



MBA Audit Committee Meeting Minutes – December 6, 2011

Chair Joan Campbell called to order the meeting of the MBA Audit Committee for December 6, 2011 at 3:00 p.m. Commissioner Steve Cramer was present. Commissioner Paul D. Williams arrived after the roll call.

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

APPROVED

Audit Exit Meeting with State Auditor's Office

Randy Vogt, Staff Specialist from the Minnesota State Auditor's office, presented the required communication letter of the MBA financial statements for the year ended December 31, 2010. 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. 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.

Corrected and Uncorrected Misstatements

Professional standards require the Auditors 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, none of which were material.

Schedule of Findings and Recommendations

No material Audit adjustments were identified during the 2010 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.

Minnesota Legal Compliance

Mr. Vogt stated that 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.

The results of the tests indicate that, for the items tested, the Minnesota Ballpark Authority complied with the material terms and conditions of applicable legal provisions.

Quarterly Report on Investments – Brenda Juneau, MBA Finance Coordinator

The MBA's quarterly investment summary includes 2011 investment activity for the period ending October 31, 2011. The MBA Statement of Investment Objectives and Policies, Section XX, charges the Finance Manager, under the direction of the Executive Director, with preparation of a quarterly investment report and a management summary.

An annual review, along with recommendations for changes to the Statement is included in the documents. Section XXI states that the Statement will be reviewed on an annual basis by the MBA Investment Committee, and any modifications recommended must be approved by the MBA Board.

Recommendations

In review of the Statement of Investment Objectives and Policies staff recommends a change to Section VI. The first sentence in the last paragraph of this section states:

“The Investment Committee shall meet quarterly to review the performance of investments and review the investment strategy.”

It is staff's recommendation that this sentence be changed to require annual review, rather than quarterly review. Given the relatively low nature of investment activity for MBA assets a quarterly review is not a critical matter. Furthermore the Audit Committee does not have a regularly scheduled quarterly meeting.

Proposed Action Requested

BE IT RESOLVED, that the MBA Audit Committee recommends a change to the Statement of Investment Objectives and Policies, Section VI, as follows:

“The Investment Committee shall meet ~~quarterly~~ **annually** to review the performance of investments and review the investment strategy. Meeting notes of the quarterly meetings shall be maintained for four years by the MBA and a copy forwarded to the Executive Director after each meeting.”

There being no further business, Chair Campbell moved to adjourn. The meeting of the MBA Audit Committee for December 6, 2011 was adjourned at 3:22 p.m.