

09 - 1190

DATE: February 13, 2009

TO: The Honorable Karen Clark
State Representative
471 State Office Building

The Honorable David Tomassoni
State Senator
317 Capitol Building

FROM: Daniel M. Bartholomay
Commissioner

RE: 2008 Operating Costs Report

I am submitting the attached Operating Costs Report For FY 2008 and Budget Plan For FY 2009 for the Minnesota Housing Finance Agency (MHFA), pursuant to Minn. Stat. § 462A.20, subd. 2a.

Also enclosed is the Agency's 2008 Financial Report, which includes the audited financial statements for all of the Agency's funds. An independent certified public accounting firm audits the Agency's financial statements every year. The procedures used to audit the Agency's administrative expenses are primarily analytical in nature. For the larger individual amounts included in the salaries and benefits and other general operating expense lines, comparisons are made to the prior year. Large fluctuations, if any, are identified, reviewed and assessed for reasonableness. The total amount of payroll is consistent with the Agency's payroll records. The 2008 Financial Report fulfills the statutory requirement that the financial statement include information on expenditures and receipts relating to debt issuance and administration, and loan origination and administration.

cc: Emily Adriaens
Fiscal Analyst
328 State Office Building

Brooke Bordson,
Committee Administrator
472 State Office Bldg.

Dave Jensen
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G-17 Capitol

Cap O'Rourke,
Division Administrator
317 Capitol Building

MINNESOTA HOUSING FINANCE AGENCY
OPERATING COSTS REPORT FOR F.Y. 2008 AND BUDGET PLAN FOR F.Y. 2009
SUBMITTED PURSUANT TO M.S. 462A.20, Subd. 2a
DATED: FEBRUARY 12, 2009

(Dollars in Thousands)

	FY 2008		FY 2009				Estimated Yr over Yr Increase (Decrease) in Expendits
	Budgeted Expendits	Actual Expendits	Budgeted Expendits	Actual Expendits through 12/31/2008	Estimated Expendits for the Full Year	Under (Over) Budget	
Operating Costs							
Salaries and Benefits (NOTE A)	17,110	16,470	18,671	7,735	17,817	854	1,347
Rents and Utilities	1,172	1,188	1,262	589	1,200	62	12
Repairs, Alterations, Maintenance	86	209	46	55	75	(29)	(134)
Printing and Advertising	490	289	553	180	360	193	71
Professional/Technical Services (NOTE B)	2,910	3,071	4,015	1,448	3,700	315	629
Computer and Systems Services	476	417	525	153	553	(28)	136
Communications	215	263	231	87	200	31	(63)
Travel and Subsistence, Instate	143	158	151	75	140	11	(18)
Travel and Subsistence, Out of State	163	100	175	69	156	19	56
Supplies	436	307	478	91	425	53	118
Equipment (NOTE C)	319	369	259	10	159	100	(210)
Employee Development	144	163	244	90	230	14	67
Other Operating Costs	232	265	247	290	400	(153)	135
State Indirect Cost Billings	176	353	266	66	265	1	(88)
Attorney General Costs	400	379	379	189	379	0	0
Total, Agency Operating Costs	24,472	24,001	27,502	11,127	26,059	1,443	2,058

Assistance Provided	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Total Assistance Provided by the Agency (NOTE D)	346,020	383,016	520,956	466,806	533,983	637,314	717,616	744,983	669,756
Operating Costs as a % of Assistance Provided	4.51%	4.26%	3.50%	4.09%	3.78%	3.16%	2.96%	3.06%	3.58%

Please see next page for explanatory footnotes.