



## OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

January 2, 2020

Mr. Mansco Perry III, Executive Director and Chief Investment Officer  
Minnesota State Board of Investment  
60 Empire Drive, Suite 355  
Saint Paul, MN 55103

Dear Mr. Perry:

The Office of the Legislative Auditor has completed its audit of certain financial activities at the Minnesota State Board of Investment. This work supports our audit of the State of Minnesota's financial statements for the year ended June 30, 2019. The primary objective of the audit is to render an opinion on the State of Minnesota's financial statements, which will be included in the *Comprehensive Annual Financial Report*, prepared by the Department of Management and Budget. The work in your department also supports our audit opinions on the financial statements of the three state retirement systems: Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association. This is not a comprehensive audit of the Minnesota State Board of Investment.

In planning and performing this audit, we considered SBI's internal control system to determine the audit procedures that are appropriate. We gained an understanding, but did not test SBI's internal controls. As part of this audit, we also reviewed certain investment related financial activity presented in the financial statements and notes to the financial statements for the State of Minnesota and the three state retirement systems. This activity includes, but is not limited to, investment balances, investment fees, and securities lending.

On December 13, 2019, we issued an unqualified (clean) opinion on the State of Minnesota's *Comprehensive Annual Financial Report* for the fiscal year ended June 30, 2019. In addition, we issued an unqualified (clean) opinion on the financial statements of each of the three state retirement systems. We also provided the state and three state retirement systems with a report on the Internal Control over Financial Reporting. For the fiscal year ending June 30, 2019, we had no written findings or recommendations directed toward the Minnesota State Board of Investment in the report to the Department of Management and Budget and to the pension plans.

We appreciate the cooperation and assistance provided by the staff and administration of the State Board of Investment throughout our audit process.

Sincerely,

A handwritten signature in cursive script that reads "Tracy Gebhard".

Tracy Gebhard, CPA  
Audit Director

Cc: Paul Anderson, Director Financial Services & Operations