

## **Summary of Changes to 2023 Minnesota Legal Compliance Audit Guides**

In the Deposit and Investment Sections (01) of the Cities, Counties, Towns, Other Political Subdivisions, Charter Schools and School Districts checklists, certificates of deposit insured by the National Credit Union Administration were added to the list of permissible investments through an amendment to Minn. Stat. Section 118A.04, Subd. 5. (Cities, Counties, Towns, Other Political Subdivisions, School Districts page 1-8, Charter Schools page 1-9).

In the Miscellaneous Sections of the Cities, Counties, Towns and Political Subdivisions Checklists, questions regarding the salary cap (Minn. Stat. 43A.17) were deleted.

In the Contract Sections of the Cities, Counties, Towns, Other Political Subdivisions and School Districts checklists, (04), Minn. Stat. Section 471.345, Subd. 3b, and Minn. Stat. Section 471.463 were added setting forth the new bid-alternative Construction Manager at Risk process applicable to construction contracts over \$175,000. (Cities, Counties, School Districts pages 4-1, 4-3 and 4-4; Towns pages 4-1, 4-3, 4-4 and 4-5; Other Political Subdivisions pages 3-1, 3-5 and 3-6).

In the Deposit and Investment Sections of the Cities and Counties, Minn. Stat. Section 118A.09, Subd. 1, was amended to change the requirements of cities eligible to use long-term equity investments (Cities, Counties page 1-9). The second change on this page is an amendment clarification to Minn. Stat. Section 118A.09, Subd. 2. (Cities, Counties page 1-9).

In the Tax Increment Financing Sections of the Cities, Counties, Towns and Other Political Subdivisions, (08), text as added clarify questions.

### **Cities**

In the City Public Indebtedness Section, projects to eliminate R-22 were moved to the definition of capital equipment for the purpose of issuing capital notes under Minn. Stat. 410.32, and the maximum term of the notes increased to 20 years. (Cities pages 3-5 and top of 3-6). A similar increase in maximum duration was made for Certificates of Indebtedness under Minn. Stat. 412.301. (Page 3 -7).

### **School Districts**

School District Public Indebtedness Section change resulted from an amendment to Minn. Stat. 123B.61. This change increased the maximum time for all equipment notes and bonds from ten to 20 years (Page 3-6).

### **Charter Schools**

Changes were made to the Charter School checklist resulting from amendments to Minn. Stat. Section 124E.16, Subd. 3. Amendments to Minn. Stat. Section 124E.03 provide definitions for charter management organizations (CMOs) and educational management organizations (EMOs) (page 1-2 in Introduction). Also, Minn. Stat. Section 124E.16, Subd. 3, provides restrictions and new reporting requirements for CMO and EMO contracts with charter schools. (Pages 1-13 and 1-14).