STATE OF CONNECTICUT

INDEPENDENT AUDITORS' REPORT
STADIUM AT RENTSCHLER FIELD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN  ROBERT M. WARD
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INDEPENDENT AUDITORS' REPORT
STADIUM AT RENTSCHLER FIELD
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Secretary Benjamin Barnes
State of Connecticut
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

We have audited the accompanying financial statements of the Stadium at Rentschler Field (Stadium), as of June 30, 2010, and the fiscal year then ended. These financial statements are the responsibility of the State of Connecticut’s Office of Policy and Management. Our responsibility is to express an opinion 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 opinion.

As discussed in Note 1, the financial statements of the Stadium are intended to present the financial position and the respective changes in financial position and cash flows that are attributable to the transactions of the Stadium. They do not purport to, and do not present fairly, the financial position of the state as of June 30, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformance with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material
respects, the financial position of the Stadium as of June 30, 2010, and the respective changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2011 on our consideration of the Stadium'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 audits.

John C. Geragosian     Robert M. Ward
Auditor of Public Accounts     Auditor of Public Accounts

June 16, 2011
State Capitol
Hartford, Connecticut
RENTSCHLER STADIUM
STATEMENT OF NET ASSETS
FISCAL YEAR ENDED June 30, 2010
(See accompanying notes to the financial statements)

<table>
<thead>
<tr>
<th></th>
<th>Stadium Facility Enterprise Fund</th>
<th>Operating Accounts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

ASSETS
Current Assets
- Cash and equivalents: 565,778
- Restricted cash: 151,750
- Accounts receivable: 523
- Miscellaneous event receivables: 15,904
- Prepaid expenses: 5,743
- Total Current Assets: 566,301

Capital Assets
- Building additions and improvements: 74,548,295
- Stadium equipment: 2,650,712
- Less accumulated depreciation: (15,150,697)
- Total Capital Assets: 62,048,310

Total Assets: $62,614,611

LIABILITIES
Current Liabilities
- Accrued expenses: 514,270
- Due to operations manager: 229,623
- Deposits payable: 1,250
- Deferred revenues: 135,053
- Total Current Liabilities: 880,196

Total Liabilities: $880,196

NET ASSETS
- Invested in capital assets: 62,048,310
- Capital contributions: (412,564)
- Unrestricted: 566,301
- Total Net Assets: 62,614,611

Total Liabilities and Net Assets: $62,614,611

$675,259

$63,289,870
RENTSCHLER STADIUM  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FISCAL YEAR ENDED JUNE 30, 2010  
(See accompanying notes to the financial statements)

<table>
<thead>
<tr>
<th></th>
<th>Stadium Fund</th>
<th>Facility Enterprise Fund</th>
<th>Operating Accounts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Event operations</td>
<td></td>
<td>1,086,454</td>
<td></td>
<td>1,086,454</td>
</tr>
<tr>
<td>Food operations</td>
<td></td>
<td>1,062,571</td>
<td></td>
<td>1,062,571</td>
</tr>
<tr>
<td>Parking</td>
<td></td>
<td>289,221</td>
<td></td>
<td>289,221</td>
</tr>
<tr>
<td>Suites and club</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Signage and sponsorship</td>
<td></td>
<td>30,377</td>
<td></td>
<td>30,377</td>
</tr>
<tr>
<td>Other revenue</td>
<td></td>
<td>57,004</td>
<td></td>
<td>57,004</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td>2,525,627</td>
</tr>
</tbody>
</table>

| **OPERATING EXPENSES**       |              |                          |                    |         |
| Event operations             |              | 960,756                  |                    | 960,756 |
| Facility                     | 623,422      | 676,042                  | 1,299,464          |
| Parking                      |              | 19,827                   |                    | 19,827  |
| Administrative               | 472,417      |                          | 472,417            |
| Management fee               | 87,389       | 377,679                  | 465,068            |
| Depreciation expense         | 2,144,861    |                          | 2,144,861          |
| **Total Operating Expenses** | 2,855,672    | 2,506,721                | 5,362,393          |

| **OPERATING INCOME (LOSS)**  |              |                          |                    |         |
| (2,855,672)                  | 18,906       | (2,836,766)              |

| **NONOPERATING REVENUES (EXPENSES)** |              |                          |                    |         |
| Interest income               | 2,568        | 298                      | 2,866              |
| Other income (expense)        | 132,561      | 25,867                   | 158,428            |
| **Net Nonoperating Revenues (Expenses)** | 135,129  | 26,165                   | 161,294            |

| **OTHER FINANCING SOURCES (USES)** |              |                          |                    |         |
| Transfer in (out) – capital assets | 52,721       | (52,721)                 |                    | -       |
| Purchase of capital assets (net) |              | 4,546                    |                    | 4,546   |
| Transfers in (out) – other     | 400,000      | (400,000)                |                    | -       |
| Payment of prior period liability |              | 87,389                   |                    | 87,389  |
| **Net Other Financing Sources (Uses)** | 452,721  | (360,786)                | 91,935             |

| **CHANGE IN NET ASSETS**      |              |                          |                    |         |
| (2,267,822)                  | (315,715)    | (2,583,537)              |

| **NET ASSETS, Beginning of year** | 64,882,433  | 110,778                  | 64,993,211          |

| **NET ASSETS, End of year**    | $ 62,614,611 | $ (204,937)              | $ 62,409,674        |
RENTSCHLER STADIUM
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED June 30, 2010
(See accompanying notes to the financial statements)

<table>
<thead>
<tr>
<th></th>
<th>Stadium Facility Enterprise Fund</th>
<th>Operating Accounts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td>$ -</td>
<td>$ 2,525,627</td>
<td>$ 2,525,627</td>
</tr>
<tr>
<td>Received from customers and concessionaires</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to vendors and suppliers</td>
<td>402,302</td>
<td>1,788,659</td>
<td>2,190,961</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>(402,302)</td>
<td>736,968</td>
<td>334,666</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES |  |  |  |
| Purchase of property and equipment  | (221,120) | (48,175) | (269,295) |
| Other income                       | 132,561   | 25,867   | 158,428   |
| Interest income                    | 3,550     | 298      | 3,848     |
| Net Cash Provided by (Used in) Investing Activities | (85,009) | (22,010) | (107,019) |

| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES |  |  |  |
| Transfers in                         | 400,000   | 88,131   | 488,131   |
| Transfers out                        | (87,389)  | (400,742) | (488,131) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 312,611 | (312,611) | -         |

Net Cash Provided by Operating Activities

| Net increase (decrease) in cash and cash equivalents |  |  |  |
|-----------------------------------------------------|  |  |  |
| CASH AND CASH EQUIVALENTS, Beginning                | 740,478   | 226,527   | 967,005   |

| CASH AND CASH EQUIVALENTS, Ending                  | $ 566,778 | $ 628,874 | $ 1,194,652 |

RECONCILIATION OF CHANGE IN NET ASSETS TO:
NET CASH PROVIDED BY OPERATING ACTIVITIES

| Operating income | (2,855,672) | 18,906 | (2,836,766) |
| Depreciation expense | 2,144,861 |        | 2,144,861   |
| Changes in assets and liabilities |  |  |  |
| Accounts receivable | 237,513 |        | 237,513 |
| Prepaid expenses and all other assets | 4,462   |        | 4,462 |
| Accounts payable and other liabilities (net) | 476,087 |        | 476,087 |
| Net transfers liability and equipment | 308,509 | -      | 308,509 |
| Net Cash Provided by Operating Activities | (402,302) | 736,968 | 334,666 |

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Stadium at Rentschler Field (Stadium) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity - The Rentschler Field Stadium accounts are owned by the State of Connecticut (State) and are operated by the Office of Policy and Management of the State of Connecticut (OPM). Under Chapter 588z, Sections 32-650 through 32-669 of the Connecticut General Statutes, for the purpose of operating a facility known as the Rentschler Field Stadium in East Hartford, Connecticut, the state legislature authorized OPM to (1) acquire the necessary real property for the Stadium facility site, (2) contract for professional services related to the design and construction of the Stadium, (3) coordinate the project with other state agencies and (4) provide for most facets of the Stadium's operations. The state legislature established the Stadium Facility Enterprise Fund as an enterprise fund and authorized OPM to establish revenue, operating, box office, and specific event escrow accounts as needed, thus maintaining separate accounting records for Stadium operations in accordance with the General Statutes.

OPM has entered into various contractual agreements for the management and operation of the Stadium facility. For purposes of these agreements, OPM represents the State as the "owner" of the Stadium. These agreements are summarized below as follows:

- The lease agreement with the University of Connecticut (UCONN) grants UCONN the right to use the facility for home football games or any other events, with a minimum of ten events per year. The lease agreement provides that UCONN pay OPM a base rent and any other incremental operating expenses.

- The Stadium management agreement with Northland AEG, LLC (NAEG), dated May 25, 2007, stipulated that NAEG manage the operations of the Stadium until June 30, 2012, provided termination of the agreement was not given by either party. However, during the audited period, OPM opted to terminate this agreement with NAEG with the date of May 31, 2010, being the effective date of termination. Thus, the stadium management agreement with NAEG remained in effect for the eleven-month period from July 1, 2009, through May 31, 2010, inclusive, during the audited period. Under this agreement, NAEG received a base management fee of $150,000 in the initial year of the contract, increasing annually by the percentage increase in the consumer price index. NAEG was also entitled to an incentive fee of 40 percent of event gross revenues, excluding ticket surcharges, for each non-UCONN event and an incentive fee of 30 percent of ticket surcharge revenue for each non-UCONN event.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In order to comply with Internal Revenue Service provisions, such incentive fee was capped on an annual basis at an amount equal to the base management fee, so that the incentive fee would in no event exceed 50 percent of NAEG’s total fee in any contract year.

- The concessions agreement with NAEG, LLC, dated May 25, 2007, provided that NAEG manage the concessions operations until June 30, 2012, provided that termination of the agreement is not given by either party. However, during the audited period, OPM opted to terminate this agreement with NAEG with the effective termination date of May 31, 2010. Thus, OPM’s concessions agreement with NAEG remained in effect for the eleven-month period from July 1, 2009 through May 31, 2010, inclusive, during the audited period. Under this concession management agreement, NAEG was entitled to 50 percent of total concession commissions, net non-UCONN parking revenues, certain advertising revenues, and the sale of luxury suites and the stadium club for non-UCONN events.

- The Stadium management agreement with the Bushnell Management Services, LLC (BMS), dated May 28, 2010, which is effective as of June 1, 2010, provides that BMS will manage operations of the Stadium until June 30, 2013, provided termination of the agreement is not given by either party. BMS will receive a base management fee of $165,000 in the initial year of the contract, increasing annually by the percentage increase in the consumer price index. For the provision of management services during the period of June 1, 2010, to June 30, 2010, BMS will receive a one-time fixed fee of $13,750. BMS is also entitled to an incentive fee of 50 percent of event gross revenues for each non-UCONN event, with the exception that event gross revenue relative to a non-UCONN event booked prior to June 1, 2010, for which the prior manager (NAEG) provided ticketing services, shall exclude ticket royalties, rebates or similar payments from ticketing companies, ticket vendors or sales agents. In order to comply with Internal Revenue Service provisions, such incentive fee is capped on an annual basis at an amount equal to the base management fee, so the incentive fee will, in no event, exceed 50 percent of BMS’ total fee in any contract year.

- The concessions agreement with Bushnell Management Services, LLC, dated May 28, 2010, which is effective as of June 1, 2010, provides that BMS will manage concessions operations until June 30, 2013, provided that termination of the agreement is not given by either party. As part of this concession management agreement, BMS is entitled to 40 percent of total concession commissions, excluding concession commissions attributable to or based on the sale of alcoholic beverages, and 50 percent of net non-UCONN parking revenues.
In addition, under its respective management agreement with NAEG and BMS, OPM authorized its manager to act as agent in various management agreements with third-party providers for parking facilities, concessions and catering, etc.

The financial statements of the Stadium are intended to present the financial position and the respective changes in the financial position and cash flows that are attributable to the transactions of the Stadium. They do not purport to, and do not present fairly, the financial position of the state as of June 30, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformance with accounting principles generally accepted in the United States of America.

The Stadium has not presented a management’s discussion and analysis (MD&A) in accordance with GASB Statement No. 34, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments and GASB Statement No. 37, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus because the focus of an MD&A is on a primary government. The State of Connecticut, the primary government, will provide an MD&A in its Comprehensive Annual Financial Report that could include analysis of the Stadium.

Measurement Focus and Basis of Accounting - The fund of the Stadium is an enterprise fund type. The Stadium's operations and balances are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The Stadium's financial statements are reported using the flow of financial resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Debt incurred for the acquisition of the Stadium is not reflected on the balance sheet because the State of Connecticut had not intended for the Stadium’s operations to support the repayment of that debt.

The Stadium distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the operation of the Stadium. The principal operating revenues of the Stadium are charges to customers for sales and services. Operating expenses include the cost of sales and services,
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

administrative expenses and management fees. All revenues and expenses not meeting this
definition are reported as non-operating revenues and expenses.

Revenues - Revenue recognition policies are as follows:

- Event Operations - Event operations charges are principally generated from
ticket sales and advertising signage. Event revenue is recognized when an event
takes place. Advance ticket sales are held in deferred revenue until the time of
an event.

- Facility Rent - Facility rent charges are generated from agreements with
UCONN and other event organizers for the use of the facility. Facility rent is
recognized when an event takes place. Advance ticket sales are held in deferred
revenue until the time of an event.

- Food Operations - Food operation fees are generated from various food and
beverage concession agreements with third parties. Revenue is recognized based
on reported concessionaire revenue.

- Parking Fees - Parking fees are generated from an agreement with a third party
to operate event parking at the Stadium. Revenue is recognized at the time of an
event.

- Other - All other types of revenues are recognized when earned.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the
Stadium applies all GASB pronouncements and all Financial Accounting Standards Board
Statements, interpretations, Accounting Principles Board Opinions and Accounting Research
Bulletins issued on or before November 30, 1989, except those that conflict with GASB
pronouncements.

The Stadium's major fund consists of the Stadium Facility Enterprise Fund, which is comprised
of a civil list fund of the same name, as well as other accounts described below and aggregated
in the financial statements under the heading “Operating Accounts”:

Stadium Facility Enterprise Fund - The Stadium Enterprise Fund (an enterprise fund) consists
of income generated by the Stadium to be used for maintenance and capital improvements for
the Stadium.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Box Office Account** - All amounts received as payment for tickets or admissions to events, including ticket surcharge revenues, are recorded in the Box Office Fund.

**Operating Account** - The administrative functions of the Stadium are accounted for in the Operating Account. All unrestricted resources, except those required to be accounted for in another fund, are accounted for in this fund.

**Revenue Account** - In addition, the Stadium's aggregate remaining fund information consists of the Revenue Account, which receives any operating cash balance in excess of two months of operating expenses from the Operating Account. The Revenue Account was permanently closed, effective March 31, 2010, due to a lack of activity and as recommended in our management letter relative to our audit of the financial statements for the fiscal year ended June 30, 2008.

**Cash Equivalents** - For purposes of the statements of cash flows, the Stadium considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2009 and 2010.

**Accounts Receivable** - The Stadium considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. Accounts receivable at June 30, 2010, were $40,642.

**Capital Assets** - Capital assets include the Stadium itself, major building additions and improvements, and stadium equipment. Capital assets are defined by the Stadium as assets with an initial individual cost of more than $1,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<table>
<thead>
<tr>
<th>Asset</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>40 years</td>
</tr>
<tr>
<td>Building additions and improvements</td>
<td>20 years</td>
</tr>
<tr>
<td>Stadium equipment</td>
<td>5 years</td>
</tr>
</tbody>
</table>

**Deferred Revenues** - Deferred revenues represent prepaid ticket sales and advertising revenues for future events.
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income Taxes - The Stadium is exempt from state and federal income taxes.

Presentation of Sales Tax - The State of Connecticut imposes a sales and admissions tax on the Stadium events and activities. The Stadium collects that sales and admissions tax from attendees and remits the entire amount to the State. The Stadium's accounting policy is to exclude the tax collected and remitted to the State from sales.

Deficit in Net Assets - An unrestricted net asset deficit of $412,564 exists in the Stadium Fund. It is expected that event-related revenues during fiscal year 2011 will provide positive net assets in the operating fund.

BUDGETARY INFORMATION

Per NAEG's Stadium management agreement with OPM, NAEG was required to submit annual budgets to OPM within 120 days prior to the beginning of each contract year. Per BMS' management agreement with OPM dated May 28, 2010, BMS was required to submit the annual operating budget for the first contract year by the later of thirty (30) days following execution of the contract agreement with OPM or June 20, 2010. In addition, consistent with the language included in the management agreement with the prior manager, BMS' management agreement requires that an annual operating budget be submitted by BMS to OPM within 120 days prior to the beginning of each contract year after the first contract year.

OPM is required to respond to the proposed annual budget within 30 days of receipt. OPM is then required to submit the budget to the legislature and the Office of the State Comptroller for review in accordance with Section 32-657 of the Connecticut General Statutes. However, the legislature and the Comptroller's Office are not legally required to approve the budget and accordingly, budgeted amounts are not reflected in the financial statements.

NOTE 2 -CASH DEPOSITS

Governmental Accounting Standards Board Statement No. 3 requires governmental organizations to categorize their cash deposits into three levels of risk. Category 1 includes amounts insured or collateralized with securities held by the Stadium or by its agent in the Stadium's name. Category 2 includes amounts which are collateralized with securities held by
NOTE 2 -CASH DEPOSITS (Continued)

the pledging financial institution's trust department or agent in the name of the Stadium. Category 3 includes amounts which are uninsured and uncollateralized including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the name of the Stadium.

For purposes of this disclosure, cash deposits include bank deposits. As of June 30, 2010, the bank balance was $1,289,943, of which $100,000 was insured by the Federal Deposit Insurance Corporation (Category 1) as defined by Governmental Accounting Standards Board Statement No.3.

NOTE 3 -ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2010, consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>Stadium Facility Enterprise Fund</th>
<th>Operating Account</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receivable</td>
<td>$523</td>
<td>$</td>
<td>$523</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$40,642</td>
<td>$</td>
<td>$40,642</td>
</tr>
<tr>
<td>Total</td>
<td>$523</td>
<td>$40,642</td>
<td>$41,165</td>
</tr>
</tbody>
</table>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the period of July 1, 2009, through June 30, 2010, is presented in the schedule below:

<table>
<thead>
<tr>
<th></th>
<th>Balance at June 30, 2009</th>
<th>Additions</th>
<th>Disposals</th>
<th>Balance at June 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building, additions and improvements</td>
<td>$74,503,474</td>
<td>$44,821</td>
<td>$ -</td>
<td>$74,548,295</td>
</tr>
<tr>
<td>Stadium equipment</td>
<td>2,642,812</td>
<td>7,900</td>
<td>-</td>
<td>2,650,712</td>
</tr>
<tr>
<td></td>
<td>77,146,286</td>
<td>52,721</td>
<td>-</td>
<td>77,199,007</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>13,005,836</td>
<td>2,144,861</td>
<td>-</td>
<td>15,150,697</td>
</tr>
<tr>
<td>Total</td>
<td>$64,140,450</td>
<td>$(2,092,140)</td>
<td>-</td>
<td>$62,048,310</td>
</tr>
</tbody>
</table>
NOTE 5 – DEFERRED REVENUE

As of June 30, 2010, the Stadium had received payment for ticket sales in the amount of $135,053 for future events. This amount is included as deferred revenue on the accompanying Statement of Net Assets.

NOTE 6 - DUE TO OPERATIONS MANAGER

Northland AEG, LLC, the manager of the Stadium for the period from July 1, 2009, through May 31, 2010, is to be paid management and incentive fees from the Stadium's cash accounts. The Stadium management agreement with Northland AEG was terminated effective May 31, 2010. However, under a separate transition agreement with the Office of Policy and Management, dated March 9, 2010, Northland AEG was to be paid the management fee in the amount of $13,038, for the month of June 2010 following the termination of its contract. The management fee owed to NAEG for the month of June 2010 is to be paid by the new operations manager, Bushnell Management Services, LLC, during the fiscal year 2011. In addition, the incentive fee due to NAEG for the eleven-month period ended May 31, 2010, totaling $195,176, is to be paid during the fiscal year 2011.

The contract with the new manager of the Stadium, Bushnell Management Services, LLC, took effect June 1, 2010. The new manager is to be paid management and incentive fees from the Stadium’s cash accounts. As of the month ended June 30, 2010, Bushnell Management Services was owed a base management fee of $13,750 and incentive fees totaling $7,658.

See Note 1 for more specific details on the calculation of these fees.

NOTE 7 – OPERATING LEASES

The Stadium leases cell tower space to four entities under various lease agreements expiring in November 2010. All of the leases have renewal options for two additional five-year terms. Rental income recognized under the lease agreements was approximately $132,561.
INDEPENDENT AUDITORS 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

Secretary Benjamin Barnes
State of Connecticut
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

We have audited the financial statements of each major fund of the Stadium at Rentschler Field (Stadium) as of June 30, 2010, and for the year then ended, and have issued our report thereon dated June 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Stadium'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 Stadium's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Stadium's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Stadium's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of the Stadium and the State of Connecticut. However, this report is a matter of public record and its distribution is not limited.

John C. Geragosian  
Auditor of Public Accounts

Robert M. Ward  
Auditor of Public Accounts

June 16, 2011  
State Capitol  
Hartford, Connecticut
CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies shown to our representatives during the course of our audit. The assistance and cooperation extended to them by the personnel of Northland AEG, LLC, The Bushnell Management Services, LLC, and the representatives of the Office of Policy and Management greatly facilitated the conduct of this examination.

Robert Koch
Principal Auditor

Approved:

John C. Geragosian
Auditor of Public Accounts

Robert M. Ward
Auditor of Public Accounts