

COLORADO STATE FAIR AUTHORITY
FINANCIAL AND COMPLIANCE AUDIT
Fiscal Years Ended June 30, 2011 and 2010



**Wall, Smith, Bateman
and Associates, Inc.**

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COLORADO STATE FAIR AUTHORITY
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June 30, 2011 and 2010

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**COLORADO STATE FAIR AUTHORITY
FINANCIAL AND COMPLIANCE AUDIT
REPORT SUMMARY
FISCAL YEARS ENDED JUNE 30, 2011 and 2010**

Authority, Purpose and Scope

The audit of the Colorado State Fair Authority was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all State agencies. The Fiscal Year 2011 audit was conducted under contract with Wall, Smith, Bateman and Associates, Inc. The audit was conducted in accordance with audit standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Audit work was performed June through October, 2011.

The purposes and scope of the audit were to:

- Perform a financial and compliance audit of the Colorado State Fair Authority for the years ended June 30, 2011 and 2010 and to express an opinion on the financial statements. This included a review of internal control as required by auditing standards generally accepted in the United States of America and *Government Auditing Standards*.
- Evaluate progress in implementing prior audit recommendations.

Audit Results

Wall, Smith, Bateman and Associates, Inc. expressed an unqualified opinion on the financial statements for the years ended June 30, 2011 and 2010. Our report, dated November 4, 2011, on the Colorado State Fair Authority's June 30, 2011 financial statements includes an explanatory paragraph that describes a going concern uncertainty. The Authority incurred a loss before capital contributions of (\$858,528) and change in net assets of (\$379,070) for the year ended June 30, 2011. Also, as of that date, the Authority's current liabilities exceeded its current assets, less restricted assets, by \$253,013 and it had a deficit unrestricted net assets of (\$298,186).

We issued a report on the Colorado State Fair Authority's internal control over financial reporting and compliance and other matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.

Required Auditor Communications to the Legislative Audit Committee

The auditor is required to communicate to the Legislative Audit Committee certain matters related to the conduct of the audit and to ensure that the Legislative Audit Committee receives additional information regarding the scope and results of the audit that may assist the Audit Committee in overseeing the financial reporting and disclosure process for which management is responsible. These matters have been communicated to the Legislative Audit Committee in this report and include among other items that no significant difficulties were encountered in dealing with management in performing our audit.

Summary of Findings and Recommendations

The following is a summary of the findings contained in the report. The audit recommendations for these findings and associated Authority responses are summarized in the recommendation locator, which follows the summary.

There are 3 current year findings and recommendations:

- The Authority did not classify a private grant used to construct a capital asset in the amount of \$88,087 as a nonoperating revenue and materially understated the operating loss. An audit adjustment was proposed by the auditors and recorded by the Authority to correct the misclassification. We recommend that the Authority pay special attention to the classification of non-routine transactions and consider using the resources of the Department of Agriculture for a technical review of the financial statements.
- The Authority did not correctly record an expense as a capital asset in the amount of \$121,223 and materially overstated the operating loss. An audit adjustment was proposed by the auditors and recorded by the Authority to correct the misclassification. We recommend that the Authority strengthen its existing policies and procedures to properly monitor and account for capital assets.
- The Authority reported an operating loss of approximately \$2.3 million for Fiscal Year 2011 and the nonoperating revenues from local and state subsidies are not adequate for the Authority to break even. The Authority decreased the unrestricted net assets by \$569,108 during Fiscal Year 2011 leaving the Authority with a negative \$298,186 of unrestricted net assets. We recommend that the Authority continue to refine its strategies and efficiencies and work with the Department of Agriculture and the State to secure adequate subsidies to offset operating losses.

A detailed description of the audit comments and recommendations is contained in the findings and recommendations section of the report.

Summary of Progress in Implementing Prior Audit Findings

The implementation of the recommendations included in the Fiscal Year 2010 audit report is discussed in Disposition of Prior Audit Recommendations.

RECOMMENDATION LOCATOR

All recommendations are addressed to the Colorado State Fair Authority Fiscal Year 2011

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
1	6	The Authority should pay special attention to classification of non-routine transactions in the future. Also, the Authority should consider using the resources of the Department of Agriculture for a technical review of the financial statements.	Agree	Immediately
2	7	The Authority should strengthen existing policies and procedures over accounting for capital expenditures.	Agree	March 1, 2012
3	9	The Authority should continue to refine its strategies and pricing policies and also search for efficiencies in its operations to minimize future losses and work with the Department of Agriculture and State of Colorado to obtain adequate subsidies for operations.	Agree	Immediately and ongoing

COLORADO STATE FAIR AUTHORITY
June 30, 2011 and 2010

BACKGROUND

The Colorado State Fair has been in existence for over 125 years. Over the years, the Colorado State Fair has undergone a number of organizational changes. In 1983, the General Assembly created the Colorado State Fair Authority (Authority) as a separate political subdivision of the State. House Bill 97-1342 abolished the existing Authority and its Board of Commissioners and created the new Colorado State Fair Authority as a division within the State Department of Agriculture effective June 30, 1997. The current Board of Commissioners consists of eleven members. Of the eleven members, one member must be a certified public accountant, one member must have current management-level banking experience and expertise in finance, and one member must have agriculture or 4-H club experience. The Commissioner of Agriculture or the Commissioner's designee also serves as a voting member of the board.

The Authority operates on the State Fairgrounds in Pueblo on approximately 80 acres of land. The grounds and facilities are owned by the State and include exhibition halls, four permanent restaurants, permanent stalls for horse shows, three 4-H buildings, an amphitheater, six pavilions, and a covered grandstand. The facilities also include an indoor arena (the Events Center) which was constructed at a cost of approximately \$7.5 million. The Events Center began operating in 1995. Most of the Authority's revenue is generated during the annual State Fair from admissions, parking, food and beverage sales, concessions, commercial space rental, sponsorships, and carnival ticket sales. Additional revenue is generated from events that are held on a year-round basis at the Events Center and other facilities on the State Fairgrounds. For Fiscal Year 2011, the Authority was appropriated 23 full-time staff and 8 contract employees to run its year-round operations. In the summer, the Authority adds about 500 temporary staff to run the annual State Fair.

The Fiscal Year 2011 fair was held during August/September 2010. Approximately 75% of governance, administration and facilities management expenditures for July, August and September are allocated to Fair-time activity. The results from the 2011 State Fair which was held during August and September 2011 will be included in the financial statements for the year ended June 30, 2012.

FISCAL YEAR 2011 FINANCIAL HIGHLIGHTS

The following presents a summarized statement of revenues, expenses and changes in fund net assets of the Authority broken down between Fair-time and Off-season periods. The breakdown between Fair-time and Off-season periods is provided by the Colorado State Fair Authority and has not been audited.

	Year ended June 30, 2011 Fair-time*	Year ended June 30, 2011 Off-season	Year ended June 30, 2011 Total	Year ended June 30, 2010 Total
Operating revenues	\$ 5,946,946	\$ 825,230	\$ 6,772,176	\$ 6,944,814
Operating expenses (excluding depreciation)	5,540,808	3,000,010	8,540,818	8,661,104
Operating income (loss) before depreciation	<u>\$ 406,138</u>	<u>\$ (2,174,780)</u>	(1,768,642)	(1,716,290)
Depreciation			(526,374)	(419,491)
Operating loss			(2,295,016)	(2,135,781)
Nonoperating revenues (net)			1,436,488	1,317,973
Gain (loss) before state capital contributions			(858,528)	(817,808)
Capital contributions			479,458	1,109,790
Change in net assets			<u>\$ (379,070)</u>	<u>\$ 291,982</u>

**COLORADO STATE FAIR AUTHORITY
FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 2011**

Financial Misstatement

The Colorado State Fair Authority receives grants from private and public sources in the form of cash and capital assets. During Fiscal Year 2011, the Authority's grants from public sources totaled \$440,000 and its grants from private sources totaled \$115,687.

What was the purpose of the audit work?

The purpose of the audit work was to determine whether transactions were correctly classified between operating and nonoperating revenues and expenses in the Statements of Revenues, Expenses and Changes in Net Assets in accordance with accounting principles generally accepted in the United States.

What audit work was performed and how were results measured?

An analysis of the private sponsorships operating revenue was performed to determine the source and value of the amounts reported on the Statements of Revenues, Expenses and Changes in Net Assets and whether amounts were correctly classified in accordance with accounting principles generally accepted in the United States.

What problem did the audit work identify?

A private grant used to construct a capital asset in the amount of \$88,087 was reported as operating revenue. However, this transaction should have been classified as nonoperating revenue because the grant was not received in return for providing goods or services. This required an audit adjustment to reclassify the transaction as nonoperating revenue.

Why does this problem matter?

The classification of a private grant used to construct a capital asset was not in accordance with generally accepted accounting principles and the operating loss was understated by \$88,087, which materially misstated the operating loss reported in the Statement of Revenues, Expenses and Changes in Net Assets.

Why did the problem occur?

The Authority misapplied generally accepted accounting principles to a non-routine transaction due to lack of accounting expertise. The Authority does not have additional accounting staff with expertise to perform a review of the financial statements.

(Classification of Finding: Material Weakness)

**COLORADO STATE FAIR AUTHORITY
FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 2011**

Recommendation No. 1:

The Colorado State Fair Authority should pay special attention to classification of non-routine transactions in the future. Also, the Authority should consider using the resources of the Department of Agriculture for a technical review of the financial statements or to discuss any unusual accounting transactions.

Colorado State Fair Authority's Response:

Agree. Implementation Date: Immediately

The Authority has implemented internal procedures to classify and report transactions correctly on the Statement of Revenues, Expenses and Changes in Net Assets. This will be provided to our Auditors at year end.

Strengthening Controls over Recording Capital Assets

The Authority initiates, processes and records hundreds of expense transactions each year as part of its business activities. Inherent in recording expense transactions is determining whether the cost should be expensed, deferred or capitalized.

What was the purpose of the audit work?

The purpose of the audit work was to determine whether operating expense transactions recorded by the Authority were reasonable; had a valid business purpose; were properly coded, classified, and approved; and were accounted for properly in accordance with accounting principles generally accepted in the United States (GAAP) for Fiscal Year 2011.

What audit work was performed and how were results measured?

An analysis of expense transactions was performed to determine whether expense transactions were reasonable; had a valid business purpose; were properly coded, classified, and approved; and were accounted for properly in accordance with accounting principles generally accepted in the United States.

What problem did the audit work identify?

The Authority incorrectly recorded a capital expense in the amount of \$121,223 as an operating expense.

Why does this problem matter?

The operating loss reported in the Statement of Revenues, Expenses, and Changes in Net Assets was materially overstated.

**COLORADO STATE FAIR AUTHORITY
FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 2011**

Why did the problem occur?

The Authority has not adopted policies and procedures to ensure expenses are correctly recorded as expensed, deferred or capitalized in accordance with generally accepted accounting principles.

(Classification of Finding: Material Weakness)

Recommendation No. 2:

The Authority should implement policies and procedures to ensure operating expense transactions are properly recorded as expensed, deferred or capitalized.

Colorado State Fair Authority's Response:

Agree. Implementation Date: March 1, 2012

The Authority is working on policies and procedures to ensure that expenses are properly recorded as an expense, deferred expense, or capitalized.

Five Year Business Plan

In October of 2006 the board approved a five-year business plan for the Fair. First, the business plan allowed for the Fair to continue operating with an 11 day Fair which was started during fiscal year ended June 30, 2005 (i.e., the August 2004 Fair); prior to this the Fair was 16 days long. The Authority hoped to improve the quality of the Fair with better attractions in fewer days. The second aspect of the business plan called for an increase in revenue by hiring an entertainment and venue management company to assist in marketing the Events Center. Third, the business plan called for loans from the State Treasury and for the construction of the Events Center to be paid off. HB 06-1384 provided sufficient funds for the payoff of the Authority's debt in fiscal year 2009 as well as \$550,000 per year for operating expenses. HB 08-1399 took effect on February 27, 2009 when the Authority certified to the State Treasury that the above mentioned loans had been paid off. HB 08-1399 provides the Authority with 25% of the interest on the Unclaimed Property Tourism Promotion Trust Fund. This income replaces the \$550,000 provided with HB 06-1384 and is expected to provide approximately \$800,000 per year to the Authority for operating expenses.

What was the purpose of the audit work?

The purpose of the audit work was to follow up on the June 30, 2010 finding and recommendation; that the Authority should continue to refine its strategies and pricing policies and search for efficiencies in its operations to minimize future operating losses and work with the Department of Agriculture to find other means to offset losses.

**COLORADO STATE FAIR AUTHORITY
FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 2011**

What audit work was performed and how were results measured?

The results of the Fiscal Year Ended June 30, 2011 were compared to the previous seven years as follows:

For Fiscal Year Ended	Operating Loss Including Depreciation and Amortization	Operating Loss Excluding Depreciation and Amortization	Total State Contributions	Local Contributions	Operating Loss After Cash Contributions
June 30, 2011	\$ (2,295,016)	\$ (1,768,642)	\$ 884,332	\$ 440,000	\$ (970,684)
June 30, 2010	(2,135,781)	(1,716,290)	854,908	445,859	(835,014)
June 30, 2009	(2,812,156)	(2,160,472)	3,609,952	599,693	1,397,489
June 30, 2008	(2,353,317)	(1,736,988)	3,988,351	385,153	2,020,187
June 30, 2007	(2,417,273)	(1,825,645)	4,320,175	270,132	2,173,034
June 30, 2006	(1,748,741)	(1,167,995)	812,924	347,997	(587,820)
June 30, 2005	(1,351,088)	(737,361)	77,352	441,757	(831,979)

What problem did the audit work identify?

The Authority has been operating an 11 day Fair since the year ended June 30, 2005 and the operating loss has increased significantly every year since the change, with the exception of a slight improvement in Fiscal Year 2008. The operating loss improved in Fiscal Year 2010. The results of fiscal year ended June 30, 2011 shows a slight decline from fiscal year 2010; the operating loss continues to be substantial. The Fiscal Year 2011 operating revenues were 8.74% lower and operating expenses were 5.12% lower than the Fiscal Year 2010. Further, the Authority's unrestricted net assets decreased from \$270,922 as of June 30, 2010 to a negative \$298,186 as of June 30, 2011. The contributions are not adequate to offset the Authority's operating loss.

Why does this problem matter?

If the results of operations and the cash contributions are comparable for Fiscal Year 2012 the Authority will have to obtain financing to operate. The unrestricted net assets at June 30, 2011 are negative and not sufficient to absorb any future losses and have resulted in the accompanying financial statements being prepared assuming the Authority will continue as going concern.

Why did the problem occur?

The Authority's management has worked to develop strategies to improve efficiencies at the State Fair; however, more progress should to be accomplished to minimize the operating losses. Also, the State subsidies during Fiscal Year 2011 were not adequate to maintain the unrestricted net assets.

(Classification of Finding: Other Matter)

**COLORADO STATE FAIR AUTHORITY
FINDINGS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 2011**

Recommendation No. 3:

The Authority should continue to refine its strategies and pricing policies and also search for efficiencies in its operations to minimize future operating losses and work with the Department of Agriculture to offset losses.

Colorado State Fair Authority's Response:

Agree. Implementation Date: Immediately and ongoing

The Authority has continued to refine its pricing in all areas of its operation in Fiscal Year 2011. The Board of Commissioners voted to increase gate admission cost by \$2.00 each. In addition, the Commission voted to increase unlimited carnival passes by \$5.00 each. The staff increased rental fees for non-fair facility use and the Authority is seeing increases in revenues for Fiscal Year 2012.

The Commission organized its members to help increase Corporate Sponsorships for the Fiscal Year 2012 Fair. The Commission has also created a foundation which will seek donations to offset losses from 4-H and FFA programs.

It is important to note that the Department of Agriculture is committed to the financial stability of the Colorado State Fair. In November of 2011, the Department provided \$375,000 from Ag Management Funds to offset the Fair losses from previous years. The Department is committed to working with the Authority to improve the Fair's revenues and work for the day when the Authority will no longer need Ag Management subsidies.

Disposition of Prior Audit Recommendations

Listed below are the recommendations from the Fiscal Year 2010 Colorado State Fair Authority Financial and Compliance audit.

Recommendation	Disposition
1. The Authority should continue to assess its internal control structure regularly and identify improvements that can be implemented to prevent the occurrence of fraud.	Implemented.
2. The Authority should reconcile all cash accounts each month prior to preparation of the monthly financial statements. Management should review the bank statement and reconciliation to ensure that unusual items are identified and resolved in a timely manner	Implemented.
3. The Colorado State Fair Authority should ensure that staff retain adequate supporting documentation to all expenses incurred.	Implemented.
4. The Authority should pay special attention to classification of non-routine transactions in the future. Also, the Authority should consider using the resources of the Department of Agriculture for a technical review of the financial statements.	Not implemented. See Recommendation No. 1
5. The Authority should continue to refine its strategies and pricing policies and also search for efficiencies in its operations to minimize future losses.	Not Implemented. See Recommendation No. 3

INDEPENDENT AUDITORS' REPORT

Members of the Legislative Audit Committee:

We have audited the accompanying financial statements of the business-type activities of the Colorado State Fair Authority (the Authority), a division of the State Department of Agriculture (the Department) of the State of Colorado, as of June 30, 2011 and 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 1, the financial statements of the Authority are intended to present the financial position, and the changes in financial position and cash flows, of only that portion of the business-type activities of the Department that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the Department as of June 30, 2011, and 2010, and the changes in its financial position and its cash flows, where applicable, 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 above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of June 30, 2011 and 2010, 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.

The accompanying financial statements have been prepared assuming the Authority will continue as a going concern. As discussed in Note 2, as of June 30, 2011 the Authority's current liabilities exceeded its current assets, less restricted assets, by \$253,013 and it had a deficit unrestricted net assets of (\$298,186).

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2011 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 13 through 18 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Wall, Smith, Bateman and Associates, Inc.

Wall, Smith, Bateman and Associates, Inc.
Certified Public Accountants

November 4, 2011

**COLORADO STATE FAIR AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011 and 2010**

This discussion and analysis of the Colorado State Fair Authority's financial performance is a required component of financial reporting under governmental accounting standards and was prepared by Colorado State Fair Authority Management. It provides an overview of financial activities for the year ended June 30, 2011, and should be read in conjunction with the Authority's financial statements, which begin on page 19. These financial statements reflect only activities of the Colorado State Fair Authority, a division of the State Department of Agriculture of the State of Colorado.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) fund financial statements and 2) notes to the financial statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the Authority is its proprietary fund.

Proprietary fund. The Authority maintains one proprietary fund, an enterprise fund. The Authority uses its enterprise fund to account for its Fair activities and Non-Fair activities conducted on the Fairgrounds.

The basic proprietary fund financial statements can be found on pages 19 through 22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 23 through 36 of this report.

FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority's enterprise fund, assets exceeded liabilities by \$12,025,532 at the close of the most recent fiscal year.

The following schedule provides a condensed statement of net assets as of June 30, 2011, 2010 and 2009.

	Schedule of Net Assets		
	June 30,		
	2011	2010	2009
Current assets	\$ 1,128,343	\$ 1,334,472	\$ 1,639,190
Other assets	1,119,994		-
Capital assets	13,029,414	12,133,679	11,304,759
Total assets	15,277,751	13,468,151	12,943,949
Current liabilities	1,381,356	939,175	705,472
Noncurrent liabilities	1,870,863	124,374	125,857
Total liabilities	3,252,219	1,063,549	831,329
Net assets			
Invested in capital assets, net of related debt	12,323,718	12,133,679	11,304,759
Restricted	-	-	-
Unrestricted (deficit)	(298,186)	270,923	807,861
Total net assets	\$ 12,025,532	\$ 12,404,602	\$ 12,112,620

**COLORADO STATE FAIR AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011 and 2010**

2011

The largest portion of the Authority's net assets (108.3 percent) reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to operate the State Fair and Non-Fair activities held on the premises; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net assets is a deficit of \$298,186.

At the end of the Fiscal Year 2011, the Authority reported a positive balance in the investment in capital assets, net of related debt of \$12,323,718.

The Authority's net assets decreased by \$379,070 during the current fiscal year.

2010

The largest portion of the Authority's net assets (97.8 percent) reflects its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to operate the State Fair and Non-Fair activities held on the premises; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net assets is \$270,923.

At the end of the Fiscal Year 2010, the Authority reported a positive balance in the investment in capital assets, net of related debt of \$12,133,679.

The Authority's net assets increased by \$291,982 during the current fiscal year.

COLORADO STATE FAIR AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011 and 2010

Schedule of Changes in Fund Net Assets
Year ended June 30

	FY11	FY10	FY09
Operating revenues			
Commercial space/concessions	\$ 1,305,290	\$ 1,260,409	\$ 1,270,127
Gate admissions	1,857,230	1,829,400	1,746,961
Box office sales	801,907	845,303	1,429,681
Private sponsorships	1,563,265	1,833,812	1,692,758
Exhibitor fees	520,694	521,924	552,627
Building rentals	565,601	530,965	537,948
Miscellaneous revenues	158,189	123,001	140,606
Total operating revenues	6,772,176	6,944,814	7,370,708
Operating expenses			
Personnel service and benefits	2,298,942	2,303,819	2,223,118
Entertainment and attractions	777,404	731,484	1,305,785
Advertising and promotions	1,672,141	1,871,640	1,802,197
Prizes and awards	784,697	756,601	839,175
Depreciation	526,374	419,491	651,684
Other	3,007,634	2,997,560	3,360,905
Total operating expenses	9,067,192	9,080,595	10,182,864
Operating loss	(2,295,016)	(2,135,781)	(2,812,156)
Nonoperating revenues (expenses)			
Department of Agriculture contribution	-	-	544,661
Local government grants	440,000	445,859	599,693
Unclaimed property fund interest income	875,978	854,908	2,174,974
Private grants and contributions	115,687	-	-
Investment income (loss)	8,354	17,206	16,029
Interest expense	(3,531)	-	(76,493)
Net nonoperating revenue	1,436,488	1,317,973	3,258,864
Increase in net assets before capital contributions	(858,528)	(817,808)	446,708
Capital contributions	479,458	1,109,790	890,317
Change in net assets	\$ (379,070)	\$ 291,982	\$ 1,337,025

**COLORADO STATE FAIR AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011 and 2010**

For the Year Ended June 30, 2011, net assets decreased by \$379,070. Key elements of this decrease are as follows:

- State capital contributions decreased by \$630,332.
- Operating revenue decreased by \$172,638 mainly due to a decrease in private sponsorships.
- Operating expenses decreased by \$13,403.

For the Year Ended June 30, 2010, net assets increased by \$291,982. Key elements of this increase are as follows:

- State capital contributions and a private donation of a Weatherport structure increased net assets by \$771,466 and \$338,324, respectively. Additionally, the Authority received \$854,908 of Unclaimed Property interest revenue. These three contributions helped accomplish the increase in net assets by \$291,982.
- Operating revenue decreased by \$425,894 which was due to a restatement in Fiscal Year 2010 for box office sales which is reflected in the variance from Fiscal Year 2009 to Fiscal Year 2010.
- Operating expenses decreased by \$1,102,269 with the largest savings in the areas of other operating expenses, \$363,345; entertainment and attractions, \$98,227; prizes and awards, \$82,574; depreciation \$232,193 and \$476,074 in entertainment and attractions due to a restatement in Fiscal Year 2010 which is reflected in the variance from Fiscal Year 2009 to Fiscal Year 2010.

**COLORADO STATE FAIR AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011 and 2010**

BUDGETARY HIGHLIGHTS

The Authority’s budget is determined by a variety of methods. The majority of the budget is set by the annual appropriations bill (called the Long Bill—enacted by the General Assembly and signed by the Governor), which determines budgets for every agency within the State. The Long Bill and centrally appropriated funds are approved shortly before the start of each fiscal year. Agencies may also request a supplemental appropriation during the fiscal year to cover unexpected expenses as well as year-end transfers of spending authority, if needed. The final method of funding is special legislation.

The approved original and final budget for the Authority’s activities was cash spending authority appropriation of \$8,375,904. The budgetary amount includes the Colorado State Fair Program Line Item in the Long Bill. Total revenues including local government grants and interest were \$8,212,195 and total expenses on a budgetary basis were \$8,773,753.

Total operating expenses (GAAP basis)	\$	9,067,192
Plus interest expense		3,531
Less depreciation		(526,374)
Plus nonbudgeted item (compensated absences)		12,909
Plus capital outlay		1,423,536
Less in-kind match		(1,207,041)
		(1,207,041)
 Total expenses (budgetary basis)	 \$	 8,773,753
		8,773,753

ECONOMIC OUTLOOK

On June 5, 2006, House Bill 1384 was passed by the State Legislature which provided valuable financial assistance to the Authority. The financial assistance was provided to the Authority for the purpose of funding to pay off the debt to the State Treasury in the amount estimated at \$2.1 million and to pay a loan on the construction of the Events Center in the amount of \$1.4 million. It also provided the Authority with \$550,000 per year for operations once the debts are paid off. In Fiscal Year 2007 the Authority reduced its debt to the Treasury by \$1,212,477. On April 29, 2008, House Bill 1399 was passed granting 25% of the interest from the Unclaimed Property Tourism Promotion Trust Fund to the Authority and 65% to the Department of Agriculture to take effect once the refunding revenue bonds were paid in full. The Authority has a positive cash balance with the Treasury at this point and has paid off the bonds in Fiscal Year 2009. The Authority has received 25% of the unclaimed property interest since February 2009. The Authority has also been assessed indirect expenses beginning in Fiscal Year 2009. The assessment for Fiscal Year 2011 was \$156,632 and for 2012 is expected to be approximately \$100,000. The \$156,632 was assessed by the Office of Information Technology and the Department of Agriculture. The Office of Information Technology assessed the Authority for \$13,577. This was based on usage of their services by the Authority. The Department of Agriculture assessed the Authority for \$143,055 which is a representation of the support that the Commissioner’s Office provides to the Authority for central services. This assessment was based on a calculation involving FTE’s.

**COLORADO STATE FAIR AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2011 and 2010**

During Fiscal Year 2011, management of the Colorado State Fair, working in cooperation with Department of Agriculture administration, recognized the need to aggressively pursue cost saving strategies in connection with the economic downturn. Management continues to identify and adopt cost savings strategies for the Non-Fair season as well as the Fiscal Year 2012 Colorado State Fair. The focus of the strategy is to provide a high quality product appealing to a diverse audience at the lowest possible cost. Management is working to increase group sales and carnival sales by reaching out to more businesses and schools as well as offering new carnival promotions. Colorado State Fair management plans to sustain the current budget.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This management's discussion and analysis (MD&A) is designed to provide Colorado citizens, Colorado government officials, our sponsors, customers and other interested parties with a general overview of the Authority's financial activity for Fiscal Year 2011 and to demonstrate the Authority's accountability for its use of State resources. If you have questions about the MD&A or need additional information, contact the Department of Agriculture Administrative Services, 700 Kipling Street, Suite 4000, Lakewood, Colorado 80215-8000.

COLORADO STATE FAIR AUTHORITY
STATEMENT OF NET ASSETS
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Unrestricted assets		
Cash and cash equivalents	\$ 870,729	\$ 1,177,842
Accounts receivable, net of allowance for doubtful accounts	22,028	18,176
Due from local governments	45,517	-
Inventory	24,059	29,424
Prepaid expenses	166,010	109,030
Total unrestricted assets	1,128,343	1,334,472
Restricted assets		
Funds held in escrow	1,029,125	-
Restricted cash for debt service	90,869	-
Total restricted assets	1,119,994	-
Total current assets	2,248,337	1,334,472
Noncurrent assets		
Capital assets, net of accumulated depreciation	13,029,414	12,133,679
Total noncurrent assets	13,029,414	12,133,679
TOTAL ASSETS	15,277,751	13,468,151
LIABILITIES		
Current liabilities		
Accounts payable	273,544	263,800
Accrued payroll	174,522	177,477
Retainage payable	84,021	-
Deferred revenue	819,054	490,738
Other current liabilities	10,000	7,160
Current portion of accrued compensated absences	9,231	-
Current portion of capital lease obligations	10,984	-
Total current liabilities	1,381,356	939,175
Noncurrent liabilities		
Accrued compensated absences	128,053	124,374
Capital lease obligations payable	1,742,810	-
Total noncurrent liabilities	1,870,863	124,374
TOTAL LIABILITIES	3,252,219	1,063,549
NET ASSETS		
Invested in capital assets, net of related debt	12,323,718	12,133,679
Restricted for:		
Unrestricted (deficit)	(298,186)	270,923
TOTAL NET ASSETS	\$ 12,025,532	\$ 12,404,602

The accompanying notes are an integral part of these statements.

COLORADO STATE FAIR AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Commercial space/concessions	\$ 1,305,290	\$ 1,260,409
Gate admissions	1,857,230	1,829,400
Box office sales	801,907	845,303
Private sponsorships	1,563,265	1,833,812
Exhibitor fees	520,694	521,924
Building rentals	565,601	530,965
Miscellaneous revenue	158,189	123,001
	<u>6,772,176</u>	<u>6,944,814</u>
Total operating revenues		
OPERATING EXPENSES		
Personal service and benefits	2,298,942	2,303,819
Entertainment and attractions	777,404	731,484
Advertising and promotions	1,672,141	1,871,640
Prizes and awards	784,697	756,601
Repairs and maintenance	209,814	238,543
Utilities	1,034,834	962,410
Supplies and materials	299,744	222,014
Contractual services	946,873	839,981
Other operating	295,042	501,016
Building, vehicle and equipment rental	176,454	198,267
Travel	44,873	35,329
Depreciation	526,374	419,491
	<u>9,067,192</u>	<u>9,080,595</u>
Total operating expenses		
Operating loss	<u>(2,295,016)</u>	<u>(2,135,781)</u>
NONOPERATING REVENUES (EXPENSES)		
Unclaimed property fund interest income	875,978	854,908
Local government grants	440,000	445,859
Private grants and contributions	115,687	-
Investment income (loss)	8,354	17,206
Interest expense	(3,531)	-
	<u>1,436,488</u>	<u>1,317,973</u>
Total nonoperating revenues (expenses)		
Gain (loss) before state capital contributions	(858,528)	(817,808)
State capital contributions	<u>479,458</u>	<u>1,109,790</u>
Change in net assets	(379,070)	291,982
Net assets, beginning of year	<u>12,404,602</u>	<u>12,112,620</u>
Net assets, end of year	<u>\$ 12,025,532</u>	<u>\$ 12,404,602</u>

The accompanying notes are an integral part of these statements.

COLORADO STATE FAIR AUTHORITY
STATEMENT OF CASH FLOWS
June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from fees for services	\$ 6,372,850	\$ 6,888,257
Cash received from rental of property	565,601	530,965
Cash received from other sources	158,189	123,001
Cash paid to employees	(2,288,988)	(2,284,943)
Cash paid to suppliers	(5,454,177)	(5,900,202)
Cash paid to others	(826,730)	(794,421)
	(1,473,255)	(1,437,343)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local government grants	394,483	534,987
State revenue	875,978	854,908
	1,270,461	1,389,895
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital lease proceeds	1,753,794	-
(Increase) decrease in restricted assets	(1,119,994)	-
Capital contributions	595,145	771,466
Interest payments	(3,531)	-
Purchase of property and equipment	(1,338,087)	(910,087)
	(112,673)	(138,621)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividend income	8,354	17,206
	8,354	17,206
NET DECREASE IN CASH AND CASH EQUIVALENTS	(307,113)	(168,863)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,177,842	1,346,705
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 870,729	\$ 1,177,842

The accompanying notes are an integral part of these statements.

COLORADO STATE FAIR AUTHORITY
STATEMENT OF CASH FLOWS
June 30, 2011 and 2010

	2011	2010
OPERATING LOSS	\$ (2,295,016)	\$ (2,135,781)
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation	526,374	419,491
(Increase) decrease in accounts receivable	(3,852)	27,200
(Increase) decrease in inventory	5,365	6,638
(Increase) decrease in prepaid expenses	(56,980)	12,889
Increase (decrease) in accounts payable	9,744	121,699
Increase (decrease) in compensated absences	12,909	(1,483)
Increase (decrease) in accrued payroll	(2,955)	20,358
Increase (decrease) in other payables	2,840	(2,490)
Increase (decrease) in deferred revenue	328,316	94,136
Total adjustments	821,761	404,568
 NET CASH USED IN OPERATING ACTIVITIES	 \$ (1,473,255)	 \$ (1,437,343)
 NONCASH INVESTING AND FINANCING ACTIVITIES		
Property and equipment added through contributed capital	\$ 479,458	\$ 1,109,790
Inkind contributions	\$ 1,207,041	\$ 1,419,945

The accompanying notes are an integral part of these statements.

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Colorado State Fair Authority (Authority) is a division of the State Department of Agriculture of the State of Colorado (Department). It operates under the jurisdiction of the Colorado State Fair Authority Board of Commissioners (Board) whose members are appointed by the Governor of the State. The financial statements of the Authority are intended to present the financial position, and changes in financial position and cash flows, of only that portion of the business-type activities of the Department that is attributable to the transactions of the Authority. They do not purport to, and do not, present fairly the financial position of the Department as of June 30, 2011 and 2010, and changes in its financial position and its cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Authority operates on the state fairgrounds in Pueblo, Colorado. The grounds and facilities include exhibition halls, four permanent restaurants, permanent stalls for horse shows, three 4-H buildings, an amphitheater, six pavilions, a covered grandstand, and an indoor arena. Most of the Authority's revenue is generated during the annual Colorado State Fair and Exposition (State Fair) from admissions, parking, food and beverage concessions, commercial space rental, sponsorships and carnival ticket sales. Additional revenue is generated from events that are held on a year-round basis in the indoor arena and other facilities on the state fairgrounds.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America, as applicable to governmental units. The following is a summary of the more significant policies.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are from operating the Colorado State Fair and Exposition and hosting other off-season events. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Process

The financial operations of the Authority are controlled by an annual appropriation made by the Colorado General Assembly and signed into law by the Governor as part of the annual Long Appropriations Act or other special bill.

For Fiscal Year 2011, the Authority's original and final budget as approved by the General Assembly was \$8,375,904. The Authority allocated the final budget to cover operating expenses, excluding depreciation and change in leave accrual. For Fiscal Year 2010, the Authority's original and final operating budget as approved by the General Assembly was \$8,329,073. The Authority allocated the final budget to cover operating expenses, excluding depreciation and change in leave accrual.

The Authority also adopts an internal budget for its enterprise fund for management purposes. For Fiscal Year Ended June 30, 2011, the internal budget showed total budgeted operating revenues of \$5,465,000. Total actual operating revenues were \$6,772,176 and total revenue including operating revenues, unclaimed property fund interest income, local government grants, private donations and interest were \$8,212,195. Total allocated budgeted operating expenses were \$7,484,492 while total actual operating expenses were \$8,773,753 on a budgetary basis.

For Fiscal Year Ended June 30, 2010, the internal budget showed total budgeted operating revenues of \$7,275,000. Total actual operating revenues were \$7,420,888 and total revenue including operating revenues, unclaimed property fund interest income, local government grants, private donations and interest were \$8,738,861. Total allocated budgeted operating expenses were \$7,796,287 while total actual operating expenses were \$8,195,661 on a budgetary basis.

	<u>2011</u>	<u>2010</u>
Total operating expenses (GAAP basis)	\$ 9,067,192	\$ 9,556,669
Plus interest expense	3,531	-
Less depreciation	(526,374)	(419,491)
Plus nonbudgeted item (compensated absences)	12,909	1,483
Less in-kind match	(1,207,041)	(1,419,945)
Plus capital outlay	<u>1,423,536</u>	<u>476,945</u>
Total expenses (budgetary basis)	<u>\$ 8,773,753</u>	<u>\$ 8,195,661</u>

Accounts Receivable

Accounts receivable is comprised principally of amounts due for use of the Authority's facilities from organizations and individuals and is stated net of any allowance for amounts estimated to be uncollectible.

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

Inventory

Inventory, consisting of facilities maintenance supplies, concession supplies and souvenirs, is stated at the lower of cost (first-in, first-out method) or market.

Capital Assets

Capital assets include property, plant and equipment. Capital assets are defined by the Authority as equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year as well as computer equipment and buildings and land improvements with an initial cost of more than \$50,000. Such assets are recorded at historical cost if purchased or constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized when projects are materially complete. Streets, sidewalks, and water and drainage systems located on the fairgrounds are recorded as land improvements.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Estimated Lives
Buildings (transferred from state)	20 Years
Buildings (constructed)	40 Years
Land improvements (streets, sidewalks, and water drainage systems)	50 Years
Land improvements (other)	16-20 Years
Furniture and equipment	3-10 Years

Deferred Revenue

Deferred revenue represents cash received by the Authority in advance of the related revenue being earned by the Authority. Deferred revenue is comprised principally of cash received for events and activities at the Fair that are held after the Authority's fiscal year end.

Accrued Compensated Absences Liability

Effective July 1, 1988, all employees in classified permanent positions within the State Personnel System accrue sick leave at the rate of 6.66 hours per month. Total sick leave per employee is limited to their respective accrued balance on July 1, 1988, plus 360 additional hours. Annual leave is earned on an annual basis, with the amount varying between 10 and 21 days per year depending on the level of, and number of years of continuous service provided by the employee. Annual leave rights are vested after one year of continuous service and the accumulation of annual leave is limited to 42 days at the end of the fiscal year. These compensated absences are recorded as a liability.

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

In-kind Revenues and Expenses

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In-kind revenues and expenses of \$1,204,291 are included in the operating revenues and expenses of the Authority and are made up of advertising and other costs to operate the annual state fair in August and September.

Statement of Cash Flows

For the purpose of the statement of cash flows, the Authority considers unrestricted, highly liquid temporary investments maturing within three months of the acquisition to be cash equivalents.

Change in Accounting Principles and Restatement of Fiscal Year 2010 Financial Statements

The Authority restated the Statements of Revenues, Expenses, and Changes in Net Assets for the fiscal years ended June 30, 2010 by reclassifying \$476,074 of non-fair time events expense to revenue in accordance with generally accepted accounting principles. The restatement did not affect the total net assets of the Authority.

NOTE 2 GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Authority as a going concern. However, the Authority has a loss before capital contributions of (\$858,528) and change in net assets of (\$379,070) for the year ended June 30, 2011.

In view of the matters disclosed in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying statement of net assets is dependent upon continued operations of the Authority, which in turn is dependent upon the Authority's ability to meet its financial requirements on a continuing basis, to continue to receive subsidization from the State of Colorado and to succeed in future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Authority be unable to continue in existence.

NOTE 3 CASH DEPOSITS

Cash

The Authority deposits its cash with the Colorado State Treasurer as required by Colorado Revised Statutes (C.R.S.). The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. The State Treasury acts as a bank for all state agencies and institutions of higher education, with the exception of the University of Colorado. Moneys deposited in the Treasury are invested until the cash is needed. As of June 30, 2011, the Authority had cash on deposit with the State

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

Treasurer of \$829,738, which represented approximately 0.0136 percent of the total \$6,100.3 million fair value of deposits in the State Treasurer's Pool (Pool).

For financial reporting purposes all of the Treasurer's investments are reported at fair value, which is determined based on quoted market prices at fiscal year end. On the basis of the Authority's participation in the Pool, the Authority reports as an increase or decrease in cash for its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool, and there is no assignment of income related to participation in the Pool. The unrealized gains/losses included in income reflect only the change in fair value for the fiscal year.

Investments in the Treasurer's Pool are exposed to custodial credit risk if the securities are uninsured, are not registered in the state's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not in the state's name. As of June 30, 2011, none of the investments in the State Treasurer's Pool are subject to custodial credit risk.

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. This risk is assessed by national rating agencies that assign a credit quality rating for many investments. Credit quality ratings for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not reported; however, credit quality ratings are reported for obligations of U.S. government agencies that are not explicitly guaranteed by the U.S. government. Based on these parameters, as of June 30, 2011, approximately 86.7 percent of investments of the Treasurer's Pool are subject to credit quality risk reporting. Except for \$18,384,300 of corporate bonds rated lower medium and \$15,015,00 of corporate bonds rated as speculative, and \$14,218,750 of corporate bonds rated as very speculative, these investments are rated from upper medium to the highest quality, which indicates that the issuer has strong capacity to pay principal and interest when due.

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. In addition to statutory limitations on the types of investments, the State Treasurer's investment policy mitigates interest rate risk through the use of maturity limits set to meet the needs of the individual fund if the Treasurer is investing for a specific fund rather than the Pool. The Treasurer actively manages the time to maturity in reacting to changes in the yield curve, economic forecasts, and liquidity needs of the participating funds. The Treasurer further limits investment risk by setting a minimum/maximum range for the percentage of investments subject to interest rate risk and by laddering maturities and credit ratings. As of June 30, 2011, the weighted average maturity of investments in the Treasurer's Pool is 0.015 years for Commercial Paper (1.3 percent of the Pool), 1.054 years for U.S. Government Securities (81.7 percent of the Pool), 1.06 years for Asset Backed Securities (6.9 percent of the Pool), and 3.133 years for Corporate Bonds (10.1 percent of the Pool).

The Treasurer's Pool was not subject to foreign currency risk or concentration of credit risk in Fiscal Year 2010-11.

Additional information on investments of the State Treasurer's Pool may be obtained in the State's Comprehensive Annual Financial Report for the year ended June 30, 2011.

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

Deposits

The Authority is authorized to deposit funds in bank accounts outside the custody of the Treasury. Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act (PDPA) in Section 11-10.5-107(5), C.R.S., requires all eligible depositories holding public deposits to pledge designated eligible collateral having market values at least 102 percent of the deposits exceeding those amounts insured by the federal insurance.

As of June 30, 2011 the Authority's deposits are as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Cash on hand	\$ -	\$ 300
Deposits covered by depository insurance - Federal Insurance	<u>126,484</u>	<u>200,309</u>
 Total Cash	 <u>\$ 126,484</u>	 <u>\$ 200,609</u>

As of June 30, 2010, the Authority had \$999,050 on deposit with the State Treasurer. As of June 30, 2010, the Authority's deposits are as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Cash on hand	\$ -	\$ 3,740
Deposits covered by depository insurance - Federal Insurance	<u>194,905</u>	<u>175,052</u>
 Total Cash	 <u>\$ 194,905</u>	 <u>\$ 178,792</u>

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 4 CAPITAL ASSETS

At June 30, 2011, capital assets consisted of the following:

	<u>Balance 06/30/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/11</u>
Capital assets not being depreciated				
Land	\$ 594,458	\$ -	\$ -	\$ 594,458
Construction in progress	-	1,081,530	395	1,081,925
Total capital assets not being depreciated	<u>594,458</u>	<u>1,081,530</u>	<u>395</u>	<u>1,676,383</u>
Capital assets being depreciated				
Buildings	12,474,618	166,379	(395)	12,640,602
Land improvements	10,609,005	103,232	-	10,712,237
Furniture and equipment	<u>2,207,810</u>	<u>72,000</u>	<u>(516)</u>	<u>2,279,294</u>
Total capital assets being depreciated	<u>25,291,433</u>	<u>341,611</u>	<u>(911)</u>	<u>25,632,133</u>
Less accumulated depreciation for:				
Buildings	(8,555,544)	(188,142)	-	(8,743,686)
Land improvements	(3,135,973)	(296,450)	-	(3,432,423)
Furniture and equipment	<u>(2,060,695)</u>	<u>(41,782)</u>	<u>(516)</u>	<u>(2,102,993)</u>
Total accumulated depreciation	<u>(13,752,212)</u>	<u>(526,374)</u>	<u>(516)</u>	<u>(14,279,102)</u>
Total capital assets being depreciated, net	<u>11,539,221</u>	<u>(184,763)</u>	<u>(1,427)</u>	<u>11,353,031</u>
Capital assets, net	<u>\$ 12,133,679</u>	<u>\$ 896,767</u>	<u>\$ (1,032)</u>	<u>\$ 13,029,414</u>

Construction in progress additions during fiscal year 2011 consisted of electrical and infrastructure improvements.

COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010

At June 30, 2010, capital assets consisted of the following:

	Balance 06/30/09	Additions	Deletions	Balance 06/30/10
Capital assets not being depreciated				
Land	\$ 594,458	\$ -	\$ -	\$ 594,458
Construction in progress	1,041,285	771,466	1,812,751	-
Total capital assets not being depreciated	<u>1,635,743</u>	<u>771,466</u>	<u>1,812,751</u>	<u>594,458</u>
Capital assets being depreciated				
Buildings	12,049,278	425,340	-	12,474,618
Land improvements	8,796,649	1,812,356	-	10,609,005
Furniture and equipment	2,155,810	52,000	-	2,207,810
Total capital assets being depreciated	<u>23,001,737</u>	<u>2,289,696</u>	<u>-</u>	<u>25,291,433</u>
Less accumulated depreciation for:				
Buildings	(8,397,180)	(158,364)	-	(8,555,544)
Land improvements	(2,900,989)	(234,984)	-	(3,135,973)
Furniture and equipment	(2,034,552)	(26,143)	-	(2,060,695)
Total accumulated depreciation	<u>(13,332,721)</u>	<u>(419,491)</u>	<u>-</u>	<u>(13,752,212)</u>
Total capital assets being depreciated, net	<u>9,669,016</u>	<u>1,870,205</u>	<u>-</u>	<u>11,539,221</u>
Capital assets, net	<u>\$ 11,304,759</u>	<u>\$ 2,641,671</u>	<u>\$ 1,812,751</u>	<u>\$ 12,133,679</u>

Depreciation expense for the years ended June 30, 2011 and 2010 was \$526,374 and \$419,491, respectively.

NOTE 5 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Long-term liability balances for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Capital Lease Payable	\$ -	\$ 1,753,794	\$ -	\$ 1,753,794	\$ 10,984
Total Business-type Activities	<u>\$ -</u>	<u>\$ 1,753,794</u>	<u>\$ -</u>	<u>\$ 1,753,794</u>	<u>\$ 10,984</u>

**COLORADO STATE FAIR AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011 and 2010**

Capital Leases Payable

The Authority is obligated under a master lease contract signed on January 11, 2011, in the amount of \$1,753,794 for equipment used for energy conservation measures at the Colorado State Fair Grounds and for two other Colorado Department of Agriculture facilities (The Insectary in Palisade and two inspection and consumer service buildings located in NW Denver). Of the \$1,753,794 lease proceeds it is estimated that \$1,243,395 will be spent on energy conservation equipment at the Colorado State Fair Grounds. The remaining funds will be used at the other two Colorado Department of Agriculture facilities. As of June 30, 2011, \$705,696 of the lease proceeds were spent on equipment installed at the Colorado State Fair Grounds and \$90,869 was spent on equipment at the other two sites. During FY 2010/2011 \$90,869 was transferred to the Colorado State Fair Authority from the other two agencies and is recorded as restricted cash for debt service on the books of the Authority. As of June 30, 2011, \$724,669 of lease proceeds had been drawn down and spent, leaving \$1,029,125 remaining and held in an escrow account, recorded on the books of the Authority as "Funds held in escrow" and shown as restricted assets. As part of the master lease contract the Contractor guarantees that the equipment installed for energy conservation measures will result in savings to the State in the form of reduced energy and water usage and other costs that will be enough to cover the yearly debt obligations.

The annual debt service for the Capital Leases Payable is as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTALS</u>
2012	\$ 10,984	\$ 86,533	\$ 97,517
2013	70,364	63,361	133,725
2014	78,150	60,658	138,808
2015	87,814	57,648	145,462
2016	96,284	54,282	150,566
2017-2021	613,334	210,026	823,360
2022-2026	796,864	74,842	871,706
	<u>\$ 1,753,794</u>	<u>\$ 607,350</u>	<u>\$ 2,361,144</u>

COLORADO STATE FAIR AUTHORITY
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NOTE 6 PENSION PLAN OBLIGATIONS

A. PLAN DESCRIPTION

Most of the Authority's employees participate in a defined benefit pension plan. The plan's purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost-sharing multiple-employer plan administered by the Public Employees' Retirement Association (PERA). PERA was established by State statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require an actuarial assessment and legislation by the General Assembly. The State plan and other divisions' plans are included in PERA's financial statements, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting <http://www.copera.org>.

Non-higher education employees hired by the State after January 1, 2006 are allowed 60 days to elect to participate in a defined contribution retirement plan administered by the State's Deferred Compensation Committee rather than becoming a member of PERA. If that election is not made, the employee becomes a member of PERA, and the member is allowed 60 days from commencing employment to elect to participate in a defined contribution plan administered by PERA rather than the defined benefit plan.

PERA members electing the PERA defined contribution plan are allowed an irrevocable election between the second and fifth year of membership to use their defined contribution account to purchase service credit and be covered under the defined benefit retirement plan. However, making this election subjects the member to rules in effect for those hired on or after January 1, 2007, as discussed below. Employer contributions to both defined contribution plans are the same as the contributions to the PERA defined benefit plan.

Defined benefit plan members vest after five years of service and are eligible for full retirement based on their original hire date as follows:

- Hired before July 1, 2005 - age 50 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired between July 1, 2005, and December 31, 2006 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired on or after January 1, 2007 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 25 years of service, or age 65 with 5 years of service.

Members are also eligible for retirement benefits without a reduction for early retirement based on their original hire date as follows:

- Hired before January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 80 or more.

COLORADO STATE FAIR AUTHORITY
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- Hired on or after January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 85 or more.
- Members automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement. Defined benefits are calculated as 2.5 percent times the number of years of service times the highest average salary (HAS). For retirements before January 1, 2009, HAS is calculated as one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit and limited to a 15 percent increase between periods. For retirements after January 1, 2007, more restrictive limits are placed on salary increases between periods used in calculating HAS.

Retiree benefits are increased annually based on their original hire date as follows:

- Hired before July 1, 2005 – 3.5 percent, compounded annually.
- Hired between July 1, 2005, and December 31, 2006 – the lesser of 3 percent or the actual increase in the national Consumer Price Index.
- Hired on or after January 1, 2007 – the lesser of 3 percent or the actual increase in the national Consumer Price Index, limited to a 10 percent reduction in a reserve established for cost of living increases related strictly to those hired on or after January 1, 2007. (The reserve is funded by 1 percentage point of salaries contributed by employers for employees hired on or after January 1, 2007.)

In the 2010 legislative session, the general assembly set the current benefit increase as the lesser of 2 percent or the monthly CPI amounts for Calendar Year 2009, resulting in a 0 percent increase. The 2010 legislation also moved the annual increase to July.

Members who are disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If a member dies before retirement, their eligible children under the age of 18 (23 if a full time student) or their spouse may be entitled to a single payment or monthly benefit payments. If there is no eligible child or spouse then financially dependent parents, beneficiaries, or the member's estate, may be entitled to a survivor's benefit.

B. FUNDING POLICY

The contribution requirements of plan members and their employers are established, and may be amended, by the General Assembly. Salary subject to PERA contribution is gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

Most employees contribute 8.0 percent of their salary, as defined in CRS 24-51-101(42), to an individual account in the plan.

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From July 1, 2010, to December 31, 2010, the State contributed 11.35 percent of the employee's salary. From January 1, 2011, through June 30, 2011, the State contributed 12.25 percent. During all of Fiscal Year 2010-11, 1.02 percent of the employees' total salary was allocated to the Health Care Trust Fund.

Per Colorado Revised Statutes, an amortization period of 30 years is deemed actuarially sound. At December 31, 2009, the division of PERA in which the State participates has a funded ratio of 67.0 percent and a 43 year amortization period based on current contribution rates. The funded ratio on the market value of assets is lower at 58.0 percent.

In the 2004 legislative session, the general assembly authorized an Amortization Equalization Disbursement (AED) to address a pension-funding shortfall. The AED requires PERA employers to pay an additional .5 percent of salary beginning January 1, 2006, another .5 percent of salary in 2007, and subsequent year increases of .4 percent of salary until the additional payment reaches 3.0 percent in 2012.

In the 2006 legislative session, the general assembly authorized a Supplemental Amortization Equalization Disbursement (SAED) that requires PERA employers to pay an additional one half percentage point of total salaries paid beginning January 1, 2008. The SAED is scheduled to increase by one-half percentage point through 2013 resulting in a cumulative increase of three percentage points. For State employers, each year's one half percentage point increase in the SAED will be deducted from the amount of changes to State employees' salaries, and used by the employer to pay the SAED. Both AED and SAED will be reduced by one-half percent point when funding levels reach 103 percent.

In the 2010 legislative session, the general assembly extended both the AED and SAED. The AED will continue to increase at a rate of .4 percent of salary from calendar years 2013 through 2017. The SAED will continue to increase by one-half percentage point from calendar years 2014 through 2017.

Historically members have been allowed to purchase service credit at reduced rates. However, legislation passed in the 2006 session required that future agreements to purchase service credit be sufficient to fund the related actuarial liability.

The Authority's contributions to PERA and/or the State defined contribution plan for the fiscal years ending June 30, 2011, 2010, and 2009 were \$205,133, \$233,366, and \$219,555, respectively. These contributions met the contribution requirement for each year.

NOTE 7 VOLUNTARY TAX-DEFERRED RETIREMENT PLANS

PERA offers voluntary 401(k), 457, and defined contribution plans entirely separate from the defined benefit pension plan. Certain agencies and institutions of the state offer 403(b) or 401(a) plans.

COLORADO STATE FAIR AUTHORITY
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NOTE 8 POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Health Care Plan

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund; the program was converted to a trust fund in 1999. The plan is a cost-sharing multiple-employer plan under which PERA subsidizes a portion of the monthly premium for health care coverage. The benefits and employer contributions are established in statute and may be amended by the General Assembly. PERA includes the Health Care Trust Fund in its Comprehensive Annual Financial Report, which may be obtained by writing PERA at PO Box 5800, Denver, Colorado 80217, by calling PERA at 1-800-759-PERA (7372), or by visiting <http://www.copera.org>.

After the PERA subsidy, the benefit recipient pays the balance of the premium through an automatic deduction from the monthly retirement benefit. Monthly premium costs for participants depend on the health care plan selected, the PERA subsidy amount, Medicare eligibility, and the number of persons covered. Effective July 1, 2000, the maximum monthly subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare and \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on the recipient having 20 years of service credit, and is subject to reduction by 5 percent for each year less than 20 years.

Employees are not required to contribute to the Health Care Trust Fund, which is maintained by employer's contributions as discussed above in Note 4. Beginning July 1, 2004, State agencies are required to contribute 1.02 percent of gross covered wages to the Health Care Trust Fund. The Authority contributed \$11,470, \$13,508, and \$14,691 as required by statute in Fiscal Years 2010-11, 2009-10, and 2008-09, respectively. In each year the amount contributed was 100 percent of the required contribution. The Health Care Trust Fund offers two general types of plans: fully-insured plans offered through health care organizations and self-insured plans administered for PERA by third party vendors. As of December 31, 2009, there were 46,985 enrolled participants, including spouses and dependents, from all contributors to the plan. At December 31, 2009, the Health Care Trust Fund had an unfunded actuarial accrued liability of \$1.50 billion, a funded ratio of 14.8 percent, and a 53-year amortization period.

NOTE 9 RISK MANAGEMENT

The State currently self-insures its agencies, including the Authority, officials, and employees for the risk of losses to which they are exposed (general liability, motor vehicle liability, worker's compensation, and medical claims). Additional information regarding the State's risk management programs is included in the State's comprehensive annual financial report. There have been no significant reductions in insurance coverage from coverage in the prior year and the amount of settlements has not exceeded insurance coverage for any of the past three fiscal years.

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NOTE 10 TABOR (TAXPAYERS BILL OF RIGHTS)

The Authority received more than 10% of its total revenue from the State during the fiscal years ending June 30, 2011 and 2010. As a result, in fiscal years ended 2011 and 2010 the Authority was included in the State Tabor District.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Litigation – The Authority is currently the defendant in several lawsuits arising principally in the normal course of operations. In the opinion of legal counsel, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements; accordingly, no provision for losses has been recorded.

**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***

Members of the Legislative Audit Committee:

We have audited the financial statements of the business-type activities of the Colorado State Fair Authority (the Authority), as of and for the years ended June 30, 2011 and 2010, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 4, 2011. 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

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting 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. However, as described in the accompanying Findings and Recommendations section, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 a 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. We consider the deficiencies described in the accompanying Auditors' Findings and Recommendations section of this report as Recommendation Numbers 1 and 2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

The Authority's responses to the findings identified in our audit are described in the accompanying Findings and Recommendations section. We did not audit the Authority's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Colorado State Fair Authority Board of Commissioners, others within the entity, members of the Legislative Audit Committee, and the Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, its distribution is not limited.

Wall, Smith, Bateman and Associates, Inc.

WALL, SMITH, BATEMAN AND ASSOCIATES, INC.
Certified Public Accountants

November 4, 2011

November 4, 2011

To the Members of the Legislative Audit Committee
Colorado State Fair Authority

We have audited the financial statements of the business-type activities of the Colorado State Fair Authority (the Authority) for the years ended June 30, 2011 and 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our contract number 2011-43 between our firm and the Office of the State Auditor and during our meeting regarding planning matters dated April 25, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2011 or 2010. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Authority's financial statements was:

Management's estimate of the depreciation of capital assets is based on estimated useful lives of the assets. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, it is very difficult for Authority staff to accommodate the annual audit during the same time as the yearly Colorado State Fair.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. An audit adjustment was recorded to reclassify nonoperating income recorded as operating income in the amount of \$88,087. Also, an audit adjustment was recorded to move a capital expense from operating expenses and into capital assets in the amount of \$121,223.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 4, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Legislative Audit Committee and management of the Colorado State Fair Authority and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record upon release by the Legislative Audit Committee.

Very truly yours,

Wall, Smith, Bateman and Associates, Inc.
WALL, SMITH, BATEMAN AND ASSOCIATES, INC.
Certified Public Accountants

The electronic version of this report is available on the Web site of the Office
of the State Auditor
www.state.co.us/auditor

A bound report may be obtained by calling the
Office of the State Auditor
303-869-2800

Please refer to the Report Control Number below when requesting this report.

Report Control Number 2087-11