

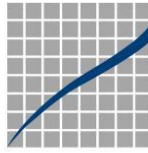
**STADIUM METROPOLITAN DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**STADIUM METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2020**

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Stadium Metropolitan District
El Paso County, Colorado

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

(II)

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, 2020, and the changes in its 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.

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 a 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.

The supplementary 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. Such 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 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 28, 2021

BASIC FINANCIAL STATEMENTS

**STADIUM METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 683,298
Cash and Investments - Restricted	41,231
Prepaid Expenses	2,265
Capital Assets, Not Being Depreciated:	
Construction in Progress	5,216,141
Total Assets	5,942,935
LIABILITIES	
Accounts Payable	1,913,113
Noncurrent Liabilities:	
Due in More Than One Year	3,581,969
Total Liabilities	5,495,082
DEFERRED INFLOWS OF RESOURCES	
Deferred Revenue	602,619
Total Deferred Inflows of Resources	602,619
NET POSITION	
Restricted for:	
Emergency Reserves	24,654
Unrestricted	(179,420)
Total Net Position	\$ (154,766)

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 253,382	\$ 219,171	\$ -	\$ -	\$ (34,211)
Interest and Related Costs on Long-Term Debt	120,555	-	-	-	(120,555)
Total Governmental Activities	\$ 373,937	\$ 219,171	\$ -	\$ -	(154,766)
					-
					(154,766)
					-
					\$ (154,766)

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 683,298	\$ -	\$ 683,298
Cash and Investments - Restricted	24,654	16,577	41,231
Prepaid Expenses	2,265	-	2,265
Total Assets	<u>\$ 710,217</u>	<u>\$ 16,577</u>	<u>\$ 726,794</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 66,809	\$ 1,846,304	\$ 1,913,113
Total Liabilities	66,809	1,846,304	1,913,113
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	2,265	-	2,265
Restricted for:			
TABOR	24,654	-	24,654
Committed for:			
Food Contract	666,129	-	666,129
Unassigned	(49,640)	(1,829,727)	(1,879,367)
Total Fund Balances	643,408	(1,829,727)	(1,186,319)
Total Liabilities and Fund Balances	<u>\$ 710,217</u>	<u>\$ 16,577</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, Not Being Depreciated			5,216,141
Long-term liabilities, including Developer advances payable are not due and payable in the current period and, therefore, are not reported in the funds.			
Deferred Revenue - Food Contract			(602,619)
Developer Advance Payable			(3,461,414)
Accrued Interest Payable - Developer Advance			(120,555)
Net Position of Governmental Activities			<u>\$ (154,766)</u>

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
REVENUES			
Food Contract Revenue	\$ 821,790	\$ -	\$ 821,790
Total Revenues	821,790	-	821,790
EXPENDITURES			
Current:			
Accounting	15,184	-	15,184
Dues and Licenses	259	-	259
Insurance and Bonds	1,992	-	1,992
Legal Services	15,891	47,803	63,694
Banking Fees	15	-	15
Election Expense	870	-	870
Food Contracts	219,171	-	219,171
Banking Fees	-	105	105
Capital Outlay:			
Engineering	-	18,975	18,975
Capital Outlay	-	5,149,258	5,149,258
Total Expenditures	253,382	5,216,141	5,469,523
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	568,408	(5,216,141)	(4,647,733)
OTHER FINANCING SOURCES (USES)			
Developer Advance	75,000	3,386,414	3,461,414
Total Other Financing Sources (Uses)	75,000	3,386,414	3,461,414
NET CHANGE IN FUND BALANCES	643,408	(1,829,727)	(1,186,319)
Fund Balances - Beginning of Year	-	-	-
FUND BALANCES - END OF YEAR	\$ 643,408	\$ (1,829,727)	\$ (1,186,319)

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (1,186,319)

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 5,216,141

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 (3,461,414)

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)

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 (120,555)

Change in Net Position of Governmental Activities \$ (154,766)

**STADIUM METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Food Contract Revenue	\$ -	\$ 821,790	\$ 821,790	\$ -
Total Revenues	-	821,790	821,790	-
EXPENDITURES				
Current:				
Accounting	20,000	15,184	15,184	-
Dues and Licenses	1,500	259	259	-
Insurance and Bonds	500	1,992	1,992	-
Legal Services	10,000	15,891	15,891	-
Banking Fees	-	15	15	-
Election Expense	-	870	870	-
Food Contracts	-	219,171	219,171	-
Engineer	2,000	-	-	-
Organization Costs	100,000	-	-	-
Contingency	10,000	56,618	-	56,618
Total Expenditures	144,000	310,000	253,382	56,618
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(144,000)	511,790	568,408	56,618
OTHER FINANCING SOURCES (USES)				
Developer Advance	144,000	75,000	75,000	-
Total Other Financing Sources (Uses)	144,000	75,000	75,000	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	586,790	643,408	56,618
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ 586,790	\$ 643,408	\$ 56,618

See accompanying Notes to Basic Financial Statements.

**STADIUM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020**

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, 2020.

**STADIUM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 columns 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports 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 and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred revenue* related to food contracts, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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, 2020**

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.

Deficit

The Capital Project Fund reported a deficit in the fund financial statements as of December 31, 2020. The deficit will be eliminated with the receipt of developer advances in 2021.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 683,298
Cash and Investments - Restricted	41,231
Total Cash and Investments	\$ 724,529

**STADIUM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	<u>\$ 724,529</u>
Total Cash and Investments	<u><u>\$ 724,529</u></u>

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, 2020, the District's cash deposits had a bank and carrying balance of \$724,529.

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.

**STADIUM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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, 2020, the District had no investments.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 5,216,141	\$ -	\$ 5,216,141
 Total Capital Assets, Not Being Depreciated	<u>\$ -</u>	<u>\$ 5,216,141</u>	<u>\$ -</u>	<u>\$ 5,216,141</u>

**STADIUM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020:

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Developer Advances - Operations	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -
Accrued Interest:					
Developer Advances - Operations	-	1,726	-	1,726	-
Developer Advances - Capital	-	3,386,414	-	3,386,414	-
Accrued Interest:					
Developer Advances - Capital	-	118,829	-	118,829	-
Total	<u>\$ -</u>	<u>\$ 3,581,969</u>	<u>\$ -</u>	<u>\$ 3,581,969</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, 2020, 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, 2020
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
Operations/Maintenance	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, 2020**

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 (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, 2020, outstanding principal for operating advances totaled \$75,000 and accrued interest due totaled \$1,726. As of December 31, 2020, outstanding principal for capital costs advances totaled \$3,386,414 and accrued interest due totaled \$118,829.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

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, 2020, as follows:

Restricted Net Position:

Emergency Reserves	\$ 24,654
Total Restricted Net Position	<u>\$ 24,654</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.

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 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

**STADIUM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 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 oversee the food and beverage concessions and catering services at the Stadium 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.

NOTE 10 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 11 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.

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, 2020, the District had provided but did not fund an Emergency Reserve, which may be a violation of the Constitutional Amendment.

**STADIUM METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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.

NOTE 12 COMMITMENTS AND CONTINGENCIES

As of December 31, 2020, the District had unexpended construction related contract commitments of approximately \$3,285,612.

SUPPLEMENTARY INFORMATION

**STADIUM METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General and Administrative:				
Legal Services	-	47,803	47,803	-
Banking Fees	-	105	105	-
Contingency	-	83,859	-	83,859
Capital				
Engineering	-	18,975	18,975	-
Capital Outlay	-	5,149,258	5,149,258	-
Total Expenditures	-	5,300,000	5,216,141	83,859
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(5,300,000)	(5,216,141)	83,859
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	5,300,000	3,386,414	(1,913,586)
Total Other Financing Sources (Uses)	-	5,300,000	3,386,414	(1,913,586)
NET CHANGE IN FUND BALANCE	-	-	(1,829,727)	(1,829,727)
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ (1,829,727)	\$ (1,829,727)