

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

MARICOPA COUNTY, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Issued by:
Finance Department

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

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
Organizational Chart.....	vii
List of Principal Officials.....	viii
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	5
(Required Supplementary Information)	
 BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	16
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	26
Notes to Financial Statements.....	27

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

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Concl'd)</u>	<u>Page</u>
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (Required Supplementary Information)	
Chase Field General Fund.....	42
Cactus League Special Revenue Fund.....	43
Note to Required Supplementary Information.....	44
INDIVIDUAL FUND FINANCIAL SCHEDULES	
Other Major Governmental Funds Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Debt Service Fund.....	48
Chase Field Capital Projects Reserve Fund.....	49
<u>STATISTICAL SECTION</u>	
Net Assets by Component.....	52
Changes in Net Assets	53
Revenues by Source, Governmental Funds	54
Fund Balances, Governmental Funds	55
Changes in Fund Balances, Governmental Funds.....	56
Selected Charts.....	57
Tax Revenues by Source.....	59

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

TABLE OF CONTENTS (Concl'd)

<u>STATISTICAL SECTION</u> (Concl'd)	<u>Page</u>
Pledged Revenue Coverage	60
Total Debt	61
Arizona Diamondbacks Attendance.....	62
Cactus League Attendance.....	63
Demographic and Economic Statistics	64
Principal Employers.....	65
Full-time Equivalent Employees by Function.....	66
 <u>COMPLIANCE SECTION</u>	
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	69

INTRODUCTORY SECTION

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September 23, 2008

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, 2008, 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, 2008 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 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, with the County Manager serving as the Executive Director. The Stadium District is located in the south-central portion of the State of Arizona and has the same boundaries as Maricopa County.



Its boundaries enclose the greater metropolitan Phoenix area, which is principally comprised of the cities of Phoenix, Tempe, Mesa, Scottsdale, Glendale, Peoria, Goodyear, Surprise, Chandler and the town of Paradise Valley. The Stadium District is staffed with five staff members and the Executive Director as listed 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 provide for the financing of a portion of the costs of acquisition and construction of a new major league baseball stadium, 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 and in the fall of 2005 the name of the ballpark was changed to Chase Field.

The Stadium District is a 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 objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual operating budget approved by the Board of Directors. The Stadium District's proposed operating budget is presented to the Board of Directors for review throughout the budget cycle beginning in January and approved in June or July. The legal level of control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

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

The Maricopa County Stadium District's primary revenue source for District operations and capital maintenance of Chase Field is use of Chase Field. The District generates revenue through use agreements with the Arizona Diamondbacks and the District's Booking Manager, Select Artists' Associates/SMG. These agreements provide base levels of revenue plus additional revenues which increase with ticket price, revenue or attendance. These revenues have been steadily increasing over time.

Arizona Workforce also projects that while job growth rates are projected to decrease during 2007-08, Arizona's economy is expected to experience improving growth trends as some of the effects subside in the housing and finance (mortgage) industries. Population growth will eventually remove the surplus of unsold homes on the current market and provide the impetus of increasing demand for housing.

The 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 District boundaries (Maricopa County). The receipt of Auto Rental Surcharge revenues is cyclical over the year; however, the revenues have remained strong after a steep decline after 9/11/01. During fiscal year 2008 revenue declined slightly from the previous year. Revenue during fiscal year 2007 and 2008 remained strong because the BCS National Championship and the Super Bowl, respectively were played in the valley, which attracted visitors needing rental cars. It is expected that the Auto Rental Surcharge collections will decline during fiscal year 2009 due to the economy. This has been reflected in the fiscal year 2009 budget.

The Arizona economy has been affected by a housing downturn, increased energy costs, and slower than anticipated revenue growth. Many governments in Arizona have experienced slower than anticipated growth in sales tax collections over the past year to 18 months. In addition, the Arizona housing market has experienced a severe downturn, with increases in both the number of houses on the market and foreclosures, and decreases in home values. Economists predict that the housing market will stabilize in late 2009 or 2010. Unemployment is also increasing.

That being said, the Stadium District revenues are impacted more by the contracts with the Arizona Diamondbacks and District Booking Manager as well as, visitors to the valley who are renting autos. As mentioned above, the contracts for use of the Stadium are based on fixed amounts with increases based on ticket prices, revenue and attendance. These revenues are anticipated to increase slightly in fiscal year 2009.

Tourism is one of the major industries within Arizona. Phoenix has the largest airport in Arizona and the fifth busiest in the U.S. The Arizona Workforce Forecast Report for May, 2008 indicates "Growth in the leisure and hospitality sector is forecast for slightly less than 2 percent total, and almost 5,000 jobs will be added." Arizona tourism has experienced a slight decline in visitors; however, there has been an increase in foreign visitors as a result of the weakened dollar. The District has budgeted in fiscal year 2009 for a decrease in the Auto Rental Surcharge collections. 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 and these revenues are expected to cover all debt service payments. The District has approximately 2 to 3 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. The Revenue Refunding Bonds are insured by Ambac, whose rating has been downgraded by the rating agencies. Ambac is working to recapitalize.

Chase Field is a cornerstone of the "Copper Square" area of downtown Phoenix. The building of the ballpark was one of the catalysts for revitalization of the downtown area. Currently, the Phoenix Civic Plaza, across the street to the north of the ballpark, is being renovated and expanded. The first phase of the Civic Plaza has been hosting events for about two years. Arizona State University opened their Downtown Campus and numerous housing and retail projects are planned for the

downtown area. The Summit Condominium Complex has opened across the street from the ballpark. There are plans for major redevelopment projects along Jackson Street immediately to the west of the ballpark. This redevelopment is slated to include housing units, specialty retail, and nightlife venues.

The City of Phoenix has constructed a light rail system of which the eastbound track will be located on the north side of the ballpark along Jefferson Street. A light-rail station will be located just west of the ballpark. The light rail system will be operational in December 2008.

FINANCIAL POLICIES

It is the Board of Directors' strategic goal to establish a fiscally prudent, balanced budget annually, which 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 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 $\frac{1}{4}$ 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 in that there is no outstanding debt from the initial construction of the stadium. The Stadium District is now focused on funding financial reserves for the future capital needs of the stadium and capital improvements to remain a state-of-the-art facility.

Revenue in the Chase Field General Fund is based on long-term agreements with the Team and from Stadium District Events held at the ballpark. The majority of revenues from the Team agreements are fixed amounts with inflators tied to ticket prices, and a small portion is based on baseball game attendance. Ticket prices have continued to increase, with an increase of 3.50% for the 2008 season. A significant portion of the revenue from the 2008 season will be received by the Stadium District in December 2008. In addition, the booking manager for the Stadium District has entered into several multi-year agreements for events to be held at Chase Field. Therefore, the financial condition of the District is stable.

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, 2007. This was the fourth 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,



Julie A. Schweigert
Executive Director Representative

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, 2007

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.

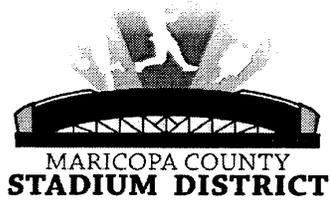


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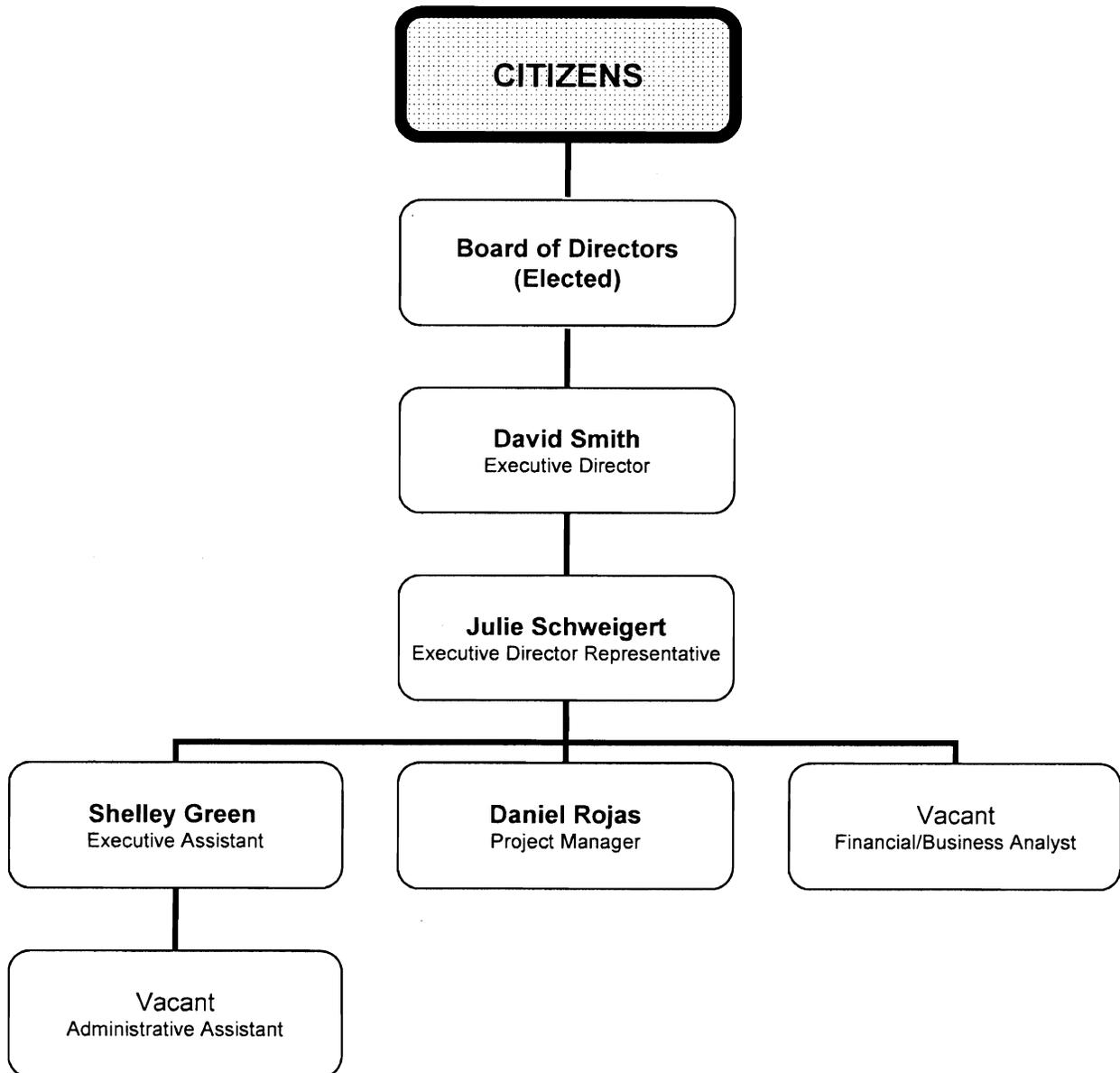
President

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, 2008**

Board of Directors

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

Appointed Officials

Executive Director..... David Smith
Executive Director Representative..... Julie Schweigert

Staff

Executive Assistant..... Shelley Green
Project Manager..... Daniel Rojas
Financial/Business Analyst..... Vacant
Administrative Assistant..... Vacant

FINANCIAL SECTION

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

Gary Heinfeld, CPA, CGFM
Nancy A. Meech, CPA, CGFM
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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 (Chase Field General, Cactus League Special Revenue, Debt Service, and Chase Field Capital Projects Reserve Funds) of the Maricopa County Stadium District (Stadium District), a component unit of Maricopa County, Arizona, as of and for the year ended June 30, 2008, 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 listed above for the Maricopa County Stadium District, a component unit of Maricopa County, Arizona, as of June 30, 2008, 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 23, 2008, 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.

The management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 42 through 44 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stadium District's basic financial statements. 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 basic financial statements. The individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Handwritten signature in black ink that reads "Heinfeld, Meech & Co., P.C." in a cursive style.

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

September 23, 2008

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, 2008**

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, 2008. 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 fiscal year 2007-08 by \$289.2 million (net assets). Of this amount, \$306.4 million is invested in capital assets, net of related debt and unrestricted net assets had a deficit balance of \$17.1 million.
- The Stadium District's total net assets decreased by \$6.4 million. The Stadium District made principal payments of \$2.9 million on the 2002 Revenue Refunding Bonds. The Stadium District also took on loans of approximately \$10.1 million for renovations to Chase Field. Additionally net assets decreased due to the loss on disposal of assets of approximately \$4.0 million.
- The Stadium District's total long-term debt increased by \$6.3 million in comparison with the prior year. The Stadium District's outstanding debt consists of \$44.3 million in 2002 Revenue Refunding Bonds and \$10.9 million in loans payable to the Team for stadium renovations and upgrades. This increase is a net result of the \$9.7 million long-term portion of a \$10.1 million loan to construct a new video board and renovate suites at Chase Field, principal payments of \$3.0 million on the 2002 Revenue Refunding Bonds and the recognition of \$259,665 of the premium from the issuance of the 2002 Revenue Refunding Bonds.
- As of June 30, 2008, the governmental funds reported combined fund balances of \$27.0 million, an increase of \$1.3 million in comparison with the prior year. Of the combined fund balance, \$3.2 million is reserved for Cactus League purposes, \$10.5 million is reserved to fund Cactus League debt service and \$7.6 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 \$5.7 million, or 505% of total General Fund expenditures, including the \$220,335 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 27% of total governmental expenditures during 2007-08.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2008**

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 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 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, 2008**

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 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 Reserve Capital Projects 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, 2008**

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 \$289.2 million at the close of the current fiscal year.

The following table reflects the condensed statement of net assets as of June 30, 2008 and June 30, 2007.

	Condensed Statement of Net Assets	
	As of	As of
	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Current assets	\$ 27,228,534	\$ 25,925,401
Capital assets, net of depreciation	317,230,641	317,918,536
Other non-current assets	<u>1,867,266</u>	<u>2,178,477</u>
Total assets, net	<u>346,326,441</u>	<u>346,022,414</u>
Current liabilities	3,912,617	3,575,335
Long-term liabilities	<u>53,188,328</u>	<u>46,845,712</u>
Total liabilities	<u>57,100,945</u>	<u>50,421,047</u>
Net assets:		
Invested in capital assets, net of related debt	306,365,725	316,940,142
Unrestricted net assets (deficit)	<u>(17,140,229)</u>	<u>(21,338,775)</u>
Total net assets	<u>\$ 289,225,496</u>	<u>\$ 295,601,367</u>

By far the largest portion of the Stadium District's net assets reflects its investment in capital assets, mainly the Chase Field, less \$10.9 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, 2008**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The decrease of \$6.4 million in Stadium District net assets is due to the increase in long-term liabilities as discussed previously in the Financial Highlights Section.

The following table indicates the changes in net assets for governmental activities for the fiscal years ended June 30, 2008 and June 30, 2007.

	Condensed Statement of Activities	
	Fiscal Year Ended	Fiscal Year Ended
	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,376,173	\$ 4,271,130
Capital grants and contributions	589,338	509,975
General revenues:		
Sales taxes	1,160	1,938
Auto rental surcharge	6,131,305	6,286,155
Investment income	1,458,224	1,615,020
Total revenues	<u>12,556,200</u>	<u>12,684,218</u>
Expenses:		
Culture and recreation	12,184,207	10,932,879
Interest on long-term debt	2,762,472	3,089,023
Total expenses	<u>14,946,679</u>	<u>14,021,902</u>
Excess (deficiency) before special item	(2,390,479)	(1,377,684)
Special item: Loss on disposal of capital assets	<u>(3,985,392)</u>	<u> </u>
Change in net assets	(6,375,871)	(1,337,684)
Net assets – July 1	<u>295,601,367</u>	<u>296,939,051</u>
Net assets – June 30	<u>\$ 289,225,496</u>	<u>\$ 295,601,367</u>

Total revenues decreased \$128,018, or 1 percent.

- Charges for services increased \$105,043 or 2.4% as a result of automatic increases in use agreements for Chase Field.
- Auto rental surcharge decreased by \$154,850 or 2.4% which is directly related to the number of auto rental contracts entered into during the fiscal year between auto leasing companies and renters.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2008**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

- Interest earnings decreased \$156,796 or 9.7% due to the net effect of increased investment earnings from operations and decreased investment earnings in the capital reserves. The decreased investment earnings in the capital reserves resulted from capital expenditures which resulted in a lower balance available to invest, and the maturing of investments and reinvestment of those funds in lower yielding investments as a result of declining interest rates.
- The loss on disposal of assets of \$4.0 million was the result of the replacement of the original scoreboard and related assets.

Total expenses increased \$924,777, or 7%.

- Culture and recreation expenses increased by \$1.3 million, or 11%, due primarily to uncapitalized expenditures related to suite renovations.
- Interest on long-term debt decreased by \$326,551, or 11%, 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 Reserve Capital Project 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 \$5.7 million. As a measure of liquidity, it may be useful to compare fund balance to total fund expenditures. Unreserved fund balance represents 505% of total Chase Field General Fund expenditures, which includes a payment of \$220,335 on the loans due to the Team. Unreserved fund balance represents 626% of total Chase Field General Fund expenditures excluding the principal payments.

The fund balance of the Stadium District's Chase Field General Fund increased by \$3.4 million during the current fiscal year. The increase is a result of a reduction of debt service expenditures. Debt service expenditures decreased as a direct result of paying the final \$2.4 million principal payment and related interest on a loan from the Diamondbacks for the initial construction of Chase Field in fiscal year 2007. Debt payments on the \$10.1 million borrowed in fiscal year 2008 do not begin until December 2009.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2008**

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

The Cactus League Special Revenue Fund balance increased by \$237,769 during fiscal year 2007-08 as a result of interest income, the transfer from the Debt Service fund of approximately \$1.4 million for operations and extremely low operating expenses. The Debt Service Fund balance decreased by \$191,025 or 1.8%. This fund balance remains relatively stable because of the required reserve accounts for the 2002 Revenue Refunding Bonds and because any "excess" funds are transferred to the Cactus League Special Revenue Fund and distributed to the Arizona Sports and Tourism Authority under an intergovernmental agreement. The fund balance for the Chase Field Capital Projects Reserve Fund declined by \$2.2 million as a result of the capital project expenditures during the 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	
	Classified by Source		Amount	Percent
	2008	2007		
Intergovernmental	\$ 1,160	\$ 1,938	\$ (778)	-40%
Auto rental surcharge	6,131,305	6,286,155	(154,850)	-2%
Chase Field operations	4,877,312	4,697,199	180,113	4%
Investment income	1,198,559	1,355,352	(156,793)	-12%
Total	<u>\$ 12,208,336</u>	<u>\$ 12,340,644</u>	<u>\$ (132,308)</u>	-1%

- Revenue from auto rental surcharge taxes decreased as a result of the number of autos rented during the fiscal year.
- Chase Field operations income increased due to automatic increases in the revenues under the use agreements for Chase Field.
- Investment income decreased due to the net effect of investments in the capital projects fund maturing and the subsequent reinvestment in lower yielding investments due to declining interest rates and increased interest earnings in the General Fund as a result of increased funds available to invest.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2008**

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</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>Percent</u>
Current – culture & recreation	\$ 2,264,153	\$ 2,296,102	\$ (31,949)	-1%
Capital outlay	13,199,058	3,220,559	9,978,499	310%
Debt service	5,643,929	8,277,074	(2,633,145)	-32%
Total	<u>\$ 21,107,140</u>	<u>\$ 13,793,735</u>	<u>\$ 7,313,405</u>	53%

- Capital outlay increased mainly due to the purchase of the new scoreboard equipment and related assets.
- The decrease in debt service expenditures is a result of paying off the original team loan in 2007.

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 \$1.2 million in culture and recreation expenditures was a result of; 1) pay and benefits (\$205,149) was less than budgeted due to open positions during the year, the Executive Director Representative retiring, and the transfer of one position to Maricopa County Parks and Recreation; 2) funds were budgeted for a replat of the ballpark site and two studies (\$299,149) that were not completed as a result of limited staff and the deployment of staff resources to complete the capital construction projects; 3) the "Day Use" program was turned over to the District booking manager in December 2007, thus expenditures for the program were less than budgeted and some items budgeted in relation to the operation of Chase Field were not needed (\$224,000); and 4) amounts were budgeted, but not needed (\$420,900) for additional security in the event that World Series and play-off games were played at Chase Field.

The favorable variance of \$1.5 million in transfers out is a result of a reduction of transfer to the reserve funds required in conjunction with the original construction loan paid off in 2007.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2008**

CAPITAL ASSETS

The Stadium District's investment in capital assets for its governmental activities as of June 30, 2008, amounted to \$386.5 million. This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total increase in the Stadium District's investment in capital assets for the current period was 1%. The machinery and equipment additions consisted of a new video scoreboard and related assets.

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

	As of June 30, 2008	As of June 30, 2007	Percentage of Change
Land	\$ 35,608,005	\$ 35,608,005	0.0%
Buildings and improvements	335,871,719	340,826,448	-1.5%
Machinery and equipment	15,041,474	4,767,550	215.5%
Total	\$ 386,521,198	\$ 381,202,003	1.4%

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 June 30, 2008, the Stadium District had total long-term debt outstanding of \$51.6 million as compared to \$45.0 million in the prior year. This amount is comprised of loans payable to the Team for \$10.5 million and the 2002 Revenue Refunding Bonds outstanding of \$41.2 million. The bonds are insured by Ambac and carried insured ratings of "Aa" and "AA3" assigned by Moody's Investors Service and Standard and Poor's, respectively. Ambac is working to recapitalize and may or may not be able to improve their ratings in the future.

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 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, 2008**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- During the year it is expected that the economy will continue to slow and accordingly, the budget for Auto Rental revenue for fiscal year 2008-09 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 strong.
- Baseball ticket prices have continued to increase, with an increase of 3.5% for the 2008 season. Many of the revenue sources that the Stadium District receives from the Diamondbacks are increased based on ticket price increases. A significant portion of the revenue from the 2008 season will be received by the Stadium District in December 2008.
- The competition from other venues in the area increase the need to ensure that the ballpark remains a state-of-the-art facility by making necessary capital improvements, therefore, the 2008 budget includes a facility fee, which the Diamondbacks have opted to pay, to ensure ongoing revenues to the capital reserves.

All of these factors were considered in preparing the Stadium District's budget for the 2008-09 fiscal year. The 2008-09 budget is the same as the 2007-08 budget with the exception of the above mentioned reduction in the Auto Rental Surcharge revenue from \$6.3 million to \$5.4 million, the above mentioned increase to the Capital Projects Reserve Fund revenue budget of \$500,000 for the facility fee, a decrease in the budgeted Sheriff's services from \$779,000 to \$525,000, and an increase of \$225,000 in loan payments. In addition, the 2008-09 budget includes capital funding for additional suite renovations and resurfacing of several concourse restroom floors.

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, 2008**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 8,261,843
Cash and investments held by trustee	17,089,119
Receivables	1,877,572
Total current assets	27,228,534
Noncurrent assets:	
Land	35,608,005
Buildings and improvements	335,871,719
Machinery and equipment	15,041,474
Accumulated depreciation	(69,290,557)
Unamortized charges - refunding bonds	1,311,113
Deferred bond issuance costs	556,153
Total noncurrent assets	319,097,907
Total assets	346,326,441
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	200,659
Accrued payroll	948
Compensated absences	13,572
Bond interest payable	192,862
Bonds payable	3,105,000
Loans payable	399,576
Total current liabilities	3,912,617
Noncurrent liabilities:	
Unamortized premium - refunding bonds	1,557,988
Bonds payable	41,165,000
Loans payable	10,465,340
Total non-current liabilities	53,188,328
Total liabilities	57,100,945
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	306,365,725
Unrestricted	(17,140,229)
Total net assets	\$ 289,225,496

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, 2008**

	Chase Field General Fund	Cactus League Special Revenue Fund	Debt Service Fund
<u>ASSETS</u>			
Cash and investments	\$ 5,125,970	\$ 3,133,164	\$ 2,582
Cash and investments held by trustee			9,437,444
Receivables	667,965	18,793	1,071,444
Due from other funds	37,152		
Total assets	\$ 5,831,087	\$ 3,151,957	\$ 10,511,470
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 89,205	\$	\$
Accrued payroll	948		
Due to other funds			
Total liabilities	90,153		
Fund balances:			
Reserved for Cactus League purposes		3,151,957	
Reserved for debt service			10,511,470
Reserved for capital projects			
Unreserved:			
Undesignated	5,740,934		
Total fund balances	5,740,934	3,151,957	10,511,470
Total liabilities and fund balances	\$ 5,831,087	\$ 3,151,957	\$ 10,511,470

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

Chase Field Capital Projects Reserve Fund	Total Governmental Funds
\$ 127	\$ 8,261,843
7,651,675	17,089,119
119,370	1,877,572
	37,152
<u>\$ 7,771,172</u>	<u>\$ 27,265,686</u>

\$ 111,454	\$ 200,659
	948
37,152	37,152
<u>148,606</u>	<u>238,759</u>

	3,151,957
	10,511,470
7,622,566	7,622,566
	5,740,934
<u>7,622,566</u>	<u>27,026,927</u>
<u>\$ 7,771,172</u>	<u>\$ 27,265,686</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, 2008**

Total governmental fund balances **\$ 27,026,927**

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	\$ 386,521,198	
Less accumulated depreciation	<u>(69,290,557)</u>	317,230,641

Amounts related to the issuance of refunding bonds that are deferred and amortized over the life of the related bonds.

Unamortized charges - refunding bonds	1,311,113	
Deferred bond issuance costs	556,153	
Unamortized premium - refunding bonds	<u>(1,557,988)</u>	309,278

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	(13,572)	
Bond interest payable	(192,862)	
Bonds payable	(44,270,000)	
Loans payable	<u>(10,864,916)</u>	<u>(55,341,350)</u>

Net assets of governmental activities **\$ 289,225,496**

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, 2008**

	Chase Field General Fund	Cactus League Special Revenue Fund	Debt Service Fund
Revenues:			
Intergovernmental	\$	\$	\$
Auto rental surcharge			6,131,305
Chase Field operations	4,376,173		
Investment income	198,679	149,369	540,543
Total revenues	4,574,852	149,369	6,671,848
Expenditures:			
Current -			
Culture and recreation	913,274	1,350,879	
Capital outlay	3,153		
Debt service -			
Principal retirement	220,335		2,960,000
Interest and fiscal charges			2,463,594
Total expenditures	1,136,762	1,350,879	5,423,594
Excess (deficiency) of revenues over expenditures	3,438,090	(1,201,510)	1,248,254
Other financing sources (uses):			
Transfers in		1,439,279	
Transfers out	(23,254)		(1,439,279)
Loan proceeds			
Total other financing sources (uses)	(23,254)	1,439,279	(1,439,279)
Changes in fund balances	3,414,836	237,769	(191,025)
Fund balances, beginning of year	2,326,098	2,914,188	10,702,495
Fund balances, end of year	\$ 5,740,934	\$ 3,151,957	\$ 10,511,470

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

Chase Field Capital Projects Reserve Fund	Total Governmental Funds
\$ 1,160	\$ 1,160
	6,131,305
501,139	4,877,312
309,968	1,198,559
<u>812,267</u>	<u>12,208,336</u>
	2,264,153
13,195,905	13,199,058
	3,180,335
	2,463,594
<u>13,195,905</u>	<u>21,107,140</u>
<u>(12,383,638)</u>	<u>(8,898,804)</u>
23,254	1,462,533
	(1,462,533)
10,168,044	10,168,044
<u>10,191,298</u>	<u>10,168,044</u>
<u>(2,192,340)</u>	<u>1,269,240</u>
9,814,906	25,757,687
<u>\$ 7,622,566</u>	<u>\$ 27,026,927</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, 2008**

Net changes in fund balances - total governmental funds **\$ 1,269,240**

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.

Expenditures for capital assets	\$ 10,300,936	
Less current year depreciation	<u>(7,003,439)</u>	3,297,497

Loans provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Assets. (10,106,857)

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	2,960,000	
Loans payable	<u>220,335</u>	3,180,335

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	(3,985,392)	
Compensated absences	8,519	
Accrued interest	12,333	
Amortization of deferred bond items	<u>(51,546)</u>	<u>(4,016,086)</u>

Change in net assets in governmental activities **\$ (6,375,871)**

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, 2008**

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 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. Ten 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, and Colorado Rockies.

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, 2008**

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.

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

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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

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.

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.

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.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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 and net changes in the fair value of applicable investments.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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, 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.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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

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.

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.

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, 2008**

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, 2008**

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.

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. No comparable oversight is provided for the County Treasurer's investment pool. The fair value of each participant's position in the State Treasurer and County Treasurer investment pools approximates the value of the participant's shares in the pool.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At June 30, 2008, the carrying amount of the District's deposits was \$82,591 and the bank balance was \$82,591. At June 30, 2008, the District's deposits were entirely covered by Federal depository insurance.

At June 30, 2008, the Stadium District's investments consisted of the following.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> (in Years)	
		<u>Less than 1</u>	<u>More than 10</u>
U.S. Treasuries	\$ 8,257,830	\$ 8,257,830	\$
Guaranteed Investment Contracts	8,831,289		8,831,289
		<u>\$ 8,257,830</u>	<u>\$ 8,831,289</u>
County Treasurer's investment pool	8,179,252	537 days average maturities	
Total	<u>\$ 25,268,371</u>		

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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 Guaranteed Investment Contracts are in place until the Stadium District's bonds are repaid. The reserves for the bonds are invested in the Guaranteed Investment Contract's until the funds are needed to repay the bonds and the interest rates on the contracts are 4.57% and 5.367%.

Credit Risk. The Stadium District has no investment policy that would further limit its investment choices. As of June 30, 2008, 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 and AAA by Standard & Poor's. 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 24.2% of the Stadium District's total investments and the MBIA Guaranteed Investment Contract represents 10.7% of the Stadium District's total investments. The Stadium District also held 30.2% of its investments in the Wells Fargo Advantage 100% Treasury Money Market Fund.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 4 – RECEIVABLES

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

	Chase Field General Fund	Cactus League Special Revenue Fund	Debt Service Fund	Chase Field Capital Projects Reserve Fund
Accounts	\$ 637,489	\$	\$	\$ 111,454
Interest	30,476	18,793	153,583	7,916
Due from State government			917,861	
Net Total Receivables	<u>\$ 667,965</u>	<u>\$ 18,793</u>	<u>\$1,071,444</u>	<u>\$ 119,370</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 June 30, 2008 include \$917,861 million 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, 2008**

NOTE 5 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2008 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	340,826,448	27,012	4,981,741	335,871,719
Machinery and equipment	<u>4,767,550</u>	<u>10,273,924</u>		<u>15,041,474</u>
Total capital assets being depreciated	<u>345,593,998</u>	<u>10,300,936</u>	<u>4,981,741</u>	<u>350,913,193</u>
Less accumulated depreciation for:				
Buildings and improvements	(63,167,239)	(6,838,358)	(996,349)	(69,009,248)
Machinery and equipment	<u>(116,228)</u>	<u>(165,081)</u>		<u>(281,309)</u>
Total accumulated depreciation	<u>(63,283,467)</u>	<u>(7,003,439)</u>	<u>(996,349)</u>	<u>(69,290,557)</u>
Total capital assets, being depreciated, net	<u>282,310,531</u>	<u>3,297,497</u>	<u>3,985,392</u>	<u>281,622,636</u>
Governmental activities capital assets, net	<u>\$ 317,918,536</u>	<u>\$ 3,297,497</u>	<u>\$ 3,985,392</u>	<u>\$ 317,230,641</u>

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

Culture and recreation	<u>\$7,003,439</u>
Total depreciation expense – governmental activities	<u>\$7,003,439</u>

Special Item – Loss on Disposal of Assets – During fiscal year 2007-08 the Stadium District disposed of the original Chase Field scoreboard and other related assets. 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, 2008**

NOTE 6 – BONDS PAYABLE

Bonds payable at June 30, 2008, 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, 2008	Due Within One Year
Governmental activities:					
Revenue Refunding Bonds,					
Series 2002	\$58,225,000	4.0 – 5.375%	6/1/08 - 6/1/19	\$44,270,000	\$3,105,000
Total				<u>\$44,270,000</u>	<u>\$3,105,000</u>

Annual debt service requirements to maturity on refunding bonds at June 30, 2008, are summarized as follows.

Year ending June 30:	Governmental Activities	
	Principal	Interest
2009	\$ 3,105,000	\$ 2,314,344
2010	3,260,000	2,159,094
2011	3,390,000	2,028,694
2012	3,570,000	1,850,718
2013	3,760,000	1,663,294
2014-18	22,040,000	5,060,562
2019	5,145,000	276,544
Total	<u>\$ 44,270,000</u>	<u>\$ 15,353,250</u>

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 7 – OTHER SIGNIFICANT COMMITMENTS

On July 25, 2006, the Stadium District entered into a cost-sharing agreement with the Team for the enhancement of the sound system at Chase Field. Under the terms of the agreement, the Team provided \$679,295 of the funding for the enhancement; and the agreement states that the Stadium District will pay the Team back over the next two years, ending in December 2008.

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 four 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 ten years, beginning December 2009 and ending in December 2018.

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:	
2009	\$ 399,577
2010	1,179,241
2011	1,179,241
2012	1,200,000
2013	1,200,000
2014-18	5,273,928
2019-21	<u>432,929</u>
Total	<u>\$10,864,916</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, 2008**

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2008 was as follows.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences payable	\$ 22,091	\$ 13,572	\$ 22,091	\$ 13,572	\$ 13,572
Refunding bonds	47,230,000		2,960,000	44,270,000	3,105,000
Unamortized premium – refunding bonds	1,817,653		259,665	1,557,988	
Loans payable	978,394	10,106,857	220,335	10,864,916	399,576
Governmental activity long- term liabilities	<u>\$ 50,048,138</u>	<u>\$ 10,120,429</u>	<u>\$ 3,462,091</u>	<u>\$ 56,706,476</u>	<u>\$ 3,518,148</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2008, the Chase Field Capital Projects Reserve Fund had a negative cash balance in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the Chase Field General Fund. The interfund balance is expected to be paid within one year.

Interfund transfers:

	Transfers in		Total
	Cactus League Special Revenue Fund	Chase Field Capital Projects Reserve Fund	
Transfers out			
Chase Field General Fund	\$	\$ 23,254	\$ 23,254
Debt Service Fund	1,439,279		1,439,279
Total	<u>\$ 1,439,279</u>	<u>\$ 23,254</u>	<u>\$ 1,462,533</u>

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, 2008**

NOTE 10 – EMPLOYMENT RETIREMENT PLAN

Plan Descriptions – The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing multiple employer defined benefit health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan administered by the *Arizona State Retirement System* (ASRS) that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. Benefits are established by state statute and generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retiree’s average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee’s monthly compensation. Health insurance premium benefits are generally paid as a flat dollar amount per month towards the retiree’s health care insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her spouse. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members’ and the District’s contribution rates. For the year ended June 30, 2008, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.6 percent (9.1 percent for retirement and 0.5 percent for long-term disability) of the members’ annual covered payroll. The District was required by statute to contribute at the actuarially determined rate of 9.6 percent (8.05 percent for retirement, 1.05 percent for health insurance premium, and 0.5 percent for long-term disability) of the members’ annual covered payroll.

The 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>
Years ended June 30,			
2008	\$16,736	\$2,183	\$1,040
2007	20,740	2,884	1,373
2006	14,234	2,555	1,217

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

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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**SCHEDULES 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, 2008**

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Chase Field operations	\$ 4,493,773	\$ 4,376,173	\$ (117,600)
Miscellaneous	52,000		(52,000)
Investment income	85,000	198,679	113,679
Total revenues	<u>4,630,773</u>	<u>4,574,852</u>	<u>(55,921)</u>
Expenditures:			
Current -			
Culture and recreation	2,068,068	913,274	1,154,794
Capital outlay		3,153	(3,153)
Debt service -			
Principal retirement	176,403	220,335	(43,932)
Total expenditures	<u>2,244,471</u>	<u>1,136,762</u>	<u>1,107,709</u>
Excess (deficiency) of revenues over expenditures	<u>2,386,302</u>	<u>3,438,090</u>	<u>1,051,788</u>
Other financing sources (uses):			
Transfers out	(1,504,076)	(23,254)	1,480,822
Total other financing sources (uses)	<u>(1,504,076)</u>	<u>(23,254)</u>	<u>1,480,822</u>
Change in fund balances	<u>882,226</u>	<u>3,414,836</u>	<u>2,532,610</u>
Fund balances, July 1, 2007	4,193,691	2,326,098	(1,867,593)
Fund balances, June 30, 2008	<u>\$ 5,075,917</u>	<u>\$ 5,740,934</u>	<u>\$ 665,017</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, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 25,000	\$ 25,000	\$ 149,369	\$ 124,369
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>149,369</u>	<u>124,369</u>
Expenditures:				
Current -				
Culture and recreation	482,288	1,439,288	1,350,879	88,409
Total expenditures	<u>482,288</u>	<u>1,439,288</u>	<u>1,350,879</u>	<u>88,409</u>
Excess (deficiency) of revenues over expenditures	<u>(457,288)</u>	<u>(1,414,288)</u>	<u>(1,201,510)</u>	<u>212,778</u>
Other financing sources (uses):				
Transfers in	482,500	1,439,500	1,439,279	(221)
Total other financing sources (uses)	<u>482,500</u>	<u>1,439,500</u>	<u>1,439,279</u>	<u>(221)</u>
Change in fund balances	<u>25,212</u>	<u>25,212</u>	<u>237,769</u>	<u>212,557</u>
Fund balances, July 1, 2007	2,822,269	2,822,269	2,914,188	91,919
Fund balances, June 30, 2008	<u>\$ 2,847,481</u>	<u>\$ 2,847,481</u>	<u>\$ 3,151,957</u>	<u>\$ 304,476</u>

See accompanying notes to this schedule.

**MARICOPA COUNTY STADIUM DISTRICT
(A COMPONENT UNIT OF MARICOPA COUNTY)
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2008**

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
SCHEDULES 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, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Auto rental surcharge	\$ 6,300,000	\$ 6,300,000	\$ 6,131,305	\$ (168,695)
Investment income	475,094	475,094	540,543	65,449
Total revenues	<u>6,775,094</u>	<u>6,775,094</u>	<u>6,671,848</u>	<u>(103,246)</u>
Expenditures:				
Debt service -				
Principal retirement	2,960,000	2,960,000	2,960,000	
Interest and fiscal charges	2,482,594	2,482,594	2,463,594	19,000
Total expenditures	<u>5,442,594</u>	<u>5,442,594</u>	<u>5,423,594</u>	<u>19,000</u>
Excess (deficiency) of revenues over expenditures	<u>1,332,500</u>	<u>1,332,500</u>	<u>1,248,254</u>	<u>(84,246)</u>
Other financing sources (uses):				
Transfers out	(482,500)	(1,439,500)	(1,439,279)	221
Total other financing sources (uses)	<u>(482,500)</u>	<u>(1,439,500)</u>	<u>(1,439,279)</u>	<u>221</u>
Change in fund balances	<u>850,000</u>	<u>(107,000)</u>	<u>(191,025)</u>	<u>(84,025)</u>
Fund balances, July 1, 2007	154,758	154,758	10,702,495	10,547,737
Fund balances, June 30, 2008	<u>\$ 1,004,758</u>	<u>\$ 47,758</u>	<u>\$ 10,511,470</u>	<u>\$ 10,463,712</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, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$	\$	\$ 1,160	\$ 1,160
Chase Field operations	250,000	250,000	501,139	251,139
Investment income	300,000	300,000	309,968	9,968
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>812,267</u>	<u>262,267</u>
Expenditures:				
Capital outlay	4,203,000	16,203,000	13,195,905	3,007,095
Total expenditures	<u>4,203,000</u>	<u>16,203,000</u>	<u>13,195,905</u>	<u>3,007,095</u>
Excess (deficiency) of revenues over expenditures	<u>(3,653,000)</u>	<u>(15,653,000)</u>	<u>(12,383,638)</u>	<u>3,269,362</u>
Other financing sources (uses):				
Transfers in	1,504,076	1,504,076	23,254	(1,480,822)
Loan proceeds	12,000,000	12,000,000	10,168,044	(1,831,956)
Total other financing sources (uses)	<u>1,504,076</u>	<u>13,504,076</u>	<u>10,191,298</u>	<u>(3,312,778)</u>
Change in fund balances	<u>(2,148,924)</u>	<u>(2,148,924)</u>	<u>(2,192,340)</u>	<u>(43,416)</u>
Fund balances, July 1, 2007	9,567,370	9,567,370	9,814,906	247,536
Fund balances, June 30, 2008	<u>\$ 7,418,446</u>	<u>\$ 7,418,446</u>	<u>\$ 7,622,566</u>	<u>\$ 204,120</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.

Contents **Page**

Financial Trends Information

These schedules contain trend information to help the reader understand how the Stadium District's financial performance and well-being have changed over time.

Net Assets by Component	52
Changes in Net Assets	53
Revenues by Source, Governmental Funds	54
Fund Balances, Governmental Funds	55
Changes in Fund Balances, Governmental Funds	56
Selected Charts	57

Revenue Capacity

This schedule contains information to help the reader assess the Stadium District's most significant revenue sources, the auto rental surcharge and Chase Field operations.

Tax Revenues by Source	59
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Debt Capacity

These schedules present information to help the reader assess the affordability of the Stadium District's current level of outstanding debt.

Pledged Revenue Coverage	60
Total Debt	61

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Stadium District's financial activities take place.

Arizona Diamondbacks Attendance	62
Cactus League Attendance	63
Demographic and Economic Statistics	64
Principal Employers	65
Full-Time Equivalent Employees by Function	66

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

Net Assets by Component

Last Seven Fiscal Years

(accrual basis of accounting)

NET ASSETS	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
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
Restricted							
Unrestricted	(38,864,859)	(33,198,887)	(28,610,605)	(25,421,360)	(23,886,787)	(21,338,775)	(17,140,229)
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>

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 Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
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
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
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>
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>
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
Capital grants and contributions	7,251,240	972,045	2,871,823	325,020	1,189,204	509,975	589,338
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>
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>
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>
General Revenues and other Changes in Net Assets							
Governmental activities:							
Taxes							
Sales Tax	\$ 128,498	\$ 96,555	\$ 84,018	\$ -	\$ 5,294	\$ 1,938	\$ 1,160
Auto Rental Surcharge	5,407,664	5,240,032	5,556,717	6,024,355	6,493,520	6,286,155	6,131,305
Investment earnings	481,675	801,482	834,975	1,191,265	1,241,884	1,615,020	1,458,224
Loss on disposal of assets							(3,985,392)
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>
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>
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>
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>

Prior to fiscal year 2001-02, the changes in net assets is not available due to the intital 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Intergovernmental	\$ 386,396	\$ 258,303	\$ 278,259	\$ 128,498	\$ 96,555	\$ 84,018	\$	\$ 5,294	\$ 1,938	\$ 1,160
Capital Contributions	5,778,707	1,140,476	1,388,550	6,595,511	89,407	351,435				
Auto Rental Surcharge	5,428,828	5,722,268	5,637,184	5,407,664	5,240,032	5,556,717	6,024,355	6,493,520	6,286,155	6,131,305
Chase Field Ballpark Operations	2,962,237	3,677,541	3,246,111	4,492,765	4,530,457	4,341,414	4,344,760	4,496,519	4,697,199	4,877,312
Investment Income		862,290	481,675	541,817	575,310	931,600	982,219	1,355,352	1,198,559	
Miscellaneous*	2,302,717	1,758,148	85,536							
Total primary government	\$ 16,858,885	\$ 12,556,736	\$ 11,497,930	\$ 17,106,113	\$ 10,498,268	\$ 10,908,894	\$ 11,300,715	\$ 11,977,552	\$ 12,340,644	\$ 12,208,336

*Includes investment income in fiscal years 1998-99 through 1999-2000

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Unreserved	\$ 1,258,270	\$ 1,844,178	\$ 2,445,743	\$ 3,663,780	\$ 4,757,055	\$ 5,106,039	\$ 4,906,646	\$ 2,787,187	\$ 2,326,098	\$ 5,740,934
Total general fund	<u>\$ 1,258,270</u>	<u>\$ 1,844,178</u>	<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>
All Other Governmental Funds										
Reserved, reported in:										
Special revenue funds	\$ 3,637,582	\$ 3,885,075	\$ 4,062,394	\$ 2,174,304	\$ 2,195,208	\$ 2,391,353	\$ 2,522,650	\$ 2,693,882	\$ 2,914,188	\$ 3,151,957
Capital projects funds	7,144,000	9,291,267	10,516,705	6,121,376	8,104,835	9,346,699	9,348,934	9,815,141	9,814,906	7,622,566
Debt service funds				7,038,118	8,658,371	9,512,699	10,320,528	10,697,550	10,702,495	10,511,470
Total all other governmental funds	<u>\$ 10,781,582</u>	<u>\$ 13,176,342</u>	<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>

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)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Intergovernmental	\$ 386,396	\$ 258,303	\$ 278,259	\$ 128,498	\$ 96,555	\$ 84,018	\$	\$ 5,294	\$ 1,938	\$ 1,160
Capital Contributions	5,778,707	1,140,476	1,388,550	6,595,511	89,407	351,435				
Auto Rental Surcharge	5,428,828	5,722,268	5,637,184	5,407,664	5,240,032	5,556,717	6,024,355	6,493,520	6,286,155	6,131,305
Chase Field Operations	2,962,237	3,677,541	3,246,111	4,492,765	4,530,457	4,341,414	4,344,760	4,496,519	4,697,199	4,877,312
Investment Income			862,290	481,675	541,817	575,310	931,600	982,219	1,355,352	1,198,559
Miscellaneous**	2,302,717	1,758,148	85,536							
Total Revenues	\$ 16,858,885	\$ 12,556,736	\$ 11,497,930	\$ 17,106,113	\$ 10,498,268	\$ 10,908,894	\$ 11,300,715	\$ 11,977,552	\$ 12,340,644	\$ 12,208,336
Principal										
Expenditures										
Culture and Recreation	2,631,948	2,540,627	2,377,960	2,142,098	1,169,891	1,025,514	1,328,633	1,984,291	2,296,102	2,264,153
Capital Outlay	5,850,754	1,295,752	1,429,825	6,613,703	100,570	351,435	1,530,473	3,880,572	3,220,559	13,199,058
Debt Service										
Principal	3,400,500	3,285,426	2,607,216	3,457,815	1,000,000	3,460,000	4,490,000	4,685,000	5,487,512	3,180,335
Interest	3,381,131	2,207,768	3,078,606	6,870,168	3,509,916	3,430,624	3,209,641	3,054,417	2,789,562	2,463,594
Other		37,795								
Total Expenditures	15,264,333	9,367,368	9,493,607	19,083,784	5,780,377	8,267,573	10,558,747	13,604,280	13,793,735	21,107,140
Excess of revenues over (under) expenditures	1,594,552	3,189,368	2,004,323	(1,977,671)	4,717,891	2,641,321	741,968	(1,626,728)	(1,453,091)	(8,898,804)
Other Financing Sources (Uses)										
Transfers In	5,478,649	6,006,502	6,130,975	12,661,183	1,813,912	1,003,599	1,372,049	4,485,378	2,462,131	1,462,553
Transfers Out	(5,478,649)	(6,006,502)	(6,130,975)	(12,661,183)	(1,813,912)	(1,003,599)	(1,372,049)	(4,485,378)	(2,462,131)	(1,462,553)
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	\$ 1,594,552	\$ 3,189,368	\$ 2,004,323	\$ 1,972,736	\$ 4,717,891	\$ 2,641,321	\$ 741,968	\$ (1,104,998)	\$ (236,073)	\$ 1,269,240
Debt Services as a percentage of noncapital expenditures	72.0%	68.1%	70.5%	82.8%	79.4%	87.0%	85.2%	78.1%	67.9%	52.2%

**Investment Income was included in Miscellaneous prior to 2001.

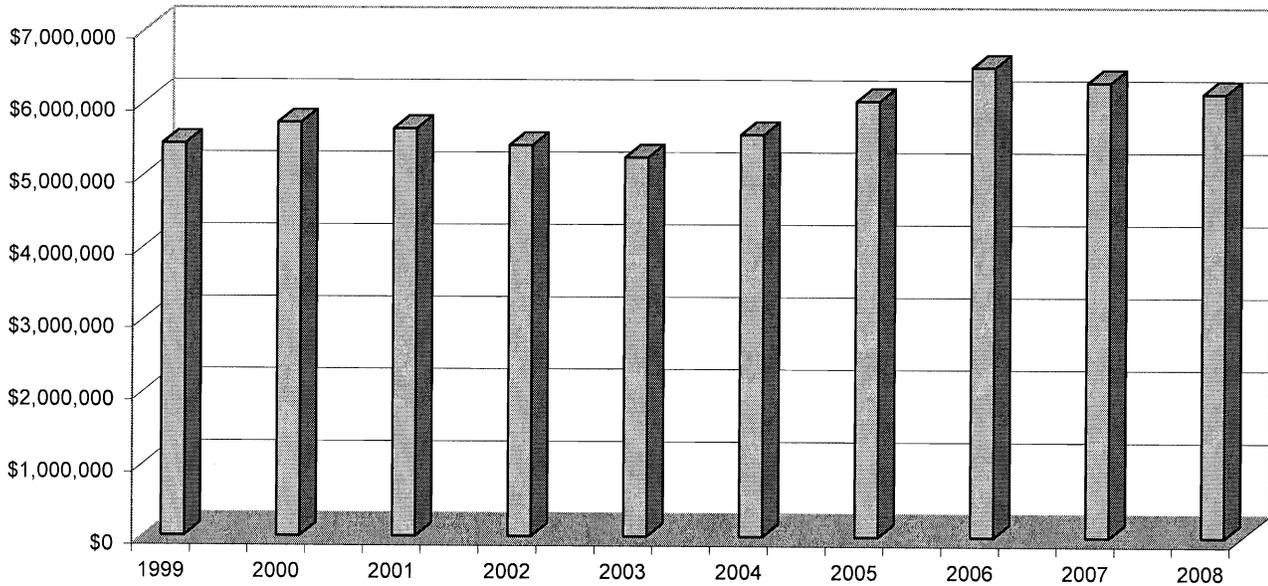
Maricopa County Stadium District
(A Component Unit of Maricopa County)

Selected Charts

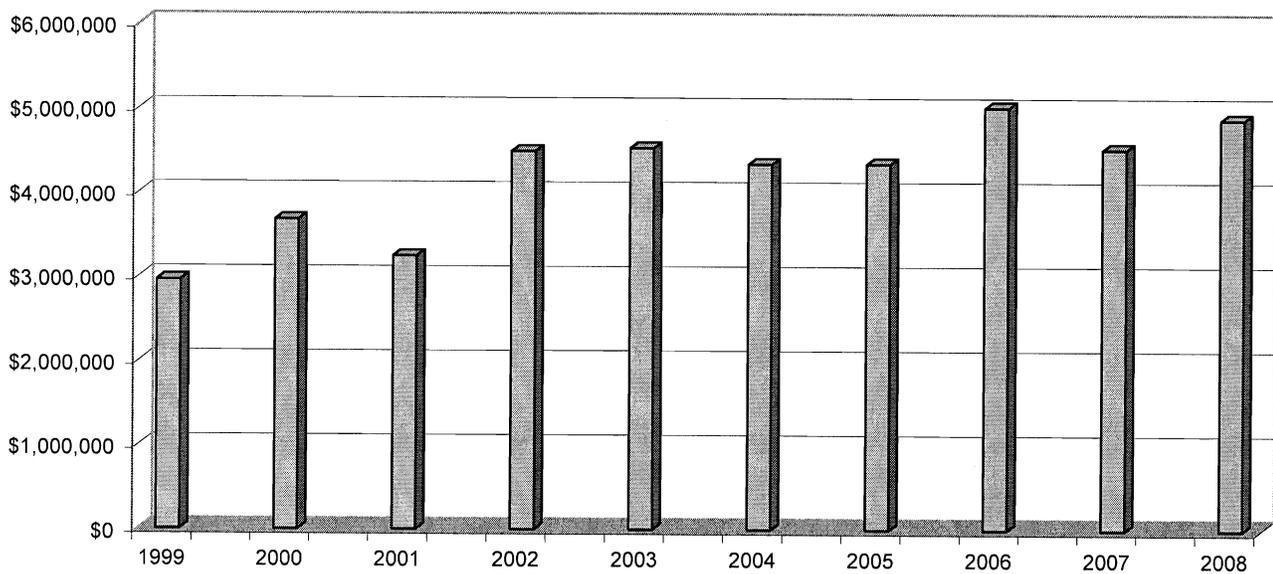
Last Ten Fiscal Years

(modified accrual basis of accounting)

Maricopa County Stadium District
Auto Rental Surcharge Revenue

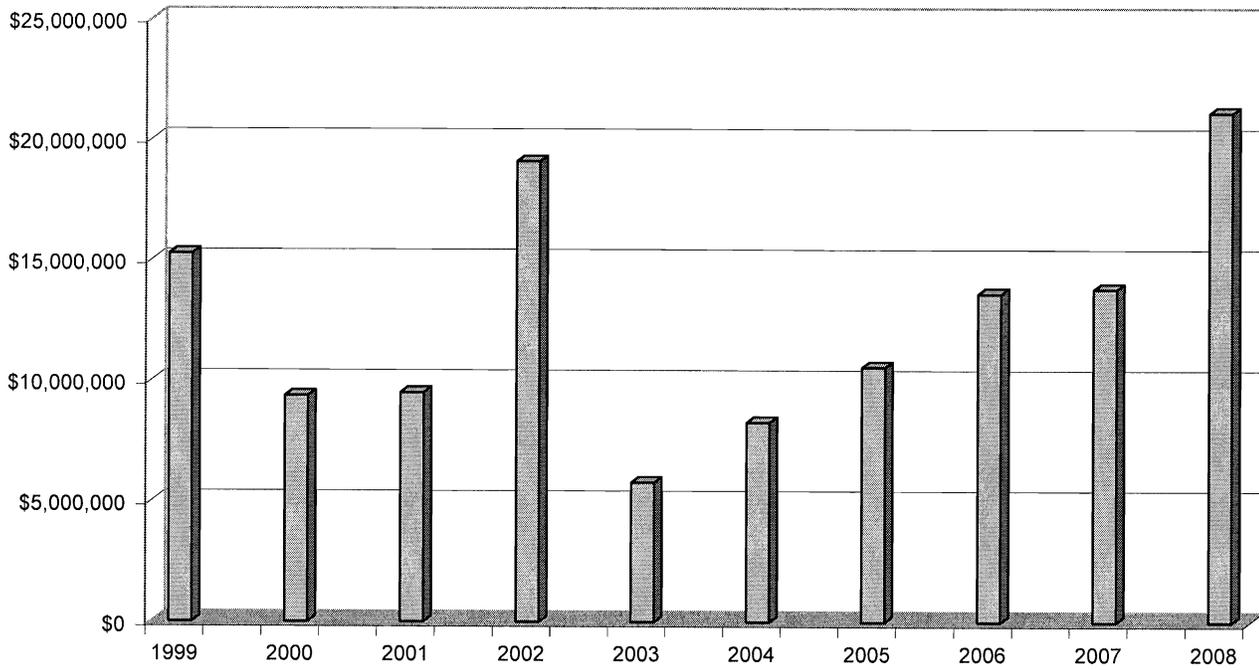


Maricopa County Stadium District
Chase Field Operations Revenue



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>
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
2000	258,303	5,722,268
1999	386,396	5,428,828

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
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
2000	5,911,689	9,374,409	3,285,426	2,207,768	5,493,194	1.08	1.71
1999	5,972,846	8,987,531	3,400,500	3,381,131	6,781,631	0.88	1.33

* 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>Debt Per Capita</u>
2008	\$ 45,827,988	\$	\$ 10,864,916	\$ 56,692,904	\$ N/A
2007	49,047,653		978,394	50,026,047	11.97
2006	52,127,319		2,428,888	54,556,207	13.51
2005	55,071,982		4,428,888	59,500,870	16.35
2004	57,821,647		6,428,888	64,250,535	18.37
2003	60,081,312		7,888,888	67,970,200	20.05
2002	61,340,977		7,888,888	69,229,865	21.00
2001	28,658,512	26,980,000	13,888,888	69,527,400	21.74
2000	27,704,259	28,225,000	14,444,444	70,373,703	22.72
1999	28,984,685	30,230,000	15,000,000	74,214,685	24.70

*Includes unamortized premium on refunding bonds beginning in 2002.

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)**

<u>Calendar Year</u>	<u>Attendance</u>		
	<u>Game Avg</u>	<u>Season Total</u>	<u>League Avg</u>
2008*	30,435	1,795,684	2,019,891
2007	26,372	2,316,507	2,649,790
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
2000	36,324	2,819,539	2,480,194
1999	37,234	3,019,654	2,380,436

*50 of 81 Home Games Played as of 08/20/08

Source: Major League Baseball

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

Fiscal Year	Fiscal Year								
	2008	2007	2006	2005	2004	2003	2002	2001	2000
Arizona Diamondbacks	110,886	94,291	97,925	107,109	111,286	101,768	147,449	95,208	93,162
Chicago Cubs	181,280	175,891	154,978	193,993	164,170	133,223	154,617	147,749	136,408
Chicago White Sox	87,304	86,397	98,728	76,879	70,986	72,863	87,670	67,203	79,526
Colorado Rockies	72,550	57,359	56,715	67,089	64,563	65,310	68,314	65,269	63,723
Kansas City Royals *	83,118	78,747	70,412	79,690	72,394	50,070			
Los Angeles Angels	118,191	105,869	96,315	106,690	103,366	96,024	85,571	80,535	86,005
Milwaukee Brewers	88,499	61,888	56,903	68,187	57,885	60,571	78,131	68,673	68,813
Oakland Athletics	91,875	95,058	100,087	110,543	101,109	82,137	96,232	89,422	84,839
San Diego Padres	95,280	100,061	76,275	102,024	72,075	88,709	91,170	74,498	97,238
San Francisco Giants	148,935	148,988	150,875	148,039	141,794	133,249	130,830	122,966	100,023
Seattle Mariners	135,154	126,137	130,111	123,427	136,170	101,376	156,047	124,553	107,611
Texas Rangers *	103,110	86,864	79,706	86,997	70,655	80,081			
Total	1,316,182	1,217,550	1,169,030	1,270,667	1,166,453	1,065,381	1,096,031	936,076	917,348

* 2003 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>
2007	4,179,427	\$ 146,322,372	\$ 35,010	3.1%
2006	4,039,161	136,972,000	33,911	3.7
2005	3,638,481	120,716,738	33,178	4.1
2004	3,498,347	110,278,789	31,523	4.4
2003	3,389,229	101,378,940	29,912	5.3
2002	3,296,739	96,998,974	29,423	5.0
2001	3,198,064	93,544,549	29,250	3.7
2000	3,097,240	89,771,608	28,984	2.3
1999	3,004,985	80,924,901	26,930	2.9
1998	2,909,040	75,639,499	26,002	2.6

1998-2007 Population, Personal Income, and Per Capita Per Income source: Bureau of Economic Analysis
 Unemployment Rate Source: www.workforce.az.gov

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

Employer	2008*			1999**		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
State of Arizona	50,079	1	2.64%	63,961	1	4.18%
Wal-Mart Stores	30,174	2	1.59%	11,900	5	0.78%
Banner Health	17,020	3	0.90%			
City of Phoenix	14,453	4	0.76%	13,300	3	0.87%
Maricopa County	14,057	5	0.74%	12,963	4	0.85%
Arizona State University	12,727	7	0.67%			
Wells Fargo & Co.	14,000	6	0.74%			
Fry's Food & Drug Stores	11,780	8	0.62%			
U.S. Postal Service	11,000	9	0.58%	10,772	6	0.70%
Honeywell Aerospace	10,700	10	0.56%			
Motorola				18,500	2	1.21%
Samaritan Health Services				9,000	7	0.59%
Allied Signal				9,000	7	0.59%
American Express Co.				9,000	7	0.59%
Banc One Corp				9,000	7	0.59%
Total for Principal Employers	185,990		9.82%	167,396		10.3%
Toatal Employment in Maricopa County	1,894,507			1,531,553		

* Source: Greater Phoenix Economic Council

Workforce Informer Arizona at www.workforce.az.gov for total employed in Maricopa County as of June 2008.

** The Business Journal, Book of Lists.

Workforce Informer Arizona at www.workforce.az.gov for total employed in Maricopa County.

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>
2008	3.00
2007	4.75
2006	4.75
2005	4.50
2004	4.50
2003	3.50
2002	4.00
2001	4.00
2000	4.00
1999	4.50

Source: Maricopa County Stadium District records.

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

Members of the Board:

We have audited the financial statements of Maricopa County Stadium District, a component unit of Maricopa County, Arizona, as of and for the year ended June 30, 2008, and have issued our report thereon dated September 23, 2008. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 the management, Board of Directors, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

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Certified Public Accountants

September 23, 2008