

**FRANKLIN COUNTY STADIUM, INC. AND
COLUMBUS BASEBALL TEAM, INC.**

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Columbus Baseball Team, Inc.
1155 W. Mound St.
Columbus, OH 43223

We have reviewed the Independent Auditor's Report of the Columbus Baseball Team, Inc., Franklin County, prepared by Haemmerle, Heximer, Harvey & Co., for the audit period January 1, 2004 through December 31, 2004. 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 Columbus Baseball Team, Inc. is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

April 15, 2005

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The Board of Trustees
Franklin County Stadium, Inc.
and Columbus Baseball Team, Inc.

Independent Auditors' Report

We have audited the accompanying combined balance sheets of Franklin County Stadium, Inc. (the Stadium) and Columbus Baseball Team, Inc. (the Team) and the related combined statements of revenues, expenses and changes in equity and of cash flows as of and for the years ended December 31, 2004 and 2003. These combined financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these combined financial statements based on our audits. The Stadium and Team are component units of Franklin County pursuant to Codification of Governmental Accounting and Financial Reporting Standards (GASB) section 2600.128 and NO80.103.

We conducted our audits 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 audits 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Stadium and Team as of December 31, 2004 and 2003, and the results of their operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United State of America.

Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying financial information included in the attached Supplementary Combining Schedule of Revenue and Expenses is presented for purposes of additional analysis and is not a required part of the Stadium and Team combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the aforementioned combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the aforementioned combined financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated February 1, 2005 on our consideration of Stadium's and Team's compliance and on their internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

HAEMMERLE, HEXIMER, HARVEY & CO.

February 1, 2005

Management's Discussion and Analysis

This narrative comparison is for the Columbus Clippers 2004 audit as compared to the previous year. The team had a slightly better year both on and off the field, with attendance increasing a minimal 2% while the team made the playoffs for the first time since 1999, only to be eliminated in the first round. However, there was no noticeable affect from the slight attendance increase, in that the cost of doing business continues to rise at the same rate, or slightly higher, than the club's ability to conduct business. Part of this is predicated on the team's mandate to offer affordable family pricing to the baseball fans of central Ohio. In that regard, and with a continuing sluggish economy, the team is finding that its price points as it relates to tickets, parking and food and beverages is at its saturation point for the current facility. The team continues to operate at that saturation point and spends considerable time and effort controlling the costs of doing business with others. However, three significant issues impacted the final bottom line for the past season. The first was the inclement weather, which resulted in five complete postponements prior to the first of June (a loss of 7% of the team's ability to generate revenue). The second was utility costs, which skyrocketed in excess of forty thousand dollars in additional costs, with the most significant increase coming in the cost of natural gas. The third factor was team travel, which increased over \$46,000 based on two factors: 1) the cost of gasoline as it affected first airline travel and then bus travel; and 2) the fact that the team qualified for the first round of playoffs and had to do some immediate travel in September with no prior planning available to control costs.

Overall, the audit indicates a status quo report for the most part. The team continues to utilize the interest from the investments held in their reserve account to balance their budget under this current scenario where the opportunity to raise prices is very limited. The team is also finding that sponsorship opportunities are limited by the perception of the current facility and the increased expectations arising around a potential new downtown ballpark that is favored by a majority of the corporations in town

The following table provides a summary of the Columbus Clippers net assets as of December 31:

	Summary of Net Assets (dollars are in thousands)			
	<u>2004</u>	<u>2003</u>	<u>Difference</u>	<u>% Change</u>
Current and other assets	\$3,287	\$3,131	\$156	4.98%
Capital assets	<u>2,437</u>	<u>2,786</u>	<u>(349)</u>	(12.53)
Total assets	<u>5,724</u>	<u>5,917</u>	<u>(193)</u>	(3.26)
Total liabilities	<u>665</u>	<u>759</u>	<u>(94)</u>	(12.38)
Net assets:				
Invested in capital assets	2,437	2,786	(349)	(12.53)
Unrestricted	<u>2,622</u>	<u>2,372</u>	<u>290</u>	12.23
Total net assets	<u>\$5,059</u>	<u>\$5,158</u>	<u>\$ (99)</u>	(1.92)

The following table provides a summary of the changes in the Columbus Clippers net assets as of December 31:

Summary of Changes in Net Assets (dollars are in thousands)				
	<u>2004</u>	<u>2003</u>	<u>Amount Change</u>	<u>% Change</u>
Revenues:				
Operating	\$3,622	\$3,485	\$137	3.93
Nonoperating	<u>447</u>	<u>475</u>	<u>(28)</u>	30.00
Total revenue	<u>4,069</u>	<u>3,960</u>	<u>109</u>	2.75
Expenses:				
Operating	3,731	3,566	165	4.63
Nonoperating	<u>437</u>	<u>469</u>	<u>(32)</u>	(0.90)
Total expense	<u>4,168</u>	<u>4,035</u>	<u>133</u>	3.30
Decrease in net assets	(99)	(75)	(8)	2.12
Beginning net assets	<u>5,158</u>	<u>5,233</u>	<u>(75)</u>	(1.43)
Ending net assets	<u>\$5,059</u>	<u>\$5,158</u>	<u>\$(99)</u>	(1.92)

All the numbers are in line with attendance figures for the past two seasons. The Columbus Clippers are in their 29th season of providing affordable, wholesome family entertainment for the citizens of Franklin County and central Ohio. They have done this with no subsidies from the County. 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 weather and the performance of the team. The weather was again a negative factor this past season, while the team's performance improved from the prior year. The Columbus Clippers still stand as a model franchise in that they are the only team in minor league baseball, to our knowledge, that has paid off both the debt on the franchise and the debt on the facility. This continues to be a most significant achievement and has allowed the franchise to continue its business model with a sluggish economy and a hold on its pricing to its fans throughout this period of time.

Kenneth Schnacke
General Manager

FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

COMBINED BALANCE SHEETS

DECEMBER 31, 2004 AND 2003

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 360,137	\$ 374,417
Investments available for sale	2,754,802	2,516,914
Trade accounts receivable, net of allowance for doubtful accounts of \$4,000 and \$1,050, respectively	9,443	31,989
Souvenir inventory	152,245	176,901
Prepaid expenses	10,649	30,520
Property, plant and equipment, net	<u>2,437,170</u>	<u>2,785,993</u>
Total assets	<u>\$ 5,724,446</u>	<u>\$ 5,916,734</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
Accounts payable	\$ 104,413	\$ 143,729
Accrued expenses	22,240	40,905
Capital lease obligation	9,513	13,608
Due to others	222,000	219,000
Deferred revenue	<u>307,276</u>	<u>341,908</u>
Total liabilities	<u>665,442</u>	<u>759,150</u>
Fund equity:		
Net assets:		
Invested in capital assets	2,437,170	2,785,993
Unrestricted	<u>2,621,834</u>	<u>2,371,591</u>
Total fund equity	<u>5,059,004</u>	<u>5,157,584</u>
Total liabilities and fund equity	<u>\$ 5,724,446</u>	<u>\$ 5,916,734</u>

See accompanying notes to combined financial statements.

FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.
 COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

Revenues:	<u>2004</u>	<u>2003</u>
Ticket sales	\$ 1,231,093	\$ 1,236,688
Concessions	852,801	774,913
Souvenirs	358,027	330,419
Other	<u>1,180,760</u>	<u>1,142,762</u>
Total revenues	<u>3,622,681</u>	<u>3,484,782</u>
 Expenses:		
Stadium	1,118,584	1,025,623
Payroll and related taxes	1,403,184	1,363,477
Team expense	416,376	369,643
Souvenirs	263,808	248,787
Other	<u>528,736</u>	<u>558,433</u>
Total expenses	<u>3,730,688</u>	<u>3,565,963</u>
Income before investment income and depreciation	<u>(108,007)</u>	<u>(81,181)</u>
 Investment income :		
Interest and dividends	17,936	18,880
Realized gains on investments available for sale	157,941	46,909
Unrealized gains on investments available for sale	<u>270,577</u>	<u>408,666</u>
Total investment income	<u>446,454</u>	<u>474,455</u>
Income before depreciation	338,447	393,274
Depreciation	<u>437,027</u>	<u>468,522</u>
Net loss	(98,580)	(75,248)
Fund equity at beginning of year	<u>5,157,584</u>	<u>5,232,832</u>
Fund equity at end of year	<u>\$ 5,059,004</u>	<u>\$ 5,157,584</u>

See accompanying notes to combined financial statements.

FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received from customers	\$ 3,610,595	\$ 3,601,444
Cash paid to suppliers	(2,319,293)	(2,263,265)
Cash paid to employees	<u>(1,421,849)</u>	<u>(1,353,842)</u>
Net cash used in operating activities	(130,547)	(15,663)
Cash flows from capital activities:		
Acquisition of property, plant and equipment	<u>(88,204)</u>	<u>(44,514)</u>
Net cash used in capital activities	(88,204)	(45,514)
Cash flows from investing activities:		
Investment income	17,936	18,880
Proceeds from sales of investments available for sale	992,062	515,267
Investment expense	(28,335)	(32,832)
Purchase of investments available for sale	(773,097)	(479,697)
Payments on capital lease obligation	<u>(4,095)</u>	<u>(3,917)</u>
Net cash provided by investing activities	<u>204,471</u>	<u>17,701</u>
Net decrease in cash and cash equivalents	(14,280)	(42,476)
Cash and cash equivalents at beginning of year	<u>374,417</u>	<u>416,893</u>
Cash and cash equivalents at end of year	\$ <u>360,137</u>	\$ <u>374,417</u>
Reconciliation of income before investment income and depreciation to net cash flow income from operating activities		
Income before investment and depreciation	\$ (108,007)	\$ (81,181)
Adjustments to reconcile operating loss to net cash used in operating activities:		
(Increase) decrease in assets:		
Trade accounts receivable	22,546	29,993
Souvenir inventory	24,656	(29,441)
Prepaid expenses	19,871	24,565
Increase (decrease) in liabilities:		
Accounts payable	(39,316)	19,364
Accrued expenses	(18,665)	6,635
Due to others	3,000	3,000
Deferred revenue	<u>(34,632)</u>	<u>11,402</u>
Total adjustments	<u>(22,540)</u>	<u>65,518</u>
Net cash used in operating activities	\$ <u>(130,547)</u>	\$ <u>(15,663)</u>

See accompanying notes to combined financial statements.

FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

1. Summary of Significant Accounting Policies

Franklin County Stadium, Inc. (the Stadium) and Columbus Baseball Team, Inc. (the Team) were organized by Franklin County, Ohio (the County) as nonprofit Ohio 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. The Stadium and Team have entertained the residents of the County for 28 years. Both corporations are directed by the Franklin County Board of Parks and Recreation (the Board) and are component units of the County.

The accounting policies and financial reporting practices of the Stadium and Team conform to Generally Accepted Accounting Principles (GAAP). The Stadium and Team apply all relevant Governmental Accounting Standards Board (GASB) pronouncements. They have elected to apply all applicable statements issued by the Financial Accounting Standards Board (FASB). The following is a summary of its significant accounting policies:

(a) Basis of Presentation - Fund Accounting

The 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, fund equity, revenues and expenses. The operating fund of the Stadium and Team 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 stadium are financed through user charges.

(b) Basis of Accounting

The proprietary fund is reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses, including depreciation, are recognized at the time liabilities are incurred.

The Stadium and Team report deferred revenue on the combined balance sheet. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the Stadium and Team before they have a legal claim to them, as when season ticket monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the Stadium and Team have a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

(c) Budgetary Data

The Stadium and Team are not subject to annual budget requirements.

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FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

(d) Management's Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from the estimates.

(e) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all cash in checking accounts, money market accounts and petty cash to be cash equivalents.

(f) Investments Available for Sale

Investments available for sale are stated at fair value. The Stadium and Team pool all individual cash balances and investments available for sale for investment purposes. Investment income is credited to the Stadium and Team based on the average investment balances in each entity.

The Stadium and Team use the specific identification cost method when calculating realized gains and losses on sales of investments available for sale.

(g) Souvenir Inventory

Inventories are stated at the lower of cost (first-in, first-out basis) or market. The cost of inventory is recorded as an expenditure at the time individual inventory items are consumed.

(h) Property, Plant and Equipment

Property, plant and equipment purchases are capitalized at cost. Depreciation is recorded on the straight-line basis using the following asset lives:

Machinery and equipment	3 - 10 years
Leasehold improvements	5 - 20 years
Playing field	10 years

(i) Advertising

Advertising costs are expensed as incurred. Advertising costs, net of reimbursements from sponsors, were \$250,717 and \$237,753 for 2004 and 2003, respectively.

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FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

(j) Income Taxes

Management believes that the Stadium and Team are exempt from Federal income taxes under Section 115 of the Internal Revenue Code. Accordingly, no income tax expense is recorded in the accompanying combined financial statements.

(k) Reclassifications

Certain revenue and expense amounts in the 2003 financial statements have been reclassified to agree with the 2004 presentation. These reclassifications were made to enable the Stadium and Team financial statements to more closely follow the County's presentation of revenues and expenses.

2. Cash and Investments

At December 31, 2004, the Stadium and Team held a cash book balance of \$360,137. Of this total, \$109,705 is held in money market accounts at investment companies. The bank balance in their accounts is \$179,378, of which \$176,843 was covered by federal depository insurance and \$2,535 uncollateralized as defined by the GASB. These uncollateralized deposits were, however, covered by a pledged collateral pool.

The Stadium's and Team's investments are categorized below to give an indication of the level of risk assumed at year-end. Category No. 1 includes investments insured or collateralized with securities held by the entity or by its agent in the entity's name. Category No. 2 includes investments collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category No. 3 includes investments which are uncollateralized. (This includes any investment balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the entity's name). All investments and deposits of the Stadium and Team meet the criteria for categorization, except for mutual funds, which, by their nature, are not required to be categorized. There are no legal restrictions over the type of investments in which the Stadium and Team may invest.

Investments:	Category			Fair Value
	1	2	3	
Managed equity accounts	\$1,356,812	-	-	\$ 1,356,812
Mutual funds				946,007
Cash surrender value of life insurance				259,983
Deferred compensation accounts				<u>192,000</u>
Total investments				\$ <u>2,754,802</u>

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FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

4. Retirement and Deferred Compensation

Certain employees of the Stadium and Team participate in a nonqualified retirement plan. The Stadium and Team have a policy of purchasing life insurance policies for these employees. The Stadium and Team are the owner and beneficiary of these policies. The cash surrender value of these policies is included in investments available for sale.

Certain employees of the Stadium and Team participate in nonqualified Deferred Compensation Plans (the Plans). Under these Plans employees defer a portion of their incentive pay until a later date, usually after retirement. The benefits under these Plans are subject to vesting schedules. The assets of the Plans remain the property of the Stadium and Team until the employees vest in their benefit. The Stadium and Team have a fiduciary responsibility regarding these assets and their use.

5. Property, Plant and Equipment

The changes in components of property, plant and equipment in 200 4 were as follows:

	<u>Balance at</u> <u>12/31/03</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>12/31/04</u>
Machinery and equipment	\$1,154,111	\$ 36,795	\$ -	\$1,190,906
Leasehold improvements	5,316,639	51,409	-	5,368,048
Playing field	<u>922,782</u>	<u>-</u>	<u>-</u>	<u>922,782</u>
	7,393,532	88,204	-	7,481,736
Accumulated depreciation	<u>(4,607,539)</u>	<u>(437,027)</u>	<u>-</u>	<u>(5,044,566)</u>
	<u>\$2,785,993</u>	<u>\$ (348,823)</u>	<u>\$ -</u>	<u>\$2,437,170</u>

Depreciation expense totaled \$437,027 and \$468,522 for the years ended December 31, 2004 and 2003, respectively.

6. Concessions Contract

On March 1, 2001 the Stadium entered into a contract with Sodexho Marriott (Sodexho) to operate the concession stands. The original agreement was for a four-year period and contains provisions for an annual review and analysis of operations. The contract has been extended for an additional year.

The concessions revenue for 2004 and 2003 consists of commissions from Sodexho of \$852,801 and \$774,913, respectively.

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FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

7. Transactions with Affiliates

The Stadium leases Cooper Stadium from the Franklin County Commissioners (the Commissioners) for a fee of \$1.00 per year plus an amount to be jointly agreed upon by the Board and the Commissioners based upon the availability of unexpended revenue and considering any and all funds expended by the Stadium and Team for maintenance and/or improvements to Cooper Stadium. The lease expense was \$1.00 for 2004 and 2003. The lease is for an indefinite term, but must be renewed each year. The Stadium subleases Cooper Stadium to the Team.

8. Player Development Contracts/Baseball Agreement

In January 1999, 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 is effective through September 30, 2007, subject to modification by either party after the 2003 season. 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 Major League Club (New York Yankees Baseball Club) is responsible for the entire salary and other related compensation amounts of the players. The Team is responsible for the players hotel and travel costs, uniform and equipment cost and other partial costs as designated in the contract.

In addition, beginning in 1992 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. In 2004, each Minor league team paid 4.0% of the net championship season ticket revenue.

The Team has renewed the operating contract with the New York Yankees Baseball Club through September 2006.

9. Prior Period Adjustments

During the 2004 audit it was determined that \$97,845 in accounts payable were unrecorded as of December 31, 2003. A prior period adjustment has been reflected in the accompanying financial statements to correct the recorded accounts payable, concessions revenues, concessions expenses, advertising expense and other expense for 2003.

According to GASB 31, all investment income, including change in fair value of investments, should be recognized as revenue in the operating statement as an element of investment income. The Company had recorded unrealized holding gains as a separate component of fund equity. A prior period adjustment has been reflected in the 2003 financial statements to recognize unrealized gains on investments available for sale.

FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

SUPPLEMENTARY COMBINING SCHEDULE OF REVENUES AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Team</u>	<u>Stadium</u>	<u>Elimination</u>	<u>Totals 2004</u>	<u>Totals 2003</u>
Revenues:					
Ticket sales	\$1,231,093	\$ -	\$ -	\$1,231,093	\$1,236,688
Concessions	760,203	92,598	-	852,801	774,913
Souvenirs	315,631	42,396	-	358,027	330,419
Other	<u>836,392</u>	<u>629,368</u>	<u>(285,000)</u>	<u>1,180,760</u>	<u>1,142,762</u>
3,143,319	764,362	(285,000)	3,622,681	3,484,782	
Expenses:					
Stadium	1,059,046	344,538	(285,000)	1,118,584	1,025,623
Payroll and related taxes	1,098,693	304,491	-	1,403,184	1,363,477
Team	416,376	-	-	416,376	369,643
Souvenirs	233,207	30,601	-	263,808	248,787
Other	<u>460,041</u>	<u>68,695</u>	<u>-</u>	<u>528,736</u>	<u>558,433</u>
	<u>3,267,363</u>	<u>748,325</u>	<u>(285,000)</u>	<u>3,730,688</u>	<u>3,565,963</u>
Income before investments and depreciation	(128,184)	20,177	-	(108,007)	(81,181)
Investment income:					
Interest and dividends	163	17,773	-	17,936	18,880
Realized gains	1,437	156,504	-	157,941	46,909
Unrealized gains	<u>2,462</u>	<u>268,115</u>	<u>-</u>	<u>270,577</u>	<u>408,666</u>
	<u>4,062</u>	<u>442,392</u>	<u>-</u>	<u>446,454</u>	<u>474,455</u>
Income before depreciation	(124,122)	462,569	-	338,447	393,274
Depreciation	<u>345,251</u>	<u>91,776</u>	<u>-</u>	<u>437,027</u>	<u>468,522</u>
Net loss	<u>\$ (469,373)</u>	<u>\$ 370,793</u>	<u>\$ -</u>	<u>\$ (98,580)</u>	<u>\$ (75,248)</u>

See accompanying notes to combined financial statements.

**Independent Accountants' Report on Compliance
And on Internal Control Over Financial Reporting Based
on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

The Board of Trustees
Franklin County Stadium and Columbus Baseball Team, Inc.

We have audited the combined financial statements of Franklin County Stadium, Inc. (the Stadium) and Columbus Baseball Team, Inc. (the Team) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated February 1, 2005. We conducted our audits 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.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Stadium's and Team's compliance with certain provisions of laws, regulations, contracts and grants 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 audits, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Stadium's and Team's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the combined financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Trustees, management, and the Auditor of State of Ohio, and is not intended and should not be used by anyone other than these specified parties.

HAEMMERLE, HEXIMER, HARVEY & CO.

February 1, 2004

**FRANKLIN COUNTY STADIUM, INC. AND
COLUMBUS BASEBALL TEAM, INC.**

**SUPPLEMENTARY SCHEDULES OF
BASEBALL OPERATIONS**

DECEMBER 31, 2004

The Board of Trustees
Franklin County Stadium, Inc. and
Columbus Baseball Team, Inc.

Independent Auditors' Report on Supplementary Information

Under the date of February 1, 2005, we have reported on the combined financial statements of Franklin County Stadium, Inc. and Columbus Baseball Team, Inc. as of and for the year ended December 31, 2004, and rendered our unqualified opinion thereon.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. This supplementary information is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual entities. This supplementary information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

HAEMMERLE, HEXIMER, HARVEY & CO.

February 1, 2005

FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

SUPPLEMENTARY SCHEDULE OF BASEBALL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2004

Revenues:

Ticket sales	\$ 1,231,093
Concessions	755,717
Advertising	474,049
Souvenirs	315,630
Special events	138,243
Parking	124,975
Other	<u>103,188</u>
Total revenues	<u>3,142,895</u>

Expenses:

Payroll and related taxes	1,098,693
Team expense	416,376
Depreciation	345,251
Stadium rent	285,000
Advertising	246,185
Utilities	245,228
Souvenirs	233,206
Supplies, repairs and maintenance	205,636
Insurance	175,485
Printing	128,470
Administration	29,270
Special events	19,227
Other	<u>184,241</u>
Total expenses	<u>3,612,268</u>
Operating loss	\$ <u>(469,373)</u>

See accompanying independent auditors' report and notes.

FRANKLIN COUNTY STADIUM, INC. AND COLUMBUS BASEBALL TEAM, INC.

NOTES TO THE SUPPLEMENTARY SCHEDULES OF BASEBALL OPERATIONS

DECEMBER 31, 2004

1. Summary of Significant Accounting Policies

Franklin County Stadium, Inc. (the Stadium) and Columbus Baseball Team, Inc. (the Team) were organized by Franklin County, Ohio as nonprofit Ohio 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 Franklin County.

The accompanying supplementary schedules present the operation of baseball activities only. Management has allocated certain revenues and expenditures that could not be specifically identified based on the following:

- a. Estimate of employees' time spent on baseball and nonbaseball operations.
- b. Number of evenings the stadium was used for baseball and nonbaseball events.
- c. Revenue proportionately generated by baseball and nonbaseball operating activities.
- d. Additional incremental revenue/expenditures generated by a nonbaseball activity on a day the stadium was also used for a baseball activity.

Depreciation is recorded on the straight-line basis using the following asset lives:

Machinery and equipment	5 - 10 years
Leasehold improvements	5 - 20 years
Playing field	10 years

2. Transactions with Affiliates

The Stadium leases Cooper Stadium from the Franklin County Commissioners (the Commissioners) for a fee of \$1.00 per year plus an amount to be jointly agreed upon by the Board and the Commissioners based upon the availability of unexpended revenue and considering any and all funds expended by the Stadium and Team for maintenance and/or improvements to Cooper Stadium. The Stadium subleases Cooper Stadium to the Team. The lease expense charged by the Stadium to the Team was \$285,000 for 2004 and 2003. The lease is for an indefinite term, but must be renewed each year.



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Betty Montgomery**

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COLUMBUS BASEBALL TEAM, INC.

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 5, 2005**