Franklin County Stadium, Inc. dba Huntington Park
and Columbus Baseball Team, Inc. dba Columbus Clippers
(A Component Unit of Franklin County)

Combined Financial Statements
December 31, 2011

PLATTENBURG
Certified Public Accountants

Dave Yost • Auditor of State

Board of Trustees
Franklin County Stadium, Inc. dba Huntington Park and
Columbus Baseball Team, Inc. dba Columbus Clippers
330 Huntington Park Lane
Columbus, Ohio 43215

We have reviewed the *Independent Auditors' Report* of the Franklin County Stadium, Inc. dba Huntington Park and Columbus Baseball Team, Inc. dba Columbus Clippers, Franklin County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Franklin County Stadium, Inc. dba Huntington Park and Columbus Baseball Team, Inc. dba Columbus Clippers is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

April 30, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Franklin County Stadium, Inc. dba Huntington Park and
Columbus Baseball Team, Inc. dba Columbus Clippers

We have audited the accompanying combined statement of financial position of Franklin County Stadium, Inc. dba Huntington Park and Columbus Baseball Team, Inc. dba Columbus Clippers (collectively referred to as the "Organization"), a component unit of Franklin County, Ohio, as of December 31, 2011, and the related combined statements of revenues, expenses, and changes in net assets, and cash flows for the year then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined 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 opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2011, and the results of its operations and its cash flows for the year then 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 March 9, 2012, on our consideration of the Organization'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.

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
March 9, 2012

This discussion and analysis, along with the accompanying financial report, of the Franklin County Stadium, Inc. and Columbus Baseball Team, Inc. dba The Columbus Clippers (the "Organization") is designed to provide our creditors and other interested parties with a general overview of the Organization and its financial activities.

Financial Highlights

The total net assets of the Organization on December 31, 2011 was $8,327,668, an increase of $1,125,071 from 2010.

The Organization had total revenues of $11,647,201 for 2011.

Overview of Basic Financial Statements

The Organization is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Basic Financial Statements are presented using the accrual basis of accounting.

The Combined Statement of Financial Position includes all of the Organization's Assets and Liabilities. This statement provides information about the nature and amounts of investments in resources (assets) owned by the Organization, and obligations owed by the Organization (liabilities). The Organization's net assets (equity) are the difference between assets and liabilities.

The Combined Statement of Revenues, Expenses, and Changes in Net Assets provides information on the Organization's operations over the past year. Revenues are reported when earned and expenses are reported when incurred.

The Combined Statements of Cash Flows provides information about the Organization's cash receipts and cash disbursements. It summarizes the net changes in cash resulting from operating, investing and financing activities.

Net Assets

Table 1 provides a summary of the Organization's net assets for 2011 compared to 2010:

Table 1
Net Assets

	2011	2010
Assets:		
Current Assets	$5,650,553	$6,653,318
Other Assets	16,061,476	14,333,136
Total Assets	21,712,029	20,986,454
Liabilities:		
Current Liabilities	3,290,159	3,193,144
Long-Term Liabilities	10,094,202	10,590,713
Total Liabilities	13,384,361	13,783,857
Net Assets:		
Invested in Capital Assets, Net of Related Debt	2,164,100	2,405,079
Unrestricted	6,163,568	4,797,518
Total Net Assets	$8,327,668	$7,202,597

The Organization had an increase of net assets for $1,125,071 from 2010 to 2011.

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Statement of Revenues, Expenses, and Changes in Net Assets

Table 2 below summarizes the changes in revenues, expenses, and the resulting change in net assets for 2011 and 2010.

Table 2
Changes in Revenues, Expenses and Net Assets

	2011	2010
Revenues:		
Ticket Sales	$4,153,144	$4,398,184
Concessions	2,419,655	2,417,680
Souvenirs	629,259	638,142
Parking	173,190	195,160
Sponsorships and Advertising	4,022,203	3,878,637
Special Events	141,630	355,037
Other Revenues	108,120	148,644
Total Operating Revenues	11,647,201	12,031,484
Operating Expenses:		
Stadium	5,023,103	4,559,203
Payroll and Related Taxes	3,001,987	2,858,380
Team	816,825	760,936
Souvenirs	443,649	341,672
Advertising	193,792	230,446
Depreciation	365,931	354,187
Other Expenses	656,869	912,474
Total Operating Expenses	10,502,156	10,017,298
Changes in Net Assets from Operations	1,145,045	2,014,186
Non-Operating Revenues (Expenses):		
Interest Income	49,343	69,632
Net Realized and Unrealized Gains on Marketable Securities	(80,317)	143,090
Gain (Loss) on Sale or Disposal of Capital Assets	11,000	750
Total Non-Operating Revenues	(19,974)	213,472
Changes in Net Assets	1,125,071	2,227,658
Net Assets at Beginning of Year	7,202,597	4,974,939
Net Assets at End of Year	$8,327,668	$7,202,597

Capital Assets

The Organization had capital assets of $ 2,175,513 as of at December 31, 2011. Table 3 shows 2011 capital asset balances compared to 2010 capital asset balances:

Table 3
Capital Assets

	2011	2010
Machinery and Equipment	$2,896,045	$2,900,806
Leasehold Improvements	475,093	435,791
Capital Assets, at cost	3,371,138	3,336,597
Less: Accumulated Depreciation	(1,195,625)	(853,922)
Capital Assets, net	$2,175,513	$2,482,675

Overall, capital assets decreased due to depreciation expense for the year being greater than current year additions.

See note 4 in the notes to the basic financial statements for further details on the Organization's capital assets.

Lease Obligations

At December 31, 2011 the Organization had a capital lease for $11,580, in which $168 represents interest. The Organization also has an operating lease with Franklin County.

See note 6 in the notes to the basic financial statements for further details on the Organization's capital and operating leases.

Additional Information about the Organization

This is an attempt to compare year-to-year operations and expenditures for years two and three of Huntington Park. Last season's (2011) final paid attendance of 608,165 was down 6-1/2% from the previous year, and income was down by approximately 3%. We can track this entire difference to four (4) rained-out games that occurred in the first 1/3 of the 2011 season. All four dates were on weekends (Fridays & Saturdays) and one Friday & Saturday weekend was completely "washed out" in mid-May. That resulted in the loss of almost 40,000 fans which then impacted all other numbers. However, after that occurred we reacted by closely monitoring expenses, and we were successfully able to reduce those by over 2% which helped maintain projected profit levels to continue to service the debt on Huntington Park in an aggressive manner and well in front of the timelines originally projected. Once again, all budget figures were attained and season three was also a financial and artistic success. With a payment to the County of an additional two million dollars set for March, 2012, the County's variable debt on Huntington Park will then be reduced to ten million dollars and payments on the County's fixed long-term debt will continue each month as scheduled.

The team continued their promise to the community that there would NOT be any sharp rise in pricing; and in fact, they kept that promise by not increasing any ticket prices for daily box, reserved or general admission tickets for this third season in 2011. Concession prices were permitted a small increase of approximately 2-1/2% that coincided with raw material costs. However, the new park and new location have continually allowed for the introduction of many new food items that have been very well received by our fans. Souvenir income stayed constant for these past two seasons. This third season at our beautiful ballpark, in our third season of our affiliation with the Cleveland Indians, proved very beneficial as the Clippers literally went "back-to-back"– winning their second consecutive post season International League's Governors' Cup Trophy (for the ninth time in franchise history) and then advancing and winning their second consecutive Triple-A National Championship.

Ballpark needs and maintenance were again slightly above projections due to the continued need for equipment to handle this facility. This third season found us continuing to deal with issues as we continue to "settle in" as to how best to operate and handle the facility. Utility costs were up once again, even though management aggressively controls this to the best of their ability. Rising energy costs and unpredictable weather culminated in these additional expenses. Insurance costs remained fairly flat and consistent due to renegotiated premiums and the change in the baseball industry requirements throughout the country. Overall, team expenses remained mostly level throughout the regular 144 game season – except that team travel costs escalated due to the travel necessary for the post-season playoff games.

The overall audit indicates another profitable year from an operations standpoint; reserves started being used in 2005 for the planning and eventual move to Huntington Park. Since then, the team has expended over $11.9 million in that area of its operations in addition to initial sponsorship payments made to Franklin County prior to moving into Huntington Park.

Please note that on December 5, 1976, for the sum of $25,000, the Board of Trustees of Columbus Baseball Team, Inc., doing business as the Columbus Clippers [Minor League] Professional Baseball Organization (Clippers), purchased a "franchise" position in Triple-A Minor League Baseball from the Pittsburgh Athletic Company, Inc., doing business as the Pittsburgh Pirates [Major League] Professional Baseball Organization. Long ago, that purchase price was amortized on the financial statements of the Organization.

In the last 35 years, the valuation of franchises in Minor League Baseball has dramatically evolved, evidenced by confirmed sales figures. Before addressing the current valuation of the Clippers franchise, one must understand the answer to this question: What is a "franchise" within the structure and rules of Minor League Baseball? As dictated by the terms of the Constitution and By-Laws of the International League of Professional Baseball Clubs, Inc. (International League), the Triple-A league in which the Clippers hold membership, the franchise is actually "owned" by the International League. The members within the International League are vested with "rights of membership" that translate to exclusive operational rights and obligations to the International League, Minor League Baseball, and the Office of the Commissioner of Baseball. Since the Rules of Baseball confer each of the thirty Triple-A teams with the right to affiliate (through a standardized "Player Development Contract") with one of the thirty Major League Baseball organizations, the ownership of a Triple-A league membership exists and functions within a lawfully restricted and finite number of organizations – just thirty. The same analysis applies to the Double-A level of teams within Minor League Baseball.

Demonstrative and illustrative of this dramatic increase in fair market valuation of Triple-A franchises is the value of membership in the International League. In an article in Forbes, the magazine claimed, "On average, the top 20 [Minor League Baseball franchises] are worth $21.2 million." In 2007, the Board of Trustees of the Clippers entered into an agreement with the Franklin County Commissioners, which requires that the Clippers Board shall not sell the Clippers franchise without the express consent of the Franklin County Commissioners. As such, valuation of the Clippers franchise is largely a moot issue since the Clippers franchise will not be foreseeably placed on the market. Even so, the Clippers franchise undoubtedly represents a contractually encumbered multi-million dollar asset effectively owned by the people of Franklin County, Ohio. As of today, to the knowledge of the Clippers management, no exactly similar, comparable organization exists in all of professional sports in the United States.

In conclusion, the Columbus Clippers completed their 35th season in 2011 by providing affordable, wholesome family entertainment once again for the citizens of Franklin County and Central Ohio. All capital expenditures since 1977 have been financed by the team. The two major factors impacting the success of the business operations continue to be the performance of the team on the field and the weather for home games; two factors where the business operations have little impact. The Columbus Clippers have enjoyed being "Back to Back" 2010 & 2011 International League Governors' Cup Champions and also "Back to Back" 2010 & 2011 Triple-A National Champions for their performance on the field of play. Our affiliation with the Cleveland Indians is signed through the 2014 season and can be extended an additional two seasons later in the current season.

Contact Information

Questions regarding this report and requests for additional information should be forwarded to Bonnie Badgley, Director of Finance, 330 Huntington Park Lane, Columbus, Ohio 43215.

Franklin County Stadium, Inc. dba Huntington Park
and Columbus Baseball Team, Inc. dba Columbus Clippers
(A Component Unit of Franklin County)

Combined Statement of Financial Position
December 31, 2011

Assets	
Current Assets:	
Cash and Cash Equivalents	$1,149,187
Accounts Receivable	2,923
Investments in Marketable Securities	977,206
Souvenir and Equipment Inventory	153,337
Current Portion of Prepaid Rent Expense	3,362,000
Other Prepaid Expenses	5,900
Total Current Assets	5,650,553
Other Assets:	
Prepaid Rent Expense, Net of Current Portion	13,301,205
Cash Surrender Value of Life Insurance Policies	584,758
Capital Assets, Net	2,175,513
Total Other Assets	16,061,476
Total Assets	$21,712,029
Liabilities and Net Assets	
Current Liabilities:	
Accounts Payable	$115,088
Accrued Expenses	27,562
Current Portion of Capital Lease Obligations	11,412
Deferred Ticket Sales Revenue	1,160,597
Current Portion of Deferred Sponsorship Revenue	1,975,500
Total Current Liabilities	3,290,159
Long-Term Liabilities:	
Deferred Compensation	621,202
Deferred Sponsorship Revenue, Net of Current Portion	9,473,000
Total Long-Term Liabilities	10,094,202
Total Liabilities	13,384,361
Net Assets:	
Invested in Capital Assets, Net of Related Debt	2,164,100
Unrestricted	6,163,568
Total Net Assets	8,327,668
Total Liabilities and Net Assets	$21,712,029

See accompanying notes to the financial statements.

Franklin County Stadium, Inc. dba Huntington Park
and Columbus Baseball Team, Inc. dba Columbus Clippers
(A Component Unit of Franklin County)

Combined Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended December 31, 2011

Revenues:	
Ticket Sales	$4,153,144
Concessions	2,419,655
Souvenirs	629,259
Parking	173,190
Sponsorships and Advertising	4,022,203
Special Events	141,630
Other Revenues	108,120
Total Revenues	11,647,201
Expenses:	
Stadium	5,023,103
Payroll and Related Taxes	3,001,987
Team	816,825
Souvenirs	443,649
Advertising	193,792
Depreciation	365,931
Other Expenses	656,869
Total Expenses	10,502,156
Changes in Net Assets from Operations	1,145,045
Non-Operating Revenues (Expenses):	
Interest Income	49,343
Net Realized and Unrealized Gains on Marketable Securities	(80,317)
Gain (Loss) on Sale or Disposal of Capital Assets	11,000
Total Non-Operating Revenues (Expenses)	(19,974)
Change in Net Assets	1,125,071
Net Assets Beginning of Year	7,202,597
Net Assets End of Year	$8,327,668

See accompanying notes to the financial statements.

Franklin County Stadium, Inc. dba Huntington Park
and Columbus Baseball Team, Inc. dba Columbus Clippers
(A Component Unit of Franklin County)

Combined Statement of Cash Flows
For the Fiscal Year Ended December 31, 2011

Cash Flows from Operating Activities:	
Cash Received from Customers	$11,814,297
Cash Paid to Suppliers	(9,473,502)
Cash Paid to Employees	(2,952,350)
Cash Surrender Value of Life Insurance	(46,034)
Net Cash Provided by (Used in) Operating Activties	(657,589)
Cash Flows from Capital and Related Financing Activities:	
Payments for the Purchase of Capital Assets	(58,769)
Proceeds from the Sale of Capital Assets	11,000
Principal Payments made on Capital Lease Obligations	(66,184)
Net Cash Used in capital and relating financing activities	(113,953)
Cash Flows from Investing Activities:	
Proceeds from the Sale of Investments in Marketable Securities	2,700,000
Purchase of Investments in Marketable Securities	(1,658,027)
Net Cash Provided by (Used in) Investing Activities	1,041,973
Net Increase in Cash and Cash Equivalents	270,431
Cash and Cash Equivalents, Beginning of Year	878,756
Cash and Cash Equivalents, End of Year	$1,149,187
Reconciliation of Changes in Net Assets from Operations to Net Cash Provided by (Used in) Operating Activities:	
Changes in Net Assets from Operations	$1,145,045
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	365,931
Cash Surrender Value of Life Insurance	(46,034)
Deferred Compensation Expense	36,011
(Increase) Decrease in Operating Assets:	
Accounts Receivable	29,855
Souvenir and Equipment Inventory	82,409
Prepaid Rent Expenses	(2,423,002)
Other Prepaid Expenses	409
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	920
Accrued Expenses	13,626
Deferred Ticket Sales Revenue	232,241
Deferred Sponsorship Revenue	(95,000)
Total Adjustments	(1,802,634)
Net Cash Provided (Used) by Operating Activities	($657,589)

See accompanying notes to the financial statements.

Note 1 – Summary of Significant Accounting Policies

Organization

Franklin County Stadium, Inc. (the "Ballpark") and the Columbus Baseball Team, Inc. (the "Team") were organized by Franklin County, Ohio (the "County") as Ohio not-for-profit corporations in accordance with Section 1702.01 of the Ohio Revised Code to manage, operate and promote a professional baseball team and such other forms of entertainment that benefit the general welfare of the County. Both corporations are directed by the Franklin County Board of Parks and Recreation (the "Board") and are component units of the County.

Principles of Combination

The accompanying financial statements of the Ballpark and the Team (doing business as "The Columbus Clippers" and collectively referred to as the "Organization") include the results and balances of both entities. All significant inter-company accounts and transactions have been eliminated in combination.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America. In accordance with the standard, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Organization has elected to apply Financial Accounting Standards Board ("FASB") Statements and Interpretations issued on or after November 30, 1989.

Use of Management's Estimates

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

Fund Accounting

The Organization's accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenses. The operating fund of the Organization is a proprietary fund. It is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of operating the ballpark are financed through user charges.

Revenue Recognition and Deferred Revenue

Receipts from ticket sales are deferred and recognized as revenue in the period in which the games are played. Concessions, souvenirs, parking, and special events fees are recognized as revenues as the products and services are provided to the customers. Receipts from sponsorships and advertising are deferred and recognized as revenue ratably over the sponsorship periods, which range from one to twenty years.

Cash and Cash Equivalents

For purposes of the combined statement of cash flows, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are carried at original invoice amount, less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by evaluating individual customer receivables and considering a customer's financial condition and credit history along with current economic conditions. Receivables are written off when deemed uncollectable. Recoveries of receivables previously written off are recorded as income when received. Management has determined that all accounts are collectable and, accordingly, an allowance was not necessary as of December 31, 2011.

Investments in Marketable Securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value within the combined statements of financial position. Net realized and unrealized gains and losses are to be reported within the combined statements of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations or by law. The Organization pools all individual cash balances and investments in marketable securities for investment purposes.

The following securities are authorized under the Organization's investment policy:

- United States Treasury notes, bills, bonds, or other obligation or security issued by the Treasury, any other obligation guaranteed as to principal and interest by the U.S., or any book entry, zero-coupon security that is a direct obligation of the United States.

- Bonds, notes, debentures, or any other obligations or securities issued directly by any federal government agency or instrumentality.

- Money market mutual funds, provided that the investments are made only through eligible institutions.

- Common stocks in publicly traded companies in an equity account managed by certified and licensed professionals.

Fair Value Measurements

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this framework are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2011.

Common Stocks, Corporate Bonds and U.S. Government Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net asset value ("NAV") of shares held by the Organization at year end.

All of the Organization's financial instruments measured at fair value consist of assets which are valued using Level 1 inputs as of December 31, 2011.

Souvenir and Equipment Inventory

Inventories are stated at the lower of cost (first-in, first-out basis) or market (determined as net realizable value). The cost of inventory is expensed at the time individual inventory items are consumed. For the year ended December 31, 2011, souvenirs expense included giveaways of $79,715.

Prepaid Rent Expense

The terms of the operating lease agreement with the County require the Organization to pay, as additional rent, a substantial portion of Huntington Park's construction and debt service requirements. These payments vary over the course of the lease term and, accordingly, rent expense is recognized on a straight-line basis. All advanced rent payments made prior to expense recognition are recorded as prepaid rent expense.

Cash Surrender Value of Life Insurance Policies

The Organization is the owner and beneficiary of life insurance policies on the lives of certain key employees aggregating $1,754,000 as of December 31, 2011. The policies had an aggregate cash surrender value of $584,758 as of December 31, 2011.

Capital Assets

Capital asset purchases are carried at the original cost, less accumulated depreciation. Depreciation is computed on the straight-line basis using the following estimated useful lives:

Machinery and Equipment	3 - 10 years
Leasehold Improvements	5 - 20 years
Playing Field	10 years

Regular maintenance and repairs are expensed as incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. The Organization maintains a capitalization threshold of $3,000. When capital assets are retired or otherwise disposed of, the assets and related allowances for depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the combined statement of revenues, expenses, and changes in net assets.

Deferred Compensation

In connection with employment contracts between the Organization and certain key employees, provisions have been made for deferred compensation, which is payable upon retirement. Payments are made to the individuals or their survivors over a ten-year period commencing the first year of retirement. Deferred compensation expense is recognized on a straight-line basis over the service period. Deferred compensation expense was $36,011, for the year ended December 31, 2011. Total deferred compensation accrued based on terms of the employment contracts was $621,202 as of December 31, 2011.

Net Assets

Net assets represent the difference between assets and liabilities on the combined statements of financial position. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to build or acquire the capital assets. Net assets are reported as restricted in the combined financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations. There were no restricted net assets as of December 31, 2011.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs, net of reimbursements from sponsors, was $193,792 for the year ended December 31, 2011.

Income Taxes

The Organization is a combined component unit of the County and is exempt from Federal income tax under Section 115 of the Internal Revenue Code. Accordingly, no income tax expense is recorded in the accompanying combined financial statements.

Generally accepted accounting principles require the Organization to evaluate the level of uncertainty related to whether tax positions taken will be sustained upon examination. Any positions taken that do not meet the more-likely-than-not threshold must be quantified and recorded as a liability for unrecognized tax benefits in the accompanying combined financial statement of financial position along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits are classified as additional income taxes in the combined statement of revenues and expenses. The Organization believes that none of the tax positions taken would materially impact the financial statements and no such liabilities have been recorded. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state or local tax authorities for the years ended December 31, 2007 and prior.

Subsequent Events

The Organization has evaluated subsequent events through the date of the "Independent Auditors Report," the date on which the combined financial statements were available to be issued. There were no events requiring disclosure.

Note 2 – Risks and Uncertainties

Uninsured Risk – Cash Deposits

All monies are deposited into banks or investment companies designated by the governing board. Funds not needed for immediate expenditure may be deposited in interest bearing or non-interest bearing accounts, or U.S. government obligations. Security shall be furnished for all deposits, whether interest-bearing or non-interest bearing, except that no such security is required for U.S. government obligations.

The Organization maintains its cash and cash equivalent balances in financial institutions located in central Ohio. Deposits are insured by the Federal Deposit Insurance Corporate ("FDIC") up to a coverage limit of $250,000 through December 31, 2012. As of December 31, 2011, the Organization had deposits of $498,645 that were not covered by FDIC insurance.

Market Risk – Investments in Marketable Securities

The combined financial statements include investments in equity securities, corporate bonds and mutual funds. The underlying investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the inherent level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the combined financial statements.

Note 3 – Investments

Investments consisted of the following as of December 31:

	2011	
	Fair Value	Percentage of Portfolio
Managed Equity Accounts	$977,206	62.6%
Cash Surrender Value of Life Insurance Policies	584,758	37.4%
Total Investments	$1,561,964	100.0%

Note 4 – Capital Assets

Capital assets consisted of the following as of December 31, 2011:

	Beginning of the Year	Additions	Disposals	End of the Year
Machinery and Equipment	$2,900,806	$19,467	($24,228)	$2,896,045
Leasehold Improvements	435,791	39,302	0	475,093
Capital Assets, at cost	3,336,597	58,769	(24,228)	3,371,138
Less: Accumulated Depreciation	(853,922)	(365,931)	24,228	(1,195,625)
Capital Assets, net	$2,482,675	($307,162)	$0	$2,175,513

Depreciation expense was $365,931 for the year ended December 31, 2011.

Note 5 – Long-Term Liabilities

Changes to Long-Term Liabilities during the year ended December 31, 2011 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Capital Lease Obligations	$77,596	$0	($66,184)	$11,412	$11,412
Deferred Compensation	549,180	72,022	0	621,202	0
Deferred Sponsorship Revenue	12,064,610	2,570,467	(3,186,577)	11,448,500	1,975,500
Total Long-Term Liabilities	$12,691,386	$2,642,489	($3,252,761)	$12,081,114	$1,986,912

Note 6 – Lease Obligations

Operating Lease

The Organization leases a ballpark ("Huntington Park") from the County under an operating lease agreement expiring in December 2033. The terms of the agreement require the Organization to pay an annual rent of $1 along with additional rent consisting of all expenses incurred in managing and operating the ballpark and a substantial portion of Huntington Park's construction and debt service requirements. The Organization may renew the lease under similar terms upon 30 days written notice prior to the end of the lease term for two consecutive ten-year terms. Minimum annual rent payments vary between years as a result of the anticipated debt service payments. Accordingly, rent expense is recognized on a straight-line basis over the lease term.

Future rental payments for each of the next five years and in five year increments thereafter under the non-cancelable operating lease obligation as of December 31, 2011 are as follows:

Years Ended December 31,	Amount
2012	$4,235,991
2013	4,254,602
2014	4,260,613
2015	4,245,133
2016	4,207,954
2017-2021	12,720,642
2022-2026	10,706,713
2027-2031	10,705,399
2032	1,964,668
	$57,301,715

Total rent expense was $4,009,233 for the year ended December 31, 2011.

Capital Lease

The following is a summary of equipment held under capital lease obligations as of December 31:

	2011
Equipment	$113,933
Less: Accumulated Depreciation	(29,433)
	$84,500

Minimum future lease payments under capital lease obligations as of December 31, 2011 for each year through expiration and in the aggregate are as follows:

Year Ended December 31,	Amount
2012	$11,580
Less: Amount Representing Interest	(168)
Present Value of Minimum Future Lease Payments	$11,412

$11,412 is due within one year.

Note 7 – Concessions Contract

On May 31, 2007, the Organization entered into a management agreement for concessions and catering with Sodexho Management, Inc. ("Sodexho") expiring in December 2028. The agreement grants Sodexho the sole and exclusive right to prepare, present, sell, vend and dispense all refreshments within and about Huntington Park. The Organization receives a percentage of Sodexho's concessions and catering revenue based on the terms of the agreement. Concessions revenue related to the agreement was $2,218,880 for the year ended December 31, 2011.

The terms of the agreement also required Sodexho to provide a sponsorship of $1,000,000 in the form of property and equipment which included the renovation of the concessions service operation. The Organization became the owner of the equipment and leasehold improvements upon purchase.

Note 8 – Player Development Contracts/Baseball Agreement

On October 1, 2004, the National Association of Professional Baseball leagues (the "Minor Leagues") signed an agreement (the "Baseball Agreement") with the National League of Professional Baseball Clubs and the American League of Professional Baseball Clubs (collectively the "Major Leagues"), which was originally set to expire in September 2014, subject to modification by either party after September 30th of each season. On December 16, 2010, the Baseball Agreement was extended by both parties through September 2020. The terms of the Baseball Agreement modified the Team's player development contract with the Major Leagues. Under the terms of the Baseball Agreement, the Minor League Club is responsible for the players' hotel and travel costs, uniform and equipment costs and other partial costs as designated in the contract.

The Baseball Agreement requires payment from the Minor Leagues to the Major Leagues for maintenance of the player development contracts, in an amount equal to a percentage of the Minor League's Clubs' net championship season ticket revenue.

On September 9, 2010, the Organization extended their player development contract with the Cleveland Indians though September 2014.

Franklin County Stadium, Inc. dba Huntington Park
and Columbus Baseball Team, Inc. dba Columbus Clippers
(A Component Unit of Franklin County)

Yellow Book Report
December 31, 2011

PLATTENBURG
Certified Public Accountants

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Certified Public Accountants

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 Trustees
Franklin County Stadium, Inc. dba Huntington Park and
Columbus Baseball Team, Inc. dba Columbus Clippers

We have audited the combined financial statements of Franklin County Stadium, Inc. dba Huntington Park and Columbus Baseball Team, Inc. dba Columbus Clippers (collectively referred to as the "Organization") as of and for the year ended December 31, 2011, and have issued our report thereon dated March 9, 2012. 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 the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's combined 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined 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 Auditor of State, the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
March 9, 2012

FRANKLIN COUNTY STADIUM, INC. dba HUNTINGTON PARK
AND COLUMBUS BASEBALL TEAM, INC. dba COLUMBUS CLIPPERS
SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2010

2010−1 Finding Type —Material Weakness–Controls Related to Financial Reporting

Status —corrected

FRANKLIN COUNTY STADIUM INC AND COLUMBUS BASEBALL TEAM INC D.B.A. THE COLUMBUS CLIPPERS

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 10, 2012