

STATE OF MINNESOTA

Office of the State Auditor



Patricia Anderson
State Auditor

**HARRISON NEIGHBORHOOD
ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

YEAR ENDED DECEMBER 31, 2004

Description of the Office of the State Auditor

The Office of the State Auditor serves as a watchdog for Minnesota taxpayers by helping to ensure financial integrity, accountability, and cost-effectiveness in local governments throughout the state.

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 250 financial and compliance audits per year and has oversight responsibilities for over 4,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits for 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 over 700 public pension funds; and

Tax Increment Financing, Investment and Finance - 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 Employee's Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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**HARRISON NEIGHBORHOOD
ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

Year Ended December 31, 2004



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

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**HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

TABLE OF CONTENTS

	<u>Reference</u>	<u>Page</u>
Introductory Section		
Organization Schedule		1
Financial Section		
Independent Auditor's Report		2
Financial Statements		
Statement of Financial Position	Exhibit 1	3
Statement of Activity	Exhibit 2	4
Statement of Functional Expenses	Exhibit 3	5
Statement of Cash Flows	Exhibit 4	7
Notes to the Financial Statements		8
 Schedule of NRP Activity	 Schedule 1	 12
Management and Compliance Section		
Schedule of Findings and Recommendations	Schedule 2	13
 Report on Internal Control Over Financial Reporting and Compliance		 18

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HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA

ORGANIZATION SCHEDULE
2004

<u>Board Members</u>	<u>Term Expires</u>
Representatives	
Joe Rowe	May 2004
Andrea Cannon	May 2004
Kathy Wetzel	May 2004
Lisa Goddard	May 2005
Sandra Virula	May 2005
Steve Jerbi	May 2005
Jean Coste	May 2005
Janice Hamilton	May 2006
Dennis Matton	May 2006
Tracy Kill	May 2006
Scott Moen	May 2005
Jim Kantorowicz	May 2005
Rosalie Gardner	May 2005
Lyle Kill	May 2006
Louis Vann	May 2005
Michael Fingerlin	May 2005
Brent Mastel	May 2006
Kelly Chatman	May 2006
Sunny Chanthanouvang	May 2005
Alternates	
Dontae Porche	May 2004
Dave Olson	May 2004
Aura Walker	May 2004
Maura Brown	May 2005
Paul Stern	May 2005
Sterling Nelson	May 2006
Lisa Mallon	May 2006
Executive Director	
Larry Hiscock	Indefinite

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PATRICIA ANDERSON
STATE AUDITOR

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harrison Neighborhood Association, Inc.

We have audited the statement of financial position of the Harrison Neighborhood Association, Inc., (HNA) (a nonprofit corporation) as of December 31, 2004, and the related statements of activity, functional expenses, and cash flows for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the HNA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the HNA as of December 31, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of NRP Activity listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the HNA. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

/s/Pat Anderson

PATRICIA ANDERSON
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

End of Fieldwork: October 6, 2005

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FINANCIAL STATEMENTS

HARRISON NEIGHBORHOOD ASSOCIATION. INC.
MINNEAPOLIS, MINNESOTA

EXHIBIT 1

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004

Assets

Current assets

Cash	\$	56,621
Grants receivable		94,555
Pledges receivable		76,794
Accounts receivable		3,621
Prepaid expenses		1,158

Total current assets \$ **232,749**

Property and equipment

Property and equipment - net of depreciation		1,920
--	--	-------

Total Assets \$ **234,669**

Liabilities and Net Assets

Current liabilities

Salaries payable	\$	3,008
Accounts payable		11,591
Deferred revenue		22,750

Total Liabilities \$ **37,349**

Net Assets

Restricted	\$	69,919
Unrestricted		127,401

Total Net Assets \$ **197,320**

Total Liabilities and Net Assets \$ **234,669**

**HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

EXHIBIT 2

**STATEMENT OF ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Unrestricted	Temporarily Restricted	Total
Public Support and Other Revenue			
Public support			
Government grants			
Hennepin County	\$ 7,299	\$ -	\$ 7,299
Minneapolis Community Planning and Economic Development (CPED)	15,829	-	15,829
Neighborhood Revitalization Program (NRP)	105,140	-	105,140
Foundations	-	10,000	10,000
Contributions			
Park Plaza	8,417	5,330	13,747
Empowerment Zone	14,189	-	14,189
Other	2,630	-	2,630
Satisfaction of time and purpose restriction	36,089	(36,089)	-
Total public support	\$ 189,593	\$ (20,759)	\$ 168,834
Other revenue			
Rent	\$ 7,200	\$ -	\$ 7,200
Interest	249	-	249
Total other revenue	\$ 7,449	\$ -	\$ 7,449
Total Public Support and Other Revenue	\$ 197,042	\$ (20,759)	\$ 176,283
Expenses			
Program services			
Hennepin County	\$ 7,299	\$ -	\$ 7,299
CPED	15,892	-	15,892
NRP	105,279	-	105,279
Foundations	36,162	-	36,162
Empowerment Zone	14,189	-	14,189
Park Plaza	8,417	-	8,417
Total program services	\$ 187,238	\$ -	\$ 187,238
Support services			
Management and general	7,794	-	7,794
Total Expenses	\$ 195,032	\$ -	\$ 195,032
Increase (Decrease) in Net Assets	2,010	(20,759)	(18,749)
Net Assets - January 1	125,391	90,678	216,069
Net Assets - December 31	\$ 127,401	\$ 69,919	\$ 197,320

**HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Hennepin County</u>	<u>Neighborhood Revitalization Program</u>	<u>Minneapolis Community Planning and Economic Development</u>
<u>Expenses</u>			
Advertising	\$ -	\$ 443	\$ -
Depreciation	-	-	-
Events	-	183	6
Flyer delivery	-	585	-
Insurance	-	1,047	437
Office equipment/maintenance	-	590	468
Office supplies	-	1,253	753
Payroll			
Salaries	-	52,360	8,181
Benefits	-	6,251	421
Taxes	-	6,218	821
Postage	-	312	635
Printing	-	-	311
Professional services	7,299	2,067	2,343
Workshops	-	206	-
Special projects	-	29,533	-
Staff/board training	-	2,000	616
Telephone	-	1,325	745
Payroll fees	-	701	65
Miscellaneous	-	205	90
Total Expenses	<u>\$ 7,299</u>	<u>\$ 105,279</u>	<u>\$ 15,892</u>

EXHIBIT 3

Foundations	Empowerment Zone	Park Plaza	Management and General	Total
\$ 594	\$ 424	\$ -	\$ -	\$ 1,461
-		-	1,434	1,434
86		7,102	2,871	10,248
25	120	65	-	795
72	-	-	-	1,556
162	82	-	-	1,302
2,699	360	-	258	5,323
19,417	9,395	-	-	89,353
399	242	-	1,079	8,392
2,123	1,034	-	74	10,270
337	103	-	159	1,546
140	93	-	-	544
5,860	344	600	950	19,463
-	-	-	35	241
-	-	-	-	29,533
3,144	1,450	600	934	8,744
905	439	-	-	3,414
199	103	-	-	1,068
-	-	50	-	345
\$ 36,162	\$ 14,189	\$ 8,417	\$ 7,794	\$ 195,032

**HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

EXHIBIT 4

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Cash Flows From Operating Activities	
Increase (Decrease) in net assets	\$ (18,749)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities	
Depreciation	1,434
(Increase) decrease in grants receivable	2,332
(Increase) decrease in pledges receivable	811
(Increase) decrease in accounts receivable	(2,021)
(Increase) decrease in prepaid items	113
Increase (decrease) in accrued payroll	702
Increase (decrease) in accounts payable	8,980
Increase (decrease) in deferred revenue	(16,250)
	<hr/>
Net cash provided by (used in) operating activities	\$ (22,648)
Cash - January 1	<hr/> 79,269
Cash - December 31	<hr/> \$ 56,621

HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

1. Summary of Significant Accounting Policies

A. Organization

The Harrison Neighborhood Association, Inc., (HNA) was organized to foster awareness, to improve the quality of life, and to provide a forum for information and communication in the Harrison community. In addition, the HNA was organized to combine efforts with all residents, property owners, owners or authorized agents of business, and professional persons doing business in the community to raise issues of common concern directed towards improving the Harrison Neighborhood. The HNA is governed by a 12-member Board of Directors elected by its members at its annual meeting; two at-large members appointed by the 12-member Board; the Board officers (president, vice president, secretary, and treasurer); and the Board president of the previous year.

B. Basis of Presentation

The provisions of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*, have been applied to the amounts presented in these financial statements. Under these provisions, net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the HNA and changes therein are classified and reported as follows:

- Unrestricted - Those resources over which the HNA has discretionary control.
- Temporarily Restricted - Those resources subject to donor-imposed restrictions which will be satisfied by actions of the HNA or passage of time.
- Permanently Restricted - Those resources subject to a donor-imposed restriction that they be maintained permanently by the HNA. The donors of these resources permitted the HNA to use all or part of the income earned, including capital appreciation or related investments, for unrestricted or temporarily restricted purposes.

C. Basis of Accounting

The HNA reports on the accrual method of accounting where revenues are recognized when they are earned, and expenses are recognized when they are incurred.

HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA

1. Summary of Significant Accounting Policies (Continued)

D. Expense Allocation

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management in relation to grant budgets. Fundraising expenses are considered to be minimal, and those costs are included in management and general expenses.

E. Income Taxes

The HNA is a not-for-profit corporation that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and comparable state statutes.

F. Cash

Cash consists of deposits in one checking account and one savings account. Cash from time to time exceeded FDIC insurance coverage. The HNA does not have collateral to cover amounts that exceed FDIC insurance.

G. Equipment

All purchased equipment is valued at cost. Donated equipment is valued at fair value at the date of contribution. Depreciation is computed using the straight-line method over estimated useful lives of three years to five years, depending on the type of asset.

H. Grants and Contracts

The HNA's funding includes contributions from individuals and foundations. Also included in the funding are cost-reimbursement grants from the Minneapolis Neighborhood Revitalization Program (NRP), and the Minneapolis Community Planning and Economic Development Department (CPED). Government grants and contracts recognize revenue as earned when eligible expenses, as defined in each grant or contract, are made. Funds advanced and received in the above grants but not yet earned are shown as deferred revenue. Expenses under government grants are subject to review by the granting authority. To the extent, if any, that such a review reduces expenses allowed under these grants, the HNA will record such disallowance at the time the final assessment is made.

HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA

1. Summary of Significant Accounting Policies (Continued)

I. Contributions

The following types of contributions are recorded as revenue at their fair value when they are received unconditionally: cash, promises to give, certain contributed services, and gifts of long-lived assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

J. Donated Services and Materials

There were no donated services or materials in 2004.

K. Accrued Vacation

Employees of the HNA earn 10 to 20 working days of vacation each year depending on length of service. Since the HNA cannot charge its primary granting authorities for accrued vacation until it is used, no provision has been made in the accompanying financial statements for recording the accrued liability and related expense at year-end. At December 31, 2004, the amount of accrued vacation was \$4,530.

2. Fixed Assets

Fixed assets at December 31, 2004, were:

Equipment	\$ 14,997
Less: accumulated depreciation	<u>(13,077)</u>
Total Equipment	<u>\$ 1,920</u>

3. Deferred Revenue

Deferred revenue at December 31, 2004, was:

NRP - #C96-10554	\$ 12,750
NRP - #C98-12562	<u>10,000</u>
Total	<u>\$ 22,750</u>

HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA

4. Restricted Net Assets

Restricted net assets at December 31, 2004, were:

Headwaters	\$	10,000
McKnight Foundation		49,855
Minneapolis Foundation - Youth and Family		4,566
Park Plaza		5,330
Phylis Wheatly		<u>168</u>
Total	\$	<u>69,919</u>

5. Operating Leases

The HNA is committed under a year-to-year operating lease for rent of office space. Rent expense related to this lease was \$1 for 2004; however, the HNA has previously remitted contributions totaling \$400,000 to the Special School District #1 as its share of construction costs for the building in 2000.

SCHEDULE OF NRP ACTIVITY

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**HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

Schedule 1

**SCHEDULE OF NRP ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2004**

	#C96-10554 Administration	#C98-12562 Action Plan	Total
Revenues	\$ 74,875	\$ 30,265	\$ 105,140
Expenses			
Advertising	\$ 443	\$ -	\$ 443
Events	15	168	183
Flyer delivery	585	-	585
Insurance	1,047	-	1,047
Office equipment/maintenance	590	-	590
Office supplies	1,227	26	1,253
Payroll			
Salaries	52,360	-	52,360
Benefits	6,251	-	6,251
Taxes	6,218	-	6,218
Postage	312	-	312
Professional services	2,067	-	2,067
Work shops	-	206	206
Special projects	-	29,533	29,533
Staff/board training	2,000	-	2,000
Telephone	1,325	-	1,325
Payroll fees	701	-	701
Miscellaneous	125	80	205
Total Expenses	\$ 75,266	\$ 30,013	\$ 105,279
Revenues Over Expenses	\$ (391)	\$ 252	\$ (139)

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**HARRISON NEIGHBORHOOD ASSOCIATION, INC.
MINNEAPOLIS, MINNESOTA**

Schedule 2

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2004**

I. COMPLIANCE

ITEM ARISING THIS YEAR

04-1 **Questioned Costs for Undocumented Expenses**

The following amounts charged to the Minneapolis Neighborhood Revitalization Program (NRP) are being questioned due to the absence of documentation to support the expenses:

<u>Check Number</u>	<u>Contract Number</u>	<u>Amount</u>
4839	10554	\$ 321.75
4846	12562	312.00
4850	10554	50.00
4874	10554	70.00
4901	10554	231.25
4953	12562	20.00
Total		<u>\$ 1,005.00</u>

We recommend that the Harrison Neighborhood Association Board discuss these questioned amounts with NRP officials to determine a resolution.

Client's Response:

The Harrison Neighborhood Association will be meeting with our NRP Specialist to provide appropriate documentation for these expenses.

II. INTERNAL CONTROL

PREVIOUSLY REPORTED ITEM NOT RESOLVED

97-1 Segregation of Duties

Due to the limited number of office personnel within the Harrison Neighborhood Association, Inc., (HNA), segregation of the accounting functions necessary to ensure adequate internal control is not possible. This is not unusual in operations the size of the HNA; 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:

As you have noted, the HNA's size restricts our ability to fully segregate our accounting functions. The HNA's management is aware of this condition. The HNA is taking steps to further include the Finance Committee to assist in segregation of duties.

ITEMS ARISING THIS YEAR

04-2 Documentation for Payments to Vendors

Documentation to support payments to some vendors was absent. Expense documentation is a fundamental requirement of a sound accounting system. It is the primary evidence used to support and explain the nature of the organization's cash outlays and expenses recorded in the general ledger. Without documentation, reliability of the information in the general ledger is severely diminished.

We recommend that the HNA Board implement procedures requiring documentation for all payments made to vendors and that the documentation follow a proper coding and approval process prior to payment being made. All documentation should be filed in a secure location.

Client's Response:

It has been the policy of HNA to include documentation for all vendors in the form of a reimbursement request form (signed by director and two officers) along with a receipt and/or invoice. HNA will additionally provide a standard invoice form for community members to fill out in addition to the standard reimbursement form as requested by the Auditor's Office.

04-3 Employee Time Records

Our review of employee time records found the following conditions:

- Supervisor approvals of timesheets are not timely.
- There appears to be no board review of vacation, sick, and comp time during the year.

We recommend that supervisory approvals of timesheets take place within two days after the end of the pay period. We also recommend that the HNA Board review and approve employee records of vacation, sick and comp time each year, preferably on a quarterly basis.

Client's Response:

The auditor's recommendations for supervisor approval of timesheets within two days after the end of the pay period will be implemented. The HNA Board has already begun to review employee vacation, sick, and comp time balances.

04-4 Timely Requests for Grant Reimbursements

In 2004, grant reimbursements to the HNA from the NRP and CPED covered periods that were over one year old. Timely requests for reimbursements are necessary to ensure cash flows are adequate for current operations.

We recommend that the HNA prepare its reimbursement requests on a timely basis, preferably monthly or quarterly.

Client's Response:

The auditor's recommendation to prepare reimbursement requests on a quarterly basis will be implemented.

PREVIOUSLY REPORTED ITEMS RESOLVED

Timely Bank Reconciliations (00-2)

Our previous reports have indicated that the reconciliations of bank accounts were not performed in a timely manner.

Resolution

Significant improvement was made in the timeliness of reconciliations, to the extent we consider the matter resolved.

Bank Reconciliations (00-3)

Previous reports have recommended that bank reconciliations be reviewed by the Board's Treasurer and evidenced by initialing and dating the forms.

Resolution

Sufficient improvement has been made to consider this matter resolved. We encourage the Treasurer to date and initial reconciliations of the savings account when the review is completed.

III. MANAGEMENT PRACTICES

ITEM ARISING THIS YEAR

04-5 Meeting Minutes

Our review of the HNA's Board minutes found that:

- Minutes could not be located for October 2004, November 2004, February 2005, and March 2005.
- Several minutes lacked the signature of the preparer.

Minutes represent a permanent record of all proceedings and actions taken by the neighborhood's Board. As such, they should be maintained and secured in the same manner as other important records of the neighborhood.

We recommend that all minutes be signed and dated by the preparer and, after approval by the Board, by the Board President to indicate they are the official meeting minutes. We also recommend that efforts be made to assure that minutes are complete and available for all meetings of the Board.

Client's Response:

The auditor's recommendation regarding signing of minutes by the preparer and Board president have been implemented. The HNA Board will be taking action to ensure that minutes are completed and available for all meetings of the Board.

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PATRICIA ANDERSON
STATE AUDITOR

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

Board of Directors
Harrison Neighborhood Association

We have audited the financial statements of the Harrison Neighborhood Association (HNA) (a nonprofit corporation) as of and for the year ended December 31, 2004, and have issued our report thereon dated October 6, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Internal Control Over Financial Reporting

The management of the HNA is responsible for establishing and maintaining internal controls. In fulfilling this responsibility, management must make estimates and judgments to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that:

- assets are safeguarded against loss from unauthorized use or disposition,
- transactions are executed in accordance with management's authorization, and
- transactions are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in internal controls, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the controls to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit, we considered the HNA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial

reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the HNA's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings and Recommendations as items 97-1 and 04-2 through 04-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions listed above items 97-1, 04-2, and 04-3 were considered to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether the HNA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance, which is described in the Schedule of Findings and Recommendations as item 04-1.

This report is intended solely for the information and use of the HNA's Board of Directors, its management, and the Neighborhood Revitalization Policy Board and is not intended to be and should not be used by anyone other than those specified parties.

/s/Pat Anderson

PATRICIA ANDERSON
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

End of Fieldwork: October 6, 2005