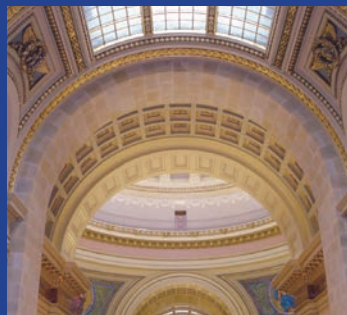


Report 13-8
June 2013

State Fair Park

STATE OF WISCONSIN



Legislative Audit Bureau ■

State Fair Park

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Joe Chrisman
State Auditor

June 4, 2013

Senator Robert Cowles and
Representative Samantha Kerkman, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Cowles and Representative Kerkman:

As authorized by s. 13.94(1)(dm), Wis. Stats., we have completed a financial audit of State Fair Park. We have provided an unqualified opinion on State Fair Park's financial statements for the fiscal years ended June 30, 2012, and June 30, 2011. In addition, we have continued to monitor its financial condition.

State Fair Park's operating revenue exceeded expenditures by \$918,000 in FY 2011-12, on a cash basis. State Fair Park has eliminated its cash deficit as of the end of FY 2011-12 and anticipates that positive operating results will continue in FY 2012-13.

State Fair Park internally managed the operations of the Wisconsin State Fair's ride and amusement area for the August 2012 fair and reported that revenue exceeded expenditures by \$764,000. We also note that State Fair Park reached a settlement in January 2013 over a legal dispute with a former racetrack promoter. As a result, State Fair Park will keep \$2.6 million received under the termination provisions of the license agreement with the former racetrack promoter.

Although State Fair Park took steps to address the financial reporting issues identified in report 12-10, we report a significant deficiency in State Fair Park's internal controls related to financial reporting. State Fair Park corrected the financial statement errors we identified and agreed to take steps to continue to improve its financial reporting.

We appreciate the courtesy and cooperation extended to us by staff of State Fair Park.

Respectfully submitted,

Joe Chrisman
State Auditor

JC/CS/ss

Introduction ■

State Fair Park, the State's 190-acre fairgrounds located in the cities of West Allis and Milwaukee, has been home to the Wisconsin State Fair since 1892 and has operated as a separate state agency—the State Fair Park Board—since 1990. Other agricultural, industrial, educational, and recreational fairs, exhibits, and promotional events are also held at the fairgrounds each year.

State Fair Park's operations are funded primarily by revenue from the Wisconsin State Fair.

Attendance fees and other revenue from the annual Wisconsin State Fair are State Fair Park's primary source of funding, but operation of the Wisconsin Exposition Center and the Milwaukee Mile racetrack, which are shown in the Appendix, have a significant effect on State Fair Park's operations and financial condition:

- The Wisconsin Exposition Center is a 271,000-square foot exhibition hall purchased by the State of Wisconsin in December 2009 and operated by State Fair Park since that time.
- The Milwaukee Mile racetrack and its grandstand seating area encompass more than one-quarter of the fairgrounds and have been managed internally by State Fair Park since July 2009.

As authorized by s. 13.94(1)(dm), Wis. Stats., we have completed a financial audit of State Fair Park. Subsequent to the start of our audit work, 2013 Wisconsin Act 8 repealed the statutory requirement for an annual financial audit of State Fair Park by the Legislative Audit Bureau. In this report, we provide an unqualified opinion on the

financial statements and related notes prepared by State Fair Park management for the years ended June 30, 2012, and June 30, 2011. In addition, we continued to monitor State Fair Park's financial condition.

State Fair Park Board and Staff

Under s. 15.445(4)(a), Wis. Stats., the State Fair Park Board's members include:

- the Secretary of the Department of Tourism or designee;
- the Secretary of the Department of Agriculture, Trade and Consumer Protection or designee;
- five representatives of business, including three with general business experience, one with agricultural experience, and one with technology experience;
- one resident of the City of West Allis;
- one Wisconsin resident from anywhere in the state; and
- four legislators: two from the Assembly and two from the Senate.

Except for the legislators and department secretaries, State Fair Park Board members are appointed to the Board by the Governor and confirmed by the Senate for staggered five-year terms.

State Fair Park is authorized 43.9 full-time equivalent permanent positions, which are funded by program revenue.

Although the Board is attached to the Department of Tourism for administrative purposes, State Fair Park's Chief Executive Officer is responsible for daily operations. State Fair Park's authorized staffing level was 39.9 full-time equivalent (FTE) permanent positions for fiscal year (FY) 2011-12. State Fair Park also employs approximately 1,200 limited-term employees, most of whom work exclusively during the 11-day Wisconsin State Fair. All positions are funded by program revenue. In February 2013, the Legislature's Joint Committee on Finance approved an additional 4.0 FTE permanent positions, increasing State Fair Park's authorized staffing level to 43.9 FTE permanent positions. These positions were previously filled by limited-term employees and include an information systems administrator, an accounts payable supervisor, a carpenter, and a grounds crew lead worker.

State Fair Park Finances

Revenue from operations exceeded expenditures by \$918,000 in FY 2011-12.

State Fair Park considers its financial operations as a single business entity that provides event services through its various facilities, and it does not separately evaluate the individual operating results of each major business unit, such as the Wisconsin Exposition Center and the Milwaukee Mile racetrack. State Fair Park has generated positive operating results in each of the past five years. As shown in Table 1, revenue from operations exceeded expenditures by \$918,000 in FY 2011-12.

Table 1

State Fair Park Revenue and Expenditures¹

Fiscal Year	Revenue	Expenditures ²	Revenue Less Expenditures
2007-08	\$16,152,084	\$15,081,538	\$1,070,546
2008-09	16,065,356	15,237,095	828,261
2009-10	19,003,689	17,431,443	1,572,246
2010-11	20,264,485	17,838,074	2,426,411
2011-12	19,608,740	18,691,150	917,590

¹ Shown on a cash basis.

² Includes program revenue-funded debt service payments.

State Fair Park attributes its FY 2011-12 operating results to the success of the Wisconsin State Fair held in August 2011. Fair attendance increased from 876,000 in 2010 to 911,000 in 2011 and resulted in additional revenue from admissions fees and food and beverage sales. In addition, revenues related to the operation of the Wisconsin Exposition Center and the Milwaukee Mile racetrack were more than budgeted. Utility costs and building and grounds maintenance costs account for a majority of the increase in expenditures.

Cash Deficit

State Fair Park's cash deficit was eliminated as of the end of FY 2011-12.

As a result of several years of negative operating results in the late 1990s and early 2000s, State Fair Park accumulated a cash deficit in its ongoing program revenue appropriation. The cash deficit peaked at \$11.5 million as of the end of FY 2005-06. State Fair Park eliminated the cash deficit as of the end of FY 2011-12 due to positive

operating results since FY 2006-07, the receipt of \$1.4 million in cash from the acquisition of the Wisconsin Exposition Center in FY 2009-10, and the receipt of \$1.9 million under the termination provisions of a license agreement with a former racetrack promoter in FY 2010-11.

As required by s. 20.190(1)(h), Wis. Stats., State Fair Park transferred \$842,000, the unencumbered balance in its ongoing program revenue appropriation at the end of FY 2011-12, to its capital expenditures program revenue appropriation. State Fair Park is authorized to use cash in its capital expenditures appropriation for a number of purposes related to capital assets, including the acquisition of land, the payment of construction costs, and the payment of principal and interest costs incurred in financing State Fair Park facilities. The capital expenditures program revenue appropriation had a positive balance of \$1.4 million as of the end of FY 2011-12.

Although final financial data for FY 2012-13 are not yet available, State Fair Park projects positive operating results with revenue exceeding expenditures by more than \$600,000. Any surplus in the ongoing program revenue appropriation at the end of FY 2012-13 will be transferred to the capital expenditures appropriation, as required by statute.

Debt Service

To fund the cost of improvements to the fairgrounds, State Fair Park has relied on borrowing supported by program revenue and general purpose revenue (GPR). From FY 2012-13 through FY 2030-31, debt service payments related to program revenue–supported debt outstanding as of June 30, 2012, are expected to total approximately \$50.7 million. Debt service payments of \$20.2 million related to the purchase of the Wisconsin Exposition Center, and \$16.0 million related to prior improvements to the Milwaukee Mile grandstand, represent the most significant portion of outstanding program revenue–supported debt service. From FY 2011-12 through FY 2030-31, debt service payments related to GPR–supported debt outstanding as of June 30, 2012, are expected to total approximately \$30.4 million.

Other Considerations

Internal management of ride and amusement area operations began with the August 2012 fair.

Beginning with the August 2012 Wisconsin State Fair, State Fair Park began internally managing operations of the ride and amusement area. In prior years, State Fair Park entered into an agreement with a private contractor to manage these operations. For Wisconsin State Fairs held between 2007 and 2011, the private contractor made a guaranteed annual payment. This payment totaled \$1.0 million for

the August 2011 fair, the final year of the agreement. During the August 2012 fair, State Fair Park tracked revenue and expenditures related to the ride and amusement area so that financial results could be fully evaluated. Final operating results prepared by State Fair Park show that revenue exceeded expenditures by \$764,000. Although financial results for the ride and amusement area for the August 2012 fair were lower than State Fair Park's projection of \$1.0 million, it indicates that the quality, presentation, and overall atmosphere of the ride and amusement area were improved. State Fair Park believes these changes will lead to increased revenue in the future and believes it could take up to three years to fully realize State Fair Park's projection of \$1.0 million. It will be important for State Fair Park to continue to track revenue and expenditures related to the ride and amusement area in order to fully evaluate financial results.

In January 2013, State Fair Park reached a settlement over its legal dispute with a former racetrack promoter.

In January 2013, State Fair Park reached a settlement with former racetrack promoter Milwaukee Mile Holdings, LLC, over a legal dispute between the two parties. The dispute involved a letter of credit, which allowed State Fair Park to receive \$2.6 million in outstanding contract fees in accordance with the termination provisions of the license agreement with Milwaukee Mile Holdings, including 2007 and 2008 deferred license fees totaling \$679,000, and 2009 and 2010 license fees totaling \$1.9 million. The settlement required State Fair Park to pay Milwaukee Mile Holdings \$50,000 to resolve the lawsuit. As a result, State Fair Park will keep the amounts received under the termination provisions of the license agreement. Additionally, Milwaukee Mile Holdings personal property located on State Fair Park grounds, including two "show" cars, one jet dryer, and related trailers, was sold to State Fair Park for one dollar. State Fair Park made payment to settle the lawsuit in February 2013.

During our FY 2010-11 audit, and as reported in report 12-10, we identified a deficiency in internal controls at State Fair Park related to financial reporting that we considered to be a material weakness. Although State Fair Park took steps to address the financial reporting issues identified in report 12-10, during our FY 2011-12 audit we continued to find that Wisconsin State Fair Park's process for preparing the financial statements was not effective in ensuring that they were free of errors. Because there were fewer errors identified, and the errors were for smaller dollar amounts than in previous years, we consider the deficiency in internal controls related to financial reporting to be a significant deficiency in FY 2011-12.

Audit Opinion ■

Independent Auditor's Report on the Financial Statements of the Wisconsin State Fair Park

We have audited the accompanying financial statements of the Wisconsin State Fair Park as of and for the years ended June 30, 2012, and June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of Wisconsin State Fair Park'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 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements referred to in the first paragraph present only Wisconsin State Fair Park and do not purport to, and do not, present fairly the financial position of the State of Wisconsin as of June 30, 2012, or June 30, 2011, the changes in its financial position, or where applicable, its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Wisconsin State Fair Park as of June 30, 2012, and June 30, 2011, and the changes in its financial position and its 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 a report dated May 23, 2013, on our consideration of Wisconsin State Fair Park's internal control over financial reporting; our tests of its compliance with certain provisions of laws, regulations, and contracts; 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements of Wisconsin State Fair Park. The supplementary information included as Management's Discussion and Analysis on pages 11 through 19 is presented for purposes of additional analysis and is not a required part of the financial statements. We have applied certain limited procedures to the information, 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 financial statements, and other knowledge we obtained during our audits of the 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.

May 23, 2013

LEGISLATIVE AUDIT BUREAU

by 
Carolyn Stittleburg
Audit Director

Management's Discussion and Analysis ■

Prepared by State Fair Park's Management

This section presents management's discussion and analysis of the financial performance of State Fair Park for the fiscal years ended June 30, 2012, and June 30, 2011. This discussion should be read in conjunction with the accompanying financial statements and notes. The financial statements, notes, and this discussion are the responsibility of State Fair Park's management.

Description of State Fair Park

State Fair Park is located in the cities of West Allis and Milwaukee. The Wisconsin State Fair, which is held on State Fair Park grounds, is one of the oldest and largest events in Wisconsin and typically hosts in excess of 800,000 people during its 11-day duration. In addition to the annual fair, State Fair Park hosts cultural, sporting, agricultural, domestic, and commercial interest events.

State Fair Park is a separate state agency within the administrative structure of the State of Wisconsin. State Fair Park is governed by a 13-member board. The current charter of the Wisconsin State Fair Park Board reads as follows:

The State Fair Park Board is directed to manage State Fair Park and supervise its use for fairs, exhibits, or promotional events for agricultural, commercial, educational, and recreational purposes, to lease or license the property's use for other purposes when not needed for a public purpose, and to charge reasonable rents and fees for use of the premises. The Board is also directed to develop new facilities at State Fair Park and to provide a permanent location for an annual Wisconsin State Fair, major sports events, agricultural and industrial expositions, and other programs of civic interests.

State Fair Park's financial activity is reported as an enterprise fund in the State of Wisconsin's financial statements.

Financial Highlights

At the end of FY 2011-12, the assets of the State Fair Park Fund exceeded its liabilities by \$28.2 million (net assets). This total consists of \$31.0 million invested in capital assets, net of related debt, restricted net assets of \$39,345, and a deficit of \$2.8 million in unrestricted net assets. The State Fair Park Fund's total net assets increased by \$0.4 million during FY 2011-12.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the financial statements of State Fair Park.

The Statement of Net Assets includes all assets and liabilities. Over time, increases and decreases in net assets are an indicator of State Fair Park's financial health.

The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and expenses incurred during the year on an accrual basis. Activities are reported as either operating or nonoperating. The utilization of capital assets is reflected in the financial statements as depreciation expense, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents information related to cash inflows and outflows and helps measure the ability to meet financial obligations as they mature.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the State Fair Park Fund

An analysis of the State Fair Park Fund's financial position begins with a review of the Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets. These two statements report the net assets and changes therein. As noted, changes in net assets may serve as a useful indicator of the State Fair Park Fund's financial condition.

As of June 30, 2012, the State Fair Park Fund has \$31.0 million of net assets that are invested in capital assets (e.g., land, buildings, equipment, improvements, and construction in progress). Total net capital assets are \$67.4 million, while the related outstanding debt is \$36.4 million. State Fair Park uses these assets to provide services to users of the fairgrounds; thus, they are not available for future spending. Although the State Fair Park Fund's investment in its capital assets is 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.

Table A presents summary financial information for FY 2011-12, FY 2010-11, and FY 2009-10. Total assets decreased by \$2.7 million from FY 2010-11 to FY 2011-12 due to the following:

- Cash and cash equivalents increased by \$1.5 million;
- Due from other funds, which is primarily comprised of the Bond sinking fund established for payment of Pettit Center debt service, decreased by \$1.1 million; and
- Capital assets (net of accumulated depreciation) decreased by \$3.1 million.

Total liabilities declined by \$3.0 million from FY 2010-11 to FY 2011-12 primarily due to the payment of debt service relating to general obligation bonds. Operating income increased by \$77,000 from FY 2010-11 to FY 2011-12, with operating revenues and operating expenses remaining fairly constant between the two years.

From FY 2009-10 to FY 2010-11, current liabilities decreased substantially because \$13.9 million due to the Capital Improvement Fund related to the purchase of the Wisconsin Exposition Center was repaid using proceeds of program revenue-supported bonds issued during FY 2010-11. The issuance of this debt accounts for the large increase to long-term liabilities between FY 2009-10 and FY 2010-11. Operating revenues increased by \$1.7 million from FY 2009-10 to FY 2010-11 primarily because of a successful 2010 fair and because State Fair Park operated the Exposition Center facility for all of FY 2010-11. The increase to operating expenses in FY 2010-11 is also largely the result of State Fair Park operating the Exposition Center for all of FY 2010-11.

State Fair Park reported special items during FY 2009-10 related to proceeds received from the former racetrack promoter, Milwaukee Mile Holdings, LLC, and to the purchase of the Exposition Center facility. No special items were reported in FY 2010-11 or FY 2011-12.

Table A
Condensed Financial Information
 State Fair Park Fund

	FY 2011-12	FY 2010-11 ¹	FY 2009-10 ¹
Current Assets	\$4,574,185	\$ 3,826,309	\$ 1,441,922
Noncurrent Assets	318,976	690,348	1,577,809
Capital Assets (Net of Depreciation)	67,425,743	70,476,214	73,070,751
Total Assets	<u>72,318,904</u>	<u>74,992,871</u>	<u>76,090,482</u>
Current Liabilities	9,791,683	9,359,829	22,055,044
Long-Term Liabilities	34,333,516	37,801,644	26,418,821
Total Liabilities	<u>44,125,199</u>	<u>47,161,473</u>	<u>48,473,865</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	30,961,741	31,645,106	33,375,158
Restricted for Debt Service	39,345	272,000	0
Unrestricted (Deficit)	(2,807,381)	(4,085,708)	(5,758,541)
Total Net Assets	<u>28,193,705</u>	<u>27,831,398</u>	<u>27,616,617</u>
Operating Revenues	20,889,455	20,602,010	18,941,286
Operating Expenses	19,291,749	19,081,364	17,881,855
Operating Income (Loss)	1,597,706	1,520,646	1,059,431
Nonoperating Revenues (Expenses)	(1,369,181)	(1,637,597)	(1,127,362)
Special Items	0	0	20,436,469
Transfers In	232,976	402,633	97,450
Transfers Out	(99,194)	(70,901)	(301,251)
Changes in Net Assets	362,307	214,781	20,164,737
Net Assets—Beginning of the Year	27,831,398	27,616,617	7,451,880
Net Assets—End of the Year	<u>\$28,193,705</u>	<u>\$27,831,398</u>	<u>\$27,616,617</u>

¹ Amounts adjusted to reflect prior-period adjustments (see Note 16).

Financial Commentary for the State Fair Park Fund

Operating Revenues

The source of operating revenues for the State Fair Park Fund is program generated. That is, various activities conducted on State Fair Park grounds and in State Fair Park facilities generate numerous types of revenues.

Table B includes a comparison of operating revenues by activity (rounded to the nearest \$1,000) for FY 2011-12, FY 2010-11, and FY 2009-10.

Table B

Operating Revenues by Activity State Fair Park Fund

	FY 2011-12	Percentage of Total	FY 2010-11	Percentage of Total	FY 2009-10	Percentage of Total
Annual State Fair	\$12,380,000	59.3%	\$12,311,000	59.8%	\$11,484,000	60.5%
Non-Fair Events	910,000	4.4	1,005,000	4.9	982,000	5.2
Milwaukee Mile Racetrack Events	466,000	2.2	291,000	1.4	129,000	0.7
RV Park	391,000	1.9	405,000	2.0	373,000	2.0
Youth Center	532,000	2.5	543,000	2.6	413,000	2.2
Exposition Center	3,196,000	15.3	3,056,000	14.8	2,652,000	14.0
Sponsorship	2,260,000	10.8	2,267,000	11.0	2,194,000	11.6
In-Kind Support	619,000	3.0	572,000	2.8	696,000	3.7
Other Income	135,000	0.6	152,000	0.7	18,000	0.1
Total	\$20,889,000		\$20,602,000		\$18,941,000	

Attendance for the annual Wisconsin State Fair was 833,000 for the 2009 fair, 876,000 for the 2010 fair, and 911,000 for the 2011 fair. Increases in attendance resulted in increased admissions, food and beverage, and main stage event revenue in both FY 2011-12 and FY 2010-11. The increase in Milwaukee Mile racetrack event revenue in FY 2011-12 and FY 2010-11 was the result of increased track rental, including contracting with a private promoter to host a national IndyCar Series race each year. The increase in Exposition Center revenue in FY 2010-11 was the result of State Fair Park operating the facility for a full year in FY 2010-11.

Operating Expenses

Table C includes a comparison of operating expenses (rounded to the nearest \$1,000) for FY 2011-12, FY 2010-11, and FY 2009-10.

Table C

Operating Expenses State Fair Park Fund

	FY 2011-12	Percentage of Total	FY 2010-11	Percentage of Total	FY 2009-10 ¹	Percentage of Total
Personal Services	\$ 6,788,000	35.2%	\$ 6,583,000	34.5%	\$ 5,533,000	30.9%
Advertising	720,000	3.7	623,000	3.3	691,000	3.9
Entertainment	1,528,000	7.9	1,495,000	7.8	1,310,000	7.3
Other Expenses ²	5,812,000	30.2	5,895,000	30.9	6,174,000	34.5
Depreciation	3,825,000	19.8	3,913,000	20.5	3,478,000	19.5
In-Kind Support	619,000	3.2	572,000	3.0	696,000	3.9
Total	<u>\$19,292,000</u>		<u>\$19,081,000</u>		<u>\$17,882,000</u>	

¹ Amounts adjusted to reflect prior-period adjustments (see Note 16).

² Other expenses include utilities, maintenance and repairs, equipment rental, governmental services, prizes and awards, and contracted services (excluding entertainment).

Personal services expenses, which include both permanent and limited-term employee salaries, as well as the associated fringe benefits, increased in FY 2011-12 and FY 2010-11 compared to FY 2009-10 primarily due to the addition of the Exposition Center operations. Advertising expenses increased in FY 2011-12 due to an increased budget to promote fair and non-fair events. The decline in advertising expenses from FY 2009-10 to FY 2010-11 reflects a reduction in the advertising budget.

Entertainment expenses, which include fees paid to entertainers performing at the Wisconsin State Fair, increased by \$33,000 in FY 2011-12 after an increase of \$185,000 in FY 2010-11. These increases represent a continuing effort to improve the quality of performers at the Wisconsin State Fair, which has resulted in increased attendance and additional revenues.

One of the primary drivers of the decline in other expenses from FY 2009-10 to FY 2010-11 was the termination of the management agreement with State Fair Park Exposition, Inc., which managed day-to-day operations at the Exposition Center from the time the facility was purchased in December 2009 until State Fair Park was able to fully integrate operations of the facility into existing operations in November 2010. Depreciation expense increased in FY 2010-11 as a result of State Fair Park owning and operating the Exposition Center facility for all of FY 2010-11.

Capital Assets

Table D includes a comparison of capital assets for FY 2011-12, FY 2010-11, and FY 2009-10.

Table D

Capital Assets State Fair Park Fund

	FY 2011-12	FY 2010-11 ¹	FY 2009-10 ¹
Capital Assets	\$121,556,387	\$121,133,502	\$119,814,640
Accumulated Depreciation	(54,130,644)	(50,657,288)	(46,743,889)
Net Capital Assets	<u>\$ 67,425,743</u>	<u>\$ 70,476,214</u>	<u>\$ 73,070,751</u>
Depreciation Expense	\$3,824,945	\$3,913,399	\$3,478,259

¹ Amounts adjusted to reflect prior-period adjustments (see Note 16).

Capital Assets increased by \$423,000 from FY 2010-11 to FY 2011-12 and by \$1.3 million from FY 2009-10 to FY 2010-11. Asset additions consisted of building and improvement project costs and miscellaneous machinery and equipment.

Debt—Program Revenue—Funded

Table E includes a comparison for FY 2011-12, FY 2010-11, and FY 2009-10 of debt funded with program revenue.

Table E

Program Revenue—Funded Debt State Fair Park Fund

	FY 2011-12	FY 2010-11	FY 2009-10
Commercial Paper	\$ 7,501	\$ 8,795	\$ 213,639
General Obligation Bonds	37,224,015	40,475,575	28,136,030
Total Debt	<u>\$37,231,516</u>	<u>\$40,484,370</u>	<u>\$28,349,669</u>

The change in commercial paper debt reflects payments on the existing debt. The change in general obligation bonds reflects the issuance of bonds for new projects, principal payments on existing debt, and the refunding of debt, which involves paying off existing bonds with the issuance of new bonds. General obligation bonds increased significantly from FY 2009-10 to FY 2010-11 as a result of \$13.9 million in bonds issued to finance the purchase of the Exposition Center. See Note 5 for detailed information about the future debt service requirements to be paid from State Fair Park's program revenue.

Debt—General Purpose Revenue–Funded

Table F includes a comparison for FY 2011-12, FY 2010-11, and FY 2009-10 of debt funded by the State's General Fund.

Table F

GPR–Funded Debt Related to State Fair Park

	FY 2011-12	FY 2010-11	FY 2009-10
Commercial Paper	\$ 1,071,439	\$ 1,075,156	\$ 1,075,156
General Obligation Bonds	22,654,218	23,057,785	23,060,950
Total	<u>\$23,725,657</u>	<u>\$24,132,941</u>	<u>\$24,136,106</u>

The change in commercial paper from FY 2010-11 to FY 2011-12 reflects payments made on existing debt. No principal payments were required to be made on outstanding commercial paper during FY 2010-11. No new commercial paper was issued in FY 2011-12 or FY 2010-11. The change in general obligation bonds in both FY 2011-12 and FY 2010-11 reflects the issuance of bonds for new projects, principal payments on existing debt, and the refunding of debt, which involves paying off existing bonds with the issuance of new bonds. See Note 5 for detailed information about State Fair Park's future debt service requirements to be paid from the State's General Fund.

Other Known Facts

State Fair Park was involved in litigation with a former racetrack promoter, Milwaukee Mile Holdings, LLC, regarding a dispute over a letter of credit that was intended to protect State Fair Park in the case of default or early termination of the license agreement. In August 2009, the financial institution holding the letter of credit paid State Fair Park \$2.6 million in outstanding contract fees. The lawsuit had been pending in Dane County Circuit Court. A settlement was reached in January 2013,

which required State Fair Park to pay \$50,000 to Milwaukee Mile Holdings, LLC. In February 2013, State Fair Park made payment in full settlement of the lawsuit. See Note 15 for additional information about the litigation between State Fair Park and Milwaukee Mile Holdings, LLC.

Contacting State Fair Park Management

This financial report is designed to provide a general overview of State Fair Park's financial performance for FY 2011-12 and FY 2010-11. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to:

State Fair Park
Richard Frenette, Chief Executive Officer
640 South 84th Street
West Allis, Wisconsin 53214

■ ■ ■ ■

Financial Statements ■

Statement of Net Assets

June 30, 2012 and June 30, 2011

	June 30, 2012	Restated June 30, 2011
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Notes 2D and 6)	\$ 3,761,815	\$ 2,293,317
Receivables (Net of Estimated Uncollectible Accounts) (Note 11)	260,236	185,814
Due from Other Funds (Notes 2H and 11)	369,064	1,158,704
Prepaid Items	183,070	188,474
Total Current Assets	<u>4,574,185</u>	<u>3,826,309</u>
Noncurrent Assets:		
Receivables (Note 11)	30,000	50,000
Due from Other Funds (Notes 2H and 11)	183,523	519,462
Deferred Charges	105,453	120,886
Capital Assets (Net of Accumulated Depreciation) (Notes 2F and 3)	67,425,743	70,476,214
Total Noncurrent Assets	<u>67,744,719</u>	<u>71,166,562</u>
TOTAL ASSETS	<u>72,318,904</u>	<u>74,992,871</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable (Note 11)	1,025,656	948,636
Due to Other Funds (Notes 2H and 11)	353,117	177,398
Tax and Other Deposits	257,039	428,708
Unearned Revenue (Note 2E)	4,328,699	4,122,113
Interest Payable	282,188	309,112
Capital Leases (Note 4)	47,807	88,156
Compensated Absences (Notes 2G and 9)	86,990	106,102
Notes Payable (Note 5)	1,357	1,295
General Obligation Bonds Payable (Note 5)	3,408,830	3,178,309
Total Current Liabilities	<u>9,791,683</u>	<u>9,359,829</u>
Noncurrent Liabilities:		
Capital Leases (Note 4)	153,941	224,870
Compensated Absences (Notes 2G and 9)	129,934	95,817
Postemployment Benefits (Note 10)	228,312	176,191
Notes Payable (Note 5)	6,144	7,500
General Obligation Bonds Payable (Note 5)	33,815,185	37,297,266
Total Noncurrent Liabilities	<u>34,333,516</u>	<u>37,801,644</u>
TOTAL LIABILITIES	<u>44,125,199</u>	<u>47,161,473</u>
NET ASSETS		
Net Assets (Note 2J):		
Invested in Capital Assets Net of Related Debt	30,961,741	31,645,106
Restricted for Debt Service	39,345	272,000
Unrestricted	(2,807,381)	(4,085,708)
TOTAL NET ASSETS	<u>\$ 28,193,705</u>	<u>\$ 27,831,398</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Assets for the Years Ended June 30, 2012 and June 30, 2011

	<u>For the Year Ended June 30, 2012</u>	<u>Restated For the Year Ended June 30, 2011</u>
OPERATING REVENUES		
Charges for Sales and Services:		
Annual State Fair	\$ 12,380,497	\$ 12,311,174
Non-Fair Events	910,238	1,004,922
Milwaukee Mile Racetrack Events	466,290	291,285
RV Park	390,853	404,564
Youth Center	532,355	543,046
Exposition Center	<u>3,195,736</u>	<u>3,055,768</u>
Total Charges for Sales and Services	<u>17,875,969</u>	<u>17,610,759</u>
Sponsorships	2,259,576	2,267,232
In-Kind Support (Note 7)	619,113	571,853
Other Income	<u>134,797</u>	<u>152,166</u>
Total Operating Revenues	<u>20,889,455</u>	<u>20,602,010</u>
OPERATING EXPENSES		
Personal Services	6,788,247	6,583,118
Supplies and Services (Note 7)	8,678,557	8,542,882
Depreciation Expense (Notes 2F and 3)	3,824,945	3,913,399
Other Expenses	<u>0</u>	<u>41,965</u>
Total Operating Expenses	<u>19,291,749</u>	<u>19,081,364</u>
OPERATING INCOME (LOSS)	<u>1,597,706</u>	<u>1,520,646</u>
NONOPERATING REVENUES (EXPENSES)		
Investment and Interest Income	4,473	9,036
Gifts and Donations	14,500	4,992
Interest Expense	(1,436,509)	(1,657,409)
Other Income	<u>48,355</u>	<u>5,784</u>
Total Nonoperating Revenues (Expenses)	<u>(1,369,181)</u>	<u>(1,637,597)</u>
Income (Loss) Before Transfers	<u>228,525</u>	<u>(116,951)</u>
Transfers In (Notes 2I and 12)	232,976	402,633
Transfers Out (Notes 2I and 12)	<u>(99,194)</u>	<u>(70,901)</u>
CHANGE IN NET ASSETS	<u>362,307</u>	<u>214,781</u>
NET ASSETS		
Total Net Assets—Beginning of the Year	27,831,398	27,659,396
Prior Period Adjustment (Note 16)	0	(42,779)
Total Net Assets—End of the Year	<u>\$ 28,193,705</u>	<u>\$ 27,831,398</u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows for the Years Ended June 30, 2012 and June 30, 2011

	For the Year Ended June 30, 2012	For the Year Ended June 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 20,149,073	\$ 20,740,646
Cash Payments to Suppliers for Goods and Services	(7,744,109)	(7,853,634)
Cash Payments to Employees for Services	(6,888,263)	(6,501,130)
Other Operating Revenues	127,452	152,166
Other Miscellaneous Revenues	48,355	5,784
Net Cash Provided by Operating Activities	5,692,508	6,543,832
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out	(97,662)	(70,901)
Proceeds from Gifts and Donations	14,500	4,992
Change in Interfund Loans	0	(844,569)
FY 2009-10 Lapse Reversal	236,200	0
Net Cash Used by Noncapital Financing Activities	153,038	(910,478)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Issuance of Debt	5,576,147	14,459,007
Transfers In for Capital Building Projects	232,976	166,433
Transfers Out for Capital Building Projects	(1,532)	0
Repayment of Long-Term Debt	(8,829,001)	(2,324,306)
Interest Paid	(1,463,433)	(1,569,437)
Capital Lease Payments	(88,156)	(91,159)
Proceeds from Bond Security and Redemption Fund to Pay Pettit Center Debt Service	864,777	867,918
Purchase of Capital Assets	(687,646)	(1,051,118)
Payment to Capital Improvement Fund from Debt Issuance Proceeds	0	(13,900,000)
Other Cash Flows from Capital and Related Financing Activities	14,347	(26,911)
Net Cash Used by Capital and Related Financing Activities	(4,381,521)	(3,469,573)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment and Interest Receipts	4,473	9,036
Net Cash Provided by Investing Activities	4,473	9,036
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,468,498	2,172,817
Cash and Cash Equivalents—Beginning of the Year	2,293,317	120,500
Cash and Cash Equivalents—End of the Year	<u>\$ 3,761,815</u>	<u>\$ 2,293,317</u>

The accompanying notes are an integral part of this statement.

	For the Year Ended June 30, 2012	For the Year Ended June 30, 2011
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 1,597,706	\$ 1,520,646
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	3,824,945	3,913,399
Other Miscellaneous Revenues	48,355	5,784
Change in Provision for Uncollectible Accounts	(7,345)	41,965
Changes in Assets and Liabilities:		
Decrease (Increase) in Receivables	(47,077)	(23,475)
Decrease (Increase) in Due from Other Funds	25,688	(27,435)
Decrease (Increase) in Inventories	0	2,520
Decrease (Increase) in Prepaid Items	5,404	77,508
Increase (Decrease) in Accounts Payable	132,965	67,113
Increase (Decrease) in Due to Other Funds	9,824	16,566
Increase (Decrease) in Deposits	(171,669)	159,614
Increase (Decrease) in Unearned Revenues	206,586	753,951
Increase (Decrease) in Postemployment Benefits	52,121	30,697
Increase (Decrease) in Compensated Absences	15,005	4,979
Total Adjustments	<u>4,094,802</u>	<u>5,023,186</u>
Net Cash Provided by Operating Activities	<u>\$ 5,692,508</u>	<u>\$ 6,543,832</u>
Noncash Activities:		
Contributed In-Kind Support	\$ 619,113	\$ 571,853
Assets Acquired through Capital Leases	0	265,729

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements ■

1. DESCRIPTION OF STATE FAIR PARK

State Fair Park is located in the cities of West Allis and Milwaukee. In addition to holding the annual Wisconsin State Fair, State Fair Park hosts cultural, sporting, agricultural, domestic, and commercial interest events.

State Fair Park is a separate state agency within the administrative structure of the State of Wisconsin. State Fair Park's financial activity is accounted for within the State Fair Park Fund, which is part of the State of Wisconsin financial reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE STATE FAIR PARK FUND

A. Fund Accounting and Basis of Presentation

The financial statements of the State Fair Park Fund have been prepared in conformance with generally accepted accounting principles (GAAP) for proprietary funds as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements were prepared based upon the flow of economic resources measurement focus and full accrual basis of accounting, with revenues recognized when earned and expenses recognized when incurred.

The Statement of Revenues, Expenses, and Changes in Net Assets classifies the State Fair Park Fund's fiscal year activity as either operating or nonoperating. Because the State Fair Park Fund is an enterprise fund, which is a type of proprietary fund, it accounts for operations in a manner similar to a private business in which operating

revenues are generally derived from exchange transactions, such as sales. Operating expenses include salaries, supplies, and depreciation of capital assets. Revenues and expenses from in-kind support transactions are estimated and recorded in the period received.

Certain revenues and expenses that are not related to the State Fair Park Fund's primary purpose, such as the gain or loss on the disposal of capital assets and interest expense, are reported as nonoperating revenues and expenses.

The State Fair Park Fund applies all GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

B. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from management's estimates.

C. Revenue Recognition

The State Fair Park Fund derives the majority of its revenue from events such as the Wisconsin State Fair held annually at the park site. Revenue for an event is recognized at the time the event is held.

D. Cash and Cash Equivalents

Cash and cash equivalents reported on the State Fair Park Fund's Statement of Net Assets and the Statement of Cash Flows include:

- cash deposited with a commercial financial institution;
- currency on hand at State Fair Park; and
- cash in the State Investment Fund.

E. Unearned Revenue

For cash receipts collected in advance of events from vendors or the general public, revenue is not recognized until the event occurs. Therefore, unearned revenue is recorded based upon payments received before events occur.

F. Capital Assets

Capital assets purchased for \$5,000 or more are recorded at cost and are depreciated using the straight-line method according to the following schedule:

	<u>Estimated Life</u>
Buildings and Improvements	15 to 31.5 years
Machinery and Equipment	3 to 7 years
Computer Software	5 years

G. Employee Compensated Absences

The State Fair Park Fund’s compensated absence liability consists of accumulated unpaid leave, compensatory time, personal holiday hours, and Saturday/legal holiday hours earned and vested as of June 30, 2012, and June 30, 2011. The liability and expense for compensated absences are based on current rates of pay.

H. Due to (from) Other State Funds

During the course of operations, transactions for goods provided or services rendered occur among individual state programs. The Statement of Net Assets classifies related receivables and payables as “Due from Other Funds” or “Due to Other Funds.”

I. Transfers In (Out)

Transfers In (Out) represent transfers between state agencies. “Transfers In” consists of GPR to fund improvement, repair, or construction of State Fair Park’s facilities and grounds. “Transfers Out” consists of transfers to the Wisconsin Department of Administration to cover costs paid by other state funds.

J. Net Assets

Net assets represent the difference between the State Fair Park Fund’s assets and liabilities and are reported in three categories: invested in capital assets net of related debt, restricted for debt service, and unrestricted. Unrestricted net assets represent amounts that, if positive, could be used at State Fair Park’s discretion, subject to authorization by the Legislature.

3. CAPITAL ASSETS

The State Fair Park Fund's capital asset transactions for the years ended June 30, 2012, and June 30, 2011, are summarized as follows:

**For Year Ended
June 30, 2012**

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Being Depreciated:				
Land	\$ 2,638,602	\$ 15,683	\$ 0	\$ 2,654,285
Construction in Progress	<u>718,267</u>	<u>638,665</u>	<u>(760,522)</u>	<u>596,410</u>
Total Capital Assets Not Being Depreciated	3,356,869	654,348	(760,522)	3,250,695
Capital Assets Being Depreciated:				
Buildings and Improvements	114,949,365	760,522	(233,531)	115,476,356
Machinery and Equipment	<u>2,827,268</u>	<u>143,248</u>	<u>(141,180)</u>	<u>2,829,336</u>
Total Capital Assets Being Depreciated	117,776,633	903,770	(374,711)	118,305,692
Less Accumulated Depreciation for:				
Buildings and Improvements	(48,290,531)	(3,670,705)	233,531	(51,727,705)
Machinery and Equipment	<u>(2,366,757)</u>	<u>(154,240)</u>	<u>118,058</u>	<u>(2,402,939)</u>
Total Accumulated Depreciation	<u>(50,657,288)</u>	<u>(3,824,945)</u>	<u>351,589</u>	<u>(54,130,644)</u>
Total Capital Assets Being Depreciated, Net	<u>67,119,345</u>	<u>(2,921,175)</u>	<u>(23,122)</u>	<u>64,175,048</u>
Total Capital Assets, Net	<u>\$70,476,214</u>	<u>\$(2,266,827)</u>	<u>\$(783,644)</u>	<u>\$67,425,743</u>

**For Year Ended
June 30, 2011**

	Beginning Balances ¹	Increases	Decreases	Ending Balances ¹
Capital Assets Not Being Depreciated:				
Land	\$ 2,629,072	\$ 9,530	\$ 0	\$ 2,638,602
Construction in Progress	<u>79,221</u>	<u>639,046</u>	<u>0</u>	<u>718,267</u>
Total Capital Assets Not Being Depreciated	2,708,293	648,576	0	3,356,869
Capital Assets Being Depreciated:				
Buildings and Improvements	114,701,731	247,634	0	114,949,365
Machinery and Equipment	<u>2,404,616</u>	<u>422,652</u>	<u>0</u>	<u>2,827,268</u>
Total Capital Assets Being Depreciated	117,106,347	670,286	0	117,776,633
Less Accumulated Depreciation for:				
Buildings and Improvements	(44,596,457)	(3,694,074)	0	(48,290,531)
Machinery and Equipment	<u>(2,147,432)</u>	<u>(219,325)</u>	<u>0</u>	<u>(2,366,757)</u>
Total Accumulated Depreciation	<u>(46,743,889)</u>	<u>(3,913,399)</u>	<u>0</u>	<u>(50,657,288)</u>
Total Capital Assets Being Depreciated, Net	<u>70,362,458</u>	<u>(3,243,113)</u>	<u>0</u>	<u>67,119,345</u>
Total Capital Assets, Net	<u>\$73,070,751</u>	<u>\$(2,594,537)</u>	<u>\$ 0</u>	<u>\$70,476,214</u>

¹ Beginning and ending balances have been restated to reflect prior-period adjustments (see Note 16).

4. LEASE OBLIGATIONS

Equipment items, including street signs and other signage to direct visitors to and around the fairgrounds, have been leased through capital leases and are included in the State Fair Park Fund’s capital assets. Leased equipment is depreciated over a period of between two and seven years. As of June 30, 2012, the accumulated depreciation on this leased equipment totaled \$909,617, resulting in a net book value of \$142,097. As of June 30, 2011, the accumulated depreciation on this leased equipment totaled \$980,310, resulting in a net book value of \$212,584. Total lease payments for the fiscal year ended June 30, 2012, were \$88,156 and for the fiscal year ended June 30, 2011, were \$91,159. Future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2012, are as follows:

<u>For the Year Ending:</u>	
June 30, 2013	\$ 54,965
June 30, 2014	54,965
June 30, 2015	54,965
June 30, 2016	<u>54,964</u>
Total Minimum Lease Payments	219,859
Less: Amount Representing Interest	<u>(18,111)</u>
Present Value of Minimum Lease Payments	<u>\$201,748</u>

The following changes occurred in the State Fair Park Fund’s capital lease liability for FY 2011-12 and FY 2010-11:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
FY 2011-12	\$313,026	\$ 0	\$(111,278) ¹	\$201,748	\$47,807
FY 2010-11	138,456	265,729	(91,159)	313,026	88,156

¹ Decreases in FY 2011-12 include a reduction in capital lease liability as a result of a lease refinancing.

5. DEBT OBLIGATIONS

State of Wisconsin general obligation bonds and commercial paper are issued to finance the acquisition, construction, development, improvement, and major repair of facilities on the State Fair Park grounds and to refund existing debt. All general obligation bonds and commercial paper authorized and issued by the State are secured by the full faith, credit, and taxing power of the State of Wisconsin. Funding to cover debt service payments comes from program revenue received from State Fair Park Fund operations, as well as from GPR of the State of Wisconsin.

Debt to Be Repaid from State Fair Park Fund Program Revenue

Program revenue-supported bonding is reported on the State Fair Park Fund’s Statement of Net Assets. The changes in the State Fair Park Fund’s portion of long-term debt are as follows:

	<u>Balance June 30, 2011</u>	<u>New Debt Proceeds</u>	<u>Principal Payments and Refunds</u>	<u>Balance June 30, 2012</u>
Notes Payable—				
Commercial Paper	\$ 8,795	\$ 0	\$ (1,294)	\$ 7,501
General Obligation Bonds Payable	<u>40,475,575</u>	<u>5,576,147</u>	<u>(8,827,707)</u>	<u>37,224,015</u>
Total	<u>\$40,484,370</u>	<u>\$5,576,147</u>	<u>\$(8,829,001)</u>	<u>\$37,231,516</u>

	<u>Balance June 30, 2010</u>	<u>New Debt Proceeds</u>	<u>Principal Payments</u>	<u>Balance June 30, 2011</u>
Notes Payable—				
Commercial Paper	\$ 213,639	\$ 0	\$ (204,844)	\$ 8,795
General Obligation Bonds Payable	<u>28,136,030</u>	<u>14,459,007</u>	<u>(2,119,462)</u>	<u>40,475,575</u>
Total	<u>\$28,349,669</u>	<u>\$14,459,007</u>	<u>\$(2,324,306)</u>	<u>\$40,484,370</u>

The general obligation bond debt has fixed interest rates, while the commercial paper has a variable interest rate that changes daily. New debt proceeds from bonds include amounts issued for new projects. Reductions in the long-term liability for bonds reflect principal payments on outstanding debt. For FY 2011-12 reductions also reflect refunding of existing debt.

As of June 30, 2012, estimated future debt service requirements to be paid from State Fair Park Fund program revenue are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 3,410,187	\$ 1,706,933	\$ 5,117,120
2014	2,612,228	1,571,706	4,183,934
2015	2,680,596	1,455,102	4,135,698
2016	2,749,393	1,325,010	4,074,403
2017	2,731,853	1,198,982	3,930,835
2018-2022	13,083,643	4,048,156	17,131,799
2023-2027	5,949,364	1,688,130	7,637,494
2028-2031	<u>4,014,252</u>	<u>509,144</u>	<u>4,523,396</u>
Total	<u>\$37,231,516</u>	<u>\$13,503,163</u>	<u>\$50,734,679</u>

Debt to Be Repaid from State of Wisconsin General Purpose Revenue

Debt service payments to be made from the State of Wisconsin’s GPR are not a debt of the State Fair Park Fund. The debt liability and debt service payments are reported as governmental activities of the State of Wisconsin, while the related assets and repair expense are reported in the financial statements of the State Fair Park Fund. The changes in the State of Wisconsin’s General Fund long-term debt to be paid on behalf of the State Fair Park Fund are as follows:

	<u>Balance June 30, 2011</u>	<u>New Debt Proceeds</u>	<u>Principal Payments and Refunds</u>	<u>Balance June 30, 2012</u>
Commercial Paper	\$ 1,075,156	\$ 0	\$ (3,717)	\$ 1,071,439
Bonds	<u>23,057,785</u>	<u>4,464,031</u>	<u>(4,862,598)</u>	<u>22,654,218</u>
Total	<u>\$24,132,941</u>	<u>\$4,464,031</u>	<u>\$(4,871,315)</u>	<u>\$23,725,657</u>

	<u>Balance June 30, 2010</u>	<u>New Debt Proceeds</u>	<u>Principal Payments and Refunds</u>	<u>Balance June 30, 2011</u>
Commercial Paper	\$ 1,075,156	\$ 0	\$ 0	\$ 1,075,156
Bonds	<u>23,060,950</u>	<u>1,649,212</u>	<u>(1,652,377)</u>	<u>23,057,785</u>
Total	<u>\$24,136,106</u>	<u>\$1,649,212</u>	<u>\$(1,652,377)</u>	<u>\$24,132,941</u>

The bond debt has fixed interest rates, while the commercial paper has a variable interest rate that changes daily. New debt proceeds from bonds include amounts received from bonds issued to refund existing debt. Reductions in the long-term liability for bonds reflect principal payments on outstanding debt and refunding of existing debt.

As of June 30, 2012, estimated future debt service requirements to be paid from State of Wisconsin GPR are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 2,191,973	\$1,177,604	\$ 3,369,577
2014	2,437,264	1,059,015	3,496,279
2015	2,536,158	936,276	3,472,434
2016	2,650,998	799,995	3,450,993
2017	2,569,203	669,148	3,238,351
2018-2022	9,013,521	1,737,065	10,750,586
2023-2027	2,090,976	257,545	2,348,521
2028-2032	<u>235,564</u>	<u>28,339</u>	<u>263,903</u>
Total	<u>\$23,725,657</u>	<u>\$6,664,987</u>	<u>\$30,390,644</u>

6. CASH AND CASH EQUIVALENTS

The State Fair Park Fund's cash and cash equivalents balance as of June 30, 2012, consists of cash on hand of \$718,082, deposits in a commercial checking account of \$167,880, and shares in the State Investment Fund of \$2,875,853.

The State Fair Park Fund's cash and cash equivalents balance as of June 30, 2011, consists of cash on hand of \$320,747, deposits in a commercial checking account of \$67,663, and shares in the State Investment Fund of \$1,904,907.

GASB Statement Number 40, *Deposit and Investment Risk Disclosures—An Amendment of GASB Statement No. 3*, requires certain disclosures related to the State Fair Park Fund's deposits and shares in the State Investment Fund.

A. Deposits

Custodial Credit Risk for Deposits—Custodial credit risk for deposits is the risk that in the event of a failure of a depository financial institution, deposits may not be returned. If deposits are covered by depository insurance, they are not exposed to custodial credit risk. As of June 30, 2012, and June 30, 2011, the State Fair Park Fund's deposits in its commercial checking account were fully insured by the Federal Deposit Insurance Corporation (FDIC). Therefore, none of the Fund's June 30 commercial checking account balance was exposed to custodial credit risk.

B. State Investment Fund

Funds deposited with the State must be invested in the State Investment Fund. The State Investment Fund is a short-term investment pool of state and local funds managed by the State of Wisconsin Investment Board, with oversight by its Board of Trustees and in accordance with Wisconsin Statutes. The State Investment Fund is not registered with the Securities and Exchange Commission. The types of securities in which the State Investment Fund may invest are enumerated in ss. 25.17(3)(b), (ba), (bd), and (dg), Wis. Stats., and include direct obligations of the United States or its agencies, corporations wholly owned by the United States or chartered by an act of Congress, securities guaranteed by the United States, unsecured notes of financial and industrial issuers, direct obligations of or guaranteed by the government of Canada, certificates of deposit issued by banks in the United States and solvent financial institutions in Wisconsin, and bankers acceptances. The Investment Board's trustees may specifically approve other prudent investments.

Credit Risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State Investment Fund is unrated; however, the State Investment Fund's investment guidelines establish specific maximum exposure limits by security types based on the minimum credit ratings as issued by nationally recognized statistical rating organizations.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Investment Fund uses the weighted average maturity method to analyze interest rate risk. Its investment guidelines mandate that the weighted average maturity for the entire portfolio not exceed one year. The State Investment Fund’s weighted average maturity was 75 days as of June 30, 2012, and 73 days as of June 30, 2011.

7. IN-KIND SUPPORT

In-kind support includes the goods and services businesses provide State Fair Park in support of the Wisconsin State Fair, including items such as advertising and equipment rentals. State Fair Park provides the businesses with admission tickets, space on the grounds during the fair, advertising, and other items. In-kind support is reported as both revenue and expense in the year received, and therefore has no effect on net assets.

State Fair Park estimates it received \$619,113 in goods and services through in-kind support during FY 2011-12 and \$571,853 during FY 2010-11. The estimates were developed based on documented fees typically charged by businesses for the types of goods or services provided.

In-kind support is included in the Statement of Revenues, Expenses, and Changes in Net Assets as a revenue, “In-Kind Support,” and as an offsetting expense included in the “Supplies and Services” account. State Fair Park estimates it received in-kind support for the following items:

	<u>FY 2011-12</u>	<u>FY 2010-11</u>
Advertising/Promotion	\$326,683	\$283,633
Equipment Rental/Service	<u>292,430</u>	<u>288,220</u>
Total In-Kind Support	<u>\$619,113</u>	<u>\$571,853</u>

8. EMPLOYEE RETIREMENT PLAN

As permanent full-time employees of the State of Wisconsin, employees of State Fair Park are participants in the Wisconsin Retirement System, a cost-sharing, multiple employer, defined benefit plan governed by ch. 40, Wis. Stats. State and local government public employees are entitled to an annual formula retirement benefit based on: 1) the employee’s final highest three-year average earnings, 2) years of creditable service, and 3) a formula factor. If an employee’s contributions, matching employer’s contributions, and interest credited to the employee’s account exceed the value of the formula benefit, the retirement benefit may instead be calculated as a money purchase benefit. The Wisconsin Retirement System is considered part of the State of Wisconsin’s financial reporting entity. Copies of the separately issued financial report that

includes financial statements and required supplementary information is publicly available at <http://etf.wi.gov> or may be obtained by writing to:

Department of Employee Trust Funds
 P.O. Box 7931
 Madison, Wisconsin 53707-7931

Generally, the State’s policy is to fund retirement contributions on a level-percentage-of-payroll basis to meet normal and prior service costs of the retirement system. Prior service costs are amortized over 40 years, beginning January 2, 1990. However, in December 2003 the State issued bonds and subsequently liquidated its prior service liability balance as of January 2003. State agencies are required to make contributions to fund bond payments.

The retirement plan requires employee contributions equal to specified percentages of qualified earnings based on the employee’s classification, plus employer contributions at a rate determined annually. Both employee and employer contributions are included as part of personal service expenses each year. The State Fair Park Fund’s contributions to the plan were \$243,267 for FY 2011-12 and \$324,350 for FY 2010-11. The relative position of the State Fair Park Fund in the Wisconsin Retirement System is not available because the Wisconsin Retirement System is a statewide, multi-employer plan.

9. COMPENSATED ABSENCES

The State Fair Park Fund’s compensated absences activity for FY 2011-12 and FY 2010-11 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
FY 2011-12	\$201,919	\$121,107	\$(106,102)	\$216,924	\$ 86,990
FY 2010-11	196,940	7,737	(2,758)	201,919	106,102

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

GASB Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires the State to report other postemployment benefit (OPEB) expenses and related liabilities in its financial statements and notes. The FY 2011-12 and FY 2010-11 financial statements include State Fair Park’s portion of the State’s OPEB expenses as part of personal service expenses and the related liabilities.

A. Health Insurance

The State’s Health Insurance Program, a cost-sharing, multiple-employer, defined benefit plan not held in trust, is an employer-sponsored program offering group medical coverage to eligible employees and retirees of the State that was created under

ch. 40, Wis. Stats. The Wisconsin Department of Employee Trust Funds and the Group Insurance Board have program administration and oversight responsibilities under ss. 15.165(2) and 40.03(6), Wis. Stats.

Under this plan, retired employees of the State contribute the same healthcare premium as active employees, creating an implicit rate subsidy for retirees. This implicit rate subsidy, which is calculated to cover pre-age 65 retirees (since at age 65 retirees are eligible to enroll in Medicare), is treated as an OPEB.

The State’s net OPEB obligation was \$406.5 million as of June 30, 2012, and \$367.5 million as of June 30, 2011. The portion of this obligation allocated to the State Fair Park Fund for FY 2011-12 was \$228,312, which reflects the amortization of the actuarially accrued liability for FY 2011-12 plus the current expense for active employees. The amount allocated to State Fair Park for FY 2010-11 was \$176,191. Health insurance OPEB activity for FY 2011-12 and FY 2010-11 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
FY 2011-12	\$176,191	\$52,121	\$0	\$228,312	\$0
FY 2010-11	145,494	30,697	0	176,191	0

The State’s Comprehensive Annual Financial Report includes financial statements, additional note disclosures, and required supplementary information for this OPEB plan. That report is publicly available at <http://doa.wi.gov> or may be obtained by writing to:

State Controller’s Office
 Department of Administration
 101 East Wilson Street
 Madison, Wisconsin 53703

B. Life Insurance and Duty Disability

The State’s Life Insurance Program, a cost-sharing, multiple-employer, defined benefit plan held in trust, provides post-employment coverage to all eligible employees. The plan is administered under s. 40.70, Wis. Stats. Beginning at age 65, retirees and terminating members continue to receive, at no cost to them, basic life insurance coverage at a reduced level, representing an OPEB. Retirees and terminating members under age 65 must continue to pay the employee premium to maintain coverage. The amount contributed by the State Fair Park Fund to this plan is not readily determinable because this is a statewide, multiple-employer plan.

The State’s Duty Disability Program, a cost-sharing, multiple-employer, defined benefit OPEB plan held in trust, offers special disability insurance for employees in protective occupations. This plan covers

State Fair Park’s police officers. It is administered under s. 40.65, Wis. Stats. Qualified employees receive benefits under this program that approximate 80 percent of salary, less certain offsets, based upon the type and level of disability suffered and the implications of the disability on their ability to work. There are no employee contributions associated with this plan. State Fair Park contributed \$2,130 to this program during calendar year 2012 and \$1,482 during calendar year 2011.

The Department of Employee Trust Funds issues publicly available financial reports that include financial statements, additional note disclosures, and required supplementary information for these OPEB plans. The reports are available at <http://etf.wi.gov> or may be obtained by writing to:

Department of Employee Trust Funds
P.O. Box 7931
Madison, Wisconsin 53707-7931

11. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Accounts receivable and accounts payable balances, which are both presented in aggregate on the State Fair Park Fund’s financial statements, are disaggregated as follows:

A. State Fair Park Fund Accounts Receivable and Due from Other Funds

	<u>As of June 30, 2012</u>	<u>As of June 30, 2011</u>
Accounts Receivable:		
Current		
State Fair Park Youth Foundation	\$ 20,000	\$ 20,000
Miscellaneous (net of estimated uncollectible accounts of \$73,130 in FY 2011-12 and \$80,475 in FY 2010-11)	<u>240,236</u>	<u>165,814</u>
Total Current Accounts Receivable	260,236	185,814
Noncurrent		
State Fair Park Youth Foundation	<u>30,000</u>	<u>50,000</u>
Total Accounts Receivable	<u>\$290,236</u>	<u>\$235,814</u>
Due from Other Funds:		
Current		
Bond Security and Redemption	\$366,620	\$ 894,372
General Fund to Reverse Prior Year Lapse	0	236,200
Miscellaneous	<u>2,444</u>	<u>28,132</u>
Total Current Due from Other Funds	369,064	1,158,704
Noncurrent		
Bond Security and Redemption	<u>183,523</u>	<u>519,462</u>
Total Due from Other Funds	<u>\$552,587</u>	<u>\$1,678,166</u>

The Wisconsin State Fair Park Youth Foundation was established to develop public and private partnerships to support youth programming and facilities development at State Fair Park. In addition, the Foundation provides financial and volunteer services to the Blue Ribbon Sale of Champions Foundation. In February 2007, State Fair Park provided a \$50,000 interest-free loan to the Foundation. Another \$50,000 interest-free loan was made in February 2008. As of June 30, 2012, the Foundation has repaid \$50,000 of the loans. The remaining loan balance will be repaid over the next two years with the last payment scheduled to be made in 2014.

B. State Fair Park Fund Accounts Payable and Due to Other Funds

	As of <u>June 30, 2012</u>	As of <u>June 30, 2011</u>
Accounts Payable:		
Vendors	\$ 969,640	\$725,478
Employees	<u>56,016</u>	<u>223,158</u>
Total Accounts Payable	<u>\$1,025,656</u>	<u>\$948,636</u>
Due to Other Funds	<u>\$ 353,117</u>	<u>\$177,398</u>

12. INTERFUND TRANSFERS

Interfund transfers that occurred during FY 2011-12 and FY 2010-11 are as follows:

	<u>FY 2011-12</u>	<u>FY 2010-11</u>
Transfers In for Capital Building Projects	\$232,976	\$166,433
Transfers In from General Fund to Reverse Prior Year Lapse ¹	<u>0</u>	<u>236,200</u>
Total Transfers In	<u>\$232,976</u>	<u>\$402,633</u>
Transfers Out from General Fund Lapse	\$ 9,376	\$ 0
Transfers Out for Capital Building Projects	1,532	0
Transfers Out for Prior Service Cost Bond Contributions	<u>88,286</u>	<u>70,901</u>
Total Transfers Out	<u>\$ 99,194</u>	<u>\$ 70,901</u>

¹ This represents the reversal of a lapse that the Department of Administration made inappropriately during FY 2009-10.

13. PETTIT NATIONAL ICE CENTER DEBT SERVICE

In January 2007, State Fair Park sold the Pettit National Ice Center to Pettit National Ice Center, Inc. State Fair Park continues to be responsible for the general obligation bonds related to the Pettit Center, and this liability is reflected on the Statement of Net Assets. Proceeds from the sale were

deposited into the State's Bond Security and Redemption Fund. The balance in the Bond Security and Redemption Fund related to the Pettit Center sale is reported as "Due from Other Funds" on State Fair Park's financial statements.

Based on estimates of future interest earnings, it was originally anticipated that the sale proceeds plus interest earnings would fund the entire remaining Pettit Center debt service. However, interest rates earned by the State's Bond Security and Redemption Fund were lower than anticipated. As of June 30, 2012, \$1.1 million in debt service costs were outstanding and \$553,000 in sales proceeds and interest earnings were available in the Bond Security and Redemption Fund. Debt service payments due in FY 2012-13 will be paid from State Fair Park's capital expenditures program revenue appropriation, leaving the balance of \$553,000 in the Bond Security and Redemption Fund to fund the remaining Pettit Center debt service.

14. POLLUTION REMEDIATION OBLIGATIONS

In accordance with the provisions of GASB Statement Number 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, state and local governments are required to display and disclose in financial reports pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

In April 2009, State Fair Park acquired from AmeriGas L.P., a large propane company, a 2.54-acre parcel of land located on the fairgrounds. Because of past uses of the property, State Fair Park hired a consultant to conduct environmental studies and determine whether there are pollution remediation costs. As of June 30, 2011, State Fair Park had incurred \$69,449 for these studies and was awaiting final determination by the Wisconsin Department of Natural Resources (DNR) on what, if any, remediation activities were needed. Since total remediation costs could not be reasonably determined as of June 30, 2011, a liability was not reported on the Statement of Net Assets.

State Fair Park expended an additional \$14,190 on the environmental study in FY 2011-12. In March 2012, DNR issued a letter indicating that no further investigation or remediation of the property is required. However, State Fair Park is obligated to maintain the existing barrier (soil and gravel) covering the contaminated soil, have an annual inspection of the property, maintain an inspection log, and complete repairs as necessary. State Fair Park expects that costs associated with these obligations will be insignificant. However, State Fair Park will need to address the presence of waste materials and obtain an exemption from DNR if any future development of the property is planned.

15. SUBSEQUENT EVENT—MILWAUKEE MILE LICENSE AGREEMENT

In December 2008, Milwaukee Mile Holdings, LLC, a private racetrack promoter, notified State Fair Park that it was exercising its right to terminate the February 2008 Milwaukee Mile racetrack and grandstand license agreement. The agreement stipulated that once Milwaukee Mile Holdings terminated the contract, it was responsible for two years of licensing fees, and thus it was anticipated that Milwaukee Mile Holdings would manage the track for two years, through the 2010 racing season. However, because of a dispute over the letter of credit, which was intended to protect State Fair Park in case of default or early termination, State Fair Park terminated the agreement with Milwaukee Mile Holdings in February 2009.

The Wisconsin Department of Justice, on behalf of State Fair Park, subsequently requested payment on the letter of credit. Milwaukee Mile Holdings filed a lawsuit requesting a restraining order to stop this payment alleging fraud, misrepresentation, and breach of contract by State Fair Park. However, the Dane County Circuit Court denied the request for a restraining order, and the financial institution holding the letter of credit paid State Fair Park \$2.6 million in outstanding contract fees, including 2007 and 2008 deferred license fees totaling \$679,000, and 2009 and 2010 license fees totaling \$1.9 million. These amounts were recognized as revenue in prior fiscal years.

Subsequent to June 30, 2012, in January 2013, a settlement was reached on the pending lawsuit. The settlement required State Fair Park to pay Milwaukee Mile Holdings \$50,000. In addition, Milwaukee Mile Holdings conveyed to State Fair Park equipment items, including two “show” cars, two trailers, two fuel storage containers, and one jet dryer, for \$1. State Fair Park made payment in February 2013 in full settlement of the lawsuit.

16. PRIOR-PERIOD ADJUSTMENT

The FY 2010-11 State Fair Park financial statements and the FY 2009-10 condensed financial information presented in Management’s Discussion and Analysis have been restated to correct for errors in the recognition of accounts payable and capital assets. As a result, in the FY 2010-11 financial statements, capital assets were increased by \$57,221, accounts payable were increased by \$100,000, and beginning and ending net assets were decreased by \$42,779.

In the FY 2009-10 condensed financial information, capital assets were increased by \$57,221, current liabilities were increased by \$100,000, operating expenses were decreased by \$100,000, beginning net assets were decreased by \$100,000, and ending net assets were decreased by \$42,779.

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Report on Internal Control and Compliance ■

Independent Auditor's 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

We have audited the financial statements of Wisconsin State Fair Park as of and for the years ended June 30, 2012, and June 30, 2011, and have issued our report thereon dated May 23, 2013. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Wisconsin State Fair Park is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audits, we considered Wisconsin State Fair Park's internal control 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 Wisconsin State Fair Park's internal control. Accordingly, we do not express an opinion on the effectiveness of Wisconsin State Fair Park's internal control.

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 to detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal

control such that there is a reasonable possibility that a material misstatement of Wisconsin State Fair Park's financial statements will not be prevented or will not be detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined in the preceding paragraph during the year ended June 30, 2012. However, as discussed in the following paragraphs, we identified a deficiency in internal control that we consider to be a significant deficiency. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During the FY 2011-12 audit, we found that Wisconsin State Fair Park took steps to address the financial reporting issues identified during the FY 2010-11 audit, which were reported as a material weakness in report 12-10. For example, Wisconsin State Fair Park more thoroughly reviewed capital projects and other costs to ensure costs were appropriately classified as capital assets or expenses.

However, as part of our FY 2011-12 audit, we continued to find that Wisconsin State Fair Park's process for preparing the financial statements was not effective in ensuring that they were free of errors. Further, there is no review or approval of the financial statements by management. We identified a number of errors in the FY 2011-12 financial statements that were not prevented or detected by Wisconsin State Fair Park during preparation of the financial statements. For example:

- Wisconsin State Fair Park misclassified cash received from the reversal of a prior year lapse on the Statement of Cash Flows. As a result, cash flows from operating activities were overstated by \$236,200 and cash flows from non-capital financing activities were understated by the same amount.
- Wisconsin State Fair Park incorrectly reported an amount paid in July 2013 as a prepaid item and a payable as of June 30, 2012. Consequently, prepaid items and accounts payable were each overstated by \$87,735 on the Statement of Net Assets.
- Wisconsin State Fair Park did not appropriately report municipal services fees related to an annual contract. As a result, accounts payable were understated by \$100,000 and unrestricted net assets were overstated by the same amount on the Statement of Net Assets. Further, because this error affected prior periods, similar adjustments were required for the FY 2010-11 financial statements.

Because there were fewer errors identified and the errors were for smaller dollar amounts than in previous years, we consider the deficiency in internal controls to be a significant deficiency. After we brought these errors to the attention of Wisconsin State Fair Park management, the FY 2011-12 and FY 2010-11 financial statements were corrected. We recommend Wisconsin State Fair Park continue to improve its preparation of the financial statements and ensure the financial statements are reviewed and approved by management.

Management agrees with our finding and notes that the chief financial officer is the sole preparer of the financial statements and is the only staff person with knowledge of generally accepted accounting principles. As a result, there is no additional review of the financial statements. Management notes that significant steps have been taken to eliminate the concerns reported in report 12-10, and steps will be taken to continue to improve the financial reporting process in an effort to eliminate future issues.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Wisconsin State Fair Park'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 audits 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*.

Wisconsin State Fair Park's response to the finding identified is described in the preceding paragraphs. We did not audit Wisconsin State Fair Park's response and, accordingly, express no opinion on it.

This independent auditor's report is intended solely for the information and use of Wisconsin State Fair Park Board and management and the Wisconsin Legislature. This report is a matter of public record and its distribution is not limited. However, because we do not express an opinion on the effectiveness of Wisconsin State Fair Park's internal control or on compliance, this report is not intended to be used by anyone other than these specified parties.

May 23, 2013

by

LEGISLATIVE AUDIT BUREAU



Carolyn Stittleburg
Audit Director

Appendix

Wisconsin State Fair Park

