

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

**REPORT ON ACTUAL HOPE VI
COST CERTIFICATE**

**MINNEAPOLIS PUBLIC HOUSING AUTHORITY
MINNEAPOLIS, MINNESOTA**

DECEMBER 15, 2009

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 160 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 730 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

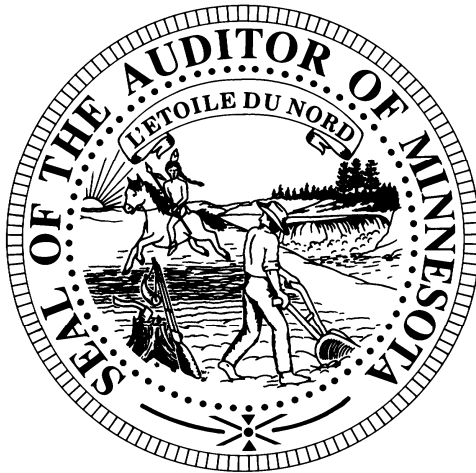
The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**MINNEAPOLIS PUBLIC HOUSING AUTHORITY
MINNEAPOLIS, MINNESOTA**

December 15, 2009



**Report on Actual HOPE VI Cost Certificate
HUD Grant Number MN46URD002I102**

**Audit Practice Division
Office of the State Auditor
State of Minnesota**

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**MINNEAPOLIS PUBLIC HOUSING AUTHORITY
MINNEAPOLIS, MINNESOTA**

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Minneapolis Public Housing Authority

We have audited the annual basic financial statements of the Minneapolis Public Housing Authority (MPHA) as of and for each of the years ended September 30, 2003 through 2008, and have issued our reports thereon dated April 2, 2004, March 15, 2005, March 28, 2006, May 23, 2007, June 13, 2008, and June 24, 2009. The financial statements are the responsibility of the MPHA's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted each of our audits 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 audits provide a reasonable basis for our opinions.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of the MPHA for each of the years ended September 30, 2003 through 2008. The accompanying Actual HOPE VI Cost Certificate is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development (HUD) and is not a required part of the basic financial statements. Information on the Actual HOPE VI Cost Certificate has been subjected to the auditing procedures applied in the annual audits of the basic financial statements for each of the years ended September 30, 2003 through 2008, and, in our opinion, is fairly stated in all material respects in relation to those basic financial statements taken as a whole.

The accompanying Summary of Auditor's Results and Schedule of Expenditures of Federal HOPE VI Awards are also presented for purposes of additional analysis. Such information has been subjected to or is a by-product of the auditing procedures applied in the annual audits of the basic financial statements of the MPHA for each of the years ended September 30, 2003 through 2008.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the MPHA, and HUD and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

December 15, 2009

ACTUAL HOPE VI COST CERTIFICATE

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**Actual HOPE VI
Cost Certificate**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0208
(exp. 4/30/2008)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the HOPE VI grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by the HOPE VI Grant Agreement. The information requested does not lend itself to confidentiality.

Grantee Name Minneapolis Public Housing Authority	HOPE VI Grant Number MN46URD0021102
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The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

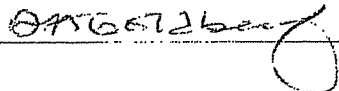
1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

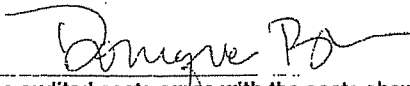
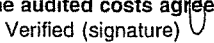
A. Original Funds Approved	\$	14,193,604
B. Funds Disbursed	\$	14,193,604
C. Funds Expended (Actual Program Cost)	\$	13,688,790
D. Amount to be Recaptured (A-C)	\$	504,814
E. Excess of Funds Disbursed (B-C)	\$	

- That all work in connection with the HOPE VI Grant has been completed;
- That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;
- That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program work; and
- That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

FOR

Signature of Executive Director  Date (mm/dd/yyyy) 12/23/08

For HUD Use Only	The Cost Certificate is approved for audit (signature of approving official) 	Date (mm/dd/yyyy) 1/30/09
	The audited costs agree with the costs shown above Verified (signature) 	Date (mm/dd/yyyy)
	Approved (signature)	Date (mm/dd/yyyy)

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**MINNEAPOLIS PUBLIC HOUSING AUTHORITY
MINNEAPOLIS, MINNESOTA**

**SUMMARY OF AUDITOR'S RESULTS
FOR THE YEARS ENDED SEPTEMBER 30, 2003 THROUGH 2008**

- A. Our reports for each year expressed an unqualified opinion on the basic financial statements of the Minneapolis Public Housing Authority (MPHA).
- B. For each year except 2007, no deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements of the MPHA. The deficiencies disclosed in 2007 were reported in the "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*." A significant deficiency noted in 2007 related to journal entries was a material weakness. All the significant deficiencies noted in 2007 were resolved in 2008.
- C. No instances of noncompliance material to the financial statements of the MPHA were disclosed during the audits.
- D. We performed single audits of the MPHA in accordance with OMB Circular A-133 each year.
- E. The HOPE VI grant was audited as a major program for the years ended September 30, 2005 and 2008.
- F. No matters involving internal control over compliance relating to the audit of the HOPE VI program were reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133."
- G. The Auditor's Reports on Compliance for the major federal award programs for the MPHA expressed an unqualified opinion each year.
- H. No findings related to the HOPE VI program were disclosed that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- I. The threshold for distinguishing between Types A and B programs for each year was determined in accordance with Section 520 of OMB Circular A-133.

- J. The MPHA was not determined to be a low-risk auditee each year.
- K. A complete copy of the MPHA's audited financial statements and management letters are available at:

<http://www.auditor.state.mn.us/list.aspx?type=afs>

**MINNEAPOLIS PUBLIC HOUSING AUTHORITY
MINNEAPOLIS, MINNESOTA**

**SCHEDULE OF EXPENDITURES OF FEDERAL HOPE VI AWARDS
FOR THE YEARS ENDED SEPTEMBER 30, 2003 THROUGH 2008**

Federal Grantor Pass-Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development		
Direct Funding		
Revitalization of Severely Distressed Public Housing	14.866	
FYE 9/30/2003		\$ 15,676
FYE 9/30/2004		875,735
FYE 9/30/2005		6,774,317
FYE 9/30/2006		3,841,711
FYE 9/30/2007		112,936
FYE 9/30/2008		<u>2,573,229</u>
Total CFDA #14.866		<u>\$ 14,193,604</u>

Notes to Schedule of Expenditures of Federal HOPE VI Awards

The expenditures on this schedule were originally reported on the Minneapolis Public Housing Authority's Schedule of Expenditures of Federal Awards (all programs) for the years ended September 30, 2003 through 2008. These amounts are in agreement with the accompanying Actual HOPE VI Cost Certificate.