

# Minneapolis City Government Is this What You Want?

Before I entered the race for Board of Estimate & Taxation (BET) I assumed, like probably 90% of Minneapolis residents, that city's financial statements were in good shape. After reading State Auditor Rebecca Otto and the BET auditor's reports, I realized the city has significant problems with its financial statements. The risk of people stealing or embezzling is much higher than it should be and higher than I find acceptable. Hennepin County has 10 auditors, but Minneapolis only has one which is far from adequate for a city the size of Minneapolis.

## **Below are some of the findings from the State Auditor's report:**

In 2007 and again in 2008, the auditors found that some city staff are able to create employees, add hours to pay lines, etc. without approval.

City staff could not provide information for Highway Program CFDA #20.205. This information had to be obtained from MNDOT for grant agreements and amounts reimbursed.

Some of the December 31, 2008 bank reconciliations were not completed until May 2009.

Federal Transit Capital Investment Grants Program (CFDA #20.500) not was included in the city's estimated federal awards.

Gas credit cards were assigned to departments but some departments had no knowledge of the cards. City staff said it was cheaper to let people steal gasoline that to install a bar code system.

Buried in the audit of the Impound Lot is the information that up until 2006 or 2007, Minneapolis was auctioning off vehicles with drugs and guns in them because city employees did not check the vehicles before they were sold.

## **The State Auditors proposed the following significant adjustments to the city's financial statements in order to correct the discrepancies it found:**

Depreciation needed be corrected in amounts ranging from **\$1.5 million to \$3.9 million** because the city staff did not test the new general ledger software sufficiently to verify that depreciation was being calculated correctly for virtually all accounts.

Intergovernmental receivable and related deferred revenue were **increased** in the Permanent Improvement Fund by **\$15,592,079** for unspent State Aid Allotment and **\$2,771,746** for a federal grant.

Read the complete State Auditor's report at

[http://www.ci.minneapolis.mn.us/council/2009-meetings/20090918/Docs/2008StateAudit\\_RPT.pdf](http://www.ci.minneapolis.mn.us/council/2009-meetings/20090918/Docs/2008StateAudit_RPT.pdf)

Also, see the Minneapolis auditor reports at

<http://www.ci.minneapolis.mn.us/boards-and-commissions/taxation-reports.asp>