

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)**

MARICOPA COUNTY, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Issued by:
Finance Department

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)**

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INTRODUCTORY SECTION

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September 30, 2010

The Honorable Maricopa County Stadium District Board of Directors:

It is our pleasure to submit to you the Comprehensive Annual Financial Report of the Maricopa County Stadium District (Stadium District) for the year ended June 30, 2010, in accordance with Arizona Revised Statute §48-4231.D. The Statute requires that the Stadium District receive an independent financial audit of the accounts and records of the Stadium District within 120 days of the June 30 fiscal year end.

Heinfeld, Meech & Co., P.C., a certified public accounting firm, has audited the Stadium District's financial statements for the year ended June 30, 2010 and issued an unqualified ("clean") opinion. The examination is conducted in accordance with U. S. generally accepted governmental auditing standards and the Independent Auditors' Report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Management of the Stadium District has established a comprehensive internal control framework that is designed both to protect the Stadium District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Stadium District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the Stadium District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE DISTRICT

The Stadium District was formed in accordance with ARS §48-4202.A. through action of the Maricopa County Board of Supervisors in September 1991. The Stadium District has a Board of Directors consisting of the five members of the Maricopa County Board of Supervisors. The County Manager serves as the Executive Director of the Stadium District. The Stadium District is located in the central portion of the State of Arizona and has the same boundaries as Maricopa County. The District's boundaries encompass the Greater Metropolitan Phoenix (GMPA) area. The GMPA includes the cities of Phoenix, Tempe, Mesa, Scottsdale, Glendale, Peoria, Goodyear, Surprise, Chandler and the town of Paradise Valley. The Stadium District is staffed with three staff members and the Executive Director as shown on the List of Principal Officials.

From the Stadium District's inception through 1996, the Stadium District provided funds for building or renovating seven Cactus League baseball spring training facilities. On February 17, 1994, the Stadium District entered into an agreement with the Arizona Professional Baseball Team Limited Partnership to finance a portion of the acquisition cost and construction for a new major league baseball stadium known as Chase Field.

The Stadium District owns Chase Field, home of the Arizona Diamondbacks, which opened in 1998 under the name Bank One Ballpark. Bank One was bought by JPMorgan Chase. In the fall of 2005, the name of the ballpark was changed to Chase Field.

The Stadium District is a blended component unit of Maricopa County. The Stadium District's financial information is included in the Maricopa County Comprehensive Annual Financial Report.

The annual operating budget serves as the foundation for the Stadium District's financial planning and control. The Stadium District is required by ARS §48-4232 to annually prepare and adopt a balanced budget. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual operating budget approved by the Board of Directors not later than June 30 each year. Arizona law further requires that no expenditure shall be made or liability incurred in excess of the amounts budgeted except as provided by law, however, expenditures can be transferred between line items within a fund without seeking Board approval. The level at which expenditures may not legally exceed appropriations is the fund level; however, the Board of Directors may amend the budget upon a finding of good cause.

A schedule of revenues, expenditures and changes in fund balance – budget and actual is provided in this report for the Chase Field General Fund, Cactus League Special Revenue Fund, Debt Service Fund, and Chase Field Capital Projects Reserve Fund.

ECONOMIC CONDITION

Maricopa County Stadium District's primary revenue source for Stadium District operations and capital maintenance of Chase Field is the use of Chase Field. The Stadium District generates revenue through use agreements with the Arizona Diamondbacks and the Stadium District's Booking Manager, Select Artists' Associates/SMG. These agreements provide base levels of revenue plus additional revenues which increase/decrease with ticket prices or attendance. As a result of the seriously depressed economy, fiscal year 2010 revenues from the Arizona Diamondbacks were less than the amount that was budgeted for in fiscal year 2010.

Maricopa County Stadium District's primary revenue source for Cactus League purposes and Bond repayment is the Auto Rental Surcharge of \$2.50 per rental car contract. This revenue is dependent entirely on the number of autos rented within the Stadium District boundaries (Maricopa County). The receipt of Auto Rental Surcharge revenues is cyclical over the year. With the struggling economy and high unemployment, fiscal year 2010 saw revenues decline by 12% from the previous year and was less than the budgeted amount for fiscal year 2010. The Arizona Office of Tourism's

research report indicated that for the 1st quarter of 2010 “Phoenix Sky Harbor International posted an increase in domestic passenger traffic over the same period last year of 2.3%; international passenger traffic increased 5.5%.” Taking the previously mentioned research report into consideration, it is expected that the Auto Rental Surcharge collections will continue to decline but at a slower pace during fiscal year 2011 due to a predicted slow improvement by most economists in the national and state economy. This anticipated slow economic recovery has been reflected in the fiscal year 2011 Stadium District budget.

Arizona’s Workforce Annual Forecast Report indicates that “the Arizona economy is projected to have a slow to moderate recovery from 2010 to 2011.” “Economic factors to play a contributing role in the recovery process include, but are not limited to: buildup of the inventory cycle; federal government economic stimulus expenditures; federal government ongoing expenditures in the civilian and military sectors; an increase in lending from the financial services industries; slowing population growth and a gradual increase in consumer and business spending.”

The Stadium District revenues are impacted by the contracts with the Arizona Diamondbacks and Stadium District Booking Manager as well as visitors to the Valley who are renting autos. As noted above, the contracts for use of the Stadium are based on fixed amounts with increases\decreases based on ticket prices and attendance. Because of the projected slow improvement in the economy, these revenues are anticipated to remain flat throughout fiscal 2011.

Debt service on the 2002 Revenue Refunding Bonds is the primary use of the auto rental surcharge revenue with a small portion being used for Cactus League operations of the Stadium District. Debt service payments and reserve funds for the refunding bonds were structured based on conservative revenue estimates; these revenues are expected to cover all debt service payments. The Stadium District has approximately two times the annual debt service payment amount in reserves and fund balances. Under the Intergovernmental Agreement with the Arizona Sports and Tourism Authority (AZSTA), the Stadium District forwards any remaining revenue after debt payments, required reserves and operations to the AZSTA to be used for Cactus League purposes. Fiscal year 2010 saw no transfer of remaining revenue to the AZSTA due to the decline in auto rental surcharge revenue. The Revenue Refunding Bonds are insured by Ambac whose rating has been downgraded by the rating agencies.

Chase Field is a cornerstone of downtown Phoenix. The building of the ballpark was one of the catalysts for revitalization of the downtown area. Currently, CityScape, the mixed-use development in downtown Phoenix, has several new tenants settled into the office tower and retail space. ASU’s downtown campus development continues to serve as another economic catalyst for long term revitalization. The Sheraton Hotel has completed its major renovation in downtown Phoenix. Other major downtown redevelopment projects have been placed on hold or are being implemented with extended time-frames.

The Stadium District can handle multi-sized events such as meetings, trade shows, banquets and concerts drawing 40,000+ attendees. The Stadium District has been used for such events as holiday parties by local corporations, galas by organizations hosting conferences at the Phoenix Convention Center and graduations hosted by local universities and colleges. Revenue generated by these events is used to make capital repairs and improvements to the ballpark and for Stadium District operations.

FINANCIAL POLICIES

It is the Board of Directors' strategic goal to establish a fiscally prudent, balanced budget annually. This goal is evidenced in the consistency of the Stadium District's budget from year-to-year. Generally about 5% of the Stadium District's budget is for operations such as staffing.

Changes to the Stadium District budget from year to year are the result of capital projects which vary depending on the needs of the Stadium. The largest portion of the budget is to make bond payments on the outstanding bonds which were used to fund Cactus League facilities.

The construction of the ballpark was primarily funded by a ¼ of 1 percent sales tax which ended in November 1997, five months prior to the opening of the ballpark. Since that time, all Stadium District operations and capital improvements to the facility have been funded through charges for use of the ballpark. It is anticipated that all future capital repairs or improvements will be funded through charges for use of the ballpark.

Long-Term Financial Planning

As owner of Chase Field, the Stadium District's strategic plan focuses on the use and capital needs of the ballpark. The Stadium District's goals include increasing the use of the ballpark as well as generating revenue to build the necessary reserves for future capital improvements to the ballpark. The Stadium District is in a unique position compared to many public stadiums; the Stadium District has no outstanding debt from the initial construction of the stadium. The Stadium District is now focused on funding financial reserves for future capital needs of the stadium and capital improvements to remain a state-of-the-art facility to accommodate future world class national and international sports or championship events.

Revenue in the Chase Field General Fund is based on long-term agreements with the Arizona Diamondbacks and from Stadium District Events held at the ballpark. The majority of revenues from the Team agreements are fixed amounts with inflationary/deflationary factors tied to ticket prices as well as a small portion based on baseball game attendance. Ticket prices decreased by 2.95% for the 2010 season. A significant portion of the revenue from the 2010 season will be received by the Stadium District in December 2010 based on current agreements with the Arizona Diamondbacks. In addition, the booking manager for the Stadium District has entered into several multi-year agreements for events to be held at Chase Field.

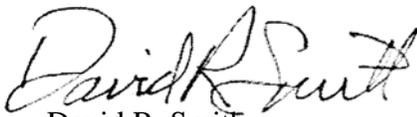
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maricopa County Stadium District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the sixth year that the Stadium District has received this prestigious award. In order to be awarded a Certificate of Achievement, the Stadium District had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the efficient and dedicated services of the entire staff of the Stadium District who assisted and contributed in its preparation. We also wish to express our sincere appreciation to the Board of Directors for their support in planning and overseeing the financial operations of the Stadium District in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "David R. Smith". The signature is fluid and stylized, with the first letters of each word being capitalized and prominent.

David R. Smith
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Maricopa County
Stadium District
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

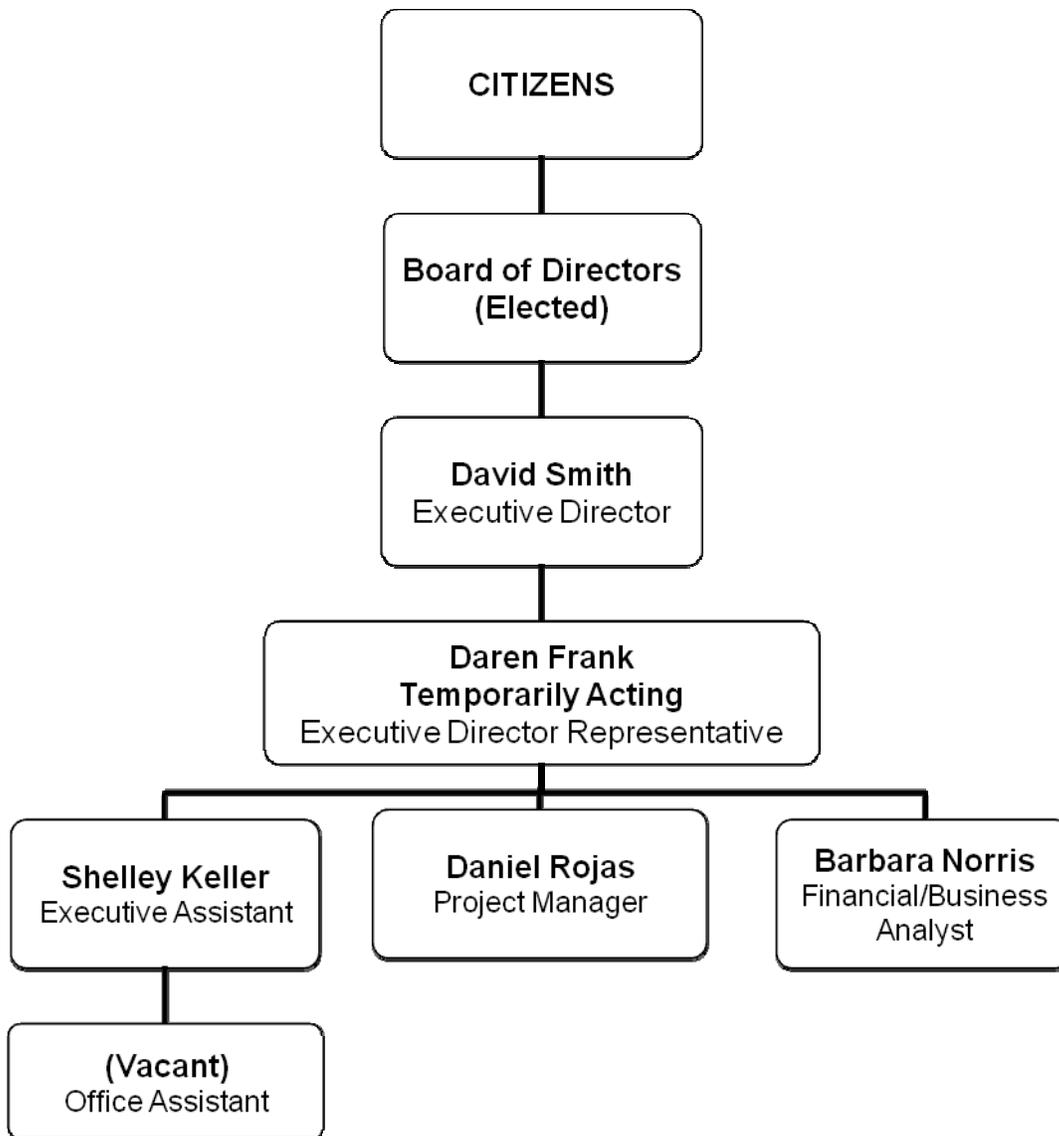
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



Maricopa County Stadium District Chase Field



**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2010**

Board of Directors

Chairman..... Don Stapley, District 2
Secretary/Director..... Fulton Brock, District 1
Director..... Andrew Kunasek, District 3
Director..... Max Wilson, District 4
Director..... Mary Rose Wilcox, District 5

Appointed Officials

Executive Director..... David Smith

Staff

Temporarily Acting Executive Director Representative..... Daren Frank
Executive Assistant..... Shelley Keller
Project Manager..... Daniel Rojas
Financial/Business Analyst..... Barbara Norris
Office Assistant..... Vacant

FINANCIAL SECTION

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Tel (520) 742-2611
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maricopa County Stadium District

We have audited the accompanying financial statements of the governmental activities and each major fund of the Maricopa County Stadium District (Stadium District), a blended component unit of Maricopa County, Arizona, as of and for the year ended June 30, 2010, which collectively comprise the Stadium District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Stadium District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund for the Maricopa County Stadium District, a blended component unit of Maricopa County, Arizona, as of June 30, 2010, and the respective changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2010, on our consideration of the Maricopa County Stadium District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 44 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stadium District's financial statements as a whole. The accompanying supplementary information such as the introductory section, individual fund financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Heinfeld, Meech & Co. P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

September 30, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

This section of the Maricopa County Stadium District's (Stadium District) financial report presents a discussion and analysis of the Stadium District's financial performance during the fiscal year ended June 30, 2010. Please read it in conjunction with the Stadium District's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the Stadium District exceeded liabilities at the close of the prior fiscal year by \$283.0 million (net assets). Of this amount, \$290.3 million is invested in capital assets, net of related debt and unrestricted net assets had a deficit balance of \$7.3 million.
- The Stadium District's total net assets decreased by \$2.8 million. Net assets decreased primarily due to the annual recognition of depreciation and the loss on disposal of assets of \$1.9 million. The Stadium District made a principal payment of \$3.3 million on the 2002 Revenue Refunding Bonds and a \$1.2 million principal payment on the contractual obligation held by the Team.
- The Stadium District's total long-term debt decreased by \$4.8 million in comparison with the prior year. This decrease is due to principal payments of \$3.3 million on the 2002 Revenue Refunding Bonds, \$1.2 million on loans from the Team, and the recognition of \$259,664 of the premium from issuance of the 2002 Revenue Refunding Bonds. The Stadium District's outstanding debt consists of \$37.9 million in 2002 Revenue Refunding Bonds and \$9.3 million in loans payable to the Team for stadium renovations and upgrades.
- As of June 30, 2010, the governmental funds reported combined fund balances of \$30.6 million, an increase of \$2.8 million in comparison with the prior year. Of the combined fund balance, \$3.4 million is reserved for Cactus League purposes, \$9.5 million is reserved to fund Cactus League debt service and \$10.0 million is reserved to fund future capital improvements to Chase Field.
- At the end of the fiscal year, unreserved fund balance for the Chase Field General Fund was \$7.7 million, or 613% of total General Fund expenditures, including the \$179,241 payment on the loans. Although the reserved fund balance in the Debt Service and Chase Field Capital Projects Reserve funds would be used to pay expenditures of these funds; when compared to total expenditures, the unreserved Chase Field General Fund fund's balance is 100% of total governmental expenditures during the current fiscal year.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Stadium District's basic financial statements. The Stadium District's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements; and 3) **Notes** to the financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the Stadium District's finances, in a manner similar to private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net assets presents information on all Stadium District assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Stadium District is improving or deteriorating.

The statement of activities presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the Stadium District that are principally supported by Chase Field operations and auto rental surcharge revenues (governmental activities). The governmental activity of the Stadium District is culture and recreation. The Stadium District has no business-type activities.

The Stadium District is a blended component unit of Maricopa County and is included as such in the County's Comprehensive Annual Financial Report.

The Stadium District has no component units.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Stadium District, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the Stadium District are governmental funds.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements use the modified accrual basis of accounting and focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Stadium District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Stadium District maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the Chase Field General Fund, Cactus League Special Revenue Fund, Debt Service Fund, and Chase Field Capital Projects Reserve Funds, all of which are considered to be major funds.

The Stadium District has no proprietary or fiduciary funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information is presented concerning the Stadium District's Chase Field General Fund and Cactus League Special Revenue Fund budgetary schedules. Budgetary comparison schedules have been provided to demonstrate compliance with the budgets.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Stadium District, assets exceeded liabilities by \$283.0 million at the close of the current fiscal year.

The following table reflects the condensed statement of net assets as of June 30, 2010 and June 30, 2009.

	Condensed Statement of Net Assets	
	As of	As of
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Current assets	\$ 12,020,022	\$ 27,908,147
Capital assets, net of depreciation	299,572,995	309,535,567
Other non-current assets	<u>19,858,469</u>	<u>1,556,055</u>
Total assets, net	<u>\$ 331,451,486</u>	<u>338,999,769</u>
Current liabilities	4,770,443	4,734,141
Long-term liabilities	<u>43,660,516</u>	<u>48,489,421</u>
Total liabilities	<u>48,430,959</u>	<u>53,223,562</u>
Net assets:		
Invested in capital assets, net of related debt	290,286,897	299,070,229
Unrestricted net assets (deficit)	<u>(7,266,370)</u>	<u>(13,294,022)</u>
Total net assets	<u>\$ 283,020,527</u>	<u>\$ 285,776,207</u>

By far the largest portion of the Stadium District's net assets reflects its investment in capital assets, mainly the Chase Field, less \$9.3 million in related debt used for stadium renovations and upgrades. The deficit balance for unrestricted net assets is a result of the long-term bonds issued for Cactus League facilities while ownership of these facilities lies with the local government, rather than the Stadium District. Therefore the Stadium District statements show the liability for the long-term bonds issued, but not the asset constructed with the bond proceeds. The entire amount of debt to be repaid over time is presented on the Statement of Net Assets, while the revenue to repay the debt, from auto rental surcharge collections, will be presented on the Statement of Activities in the year it is collected.

The Stadium District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Stadium District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The decrease of \$2.8 million in Stadium District net assets is due primarily to the loss on disposal of assets of \$1.9 million and the annual recognition of depreciation expense.

The following table indicates the changes in net assets for governmental activities for the fiscal years ended June 30, 2010 and June 30, 2009.

	Condensed Statement of Activities	
	Fiscal Year Ended	Fiscal Year Ended
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,318,917	\$ 4,445,519
Capital grants and contributions	1,064,751	1,213,801
General revenues:		
Sales tax revenues	131	875
Auto rental surcharge	4,668,573	5,303,690
Investment income	733,350	904,494
Total revenues	<u>10,785,722</u>	<u>11,868,379</u>
Expenses:		
Culture and recreation	9,164,730	12,701,863
Interest on long-term debt	2,460,689	2,615,805
Total expenses	<u>11,625,419</u>	<u>15,317,668</u>
Excess (deficiency) before special item	(839,697)	(3,449,289)
Special item: Loss on disposal of capital assets	<u>(1,915,983)</u>	<u> </u>
Change in net assets	(2,755,680)	(3,449,289)
Net assets – July 1	<u>285,776,207</u>	<u>289,225,496</u>
Net assets – June 30	<u>\$ 283,020,527</u>	<u>\$ 285,776,207</u>

Total revenues decreased \$1.1 million, or 9 percent.

- Charges for services decreased \$126,602 or 3% as a result of lower baseball game attendance which impacted the amount of fees collected.
- Capital grants and contributions decreased by \$149,050 or 12% as a result of a decrease in the number of baseball game and stadium tour tickets sold.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

- Auto rental surcharge decreased by \$635,117 or 12% which is directly related to the number of auto rental contracts entered into during the fiscal year between auto leasing companies and renters. The decrease in auto rental surcharge is \$192,498 less than the prior year. The slow recovery of the economy has had a direct effect on the number of auto rental contracts entered into during the fiscal year.
- Interest earnings decreased \$171,144 or 19% primarily as a direct result of declining interest rates. Investment earnings from operations declined by \$65,605.

Total expenses decreased \$3.7 million, or 24%.

- Culture and recreation expenses decreased by \$3.5 million, or 28%, as a result of a decrease in expenses related to suite renovations at Chase Field completed in the prior fiscal year.
- Interest on long-term debt decreased by \$155,116, or 6%, as a result of the reduction of bond principal as periodic payments are made.

FINANCIAL ANALYSIS OF THE STADIUM DISTRICT'S FUNDS

As noted earlier, the Stadium District uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The general government functions are contained in the Chase Field General, Cactus League Special Revenue, Debt Service, and Chase Field Capital Project Reserve Funds. The focus of the Stadium District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Stadium District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Chase Field General Fund is the chief operating fund of the Stadium District. At the end of the current fiscal year, unreserved and total fund balance was \$7.7 million. As a measure of liquidity, it may be useful to compare fund balance to total fund expenditures. Unreserved fund balance represents 613% of total Chase Field General Fund expenditures, which includes a payment of \$179,241 on the loans due to the Team. Unreserved fund balance represents 715% of total Chase Field General Fund expenditures excluding the principal payments.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

FINANCIAL ANALYSIS OF THE STADIUM DISTRICT'S FUNDS (Cont'd)

The fund balance of the Stadium District's Chase Field General Fund increased by \$699,138 during the current fiscal year. This increase is due to Stadium District policy of budgeting for expenditures not to exceed expected revenues. As a result of this policy actual expenditures for the current fiscal year were less than actual revenues resulting in a fund balance increase.

The Cactus League Special Revenue Fund balance increased by \$134,321 during the current fiscal year. This increase resulted from interest income, the transfer from the Debt Service Fund of \$110,000 for operations and very low operating expenses. The Debt Service Fund balance decreased by \$524,739 or 5%. The decrease in the fund balance is directly related to the decline in the auto rental surcharge revenue along with an increase in principal payments for the video board loan from the Team. The fund balance for the Chase Field Capital Projects Reserve Fund increased by \$2.5 million as a result of no capital projects occurring during the current fiscal year.

The following table presents the amount of governmental revenues from various sources as well as increases or decreases from the prior year.

	Revenues		Increase/Decrease	
	Classified by Source		Amount	Percent
	2010	2009		
Intergovernmental	\$ 131	\$ 875	\$ (744)	-85%
Auto rental surcharge	4,668,573	5,303,690	(635,117)	-12%
Chase Field operations	5,356,908	5,618,849	(261,941)	-5%
Investment income	473,685	644,829	(171,144)	-27%
Total	\$ 10,499,297	\$ 11,568,243	\$(1,068,946)	-9%

- Revenue from auto rental surcharge taxes decreased as a result of the number of autos rented during the fiscal year.
- Chase Field operations income decreased due to a decrease in facility fee revenue resulting from lower ticket sales.
- Investment income decreased primarily as a direct result of declining interest rates.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

FINANCIAL ANALYSIS OF THE STADIUM DISTRICT'S FUNDS (Concl'd)

The following table presents governmental expenditures compared to prior year amounts.

	<u>Expenditures by Character</u>		<u>Increase/Decrease</u>	
	<u>2010</u>	<u>2009</u>	<u>Amount</u>	<u>Percent</u>
Current – culture & recreation	\$ 1,094,196	\$ 1,923,645	\$ (829,449)	-43%
Capital outlay	3,718	3,043,094	(3,039,376)	-100%
Debt service	6,599,585	5,822,109	777,476	13%
Total	<u>\$ 7,697,499</u>	<u>\$ 10,788,848</u>	<u>\$ (3,091,349)</u>	-29%

- The decrease in culture and recreation expenditures is primarily the result of the decreased amount paid to the Arizona Sports and Tourism Authority.
- Capital outlay decreased mainly due to the completion of the suite renovation in the prior year with no new capital projects performed in the current fiscal year.
- The increase in debt service is attributable to the first of nine payments on a loan from the Team for the new video board.

BUDGETARY HIGHLIGHTS

A schedule showing the original and final budget amounts compared to the Stadium District's actual financial activity for the Chase Field General Fund is provided in this report as required supplementary information. The favorable variance of \$2.8 million in culture and recreation expenditures was a result of primarily; 1) two major maintenance projects that were budgeted (\$2.2 million) and started in fiscal year 2010 will be completed during fiscal year 2011; 2) amounts were budgeted, but not needed (\$250,787) for additional security in the event that play-off games were played at Chase Field; 3) pay and benefits (\$63,000) less than budgeted due to open positions during the year; and 4) some items budgeted for the operations of Chase Field were not needed (\$335,067).

The unfavorable variance of \$2.2 million for transfers-in is a result of the two major maintenance projects not being completed in fiscal year 2010 as indicated above. The favorable transfer out variance of \$190,367 resulted from a reduction of the transfer to the reserve fund.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

CAPITAL ASSETS

The Stadium District's investment in capital assets for its governmental activities at year end amounted to \$384.6 million. This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total decrease in the Stadium District's investment in capital assets for the current period was 0.6%, primarily due to the disposal of digital video equipment.

Capital assets for the governmental activities are presented below to illustrate changes from the prior year.

	As of <u>June 30, 2010</u>	As of <u>June 30, 2009</u>	Percentage of <u>Change</u>
Land	\$ 35,608,005	\$ 35,608,005	0.0%
Buildings and improvements	333,629,946	335,912,190	-0.7%
Machinery and equipment	<u>15,331,625</u>	<u>15,331,625</u>	0.0%
Total	<u>\$384,569,576</u>	<u>\$386,851,820</u>	-0.6%

Additional information on the Stadium District's capital assets can be found in the notes to the financial statements, Note 5 – Capital Assets.

LONG-TERM DEBT ACTIVITY

At the current fiscal year end, the Stadium District had total long-term debt outstanding of \$42.6 million as compared to \$47.2 million in the prior fiscal year. This amount is comprised of loans payable to the Team for \$8.1 million and the 2002 Revenue Refunding Bonds outstanding of \$34.5 million. The bonds are insured by Ambac and carry an insured and underlying rating of "BBB" assigned by Fitch Ratings.

The 2002 Revenue Refunding Bonds are revenue bonds backed by the auto rental surcharge revenue. The 2002 Revenue Refunding Bonds were issued to refund all outstanding Cactus League debt in order to take advantage of favorable interest rates. The loans to the Team are payable from revenue paid to the Stadium District by the Team under certain agreements for ballpark operations. For additional information, see the notes to the financial statements Note 6 – Bonds Payable, Note 7 – Other Significant Commitments, and Note 8 – Changes in Long-Term Liabilities.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- During the year it is expected that the economy will continue to recover slowly. Accordingly, the budget for Auto Rental revenue for fiscal year 2010-11 has been decreased. However, many of the Stadium District's revenues are related to use agreements, as opposed to property or sales taxes, therefore, operating revenues are expected to remain stable.
- Baseball ticket prices decreased by 2.95% for the 2010 season. Recognizing a projected slow recovery, ticket prices will remain flat for the 2011 season. Many of the revenue sources that the Stadium District receives from the Diamondbacks are increased/decreased based on ticket prices. A significant portion of the revenue from the 2010 season will be received by the Stadium District in December 2010.
- Competition from other venues in the area increases the need to ensure that the ballpark remains a state-of-the-art facility by making necessary capital improvements.

All of these factors were considered in preparing the Stadium District's budget for the 2010-11 fiscal year. The 2010-11 budget is the same as the 2009-10 budget with the exception of a reduction in car rental surcharge of \$1.1 million resulting for an anticipated slow recovery in the economy, a reduction in interest revenue of \$230,094 resulting from low yield on investments and a reduction in Team revenue of \$67,708 reflecting the decrease in 2010 ticket prices.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Stadium District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Maricopa County Stadium District, 401 E. Jefferson, Phoenix, AZ 85004.

BASIC FINANCIAL STATEMENTS

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
STATEMENT OF NET ASSETS
JUNE 30, 2010**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 11,074,929
Receivables	945,093
Total current assets	12,020,022
Noncurrent assets:	
Cash and investments held by trustee	18,613,625
Land	35,608,005
Buildings and improvements	333,629,946
Machinery and equipment	15,331,625
Accumulated depreciation	(84,996,581)
Unamortized charges - refunding bonds	874,075
Deferred bond issuance costs	370,769
Total noncurrent assets	319,431,464
Total assets	331,451,486
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	23,470
Accrued payroll	2,057
Compensated absences	6,617
Bond interest payable	169,058
Bonds payable	3,390,000
Loans payable	1,179,241
Total current liabilities	4,770,443
Noncurrent liabilities:	
Unamortized premium - refunding bonds	1,038,659
Bonds payable	34,515,000
Loans payable	8,106,857
Total non-current liabilities	43,660,516
Total liabilities	48,430,959
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	290,286,897
Unrestricted	(7,266,370)
Total net assets	\$ 283,020,527

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

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental activities:				
Culture and recreation	\$ 9,164,730	\$ 4,318,917	\$ 1,064,751	\$ (3,781,062)
Interest on long term debt	2,460,689			(2,460,689)
Total governmental activities	\$11,625,419	\$ 4,318,917	\$ 1,064,751	\$ (6,241,751)
		General revenues:		
		Sales tax revenue		131
		Auto rental surcharge		4,668,573
		Investment income		733,350
		Special item - loss on disposal of capital assets		(1,915,983)
		Total general revenues and special item		3,486,071
		Changes in net assets		(2,755,680)
		Net assets, beginning of year		285,776,207
		Net assets, end of year		\$ 283,020,527

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

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FUND FINANCIAL STATEMENTS

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010**

	Chase Field General Fund	Cactus League Special Revenue Fund	Debt Service Fund
<u>ASSETS</u>			
Cash and investments	\$ 7,629,414	\$ 3,444,981	\$ 408
Cash and investments held by trustee			8,616,132
Receivables	83,631	4,446	852,199
Total assets	\$ 7,713,045	\$ 3,449,427	\$ 9,468,739
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 22,540	\$ 930	\$
Accrued payroll	2,057		
Total liabilities	24,597	930	
Fund balances:			
Reserved for Cactus League purposes		3,448,497	
Reserved for debt service			9,468,739
Reserved for capital projects			
Unreserved:			
Undesignated	7,688,448		
Total fund balances	7,688,448	3,448,497	9,468,739
Total liabilities and fund balances	\$ 7,713,045	\$ 3,449,427	\$ 9,468,739

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

Chase Field Capital Projects Reserve Fund	Total Governmental Funds
\$ 126	\$ 11,074,929
9,997,493	18,613,625
4,817	945,093
<u>\$ 10,002,436</u>	<u>\$ 30,633,647</u>

\$	\$ 23,470
	2,057
	<u>25,527</u>

	3,448,497
	9,468,739
10,002,436	10,002,436
	7,688,448
<u>10,002,436</u>	<u>30,608,120</u>
<u>\$ 10,002,436</u>	<u>\$ 30,633,647</u>

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**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010**

Total governmental fund balances **\$ 30,608,120**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	\$384,569,576	
Less accumulated depreciation	<u>(84,996,581)</u>	299,572,995

Amounts related to the issuance of refunding bonds that are deferred and amortized over the life of the related bonds are not reported in the funds.

Unamortized charges - refunding bonds	874,075	
Deferred bond issuance costs	370,769	
Unamortized premium - refunding bonds	<u>(1,038,659)</u>	206,185

Long-term liabilities, including their current portion, are not due and payable from current financial resources and therefore are not reported in the funds.

Compensated absences	(6,617)	
Bond interest payable	(169,058)	
Bonds payable	(37,905,000)	
Loans payable	<u>(9,286,098)</u>	<u>(47,366,773)</u>

Net assets of governmental activities **\$ 283,020,527**

The notes to the financial statements are integral part of this statement.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	Chase Field General Fund	Cactus League Special Revenue Fund	Debt Service Fund
Revenues:			
Intergovernmental	\$	\$	\$
Auto rental surcharge			4,668,573
Chase Field operations	4,318,917		
Investment income	88,660	44,745	337,032
Total revenues	4,407,577	44,745	5,005,605
Expenditures:			
Current -			
Culture and recreation	1,071,272	20,424	
Capital outlay	3,718		
Debt service -			
Principal retirement	179,241		4,260,000
Interest and fiscal charges			2,160,344
Total expenditures	1,254,231	20,424	6,420,344
Excess (deficiency) of revenues over expenditures	3,153,346	24,321	(1,414,739)
Other financing sources (uses):			
Transfers in	23,689	110,000	1,000,000
Transfers out	(2,477,897)		(110,000)
Total other financing sources (uses)	(2,454,208)	110,000	890,000
Changes in fund balances	699,138	134,321	(524,739)
Fund balances, beginning of year	6,989,310	3,314,176	9,993,478
Fund balances, end of year	\$ 7,688,448	\$ 3,448,497	\$ 9,468,739

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

Chase Field Capital Projects Reserve Fund	Total Governmental Funds
\$ 131	\$ 131
	4,668,573
1,037,991	5,356,908
3,248	473,685
<u>1,041,370</u>	<u>10,499,297</u>
2,500	1,094,196
	3,718
	4,439,241
	<u>2,160,344</u>
<u>2,500</u>	<u>7,697,499</u>
<u>1,038,870</u>	<u>2,801,798</u>
1,477,897	2,611,586
<u>(23,689)</u>	<u>(2,611,586)</u>
<u>1,454,208</u>	
<u>2,493,078</u>	<u>2,801,798</u>
7,509,358	27,806,322
<u>\$ 10,002,436</u>	<u>\$ 30,608,120</u>

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

Net changes in fund balances - total governmental funds **\$ 2,801,798**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Contributed capital assets	\$ 26,761	
Less current year depreciation	<u>(8,073,350)</u>	(8,046,589)

Repayment of long-term debt is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Bond principal - refunding bonds	3,260,000	
Loans payable	<u>1,179,240</u>	4,439,240

Amortization of bond premium revenues in the Statement of Activities are not included in the governmental funds. 259,664

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Loss on disposal of capital assets	(1,915,983)	
Compensated absences	6,535	
Accrued interest	10,866	
Amortization of deferred bond items	<u>(311,211)</u>	<u>(2,209,793)</u>

Change in net assets in governmental activities **\$ (2,755,680)**

The notes to the financial statements are integral part of this statement.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Maricopa County Stadium District (the “Stadium District”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Stadium District’s accounting policies are described below.

A. Reporting Entity

The Stadium District is a blended component unit of Maricopa County. Component units are legally separate entities for which the County is considered to be financially accountable.

The Stadium District was formed through action of the Maricopa County Board of Supervisors in September 1991 pursuant to Title 48, Chapter 26, Arizona Revised Statutes (the “Act”). The Stadium District and the County have the same boundaries. The Stadium District may acquire land and construct, finance, furnish, maintain, improve, operate, market and promote the use of existing or proposed major league baseball spring training facilities or stadiums and other structures, utilities, roads, parking areas or buildings necessary for full use of the training facilities or stadiums for sports and other purposes. The Stadium District has authority to issue special obligation bonds for this purpose.

The Stadium District has a Board of Directors consisting of the five members of the Maricopa County (the “County”) Board of Supervisors, with the County Manager serving as the Executive Director of the Stadium District.

From the Stadium District’s inception through 1996, the Stadium District provided funds for building or renovating seven Cactus League facilities within the County. Fifteen major league baseball teams hold spring training games in the County as part of the Cactus League: California Angels, Chicago Cubs, Milwaukee Brewers, Oakland Athletics, San Diego Padres, San Francisco Giants, Seattle Mariners, Arizona Diamondbacks, Chicago White Sox, Colorado Rockies, Kansas City Royals, Texas Rangers, Los Angeles Dodgers, Cleveland Indians, and Cincinnati Reds.

The Stadium District owns Chase Field, home of the Arizona Diamondbacks, which opened in 1998. On February 17, 1994, the Stadium District entered into an agreement with the Arizona Professional Baseball Team Limited Partnership (the “Team”) to provide for the financing of a portion of the costs of acquisition and construction of a new major league baseball stadium.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the Stadium District as a whole. The reported information includes all of the activities of the Stadium District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the Stadium District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Stadium District does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Sales taxes, auto rental surcharges and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sales taxes and auto rental surcharges are recognized as revenues in the year in which the underlying exchange transaction occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effect of interfund services provided and used between functions is reported as expenses and program revenues at amounts approximating their external exchange value.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Stadium District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Compensated absences are recorded only when payment is due.

Chase Field operations, sales taxes, auto rental surcharges and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

Receivables that will not be collected within the available period are also reported as deferred revenue on the governmental fund financial statements.

When both restricted and unrestricted resources are available for use, it is the Stadium District's policy to use restricted resources first, then unrestricted resources as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All funds of the Stadium District are considered major.

The Stadium District reports the following major governmental funds:

Chase Field General Fund – The Chase Field General Fund accounts for all resources used to finance Stadium District operations except those required to be accounted for in other funds and is considered the main operating fund.

Cactus League Special Revenue Fund – The Cactus League Special Revenue Fund accounts for specific revenue resources that are legally restricted to expenditures for specified purposes.

Debt Service Fund – The Debt Service Fund accounts for resources accumulated for the payment of long-term debt principal, interest and related costs.

Chase Field Capital Project Reserve Fund – The Chase Field Capital Reserve Fund is used to account for resources accumulated to fund future capital repairs in excess of \$100,000 and to update, refurbish, repair or otherwise improve the facility.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Investments

The County Treasurer has a fiduciary responsibility to administer all monies held in the County Treasury. The County Treasurer invests, on a pool basis, all cash not specifically invested for a fund or program. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on their average daily cash balances on a quarterly basis. All investments are stated at fair value.

E. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All receivables are shown net of an allowance for uncollectibles, as applicable.

G. Capital Assets

Capital assets, which include land, buildings, and improvements; and vehicles, furniture, and equipment, are reported in the government-wide financial statements.

Capital assets are defined by the Stadium District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the 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 the life of the asset are not capitalized.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	20 – 50 years
Vehicles, furniture and equipment	3 – 10 years

H. Compensated Absences

The Stadium District's employees' leave plan generally provides for granting personal leave with pay. Accrued personal leave is earned by all permanent employees at various rates depending upon months of credited service.

At year-end the liability for accumulated personal leave, including related benefits, is presented in the government-wide financial statements. Expenses/expenditures for compensated absences are recorded in the government-wide financial statements when the liability is incurred and in the fund financial statements when paid. Generally, resources from the Chase Field General Fund are used to pay for compensated absences.

Compensated absences are substantially paid within one year from fiscal year-end and, therefore, are reported as a current liability on the government-wide financial statements.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, issuance costs, and the difference between the reacquisition price and the net carrying amount of the old debt are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt. Gains or losses on the issuance of refunding bonds are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose.

K. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

L. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – The Stadium District is required by Arizona law to prepare and adopt a budget annually for the Chase Field General, Cactus League Special Revenue, Debt Service, and Chase Field Reserve Capital Projects Funds. Arizona law further requires that no expenditure shall be made or liability incurred in excess of the amounts budgeted except as provided by law. Budget amounts are reported as originally adopted and as amended by authorization from the Board of Directors. Appropriations lapse at year-end.

The Stadium District budgets for governmental funds on a basis consistent with generally accepted accounting principles (GAAP).

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 3 - CASH AND INVESTMENTS

A.R.S. authorize the Stadium District to invest public monies in obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the Stadium District's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the Stadium District's deposits may not be returned to the Stadium District. It is the Stadium District's policy to collateralize all deposits by at least 101% of the deposits not covered by depository insurance. At year end, the carrying amount of the Stadium District's deposits was \$83,276 and the bank balance was \$83,276. At year end, the Stadium District's deposits were entirely covered by Federal depository insurance.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool - Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's investment pool and that pool's structure does not provide for shares.

At year end, the Stadium District's investments consisted of the following.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>(in Years)</u>	
		<u>Less than 1</u>	<u>6 - 10</u>
U.S. Treasuries	\$ 12,712,658	\$ 12,712,658	\$
Guaranteed Investment Contracts	5,900,968		5,900,968
		<u>\$ 12,712,658</u>	<u>\$ 5,900,968</u>
County Treasurer's investment pool	<u>10,991,651</u>	606 days average maturities	
Total	<u>\$ 29,605,277</u>		

MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 - CASH AND INVESTMENTS (Concl'd)

Interest Rate Risk. The Stadium District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, state statutes do limit the maturity of investments to 5 years or less. The Stadium District is allowed by statute to invest monies not held for operations, such as the long term reserves, for longer periods of time as long as the maturities are matched with the expected need for the monies to be available for improvements to the facility. The debt service reserve has a Guaranteed Investment Contract in place until the Stadium District's bonds are repaid. The remainder of the investments are in short-term treasuries and money markets. The reserves for the bonds are invested in the Guaranteed Investment Contract until the funds are needed to repay the bonds and the interest rates on the contract is 4.57%.

Credit Risk. The Stadium District has no investment policy that would further limit its investment choices. As of year end, the Stadium District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency, however, the investments held by the County Treasurer at year end were primarily U.S. agencies that were rated Aaa by Moody's Investors Service. The Stadium District's investment in Guaranteed Investment Contracts is backed by securities pledged by the institution.

Custodial Credit Risk - Investments. The Stadium District's investment in the County Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the Stadium District's portion is not identified with specific investments and is not subject to custodial credit risk.

Concentration of Credit Risk. The Stadium District places no limit on the amount the Stadium District may invest in any one issuer. The JP Morgan Guaranteed Investment Contract represents 19.9% of the Stadium District's total investments. The Stadium District also held 33.8% of its investments in the Wells Fargo Advantage Treasury Money Market Fund and 9.2% in the U.S. Bank First American Government Obligation Fund.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 4 – RECEIVABLES

Receivables, as of year end for the Stadium District’s individual major funds are as follows.

	<u>Chase Field General Fund</u>	<u>Cactus League Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Chase Field Capital Projects Reserve Fund</u>
Accounts	\$ 73,878	\$	\$	\$ 4,817
Interest	9,753	4,446		
Due from State government			852,199	
Net Total Receivables	<u>\$ 83,631</u>	<u>\$ 4,446</u>	<u>\$ 852,199</u>	<u>\$ 4,817</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the Stadium District reported no deferred revenue in its governmental funds.

Amounts due from the Arizona Department of Revenue at year end include \$852,199 of auto rental surcharges in the Debt Service Fund collected by the State of Arizona but not received by the Stadium District.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 5 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 35,608,005	\$	\$	\$ 35,608,005
Total capital assets, not being depreciated	<u>35,608,005</u>			<u>35,608,005</u>
Capital assets, being depreciated:				
Buildings and improvements	335,912,190	26,761	2,309,005	333,629,946
Machinery and equipment	<u>15,331,625</u>			<u>15,331,625</u>
Total capital assets being depreciated	<u>351,243,815</u>	<u>26,761</u>	<u>2,309,005</u>	<u>348,961,571</u>
Less accumulated depreciation for:				
Buildings and improvements	(75,848,281)	(6,840,071)	(393,022)	(82,295,330)
Machinery and equipment	<u>(1,467,972)</u>	<u>(1,233,279)</u>		<u>(2,701,251)</u>
Total accumulated depreciation	<u>(77,316,253)</u>	<u>(8,073,350)</u>	<u>(393,022)</u>	<u>(84,996,581)</u>
Total capital assets, being depreciated, net	<u>273,927,562</u>	<u>(8,046,589)</u>	<u>1,915,983</u>	<u>263,964,990</u>
Governmental activities capital assets, net	<u>\$ 309,535,567</u>	<u>\$ (8,046,589)</u>	<u>\$ 1,915,983</u>	<u>\$ 299,572,995</u>

Depreciation expense was charged to a single governmental function as follows.

Culture and recreation	<u>\$8,073,350</u>
Total depreciation expense – governmental activities	<u>\$8,073,350</u>

Special Item – Loss on Disposal of Assets – During fiscal year 2009-10 the Stadium District disposed of digital video equipment. The disposal resulted in a loss as accumulated depreciation at the time of sale was less than the original price of the assets.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 6 – BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding refunding bonds. The bonds are both callable and noncallable with interest payable semiannually.

Description	Original Amount Issued	Interest Rates	Maturity	Outstanding Principal June 30, 2010	Due Within One Year
Governmental activities:					
Revenue Refunding Bonds, Series 2002	\$58,225,000	5.250 – 5.375%	6/1/11 - 6/1/19	\$ 37,905,000	\$ 3,390,000
Total				<u>\$ 37,905,000</u>	<u>\$ 3,390,000</u>

Annual debt service requirements to maturity on refunding bonds at year end are summarized as follows.

Year ending June 30:	Governmental Activities	
	Principal	Interest
2011	\$ 3,390,000	\$ 2,028,694
2012	3,570,000	1,850,718
2013	3,760,000	1,663,294
2014	3,960,000	1,461,194
2015	4,170,000	1,248,344
2016-19	19,055,000	2,627,568
Total	<u>\$ 37,905,000</u>	<u>\$ 10,879,812</u>

Pledged revenues. The Stadium District has pledged future auto rental surcharge revenues to repay the Revenue Refunding Bonds of \$37.9 million as of the current fiscal year end. Proceeds from the bond issuance provided financing to refund previously issued bonded debt for the construction of Cactus League facilities. The bond is paid solely from auto rental surcharge revenues and is payable through 2019. The total principal and interest to be paid on the bond is \$48.8 million. The current fiscal year total auto rental surcharge revenues were \$4.7 million and the total principal and interest paid on the bond was \$5.4 million, or 116% of auto rental surcharge revenues. The remaining \$750,521 was paid from the previous year's auto rental surcharge revenues.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 7 – OTHER SIGNIFICANT COMMITMENTS

On January 23, 2007, the Stadium District entered into a cost-sharing agreement with the Team for the renovation of suites at Chase Field. Under the terms of the agreement, the Team provided \$537,723 of the funding for the renovations; and the agreement states that the Stadium District will pay the Team back over the next three years, ending in December 2010.

On September 10, 2007, the Stadium District entered into a cost-sharing agreement with the Team for the purchase of a video board and related equipment. Under the terms of the agreement, the Team provided \$8,273,928 of the funding for the purchase; and the agreement states that the Stadium District will pay the Team back over nine years, beginning December 2009 and ending in December 2017.

On October 12, 2007, the Stadium District entered into a cost-sharing agreement with the Team for phase II of the suite renovations at Chase Field. Under the terms of the agreement, the Team provided \$1,832,928 of the funding for the renovations; and the agreement states that the Stadium District will pay the Team back over ten years, beginning December 2011 and ending in December 2020.

The Stadium District’s future payments on its portions of the cost-sharing agreements are as follows.

Year ending June 30:	
2011	\$ 1,179,241
2012	1,200,000
2013	1,200,000
2014	1,200,000
2015	1,200,000
2016-20	3,273,928
2021	<u>32,929</u>
Total	<u>\$ 9,286,098</u>

The Stadium District also has a long term lease with AZPB Limited Partnership under which AZPB Limited Partnership leases specific areas of the ballpark for office operations. The lease is for 30 years, beginning March 1998. AZPB Limited Partnership pays monthly rent to the Stadium District. The rent payments include structured increases of 15% every five years. Under the Facility Use Agreement, AZPB Limited Partnership also uses the ballpark for 81 Major League Baseball games annually.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences payable	\$ 13,152	\$ 6,617	\$ 13,152	\$ 6,617	\$ 6,617
Refunding bonds	41,165,000		3,260,000	37,905,000	3,390,000
Unamortized premium – refunding bonds	1,298,323		259,664	1,038,659	
Loans payable	10,465,338		1,179,240	9,286,098	1,179,241
Governmental activity long-term liabilities	<u>\$ 52,941,813</u>	<u>\$ 6,617</u>	<u>\$ 4,712,056</u>	<u>\$48,236,374</u>	<u>\$ 4,575,858</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in				Total
	Chase Field General Fund	Cactus League Special Revenue Fund	Debt Service Fund	Chase Field Capital Projects Reserve Fund	
Transfers out					
Chase Field General Fund	\$	\$	\$1,000,000	\$ 1,477,897	\$2,477,897
Debt Service Fund		110,000			110,000
Chase Field Capital Projects Reserve Fund	23,689				23,689
Total	<u>\$ 23,689</u>	<u>\$110,000</u>	<u>\$1,000,000</u>	<u>\$ 1,477,897</u>	<u>\$2,611,586</u>

The transfer of \$1.0 million from the Chase Field General Fund to the Debt Service Fund was for the initial principal payment on the video board loan. All other transfers between funds are used to move resources as necessary to meet contractual or statutory provisions applicable to the Stadium District.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 10 – EMPLOYMENT RETIREMENT PLAN

Plan Description –The Stadium District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing multiple employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System (ASRS). The ASRS (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members’ and the Stadium District’s contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.40 percent (9.00 percent for retirement and 0.4 percent for long-term disability) of the members’ annual covered payroll and the Stadium District was required by statute to contribute at the actuarially determined rate of 9.40 percent (8.34 percent for retirement and 0.66 percent for health insurance premiums, and 0.4 percent for long-term disability) of the members’ annual covered payroll.

The Stadium District’s contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Year ending June 30:			
2010	\$ 20,373	\$ 1,612	\$ 977
2009	22,103	2,656	1,383
2008	16,736	2,183	1,040

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 11 – RISK MANAGEMENT

The Stadium District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Under the agreements between the Stadium District and the Team, the facility insurance for Chase Field is carried by the facility manager and includes the Stadium District as a named insured. The caterer and all suiteholders also are required to carry insurance naming the District as insured. In addition, events other than Diamondbacks baseball games are required to obtain their own insurance also naming the Stadium District as insured. The Stadium District has been indemnified against all claims arising from events held in the Ballpark.

The Stadium District continues to be covered by Maricopa County through their Risk Management and Health Benefits Self-Insurance Fund for all risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
(Required Supplementary Information)**

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CHASE FIELD GENERAL FUND
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Chase Field operations	\$ 4,431,391	\$ 4,496,351	\$ 4,318,917	\$ (177,434)
Investment income	75,000	75,000	88,660	13,660
Total revenues	<u>4,506,391</u>	<u>4,571,351</u>	<u>4,407,577</u>	<u>(163,774)</u>
Expenditures:				
Current -				
Culture and recreation	1,655,166	3,920,126	1,071,272	2,848,854
Capital outlay			3,718	(3,718)
Debt service -				
Principal retirement	182,961	182,961	179,241	3,720
Total expenditures	<u>1,838,127</u>	<u>4,103,087</u>	<u>1,254,231</u>	<u>2,848,856</u>
Excess (deficiency) of revenues over expenditures	<u>2,668,264</u>	<u>468,264</u>	<u>3,153,346</u>	<u>2,685,082</u>
Other financing sources (uses):				
Transfers in		2,200,000	23,689	(2,176,311)
Transfers out	(2,668,264)	(2,668,264)	(2,477,897)	190,367
Total other financing sources (uses)	<u>(2,668,264)</u>	<u>(468,264)</u>	<u>(2,454,208)</u>	<u>(1,985,944)</u>
Change in fund balances			<u>699,138</u>	<u>699,138</u>
Fund balances, July 1, 2009	5,833,754	5,833,754	6,989,310	1,155,556
Fund balances, June 30, 2010	<u>\$ 5,833,754</u>	<u>\$ 5,833,754</u>	<u>\$ 7,688,448</u>	<u>\$ 1,854,694</u>

See accompanying notes to this schedule.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CACTUS LEAGUE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Investment income	\$ 24,750	\$ 44,745	\$ 19,995
Total revenues	<u>24,750</u>	<u>44,745</u>	<u>19,995</u>
Expenditures:			
Current -			
Culture and recreation	482,143	20,424	461,719
Total expenditures	<u>482,143</u>	<u>20,424</u>	<u>461,719</u>
Excess (deficiency) of revenues over expenditures	<u>(457,393)</u>	<u>24,321</u>	<u>481,714</u>
Other financing sources (uses):			
Transfers in	493,000	110,000	(383,000)
Total other financing sources (uses)	<u>493,000</u>	<u>110,000</u>	<u>(383,000)</u>
Change in fund balances	<u>35,607</u>	<u>134,321</u>	<u>98,714</u>
Fund balances, July 1, 2009	2,882,943	3,314,176	431,233
Fund balances, June 30, 2010	<u>\$ 2,918,550</u>	<u>\$ 3,448,497</u>	<u>\$ 529,947</u>

See accompanying notes to this schedule.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

Budgets are prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America.

INDIVIDUAL FUND FINANCIAL SCHEDULES

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**OTHER MAJOR GOVERNMENTAL FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL**

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Auto rental surcharge	\$ 5,450,000	\$ 4,668,573	\$ (781,427)
Investment income	475,094	337,032	(138,062)
Total revenues	<u>5,925,094</u>	<u>5,005,605</u>	<u>(919,489)</u>
Expenditures:			
Debt service -			
Principal retirement	4,260,000	4,260,000	
Interest and fiscal charges	2,172,094	2,160,344	11,750
Total expenditures	<u>6,432,094</u>	<u>6,420,344</u>	<u>11,750</u>
Excess (deficiency) of revenues over expenditures	<u>(507,000)</u>	<u>(1,414,739)</u>	<u>(907,739)</u>
Other financing sources (uses):			
Transfers in	1,000,000	1,000,000	
Transfers out	(493,000)	(110,000)	383,000
Total other financing sources (uses)	<u>507,000</u>	<u>890,000</u>	<u>383,000</u>
Change in fund balances		<u>(524,739)</u>	<u>(524,739)</u>
Fund balances (deficits), July 1, 2009	(270,242)	9,993,478	10,263,720
Fund balances (deficits), June 30, 2010	<u>\$ (270,242)</u>	<u>\$ 9,468,739</u>	<u>\$ 9,738,981</u>

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CHASE FIELD CAPITAL PROJECTS RESERVE FUND
YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$	\$	\$ 131	\$ 131
Chase Field operations	1,000,000	1,000,000	1,037,991	37,991
Investment income	60,000	60,000	3,248	(56,752)
Total revenues	<u>1,060,000</u>	<u>1,060,000</u>	<u>1,041,370</u>	<u>(18,630)</u>
Expenditures:				
Current -				
Culture and recreation	3,000	3,000	2,500	500
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,500</u>	<u>500</u>
Excess (deficiency) of revenues over expenditures	<u>1,057,000</u>	<u>1,057,000</u>	<u>1,038,870</u>	<u>(18,130)</u>
Other financing sources (uses):				
Transfers in	1,668,264	1,668,264	1,477,897	(190,367)
Transfers out		(2,200,000)	(23,689)	2,176,311
Total other financing sources (uses)	<u>1,668,264</u>	<u>(531,736)</u>	<u>1,454,208</u>	<u>1,985,944</u>
Change in fund balances	<u>2,725,264</u>	<u>525,264</u>	<u>2,493,078</u>	<u>1,967,814</u>
Fund balances, July 1, 2009	6,125,446	6,125,446	7,509,358	1,383,912
Fund balances, June 30, 2010	<u>\$ 8,850,710</u>	<u>\$ 6,650,710</u>	<u>\$ 10,002,436</u>	<u>\$ 3,351,726</u>

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STATISTICAL SECTION

This part of the Maricopa County Stadium District's (Stadium District) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Stadium District's overall financial health.

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Operating Indicators by Function	69

Maricopa County Stadium District
(A Component Unit of Maricopa County)

Net Assets by Component

Last Nine Fiscal Years

(accrual basis of accounting)

NET ASSETS	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$ 335,878,874	\$ 329,550,243	\$ 326,134,446	\$ 321,964,480	\$ 320,825,838	\$ 316,940,142	\$ 306,365,725	\$ 299,070,229	\$ 290,286,897
Restricted									
Unrestricted	(38,864,859)	(33,198,887)	(28,610,605)	(25,421,360)	(23,886,787)	(21,338,775)	(17,140,229)	(13,294,022)	(7,266,370)
Total governmental activities net assets	<u>\$ 297,014,015</u>	<u>\$ 296,351,356</u>	<u>\$ 297,523,841</u>	<u>\$ 296,543,120</u>	<u>\$ 296,939,051</u>	<u>\$ 295,601,367</u>	<u>\$ 289,225,496</u>	<u>\$ 285,776,207</u>	<u>\$ 283,020,527</u>

Prior to fiscal year 2002, the schedule of net assets by component is not available due to the initial year of GASB Statement No. 34 presentation

Maricopa County Stadium District
(A Component Unit of Maricopa County)

Changes in Net Assets
Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
Culture and Recreation	\$ 9,288,640	\$ 8,474,537	\$ 8,512,193	\$ 9,105,928	\$ 9,333,326	\$ 10,932,879	\$ 12,184,207	\$ 12,701,863	\$ 9,164,730
Interest on Long-Term Debt	2,590,268	3,819,043	3,737,669	3,510,477	3,354,440	3,089,023	2,762,472	2,615,805	2,460,689
Total governmental activities expenses	<u>11,878,908</u>	<u>12,293,580</u>	<u>12,249,862</u>	<u>12,616,405</u>	<u>12,687,766</u>	<u>14,021,902</u>	<u>14,946,679</u>	<u>15,317,668</u>	<u>11,625,419</u>
Total primary government activities expenses	<u>\$ 11,878,908</u>	<u>\$ 12,293,580</u>	<u>\$ 12,249,862</u>	<u>\$ 12,616,405</u>	<u>\$ 12,687,766</u>	<u>\$ 14,021,902</u>	<u>\$ 14,946,679</u>	<u>\$ 15,317,668</u>	<u>\$ 11,625,419</u>
Program Revenues									
Governmental activities:									
Charges for Services	\$ 3,837,036	\$ 4,520,807	\$ 4,074,814	\$ 4,095,044	\$ 4,153,795	\$ 4,271,130	\$ 4,376,173	\$ 4,445,519	\$ 4,318,917
Capital grants and contributions	7,251,240	972,045	2,871,823	325,020	1,189,204	509,975	589,338	1,213,801	1,064,751
Total governmental activities program revenues	<u>11,088,276</u>	<u>5,492,852</u>	<u>6,946,637</u>	<u>4,420,064</u>	<u>5,342,999</u>	<u>4,781,105</u>	<u>4,965,511</u>	<u>5,659,320</u>	<u>5,383,668</u>
Total primary government program revenues	<u>\$ 11,088,276</u>	<u>\$ 5,492,852</u>	<u>\$ 6,946,637</u>	<u>\$ 4,420,064</u>	<u>\$ 5,342,999</u>	<u>\$ 4,781,105</u>	<u>\$ 4,965,511</u>	<u>\$ 5,659,320</u>	<u>\$ 5,383,668</u>
Net (Expense)/Revenue									
Total primary government net expense	<u>\$ (790,632)</u>	<u>\$ (6,800,728)</u>	<u>\$ (5,303,225)</u>	<u>\$ (8,196,341)</u>	<u>\$ (7,344,767)</u>	<u>\$ (9,240,797)</u>	<u>\$ (9,981,168)</u>	<u>\$ (9,658,348)</u>	<u>\$ (6,241,751)</u>
General Revenues and other Changes in Net Assets									
Governmental activities:									
Taxes									
Sales Tax	\$ 128,498	\$ 96,555	\$ 84,018	\$ 6,024,355	\$ 5,294	\$ 1,938	\$ 1,160	\$ 875	\$ 131
Auto Rental Surcharge	5,407,664	5,240,032	5,556,717	6,024,355	6,493,520	6,286,155	6,131,305	5,303,690	4,668,573
Investment earnings	481,675	801,482	834,975	1,191,265	1,241,884	1,615,020	1,458,224	904,494	733,350
Loss on disposal of assets							(3,985,392)		(1,915,983)
Total governmental activities	<u>6,017,837</u>	<u>6,138,069</u>	<u>6,475,710</u>	<u>7,215,620</u>	<u>7,740,698</u>	<u>7,903,113</u>	<u>3,605,297</u>	<u>6,209,059</u>	<u>3,486,071</u>
Total primary government	<u>\$ 6,017,837</u>	<u>\$ 6,138,069</u>	<u>\$ 6,475,710</u>	<u>\$ 7,215,620</u>	<u>\$ 7,740,698</u>	<u>\$ 7,903,113</u>	<u>\$ 3,605,297</u>	<u>\$ 6,209,059</u>	<u>\$ 3,486,071</u>
Change in Net Assets									
Government activities	<u>\$ 5,227,205</u>	<u>\$ (662,659)</u>	<u>\$ 1,172,485</u>	<u>\$ (980,721)</u>	<u>\$ 395,931</u>	<u>\$ (1,337,684)</u>	<u>\$ (6,375,871)</u>	<u>\$ (3,449,289)</u>	<u>\$ (2,755,680)</u>
Total primary government	<u>\$ 5,227,205</u>	<u>\$ (662,659)</u>	<u>\$ 1,172,485</u>	<u>\$ (980,721)</u>	<u>\$ 395,931</u>	<u>\$ (1,337,684)</u>	<u>\$ (6,375,871)</u>	<u>\$ (3,449,289)</u>	<u>\$ (2,755,680)</u>

Prior to fiscal year 2001-02, the changes in net assets is not available due to the initial year of GASB Statement No. 34 presentation

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Intergovernmental	\$ 278,259	\$ 128,498	\$ 96,555	\$ 84,018	\$	\$ 5,294	\$ 1,938	\$ 1,160	\$ 875	\$ 131
Capital Contributions	1,388,550	6,595,511	89,407	351,435						
Auto Rental Surcharge	5,637,184	5,407,664	5,240,032	5,556,717	6,024,355	6,493,520	6,286,155	6,131,305	5,303,690	4,668,573
Chase Field Ballpark Operations	3,246,111	4,492,765	4,530,457	4,341,414	4,344,760	4,496,519	4,697,199	4,877,312	5,618,849	5,356,908
Investment Income	862,290	481,675	541,817	575,310	931,600	982,219	1,355,352	1,198,559	644,829	473,685
Miscellaneous	85,536									
Total primary government	\$ 11,497,930	\$ 17,106,113	\$ 10,498,268	\$ 10,908,894	\$ 11,300,715	\$ 11,977,552	\$ 12,340,644	\$ 12,208,336	\$ 11,568,243	\$ 10,499,297

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Unreserved	\$ 2,445,743	\$ 3,663,780	\$ 4,757,055	\$ 5,106,039	\$ 4,906,646	\$ 2,787,187	\$ 2,326,098	\$ 5,740,934	\$ 6,989,310	\$ 7,688,448
Total general fund	<u>\$ 2,445,743</u>	<u>\$ 3,663,780</u>	<u>\$ 4,757,055</u>	<u>\$ 5,106,039</u>	<u>\$ 4,906,646</u>	<u>\$ 2,787,187</u>	<u>\$ 2,326,098</u>	<u>\$ 5,740,934</u>	<u>\$ 6,989,310</u>	<u>\$ 7,688,448</u>
All Other Governmental Funds										
Reserved, reported in:										
Special revenue funds	\$ 4,062,394	\$ 2,174,304	\$ 2,195,208	\$ 2,391,353	\$ 2,522,650	\$ 2,693,882	\$ 2,914,188	\$ 3,151,957	\$ 3,314,176	\$ 3,448,497
Capital projects funds	10,516,705	6,121,376	8,104,835	9,346,699	9,348,934	9,815,141	9,814,906	7,622,566	7,509,358	10,002,436
Debt service funds		7,038,118	8,658,371	9,512,699	10,320,528	10,697,550	10,702,495	10,511,470	9,993,478	9,468,739
Total all other governmental funds	<u>\$ 14,579,099</u>	<u>\$ 15,333,798</u>	<u>\$ 18,958,414</u>	<u>\$ 21,250,751</u>	<u>\$ 22,192,112</u>	<u>\$ 23,206,573</u>	<u>\$ 23,431,589</u>	<u>\$ 21,285,993</u>	<u>\$ 20,817,012</u>	<u>\$ 22,919,672</u>

Note: The decrease in General Fund-Fund Balance in fiscal year 2006 was due to the \$2 million principal payment on the loan and the transfer of \$2 million to the Capital Projects Fund for capital improvements.

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Intergovernmental	\$ 278,259	\$ 128,498	\$ 96,555	\$ 84,018	\$	\$ 5,294	\$ 1,938	\$ 1,160	\$ 875	\$ 131
Capital Contributions	1,388,550	6,595,511	89,407	351,435						
Auto Rental Surcharge	5,637,184	5,407,664	5,240,032	5,556,717	6,024,355	6,493,520	6,286,155	6,131,305	5,303,690	4,668,573
Chase Field Operations	3,246,111	4,492,765	4,530,457	4,341,414	4,344,760	4,496,519	4,697,199	4,877,312	5,618,849	5,356,908
Investment Income	862,290	481,675	541,817	575,310	931,600	982,219	1,355,352	1,198,559	644,829	473,685
Miscellaneous	85,536									
Total Revenues	\$ 11,497,930	\$ 17,106,113	\$ 10,498,268	\$ 10,908,894	\$ 11,300,715	\$ 11,977,552	\$ 12,340,644	\$ 12,208,336	\$ 11,568,243	\$ 10,499,297
Principal										
Expenditures										
Culture and Recreation	2,377,960	2,142,098	1,169,891	1,025,514	1,328,633	1,984,291	2,296,102	2,264,153	1,923,645	1,094,196
Capital Outlay	1,429,825	6,613,703	100,570	351,435	1,530,473	3,880,572	3,220,559	13,199,058	3,043,094	3,718
Debt Service										
Principal	2,607,216	3,457,815	1,000,000	3,460,000	4,490,000	4,685,000	5,487,512	3,180,335	3,504,577	4,439,241
Interest	3,078,606	6,870,168	3,509,916	3,430,624	3,209,641	3,054,417	2,789,562	2,463,594	2,317,532	2,160,344
Other										
Total Expenditures	9,493,607	19,083,784	5,780,377	8,267,573	10,558,747	13,604,280	13,793,735	21,107,140	10,788,848	7,697,499
Excess of revenues over (under) expenditures	2,004,323	(1,977,671)	4,717,891	2,641,321	741,968	(1,626,728)	(1,453,091)	(8,898,804)	779,395	2,801,798
Other Financing Sources (Uses)										
Transfers In	6,130,975	12,661,183	1,813,912	1,003,599	1,372,049	4,485,378	2,462,131	1,462,553	2,517,876	2,611,586
Transfers Out	(6,130,975)	(12,661,183)	(1,813,912)	(1,003,599)	(1,372,049)	(4,485,378)	(2,462,131)	(1,462,553)	(2,517,876)	(2,611,586)
Proceeds from sale of capital assets						521,730				
Loan Proceeds							1,217,018	10,168,044		
Premium on refunding bonds		3,115,977								
Proceeds from sale of bonds		58,225,000								
Payment to escrow agent		(57,390,570)								
Total other financing sources (uses)		3,950,407				521,730	1,217,018	10,168,044		
Net change in fund balance	\$ 2,004,323	\$ 1,972,736	\$ 4,717,891	\$ 2,641,321	\$ 741,968	\$ (1,104,998)	\$ (236,073)	\$ 1,269,240	\$ 779,395	\$ 2,801,798
Debt Services as a percentage of noncapital expenditures	70.5%	82.8%	79.4%	87.0%	85.2%	78.1%	67.9%	52.2%	55.7%	85.7%

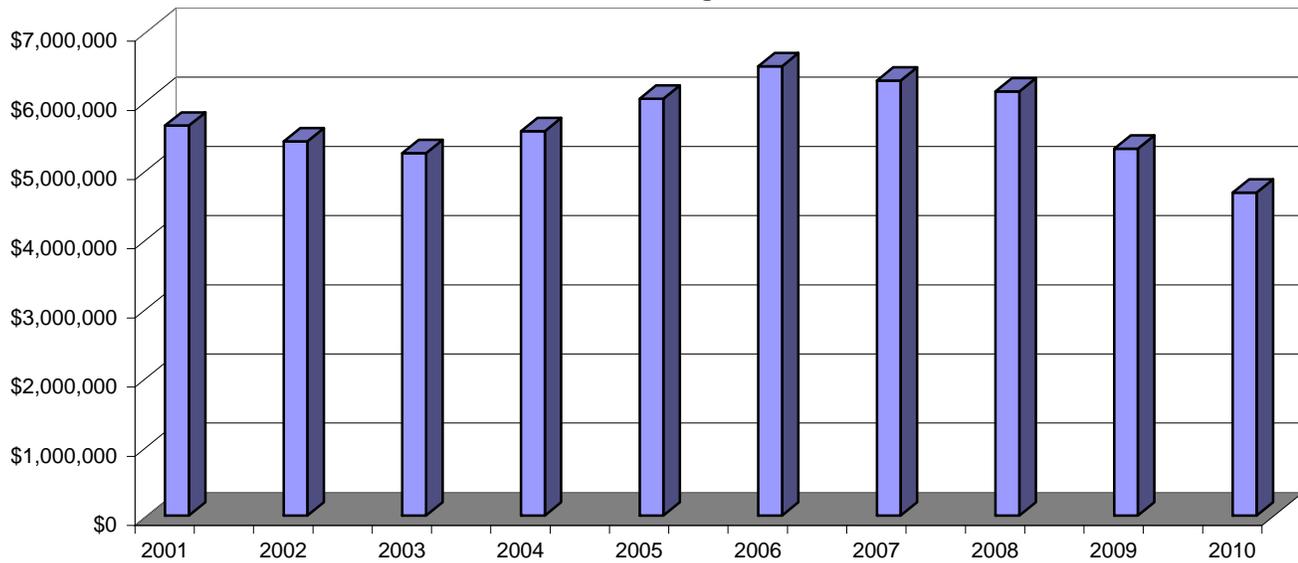
Maricopa County Stadium District
(A Component Unit of Maricopa County)

Selected Charts

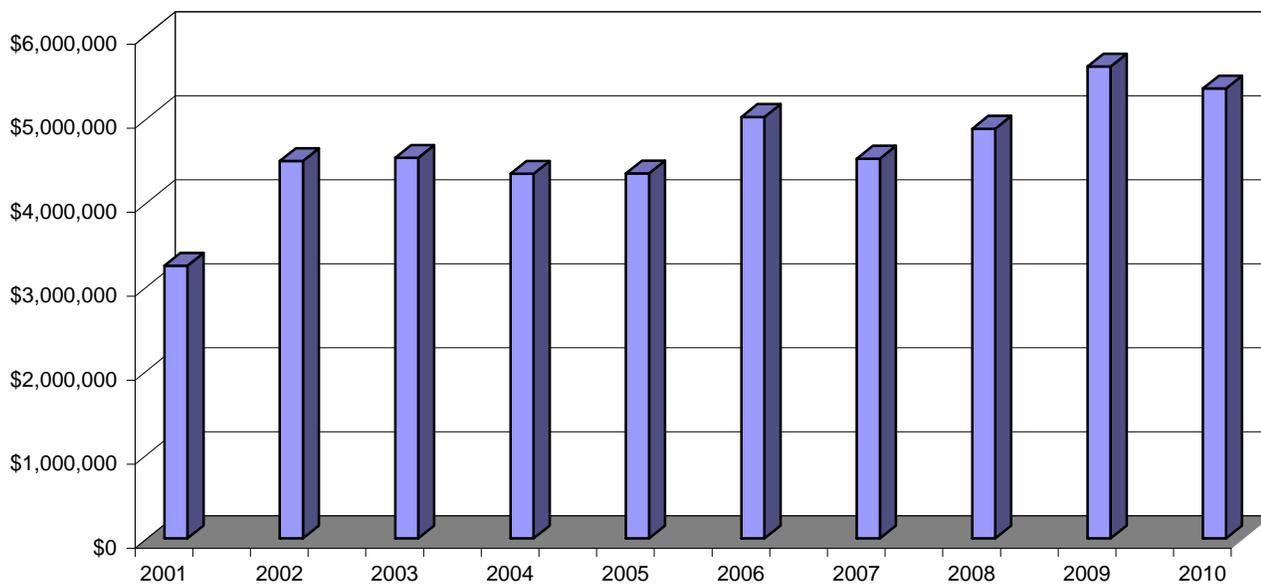
Last Ten Fiscal Years

(modified accrual basis of accounting)

Maricopa County Stadium District
Auto Rental Surcharge Revenue

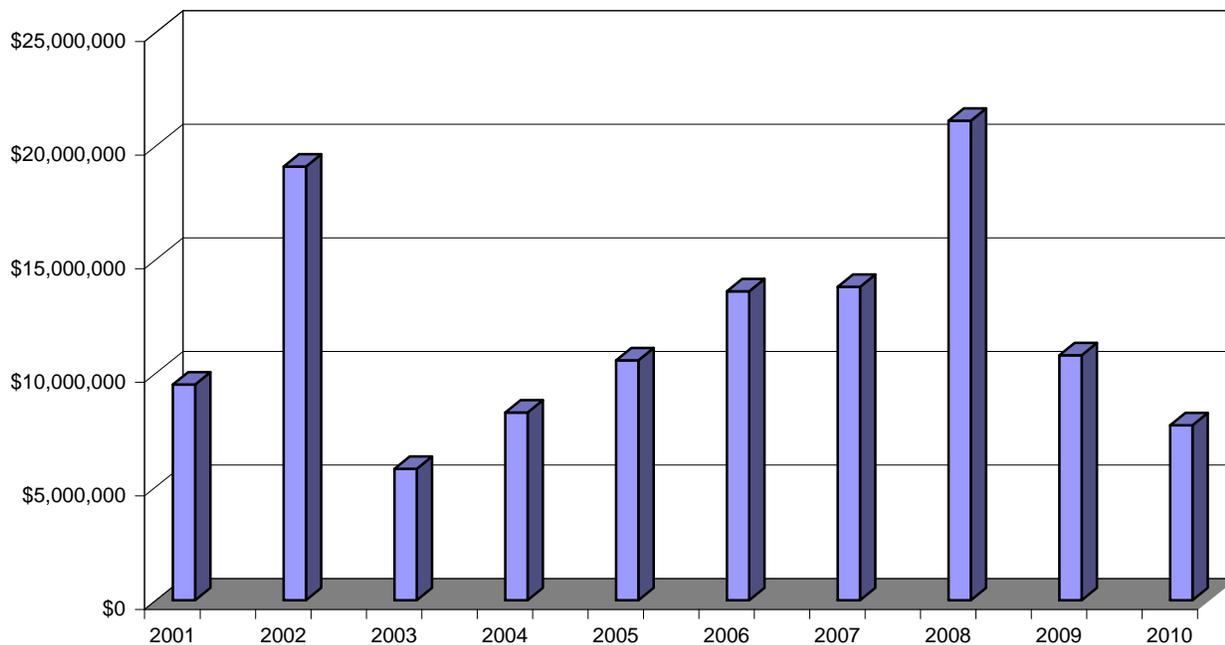


Maricopa County Stadium District
Chase Field Operations Revenue



Maricopa County Stadium District
(A Component Unit of Maricopa County)
Selected Charts
Last Ten Fiscal Years
(modified accrual basis of accounting)

Maricopa County Stadium District
Total Expenditures



Maricopa County Stadium District
(A Component Unit of Maricopa County)
Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Baseball Stadium Tax</u>	<u>Auto Rental Surcharge</u>
2010	\$ 131	\$ 4,668,573
2009	875	5,303,690
2008	1,160	6,131,305
2007	1,938	6,286,155
2006	5,294	6,493,520
2005		6,024,355
2004	84,018	5,556,717
2003	96,555	5,240,032
2002	128,498	5,407,664
2001	278,259	5,637,184

The Baseball Stadium Tax ended in November 1997, but amounts continue to be collected based on audits.

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Current Revenue	Total Revenue Available for Debt Service*	Principal	Interest	Total	Current Coverage	Total Coverage
2010	\$ 4,668,573	\$ 14,552,051	\$ 3,260,000	\$ 2,159,094	\$ 5,419,094	0.86	2.69
2009	5,714,998	16,116,468	3,105,000	2,317,532	5,422,532	1.05	2.97
2008	6,671,848	17,264,343	2,960,000	2,463,594	5,423,594	1.23	3.18
2007	6,838,436	17,425,986	2,820,000	2,604,374	5,424,374	1.26	3.21
2006	7,018,591	17,239,119	2,685,000	2,738,844	5,423,844	1.29	3.18
2005	6,533,419	15,946,118	2,490,000	2,873,964	5,363,964	1.22	2.97
2004	5,972,808	14,431,179	2,000,000	2,918,480	4,918,480	1.21	2.93
2003	5,565,801	12,603,919	1,000,000	2,945,548	3,945,548	1.41	3.19
2002	4,172,913	8,188,248	1,620,168	1,593,307	3,213,475	1.30	2.55
2001	5,909,719	9,743,378	2,607,216	3,078,606	5,685,822	1.04	1.71

* Total revenue available for debt service consists of current revenues plus beginning fund balance less expenditures not covered by bond proceeds and all transfers not applicable to debt retirement. Fund balance is included in total revenue since it represents unexpended pledged revenues.

Source: Maricopa County Stadium District records.

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Total Debt
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Revenue Bonds Payable*</u>	<u>Intergovernmental Agreements</u>	<u>Contractual Obligation (Loan)</u>	<u>Total Debt</u>	<u>Percentage of Personal Income**</u>	<u>Debt Per Capita**</u>
2010	\$ 38,943,659	\$	\$ 9,286,098	\$ 48,229,757	N/A	\$ N/A
2009	42,463,323		10,465,338	52,928,661	N/A	13.16
2008	45,827,988		10,864,916	56,692,904	39.53%	14.34
2007	49,047,653		978,394	50,026,047	35.82%	11.97
2006	52,127,319		2,428,888	54,556,207	40.61%	13.51
2005	55,071,982		4,428,888	59,500,870	48.50%	16.35
2004	57,821,647		6,428,888	64,250,535	57.96%	18.37
2003	60,081,312		7,888,888	67,970,200	67.05%	20.05
2002	61,340,977		7,888,888	69,229,865	71.37%	21.00
2001	28,658,512	26,980,000	13,888,888	69,527,400	74.33%	21.74

*Includes unamortized premium on refunding bonds beginning in 2002.

**See the Schedule of Demographic and Economic Statistics on page 66 for personal income and population data.

Note: Debt as a percentage of personal income and debt per capita is shown for reference purposes only since the revenue bonds are repaid from an auto rental surcharge and the contractual obligation is repaid from revenue generated from ballpark usage.

Source: Maricopa County Stadium District records

**Maricopa County Stadium District
(A Component Unit of Maricopa County)
Arizona Diamondbacks Attendance
Last Ten Calendar Years
(Unaudited)**

Calendar Year	Attendance		
	Game Avg	Season Total	League Avg
2010*	25,496	2,057,242	2,336,844
2009	26,286	2,129,183	2,384,653
2008	30,986	2,509,924	2,576,335
2007	28,708	2,325,413	2,650,106
2006	25,821	2,091,505	2,598,741
2005	25,423	2,059,331	2,508,570
2004	31,106	2,519,560	2,462,481
2003	34,636	2,805,542	2,273,813
2002	39,515	3,200,725	2,309,294
2001	33,766	2,735,821	2,481,346

*81 of 81 Home Games Played as of 09/26/2010

Source: Major League Baseball and Maricopa County Stadium District records

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Cactus League Attendance
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Arizona Diamondbacks	99,698	121,281	110,886	94,291	97,925	107,109	111,286	101,768	147,449	95,208
Los Angeles Angels	111,038	100,789	118,191	105,869	96,315	106,690	103,366	96,024	85,571	80,535
Los Angeles Dodgers**	124,502	136,944								
Cleveland Indians**	61,240	99,825								
Chicago Cubs	152,493	203,105	181,280	175,891	154,978	193,993	164,170	133,223	154,617	147,749
Chicago White Sox	81,634	91,782	87,304	86,397	98,728	76,879	70,986	72,863	87,670	67,203
Cincinnati Reds***	66,725									
Colorado Rockies	78,638	75,557	72,550	57,359	56,715	67,089	64,563	65,310	68,314	65,269
Kansas City Royals *	79,249	96,798	83,118	78,747	70,412	79,690	72,394	50,070		
Milwaukee Brewers	79,651	82,271	88,499	61,888	56,903	68,187	57,885	60,571	78,131	68,673
Oakland Athletics	89,493	94,872	91,875	95,058	100,087	110,543	101,109	82,137	96,232	89,422
San Diego Padres	79,671	86,557	95,280	100,061	76,275	102,024	72,075	88,709	91,170	74,498
San Francisco Giants	155,819	177,995	148,935	148,988	150,875	148,039	141,794	133,249	130,830	122,966
Seattle Mariners	120,328	124,684	135,154	126,137	130,111	123,427	136,170	101,376	156,047	124,553
Texas Rangers *	90,513	86,249	103,110	86,864	79,706	86,997	70,655	80,081		
Total	1,470,692	1,578,709	1,316,182	1,217,550	1,169,030	1,270,667	1,166,453	1,065,381	1,096,031	936,076

* 2003 was the first year in the Cactus League; previously in the Grapefruit League.

** 2009 was the first year in the Cactus League; previously in the Grapefruit League.

*** 2010 was the first year in the Cactus League, previously in the Grapefruit League.

Source: Cactus League records.

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	4,023,331	\$ N/A	\$ N/A	8.8%
2008	3,987,942	147,122,078	37,168	10.0
2007	3,907,492	139,665,253	36,135	3.2
2006	3,792,675	134,339,487	35,667	3.5
2005	3,647,131	122,682,746	33,739	4.0
2004	3,502,635	110,857,870	31,715	4.4
2003	3,391,391	101,378,940	29,933	5.2
2002	3,299,127	96,998,974	29,422	5.6
2001	3,200,075	93,544,549	29,238	4.2
2000	3,072,149	89,771,608	28,982	3.3

Source: Workforce Informer Arizona at www.workforce.az.gov for unemployment rate, population, income and per capital statistics.
2008 personal income and per capita from Bureau of Economic Analysis.

Note: Data from this source for previous years is subject to periodic update.

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Principal Employers
Current and Nine Years Ago
(Unaudited)

Employer	2010*			2001*		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of Arizona	52,420	1	3.22%	49,973	1	3.20%
Wal-Mart Stores	31,280	2	1.92%	17,500	2	1.12%
Banner Health	27,431	3	1.68%	14,000	6	0.90%
City of Phoenix	16,375	4	1.01%	13,298	8	0.85%
Wells Fargo	14,000	5	0.86%			
Maricopa County	12,996	6	0.80%	15,523	4	1.00%
Apollo Group, Inc.	12,299	7	0.76%			
Arizona State University	12,043	8	0.74%			
Raytheon Missile Systems	11,500	9	0.71%			
Honeywell International	10,145	10	0.62%	16,000	3	1.03%
America West Holdings				10,270	10	0.66%
American Express Co.				11,000	9	0.71%
Motorola				15,100	5	0.97%
The Kroger Co.				13,500	7	0.87%
Total for Principal Employers	200,489		12.31%	176,164		11.30%
Toatal Employment in Maricopa County**	1,628,700			1,559,500		

Source: * The Phoenix Business Journal, Book of Lists.

**Workforce Informer Arizona at www.workforce.az.gov for total employed in Maricopa County as of June 2010 and 2001.

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Full-time Equivalent Employees by Function
Last Ten Fiscal Years
(Unaudited)

<u>Year ending June 30,</u>	<u>Culture and Recreation</u>
2010	3.00
2009	5.00
2008	3.00
2007	4.75
2006	4.75
2005	4.50
2004	4.50
2003	3.50
2002	4.00
2001	4.00

Source: Maricopa County Stadium District records.

Maricopa County Stadium District
(A Component Unit of Maricopa County)
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Culture and Recreation										
Baseball Stadium	1	1	1	1	1	1	1	1	1	1
Seating Capacity	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500	49,500
Baseball Games	81	81	81	81	81	81	81	81	81	81
Baseball Games Attendance	2,735,821	3,200,725	2,805,542	2,519,560	2,059,331	2,091,505	2,325,413	2,509,924	2,129,183	2,057,242
Stadium District Events	3	9	8	6	6	9	7	2	3	2
Stadium District Events Attendance	97,812	312,091	190,147	143,886	184,671	229,114	128,119	82,346	108,303	72,174

All capital assets are used for the Culture and Recreation function, which is the operation of Chase Field.

Source: Maricopa County Stadium District records.

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COMPLIANCE SECTION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Maricopa County Stadium District

We have audited the financial statements of Maricopa County Stadium District, a blended component unit of Maricopa County, Arizona, as of and for the year ended June 30, 2010, which collectively comprise Maricopa County Stadium District's basic financial statements and have issued our report thereon dated September 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Maricopa County Stadium District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Maricopa County Stadium District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maricopa County Stadium District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maricopa County Stadium District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, governmental agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

September 30, 2010