



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

*The official online news
publication of the Office
of the State Auditor*

March 9, 2012

1. Released: Annual City Finances Report
 2. Deadline: Forfeiture Reporting Form
 3. Deadline: Pension Reporting Forms
 4. Avoiding Pitfalls: Obtaining Loans or Lines of Credit
-

1. Released: Annual City Finances Report

The Office of the State Auditor this week released the 2010 Minnesota City Finances Report, a comprehensive report on revenues, expenditures and debt for Minnesota's cities. The report summarizes cities' financial operations for calendar year 2010 and also examines long-term trends. To view the complete report, which includes an Executive Summary, graphs, and tables, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20120302.002>.

2. Deadline: Forfeiture Reporting Form

March 20th is the deadline for law enforcement agencies to report final disposition of property seized subject to forfeiture for the month of February. DWI forfeitures are now required to be included. To report forfeitures, please go to:

<https://www.auditor.state.mn.us/safes/>.

3. Deadline: Pension Reporting Forms

The 2011 reporting-year forms for volunteer fire relief associations with assets and liabilities of less than \$200,000 are due by March 31, 2012. The reporting forms for relief associations with assets or liabilities of \$200,000 or more are due by June 30, 2012.

Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms. Once a relief association's assets or liabilities exceed the \$200,000 statutory threshold, the relief association maintains the June 30 reporting deadline and audit requirement even if the association's assets and liabilities subsequently drop below that threshold.

The 2011 reporting year forms can be accessed through the State Auditor's Form Entry System at:

<https://www.auditor.state.mn.us/safes/>

Information about the reporting forms and helpful hints for completing them can be viewed at:

http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_infoandhelpfulhints.pdf

4. Avoiding Pitfalls: Obtaining Loans or Lines of Credit

The authority of a local unit of government to incur indebtedness is governed by statute. Many local units of government have authority to issue bonds or certificates of indebtedness for specific purposes, often subject to restrictions on amount or duration. Some local units of government are authorized to enter into a lease-purchase agreement with a local bank, equipment company, or other entity. *See, e.g., [Minn. Stat. § 465.71](#).*

School districts, with certain limitations, have specific statutory authority to obtain a line of credit from a financial institution. *See, e.g., [Minn. Stat. § 123B.12 \(b\)](#).*

However, absent this type of specific authority to obtain a loan or line of credit, governmental entities may not simply go to a financial institution and take out a conventional loan or line of credit.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, [click here](#).

The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103.

Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755.

Web: www.auditor.state.mn.us.