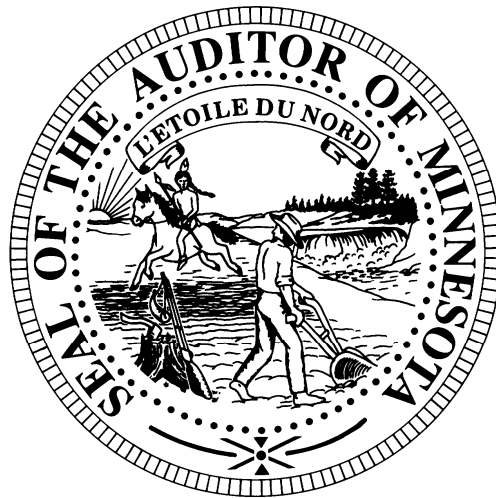


STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

WEST BANK COMMUNITY COALITION
MINNEAPOLIS, MINNESOTA

AGREED-UPON PROCEDURES

JANUARY 2, 2008

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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**WEST BANK COMMUNITY COALITION
MINNEAPOLIS, MINNESOTA**

January 2, 2008



Agreed-Upon Procedures

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

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INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
West Bank Community Coalition

We have performed the procedures enumerated below, which were agreed to by the West Bank Community Coalition (WBCC) and the Minneapolis Neighborhood Revitalization Program Policy Board (NRP), solely to assist you with respect to ensuring adequate accounting procedures and other practices are being followed to account for and report on the use of NRP funding being provided to the WBCC. These procedures were applied to the WBCC's records as of January 2, 2008. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the WBCC and the NRP. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. Procedure

Determine if the WBCC is current with required filings (Attorney General, Secretary of State, and Internal Revenue Service).

Findings

Filings for the above items were found to be current.

PREVIOUSLY REPORTED ITEMS RESOLVED

Articles of Incorporation (01-1)

Our previous report noted that the WBCC's articles of incorporation on hand did not contain the updated version. We recommended that the Secretary of State be contacted to request a current copy of the document.

Resolution

Our current review found that the WBCC's articles of incorporation were up to date.

No Evidence of Registration (01-2)

Our previous report noted that the WBCC could not provide us with documentation to indicate that its annual registration with the Attorney General's Office had been completed and delivered.

Resolution

Our current review found that the WBCC was current with its registration to the Attorney General's Office.

2. Procedure

Determine if the WBCC has written policies and procedures for financial operations (receipting, disbursing, purchasing, personnel, conflict of interest policy, etc.).

Findings

PREVIOUSLY REPORTED ITEM RESOLVED

Accounting Policies and Procedures (99-10)

Previous reports indicated that information provided to auditors regarding the WBCC's accounting policies and procedures was limited to a checklist of monthly tasks to be performed and copies of forms to be used for financial transactions. We recommended that the WBCC develop written policies and procedures for its financial activities and that they be adopted by the Board.

Resolution

We found that the WBCC now has written policies and procedures and that they were adopted by the Board.

3. Procedure

Determine if the procedures the WBCC has in place over cash accounts, payroll, receipts, and disbursements are adequate for its operation.

Findings

PREVIOUSLY REPORTED ITEMS NOT RESOLVED

99-2 Segregation of Duties

Due to the limited number of office personnel within the WBCC, segregation of the accounting functions necessary to ensure adequate internal control is not possible. This is not unusual in operations the size of the WBCC; however, management should constantly be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an accounting point of view.

Client's Response:

We are aware that with limited office personnel it is impossible to have complete segregation of duties. We are aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from an accounting point of view.

01-4 Bank Reconciliations

Our previous report noted that bank reconciliations were not initialed and dated by the preparer, nor were the reconciliations reviewed by a Board member. Our current review found that the reconciliations for the year were not always prepared on a timely basis. We also found that the reconciliations were still not signed off by a Board member as being reviewed.

We recommend that bank reconciliations be prepared on a timely basis, preferably within two weeks of receiving the bank statements. We also recommend that the reconciliations be initialed and dated by a Board member indicating their review.

Client's Response:

- *Since we were made aware of this at the engagement meeting, the officers have instituted a practice of preparing bank reconciliations prior to the middle of the following month. The reconciliations are initialed and dated by the preparer and a Board member.*

- *The WBCC has one laptop computer that is used for note-taking at meetings and for financial recordkeeping. The computer is generally kept in the care of the secretary and is loaned to the person who will prepare the bank reconciliations when necessary. Due to conflicts in people's schedules and the need to have the computer at meetings, it is occasionally difficult to complete the bank reconciliations by the middle of the month.*

ITEM ARISING THIS YEAR

07-1 Monitoring Leave Time

During our review of payroll activities, we found no regular review of leave time earned and taken. Leave time records should be reviewed by a Board member to ensure compliance with WBCC policies.

We recommend that leave time records be reviewed by a Board member on a regular basis, at least quarterly.

Client's Response:

Since we were made aware of this at the engagement meeting, there is now regular Board review of the leave time balances.

PREVIOUSLY REPORTED ITEM RESOLVED

Cancellation of Invoices (99-5)

Our previous report noted inconsistencies in the manner by which supporting documentation was canceled. We recommended that vendor invoices and other bills be marked with the check number and date paid to indicate they have been paid.

Resolution

We found that source documents were being marked with the check number and date paid.

4. Procedure

Determine if the WBCC has procedures in place to account for donations, fixed assets, and long-term obligations.

Findings

Donations are accounted for through the WBCC's general ledger. Amounts viewed were not significant. The appropriate fixed asset information is maintained on a schedule, which we viewed. The WBCC had no long-term obligations.

PREVIOUSLY REPORTED ITEM RESOLVED

Fixed Asset Capitalization Policy (99-9)

Our previous report recommended that the WBCC adopt a fixed asset capitalization policy.

Resolution

We found that the WBCC Board had adopted a fixed asset capitalization policy.

5. Procedure

Determine if accounting records support the NRP amounts requested for reimbursement.

Findings

The accounting records appeared to support amounts requested for reimbursement. A process was in place to request reimbursement of NRP funding on a regular basis.

6. Procedure

Follow up on previous year's report findings, if applicable.

Findings

PREVIOUSLY REPORTED ITEM NOT RESOLVED

99-11 Signing of Board Minutes

Previous reports have noted that Board minutes were not signed by the preparer or Board member. Our current review found no change in this condition. Board minutes should be signed after they are approved at each meeting to show that they are the correct and complete record of business conducted at that meeting.

We again recommend that minutes be signed and dated by the preparer and by a delegated member of the Board upon adoption of the minutes by the Board.

Client's Response:

- *Since we were made aware of this at the engagement meeting, the officers have begun having Board minutes signed by the preparer and a Board Member after they are approved at the Board meeting.*
- *When there are amendments to the draft minutes at the Board meeting, a hard copy of the approved minutes may be signed at the following executive committee meeting if the preparer and secretary have not had an occasion to meet prior.*

PREVIOUSLY REPORTED ITEM RESOLVED

General Liability Insurance (01-3)

Our previous report noted that the WBCC was unable to provide evidence that its general liability insurance was current. We recommended that the WBCC contact its insurance company to determine the status of its insurance coverage.

Resolution

We found that the WBCC had documentation on hand to indicate its general liability insurance was current.

* * * * *

We were not engaged to and did not perform an audit of the WBCC's financial statements, the objective of which would be the expression of an opinion on those financial statements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the West Bank Community Coalition and the Minneapolis Neighborhood Revitalization Program Policy Board 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

January 2, 2008