



**WISCONSIN LEGISLATIVE AUDIT BUREAU
LETTER OF TRANSMITTAL**

March 3, 2000

Senator Gary R. George and
Representative Carol Kelso, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, WI 53702

Dear Senator George and Representative Kelso:

We have completed a review of the financial condition of the Green Bay Packers, Inc., at the request of several legislators including Senator Robert Cowles, who first requested it. The review was conducted in the context of analyzing the Packers' \$295.0 million proposal to renovate Lambeau Field using a combination of public and private funds.

We chose two methods to analyze the Packers' financial condition. First, we reviewed retained earnings reported in the Packers' financial statements, which are a measure of past profitability. The Packers' retained earnings increased from \$40.5 million at the end of fiscal year (FY) 1994-95, to an estimated \$83.9 million at the end of their current fiscal year, which is March 31, 2000. The Packers have benefited from a number of years of record earnings, and our analysis confirms a healthy financial condition through the current fiscal year.

We also reviewed the Packers' cash and investments, which represent resources available to pay current and future salaries and other operating costs. Except in one year, available cash and investments have increased at a considerably slower pace than retained earnings. In response to the increased use of player signing bonuses throughout the National Football League, the Packers have used their available cash largely for this purpose, rather to increase their cash and investment balances. As a result, the Packers estimate they will not have sufficient cash in the current year, and they will need to liquidate more than \$3.7 million in investments to pay expenses. To the extent the current year's decline is the beginning of a trend, it will be necessary for the Packers to secure additional revenues or limit their future cost increases.

Packers officials believe that their proposal to renovate Lambeau Field will improve the financial condition of the franchise and position it competitively within the National Football League. We cannot determine whether the amount of additional net income that is estimated to be generated by the Packers' proposal—at least \$20.2 million in FY 2004-05—will be more or less than what is needed to accomplish these goals. We note, however, that if the stadium is renovated, the Packers project that by FY 2004-05, they will rank near the top third of all League franchises in total revenues.

We appreciate the courtesy and cooperation extended to us by the Packers during the course of this review.

Sincerely,

Janice Mueller
State Auditor

JM/bm

cc: Members, Joint Legislative Audit Committee
Members, Senate Committee on Lambeau Field
Members, Assembly Special Committee on the Renovation of Lambeau Field

[letter report, PDF file \(50KB\)](#)