

FOOTBALL STADIUM METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2019

with

Independent Auditor's Report

## C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
Supplemental Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Capital Projects Fund	13



Board of Directors  
Football Stadium Metropolitan District  
Denver County, Colorado

Independent Auditor’s Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Football Stadium Metropolitan District (the “District”), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Football Stadium Metropolitan District as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with 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 (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

## Other Matters

### Required Supplemental Information

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

### Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wipfli LLP*

Wipfli LLP  
Denver, Colorado

April 4, 2025

**FOOTBALL STADIUM METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>					
Cash	\$ 25,796	\$ -	\$ 25,796	\$ -	\$ 25,796
Cash - restricted	1,500	-	1,500	-	1,500
Receivable - Third Party	<u>3,449</u>	<u>-</u>	<u>3,449</u>	<u>(3,449)</u>	<u>-</u>
Total Assets	<u>\$ 30,745</u>	<u>\$ -</u>	<u>\$ 30,745</u>	<u>(3,449)</u>	<u>27,296</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 30,745	\$ -	\$ 30,745	-	30,745
Long-term liabilities:					
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,317,698</u>	<u>1,317,698</u>
Total Liabilities	<u>30,745</u>	<u>-</u>	<u>30,745</u>	<u>1,317,698</u>	<u>1,348,443</u>
<b>FUND BALANCES/NET POSITION</b>					
Fund Balances:					
Restricted:					
Emergencies	1,500	-	1,500	(1,500)	-
Unassigned	<u>(1,500)</u>	<u>-</u>	<u>(1,500)</u>	<u>1,500</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 30,745</u>	<u>\$ -</u>	<u>\$ 30,745</u>		
Net Position:					
Restricted for:					
Emergencies				1,500	1,500
Unrestricted				<u>(1,322,647)</u>	<u>(1,322,647)</u>
Total Net Position				<u>\$ (1,321,147)</u>	<u>\$ (1,321,147)</u>

The notes to the financial statements are an integral part of these statements.

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>					
Accounting and audit	\$ 3,840	\$ -	\$ 3,840	\$ -	\$ 3,840
Insurance	2,135	-	2,135	-	2,135
Legal	52,924	-	52,924	-	52,924
Annual review fee	3,000	-	3,000	-	3,000
Miscellaneous expenses	2,550	-	2,550	-	2,550
Capital improvements	-	1,199,586	1,199,586	-	1,199,586
Third Party advances - interest	-	-	-	57,112	57,112
Total Expenditures	<u>64,449</u>	<u>1,199,586</u>	<u>1,264,035</u>	<u>57,112</u>	<u>1,321,147</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Third Party advance	<u>64,449</u>	<u>1,199,586</u>	<u>1,264,035</u>	<u>(1,264,035)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>64,449</u>	<u>1,199,586</u>	<u>1,264,035</u>	<u>(1,264,035)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>	-	-	-	-	
<b>CHANGE IN NET POSITION</b>				(1,321,147)	(1,321,147)
<b>FUND BALANCES/NET POSITION:</b>					
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,321,147)</u>	<u>\$ (1,321,147)</u>

The notes to the financial statements are an integral part of these statements.

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2019

	Original <u>Budget</u>	Final <u>Budget</u>	Actual	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Accounting and audit	16,728	5,000	3,840	1,160
Insurance	2,500	2,500	2,135	365
Legal	30,000	53,000	52,924	76
Miscellaneous expenses	-	2,978	2,550	428
Emergency reserve	1,522	1,522	-	1,522
Total Expenditures	50,750	65,000	64,449	551
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(50,750)	(65,000)	(64,449)	551
<b>OTHER FINANCING SOURCES</b>				
Third Party advance	50,750	65,000	64,449	(551)
Total Other Financing Sources	50,750	65,000	64,449	(551)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	-	-	-	-
END OF YEAR	\$ -	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of these statements.

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Note 1: Summary of Significant Accounting Policies

The accounting policies of the Football Stadium Metropolitan District (the “District”), located in the City and County of Denver, (“City”) Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

#### Definition of Reporting Entity

The District was organized November 26, 2018, as a quasi-municipal corporation and political subdivision of the State of Colorado established under the State of Colorado Special District Act. The District was organized for the purpose of financing, acquiring, constructing, installing and completing streets, water, sanitation, storm drainage, park and recreation, and other public infrastructure improvements and facilities within and without the boundaries of the District to serve redevelopment property owned by the Metropolitan Football Stadium District ("Stadium District") and leased to the Stadium Management Company, LLC, a Colorado limited liability company, (“Company”), as contemplated in and subject to the limitations set forth in the Service Plan. The District's primary revenues is Third Party Advances. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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*.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

### Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to adopt the budget and appropriate the funds for the ensuing year. 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 appropriation is at the total fund expenditures level and lapses at year end.

The District amended its total appropriations in the General Fund from \$50,750 to \$65,000 primarily as a result of additional legal fees, and in the Capital Projects Fund from \$0 to \$1,200,000 due to the acceptance of costs.

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in this category.

### Fund Equity

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. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$1,500 of the General Fund balance has been reserved in compliance with this requirement.

### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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.

FOOTBALL STADIUM METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2019

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund. All other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets. At December 31, 2019, the District did not have any amount to report in this category.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash

As of December 31, 2019, cash is classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash	\$ 25,796
Cash - restricted	<u>1,500</u>
Total	<u>\$ 27,296</u>

FOOTBALL STADIUM METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2019

Cash as of December 31, 2019, consists of the following:

Deposits with financial institutions \$ 27,296

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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. The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

The District had no investments at December 31, 2019.

Note 3: Long Term Obligations

The following is an analysis of changes in long-term debt for the year ending December 31, 2019:

	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Current</u> <u>Portion</u>
Third Party advance - capital	\$ -	\$ 1,199,586	\$ -	\$ 1,199,586	\$ -
Third Party advance - operations	-	61,000	-	61,000	-
Third Party advance - operations interest	-	971	-	971	-
Third Party advance - capital interest	-	56,141	-	56,141	-
Total	<u>\$ -</u>	<u>\$ 1,317,698</u>	<u>\$ -</u>	<u>\$ 1,317,698</u>	<u>\$ -</u>

## FOOTBALL STADIUM METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2019

#### Interim Funding Agreement

On January 1, 2019 the District and the Company entered into a Interim Funding Agreement, pursuant to which the Company agreed to advance the sum of \$50,000. Additionally, in the Company's sole discretion, the Company may elect to advance additional funds to the District to pay Funding Shortfalls as further described in the agreement. The District agreed to the extent the District has legally available funds which in the District's discretion, to reimburse the Company for prior advances together with interest at the rate of 4.5% per annum compounded annually. The responsibility of the Company to make Advances and the requirement of the District to repay the Repayment Amount pursuant to the terms of this Agreement shall end on December 31, 2020, unless terminated earlier or extended beyond such date by mutual agreement of the Parties in writing; provided, however, if in the event of termination any portion of the Repayment Amount is outstanding on such date, all other provisions of this Agreement shall remain in full force and effect for the purpose of effectuating the repayment of the Repayment Amount, until (i) such time as the Repayment Amount is paid in full, or (ii) thirty (30) years after the Effective Date, whichever date occurs first, at which time all terms and provisions of this Agreement, including without limitation the provisions relating to the repayment of the Repayment Amount, shall terminate completely and unconditionally for all purposes. Subsequent to year-end this agreement was amended, see Note 7 for additional information.

#### Acquisition and Reimbursement Agreement

On July 23, 2019, the Company and the District entered into a Acquisition and Reimbursement Agreement ("Agreement") pursuant to which the District agreed to pay the actual Reimbursement Costs from the issuance of bond, notes or other financial obligations plus interest at 4.5% compounding annually from the date the Reimbursement Costs were paid, but not earlier than November 26, 2018. The term of this Agreement shall end on (i) the date that the Reimbursement Costs of the Public Improvements Plans and all interest thereon have been paid in full to the Company in accordance with the terms hereof, or (ii) December 31, 2049, whichever date occurs first in time, and thereafter the District shall have no further obligation to repay the Reimbursement Costs. Because the District was not organized at the time and the Stadium District did not and at present does not have the ability to finance the costs of organizing the District and the initial costs of pre-construction planning, design and engineering of the public infrastructure improvements in the amount of \$1,199,586. The Company agreed to fund those costs and to transfer its interests, to the District for the District's use with the understanding of the Stadium District and its own expectation that it would be reimbursed by the District as authorized in the Service Plan and provided for herein.

#### Note 4: Tax, Spending and Debt Limitations

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

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2019

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.

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.

On November 6, 2018, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

### Note 5: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("the Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

FOOTBALL STADIUM METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2019

Note 6: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

Long-term liabilities such as developer advance reimbursements and accrued interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and
- 2) governmental funds report developer advances as revenue.

Note 7: Subsequent Event

On June 30, 2021, the District and the Company approved the First Amendment to Interim Funding Agreement. The amendment extends the term of the agreement through December 31, 2023, and also increases the maximum funding amount from \$50,000 to \$190,502.32.

SUPPLEMENTAL INFORMATION

# FOOTBALL STADIUM METROPOLITAN DISTRICT

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital improvements	<u>-</u>	<u>1,200,000</u>	<u>1,199,586</u>	<u>414</u>
Total Expenditures	<u>-</u>	<u>1,200,000</u>	<u>1,199,586</u>	<u>414</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>(1,200,000)</u>	<u>(1,199,586)</u>	<u>414</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Third Party advance	<u>-</u>	<u>1,200,000</u>	<u>1,199,586</u>	<u>(414)</u>
Total Other Financing Sources	<u>-</u>	<u>1,200,000</u>	<u>1,199,586</u>	<u>(414)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of these statements.