

**COUNCIL ON BLACK MINNESOTANS
FINANCIAL AUDIT
FOR THE THREE YEARS ENDED JUNE 30, 1991
AND THE SIX MONTHS ENDED DECEMBER 31, 1991**

NOVEMBER 1992

Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

COUNCIL ON BLACK MINNESOTANS

FINANCIAL AUDIT

**For The Three Years Ended June 30, 1991
and The Six Months Ended December 31, 1991**

Public Release Date: November 20, 1992

No. 92-82

OBJECTIVES:

- TEST COMPLIANCE WITH CERTAIN FINANCE-RELATED LEGAL PROVISIONS.
- REVIEW INTERNAL CONTROL STRUCTURE POLICIES AND PROCEDURES IN THE FOLLOWING CATEGORIES: payroll, professional/technical contracts, rent expenditures, and gift revenues.

CONCLUSIONS:

We found five areas where the council did not comply with applicable legal provisions:

- The council has not adequately controlled contributions to community events in which it has participated.
- The council did not adequately monitor its budget during fiscal years 1991 and 1992.
- The council handled professional/technical contracts inappropriately.
- The council did not follow required procedures for seminars and workshops.
- The council potentially overpaid a monthly lease payment.

We found six areas where the internal control structure needed improvement:

- The council has not adequately controlled contributions to community events in which it has participated.
- The council did not adequately monitor its budget during fiscal years 1991 and 1992.
- The council handled professional/technical contracts inappropriately.
- The council needs to improve internal controls over receipts.
- The council did not follow state purchasing guidelines.
- The council did not follow required procedures for seminars and workshops.

Contact the Financial Audit Division for additional information.
(612) 296-1730



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Ann Rest, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Rev. Ian D. Bethel, Chair
Council on Black Minnesotans

Members of the Council on Black Minnesotans

Mr. Lester Collins, Executive Director
Council on Black Minnesotans

Audit Scope

We have conducted a financial related audit of the Council on Black Minnesotans as of and for the three years ended June 30, 1991 and the six months ended December 31, 1991. Our audit was limited to only that portion of the State of Minnesota financial activities attributable to the transactions of the council, as discussed in the Introduction. We have also considered the internal control structure of the Council on Black Minnesotans.

We extended the scope of our original audit as a result of the subsequent issues cited in finding 2. We expanded our work only for the limited purpose of resolving questions relating to the council's fiscal year 1991 and 1992 appropriations.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial activities attributable to the transactions of the council are free of material misstatements.

As part of our consideration of the internal control structure, we performed tests of the council's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

Management Responsibilities

The management of the council is responsible for establishing and maintaining an internal control structure. This responsibility includes compliance with applicable laws, regulations, contracts, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

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Members of the Legislative Audit Commission
Rev. Ian D. Bethel, Chair
Members of the Council on Black Minnesotans
Mr. Lester Collins, Executive Director
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- assets are safeguarded against loss from unauthorized use or disposition;
- transactions are executed in accordance with applicable legal and regulatory provisions, as well as management's authorization; and
- transactions are recorded properly on the statewide accounting system in accordance with Department of Finance policies and procedures.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure 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.

Internal Control Structure

For purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- payroll expenditures
- professional/technical contracts
- rent expenditures
- gift revenue

For all the internal control structure categories listed above, we obtained an understanding of the designs of relevant policies and procedures. We did not express an opinion on the internal control structure taken as a whole due to the limited staff size of the council.

Conclusions

Our consideration of the internal control structure disclosed the conditions discussed in findings 1 to 6. We consider these conditions to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial activities being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We believe the reportable conditions described in findings 1 and 2 are material weaknesses.

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We also noted certain other instances involving the internal control structure and its operation that we reported to the management of the council at the exit conference on June 16, 1992.

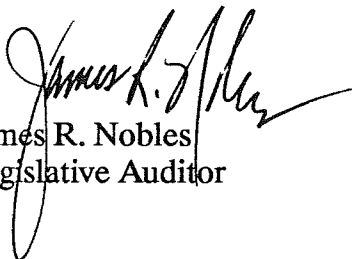
Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial activities being audited. The results of our tests of compliance disclosed the instances of material noncompliance noted in findings 1 and 2.

Except for the issues described above and in findings 3, 6, and 7, with respect to the items tested, the council complied, in all material respects, with the provisions referred to in the audit scope paragraphs. With respect to items not tested, except for the issue discussed in the subsequent paragraph, nothing came to our attention that caused us to believe that the council had not complied, in all material respects, with those provisions.

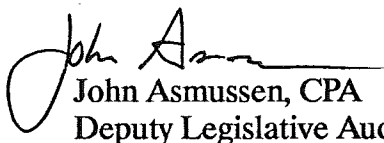
Minn. Stat. Section 3.9225 Subd. 7 requires the council to "prepare and distribute a report to the governor and legislature by November 15 of each even-numbered year. The report shall summarize the activities of the council since its last report, list receipts and expenditures, identify the major problems and issues confronting Black people, and list the specific objectives which the council seeks to attain during the next biennium." The council has not prepared or distributed the required report.

This report is intended for the information of the Legislative Audit Commission and management of the Council on Black Minnesotans. This restriction is not intended to limit the distribution of this report, which was released as a public document on November 20, 1992.

We would like to thank the council staff for their cooperation during this audit.



James R. Nobles
Legislative Auditor



John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: June 2, 1992

Report Signed On: November 13, 1992

Council on Black Minnesotans

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Audit Participation

The following members of the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA	Deputy Legislative Auditor
Jeanine Leifeld, CPA	Audit Manager
Amy Jorgenson	Auditor-In-Charge

Exit Conference

We discussed the findings and recommendations in this report with the following officials of the Council on Black Minnesotans and the Department of Administration at an exit conference held on June 16, 1992:

Lester Collins	Executive Director
Larry Dowdle	Accounting Director, Department of Administration Fiscal Services
Julie Arnt	Accounting Officer, Department of Administration Fiscal Services

We discussed finding 2 with the following officials of the Council on Black Minnesotans at a follow-up meeting held on October 7, 1992:

Ian Bethel	Council Chair
Lester Collins	Executive Director
Elvira Barnes-Wycough	Senior Planner

Council on Black Minnesotans

Introduction

The Council on Black Minnesotans was established under the authority of Minn. Stat. Section 3.9225. The council's mission is to provide all individuals of African descent with equal access to state services and programs and to relate the needs of these individuals to the legislature. The council consists of eleven members appointed by the governor and four nonvoting members from the Minnesota Senate and House of Representatives. The council employs three full-time staff. Victor Propes served as executive director until January 1990. Lester Collins served as interim executive director from January 1990 to April 1990 and is the current executive director.

Pursuant to statute, the Department of Administration provides the council with administrative services. These services include entering payroll, receipt, and disbursement transactions into the state's accounting systems. The following is a summary of the council's financial activities for the three fiscal years ended June 30, 1991 and the six months ended December 31, 1991.

		Six months ended December 31, 1991	<u>Year Ended June 30</u>		
			<u>1991</u>	<u>1990</u>	<u>1989</u>
Revenues:					
Gift Revenues	\$ 0	\$ 26,882	\$ 7,561	\$ 17,950	
Other Revenue	<u>0</u>	<u>255</u>	<u>0</u>	<u>229</u>	
Total Revenues	<u>\$ 0</u>	<u>\$ 27,137</u>	<u>\$ 7,561</u>	<u>\$ 18,179</u>	
Expenditures:					
Employee Payroll	\$ 64,767	\$127,036	\$117,947	\$117,701	
Merging Dreams Grant	9,000	0	0	0	
Professional/Technical	2,393	18,703	5,763	14,585	
Rents and Leases	4,462	12,804	12,293	18,504	
Other	<u>14,368</u>	<u>27,472</u>	<u>44,820</u>	<u>30,745</u>	
Total Expenditures	<u>\$ 94,990</u>	<u>\$186,015</u>	<u>\$180,823</u>	<u>\$181,535</u>	

Source: Statewide Accounting System Estimated/Actual Receipts Reports and Managers Financial Reports as of the September closing of fiscal years 1989, 1990, and 1991; Managers Financial Report as of January 1, 1992 for fiscal year 1992.

Current Findings and Recommendations

- 1. The council has not adequately controlled contributions to community events in which it has participated.**

The Council on Black Minnesotans has not followed the proper state procedures when sponsoring community events. The council has broad powers to serve as a liaison between government and Black Minnesotans. Therefore, it may be appropriate for the council to participate in community events. However, we question the way the council handled the disbursements for two such events, Merging Dreams Into Reality and the Southern African Ambassadors dinner.

In fiscal year 1992, the Council on Black Minnesotans awarded a \$9,000 grant to the second annual Merging Dreams Into Reality exposition. The purpose of this exposition was, "...to bring to the attention of the legislature and the larger community the substantial positive contributions that Black individuals and organizations make to Minnesota." Representative Richard Jefferson, an ex-officio member of the council, along with several community organizations, had sponsored the first Merging Dreams event in January 1990. In November and December of 1990, the council discussed the 1991 Merging Dreams event. Representative Jefferson did not attend these meetings, but asked council members to consider sponsoring Merging Dreams. The council members agreed to sponsor the event, which took place on January 29, 1991, with about 1,000 people attending. We found several problems with the way the council funded this event.

- The council did not exercise adequate control over how the grant proceeds were used. When the council agreed to sponsor the Merging Dreams event, it did not make a specific financial commitment. The council's contribution, which it paid in September, 1991, enabled the Merging Dreams organization to pay two remaining outstanding bills. The bills included expenses of \$5,414.50 for food, \$956.25 for alcoholic beverages, \$662.43 for non-food items, \$512.50 for hosted valet service, and \$2,184.10 for souvenirs. Both bills included finance charges. The propriety of using state funds for some of these expense items is questionable. In particular, we believe it was improper for the council to finance the purchase of alcoholic beverages.
- The council did not follow proper disbursement procedures for this event. The executive director, after consulting with the Department of Administration, formulated a grant agreement with the Merging Dreams organization. The council did not structure the agreement properly nor was the agreement approved in advance through the proper state process.

Council on Black Minnesotans

- In addition, the council did not encumber funds to pay for the event until long after the event occurred. Although Merging Dreams Into Reality took place in January, 1991, the council did not formulate the grant agreement until July, 1991. Incurring obligations without a valid encumbrance is a violation of Minn. Stat. Section 16A.15. Furthermore, the processing delays resulted in the grant being charged against the council's 1992 appropriation, rather than its 1991 appropriation. Thus, the council experienced financial problems in fiscal year 1992, as discussed in finding 2.
- A majority of the council members did not approve the grant contract, as required by Minn. Stat. Section 3.9225, Subd. 5, which requires majority council approval for all contracts. The council chair referred the matter to its three member finance committee for consideration. We saw no evidence that the entire council ever voted on the grant contract before it was executed. A formal council vote was important because a council member, Representative Jefferson, was an organizer of the event. Apparently, the council was aware of Representative Jefferson's role with the event. Also, he was not present at the November 1990 meeting when the council agreed to support the Merging Dreams event. Nonetheless a formal vote, noting Representative Jefferson's abstinence, would have been the proper procedure.
- The council paid the Merging Dreams organization \$9,000 when the reported outstanding expenses were only \$8,900. After we brought this to the executive director's attention, the Merging Dreams organization refunded \$100 to the council.

The council also did not follow proper state procedures for the Southern African Ambassadors dinner. The executive director personally paid expenses for a dinner held in honor of visiting Southern African Ambassadors. He then filed an employee expense report for reimbursement. The expenses included \$500 for dinners for non-state employees, \$25 for limousine service, and \$15 for janitorial service. The executive director paid three individuals for these services with personal checks and submitted no other documentation for the expenses. The Department of Administration reimbursed the executive director on the basis of the three cancelled checks.

Because of the unique nature of these community events, it is important that the council observe adequate financial and administrative controls over these events.

Recommendations

- *The council should follow the necessary state procedures when participating in community events. This should include following all state and council procedures for negotiating contracts.*

Council on Black Minnesotans

Recommendations (Continued)

- *The council should decide in advance how much funding it will provide to community events. It should be involved in setting the event budget and be specific in what types of expenses it will pay.*
- *The council should ensure that its funds are used for valid public purposes when sponsoring community events. It should recover any funds awarded to the Merging Dreams organization used to purchase alcoholic beverages.*
- *The council must encumber funds in advance as required by Minn. Stat. Section 16A.15.*
- *A council majority should approve all contracts as required by Minn. Stat. 3.9225, Subd. 5.*

2. The council did not adequately monitor its budget during fiscal years 1991 and 1992.

Certain expenditures were paid inappropriately from the council's fiscal year 1992 operating appropriation. First, the Merging Dreams Into Reality grant, a fiscal year 1991 event, was charged inappropriately to the fiscal year 1992 appropriation. (We discuss the Merging Dreams Into Reality grant in more detail in finding 1.) It is clear that the council fully intended to pay for the grant from its 1991 appropriation. However, the council and the Department of Administration did not submit the proper statewide accounting documents in time. As a result, Administration used the council's 1992 appropriation to satisfy the \$9,000 obligation. The council executive director did not realize, until several months later, that the grant had not been paid from the 1991 appropriation. The council had sufficient funds available in its 1991 appropriation account. Moreover, in excess of \$9,000 of its 1991 appropriation went unspent and cancelled back to the state General Fund.

As a result of this problem, the council's 1992 operating appropriation showed a negative balance of \$6,778 as of July 31, 1992. This constituted a violation of Minn. Stat. Section 10.17 as of that date. The statute makes it unlawful to incur indebtedness in excess of an appropriation. To remedy the negative balance, the council transferred 40 expenditures from the operating account to two special accounts with separate funding sources. In our opinion, some of the transferred expenses were not eligible to be charged against the special accounts. Specifically, we question expenditures totaling \$2,170 that did not directly relate to the purposes of these accounts.

We also found that the council did not have a systematic method of allocating general office expenditures, such as photo copying, office supplies, and telephone costs to the special accounts. By curing the violation of Minn. Stat. Section 10.17, we believe the council is now in violation of Minn. Stat. Section 10.31. This statute prohibits the use of an appropriation for any purpose other than for which it has been legally designated.

Council on Black Minnesotans

Recommendations

- *The council must work with the Departments of Finance and Administration to restore the proper funding in its special accounts and to adjust its fiscal year 1991 and 1992 operating appropriation accounts to properly reflect actual expenditures for those years.*
- *The council should code disbursements to the proper funding sources throughout the year. It should establish a systematic, rational method of allocating general office expenditures to its various funding sources.*

3. The council handled professional/technical contracts inappropriately.

The council paid one contractor before establishing a legal contract. For three other professional/technical contracts, a majority of the council members did not approve the contracts, as required. In addition, the council did not encumber funds for the contracts until after the contractors had begun their work.

The council paid \$12,750 of a \$15,000 obligation without a valid contract. The Department of Finance did not fully execute the contract or encumber funds until December, 1990. The vendor began work on the project in September of 1990, nearly three months before the contract was in place. The vendor was originally paid \$12,750 from a temporary encumbrance. Once the Department of Finance encumbered the contract, Administration transferred the payments from the temporary encumbrance to the contract account.

The council and Administration did not have the expenditures approved and funds encumbered for three other contracts until after the contractors had begun their work. The executive director signed and dated the three contracts as of June 20, 1991. However, the council members did not discuss the contracts until their July 9, 1991 meeting. We were told that the council's finance committee approved two of the three contracts in question on July 18. We saw no evidence that a council majority ever approved the contracts. However, Minn. Stat. Section 3.9225, Subd. 5 requires council majority approval on all contracts. The Department of Finance did not approve and encumber the contracts until August, 1991.

Minn. Stat. Section 16A.15, Subd. 3 prohibits payments without a prior encumbrance. Professional and technical contracts must be in place to limit the liability of the state and to clarify the responsibilities of the vendor and the agency.

Recommendations

- *The council should not allow contractors to begin work until contracts are complete and funds encumbered.*
- *A majority of the council should approve all contracts as required by Minn. Stat. Section 3.9225, Subd. 5.*

Council on Black Minnesotans

4. PRIOR FINDING PARTIALLY RESOLVED: Internal controls over receipts need improvement.

The council does not keep a record of receipts, reconcile receipts to the Statewide Accounting System (SWA), or restrictively endorse checks. Department of Finance Policy and Procedure 06:06:03 requires agencies to reconcile its receipt records to SWA monthly. To perform this task, the council must keep its own record of receipts, possibly in the form of a check log. A council employee independent of the receipts process should reconcile the receipt records to SWA reports monthly.

Adding to this weakness, the council also does not restrictively endorse checks upon receipt. The council's administrative secretary submits the checks to fiscal services for endorsement and deposit. The council should endorse checks immediately to reduce the risk of loss or theft.

Recommendations

- *The council should keep a record of receipts and reconcile the records to SWA receipt reports monthly.*
- *The council should restrictively endorse checks immediately upon receipt.*

5. The council did not follow state purchasing guidelines.

The council spent \$1,221.07 for briefcases, legal pads, and attache cases without purchasing the items from the state's contract vendor. Also, the total purchases exceeded the council's local purchase authority limit of \$300. The state saves money by negotiating for certain items through state contracts. The council could have purchased a similar briefcase from the state vendor for \$83. Instead, it paid \$199.25 at a retail store.

The council also bought engraving for the items. The engraving mostly consisted of the words, "Council on Black Minnesotans" and the name or initials of a council employee. The engraving diminishes the worth of the items as state property. The state contract vendor does not engrave personal names or initials on items purchased by the state.

Recommendation

- *The council should follow the Department of Administration purchasing guidelines.*

Council on Black Minnesotans

6. The council did not follow required procedures for seminars and workshops.

The council used its gift account to deposit both seminar fee receipts and donations. Department of Finance Policy and Procedure 06:06:10 and Minn. Stat. Section 16A.721 require agencies to set up an account in the Special Revenue Fund to handle seminar receipts and expenses. The policy allows the Department of Finance to transfer any remaining unencumbered balance of the account to the General Fund at the end of the fiscal year the seminar occurred. Because the council has commingled corporate donations with seminar fees, it is difficult to determine whether the council has any remaining balances which should be returned to the General Fund.

Recommendations

- *The council should deposit seminar fees and pay expenses in accordance with Department of Finance Policy and Procedure 06:06:10.*
- *Fiscal services and the council should work with the Department of Finance to determine whether remaining fees from past seminars must be transferred to the General Fund.*

7. The council potentially overpaid a monthly lease payment.

In June 1989, the council's building lessor billed the council \$1,921.68 for June rent. The council paid the bill in full. However, the lease agreement between the state and the lessor stipulates monthly lease payments of only \$1,292.20 during fiscal year 1989. Therefore, the council paid the lessor \$629.48 more than the lease agreement required. The council staff could not provide any documentation to support why the bill and payment were higher than the lease agreement.

Recommendation

- *The council should work with the lessor to determine why they billed the council for an amount over the normal lease payment. The council should seek reimbursement from the lessor if an overpayment occurred.*



STATE OF MINNESOTA
COUNCIL ON BLACK MINNESOTANS

Wright Building • Suite 426
2233 University Avenue • St. Paul, MN 55114 • (612) 642-0811

November 6, 1992

Ms. Jeanine Leifeld, CPA
Audit Manager
OFFICE OF THE LEGISLATIVE AUDITOR
Centennial Building
St. Paul, Minnesota 55155

Dear Ms. Leifeld:

In response to your later dated October 21, 1992, I have enclosed the Council on Black Minnesotans' response to the draft of findings and recommendations cited in the legislative audit.

We are appreciative of the opportunity to review our financial procedures with your office and welcome questions or comments regarding our response.

If you wish to contact me, please feel free to give me a call at [612] 643-3015. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Lester R. Collins".

Lester R. Collins
Executive Director

LRC:ebw:fjb

Enclosure:

cc: Reverend Ian D. Bethel, Chairman

RESPONSE TO AUDIT DRAFT:

1. The Council has not adequately controlled contributions to community events in which it has participated.

Response:

- The Executive Director consulted with the Contract Manager of the Fiscal Services Division to determine the appropriate procedure(s) for Merging Dreams.
 - The Contract Manager provided the Council with a grant application and advised the Council in the preparation of the document for the 1991 fiscal year.
 - Following recommendation from its Finance Committee to the Council's Board, a quorum of members voted to approve a grant to Merging Dreams in the amount of \$9,000.00. to be deleted from 1991 budget funds.
 - Following the approval of the members, the Executive Director, again, met with the Contract Manager and submitted a completed grant application.
 - Shortly after the beginning of fiscal year 1992, the Executive Director realized that the \$9,000.00 was subtracted from 1992 funds instead of 1991 and he immediately met with the Director of Accounting and informed the Finance Committee.
 - The Council on Black Minnesotans will continue to seek the recovery of funds deleted for Merging Dreams from fiscal year 1991.
 - The Council will seek to recover funds awarded to Merging Dreams not approved of in audit recommendations.
2. The Council did not adequately monitor its budget during FY 1991 and 1992.

Response:

- The Executive Director closely monitors all monthly statements. [i.e. Following close monitoring of FY 1991 budget and near the year end, the Executive Director identified funds that did not appear on monthly statements and notified the Accounting Director.]

PAGE II

RESPONSE TO AUDIT DRAFT

- Shortly after the fiscal services accounting error, the Executive director and members were fully aware that the Merging Dreams grant was drawn from the fiscal year 1992 budget.
 - The Executive Director provides a monthly statement to the Board of Directors outlining the status of all funds.
3. The Council handled professional/technical contracts inappropriately.

Response:

- The Council's Finance Committee makes recommendations to the Board of Directors for approval.
 - A majority of Members approved all contracts for the Council.
 - No professional/technical contracts were submitted without consulting with Contract Management and Fiscal Services.
4. Internal controls over receipts need improvement.

Response:

- The Council has kept a record of receipts and reconcile the records to SWA receipt reports monthly.
 - The Council will endorse checks immediately upon receipt.
5. The Council will follow state purchasing guidelines.
- Prior to purchase, the Council on Black Minnesotans consulted with the Purchasing Department
 - Per instruction of Purchasing Department the Council contacted a number of vendors.
 - The Council will follow the Department of Administration's Purchasing guidelines.

Response:

6. The Council did not follow required procedures for seminars and workshops.
 - The present Executive Director and staff were not responsible for transactions specifically outlined in this section. However, the Executive Director has closely examined the policies and procedures cited. In the event similar seminars occur, the Council will work with the Department of Finance per 06:06:10.
 - Fiscal Services and the Council on Black Minnesotans have worked together and resolved the outcome of fees from past seminars.
7. The Council potentially overpaid a monthly lease payment.

Response:

- Although the present Executive Director and staff were not responsible for payment of the 1989 lease, the Executive Director has contacted the previous lessor. The Council is in the process of determining whether a discrepancy in the lease payment exist.
- In the event an overpayment has occurred, the Council will seek reimbursement from the lessor.

MEMORANDUM DATED JUNE 17, 1992

RECEIVED

TO: COUNCIL ON BLACK MINNESOTANS, ATTN: L. COLLINS

JUN 19 1992

FROM: MHL LIMITED PARTNERSHIP, B. NELSON, AGENT

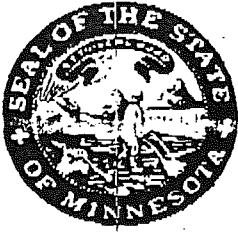
COUNCIL ON BLACK MINNESOTA

RE: YOUR INQUIRY ABOUT THE JUNE, 1989, RENTAL INVOICE.

We have reviewed our files from three years ago and, to the best of our knowledge and belief, your organization was properly billed. However, we note that you were billed the same amount in April and May of 1989, (as you were billed in June, 1989) and your account was given a "credit" in April and May by the Port Authority. We assume that the increased amount was for additional space used or for other services or costs. Nevertheless, we find no correspondance in our files other than the bills you were sent.

Please note that all bills were sent by our office, after consultation with the Port Aothority, and that all funds were paid directly to the Port Authority. The amount of our billings had no impact on the funds released to us by the Port Authority to pay the operating costs of the property.

The above information is all we can locate. I hope this memo helps. You, or your auditors, may reach me at 340-0488.



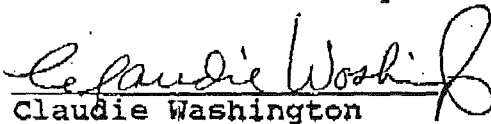
STATE OF MINNESOTA
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Wright Building • Suite 426
2233 University Avenue • St. Paul, MN 55114 • (612) 642-0811

June 4, 1992

I, Claudie Washington, held the office of Chairman of the Finance Committee and Chief Executive Officer for the Council on Black Minnesotans in 1991.

The Finance Committee recommended to the full Board of Directors approval of a grant for "Merging Dreams" in the amount of \$9,000. This action was adopted by a quorum of members.


Claudie Washington

6/5/92
Date

LOG

[illegible]

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COUNCIL ON BLACK MINNESOTANS

FISCAL YEAR BUDGET AND EXPENDITURES FISCAL YEAR - 1992 BEGINNING FISCAL YEAR BUDGET --- \$195,000

OCTOBER 31, 1991

B U D G E T

		EXPENDED TO DATE	EXPENDED TO THIS PERIOD	BALANCE
Personnel Cost	\$145,000.00	\$42,229.00	\$15,881.00	\$102,771.00
Per Diems	4,000.00	385.00	165.00	3,615.00
Lease/Rents	13,500.00	4,462.00	2,231.00	9,038.00
Advertising	500.00	-0-	-0-	500.00
Repair	500.00	72.00	72.00	428.00
Printing/Binding	9,000.00	1,988.00	1,548.00	7,012.00
Professional/Technical Service	1,600.00	223.00	223.00	1,377.00
Computer Services	200.00	-0-	-0-	200.00
Purchased Services	3,000.00	1,317.00	1,317.00	1,683.00
Communications/Postage/Phone	3,500.00	624.00	358.00	2,876.00
Travel In-State (Bd. & Staff)	4,000.00	1,228.00	354.00	2,772.00
Travel Out-State	4,000.00	1,168.00	1,168.00	2,832.00
Fees/Memberships	200.00	-0-	-0-	200.00
Supplies/Materials	<u>6,000.00</u>	<u>4,008.00</u>	<u>642.00</u>	<u>1,992.00</u>
TOTALS	\$195,000.00	\$57,704.00	\$23,959.00	\$137,296.00

COUNCIL ON BLACK MINNESOTANS

OMBUDSPERSON BUDGET

OCTOBER, 1991



		EXPENDED TO DATE	EXPENDED TO THIS PERIOD	BALANCE
Personnel Cost	\$20,000.00	-0-	-0-	\$20,000.00
Printing/Binding	100.00	-0-	-0-	100.00
Communications/Postage	100.00	-0-	-0-	100.00
Travel-in-State	1,500.00	-0-	-0-	1,500.00
Supplies/Materials	250.00	-0-	-0-	250.00
Equipment	<u>50.00</u>	-0-	-0-	<u>50.00</u>
TOTAL	\$22,000.00			\$22,000.00

PROJECTIVE START DATE IS MID NOVEMBER

COUNCIL ON BLACK MINNESOTANS

GIFT FUNDS AVAILABLE

OCTOBER 31, 1991

		EXPENDED TO DATE	EXPENDED TO THIS PERIOD	BALANCE
Statewide AIDS	\$5,911.92	-0-	-0-	\$5,911.92
Black Family Services	2,112.69	-0-	-0-	2,112.69
Black Leadership	573.99	-0-	-0-	573.99
Community Meetings/Welfare Forums	2,685.59	-0-	-0-	2,685.59
Black on Black Crime Conference	<u>2,794.28</u>	<u>-0-</u>	<u>-0-</u>	<u>2,794.28</u>
TOTAL	\$14,078.47	-0-	-0-	\$14,078.47