DENVER METROPOLITAN
MAJOR LEAGUE BASEBALL STADIUM DISTRICT
(Component Unit of State of Colorado)

FINANCIAL STATEMENTS

For the years ended December 31, 2011 and 2010

Together with Independent Auditors' Report Thereon

STRASHEIM & ASSOCIATES, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT

TABLE OF CONTENTS

STRASHEIM & ASSOCIATES, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Denver Metropolitan Major League
Baseball Stadium District,
The Legislative Audit Committee and
The State Auditor of the State of Colorado

We have audited the accompanying financial statements of the Denver Metropolitan Major League Baseball Stadium District (the District) (a component unit of the State of Colorado) as of and for the years ended December 31, 2011 and 2010, as set forth in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District (a component unit of the State of Colorado) as of December 31, 2011 and 2010 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2 through 5 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.

STRASHEIM & ASSOCIATES, CPA, LLC

Strash & Associates, CPA, LLC

Denver, Colorado
March 30, 2012

DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
2001 Blake Street, Denver, CO 80205-2000

Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010

Our discussion of the District's financial performance provides an overview of our activities for 2011and 2010, 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 six.

FINANCIAL HIGHLIGHTS

- In December 2010, The District transferred approximately 5.7 acres of District land to the Regional Transportation District (under threat of condemnation) for construction of a light rail line as well as two permanent easements covering approximately 2.5 acres. The District received minimum fee compensation of $15,000,000 to be used to acquire replacement parking for the 640 parking spaces lost in the Coors Field Main Lot. The transfer was done to accommodate RTD's need for immediate possession to begin work on the project. See Note 3 for further information. The District also acquired the "Delgany" Street property (land and building) in 2009 for $2,314,938. The property is subject to a lease and is ultimately expected to provide additional parking for Coors Field.

- Operating revenue from lease of the ballpark to the Colorado Rockies Baseball Club (CRBC) increased $113,035 (15%) overall in 2011. Parking share gross revenue increased $134,720 and expenses increased $10,770 The average ticket price for parking increased $.068 while District net rentals from parking increased $84,871 on non-game days and $39,079 on game days. Attendance rent was $100,000 and decreased $12,317 (4.4%) (although one more game was played in 2011).

- For 2010 operating revenue from CRBC lease increased by $66,242 (10%) overall despite two post-season and one more regular season game in 2009. The CRBC did not experience the same decline in attendance that affected all or major league baseball resulting from the national recession, as the Rockies average attendance increased by 8.6% in 2010. District net rentals from parking increased $54,458 on game days (excluding $15,742 from the 2009 post season) and $15,612 on non-game days principally from the Main Lot.

- The District's net assets declined $2.6 million in 2011 and $2.9 million in 2010 as a result of depreciation provisions in excess net operating and non-operating revenue.

- The CRBC pays the expense related to repair, maintenance and use of the Stadium (including property taxes) on a year-round basis. In addition, they made specified lease payments of $863,809 and $834,276 into an escrow repairs fund for 2011 and 2010, respectively. This fund had accumulated approximately $2,980,000 as of January 31, 2012 after having paid out $939,605 in 2011 and $741,778 in 2010 for repairs, replacements and improvements in those years. This fund is owned by the CRBC.

- Improvement/replacements paid for by the CRBC and completed in 2011 include stadium padding, service level lighting, control room video, coiling fire doors, ceiling tile and carpet replacements among others. 2010 includes new TV's, dugout flooring, cooling tower services, dock doors, water heaters, ceiling tile, expansion joints and light fixtures/lighting. Expenditures that add value to or replace/improve District owned assets are recognized as such in the District's financial statements. Accordingly, assets totaling $580,351 and $470,085 were capitalized in 2011 and 2010, respectively.

- District sales tax revenues and related rebates thereof fluctuate significantly and are based on taxable transactions completed prior to 2001 (e.g. leases).

DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
2001 Blake Street, Denver, CO 80205-2000

Management's Discussion and Analysis
For the Years Ended December 31, 2011 and 2010

USE OF THIS REPORT

- This report comprises three financial statements:

(1) The Statements of Net Assets measure the District's financial condition at year-end. It represents the difference between the District's assets and liabilities.

Net assets are displayed in three components: Cost of the stadium and related property less accumulated depreciation and related debt is included in *Invested in Capital Assets*; when constraints are imposed externally by laws, other governments, or creditors on net assets they are reported as *Restricted; Unrestricted* net assets represent that portion of net assets that can be used to finance daily operations without constraints established by laws, enabling legislation or other legal requirements. The District currently considers its unrestricted net assets as unavailable for refund to local governments as a result of new debt obligations and the obligation to acquire additional parking spaces as a result of RTD's acquisition of the District's prime parking spaces.

(2) Increases or decreases to net assets are presented in the Statements of Revenues, Expenses and Changes in Net Assets.

Decreases in net assets represent declines in our financial position, (principally because of depreciation).

(3) The Statements of Cash Flows portray the sources, uses and net change in our cash and cash equivalents. Cash flows are segregated by three major elements—operating, capital and financing and investing activities.

CONDENSED COMPARATIVE FINANCIAL INFORMATION (in thousands):

	2011	2010	2009
Operating revenue from Coors Field	$ 845	$ 732	$ 666
Non-operating revenue:			
Non cash revenue	580	470	442
Net lease rentals	102	45	51
Sales and use tax (refunds), net	23	12	(12)
Interest income	4	1	1
Total revenue	1,554	1,260	1,148
Operating expense	(4,136)	(4,163)	(4,202)
Net assets:			
Decrease for year	(2,582)	(2,903)	(3,054)
At end of year	$142,320	$144,902	$147,805

Total revenue for 2011 increased 23% or $294 and total expenses decreased $27 (1%) from 2010.

Operating lease revenue for both years fluctuated as previously described.

For 2011, non-cash revenues increased by $110 as a result of increased capital replacements of Stadium property paid for by the lessee (CRBC). Tax revenues increased $10.6 and interest income increased $3 because of increases in investable funds from RTD.

Operating expenses in 2011 decreased $26, from lower depreciation provisions of $14 and professional fees and other expenses of $12 principally legal fees, insurance and other expenses.

For 2010 Non-cash revenues increased by $28 as a result of increased capital replacements of Stadium property paid for by the lessee (CRBC). Tax revenues increased $24 as the result repayments of sales/use tax revenues in 2009.

Operating expenses decreased by $39 (1%) in 2010 from decreased depreciation provisions of $37, professional fees and other expense of $2.

Condensed Statements of Net Assets (in thousands):

	2011	2010	2009
Current assets	$ 17,610	$ 2,340	$ 2,101
Capital assets	138,993	143,023	146,583
Deferred costs	354	383	408
Long-term receivable – RTD	911	242	18
Total assets	$157,868	$145,988	$149,110
Current liabilities/deferred income	$ 15,215	$ 447	$ 337
Long-term debt	321	627	968
Security Deposit	12	12	-0-
Total liabilities	15,548	1,086	1,305
Net assets:			
Invested in capital assets	138,336	142,066	145,378
Restricted	1,387	24	22
Unrestricted	2,597	2,812	2,405
Total net assets	$142,320	$144,902	$147,805

Current assets increased in 2011 by $15,269 from: Cash from RTD related to land taking—$15,361; net operating revenue—$727; non-operating revenue—$117; repayment of note payable $(291); expenses pertaining to RTD land taking—$(583); and expense payment of accrued expense at the beginning of the year of $(62).

For 2010, current assets increased $239 (11%) resulting from: net operating revenues of $638, non-operating revenues of $47 (including Delgany rents of $66), repayment of note payable $(277), payment of deferred costs of $(47), payment of fees pertaining to the RTD taking $(134), and receipt of lease security deposit $12.

The net increase in total liabilities in 2011 of $14,462 comprises: $15,000 received from RTD less the cost of land and improvements charged thereto of $(599); for net deferred income of $14,401; project oversight funds received from RTD of $373 less December costs of $(12); decrease in operating accounts payable of $(25); note repayments of $(291); increase in capitalized payables of $25 and decrease in accrued interest of $(8).

In 2010 total liabilities decreased $(220) due to accrual of interest and other expense for $89, note repayments of $(278) increase in operating payables $15, decrease in capitalized payables $(48), recognition of security deposit $12 and payment of property taxes of $(10).

Costs incurred pertaining to RTD's taking of District property were $669 in 2011 and $224 in 2010.

Deferred costs pertaining to the Delgany property lease were $3 in 2010.

All other changes in capital and other assets in 2011 and 2010 resulted from depreciation and amortization, and for 2011, also from receipt of restricted cash from RTD. Restricted assets increased or decreased based upon the TABOR Amendment requirements (refer to Note 8).

The overall decreases in net assets for 2011 of $2,582 (1.8%) and for 2010 of $2,902 (9.5%) resulted from the excess of depreciation/amortization over other net operating and non-operating revenues.

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DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
Statements of Net Assets
December 31, 2011 and 2010

	2011	2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,155,199	$ 2,261,842
Accounts receivable - lessee	90,550	72,779
Prepaid expense	23	5,920
Sub-total operating	2,245,772	2,340,541
Restricted cash - replacement parking	15,002,899	-
Restricted cash - project oversight	361,000	-
Total current assets	17,609,671	2,340,541
Non-current assets:		
Capital Assets - Coors Field/Other:		
Land	19,743,220	20,256,001
Land improvements	13,214,443	13,345,292
Buildings	149,369,889	149,246,565
Other property and equipment	27,596,381	27,146,196
	209,923,933	209,994,054
Less: accumulated depreciation	(70,931,099)	(66,971,243)
	138,992,834	143,022,811
Other receivables (RTD) - non current	910,996	241,715
Deferred costs, net of accumulated amortization of $373,929 ($345,237 in 2010)	354,369	383,061
Total assets	$ 157,867,870	$ 145,988,128
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expense	$ 128,211	$ 129,223
Note payable - current	305,773	291,213
Accrued interest	18,283	26,776
Restricted current liabilities/deferred income:		
Minimum fee compensation for land taking in progress	14,401,384	-
RTD project oversight funds	361,000	-
Total current liabilities and deferred income	15,214,651	447,212
Note payable - non-current	321,062	626,836
Refundable security deposit	11,667	11,667
Total liabilities	$ 15,547,380	$ 1,085,715
NET ASSETS		
Restricted for capital projects	$ 1,358,017	$ -
Invested in capital assets	138,336,049	142,066,319
Restricted for TABOR	29,233	23,830
Unrestricted	2,597,191	2,812,264
Total net assets	$ 142,320,490	$ 144,902,413

The accompanying notes are part of these financial statements.

DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended December 31, 2011 and 2010

	2011	2010
Operating revenue from lease of Coors Field:		
Parking	$ 717,889	$ 593,819
Attendance	100,000	112,317
Concessions and other	27,424	26,142
	845,313	732,278
Operating expense:		
Depreciation and amortization	4,040,404	4,054,902
Professional services	71,371	81,521
General, administrative and other	24,922	26,716
	4,136,697	4,163,139
Operating loss	(3,291,384)	(3,430,861)
Non-operating revenues (expenses):		
Non-cash lease income	580,351	470,085
Sales and use taxes net of refunds and other	22,907	12,300
Net lease rentals - Delgany Street	102,256	45,258
Interest income	3,947	954
	709,461	528,597
Decrease in net assets	(2,581,923)	(2,902,264)
Net assets-beginning of year	144,902,413	147,804,677
Net assets-end of year	$ 142,320,490	$ 144,902,413

The accompanying notes are part of these financial statements.

DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Received from lessee	$ 827,542	$ 735,439
Paid for professional and other services	(118,011)	(93,119)
Net cash provided by operating activities	709,531	642,320
Cash flows from capital and related financing activities:		
Payment of accrued capital expense	(62,205)	-
Lease rent Delgany Street property	140,004	135,687
Repayment of Delgany note payable	(291,213)	(277,346)
Interest paid on Delgany note (imputed)	(45,902)	(59,770)
Acquisition costs of new property lease	-	(13,100)
Property tax paid & other	5,474	(9,983)
Security deposit received on lease	-	11,667
Sales and use tax revenue received (paid)	19,139	(20,672)
Payment of deferred costs - View Plane	-	(34,257)
Professional fees charged to other receivable (RTD)	(582,512)	(133,294)
Net cash (used) by capital and related financing activities	(817,215)	(401,068)
Cash from investing activities - interest income	1,041	954
Net increase (decrease) in cash and cash equivalents	(106,643)	242,206
Cash and cash equivalents, beginning of year	2,261,842	2,019,636
Cash and cash equivalents, end of year	$ 2,155,199	$ 2,261,842
Reconciliation of operating cash flows:		
Operating loss	$ (3,291,384)	$ (3,430,861)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	4,040,404	4,054,902
(Increase) decrease in receivable from lessee	(17,771)	3,162
(Increase) decrease in prepaid expense	3,858	115
Increase (decrease) in operating accounts payable	(25,576)	15,002
Total adjustments	4,000,915	4,073,181
Net cash provided by operating activities	$ 709,531	$ 642,320
Restricted cash received from RTD for land taking, interest thereon and initial project funds	$ 15,375,899	$ -
Non-cash capital activity -other lease income - capitalized assets pertaining to Coors Field paid for by lessee	$ 580,351	$ 470,085

The accompanying notes are
part of these financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Denver Metropolitan Major League Baseball Stadium District (the District) is a corporate body and political subdivision of the State of Colorado established pursuant to the Denver Metropolitan Major League Baseball Stadium District Act, *Article 14, Title 32* of the Colorado Revised Statutes, as amended (the Act). The District currently includes all or part of seven counties in the Denver metropolitan area. The District was created for the purpose of acquiring, constructing and operating a major league baseball stadium (Ballpark).

The Act authorized the District to levy and collect sales/use tax as of August 1, 1991 of one-tenth of one percent throughout the District to assist in financing the acquisition and construction of the Ballpark. On January 1, 2001 the District discontinued the levy of the sales tax upon the final defeasance of all of its outstanding debt *(Note 3)*.

On July 5, 1991, Denver, Colorado was awarded a major league baseball club franchise by the National League of Professional Baseball Clubs.

Summary of Significant Accounting Policies

The District is a separate legal entity responsible for its own financial operations and obligations, and is governed by a Board of Directors (Board) of seven members who are appointed by the Governor of the State of Colorado, and who serve without compensation. All activities for which the District exercises responsibility have been included in these financial statements. The District has been classified as a component unit of the State of Colorado and is included in the Comprehensive Annual Financial Report of the State.

The financial statements of the District are presented on the basis of governmental proprietary fund accounting concepts, using the economic resources measurement focus and the accrual basis of accounting, and in accordance with Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (GASB 34) as amended.

Coors Field—land improvements, buildings, and other property and equipment are stated at cost and amortized and depreciated using the straight-line method over their respective estimated useful lives of 3 to 50 years beginning April 1995 when the Ballpark was placed in service.

Direct costs related to the Ballpark and Delgany Street property leases were deferred and are amortized on the straight-line basis over the remaining life of the leases, which expire in 2017 and 2014, respectively.

The District defines operating revenues as those revenues for which cash flows are reported as operating activities, i.e., derived from its principal on-going operations (lease of the Ballpark and related activities). Non-operating revenues include revenue from other than exchange or exchange-like transactions, such as sales and use taxes, interest and other income not related to lease of the Ballpark.

The preparation of the financial statements in conformity with generally accepted accounting principles in the United States 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.

2. CASH AND CASH EQUIVALENTS

The District classifies all highly liquid investments with an original maturity of three months or less when purchased as cash equivalents. The District's cash and cash equivalents comprise the following:

	December 31,	
Municipal Investor:	**2011**	**2010**
Checking account	$ 282,986	$ 155,189
Bank savings accounts	1,872,213	2,106,693
	$2,155,199	$2,261,842

See Note 3 for restricted cash.

All cash accounts are held by two banks and the savings accounts bear interest at varying rates.

The Public Deposit Protection Act (PDPA) requires all eligible depositories holding public deposits to pledge a pool of eligible collateral having market value equal to 102% of the total public deposits exceeding those amounts not insured by federal depository insurance, presently $250,000 per depositor. The District's depositories have confirmed that they met these requirements with respect to all bank accounts..

3. LAND TAKING IN PROGRESS

In December 2011, the District received $15,000,000 from the Regional Transportation District (RTD) representing the minimum fee compensation due for RTD's taking of the land covering 640 parking spaces in the Main Lot at Coors Field pursuant to an Intergovernmental Agreement dated November 23, 2011 (IGA).

Although the District has settled with RTD for a minimum price of $15,000,000 for the land, the District is contesting the actual valuation and believes that it is entitled to an additional $3,193,347 for the land. The District also believes that it is entitled to compensation for damages to the remainder and certain costs and expenses. This will also be subject to negotiation and/or litigation with RTD and is currently undetermined.

The net deferred income related to the Project, in progress as of December 31, 2011 comprises:

Minimum fee compensation (non-refundable)	$15,000,000
Cost of land taken (249,442 square feet)	(512,781)
Estimated carrying cost of improvements	(85,835)
Estimated total direct costs	(598,616)
Net deferred income	$14,401,384

To accommodate RTD's needs for immediate possession of the Property in order to begin construction of their East Corridor commuter rail line connecting Union Station to Denver International Airport (the Project) and to comply with contractual timelines, the District granted RTD access to the Property pursuant to a Temporary Construction Easement dated October 26, 2011, so as to avoid delay, damages or other liability to RTD. Pursuant to a Possession and Use Agreement (PUA) dated December 8, 2011, the District granted RTD the irrevocable right to possession and use of the Property (as defined in the IGA) as well as Permanent Non Exclusive Easements for 111,002 square feet so RTD could construct the Project.

3. LAND TAKING IN PROGRESS, Continued

The Grant to RTD for possession was made on a Quitclaim basis without warranty of title by the District. The PUA was made with the understanding that RTD will continue negotiations in good faith with the District to acquire the property by direct purchase.

If the parties subsequently agree to the amount of Just Compensation (defined in the IGA) RTD will pay the District that amount less the $15,000,000 plus interest on the difference. In addition to a Bargain and Sale Deed conveying the Fee Take Area free and clear of encumbrances, the District will also convey certain easement rights to the Infrastructure Property and the Access Property as defined in the IGA.

If a settlement is not reached within 180 days, RTD shall begin proceeding in eminent domain to acquire the RTD Property Interests. The sole issue at trial will be the Just Compensation amount, which includes a Fee Compensation Maximum amount of $18,193,347 (per the District's appraisal) plus any other Compensation for damages to the remainder and costs.

The District presently expects to negotiate a final settlement with RTD, but the ultimate amount thereof has not been determined. Settlement proceeds to the District are first required to be used to acquire suitable replacement parking for the CRBC and next to recover District expenses incurred in this matter.

The ultimate net gain or loss on the transactions will be recognized as an extraordinary item upon final resolution and settlement of the matter.

Under the IGA, RTD also paid the District a lump sum of $373,000 as compensation for its project oversight costs incurred after December 7, 2011 as a result of the Infrastructure Replacement (IR) through October 11, 2012. If the IR is not completed by that date, RTD will reimburse the District for its actual oversight costs, as more fully described in the IGA. The District incurred costs of approximately $12,000 in December 2011.

Management of the District has identified other costs and expenses that they believe should generally be recoverable from RTD as a result of the joint process of identifying and valuing the property to be taken, among other activities. Accordingly, the District charged certain legal, professional and other fees and expenses aggregating $910,996 to a long-term receivable account as set forth in the accompanying statement of net assets. These accounting estimates are based upon management's current knowledge, experience and assumptions about future events. The amount ultimately recoverable by the District is presently not determinable and actual results could differ from management's estimates.

In January 2012, the District executed a triple net lease for a commercial parking lot near the Stadium for a two-year period at $75,000 per year. The lessor has the right to terminate the lease upon 180 days notice.

4. BALLPARK PROPERTY AND EQUIPMENT (Refer to Note 13)

The Ballpark includes, among other facilities, approximately 50,550 seats, approximately 4,150 on-site revenue parking spaces, administrative offices for the lessee and the District, and the renovation and inclusion of a "bar/restaurant" as part of an existing five story brick building. The lessee owns certain furniture, fixtures and equipment located within the Ballpark.

Certain District property was needed for public use as part of the Broadway Viaduct replacement project and in 2001, the District granted a permanent access easement for 3.2 acres to the City and County of Denver (CCD). The District also transferred ownership of approximately 1.6 acres of a surface parking lot and improvements thereon to CCD, resulting in the permanent loss of approximately 210 parking spaces.

4. BALLPARK PROPERTY AND EQUIPMENT, Continued (Refer to Note 13)

In connection with the above transfers, the District received compensation for the property taken, court costs, fees and expenses incurred totaling $491,000 which was used in 2009 to purchase the Delgany Street property (Note 6).

5. OTHER COMMITMENTS AND CONTINGENCIES

Ballpark Lease

In 1995, the District entered into an Amended and Restated Lease and Management Agreement (the Agreement) with the Colorado Rockies Baseball Club Ltd., a Colorado Limited Partnership (the CRBC or lessee). The Agreement provides for the lease of the Ballpark "Premises" (as defined in the lease) to the CRBC for a period of 22 years commencing March 31, 1995, with three (3) five-year renewals at the option of the CRBC (the lease term). The Agreement also provides for the acquisition and ownership of certain property by the CRBC and for revenue sharing, on a variable basis each year, principally with respect to attendance, parking and concessions, as more fully described in the Agreement. In 2009 the District approved an amendment to the lease to include the Delgany Street property (Note 6).

The District has classified the lease as an operating lease for financial reporting purposes.

Under the Agreement, the CRBC are responsible on a year-round basis for all costs associated with the repair, maintenance, operation, use and ownership of the Premises and CRBC Property (including a possessory interest property tax on District owned property) during the entire lease term.

In January 1996, the CRBC established an escrow Repairs Fund to be used solely for repairs, restorations and replacements of District and CRBC property. Pursuant to the lease, payments of $863,809 and $834,276 were made by the CRBC to this fund for the years 2011 and 2010, respectively. The Fund had balances of approximately $2,980,000 and $2,165,000 as of January 31, 2012 and 2011. Expenditures totaling $939,605 and $741,778 were paid from the fund in 2011 and 2010 respectively. Of these amounts, $580,351 in 2011 and $470,085 in 2010 were capitalized by the District as non-cash revenues.

Annual payments are subject to escalation and are due on each succeeding January 15th of the lease term. The payments are expected to correspond to the anticipated costs to repair, restore or replace the Premises and CRBC Property. The Repair Fund remains the property of the CRBC, although the District has a first lien security interest therein and a District representative co-signs checks drawn on the Fund.

Distributions to Counties

Pursuant to the Act, after all the District's bonds were paid in full and the sales tax levy by the District was discontinued, any funds collected by the District which (in the sole discretion of the Board of Directors of the District) are deemed unnecessary for the anticipated expenses and reserves of the District must be credited at least annually on a proportionate basis to the general fund of each county, city, etc. which have been included in the geographic area comprising the District. In prior years, the District has made distributions totaling $17,950,000 to counties, and municipalities. No distributions were made in 2011 or 2010.

Sales and Use Tax

On February 25, 2010, the Colorado Department of Revenue (CDOR) advised the District that it was liable for an additional $54,723 from settlement of a sales/use tax refund case. Accordingly, CDOR applied $21,479 from a previously established reserve fund and the District paid the balance.

The ultimate amount payable by the District for future sales tax repayments (if any) is not presently determinable.

6. VIEW PLANE AND PROPERTY PURCHASE

In 2009, the District was successful in the establishment of a View Plane ordinance to preserve the mountain views from Coors Field with the approval of the Denver City Council. The District's 50% share of the costs (including legal fees) totaled $218,252 which were charged to deferred costs.

In April 2009, the District acquired certain real and personal property on Delgany Street for $2,385,576 that was within the View Plane. Pursuant to a non-interest bearing Promissory Note, the purchase price is due in five equal annual installments of $337,115 commencing June 1, 2009 plus $689,985 at closing. The note is collateralized by the underlying property and related rentals under a Deed of Trust. The District may prepay the note, in whole or in part, without penalty at any time.

Effective February 1, 2010, the District executed a lease which requires monthly rentals to the District of $11,667. The lease expires April 30, 2014 unless the District decides to terminate the lease upon 120-day advance notice. However, the lessee may avoid termination if it agrees to provide at least 48 parking spaces in the vicinity. The lessee is obligated to pay all utilities, insurance, operating expenses, property tax and tenant improvements (as agreed to by the District). The lessee also agreed to cooperate with the District and CRBC regarding the possible construction of a pedestrian bridge with a terminus on the property (airspace over the train tracks).

The CRBC paid the District $112,372 in connection with aforementioned transactions (1/3 of the District's first installment on its note payable). The District has informed the CRBC that they will provide assistance in acquiring replacement parking for the Ballpark.

District note payments and minimum rentals receivable are presently as follows:

	Note Principal	Imputed Interest @ 5%	Rental Income
2012	$ 305,773	$ 31,341	$140 000
2013	321,062	16,053	140,000
2014	-0-		11,667
	$ 626,835	$ 47,394	$291,667

7. 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 purchased directly by the District from independent third parties (principally public official's and employer's liability). In October 2011 the public officials policy expired and the District has asked their insurance agent to bill for and renew the policy as soon as possible. Claim liabilities are reported if and when it is probable that a loss has occurred and the amount can be reasonably estimated.

The District's lease agreement for the Ballpark requires the lessee (and other entities that perform services for the lessee) to cover certain other risks named above on behalf of the District, its directors and others. These parties provided the required coverage for the District at their own expense for 2011 and 2010. The CRBC participates in a league-wide property insurance program with all other major-league teams under an arrangement involving numerous insurance companies. The aggregate insurable property values for this policy (including buildings, equipment and other items), aggregated $424,526,000. There were no reductions in insurance coverage from the prior year for the policies referred to above. The District has had no insurance settlements for the past several years.

8. TABOR AMENDMENT

In 1992, Colorado voters passed an amendment to the State Constitution, *Article X, Section 20,* which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment mandates that reserves equal to 3% of fiscal year spending be established for declared emergencies. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

9. BUDGET COMPARISON

A comparison of the District's budget versus actual recorded amounts for the year ended December 31, 2011 follows:

	Actual (000's)	Budget (000's)*	(Under) Over Budget ** (000's)
Revenues			
Lease rentals – CRBC	$ 845	$ 550	$295
Non cash revenue	580	550	30
Gross lease rentals – Delgany Street	140	140	-0-
Sales and use tax revenues	23	10	13
Investment income	4	1	3
Total Revenue	1,592	1,251	341
Expenditures			
Depreciation/amortization	4,040	4,000	40
Administration and professional services	96	235	(139)
Rental expense	38	47	(9)
Total Expenditures	4,174	4,282	108
Decrease in net assets	$(2,582)	$(3,031)	$(449)

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

* Excludes repair and maintenance expense paid by lessee.

* * Ballpark Lease rentals and non-cash revenues are derived from activities under control of the lessee and non-assessed sales/use tax revenues/(expense) are subject to many variable factors including suits and claims; accordingly budget amounts and variances may be significant as such amounts are not susceptible to reasonable estimation by the District. These sources account for $308 of the net favorable budget variance of $449.

10. FINANCIAL INSTRUMENTS, DEPOSITS AND CONCENTRATIONS

The District maintains all of its cash and cash-equivalents with two Denver banks and has accounts receivable due from the District's lessee, resulting in a concentration of credit risk with respect to these financial instruments. Management of the District believes its risk of exposure with respect to cash and equivalents is adequately covered by the PDPA *(Note 2)* and FDIC insurance.

10. FINANCIAL INSTRUMENTS, DEPOSITS AND CONCENTRATIONS, Continued

The PDPA requires that all units of Colorado government deposit cash in eligible public depositories. State regulators determine the eligibility of depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA, which allows the financial 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 financial institution or held in trust. The fair value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State regulatory commissions 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, 2011, the District's deposits had bank balances of $154,032 greater than their carrying amount of $17,519,098, due to outstanding checks. Risks associated with such deposits and investments in general include:

Custodial credit risk which is the risk that, in event of failure of the bank or counter-party, the District would be unable to recover its deposits or collateral securities. The District's investment policy (the policy) does not limit the amount of deposit custodial credit risk. Under the provisions of GASB 40, deposits collateralized under PDPA are not deemed to be exposed to custodial credit risk.

Interest rate risk is the risk that changes in financial market rates of interest will adversely affect the value of an investment. Since all of the district's deposits are highly liquid, management believes this risk is minimal.

Credit Quality Risk, is the risk that the issuer or other counter-party to a debt security will not fulfill its obligations. Coverage under the PDPA should serve as a compensating measure if and when the District's deposit accounts hold underlying debt securities.

11. UNRESTRICTED NET ASSETS

The District previously designated $1,000,000 of unrestricted net assets for operational and other purposes. Such funds are not considered available for refund to the various counties comprising the District or for other purposes. These designated amounts are subject to change, at the discretion of the District.

12. MANAGEMENT EVALUATION

Management has evaluated subsequent events through March 30, 2012, the date upon which the financial statements were available for issuance.

13. CHANGES IN CAPITAL ASSETS FOR 2011 AND 2010 WERE AS FOLLOWS:

	(In Thousands)			
	Beginning Balance	Additions	Retirements	Ending Balance
2010				
Land	$ 20,256	$	$	$ 20,256
Land improvements	13,345			13,345
Buildings	149,192	55		149,247
Other property and equipment	26,731	415		27,146
Totals at historical cost	209,524	470	-	209,994
Less accumulated depreciation:				
Land improvements	(4,467)	(240)		(4,707)
Buildings	(41,401)	(2,650)		(44,051)
Other property and equipment	(17,073)	(1,140)		(18,213)
Total accumulated depreciation	(62,941)	(4,030)	-	(66,971)
Net capital assets	$ 146,583	$ (3,560)	$ -	$ 143,023
2011				
Land	$ 20,256	$	$ (513)	$ 19,743
Land improvements	13,345	7	(137)	13,215
Buildings	149,247	123		149,370
Other property and equipment	27,146	450		27,596
Total at historical cost	209,994	580	(650)	209,924
Less accumulated depreciation:				
Land improvements	(4,707)	(232)	52	(4,887)
Buildings	(44,051)	(2,649)		(46,700)
Other property and equipment	(18,213)	(1,131)		(19,344)
Total accumulated depreciation	(66,971)	(4,012)	52	(70,931)
Net capital assets	$ 143,023	$ (3,432)	$ (598)	$ 138,993

CHANGES IN DEFERRED COSTS COMPRISE:

	Stadium Lease	Delgany Lease *	View Plane *	Total
Balance 12-31-09	$ 175,138	$ 14,824	$ 218,252	$ 408,214
Additions		3,185		3,185
Amortization	(24,455)	(3,883)		(28,338)
Balance 12-31-10	$ 150,683	$ 14,126	$ 218,252	$ 383,061
Additions				
Amortization	(24,456)	(4,236)		(28,692)
Balance 12-31-11	$ 126,227	$ 9,890	$ 218,252	$ 354,369

- Delgany Street lease cost amortization began in 2010 effective with the new lease terms. View Plane costs are not subject to amortization.