

STATE OF CONNECTICUT



**AUDITORS' REPORT
STADIUM AT RENTSCHLER FIELD
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

Table Of Contents

INTRODUCTION	1
INDEPENDENT AUDITORS' REPORT	1
STATEMENT OF NET ASSETS	3
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS.....	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL.....	13
CONCLUSION	15

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

ROBERT M. WARD

July 23, 2014

INDEPENDENT AUDITORS' REPORT STADIUM AT RENTSCHLER FIELD FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Secretary Benjamin Barnes
State of Connecticut
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

We have audited the accompanying financial statements of the Stadium at Rentschler Field (Stadium), as of June 30, 2012, and the fiscal year then ended. These financial statements are the responsibility of the State of Connecticut's Office of Policy and Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Stadium are intended to present the financial position and the respective changes in financial position and cash flows that are attributable to the transactions of the Stadium. They do not purport to, and do not present fairly, the financial position of the state as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformance with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stadium as of June 30, 2012, and the respective changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2014 on our consideration of the Stadium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

July 23, 2014
State Capitol
Hartford, Connecticut

RENTSCHLER FIELD
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012
(See accompanying notes to the financial statements)

	Stadium Facility Enterprise Fund	Operating Accounts	Total
	\$	\$	\$
ASSETS			
Current Assets			
Cash and equivalents	163,851	311,632	475,483
Restricted cash	-	307,522	307,522
Accounts receivable, net	78	47,219	47,297
Prepaid expenses	-	763	763
Total Current Assets	<u>163,929</u>	<u>667,136</u>	<u>831,065</u>
Capital Assets			
Building additions and improvements	76,093,065	-	76,093,065
Stadium equipment	2,826,255	-	2,826,255
Less accumulated depreciation	<u>(19,555,923)</u>	<u>-</u>	<u>(19,555,923)</u>
Total Capital Assets	<u>59,363,397</u>	<u>-</u>	<u>59,363,397</u>
Total Assets	<u>\$ 59,527,326</u>	<u>\$ 667,136</u>	<u>\$ 60,194,462</u>
LIABILITIES			
Current Liabilities			
Accrued expenses	-	148,844	148,844
Due to operations manager	-	553,928	553,928
Deferred revenues	-	49,142	49,142
Admissions tax payable	<u>-</u>	<u>2,230</u>	<u>2,230</u>
Total Current Liabilities	<u>-</u>	<u>754,144</u>	<u>754,144</u>
NET ASSETS			
Invested in capital assets	59,363,397	-	59,363,397
Capital Contributions	-	-	-
Unrestricted (Deficit)	<u>163,929</u>	<u>(87,008)</u>	<u>76,921</u>
Total Net Assets	<u>\$ 59,527,326</u>	<u>\$ (87,008)</u>	<u>\$ 59,440,318</u>
Total Liabilities and Net Assets	<u>\$ 59,527,326</u>	<u>\$ 667,136</u>	<u>\$ 60,194,462</u>

RENTSCHLER FIELD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
AS OF JUNE 30, 2012
(See accompanying notes to the financial statements)

	Stadium Facility Enterprise Fund	Operating Accounts	Total
	\$	\$	\$
OPERATING REVENUES			
Event operations	-	2,027,949	2,027,949
Expense reimbursement	-	644,563	644,563
Parking	-	751,214	751,214
Liquor/beer income	-	538,694	538,694
Food operations	-	520,846	520,846
Signage and sponsorship	-	141,876	141,876
Other revenue	-	102,590	102,590
Total Operating Revenues	-	4,727,732	4,727,732
OPERATING EXPENSES			
Event operations	-	1,404,591	1,404,591
Facility	8,394	552,481	560,875
Parking	-	352,376	352,376
Administrative	-	2,433,298	2,433,298
Management/Incentive fee	114,660	152,247	266,907
Depreciation expense	2,239,408	-	2,239,408
Total Operating Expenses	2,362,462	4,894,993	7,257,455
OPERATING INCOME (LOSS)	(2,362,462)	(167,261)	(2,529,723)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	393	-	393
Other income (expense)	128,873	-	128,873
Net Nonoperating Revenues (Expenses)	129,266	-	129,266
OTHER NONOPERATING ACTIVITIES (USES)			
Transfer in (out) – Capital	1,471,784	(151,737)	1,320,047
Transfer in (out)	(163,940)	163,940	-
Net Other Nonoperating Activities (Uses)	1,307,844	12,203	1,320,047
CHANGE IN NET ASSETS	(925,352)	(155,058)	(1,080,410)
NET ASSETS, Beginning of year	60,452,678	68,050	60,520,728
NET ASSETS, End of year	\$ 59,527,326	\$ (87,008)	\$ 59,440,318

RENTSCHLER FIELD
STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2012
(See accompanying notes to the financial statements)

	Stadium Facility Enterprise Fund	Operating Accounts	Total
CASH FLOWS FROM OPERATING ACTIVITIES	\$	\$	\$
Received from customers and concessionaires	149	4,984,103	4,984,252
Payments to vendors and suppliers	(123,054)	(4,778,493)	(4,901,547)
Net Cash Provided by Operating Activities	(122,905)	205,610	(82,705)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(1,471,784)	-	(1,471,784)
Other income	128,873	-	(128,873)
Interest income	393	-	393
Net Cash Provided by (Used in) Investing Activities	(1,342,518)	-	(1,342,518)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfers in (out) – Capital	1,471,784	(151,737)	1,320,407
Transfers in (out)	(163,940)	163,940	-
Net Cash Provided by (Used in) Noncapital Financing Activities	1,307,844	12,203	1,320,407
Net increase (decrease) in cash and cash equivalents	(157,579)	217,813	60,234
CASH AND CASH EQUIVALENTS, Beginning	321,430	401,341	722,771
CASH AND CASH EQUIVALENTS, Ending	\$ 163,851	\$ 619,154	\$ 783,005
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	(2,362,462)	(167,261)	(2,529,723)
Depreciation expense	2,239,408	-	2,239,408
Changes in assets and liabilities:			
Accounts receivable	149	292,238	292,387
Prepaid expenses	-	24,552	24,522
Accrued expenses and accounts payable	-	(81,706)	(81,706)
Due to operations manager	-	173,654	173,654
Unearned revenue	-	(35,867)	(35,867)
Net Cash Provided by Operating Activities	\$ (122,905)	\$ 205,610	\$ (82,705)

**STADIUM AT RENTSCHLER FIELD
FISCAL YEAR ENDED JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Stadium at Rentschler Field (Stadium) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity - The Rentschler Field Stadium accounts are owned by the State of Connecticut and are operated by the Office of Policy and Management of the State of Connecticut (OPM). Under Chapter 588z, Sections 32-650 through 32-669 of the Connecticut General Statutes, for the purpose of operating a facility known as the Rentschler Field Stadium in East Hartford, Connecticut, the state legislature authorized OPM to (1) acquire the necessary real property for the Stadium facility site, (2) contract for professional services related to the design and construction of the Stadium, (3) coordinate the project with other state agencies and (4) provide for most facets of the Stadium's operations. The state legislature established the Stadium Facility Enterprise Fund as an enterprise fund and authorized OPM to establish revenue, operating, box office, and specific event escrow accounts as needed, thus maintaining separate accounting records for Stadium operations in accordance with the General Statutes.

OPM has entered into various contractual agreements for the management and operation of the Stadium facility. For purposes of these agreements, OPM represents the state as the owner of the Stadium. These agreements are summarized below as follows:

- The lease agreement with the University of Connecticut (UConn) grants UConn the right to use the facility for home football games or any other events, with a minimum of ten events per year. The lease agreement provides that UConn pay OPM a base rent and any other incremental operating expenses.
- The Stadium management agreement with the Bushnell Management Services, LLC (BMS), dated May 28, 2010, which is effective as of June 1, 2010, provides that BMS will manage operations of the Stadium for an initial term through June 30, 2013. BMS will receive a base management fee of \$165,000 in the initial year of the contract, which is on a state fiscal year basis, increasing annually by the percentage increase in the consumer price index. BMS is also entitled to an incentive fee of 50 percent of event gross revenues for each non-UConn event. The management agreement expired on June 30, 2013 and was not renewed by OPM
- In order to comply with Internal Revenue Service provisions, such incentive fee was capped on an annual basis at an amount equal to the base management fee, so that the incentive fee would in no event exceed 50 percent of BMS' total fee in any contract year.
- The concessions agreement with Bushnell Management Services, LLC, dated May 28, 2010, which is effective as of June 1, 2010, provides that BMS will manage concessions

**STADIUM AT RENTSCHLER FIELD
FISCAL YEAR ENDED JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

operations for an initial term through June 30, 2013. As part of this concession management agreement, BMS is entitled to 40 percent of total concession commissions, excluding concession commissions attributable to or based on the sale of alcoholic beverages, and 50 percent of net non-UConn parking revenues. The management agreement expired on June 30, 2013 and was not renewed by OPM.

In addition, under its management agreement with BMS, OPM authorized its manager to act as agent in various management agreements with third-party providers for parking facilities, concessions and catering, and certain other functions required during the course of operations.

The financial statements of the Stadium are intended to present the financial position, and the respective changes in the financial position and cash flows that are attributable to the transactions of the Stadium. They do not purport to, and do not present fairly, the financial position of the state as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformance with accounting principles generally accepted in the United States of America.

The Stadium has not presented a management's discussion and analysis (MD&A) in accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* because the focus of an MD&A is on a primary government. The State of Connecticut, the primary government, will provide an MD&A in its Comprehensive Annual Financial Report that could include analysis of the Stadium.

Measurement Focus and Basis of Accounting - The Stadium fund is an enterprise fund type. The Stadium's operations and balances are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The Stadium's financial statements are reported using the flow of financial resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Debt incurred for the acquisition of the Stadium is not reflected on the balance sheet because the State of Connecticut had not intended for the Stadium's operations to support the repayment of that debt.

The Stadium distinguishes operating revenues and expenses from non-operating items. Operating

**STADIUM AT RENTSCHLER FIELD
FISCAL YEAR ENDED JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

revenues and expenses generally result from providing services in connection with the operation of the Stadium. The principal operating revenues of the Stadium are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses and management fees. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Revenues - Revenue recognition policies are as follows:

- Event Operations - Event operations charges are principally generated from ticket sales and advertising signage. Event revenue is recognized when an event takes place. Advance ticket sales are held in deferred revenue until the time of an event.
- Facility Rent - Facility rent charges are generated from agreements with UConn and other event organizers for the use of the facility. Facility rent is recognized when an event takes place.
- Food Operations - Food operation fees are generated from various food and beverage concession agreements with third parties. Revenue is recognized based on reported concessionaire revenue.
- Parking Fees - Parking fees are generated from an agreement with a third party to operate event parking at the Stadium. Revenue is recognized at the time of an event.
- Other - All other types of revenues are recognized when earned.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the Stadium applies all GASB pronouncements and all Financial Accounting Standards Board Statements, interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements.

The Stadium's major fund consists of the Stadium Facility Enterprise Fund, which is comprised of a civil list fund of the same name, as well as other accounts described below and aggregated in the financial statements under the heading Operating Accounts:

Stadium Facility Enterprise Fund - The Stadium Enterprise Fund (an enterprise fund) consists of income generated by the Stadium to be used for maintenance and capital improvements for the Stadium.

**STADIUM AT RENTSCHLER FIELD
FISCAL YEAR ENDED JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Box Office Account - All amounts received as payment for tickets or admissions to events, including ticket surcharge revenues, are recorded in the Box Office Account.

Operating Account - The administrative functions of the Stadium are accounted for in the Operating Account. All unrestricted resources, except those required to be accounted for in another account, are accounted for in this account. The Operating Account, in accordance with Connecticut General Statutes, is allowed to maintain a balance of no more than three months of operating revenue with the excess funds to be transferred to the Stadium Facility Enterprise Fund.

Cash Equivalents - The Stadium considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable – The Stadium records trade accounts receivable at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts to reflect any loss anticipated on the accounts receivable. The allowance is based on the level of past-due accounts based on the contractual terms of the receivables and the financial condition of the Stadium's customers. Management has provided for an allowance of doubtful accounts in the amount of \$233,802.27 as of June 30, 2012.

Capital Assets - Capital assets include the Stadium itself, major building additions and improvements, and stadium equipment. Capital assets are defined by the Stadium as assets with an initial individual cost of more than \$1,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Stadium are depreciated using the straight-line method over the following estimated useful lives.

Building	40 years
Building additions and improvements	20 years
Stadium equipment	10 years

Deferred Revenues - Deferred revenues represent prepaid ticket sales and advertising revenues for future events.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial

**STADIUM AT RENTSCHLER FIELD
FISCAL YEAR ENDED JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

statements. Actual results could differ from those estimates. The allowance for doubtful accounts is such an estimate.

Income Taxes - The Stadium is exempt from state and federal income taxes.

Presentation of Sales Tax - The State of Connecticut imposes a sales and admissions tax on Stadium events and activities. With the exception of UConn events, the Stadium collects that sales and admissions tax from event attendees and remits the entire amount to the state. UConn pays the state directly for their events. The Stadium's accounting policy is to exclude the tax collected from revenues.

Deficit in Net Assets – An unrestricted net asset deficit of \$87,008 exists in the Operating Account. For the year ended June 30, 2013, an unrestricted net asset deficit existed in the Operating Account, as well.

BUDGETARY INFORMATION

Per BMS' management agreement with OPM, dated May 28 2010, after the first contract year, BMS is required to submit an annual operating budget to OPM within 120 days prior to the beginning of each contract year.

OPM is required to respond to the proposed annual budget within 30 days of receipt. OPM is then required to submit the budget to the legislature and the Office of the State Comptroller for review in accordance with Section 32-657 of the Connecticut General Statutes. However, the legislature and the Comptroller's Office are not legally required to approve the budget and accordingly, budgeted amounts are not reflected in the financial statements.

NOTE 2 – CASH DEPOSITS

Governmental Accounting Standards Board Statement No. 3 requires governmental organizations to categorize their cash deposits into three levels of risk. Category 1 includes amounts insured or collateralized with securities held by the Stadium or by its agent in the Stadium's name. Category 2 includes amounts which are collateralized with securities held by the pledging financial institution's trust department or agent in the name of the Stadium. Category 3 includes amounts that are uninsured and uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the name of the Stadium.

For purposes of this disclosure, cash deposits include bank deposits (Category 1) as defined by Governmental Accounting Standards Board Statement No.3. As of June 30, 2012, none of the

**STADIUM AT RENTSCHLER FIELD
FISCAL YEAR ENDED JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – CASH DEPOSITS (Continued)

Stadium's cash deposits were uninsured and uncollateralized. The full insurance coverage applies to all non-interest bearing accounts for the period of December 31, 2010 through December 31, 2012. The Stadium's bank accounts are non-interest bearing.

NOTE 3 -ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2012, consisted of the following:

	Stadium Facility Enterprise Fund	Operating Account	Total
	\$	\$	\$
Interest Receivable	78	-	78
Accounts Receivable	-	281,021	281,021
Allowance for Doubtful accounts	-	(233,802)	(233,802)
Total	<u>\$ 78</u>	<u>\$ 47,219</u>	<u>\$ 47,297</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the period of July 1, 2011, through June 30, 2012, is presented in the schedule below:

	Balance as of June 30, 2011	Additions	Disposals	Balance as of June 30, 2012
Buildings and improvements	\$ 74,621,281	\$1,471,784	\$ -	\$ 76,093,065
Stadium Equipment	<u>2,826,255</u>	<u>-</u>	<u>-</u>	<u>2,826,255</u>
	77,447,536	1,471,784	-	78,919,320
Less: accumulated depreciation	<u>(17,316,515)</u>	<u>(2,239,408)</u>	<u>-</u>	<u>(19,555,923)</u>
Total	<u>\$ 60,131,021</u>	<u>\$ (767,624)</u>	<u>\$ -</u>	<u>\$ 59,363,397</u>

NOTE 5 – DEFERRED REVENUE

As of June 30, 2012, the Stadium had received advance deposits in the amount of \$12,500 and deferred sponsorship revenue in the amount of \$36,000 for future events. These amounts are included as deferred revenue on the accompanying Statement of Net Assets.

**STADIUM AT RENTSCHLER FIELD
FISCAL YEAR ENDED JUNE 30, 2012
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - DUE TO OPERATIONS MANAGER

OPM was party to agreements with Bushnell Management Services, LLC (BMS), whereby BMS was responsible for the management of the Stadium's operations and catering and concession services. Pursuant to the agreement, BMS was entitled to a base management fee of \$168,300 for the year ended June 30, 2012. Additionally, BMS was entitled to an incentive management fee of 50 percent of event revenues for all events not held by UConn. The incentive management fee, due to doubtful collection of trade receivables, resulted in a loss to BMS in the amount of \$16,053.32 for the year ended June 30, 2012. This amount was netted against the base management fee, which resulted in an OPM payment of \$152,246.68 for services rendered by BMS for the year ended June 30, 2012.

NOTE 7 – OPERATING LEASES

The Stadium leases cell tower space to four entities under various lease agreements. The leases expire at various dates through November 2015 and include options to renew for an additional five year term. Rental income recognized under the lease agreements was approximately \$128,873 for the year ended June 30, 2012.

NOTE 8 – SUBSEQUENT EVENTS

Pursuant to Public Act 12-147, OPM entered into a memorandum of understanding with the Capital Regional Development Authority (CRDA), a quasi-public agency of the State of Connecticut. Per the agreement, OPM delegated and assigned to CRDA custody and control of, and the right to operate, the stadium facility, including the right to enter into agreements related to the operations of the stadium facility. The effective date of the agreement is July 1, 2013, which expires on June 30, 2023. As part of the agreement, OPM retains ownership of the stadium and other capital assets located at the stadium or used in its operations, the right to amend, declare default under or terminate certain agreements, and the administration of the Stadium Facility Enterprise Fund. The agreement does not provide for any fees or compensation to CRDA for such services.

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

ROBERT M. WARD

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Secretary Benjamin Barnes
State of Connecticut
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

We have audited the financial statements of each major fund of the Stadium at Rentschler Field (Stadium) as of June 30, 2012, and for the year then ended, and have issued our report thereon dated July 23, 2014. We conducted our audit in accordance with 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 Control Over Financial Reporting

In planning and performing our audit, we considered the Stadium's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stadium's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Stadium's internal control over financial reporting.

A *deficiency in internal control* 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Stadium's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of the Stadium and the State of Connecticut. However, this report is a matter of public record and its distribution is not limited.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

July 23, 2014
State Capitol
Hartford, Connecticut

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies shown to our representatives during the course of our audit. The assistance and cooperation extended to them by the personnel of The Bushnell Management Services, LLC, and the Capital Region Development Authority and the representatives of Office of Policy and Management greatly facilitated the conduct of this examination.



John Harrison
Auditor II

Approved:



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts