GREATER ROCHESTER OUTDOOR SPORTS FACILITY CORPORATION

Financial Statements
as of December 31, 2011 and 2010
Together with
Independent Auditors' Report

Bonadio & Co., LLP
Certified Public Accountants

GREATER ROCHESTER OUTDOOR SPORTS FACILITY CORPORATION

TABLE OF CONTENTS

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

March 20, 2012

To the Board of Directors of
Greater Rochester Outdoor Sports Facility Corporation:

We have audited the accompanying financial statements of the business-type activities of Greater Rochester Outdoor Sports Facility Corporation (a New York corporation) (the Company) as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Company's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Greater Rochester Outdoor Sports Facility Corporation as of December 31, 2011 and 2010, and the respective changes in financial position and cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2012, on our consideration of the Company'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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INDEPENDENT AUDITORS' REPORT
(Continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

As described in Note 2 to the financial statements, the Company has been unable to pay its rental obligations to the County of Monroe for the lease of its operating facility. The County of Monroe has represented in writing that it will not declare the Company's failure to make payments an event of default prior to January 1, 2013. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Bonadio & Co., LLP

GREATER ROCHESTER OUTDOOR SPORTS FACILITY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2011 AND 2010

Greater Rochester Outdoor Sports Facility Corporation (the Company) is a New York corporation that manages the operation of a sports stadium in Rochester, New York, known as Frontier Field (the Stadium). The County of Monroe (the County) owns the Stadium and leases it to the Company. The Greater Rochester Sports Authority (the Authority) has a management agreement with the Company whereby the Authority oversees the operations of the Stadium.

The financial statements of the Company include the balance sheets, the statements of operations and change in member's equity, the statements of cash flows, and related notes to the financial statements. The balance sheets provide information about the nature and the amounts of investments and resources (assets) and the obligations to the Company's creditors (liabilities), with the difference reported as member's equity. The statements of operations and change in member's equity, or income statement, show how the Company's equity changed during the year. They account for all of the year's revenues and expenses, measure the financial results of the Company's operations for the year and can be used to determine how the Company has funded its costs. The statements of cash flows provide information about the Company's cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities. The notes to the financial statements contain information that is essential to the understanding of the financial statements, such as the Company's accounting methods and policies.

Management provides the discussion and analysis of the Company's financial position and activities. This overview is provided for the years ended December 31, 2011 and 2010. The information contained in this analysis should be used by the reader in conjunction with the information contained in our audited financial statements and the notes to those financial statements, all of which follow this narrative.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts, management's discussion and analysis (this section) and the basic financial statements. The balance sheets and the statements of operations and change in member's equity provide both long-term and short-term information about the Company's overall financial status.

FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments, including public benefit corporations. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent they do not conflict with or contradict guidance of the GASB. Governments also have the option of following private sector guidance for their business-type activities. The Company has elected not to follow subsequent private sector guidance. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash transactions take place. All of the Company's activities are classified as proprietary activities.

FINANCIAL ANALYSIS - 2011

Financial Position

The Company's cash decreased by approximately $73,000 or 18% in 2011, which was due primarily to the purchase of capital assets and the timing of payments near year end. Total assets decreased by approximately $30,000 as a result of the decrease in cash and accounts receivable, which was offset by a net increase in capital assets, net of depreciation expense.

The Company has been unable to pay to the County the rent that it is contractually obligated to pay, which is approximately equal to the payments for debt service on bonds issued by the County for the construction of the stadium. As a result, the amount due to the County has been increasing each year, with an increase in 2011 of approximately $1,607,000 or 7%.

In addition, the Company increased the outstanding note payable due to Rochester Community Baseball (RCB) for equipment purchases in the amount of approximately $162,000. The total amount outstanding to RCB is for repair work and equipment purchases done at the Stadium that is being paid with proceeds from advertising services. Total liabilities were approximately $26,134,000, an increase of $1.7 million over 2010. Total member's deficit decreased to ($24,903,929), which is representative of the significant liability to the County.

Revenues

The Stadium is home to the Rochester Red Wings (Red Wings) baseball team, owned by RCB.

The Company's sources of revenue are parking fees, suite rental, facility usage fees, naming rights, advertising fees, concession fees and revenue from events other than sporting events. Most sources of revenue are associated with turnstile attendance.

During 2011 total revenue increased from the prior year by approximately $36,000 or 3% due primarily to increased advertising and outside events. Advertising revenue increased due to increased efforts and a general improvement in the team over 2010. Outside event revenue increased due to an increase in the number of outside events in 2011. Parking and suite rental revenue are the highest sources of income for the Company, comprising of 32% and 24%, respectively, of total revenue in 2011.

Turnstile attendance during the 2011 season for the Red Wings games was as follows:

Team	2011	2010	Change	% Change
Red Wings	259,681	266,811	(7,130)	(2.67%)

Expenses

Total operating expenses in 2011 increased by approximately $64,000 or 2%. The majority of this increase is related to an increase in the number of outside events, an increase in depreciation and amortization expense due to the increase in the number of capital asset additions, and an increase in utilities expense primarily related to the new billboard. This was offset by a decrease in rent expense for the stadium, which is based on the County's debt service requirements on bonds issued to finance a portion of the costs of the stadium, and a decrease in the amount of security required at Red Wings games.

FINANCIAL ANALYSIS - 2010

Financial Position

The Company's cash decreased by approximately $160,000 or 29% in 2010, which was due primarily to the purchase of capital assets and the timing of payments near year end. Total assets decreased by approximately $124,000 as a result of the decrease in cash, which was offset by a slight increase in accounts receivable and a net increase in capital assets, net of depreciation expense.

The Company has been unable to pay to the County the rent that it is contractually obligated to pay, which is approximately equal to the payments for debt service on bonds issued by the County for the construction of the stadium. As a result, the amount due to the County has been increasing each year, with an increase in 2010 of approximately $1,632,000 or 7%.

In addition, the Company has an outstanding note payable due to RCB for repair work and equipment purchases done at the Stadium that is being paid with proceeds from advertising services. In 2010, the outstanding amount on this note decreased by approximately $21,000 or 13%. Total liabilities were approximately $24,402,000, an increase of $1.6 million over 2009. Total member's equity decreased to ($23,142,660), which is representative of the significant liability to the County.

Revenues

During 2010 total revenue increased from the prior year by approximately $37,000 or 4% due primarily to increased advertising and suite sales. Advertising revenue increased due to events that occurred in 2010, that did not occur in 2009. Suite revenue increased due to an increase in per event suite sales. Parking and suite rental revenue are the highest sources of income for the Company, comprising of 34% and 24%, respectively, of total revenue in 2010.

Turnstile attendance during the 2010 season for the Red Wings games was as follows:

Team	2010	2009	Change	% Change
Red Wings	266,811	265,576	1,235	0.50%

Expenses

Total operating expenses in 2010 increased by approximately $175,000 or 7%. The majority of this increase is related to an increase in rent expense for the stadium, which is based on the County's debt service requirements on bonds issued to finance a portion of the costs of the stadium. Other expenses increased in the current year as a result of an agreement with the Rochester Police Department to provide traffic and ground control for events held at the stadium, offset by a decrease in stadium maintenance expense.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Company's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Company, 50 West Main Street, Suite 8100, Rochester, NY 14614.

GREATER ROCHESTER OUTDOOR SPORTS FACILITY CORPORATION

BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS:		
Cash	$ 321,893	$ 394,835
Accounts receivable	14,773	79,310
Prepaid expenses	21,444	27,375
Total current assets	358,110	501,520
CAPITAL ASSETS, net	872,225	757,604
	$ 1,230,335	$ 1,259,124
LIABILITIES AND MEMBER'S DEFICIT		
CURRENT LIABILITIES:		
Due to County of Monroe	$ 25,816,027	$ 24,208,587
Accounts payable and accrued expenses	39,178	48,600
Deferred revenue	4,713	-
Total current liabilities	25,859,918	24,257,187
LONG-TERM LIABILITIES:		
Due to Rochester Community Baseball	274,346	144,597
Total liabilities	26,134,264	24,401,784
MEMBER'S DEFICIT	(24,903,929)	(23,142,660)
	$ 1,230,335	$ 1,259,124

The accompanying notes are an integral part of these statements.

GREATER ROCHESTER OUTDOOR SPORTS FACILITY CORPORATION

STATEMENTS OF OPERATIONS AND CHANGE IN MEMBER'S DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
OPERATING REVENUE:		
Parking	$ 356,891	$ 364,617
Suite rental	263,654	256,126
Naming rights	165,000	165,000
Facility usage fees	134,257	133,187
Advertising	119,708	107,442
Concessions	17,638	14,757
Outside events and other revenue	62,911	43,276
Total operating revenue	1,120,059	1,084,405
OPERATING EXPENSES:		
Rent	1,607,440	1,632,207
Management fees	265,747	258,078
Stadium maintenance and repairs	258,410	248,541
Depreciation and amortization	174,595	145,572
Utilities	161,408	131,230
Outside services	94,396	116,471
Insurance	89,227	101,387
Parking	85,011	85,292
Office and other	36,762	36,391
Pure water taxes	34,841	34,860
Professional fees	22,911	16,515
Events	51,231	11,903
Total operating expenses	2,881,979	2,818,447
Loss from operations	(1,761,920)	(1,734,042)
INTEREST INCOME	651	1,157
NET LOSS	(1,761,269)	(1,732,885)
MEMBER'S DEFICIT - beginning of year	(23,142,660)	(21,409,775)
MEMBER'S DEFICIT - end of year	$ (24,903,929)	$ (23,142,660)

The accompanying notes are an integral part of these statements.

GREATER ROCHESTER OUTDOOR SPORTS FACILITY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES:		
Parking receipts	$ 356,891	$ 364,617
Suite rental receipts	276,269	261,998
Naming rights receipts	165,000	165,000
Facility usage receipts	190,054	107,275
Advertising receipts	87,444	86,660
Concessions receipts	17,638	14,757
Outside events and other receipts	63,749	44,550
Parking	(85,011)	(85,292)
Management and professional fees	(289,268)	(274,188)
Events	(47,255)	(11,903)
Outside services	(94,396)	(116,471)
Stadium maintenance and repairs	(267,175)	(243,428)
Insurance	(83,296)	(92,810)
Utilities and water	(200,336)	(162,066)
Office and other disbursements	(37,348)	(48,033)
Net cash flow from operating activities	52,960	10,666
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of capital assets	(289,216)	(171,751)
Interest received	651	1,157
Proceeds from the sale of capital assets	650	-
Net cash flow from investing activities	(287,915)	(170,594)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds received from Rochester Community Baseball related to financing capital asset	162,013	-
Net cash flow from financing activities	162,013	-
CHANGE IN CASH	(72,942)	(159,928)
CASH - beginning of year	394,835	554,763
CASH - end of year	$ 321,893	$ 394,835

(Continued)

GREATER ROCHESTER OUTDOOR SPORTS FACILITY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)

	2011	2010
RECONCILIATION OF CHANGE IN MEMBER'S DEFICIT TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Loss from operations	$ (1,761,920)	$ (1,734,042)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Non-cash advertising income from Rochester Community Baseball	(32,914)	(20,782)
Depreciation and amortization	174,595	145,572
Due to County of Monroe	1,607,440	1,632,207
Changes in:		
Accounts receivable	64,537	(18,766)
Prepaid expenses	5,931	8,577
Accounts payable and accrued expenses	(9,422)	(2,100)
Deferred revenue	4,713	-
Net cash flow from operating activities	$ 52,960	$ 10,666

1. THE COMPANY

Greater Rochester Outdoor Sports Facility Corporation (the Company) is a New York corporation formed to acquire and operate real and personal property for the economic benefit of the people in the County of Monroe (the County) and Rochester, New York area. The primary activity of the Company is the operation of a sports stadium in Rochester, New York, known as Frontier Field (the Stadium), which is used for the recreation, entertainment, amusement and benefit of the citizens of the County. The sole corporate member of the Company is the County of Monroe Industrial Development Agency (COMIDA). At inception, the Company was not able to obtain a definitive ruling from the Internal Revenue Service to be incorporated as a not-for-profit organization. Therefore, for tax purposes they have elected to be treated as a corporation.

Rochester Community Baseball, Inc. (RCB), which owns a minor league baseball team known as the Rochester Red Wings, is the primary user of the Stadium. The Company earns most of its revenue from baseball games played by the Rochester Red Wings.

2. CAPITAL RESOURCES AND LIQUIDITY

As described in Note 8, the Company leases the Stadium from the County under the terms of an agreement requiring annual payments at least equal to the County's debt service on bonds issued by the County to finance a portion of the construction of the Stadium.

Through December 31, 2011, the Company's expenses had exceeded revenues. As a result, the Company has been unable to make its required lease payments to the County. At December 31, 2011, the Company owed the County $25,816,027 for unpaid rent, excluding any interest that may be charged on unpaid amounts. The County has not declared this an event of default under the terms of the lease and has indicated that it will not do so, nor will it demand any payment, prior to January 1, 2013. Further, the Company is obligated to make additional lease payments totaling $16,121,678 through 2016.

The ability of the Company to continue to operate the Stadium is dependent on the County continuing not to declare the Company in default under the lease. If the County were to declare an event of default and terminate the lease, the County would be directly responsible for Stadium operations, unless operations were contracted to another entity. Since the majority of the Stadium's revenue and expenses relate to the long-term sublease with RCB, as described in Note 9, operating results would not be expected to be materially different if the Stadium were operated by the County or another entity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments as well as those entities controlled by state and local governments. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent they do not conflict with or contradict guidance of the GASB. Governments also have the option of following private sector guidance for their business-type activities. The Company has elected not to follow subsequent private sector guidance.

The financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash transactions take place. All of the Company's services are classified as proprietary activities.

Cash

The Company maintains cash in demand deposit accounts and money market accounts. At times the balances in these accounts may exceed federally insured limits. The Company has not experienced any losses in these accounts and believes it is not exposed to any significant custodial credit risk with respect to these cash balances.

Accounts Receivable

The Company provides credit to customers in the normal course of business. Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts are begun. When customary collection efforts are exhausted the account is written-off. An allowance for doubtful accounts is provided, when necessary, based primarily on the Company's prior collection experience and knowledge of specific outstanding accounts. There was no allowance for doubtful accounts at either December 31, 2011 or 2010.

Capital Assets

Capital assets are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets which range from 3 to 20 years. Leasehold improvements are amortized over the shorter of the remaining lease term or the estimated useful life. Major additions and betterments that enhance the value of the Stadium are capitalized, while maintenance and repairs are charged to operations as incurred.

Management periodically evaluates the carrying value of capital assets whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable. If the estimated fair value of assets is less than the carrying amount, an impairment loss is recognized. Management believes no such impairment existed at either December 31, 2011 or 2010.

Revenue Recognition

Revenue related to suite rentals is recognized ratably over the rental period. Deferred revenue, if applicable, represents cash received for suite rentals prior to revenue recognition. Other revenue is recognized when the services are provided (games, events) or when the products are delivered (concession, advertising spaces).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Deferred income taxes are provided to reflect the future tax consequences of temporary differences in the reporting of revenue and expenses for financial statement and tax purposes. At December 31, 2011, the Company had a deferred tax asset arising from Federal and New York State net operating loss carryforwards of approximately $23 million. These carryforwards may be used to offset future taxable income and expire at various dates through 2031. Due to the uncertainty of the Company's ability to generate taxable income during the carryforward period, a valuation allowance equal to the deferred tax asset has been provided.

As of December 31, 2011 and 2010, the Company does not have a net liability for unrecognized tax benefits. The Company files income tax returns in the U.S. Federal and New York State jurisdictions. The Company is generally no longer subject to U.S. Federal and New York State income tax examinations by tax authorities for years through 2007.

Estimates

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

4. CASH

Custodial credit risk is the risk that in the event of a bank failure, the Company's deposits may not be returned to it. The Company does not have a deposit policy for custodial credit risk. As of December 31, 2011 and 2010, all of the Company's cash was covered by FDIC insurance or collateral.

5. CAPITAL ASSETS

Capital asset activity for the years ended December 31, was as follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Stadium equipment	$1,316,737	$ 289,216	$ (24,856)	$1,581,097
Leasehold improvements	838,846	-	-	838,846
	2,155,583	289,216	(24,856)	2,419,943
Less: Accumulated depreciation and amortization on:				
Stadium equipment	(986,061)	(110,227)	24,206	(1,072,782)
Leasehold improvements	(411,918)	(63,718)	-	(475,636)
	(1,397,979)	(173,945)	24,206	(1,547,718)
	$ 757,604	$ 115,271	$ (650)	$ 872,225

5. CAPITAL ASSETS (Continued)

	12/31/09	Additions	Deletions	12/31/10
Stadium equipment	$1,157,299	$ 171,751	$ (12,313)	$1,316,737
Leasehold improvements	838,846	-	-	838,846
	1,996,145	171,751	(12,313)	2,155,583
Less: Accumulated depreciation and amortization on:				
Stadium equipment	(916,520)	(81,854)	12,313	(986,061)
Leasehold improvements	(348,200)	(63,718)	-	(411,918)
	(1,264,720)	(145,572)	12,313	(1,397,979)
	$ 731,425	$ 26,179	$ -	$ 757,604

6. DUE TO ROCHESTER COMMUNITY BASEBALL, INC.

During 1997, the Company received $350,980 in cash and equipment from RCB. RCB has the right to sell certain stadium advertising on behalf of the Company, the proceeds of which are used to reduce the balance due on the cash and equipment provided. RCB applied $14,663 and $20,782 of advertising revenues to the balance due in 2011 and 2010, respectively.

During 2011, this agreement was amended to include $162,013 in additional equipment funding provided by RCB. RCB has the right to sell certain stadium advertising on behalf of the Company, the proceeds of which will be used to reduce the balance due on the cash and equipment provided. RCB applied $17,601 of advertising revenues to the balance due in 2011.

7. GREATER ROCHESTER SPORTS AUTHORITY

The Company has a management agreement with Greater Rochester Sports Authority (the Authority) whereby the Authority oversees the operations of the Stadium. The Authority has, in turn, outsourced the day-to-day operations of the Stadium to Beau Productions and, acting as a disclosed agent for the Company, has entered into a management agreement with Beau Productions on the Company's behalf (see Note 11). Under the terms of the management agreement with the Authority, the Company is required to reimburse the Authority for all of the reasonable costs incurred by the Authority to oversee the operations of the Stadium. Since the Authority outsourced the day-to-day operations of the Stadium to Beau Productions, and the Company paid Beau Productions directly for services rendered, the Authority did not incur any costs related to the management agreement in either 2011 or 2010. As such, the Company was not required to reimburse the Authority for any costs in either 2011 or 2010. However, the Company paid Beau Productions $265,747 and $258,078 in 2011 and 2010, respectively.

8. FACILITY LEASE

The Company leases the Stadium from the County under the terms of an operating lease agreement. The County issued bonds to finance a portion of the construction of the Stadium. The Company is required to make lease payments to the County in an amount at least equal to the debt service on the bonds through 2024. The Company has failed to make all of its required payments to the County under the terms of the lease agreement. The County agreed to not declare an event of default under the terms of the lease for nonpayment of rent through at least January 1, 2013. Future minimum lease payments due under the terms of the lease are as follows for the years ending December 31:

2012	$ 1,494,296
2013	1,497,638
2014	1,582,393
2015	1,179,160
2016	1,183,946
Thereafter	9,184,245
	16,121,678
Amounts unpaid from prior years	25,816,027
	$ 41,937,705

9. SUBLEASE AGREEMENT

The Company has a sublease agreement with RCB through 2017. The sublease provides for revenue sharing in lieu of rent. Ticket, premium suite, concession and advertising revenue are shared as described in the agreement. Revenue sharing varies based on attainment of specified revenue, ticket sale and attendance levels. The majority of the Company's accounts receivable was due from RCB at both December 31, 2011 and 2010.

The RCB sublease required the Company to establish a capital improvement fund. If turnstile attendance exceeds 300,000 during any one baseball season, RCB is required to make payments into the fund of up to $200,000 annually and $4 million in the aggregate. During 2011 and 2010, turnstile attendance did not exceed 300,000.

10. NAMING RIGHTS

The Company has an agreement with Frontier Communications of Rochester, Inc. (Frontier) for the naming rights of the Stadium. Under terms of the agreement, the Company will receive annual payments of $165,000 through November 15, 2015. The agreement provides Frontier with a ten-year renewal option.

11. COMMITMENTS AND CONTINGENCIES

Management Agreement

The Company has an agreement with Beau Productions to manage the day-to-day operations and develop marketing efforts for the stadium events through December 31, 2012. The contract provides for payments of $22,556 per month in 2012, with an option to renew for four additional one year terms upon the mutual written consent of the parties. Expenses incurred in 2011 and 2010 were $265,747 and $258,078, respectively.

Parking Lot Leases

The Company has a lease agreement with Eastman Kodak Company for the rental of certain parking areas. The lease required fixed minimum annual payments of $25,000 through 2001. Beginning in 2002, the base rent increases by 3% per year through the lease expiration date of September 30, 2017. Additional rent may be due based on the number of events held at the Stadium. Rent expense totaled $34,606 and $33,598 in 2011 and 2010, respectively, and is included as a component of parking expenses in the accompanying statements of operations and changes in member's equity.

The Company has an agreement for parking lot operation services through December 31, 2011 with an unrelated third-party, which automatically continues thereafter from year to year, for no more than four additional years. The agreement required the payment of a management fee equal to the greater of 10% of gross receipts or 16% of annual net receipts. Net receipts are defined as gross receipts less all operating expenses as set forth in the agreement's budget. Expenses related to this contract for 2011 and 2010 were $43,365 and $44,397, respectively.

Rochester Police Department Agreement

In both 2011 and 2010, the Company entered into an agreement with the Rochester Police Department to provide traffic and ground control for events held at the stadium for each baseball season. The agreements provide for a fixed rate of $65.12 per hour for a minimum of two Police Officers per event. In 2011 and 2010, the Company incurred $59,331 and $36,327, respectively, of expense related to this agreement.

Bonadio & Co., LLP
Certified Public Accountants

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

March 20, 2012

To the Board of Directors of
Greater Rochester Outdoor Sports Facility Corporation:

We have audited the financial statements of the business-type activities of Greater Rochester Outdoor Sports Facility Corporation (the Company) as of and for the year ended December 31, 2011, which collectively comprise the Company's basic financial statements and have issued our report thereon dated March 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting
Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company'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.

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(Continued)

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*
(Continued)

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

This report is intended solely for the information and use of management, the Board members of Greater Rochester Outdoor Sports Facility Corporation, and others within the entity, and is not intended to be used and should not be used by anyone other than these specified parties.

Bonadio & Co., LLP