

 <div style="text-align: center;"> <h1 style="margin: 0;">MHGB</h1> <h2 style="margin: 0;">Communication</h2> <p style="margin: 0;">Office of the City Manager</p> </div>	Date	January 26, 2009
	Agenda Item No. <b>MHGB6</b> Roll Call No. <b>09-</b> Communication No. <b>09-038</b> Submitted by: <b>Chris M. Johansen, Housing Services Director</b>	

### AGENDA HEADING:

The Des Moines Municipal Housing Agency's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 be received and filed.

### SYNOPSIS:

Recommend to receive and file the Des Moines Municipal Housing Agency's Annual Financial Report for the fiscal year ended June 30, 2008.

### FISCAL IMPACT: NONE

Amount: N/A

Funding Source: N/A

### ADDITIONAL INFORMATION:

The U.S. Department of Housing and Urban Development (HUD) requires all Public Housing Authorities to have an annual financial audit performed after the end of their fiscal year. McGladrey & Pullen performed a financial audit for fiscal year July 1, 2007 through June 30, 2008.

The financial statements are included in the report and their report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.

There were the following two findings of noncompliance for the fiscal year, with the response and corrective action plan:

Finding #1 – The Agency was not calculating depreciation expense on capital assets correctly, during the fiscal year.

Response and Corrective Action Plan – The City of Des Moines, Iowa Municipal Housing Agency has corrected the depreciation expenses and accumulated depreciation for fiscal year ended June 30, 2008. We will continue recording depreciation manually for the following fiscal year to ensure depreciation expense is being calculated correctly.

Finding #2 – The Agency made Family Self -Sufficiency (FSS) escrow payments for an individual in the program at the incorrect amount.

Response and Corrective Action Plan – The instance above was a staff error and has been corrected. This Agency will create a report to enable the program manager to monitor on a monthly basis the housing certificate escrow amount to ensure it matches the escrow contribution on the escrow statement. If errors are found, the program manager will document the participant file to detail the error and the correction made.

This report will be forwarded to HUD for their review.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S):**

Date: February 11, 2008

Roll Call Number: 08-188

Action: Approving receipt of Des Moines Municipal Housing Agency's Annual Financial Report for fiscal year ended June 30, 2007. (Board Communication No. 08-056

) Moved by Vlassis to receive and file. Motion Carried 6-2.

Date: February 12, 2007

Roll Call Number: 07-181

Action: Receipt of Annual Financial Report for fiscal year ended June 30, 2006. Moved by Hensley to receive, file and refer to the City Manager to provide a comparison to the Fiscal Year ending June 30, 2005. Motion Carried 7-1.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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