



MBA Audit Committee Meeting Minutes – November 4, 2009

Chair Michael Vekich called to the order the meeting of the MBA Audit Committee for November 4, 2009 at 1:30 p.m. Committee members Commissioner John Wade and Commissioner Joan Campbell were present.

Commissioner Campbell moved approval of the agenda, seconded by Commissioner Wade and approved unanimously – 3 YEAS, 0 NAYS.

APPROVED

Audit Exit Meeting with State Auditor's Office

Randy Vogt, Audit Director from the Minnesota State Auditor's office presented the required communication letter of the MBA financial statements for the year ended December 31, 2008. Mr. Vogt said that the State Auditor's office performs tests of the MBA's compliance with certain provisions of laws, regulations, contracts, and grants. However, their objective is not to provide an opinion on compliance with provisions. They also view the Comprehensive Annual Financial Report (CAFR) to determine if there are inconsistencies in representation. Nothing came to their attention that is materially inconsistent with the financial statements.

No significant difficulties were encountered in dealing with management in performing their audit. The completion of the audit was delayed because the final version of the CAFR was not provided to them until September 17, 2009.

Corrected and Uncorrected Misstatements

Mr. Vogt provided a schedule of uncorrected financial statement misstatements for the year ended December 31, 2008. One entry to the Capital Projects Fund was not made and thus not reflected in the basic financial statements. Management has determined their effects are immaterial to the financial statements taken as a whole. They will be disclosed and the schedule attached to the required communication letter and management representation letter.

Schedule of Findings and Recommendations

The 2007 material audit adjustment was resolved in the General Fund. No material audit adjustments were identified during the 2008 audit.

Internal Control Over Financial Reporting and Compliance

Mr. Vogt stated that the State Auditor's office does not express an opinion on the effectiveness of the Authority's internal control over financial reporting. They did not identify any deficiencies in internal control over financial reporting. The results of their tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Mr. Vogt discussed the cost of the audit, noting that the current year audit will cost approximately \$10,000 less than the previous audit.

Minnesota Legal Compliance

Anytime a government entity is audited by the State Auditor's office they conduct the audit in accordance with the Minnesota Legal Compliance Audit guide for local government and the results indicate that the MBA complied with the six categories of compliance as stated in this guide.

There being no further business, Commissioner Vekich moved to adjourn. The meeting of the MBA Audit Committee for November 4, 2009 was adjourned at 1:45 P.M.