DENVER METROPOLITAN
MAJOR LEAGUE BASEBALL STADIUM DISTRICT

FINANCIAL STATEMENTS

For the years ended December 31, 2010 and 2009

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, 2010 and 2009, 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, 2010 and 2009 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.

Management's Discussion and Analysis on pages two, three and four is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied limited procedures, consisting principally of inquiries of management and others, regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

STRASHEIM & ASSOCIATES, CPA, LLC

Strasheim & Associates, CPA, LLC

Denver, Colorado
March 25, 2011

DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009

Our discussion of the District's financial performance provides an overview of our activities for 2010 and 2009, 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 2009 the District was successful in obtaining a View Plane ordinance from the City and County of Denver thus preserving the mountain views from Coors Field.
- The District 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.
- The Regional Transportation District (RTD) has advised the District of their intent to acquire District land covering approximately 800 to 900 prime parking lot spaces in the Coors Field main lot for their use as a light rail line. The district expects to negotiate a settlement with RTD, but the amount thereof is not presently determinable. Settlement proceeds are expected to be used to acquire replacement parking for the Colorado Rockies Baseball Club (CRBC) and recover legal, valuation and other fees, which have totaled approximately $240,000 to date.
- Operating revenue from CRBC lease increased by $66,242 (10%) overall in 2010 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, with national average attendance down approximately 7% whereas the Rockies average attendance increased by 8.6% in 2010 and 4.4% in 2009, excluding post-season play. 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. Season and advance parking sales increased $53,217.
- Operating revenue from the CRBC lease decreased by $29,637 (4.2%) overall in 2009, despite two post-season and one more regular season game versus 2008. District net rentals from parking increased $17,243 on game days (including the post-season) but decreased $45,825 on non-game days principally from the loss of parkers in the Main Lot when a nearby construction project was completed in October 2008. However, season and advance parking sales declined $32,227 for game days despite a 2.7% increase in the average price, which generated $26,047 in revenue.
- District sales tax revenues and related rebates thereof continue and are expected to continue to fluctuate significantly and are based on taxable transactions completed prior to 2001 (e.g. leases). Claims and settlements with taxpayers by the Colorado Department of Revenue (CDOR) have resulted in significant repayments of such taxes by the District as explained herein. Our sales tax levy was discontinued after 9 ½ years on January 1, 2001, (as required by law upon payment of our bonds), although authorized for twenty years.
- The District's net assets declined $2.9 million in 2010 and $3.0 million in 2009, as a result of depreciation and sales/use tax repayments as further explained herein.
- 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 $834,276 and $802,188 into an escrow repairs fund for 2010 and 2009, respectively. This fund had accumulated approximately $2,165,000 as of January 31, 2011 after having paid out $741,778 in 2010 and $860,453 in 2009 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 2010 include new TV's, concrete, structural steel coating, dugout flooring, cooling tower services, dock doors, water heaters, ceiling tile, expansion joints and light fixtures/lighting. 2009 includes (among others) new LCD TV's, structural steel painting, parking lot asphalt, new dock roll–up doors, escalator skirt brushes, ticket windows and granite tops. Expenditures that add value to or replace/improve District owned assets are recognized as such in the District's financial statements. Accordingly, assets totaling $470,085 and $442,004 were capitalized in 2010 and 2009, respectively.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT
Management's Discussion and Analysis
For the Years Ended December 31, 2010 and 2009

USE OF THIS REPORT

- This report comprises three financial statements:

(1) The Statement of Net Assets measures 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 possible need to acquire additional parking spaces as a result of RTD's intentions to acquire District prime parking spaces.

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

Decreases in net assets represent declines in our financial position, (principally because of depreciation and sales/use tax repayments).

(3) The Statement of Cash Flows portrays 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)

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

Total revenue for 2010 increased 10% or $112 and total expenses decreased 1% or $39 from 2009.

Operating lease revenue for both years fluctuated as previously described.

Non-cash revenues increased by $28 in 2010 as a result of increased capital replacements of Stadium property paid for by the lessee (CRBC). Tax revenues increased $24 as the result of tax revenues earned in 2010 and 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.

For 2009, non-cash revenues decreased by $201 as a result of decreased capital replacements of Stadium property paid for by the lessee (CRBC). Tax revenues decreased $8.5 or 29% and provisions for repayment of sales/use tax revenues to CDOR declined $132 (80%) as an allowance of $84 was established in 2008 in anticipation of future charges. Actual payments to CDOR (including reserve fund withdrawals) were $62 in 2009 and $164 in 2008. Interest income decreased $36 because of extremely low rates in 2009 and decreases in investable funds.

Operating expenses in 2009 increased $76 (1.8%), from increased depreciation provisions of $43 (1.1%) and professional fees and other expenses of $33 (40%) principally legal fees and miscellaneous other expenses.

Condensed Statements of Net Assets (in thousands):

	2010	2009
Current assets	$ 2,340	$ 2,101
Capital assets	143,023	146,583
Deferred costs	383	408
Long-term receivable – RTD	242	18
Total assets	$149,988	$149,110
Current liabilities	$ 447	$ 337
Long-term debt	627	968
Security Deposit	12	-
Total liabilities	1,086	1,305
Net assets:		
Invested in capital assets	$142,066	$145,378
Restricted	24	22
Unrestricted	2,812	2,405
Total net assets	$144,902	$147,805

In 2009, the District acquired the Delgany Street property for $2,152 (gross cost of $2,427 less of $112 received from the CRBC and $163 of imputed interest on debt). Capital items paid from Repairs fund of the CRBC were $442 (non-cash lease income). This fund also paid $470 in 2010 for capital replacements and improvements.

Current assets increased in 2010 by $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.

Current assets decreased ($372) in 2009 or 15% resulting from: purchase of the Delgany Street property for ($617) net basis, note principal payments of ($327), deferred costs of ($52), less $49 of rentals net of interest and closing credits of ($13). Other sources include net operating revenues of $554, and interest sales/use tax $21. Note that sales tax rebates withheld from the CDOR reserve fund of ($62) and accrual of rebates due at year-end of ($22) were charged to the allowance account established in 2008.

Total liabilities decreased $(220) in 2010 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).

Total liabilities increased in 2009 by $1,267 arising from the Delgany Street land purchase $1,523 (net of imputed interest expense of $163) less principal payments on the note of ($328), and increases in accounts payable and property taxes of $72.

Costs incurred pertaining to the proposed taking of District property were $224 in 2010 and $9 in 2009.

Deferred costs pertaining to the Delgany property lease were $3 and $15 in 2010 and 2009, respectively.

Deferred costs incurred for maintaining the View Plane to the mountains from Coors Field increased by $84 in 2009.

All other changes in capital and other assets in 2010 and 2009 resulted from depreciation and amortization. Restricted assets increased or decreased based upon the TABOR Amendment requirements (refer to Note 8).

The overall decreases in net assets for 2010 of $2,902 (9.5%) and for 2009 of $3,054 (2%) resulted from the excess of depreciation/amortization over other net operating and non-operating revenues.

****

DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
Statements of Net Assets
December 31, 2010 and 2009

	2010	2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,261,842	$ 2,019,636
Accounts receivable - lessee	72,779	75,941
Prepaid expense and other assets	5,920	5,726
Total current assets	2,340,541	2,101,303
Non-current assets:		
Capital Assets - Coors Field/Other:		
Land	20,256,001	20,256,001
Land improvements	13,345,292	13,345,292
Buildings	149,246,555	149,191,638
Other property and equipment	27,146,196	26,731,038
	209,994,044	209,523,969
Less: accumulated depreciation	(66,971,243)	(62,940,797)
	143,022,801	146,583,172
Other receivables (RTD) - non current	241,715	17,488
Deferred costs, net of accumulated amortization of $345,237 ($320,782 in 2009)	383,061	408,214
Total assets	$ 145,988,118	$ 149,110,177
LIABILITIES		
Current liabilities:		
Accounts payable	$ 67,018	$ 100,123
Note payable - current	291,213	277,345
Accrued interest	26,776	-
Other accrued expense	62,205	9,983
Total current liabilities	447,212	387,451
Note payable - non-current	626,836	918,049
Refundable security deposit	11,667	-
Total liabilities	1,085,715	1,305,500
NET ASSETS		
Invested in capital assets	$ 142,066,319	$ 145,377,795
Restricted for TABOR	23,830	21,455
Unrestricted	2,812,264	2,405,427
Total net assets	$ 144,902,413	$ 147,804,677

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, 2010 and 2009

	2010	2009
Operating revenue from lease of Coors Field:		
Parking	$ 593,819	$ 539,492
Attendance	112,317	100,000
Concessions and other	26,142	26,543
	732,278	666,035
Operating expense:		
Depreciation and amortization	4,054,902	4,091,652
Professional services	81,521	85,808
General, administrative and other	26,716	24,757
	4,163,139	4,202,217
Operating loss	(3,430,861)	(3,536,182)
Non-operating revenues (expenses):		
Non-cash lease income	470,085	442,004
Sales and use tax revenues net of refunds	12,300	(12,200)
Net lease rentals - Delgany Street	45,258	50,846
Interest income	954	893
	528,597	481,543
Decrease in net assets	(2,902,264)	(3,054,639)
Net assets-beginning of year	147,804,677	150,859,316
Net assets-end of year	$ 144,902,413	$ 147,804,677

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, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Received from lessee	$ 735,439	$ 673,990
Paid for professional and other services	(93,119)	(112,888)
Net cash provided by operating activities	642,320	561,102
Cash flows from capital and related financing activities:		
Purchase of Delgany Street land and building	-	(741,193)
Reimbursement from lessee	-	112,372
Lease rent Delgany Street property	135,687	58,470
Repayment of Delgany note payable	(277,346)	(327,519)
Interest paid on Delgany note (imputed)	(59,770)	(9,597)
Acquisition costs of new property lease	(13,100)	(4,909)
Property tax paid	(9,983)	-
Security deposit received on lease	11,667	
Sales and use tax revenue received (paid)	(20,672)	21,729
Payment of deferred costs - View Plane	(34,257)	(34,654)
Professional fees charged to other receivable (RTD)	(133,294)	(8,801)
Net cash (used) by capital and related financing activities	(401,068)	(934,102)
Cash from investing activities - interest income	954	893
Net increase (decrease) in cash and cash equivalents	242,206	(372,107)
Cash and cash equivalents, beginning of year	2,019,636	2,391,743
Cash and cash equivalents, end of year	$ 2,261,842	$ 2,019,636
Reconciliation of operating cash flows:		
Operating loss	$ (3,430,861)	$ (3,536,182)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	4,054,902	4,091,652
Decrease in receivable from lessee	3,162	7,955
(Increase) decrease in prepaid expense	116	(178)
Increase (decrease) in operating accounts payable	15,002	(2,145)
Total adjustments	4,073,182	4,097,284
Net cash provided by operating activities	$ 642,321	$ 561,102
Disclosure of non-cash capital activity:		
Other lease income - capitalized assets pertaining to Coors Field paid for by lessee	$ 470,085	$ 442,004
Issued note payable to purchase of Delgany Street property	$ -	$ 1,522,913

DENVER METROPOLITAN MAJOR LEAGUE
BASEBALL STADIUM DISTRICT
Notes to Financial Statements
For the Years Ended December 31, 2010 and 2009

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 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:	2010	2009
Checking account	$ 155,189	$ 33,742
Bank savings accounts	2,106,693	1,985,894
	$2,261,842	$2,019,636

The above accounts are held by a major bank and bear interest of .05% on the savings account.

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. The District's depository has confirmed that it met these requirements with respect to the above accounts. Refer to Note 10.

3. BALLPARK PROPERTY AND EQUIPMENT (Refer to Note 11)

The Ballpark includes, among other facilities, approximately 50,550 seats, approximately 4,800 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.

In connection with the above transfers, the District received compensation for the property taken, court costs, fees and expenses incurred totaling $491,000. The District accounted for these funds in a manner such that the lessee was informed how and when the proceeds were spent. In 2009, these funds were applied to the purchase of the Delgany Street property (Note 6).

4. SALES AND USE TAX FUND

In 2001, the District and the Colorado Department of Revenue (CDOR) entered into a memorandum of understanding whereby CDOR (at the District's request) would initially retain $400,000 of net sales and use tax receipts in the District's name in the event a subsequent repayment of any sales taxes previously transferred to the District becomes necessary due to future suits, refunds, audits, short checks and other account adjustments.

In 2009, the CDOR withdrew $61,848 from the District's reserve for such purposes.

On February 25, 2010, CDOR advised the District that it was liable for an additional $54,723 (including interest of $22,235) from settlement of another case. Accordingly, they applied $21,479 from the reserve in March 2010, leaving a balance of $581. CDOR also billed the District for the balance due of $32,622 which the District accrued at December 31, 2009 and paid in 2010.

4. SALES AND USE TAX FUND, Continued

The ultimate amount payable by the District (if any) for future sales tax repayments is not presently determinable. The parties have agreed to review the adequacy of the reserve versus refund claim periodically and reduce or increase the reserve as the parties may agree to.

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, 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 $834,276 and $802,188 were made by the CRBC to this fund for the years 2010 and 2009, respectively. The Fund had balances of approximately $2,165,000 and $2,848,000 as of January 31, 2011 and 2010. Expenditures totaling $741,778 and $860,453 were paid from the fund in 2010 and 2009 respectively. Of these amounts, $470,085 in 2010 and $442,004 in 2009 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.

The District has made distributions totaling $17,950,000 in prior years to counties, or to municipalities within the following counties, based on the following approximate percentages: Adams—13%, Arapahoe—24%, Boulder—11%, Denver—30%, Douglas—3% and Jefferson—19%. No distributions were made in 2010 or 2009.

5. OTHER COMMITMENTS AND CONTINGENCIES, Continued

Sales/Use Taxes Refunds (refer to Note 4)

Potential Taking of District Property

The Regional Transportation District (RTD) formally advised the District on August 31, 2010 of their intent to acquire land covering approximately 800 to 900 prime parking lot spaces in the Coors Field main lot for part of their East Corridor commuter rail line. The District presently expects to negotiate a settlement with RTD, but the ultimate amount thereof has not been determined. Both parties have engaged real estate appraisers for this purpose. Settlement proceeds are expected to be used to acquire suitable replacement parking for the CRBC and to recover District expenses incurred in this matter.

The District believed that RTD might begin construction after the end of the 2011 season. Because of delays in the appraisal process (which had begun but was interrupted shortly thereafter) and uncertainty about the amount of land to be taken, the District now believes construction will be pushed back, possibly after the 2012 season or beyond.

Management has identified those 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 factors. Accordingly, the District charged certain legal and other professional fees and expenses aggregating $241,715 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.

6. VIEW PLANE AND PROPERTY PURCHASE

In prior years, the Board passed resolutions to apply for and obtain the establishment of a View Plane ordinance to preserve the mountain views from Coors Field. A consultant was retained in connection therewith and their costs and expenses were shared equally with the CRBC. In 2009, the District was successful in this endeavor with the approval of the Denver City Council. Costs incurred by the District (including legal fees) totaled $218,252 and were charged to deferred costs each year.

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.

The seller assigned its interest in a certain Lease Agreement to the District which provided for monthly rental payments of $7,350 through the end of the lease term. Effective February 1, 2010, the District executed a new lease with another lessee which requires monthly rentals of $11,667. The lease is for a term of four years and 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).

6. VIEW PLANE AND PROPERTY PURCHASE, CONTINUED

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 purchase commitments and minimum rentals receivable are presently as follows:

	Note Principal	Imputed Interest @ 5%	Rental Income
2011	$ 291,213	$ 45,902	$140,000
2012	305,773	31,341	140 000
2013	321,063	16,053	140,000
2014	-0-		11,667
	$ 918,049	$ 93,296	$431,667

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). 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 2010 and 2009. 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, 2010 follows:

	Actual (000's)	Budget (000's)	(Under) Over Budget (000's) *
Revenues			
Lease rentals – CRBC	$ 732	$ 500	$232
Non cash revenue	470	534	(64)
Gross lease rentals – Delgany Street	136	88	48
Sales and use tax revenues	12	20	(8)
Investment income	1	1	(0)
Total Revenue	1,351	1,143	208
Expenditures			
Sales tax rebates	-	200	(200)
Depreciation/amortization	4,055	4,200	(145)
Administration, rental and other expenses	198	230	(32)
	4,253	4,630	(377)
Decrease in net assets	$(2,902)	$(3,487)	$(585)

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.

* 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 $368 of the net favorable budget variance of $585.

10. FINANCIAL INSTRUMENTS, DEPOSITS AND CONCENTRATIONS

The District maintains all of its cash and cash-equivalents with a major Denver bank 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.

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. PDPA 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.

10. FINANCIAL INSTRUMENTS, DEPOSITS AND CONCENTRATIONS, Continued

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, 2010, the District's deposits had bank balances of $45,382 greater than their carrying amount of $2,261,842, 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 has 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 25, 2011, the date upon which the financial statements were available for issuance.

13. CHANGES IN CAPITAL ASSETS FOR 2010 AND 2009 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
2009				
Land	$ 18,176	$ 2,080	$	$ 20,256
Land improvements	13,332	13		13,345
Buildings	149,051	141		149,192
Other property and equipment	26,371	360		26,731
Total at historical cost	206,930	2,594	-	209,524
Less accumulated depreciation:				
Land improvements	(4,228)	(239)		(4,467)
Buildings	(38,757)	(2,644)		(41,401)
Other property and equipment	(15,888)	(1,185)		(17,073)
Total accumulated depreciation	(58,873)	(4,068)	-	(62,941)
Net capital assets	$ 148,057	$ (1,474)	$ -	$ 146,583

CHANGES IN DEFERRED COSTS COMPRISE:

	Stadium Lease	**Delgany Lease ***	**View Plane ***	**Total**
Balance 12-31-08	$ 199,595	$	$149,341	$348,936
Additions		14,824	68,911	83,735
Amortization	(24,457)			(24,457)
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

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

14. RECLASSIFICATIONS AND OTHER:

The financial statements for 2009 reflect the following reclassifications for consistency with the 2010 presentation and to correct the classification of notes payables as follows:

	As Previously Reported	Change	As Reclassified
Prepaid expense and other (assets)	$ 23,214	$(17,488)	$ 5,726
Other receivables – RTD (non-current)	-0-	17,488	17,488
Notes Payable - current	227,345	50,000	277,345
Notes Payable – Non-current	968,049	(50,000)	918,049

In addition, interest of $34,866 should have been accrued on the note payable as of December 31, 2009. As a result of this omission, the net lease rentals – Delgany Street were overstated in 2009 and understated in 2010 by that amount when the expense was recognized.