

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

YEAR ENDED DECEMBER 31, 2006

Description of the Office of the State Auditor

The mission of the State Auditor's Office 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.

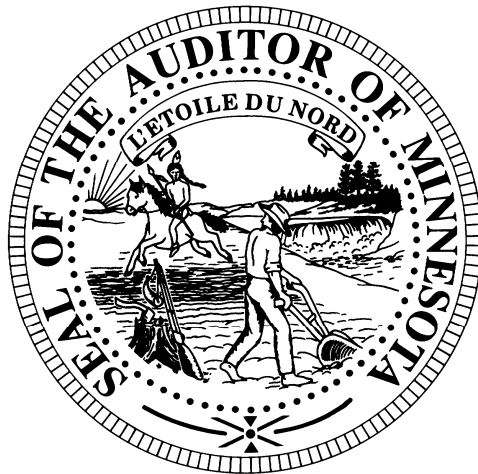
The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

Year Ended December 31, 2006



Financial Data Schedule

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

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**METROPOLITAN COUNCIL
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SAINT PAUL, MINNESOTA**

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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT

Metropolitan Council of the Twin Cities Area
Saint Paul, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Metropolitan Council, a component unit of the State of Minnesota, as of and for the year ended December 31, 2006, and have issued our report thereon dated June 26, 2007. The financial statements are the responsibility of the Metropolitan Council's management. Our responsibility is to express opinions on the financial statements based on our audit. We did not audit the financial statements of the Metropolitan Sports Facilities Commission component unit as of and for the year ended December 31, 2006. Those financial statements were audited by other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Metropolitan Council. The accompanying Financial Data Schedule is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC), and is not a required part of the basic financial statements. Information on the Financial Data Schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management and members of the Metropolitan Council and HUD REAC 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

June 26, 2007

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**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006**

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
<u>Assets</u>				
Current Assets				
Cash				
111	Cash - unrestricted	5,293,861	43,940	-
112	Cash - restricted - modernization and development	-	-	-
113	Cash - other restricted	-	-	-
114	Cash - tenant security deposits	-	-	-
115	Cash - restricted for payment of current liability	-	-	-
100	Total cash	5,293,861	43,940	-
Receivables				
121	Accounts receivable - PHA projects	149,388	-	-
122	Accounts receivable - HUD other projects	-	15,358	-
124	Accounts receivable - other government	-	-	-
125	Accounts receivable - miscellaneous	87,139	-	-
126	Accounts receivable - tenants - dwelling rents	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-
128	Fraud recovery	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-
129	Accrued interest receivable	82,842	652	-
120	Total receivables, net of allowances for doubtful accounts	319,369	16,010	-
131	Investments - unrestricted	-	-	-
132	Investments - restricted	-	-	-
135	Investments - restricted for payment of current liabilities	-	-	-
142	Prepaid expenses and other assets	-	-	-
143	Inventories	-	-	-
143.1	Allowance for obsolete inventories	-	-	-
144	Interprogram - due from	-	-	-
145	Assets held for sale	-	-	-
146	Amounts to be provided	-	-	-
150	Total current assets	5,613,230	59,950	-
Noncurrent Assets				
Fixed assets				
161	Land	-	-	480,000
162	Buildings	-	-	-
163	Furniture, equipment, and machinery - dwellings	-	-	-
164	Furniture, equipment, and machinery - administration	-	-	-
165	Leasehold improvements	-	-	-
166	Accumulated depreciation	-	-	-
167	Construction in progress	-	-	-
168	Infrastructure	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	-	480,000

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
25,141	-	1,349,414	895,668	7,972	7,615,996
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,141	-	1,349,414	895,668	7,972	7,615,996
-	-	-	-	-	149,388
217,379	-	-	-	-	232,737
-	-	-	462,320	19,500	481,820
-	-	-	-	-	87,139
-	-	13,264	-	-	13,264
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	18,938	12,851	-	115,283
217,379	-	32,202	475,171	19,500	1,079,631
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,139	264,763	-	277,902
-	-	-	-	-	-
-	-	-	-	-	-
242,520	-	1,394,755	1,635,602	27,472	8,973,529
-	-	5,925,831	-	-	6,405,831
-	-	21,366,752	-	-	21,366,752
-	-	-	-	-	-
-	-	99,998	-	-	99,998
-	-	-	-	-	-
-	-	(4,272,744)	-	-	(4,272,744)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	23,119,837	-	-	23,599,837

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006**

(Continued)

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
<u>Assets</u>				
(Continued)				
Other Noncurrent Assets				
171	Notes and mortgages receivable - noncurrent	-	-	-
172	Notes and mortgages receivable - noncurrent - past due	-	-	-
173	Grants receivable - noncurrent	-	-	-
174	Other assets	-	-	-
176	Investments in joint ventures	-	-	-
180	Total noncurrent assets	-	-	480,000
190	Total Assets	5,613,230	59,950	480,000
<u>Liabilities and Equity</u>				
Liabilities				
Current liabilities				
311	Bank overdraft	-	-	-
312	Accounts payable < 90 days	447,986	-	-
313	Accounts payable > 90 days past due	-	-	-
321	Accrued wage/payroll taxes payable	-	-	-
322	Accrued compensated absences - current portion	-	-	-
324	Accrued contingency liability	-	-	-
325	Accrued interest payable	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-
332	Accounts payable - PHA projects	-	-	-
333	Accounts payable - other government	-	22,355	-
341	Tenant security deposits	-	-	-
342	Deferred revenues	-	46	-
343	Current portion of long-term debt - capital projects/ mortgage revenue bonds	-	-	-
344	Current portion of long-term debt - operating borrowings	-	-	-
345	Other current liabilities	-	-	-
346	Accrued liabilities - other	-	-	-
347	Interprogram - due to	-	-	-
348	Loan liability - current	-	-	-
310	Total current liabilities	447,986	22,401	-
Noncurrent liabilities				
351	Long-term debt, net of current - capital projects/ mortgage revenue bonds	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-
353	Noncurrent liabilities - other	-	-	-
354	Accrued compensated absences - noncurrent	-	-	-
355	Loan liability - noncurrent	-	-	-
350	Total noncurrent liabilities	-	-	-
300	Total Liabilities	447,986	22,401	-

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	23,119,837	-	-	23,599,837
242,520	-	24,514,592	1,635,602	27,472	32,573,366
-	-	-	-	-	-
761	-	85,299	253,512	-	787,558
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	22,355
-	-	-	39,217	-	39,263
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
238,393	-	13,139	-	26,370	277,902
-	-	-	-	-	-
239,154	-	98,438	292,729	26,370	1,127,078
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,405,000	-	-	1,405,000
-	-	1,405,000	-	-	1,405,000
239,154	-	1,503,438	292,729	26,370	2,532,078

**METROPOLITAN COUNCIL
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**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006**

(Continued)

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
<u>Liabilities and Equity</u> (Continued)				
Equity				
501	Investment in general fixed assets	-	-	-
Contributed capital				
502	Project notes (HUD)	-	-	-
503	Long-term debt - HUD guaranteed	-	-	-
504	Net HUD PHA contributions	-	-	-
505	Other HUD contributions	-	-	-
507	Other contributions	-	-	-
508	Total contributed capital	-	-	-
508.1	Invested in capital assets, net of related debt	-	-	480,000
Reserved fund balance				
509	Fund balance reserved for encumbrances/ designated fund balance	-	-	-
510	Fund balance reserved for capital activities	-	-	-
511	Total reserved fund balance	-	-	-
511.1	Restricted net assets	-	-	-
512	Undesignated fund balance/retained earnings	-	-	-
512.1	Unrestricted net assets	5,165,244	37,549	-
513	Total Equity/Net Assets	5,165,244	37,549	480,000
600	Total Liabilities and Equity/Net Assets	5,613,230	59,950	480,000
Revenue				
703	Net tenant rental revenue	-	-	-
704	Tenant revenue - other	-	-	-
705	Total tenant revenue	-	-	-
706	HUD PHA operating grants	49,906,195	1,453,872	-
706.1	Capital grants	-	-	-
708	Other government grants	-	-	-
711	Investment income - unrestricted	144,243	8,285	-
712	Mortgage interest income	-	-	-
713	Proceeds from disposition of assets held for sale	-	-	-
713.1	Cost of sale of assets	-	-	-
714	Fraud recovery	-	-	-
715	Other revenue	321,526	-	-
716	Gain or loss on the sale of fixed assets	-	-	-
720	Investment income - restricted	-	-	-
700	Total Revenue	50,371,964	1,462,157	-

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	21,714,837	-	-	22,194,837
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,366	-	1,296,317	1,342,873	1,102	7,846,451
3,366	-	23,011,154	1,342,873	1,102	30,041,288
242,520	-	24,514,592	1,635,602	27,472	32,573,366
-	-	434,440	-	-	434,440
-	-	-	-	-	-
-	-	434,440	-	-	434,440
363,411	169,356	273,731	-	-	52,166,565
-	-	-	-	-	-
-	-	307,991	3,294,038	691,626	4,293,655
-	-	104,996	95,015	-	352,539
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	38,390	4,179	-	364,095
-	-	-	-	-	-
-	-	-	-	-	-
363,411	169,356	1,159,548	3,393,232	691,626	57,611,294

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006**

(Continued)

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
Expenses				
Administrative				
911	Administrative salaries	1,259,743	68,412	-
912	Auditing fees	6,553	-	-
913	Outside management fees	926,316	-	-
914	Compensated absences	-	-	-
915	Employee benefit contributions - administrative	-	-	-
916	Other operating - administrative	1,529,369	78,530	-
Tenant services				
921	Tenant services - salaries	-	-	-
922	Relocation costs	-	-	-
923	Employee benefit contributions - tenant services	-	-	-
924	Tenant services - other	-	-	-
Utilities				
931	Water	-	-	-
932	Electricity	-	-	-
933	Gas	-	-	-
934	Fuel	-	-	-
935	Labor	-	-	-
937	Employee benefit contributions - utilities	-	-	-
938	Other utilities expense	-	-	-
Ordinary maintenance and operation				
941	Ordinary maintenance and operations - labor	-	-	-
942	Ordinary maintenance and operations - materials and other	-	-	-
943	Ordinary maintenance and operations - contract costs	-	-	-
945	Employee benefit contributions - ordinary maintenance	-	-	-
Protective services				
951	Protective services - labor	-	-	-
952	Protective services - other contract costs	-	-	-
953	Protective services - other	-	-	-
955	Employee benefit contributions - protective services	-	-	-
General expenses				
961	Insurance premiums	-	-	-
962	Other general expenses	-	-	-
963	Payments in lieu of taxes	-	-	-
964	Bad debt - tenant rents	-	-	-
965	Bad debt - mortgages	-	-	-
966	Bad debt - other	-	-	-
967	Interest expense	3,080	1,287	-
968	Severance expense	-	-	-
969	Total Operating Expenses	3,725,061	148,229	-
970	Excess Operating Revenue Over Operating Expenses	46,646,903	1,313,928	-

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
23,044	-	118,364	1,161,778	14,241	2,645,582
-	-	-	-	-	6,553
-	-	151,764	-	-	1,078,080
-	-	-	-	-	-
-	-	-	-	-	-
25,810	-	24,238	(1,043,633)	16,220	630,534
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	54,268	-	-	54,268
-	-	2,699	-	-	2,699
-	-	4,507	-	-	4,507
-	-	-	-	-	-
-	-	-	-	-	-
-	-	372	186,852	-	187,224
-	-	125,478	-	-	125,478
-	-	59,945	-	-	59,945
-	-	135,178	-	-	135,178
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	41,868	-	-	41,868
-	-	178,668	-	-	178,668
-	-	41,257	-	-	41,257
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
902	-	30,932	25,785	8,992	70,978
-	-	-	-	-	-
49,756	-	969,538	330,782	39,453	5,262,819
313,655	169,356	190,010	3,062,450	652,173	52,348,475

**METROPOLITAN COUNCIL
HOUSING AND REDEVELOPMENT AUTHORITY
SAINT PAUL, MINNESOTA**

**FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2006**

(Continued)

Line Item #	Account Description	Section 8 Housing Choice Voucher Program	HUD Shelter Plus Care	Community Development Block Grant
971	Extraordinary maintenance	-	-	-
972	Casualty losses - noncapitalized	-	-	-
973	Housing assistance payments	44,476,197	1,404,699	-
974	Depreciation expense	-	-	-
975	Fraud losses	-	-	-
976	Capital outlays - governmental funds	-	-	-
977	Debt principal payment - governmental funds	-	-	-
978	Dwelling units rent expense	-	-	-
900	Total Expenses	48,201,258	1,552,928	-
	Other Financing Sources (Uses)			
1001	Operating transfers in	-	-	-
1002	Operating transfers out	-	-	-
1003	Operating transfers from/to primary government	-	-	-
1004	Operating transfers from/to component unit	-	-	-
1005	Proceeds from notes, loans, and bonds	-	-	-
1006	Proceeds from property sales	-	-	-
1007	Extraordinary items, net gain/loss	-	-	-
1008	Special items, net gain/loss	-	-	-
1010	Total Other Financing Sources (Uses)	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	2,170,706	(90,771)	-
	Memo account information			
1101	Capital outlays - enterprise funds	-	-	-
1102	Debt principal payments - enterprise funds	-	-	-
1103	Beginning equity	2,994,538	128,320	480,000
1104	Prior period adjustments, equity transfers, and correction of errors	-	-	-
1105	Changes in compensated absence balance	-	-	-
1106	Changes in contingent liability balance	-	-	-
1107	Changes in unrecognized pension transition liability	-	-	-
1108	Changes in special term/severance benefits liability	-	-	-
1109	Changes in allowance for doubtful accounts - dwelling rents	-	-	-
1110	Changes in allowance for doubtful accounts - other	-	-	-
1112	Depreciation "add back"	-	-	-
1113	Maximum annual contributions commitment (Per ACC)	49,913,226	-	-
1114	Pro rata maximum annual contributions applicable to a period of less than 12 months	-	-	-
1115	Contingency reserve, ACC program reserve	-	-	-
1116	Total annual contributions available	49,913,226	-	-
1120	Unit months available	70,606	2,688	-
1121	Number of unit months leased	70,245	2,368	-
1117	Administrative fee equity	2,825,462	-	-
1118	Housing assistance payments equity	2,339,782	-	-
	Equity Roll-Forward Check	5,165,244	37,549	480,000

Housing Opportunities for Persons With AIDS	Public Housing Capital Fund Program	Low Rent Public Housing	State/Local Programs	Other Federal Programs	Total
-	-	417,391	-	-	417,391
-	-	-	-	-	-
349,129	-	-	2,953,913	659,453	49,843,391
-	-	1,072,925	-	-	1,072,925
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
398,885	-	2,459,854	3,284,695	698,906	56,596,526
20,000	-	169,356	-	7,000	196,356
-	(169,356)	-	(27,000)	-	(196,356)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,000	(169,356)	169,356	(27,000)	7,000	-
(15,474)	-	(1,130,950)	81,537	(280)	1,014,768
-	-	-	-	-	-
-	-	-	-	-	-
18,840	-	24,142,104	1,261,336	1,382	29,026,520
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	49,913,226
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	49,913,226
601	-	1,800	7,145	752	83,592
552	-	1,724	5,632	752	81,273
-	-	-	-	-	2,825,462
-	-	-	-	-	2,339,782
3,366	-	23,011,154	1,342,873	1,102	30,041,288