts Receivable - PIF	7,828
Prepaid Expenses	2,760
Capital Assets, Not Being Depreciated	4,036,563
Capital Assets, Net of Depreciation	33,533,612
Total Assets	38,077,632
<b>LIABILITIES</b>	
Accounts Payable	132,184
Noncurrent Liabilities:	
Due in More Than One Year	11,964,771
Total Liabilities	12,096,955
<b>NET POSITION</b>	
Net Investment in Capital Assets	26,950,596
Restricted for:	
Emergency Reserves	16,843
Unrestricted	(986,762)
Total Net Position	\$ 25,980,677

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 2,026,234	\$ 602,619	\$ -	\$ 27,822,766	\$ 26,399,151
Interest and Related Costs on Long-Term Debt	825,137	-	-	-	(825,137)
Total Governmental Activities	\$ 2,851,371	\$ 602,619	\$ -	\$ 27,822,766	25,574,014
<b>GENERAL REVENUES</b>					
PIF Revenue				171,484	
Concessions				389,945	
Total General Revenues				561,429	
<b>CHANGE IN NET POSITION</b>				26,135,443	
Net Position - Beginning of Year				(154,766)	
<b>NET POSITION - END OF YEAR</b>				\$ 25,980,677	

See accompanying Notes to Basic Financial Statements.



**STADIUM METROPOLITAN DISTRICT  
BALANCE SHEET –  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 216,495	\$ -	\$ 216,495
Cash and Investments - Restricted	35,226	219,957	255,183
Accounts Receivable - Concessions	25,191	-	25,191
Accounts Receivable - PIF	7,828	-	7,828
Prepaid Expenses	2,760	-	2,760
Total Assets	<u>\$ 287,500</u>	<u>\$ 219,957</u>	<u>\$ 507,457</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 119,494	\$ 12,690	\$ 132,184
Total Liabilities	119,494	12,690	132,184
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expenses	2,760	-	2,760
Restricted for:			
TABOR	16,843	-	16,843
Repairs and Maintenance	18,383	-	18,383
Unassigned	130,020	207,267	337,287
Total Fund Balances	<u>168,006</u>	<u>207,267</u>	<u>375,273</u>
Total Liabilities and Fund Balances	<u>\$ 287,500</u>	<u>\$ 219,957</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets, Net	37,570,175
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Long-term liabilities, including Developer advances payable are not due and payable in the current period and, therefore, are not reported in the funds.

Developer Advance Payable	(11,019,079)
Accrued Interest Payable - Developer Advance	(945,692)

Net Position of Governmental Activities	<u>\$ 25,980,677</u>
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See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
PIF Revenue	\$ 171,484	\$ -	\$ 171,484
Concessions	389,945	-	389,945
Reimbursed Expenditures	-	66,573	66,573
Intergovernmental Revenues - CSURA	-	12,922,000	12,922,000
Contribution Revenue	-	50,000	50,000
Total Revenues	561,429	13,038,573	13,600,002
<b>EXPENDITURES</b>			
Current:			
Accounting	43,118	-	43,118
Auditing	4,200	-	4,200
Dues and Licenses	21,150	-	21,150
Insurance and Bonds	2,265	-	2,265
Legal Services	34,166	-	34,166
Miscellaneous	16,860	6	16,866
Banking Fees	231	135	366
Event Subcontracted Services - Security	61,665	-	61,665
Repairs and Maintenance	43,345	-	43,345
Small Equipment Expense	1,234	136,934	138,168
Utilities	132,586	-	132,586
Software	38,946	-	38,946
Computer and Internet	93,564	-	93,564
General Liability Insurance	50,071	-	50,071
Events	6,397	-	6,397
Stadium Operating Equipment	4,500	-	4,500
Trash Removal	12,485	-	12,485
Event Expense - Cleaning	58,964	-	58,964
Event Subcontracted Services - Ambulance/Medical	4,185	-	4,185
Event Subcontracted Services - Parking	29,130	-	29,130
Maintenance Supplies	17,046	-	17,046
Stadium Operating Expenses - Signage	6,177	-	6,177
Stadium Operating Expenses - Other	1,442	-	1,442
Food Contracts	190,525	-	190,525
Capital Outlay:			
Engineering	-	15,828	15,828
Sculpture	-	1,474,982	1,474,982
Lighting	-	4,500	4,500
Signs and Graphics	-	20,242	20,242
Stadium - Capital Infrastructure	-	27,706,193	27,706,193
Capital Outlay	-	4,147,196	4,147,196
Total Expenditures	874,252	33,506,016	34,380,268
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(312,823)	(20,467,443)	(20,780,266)
<b>OTHER FINANCING SOURCES (USES)</b>			
Funding Contribution	-	14,784,193	14,784,193
Developer Advance	324,500	8,333,165	8,657,665
Repay Developer Advance	-	(1,100,000)	(1,100,000)
Transfers Between Funds	(487,079)	487,079	-
Total Other Financing Sources (Uses)	(162,579)	22,504,437	22,341,858
<b>NET CHANGE IN FUND BALANCES</b>	(475,402)	2,036,994	1,561,592
Fund Balances (Deficit) - Beginning of Year	643,408	(1,829,727)	(1,186,319)
<b>FUND BALANCES - END OF YEAR</b>	\$ 168,006	\$ 207,267	\$ 375,273

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) –  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds \$ 1,561,592

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:

Capital Outlay	33,368,941
Depreciation Expense	(1,014,907)

The issuance of long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advances	(8,657,665)
Developer Advance Payment	1,100,000

Some revenues reported in the statement of activities do not provide the use of current financial resources and, therefore, are not reported as revenues in governmental funds:

Food Contract Revenue	602,619
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued Interest on Developer Advance - Change in Liability	(825,137)
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Change in Net Position of Governmental Activities	\$ 26,135,443
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**STADIUM METROPOLITAN DISTRICT  
GENERAL FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
PIF Revenue	\$ 222,172	\$ 171,484	\$ (50,688)
Concessions	525,502	389,945	(135,557)
Hospitality	181,471	-	(181,471)
Food Contract Revenue	750,000	-	(750,000)
Total Revenues	<u>1,679,145</u>	<u>561,429</u>	<u>(1,117,716)</u>
<b>EXPENDITURES</b>			
Current:			
Accounting	20,000	43,118	(23,118)
Auditing	5,000	4,200	800
Dues and Licenses	1,500	21,150	(19,650)
Insurance and Bonds	2,500	2,265	235
Legal Services	20,000	34,166	(14,166)
Miscellaneous	-	16,860	(16,860)
Banking Fees	100	231	(131)
Event Subcontracted Services - Security	-	61,665	(61,665)
Repairs and Maintenance	71,300	43,345	27,955
Small Equipment Expense	-	1,234	(1,234)
Utilities	190,667	132,586	58,081
Software	-	38,946	(38,946)
Computer and Internet	202,878	93,564	109,314
General Liability Insurance	287,150	50,071	237,079
Events	69,805	6,397	63,408
Event Subcontracted Services	158,250	-	158,250
Stadium Operating Equipment	5,000	4,500	500
Trash Removal	16,500	12,485	4,015
Event Expense - Cleaning	-	58,964	(58,964)
Event Subcontracted Services - Ambulance/Medical	-	4,185	(4,185)
Event Subcontracted Services - Parking	-	29,130	(29,130)
Maintenance Supplies	-	17,046	(17,046)
Stadium Operating Expenses - Signage	-	6,177	(6,177)
Stadium Operating Expenses - Other	-	1,442	(1,442)
Food Contracts	1,124,210	190,525	933,685
Contingency	20,900	-	20,900
Total Expenditures	<u>2,195,760</u>	<u>874,252</u>	<u>1,321,508</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(516,615)	(312,823)	203,792
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advance	175,000	324,500	149,500
Transfer to other Fund	-	(487,079)	(487,079)
Total Other Financing Sources (Uses)	<u>175,000</u>	<u>(162,579)</u>	<u>(337,579)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(341,615)	(475,402)	(133,787)
Fund Balance - Beginning of Year	374,310	643,408	269,098
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 32,695</u>	<u>\$ 168,006</u>	<u>\$ 135,311</u>

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Stadium Metropolitan District (the District), a quasi-municipal corporation, was organized by ordinance of the city of Colorado Springs (the City) on November 20, 2019 and is governed pursuant to provisions of the Colorado Business Improvement Act (Title 31). The District's service area is located entirely within the City in El Paso County, Colorado. The District was organized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the public improvements within the boundaries of the District, to be more specifically defined in the Development Plan.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens, and fiscal dependency.

The District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment 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 or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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.

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. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2021.

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Equipment	5 Years
Signs and Graphics	10 Years
Field Turf	10 Years
Lighting	10 Years
Stadium – Capital Infrastructure	30 Years

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 216,495
Cash and Investments - Restricted	255,183
Total Cash and Investments	\$ 471,678

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 471,678
Total Cash and Investments	\$ 471,678



**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the District's cash deposits had a bank balance of \$541,682 and carrying balance of \$471,678.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2021, the District had no investments.

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2021 follows:

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 5,216,141	\$ 4,147,196	\$ 9,363,337	\$ -
Sculpture	-	4,036,563	-	4,036,563
Total Capital Assets, Not Being Depreciated	5,216,141	8,183,759	9,363,337	4,036,563
Capital Assets, Being Depreciated:				
Signs and Graphics	-	1,735,478	-	1,735,478
Field Turf	-	796,211	-	796,211
Lighting	-	454,500	-	454,500
Equipment	-	612,076	-	612,076
Stadium - Capital Infrastructure	-	30,950,254	-	30,950,254
Total Capital Assets, Being Depreciated	-	34,548,519	-	34,548,519
Less Accumulated Depreciation For:				
Signs and Graphics	-	121,246	-	121,246
Field Turf	-	55,626	-	55,626
Lighting	-	31,753	-	31,753
Equipment	-	85,523	-	85,523
Stadium - Capital Infrastructure	-	720,759	-	720,759
Total Accumulated Depreciation	-	1,014,907	-	1,014,907
Total Capital Assets, Being Depreciated, Net	-	33,533,612	-	33,533,612
Governmental Activities Capital Assets, Net	<u>\$ 5,216,141</u>	<u>\$ 41,717,371</u>	<u>\$ 9,363,337</u>	<u>\$ 37,570,175</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	<u>\$ 1,014,907</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,014,907</u>

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2021:

	Balance - December 31, 2020	Additions	Retirements	Balance - December 31, 2021	Due Within One Year
Developer Advances - Operations	\$ 75,000	\$ 324,500	\$ -	\$ 399,500	\$ -
Accrued Interest: Developer Advances - Operations	1,726	30,111	-	31,837	-
Developer Advances - Capital	3,386,414	8,333,165	1,100,000	10,619,579	-
Accrued Interest: Developer Advances - Capital	118,829	795,026	-	913,855	-
Total	<u>\$ 3,581,969</u>	<u>\$ 9,482,802</u>	<u>\$ 1,100,000</u>	<u>\$ 11,964,771</u>	<u>\$ -</u>

**Authorized Debt**

On November 4, 2019, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$640,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2021, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 4, 2019 Election	Remaining at December 31, 2021
Water	\$ 40,000,000	\$ 40,000,000
Sanitation	40,000,000	40,000,000
Streets	40,000,000	40,000,000
Traffic and Safety	40,000,000	40,000,000
Parks and Recreation	40,000,000	40,000,000
Public Transportation	40,000,000	40,000,000
Television Relay/Translation	40,000,000	40,000,000
Mosquito Control	40,000,000	40,000,000
Security	40,000,000	40,000,000
Business Recruitment	40,000,000	40,000,000
Fire Protection/Medical	40,000,000	40,000,000
Special Assessment	40,000,000	40,000,000
Revenue Debt	40,000,000	40,000,000
Debt Refunding	40,000,000	40,000,000
Reimbursement Agreements	40,000,000	40,000,000
Total	<u>\$ 640,000,000</u>	<u>\$ 640,000,000</u>

As set forth in the District's 2019 Operating Plan, the City has limited the amount of debt to be issued by the District to a total of \$40,000,000 without further approval by the City.

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Developer Advances**

The District has entered into Funding and Reimbursement Agreements with the Switchbacks FC (Developer) as follows:

**Funding and Reimbursement Agreement – Capital and Operations and Maintenance Costs**

On November 22, 2019, the District entered into a Reimbursement Agreement (the Agreement) with the Developer. The Developer has agreed to advance funds to fund cost of operations, maintenance, and capital projects. The District shall from time to time determine the amount of revenue required to fund budgeted expenditures by the District and request from the Developer an advance. Such advances include an interest rate of 8.00% per annum and are to be reimbursed by the District with the proceeds of any future bond issues or any other available revenues by the District. As of December 31, 2021, outstanding principal for operating advances totaled \$399,500 and accrued interest due totaled \$31,837. As of December 31, 2021, outstanding principal for capital costs advances totaled \$10,619,579 and accrued interest due totaled \$913,855.

**NOTE 6 NET POSITION**

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 37,570,175
Noncurrent Portion of Long-Term Obligations	<u>(10,619,579)</u>
Net Investment in Capital Assets	<u><u>\$ 26,950,596</u></u>

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2021, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 16,843
Total Restricted Net Position	<u><u>\$ 16,843</u></u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of debt obligations.

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 7 RELATED PARTIES**

The Developer of the property which constitutes the District is Colorado Springs Switchbacks FC. Certain members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District.

**NOTE 8 AGREEMENTS AND COMMITMENTS**

Levy Premium Foodservice, LLP

On May 20, 2020, the District entered into an Agreement for the management and operation of the functions of the Stadium and to exclusively oversee the food and beverage concessions and catering services at the Stadium for a period of 12 years with Levy Premium Foodservice, LLP (the Manager). Under the agreement, the Manager agrees to pay District defined percentages of gross receipts generated in the food and beverage areas during each contract year through the end of the agreement in May 2032. Additionally, the District will create a restricted repair and maintenance account equal to 1% of Gross receipts provided by the Manager during each contract year.

**NOTE 9 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

**STADIUM METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)**

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2021, the District had provided but did not fund an Emergency Reserve, which may be a violation of the Constitutional Amendment.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

At an election held on November 4, 2019, the voters approved an annual increase in taxes of up to \$10,000,000 at a mill levy rate without limitation or with such limitations as may be determined by the Board for the purpose of the District's operations, maintenance, and other expenses. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution.

**SUPPLEMENTARY INFORMATION**

**STADIUM METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (DEFICIT) –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Reimbursed Expenditures	\$ -	\$ 66,573	\$ 66,573	\$ -
Intergovernmental Revenues - CSURA	-	12,922,000	12,922,000	-
Contribution Revenue	-	50,000	50,000	-
Total Revenues	-	13,038,573	13,038,573	-
<b>EXPENDITURES</b>				
General and Administrative:				
Legal Services	50,000	-	-	-
Miscellaneous	-	6	6	-
Organization Costs	100,000	-	-	-
Banking Fees	150	135	135	-
Small Equipment Expense	-	136,934	136,934	-
Contingency	52,196	2,036,994	-	2,036,994
Capital				
Engineering	-	15,828	15,828	-
Sculpture	747,654	1,474,982	1,474,982	-
Lighting	200,000	4,500	4,500	-
Signs and Graphics	50,000	20,242	20,242	-
Stadium - Capital Infrastructure	-	27,706,193	27,706,193	-
Capital Outlay	1,000,000	4,147,196	4,147,196	-
Total Expenditures	2,200,000	35,543,010	33,506,016	2,036,994
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	(2,200,000)	(22,504,437)	(20,467,443)	2,036,994
<b>OTHER FINANCING SOURCES (USES)</b>				
Funding Contribution	-	14,784,193	14,784,193	-
Developer Advance	2,200,000	8,333,165	8,333,165	-
Repay Developer Advance	-	(1,100,000)	(1,100,000)	-
Transfers from Other Funds	-	487,079	487,079	-
Total Other Financing Sources (Uses)	2,200,000	22,504,437	22,504,437	-
<b>NET CHANGE IN FUND BALANCE</b>				
	-	-	2,036,994	2,036,994
Fund Balance (Deficit) - Beginning of Year	-	-	(1,829,727)	(1,829,727)
<b>FUND BALANCE - END OF YEAR</b>				
	\$ -	\$ -	\$ 207,267	\$ 207,267