



**Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters**

Representative Sondra Erickson, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Ms. Michele Kelm-Helgen, Chair
Minnesota Sports Facilities Authority

Members of the Minnesota Sports Facilities Authority

Mr. Ted Mondale, CEO/Executive Director
Minnesota Sports Facilities Authority

We have audited the basic financial statements of the Minnesota Sports Facilities Authority, as of and for the year ended December 31, 2015, and have issued our report thereon dated June 28, 2016.¹ The statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and the related notes to the financial statements, collectively comprise the authority's basic financial statements. We conducted our audit in accordance with the 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 Controls Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the authority's internal controls over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal controls. Accordingly, we do not express an opinion on the effectiveness of the authority's internal controls.

Our consideration of internal controls was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies.² Given these limitations, we did not identify any deficiencies in internal controls that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

¹ Our audit report on the financial statements was included in the authority's comprehensive annual financial report. Access to the report is available at the following website: www.msfa.com.

² A deficiency in internal controls 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 controls such that there is a reasonable possibility that a material misstatement of the authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

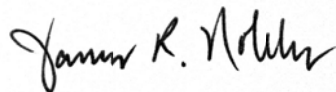
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the authority's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the authority's internal controls over financial reporting and compliance as part of our financial statement audit. Accordingly, this communication is not suitable for any other purpose.



James R. Nobles
Legislative Auditor



Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

June 28, 2016