METROPOLITAN FOOTBALL STADIUM DISTRICT

Financial Statements

As of December 31, 2023

JDS professional group

certified public accountants, consultants and advisors

METROPOLITAN FOOTBALL STADIUM DISTRICT
CONTENTS

METROPOLITAN FOOTBALL STADIUM DISTRICT
Management's Discussion and Analysis
For the Year Ended December 31, 2023

Our discussion of the District's financial performance provides an overview of our activities for 2023 and 2022, with a comparison to the prior year in each case and certain other background information.

Please read it in conjunction with the District's financial statements, which begin on page four.

FINANCIAL HIGHLIGHTS

- The total current assets decreased by $4.6 million or 12.8%. This decrease was mainly the result of capital repair spending in 2023. Cash accounts decreased by $4.5 million.

- The net fixed or capital assets increased by $59.5 million or 22.4%. There were net additions to capital assets of $96.3 million, decreases in capital assets of $16.4 million due to current year depreciation and a decrease of $20.4 million for assets that were disposed of due to being replaced in 2023.

- The total investment in the Stadium project was $607.5 million through December 31, 2023. The 2023 additions included new scoreboards, suite renovations, team store upgrades, tech upgrades, stadium club improvements, control room upgrades, and other upgrades.

- On September 6, 2019, the District entered into a Naming Rights agreement with Empower. This agreement will continue until March 31, 2040 unless earlier terminated or extended. The name of the Stadium is now Empower Field at Mile High. The lease amount for the Naming Rights from Empower were $3,000,000 in 2023 and will stay constant for the remaining contract years. The amount shown as income for 2023 was $2,242,941. This difference is due to GASB 87 lease reporting requirements and how that lease income is shown.

- The District has a sublease agreement with RTD on Lot M parking. The lease agreement expires on August 31, 2043, unless extended or terminated earlier. Rents are paid in advance in September for the next 12-month period. The District receives 42.5% of the total lease payments, the remaining 57.5% is paid to SMC. In 2023, the District reported $167,415 from this lease using the required lease reporting for 2023.

- In February 2019, the District entered into an agreement with Aramark for the concessions of the Stadium. As part of this agreement, Aramark agreed to contribute $7 million of capital improvements to the stadium in 2019. These additions are included in the additions to fixed assets as well as Deferred Inflows of Resources – Capital contributions. This revenue will be recognized over the terms of the agreement. In the year 2023, $698,861 of the improvements were recognized as non-cash capital contributions.

- In 2023, the Broncos contributed $82.4 million towards the capital improvements for 2023. There will be some carryover of the asset additions into 2024 as the projects are being completed. This contribution of assets is recognized by the District as non-operating income and also as a fixed asset addition since the asset is part of the Stadium owned by the District.

- The District had $10.9 million restricted for capital repairs as of December 31, 2023. In 2012, the District expressed a goal of maintaining a minimum of $4 million in the capital reserve fund.

METROPOLITAN FOOTBALL STADIUM DISTRICT
Management's Discussion and Analysis
For the Year Ended December 31, 2023

USING THIS REPORT

This report comprises three financial statements:

(1) The Statement of Net Position measures the District's financial health or position as of a point in time (December 31). It represents the difference between the District's assets and liabilities and deferred inflows of resources.

Net position is displayed in three components: Cost of the stadium less accumulated depreciation and related debt (including deferred financing costs) is included in Invested in Capital assets; when constraints are imposed externally by laws, other governments, or creditors on net position, they are reported as Restricted e.g. for the Capital Projects and Repairs and for TABOR (refer to Notes 1, 4 and 6); unrestricted net position represent that portion of net position that can be used to finance daily operations without constraints established by laws, enabling legislation or other legal requirements.

(2) Increases or decreases to net position are presented in the Statement of Revenues, Expenses and Changes in Net Position. Increases are one indicator that our financial health improved. Decreases in net position indicate a decline in our financial position (principally because of depreciation).

(3) The Statement of Cash Flows portrays the sources, uses and net change in our cash. Cash flows are segregated as to those related to three major elements - operating, capital and financing, and investing activities.

METROPOLITAN FOOTBALL STADIUM DISTRICT
Management's Discussion and Analysis
For the Year Ended December 31, 2023

CONDENSED COMPARATIVE FINANCIAL INFORMATION (in thousands)

		2023		2022
Operating Revenue from Empower Field at Mile High	$	6,430	$	6,159
Capital contributions		83,218		1,845
Investment income		3,531		1,383
Total revenues		93,179		9,387
Operating expense:				
Repairs and maintenance		989		1,096
General and administrative		265		235
Professional services		146		205
Depreciation		16,373		14,443
Total operating expenses		17,773		15,979
Loss on disposition of assets		20,399		-
Change in net position		55,007		(6,592)
Net position at beginning of year		291,610		298,202
Net position at end of year	$	346,617	$	291,610

Total revenues for 2023 increased by $83.8 million or 892.6%. The major contributor to the large increase in revenues was the capital fixed asset additions that were funded by the Broncos. Non-cash capital contributions increased by $81.4 million in 2023. Interest income was up $2.1 million, the increase is mainly due to new investments in Colotrust which offered higher yield than deposit accounts and the lease GASB 87 accounting method adopted in 2022. Special event income was up from 2022 by $340,656 as more events were scheduled for 2023. Lease income remained fairly consistent with prior year.

Total expenses increased by $1.8 million or 11.2%. Depreciation expense was the largest change, increasing by $1.9 million or 13.4%. Repair and maintenance expenses decreased by $107,128 with slightly less repairs in 2023. General and administrative and professional expenses remained consistent with the prior year.

In 2023, the District reported a loss on disposition of assets of $20 million. This was removing the replaced scoreboard and other items that were replaced with current year improvements.

CONDENSED STATEMENT OF NET POSITION (in thousands):

	2023	2022
Current assets	$ 31,496	$ 36,134
Capital assets, net of accumulated depreciation	324,611	265,132
Lease receivable	60,731	65,048
Total assets	$ 416,838	$ 366,314
Current liabilities	$ 2,024	$ 581
Deferred inflows of resources		
Capital contributions	4,193	4,892
Leases	64,003	69,231
Total deferred inflows of resources	68,196	74,123
Net Position:		
Invested in capital assets, net of debt	324,611	265,132
Restricted for TABOR	46	46
Restricted for capital improvements	10,935	7,285
Unrestricted	11,026	19,147
Total net position	346,618	291,610
Total liabilities, deferred inflows of resources and net position	$ 416,838	$ 366,314

Activity in capital assets for 2023 is summarized as follows:

Balance at beginning of year	$ 265,132
Plus - improvements	
Scoreboards, suite renovations, team store upgrades, tech upgrades, stadium club improvements and control room upgrades	96,252
Less - dispositions - net of accum depreciation	20,400
Less - current year depreciation	16,373
Balance at end of year	$ 324,611

BUDGET COMPARISON (in thousands):

	2023 Actual (000s)	2023 Budget (000s)	(Under) Over Budget (000s)
Resources (inflows):			
Investment income	$ 3,531	$ 20	$ 3,511
Franchise payments	3,027	3,433	(406)
Namings rights revenue	2,243	3,000	(757)
Other lease income	167	145	22
Non-cash capital contributions	83,218	95,000	(11,782)
Other income	993	300	693
Total inflows	93,179	101,898	(8,719)
Charges to appropriations (outflows):			
General and administrative	265	300	(35)
Repairs and maintenance	989	280	709
Professional service	146	500	(354)
Stadium capital improvements	96,252	114,000	(17,748)
Depreciation and amortization	16,373	19,000	(2,627)
Loss on disposition of assets	20,399	-	20,399
Total outflows	134,424	134,080	344
Change in net position	(41,245)	(32,182)	(9,063)
Adjustments to GAAP basis			
Capital improvements	96,252	114,000	(17,748)
Change in net position, GAAP basis	55,007	81,818	(26,811)
Beginning Net Position	291,610	290,808	802
Ending Net Position	$ 346,617	$ 372,626	$ (26,009)

Investment income was over budget due to the change to new investments in Colotrust which offered higher yield than deposit accounts and the lease GASB 87 accounting method adopted in 2022. Non-cash capital contributions, stadium improvements and depreciation were under budget due to projects for contributed assets from the Broncos that were not yet completed at the end of 2023. Loss on disposition of assets was not included in budget, this is for the replacement of assets, major one, being the scoreboard.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Metropolitan Football Stadium District
Denver, Colorado

Opinion

We have audited the accompanying financial statements of the business-type activities and the major enterprise fund of the Metropolitan Football Stadium District (the "District") as of and for the year ended December 31, 2023, 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 business-type activities and the major enterprise fund of the Metropolitan Football Stadium District, as of December 31, 2023, and the respective changes in financial position and cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 our report. We are required to be independent of the District, and to meet our 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, 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.

Independent Auditors' Report (Continued)

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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Independent Auditors' Report (Continued)

We are required to communicate to 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages I through VI and 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

JDS Professional Group

June 18, 2024

METROPOLITAN FOOTBALL STADIUM DISTRICT
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023

ASSETS	
Current unrestricted assets:	
Cash	$ 2,273,997
Investments	13,846,816
Lease receivable	4,316,695
Other receivable	123,240
Total current unrestricted assets	20,560,748
Current restricted assets:	
Cash	180,676
Investments	10,754,190
Total current restricted assets	10,934,866
Capital assets:	
Building	487,552,186
Stadium equipment	56,864,814
Land improvements	27,763,504
Art	327,500
Furniture, fixtures and equipment	4,895
Computers and equipment	11,495
Less: accumulated depreciation	(282,910,690)
Net depreciable capital assets	289,613,704
Land	34,997,466
Total capital assets	324,611,170
Lease receivable	60,731,280
TOTAL ASSETS	$ 416,838,064

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

METROPOLITAN FOOTBALL STADIUM DISTRICT
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES	
Current liabilities:	
Accounts payable	$ 2,024,427
DEFERRED INFLOWS OF RESOURCES	
Capital contributions	4,193,139
Leases	64,003,359
Total deferred inflows of resources	68,196,498
NET POSITION	
Invested in capital assets	324,611,170
Restricted for emergency reserve	46,077
Restricted for capital repairs	10,934,866
Unrestricted	11,025,026
Total Net Position	346,617,139
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 416,838,064

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

METROPOLITAN FOOTBALL STADIUM DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating revenues:	
Naming rights revenue	$ 2,242,941
Franchise lease revenue	3,027,449
Other lease revenue	167,415
Events revenue	992,673
Total operating revenues	6,430,478
Operating expenses:	
Depreciation expense	16,373,319
Repairs and maintenance	988,855
General and administrative	265,520
Professional services	145,631
Total operating expenses	17,773,325
Operating (loss)	(11,342,847)
Non-Operating revenues (expenses):	
Interest income	3,530,680
Loss on disposal	(20,399,484)
Total non-operating revenues (expenses)	(16,868,804)
Loss before capital contributions	(28,211,651)
Capital contributions:	
Building and equipment	83,218,264
Change in net position	55,006,613
Net Position - Beginning of Year	291,610,526
Net Position - End of Year	$ 346,617,139

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

METROPOLITAN FOOTBALL STADIUM DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities	
Receipts from naming rights	$ 2,242,941
Receipts from franchise lease revenues	3,027,449
Receipts from other lease revenues	167,415
Receipts from special events revenues	1,286,425
Payments for operating	(1,086,417)
Payments for general and administrative	(265,520)
Payments for professional services	(145,631)
Net cash provided by operating activities	5,226,662
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(12,190,660)
Net cash (used in) capital and related financing activities	(12,190,660)
Cash Flows from Investing Activities	
Purchases of investments	(23,885,000)
Interest received	1,764,449
Net cash provided by investing activities	(22,120,551)
Net Increase in Cash	(29,084,549)
Cash, Beginning of Year	31,539,222
Cash, End of Year	$ 2,454,673
Noncash Capital and Financing Activities	
Capital Contributions	$ 83,218,264
Lease interest	1,050,225
Total noncash capital and financing activities	$ 84,268,489

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities

Operating loss	$ (11,342,847)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities	
Depreciation expense	16,373,319
Changes in assets and liabilities -	
Decrease in other receivable	293,752
(Decrease) in accounts payable	(97,562)
Net cash provided by operating activities	$ 5,226,662

(SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS)

NOTE (1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Metropolitan Football Stadium District (the "District") is a body corporate and political subdivision of the State of Colorado established pursuant to the Metropolitan Football Stadium District Act, Article 15, Title 32 of the Colorado Revised Statutes, (the "Act"). The District includes all or part of seven counties in the Denver metropolitan area. The District was created for the purpose of planning, acquiring land and constructing a professional football stadium (the "Stadium"). Operations of the District commenced in August 1996.

The District is a separate legal entity responsible for its own financial operations and obligations, and is governed by a Board of Directors (the "Board") of nine members who serve without compensation. Six directors are appointed by the local governments, two directors at large are appointed by the Governor and one director is the chairperson of the Denver Metropolitan Major League Baseball Stadium District. All activities for which the District exercises responsibility have been included in these financial statements.

The District follows the Governmental Accounting Standards Board ("GASB") accounting pronouncements which provide guidance for determining which activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set for the financial accountability of a governmental organization's 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 is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Summary of Significant Accounting Policies

The District uses a proprietary fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

NOTE (1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District uses a proprietary fund-type, an enterprise fund, to account for its activities. The enterprise fund uses the economic resources measurement focus and the accrual basis of accounting for reporting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

The activities of the fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, deferred inflows of resources, net position, revenue and expenses. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosed amount of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments with original maturities of three months or less to be cash equivalents. As of December 31, 2023, the District did not have any cash equivalents.

NOTE (1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets are defined by the District as assets with an individual cost of more than $2,500 and an initial estimated useful life in excess of one year. Land improvements, buildings and other property and equipment are stated at cost and depreciated using the straight-line method over their respective estimated useful lives of three to forty years. Donated capital assets are recorded as estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The District reports capital contributions under its general concession and management agreement (see Note 7) and leases (see Note 8) as deferred inflows of resources.

Capital Contributions

Contributed building and equipment assets are recorded as capital contributions when received.

Net Position

Net position results from the accumulation of net earnings from operating income, non-operating revenues and expenses, and capital contributions and are classified in the financial statements as follows:

Investment in Capital Assets - The investment in capital assets consists of capital assets, net of accumulated depreciation.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE (1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted - This classification includes the residual net position that does not meet the classification of "investment in capital assets" or "restricted."

Leases

The District determines if an arrangement is or contains a lease at inception. Leases are included in lease receivables and deferred inflows of resources on the statement of net position. Lease receivables and deferred inflows of resources - leases, reflect the present value of the future minimum lease payments over the lease term, and lease receivables also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The District does not report lease receivables and deferred inflows of resources for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease revenue on a straight-line basis over the lease term.

Subsequent events

The District evaluated subsequent events through June 18, 2024, the date which the financial statements were available to be issued.

NOTE (2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The budget is legally adopted by the District. The budget is adopted on a basis consistent with GAAP except that capital outlay is treated as an expenditure. In accordance with the State statute, the District's Board of Directors holds public hearings before the end of each year to approve the budget and appropriate funds for the ensuing year. The budget is legally enacted through a motion to approve. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation is at the fund level and lapses at year end.

NOTE (3) CASH AND INVESTMENTS

As of December 31, 2023, the District's cash included the following:

Cash - unrestricted	$ 2,273,997
Cash - restricted	180,676
	$ 2,454,673

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to $250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2023, the District had bank balances totaling $7,597,394 (which includes $5,126,215 in a certificate of deposit classified with investments due to its maturity greater than 3 months) of which $250,000 were insured by FDIC and $7,347,394 were collateralized with securities held by the financial institution's agent but not in their name.

Investments

The District's investment policy specifies investment instruments meeting defined rating, maturity and risk criteria, which includes the following:

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

Deposits and investments of the District are made in accordance with deposit and investment guidelines authorized by State statute and pursuant to an investment policy adopted by the Board.

NOTE (3) CASH AND INVESTMENTS (CONTINUED)

The District categorizes its fair value measurements with the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets.

Interest Rate Risk: Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. The District's follows State statute limits on investment maturities.

As of December 31, 2023, the District had the following investments:

Investment type	Fair Value	Measurement	Rating	Maturity
Certificates of deposit	$ 5,126,215	Fair Value Level 1	None	Less than 1 year
COLOTRUST PLUS+	8,720,601	Net Asset Value	None	Less than 1 year
COLOTRUST PRIME	10,754,190	Net Asset Value	AAAm	Less than 1 year
Total	$ 24,601,006			

Concentration of Credit Risk: The District does not have a policy that addresses specific limitations on the amount that can be invested in any one issuer. As of December 31, 2023, the District's investments were concentrated 21% in a certificate of deposit and 79% in local government investment pools as described below.

NOTE (3) CASH AND INVESTMENTS (CONTINUED)

Local Government Investment Pools

The District has invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), holding shares in two portfolios, COLOTRUST PLUS+ and COLOTRUST PRIME (collectively, the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value per share, with each share valued at $1.00. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by S&P Global Rating. The Trust has no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

NOTE (4) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	December 31, 2022	Acquisitions	(Dispositions)	December 31, 2023
Building	$ 424,004,474	$ 93,771,635	$(30,223,923)	$ 487,552,186
Stadium equipment	54,234,562	2,630,252		56,864,814
Land	34,997,466			34,997,466
Land improvements	27,763,504			27,763,504
Construction in progress	150,388		(150,388)	0
Art	327,500			327,500
Furniture and fixtures	4,895			4,895
Equipment	11,495			11,495
	541,494,284	96,401,887	(30,374,311)	607,521,860
Less:				
Accumulated depreciation	(276,361,810)	(16,373,319)	9,824,439	(282,910,690)
Total	$ 265,132,474	$ 80,028,568	$(20,549,872)	$ 324,611,170

NOTE (5) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters. Certain of these risks are covered by commercial insurance and performance bonds purchased directly by the District from independent third parties.

NOTE (6) TABOR AMENDMENT

On November 3, 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment and has established an emergency reserve, representing 3% of fiscal year spending, as required by the Amendment. The reserve is reflected on the face of the financial statements. As of December 31, 2023, the District had restricted net position of $46,077 in compliance with the requirements of TABOR.

NOTE (7) GENERAL CONCESSION MANAGEMENT AND LICENSE AGREEMENT

During 2019, the District and SMC entered into a General Concession Management and License Agreement (the "Concession Agreement") with Aramark Sports Entertainment Services, LLC ("Aramark"). The Concession Agreement has an initial expiration date of March 31, 2029, and may be renewed for up to two additional terms of five years each. As of December 31, 2019, Aramark provided direct capital improvements and equipment to the Stadium in the amount of $6,988,615. In accordance with GASB pronouncements, as of December 31, 2023, the District recognized $698,861 in capital contributions under the Concession Agreement with the remaining $4,193,139 recorded as deferred inflows of resources to be recognized as revenue over the term of the Concession Agreement through March 2029.

NOTE (8) LEASE REVENUE AND LEASING COMMITMENTS

The District is the lessor for noncancellable leases of naming rights, the Stadium and a parking lot/land use. The District recognizes a lease receivable, reported with non-current assets, and deferred inflows of resources, reported in the statement of net position.

NOTE (8) LEASE REVENUE AND LEASING COMMITMENTS (CONTINUED)

At the commencement of a lease, the District initially measures the lease receivable at the present value of the payments expected to be received during the lease term reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured at the initial amount of the lease receivable, adjusted for lease incentives paid to, or on behalf of, the lessee at or before the lease commencement date. Subsequently, the deferred inflows of resources are amortized on a straight-line basis over the lease term.

Key estimates and judgements related to leases include how the District determines (1) the discount rate used to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments.

Discount rate - The District uses 3.25% as an average of current and past municipal bond rates as the discount rate.

Lease Term - The lease term includes the noncancellable period of the lease.

Lease Payments - Lease payments included in the measurement of the lease receivable are comprised of fixed payments, variable payments fixed in substance or that depend on an index, price or a rate and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Stadium Naming Rights

On September 6, 2019, the District entered into a Naming Rights Agreement (the "Agreement") with Great-West Life and Annuity Insurance Company ("Empower"). The Agreement expires on March 31, 2040, unless earlier terminated or extended. A total of $61,601,275 is due to the District in semi-annual installments through October 1, 2040. Under this Agreement, cumulative through the year ended December 31, 2023, $10,601,275 has been received.

NOTE (8) LEASE REVENUE AND LEASING COMMITMENTS (CONTINUED)

Franchise Lease Agreement

Per the Stadium Lease and Management Agreement (the "Agreement"), dated September 3, 1998, the District leases to PDB Sports Ltd., ("PDB"), the holder of the Denver Broncos National Football League Franchise, the Stadium land together with all the improvements. PDB will lease the Stadium from August 2001 and the lease will continue until 30 years after such date or the end of 30 complete NFL seasons at the Stadium, whichever is later. Additionally, there are two five-year extensions at the option of PDB. The Agreement also provides for PDB to acquire and own certain property and for revenue sharing for non-football events principally with respect to attendance and parking, as more fully described in the Agreement. Rental payments are due annually on February 1 from PDB subsequent to occupancy. The Agreement calls for the establishment of a Capital Replacement Reserve Fund for the purpose of paying all or part of the cost of capital replacement.

Payments to the Capital Replacement Reserve Fund are to be made annually by the District from base rents received from PDB. During the year ended December 31, 2023, $3,594,980 of the franchise lease payment was paid to this Reserve Fund.

Other Lease Agreement

Per a sublease agreement (the "Agreement") dated September 1, 2013, the Stadium Management Company (SMC) leases to Regional Transportation District (RTD), a leasehold interest of real property. The Agreement commenced on September 1, 2013 and the expires on August 31, 2043, unless extended or terminated earlier. In addition, RTD has an option to extend the terms of the Agreement, each for an additional fifteen year period on the same terms and conditions contained in the sublease agreement. The Agreement provides for the rent to paid in advance, with the first annual payment due on or before November 1, 2013, and thereafter each annual payment shall be payable on or before the first day of each September. The initial rent for the first year of the sublease was $677,417. The annual rent shall be increased, on a cumulative basis as outlined in the Agreement. RTD has the right, on various dates, to reduce its use of Lot M and its payments, including on September 1, 2016. RTD agreed to reduce its' parking spaces to 474 effective November 30, 2016. RTD, SMC and the District agreed that the rental payment for the period September 1, 2016 to August 31, 2017 would be $401,644 based on the partial year reduction. In future years, the rental payment will be reduced to $302,989 based on the reduced parking spaces, subject to the annual increases set forth in the Agreement.

NOTE (8) LEASE REVENUE AND LEASING COMMITMENTS (CONTINUED)

Other Lease Agreement (Continued)

The Agreement also stipulates fifty-seven and one-half percent (57.5%) of each rent payment shall be paid by RTD to SMC, and the remaining forty-two and one-half percent (42.5%) of each rent payment shall be paid by RTD to the District.

Future minimum lease payments required under all lease agreements above are as follows as of December 31, 2023:

Year ended December 31,	Principal	Interest	Total
2024	$ 4,316,694	$ 2,103,424	$ 6,420,118
2025	4,467,777	1,959,146	6,426,923
2026	4,620,533	1,813,467	6,434,000
2027	4,778,553	1,662,807	6,441,360
2028	4,939,159	1,509,855	6,449,014
2029 - 2033	20,758,031	5,113,011	25,871,042
2034 - 2038	13,898,038	2,465,881	16,363,919
2039 - 2043	7,269,190	390,226	7,659,416
Total	$ 65,047,975	$ 17,017,817	$ 82,065,792

NOTE (9) DONATED OFFICE SPACE

During 2001, under a License Agreement, the District has donated office and museum space to the Colorado Sports Hall of Fame for their use for an initial 5-year term ending July 31, 2006. After the initial term, the license agreement will automatically renew for up to five successive 5-year periods through July 31, 2031, unless terminated by either party providing written notice at least 180 days prior to commencement of the renewal term. The value of the donated office and museum space was estimated based on an average market rate for the central business district of Denver of $30 per square foot. The office and museum space is approximately 3,000 square feet resulting in annual donated space of approximately $77,000.

METROPOLITAN FOOTBALL STADIUM DISTRICT
Budgetary Comparison Schedule
Year Ended December 31, 2023

	(in Thousands)		
	2023		
	Actual	Original and Final Budget	(Under) Over Budget
Resources (inflows):			
Interest income	$ 3,531	$ 20	$ 3,511
Franchise payments	3,027	3,443	(416)
Naming rights revenues	2,243	3,000	(757)
Miscellaneous sublease revenues	167	145	22
Capital contributions	83,218	95,000	(11,782)
Other income, rent, parking, and events	993	300	693
Amounts available for appropriation	93,179	101,908	(8,729)
Charges to appropriations (outflows):			
Administrative costs	265	300	(35)
Repairs and maintenance	989	280	709
Professional service	146	500	(354)
Capital outlay	96,252	114,000	(17,748)
Loss on disposal	20,399	-	20,399
Depreciation and amortization	16,373	19,000	(2,627)
Total charges to appropriations	134,424	134,080	344
Change in net position	(41,245)	(32,172)	(9,073)
Adjustment to GAAP basis			
Acquisitions of capital assets	96,252		
Change in net position, GAAP basis	55,007		
Beginning net position	291,610	290,808	802
Ending net position	$ 346,617	$ 258,636	$ (8,271)

The District's annual budget is prepared on the same basis as its accounting records (except that capital outlay is treated as expenditures), approved by the District's Board of Directors and is filed with designated State officials in compliance with Colorado statutes.

(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)