

**Minnesota Sports Facilities Authority  
Request for Proposals for Professional Audit Services  
Addendum One – Questions and Answers to RFP Inquiries  
June 1, 2018**

- 1. Did the MSFA received any internal control comments from the Legislative Auditor’s Office?**
  - a. MSFA response – All reports issued by the Minnesota Office of the Legislative Auditor (OLA) are available on their website. Here is a link to the reports issued by the OLA: <https://www.auditor.leg.state.mn.us/fad/fadalpaha.htm>
  
- 2. Would there be any potential need for a federal single audit?**
  - a. MSFA response – No.
  
- 3. Did the Legislative Auditor’s Office propose any audit adjustments, either posted or waived/passed?**
  - a. MSFA response: Please contact Chris Buse, OLA Deputy Legislative Auditor, phone #651-296-4708 for questions about their audit fieldwork.
  
- 4. The RFP indicates fieldwork should be completed by 10/1 when was fieldwork typically conducted?**
  - a. MSFA response: Please contact Chris Buse, OLA Deputy Legislative Auditor, phone #651-296-4708 for questions about their audit fieldwork.
  
- 5. Did the Legislative Auditor also utilize an interim fieldwork or was it just a final fieldwork?**
  - a. MSFA response: Please contact Chris Buse, OLA Deputy Legislative Auditor, phone #651-296-4708 for questions about their audit fieldwork.
  
- 6. How long was the Legislative Auditor onsite?**
  - a. MSFA response: Please contact Chris Buse, OLA Deputy Legislative Auditor, phone #651-296-4708 for questions about their audit fieldwork.
  
- 7. It appears the MSFA’s website has the 2016 but not the 2017 CAFR, could I get a copy of that?**
  - a. MSFA response: The MSFA published a Comprehensive Annual Financial Report (CAFR) for the 18-month fiscal period ended June 30, 2017. This report is posted to the MSFA website.
  - b. The MSFA plans to publish a CAFR for the current fiscal year for the fiscal period from July 1, 2017 through June 30, 2018. This Request for Proposal is seeking proposals for professional audit services for this fiscal period.
  
- 8. With the Legislative Auditor conducting the past audits of the MSFA, did something change in Statute that allows the MSFA to be audited by a CPA firm or what is the reason for the RFP or change in auditors?**
  - a. MSFA response: Minnesota Statute 473J.07, Subd. 7. Audit. did not change. The OLA and the MSFA agreed that the OLA will not conduct the upcoming financial audit and that the MSFA will engage a CPA firm to do that work.

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- 9. Are you sharing past fees of what the OLA charged the MSFA for audit services (if separately billed)?**
- a. MSFA response: The fee for OLA services to audit the MSFA's Comprehensive Annual Financial Report for the 18-month fiscal period ended June 30, 2017 and for the Internal Controls and Compliance Audit for the period from January 2016 through March 2017 was \$69,000.00.
- 10. Any potential transitions in key staffing positions expected over the period covering the RFP that could impact the audit process?**
- a. MSFA response: During the current fiscal year there have been changes in the MSFA board and staff. Governor Mark Dayton appointed Michael Vekich as the MSFA Chair effective July 22, 2017 who replaced Kathleen Blatz who served as the Interim Chair from March 9, 2017 to July 21, 2017. The MSFA board appointed James Farstad as its Interim Executive Director effective January 1, 2018 to replace Richard Evans who resigned effective December 31, 2017. James Farstad was then appointed Executive Director effective May 18, 2018.
- 11. Any significant projects or changes in contracts that could have a bearing on the audit (SMG, Aramark, etc...)?**
- a. MSFA response: During the current fiscal year there have been no new amendments to the Management and Pre-Opening Services Agreement between the MSFA and SMG and the Food and Beverage, Catering and Concession Agreement between MSFA and Aramark Sports and Entertainment Services. The MSFA has executed many new contracts for a multitude of capital improvement projects at U.S. Bank Stadium during the current fiscal year.
- 12. Is the MSFA involved in any significant litigation that could impact the audit process?**
- a. MSFA response: The MSFA is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. Although the outcome of these matters is not presently determinable, in the opinion of the MSFA's management, the resolution of these matters will not have a material adverse effect on the MSFA's financial condition.
- 13. What is the reason MSFA is looking to switch auditors?**
- a. MSFA response: Please see MSFA response to question #8.
- 14. Were there any journal entries discovered during the audit process for 2017?**
- a. MSFA response: Please see MSFA response to question #3.
- 15. How many auditors and how many days were they in the field for audit work for your last audit cycle?**
- a. MSFA response: Please contact Chris Buse, OLA Deputy Legislative Auditor, phone #651-296-4708 for questions about their audit fieldwork.

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- 16. What were the fees related to the audit for the 2017 fiscal year?**
  - a. MSFA response: Please see MSFA response to question #9.
  
- 17. Have there been any significant changes in key staff for MSFA in the past year that would affect the 2018 audit?**
  - a. MSFA response: Please see MSFA response to question #10.
  
- 18. Assuming fees are equal, what is the next most important thing that MSFA is looking for when it comes to selecting an audit firm?**
  - a. MSFA response: Please see the Request for Proposal for Professional Audit Services, page 10, Section VII. Evaluation Procedures. This section describes the criteria that will be used to evaluate proposals.
  
- 19. What (if anything) are MSFA's concerns with transitioning to a new audit firm?**
  - a. MSFA response: None.
  
- 20. What (if anything) part of the audit process would MSFA like to improve from the past audit processes?**
  - a. MSFA response: None.
  
- 21. Why did the MSFA issue an RFP? Did the OLA decline to provide audit services?**
  - a. MSFA response: Please see MSFA response to question #8.
  
- 22. In addition to posting the RFP on MSFA's website, to which CPA firms did the MSFA send a copy of the RFP?**
  - a. MSFA response: The MSFA did not send copies of the RFP to CPA firms.
  
- 23. What were the fees paid for audit services for the past three years?**
  - a. MSFA response: Please see MSFA response to question #9.
  
- 24. Did the fees paid include amounts for non-audit services? If so, what were the non-audit services?**
  - a. MSFA response: Please see MSFA response to question #9.
  
- 25. Per the RFP, SMG LLP financial activity is included in the MSFA CAFR and audited by another auditor. Who is the auditor and are audited financial statements available?**
  - a. MSFA response: Baker Tilly Virchow Krause, LLP issued an independent auditors' report on the financial statements of the operating account of SMG/U.S. Bank Stadium for the fiscal year ended June 30, 2017. If a responder needs to view the SMG/U.S. Bank Stadium's audited financial statements, then please email a request to: Mary.Fox-Stroman@msfa.com.

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**26. The OLA issued a Report on Internal Controls and Compliance Audit for the period of January 2016 through March 2017. Will the OLA continue to audit internal controls and compliance in the future?**

- a. MSFA response: The OLA has not informed the MSFA that they will audit internal controls and compliance in the future.

**27. Will draft financial statements available prior to the start of fieldwork?**

- a. MSFA response: The timing of the audit fieldwork and preparation of the financial statements has not yet been determined. This will be discussed at the audit engagement meeting.