1. Message from Auditor Blaha

The Office of the State Auditor (OSA) is continuing its efforts to provide information that may help local governments as they deal with the financial strain caused by the COVID-19 pandemic. One tool available to local governments is the Emergency Certificate of Indebtedness, authorized by Section 475.754 of Minnesota Statutes. This provision allows local governments confronting extraordinary expenditures during a public emergency to sell such certificates as a means to raise funds. The certificates must comply with statutory requirements and be issued in a form set by the OSA in conjunction with the Department of Commerce. The OSA’s order outlining the form in which an emergency certificate of indebtedness must be may be found here: https://www.auditor.state.mn.us/default.aspx?page=EmergCertDebt.

As we continue to turn the dial and begin to slowly open portions of our economy, it is more important than ever to remember that Minnesota has not hit our peak. Please continue to practice safe social distancing and remember these factors: How close you are to someone, how long you are around people outside of your immediate household, and how predictable is the setting. More information about what can and cannot be open may be found here: https://mn.gov/deed/newscenter/covid/safework/non-critical/.

I hope you have an enjoyable and relaxing Memorial Day Weekend! Please remember to Stay Safe Minnesota.

2. Pension: Fire Department Grants

As funding related to COVID-19 response efforts is made available, fire departments may see an increase in grant revenue. Occasionally, the Office of the State Auditor sees that grant revenue intended for a fire department has been incorrectly deposited into the affiliated relief association’s general fund.

Under Minnesota law, a city or town fire department is part of the city or town. The city council or town board must control its municipality’s finances. All city and town funds must be turned over to the city or town treasurer. The affiliated relief association should not receive funds
intended for the municipal fire department.

3. Revised: TIF Interfund Loan Statement of Position (SOP)

The TIF Interfund Loan SOP has been updated to identify interest rates for 2019 and 2020 and to update footnotes and links related to the sources of those rates. The Statement can be viewed at: https://www.auditor.state.mn.us/default.aspx?page=20110519.000.

4. Released: Minnesota County Budgets Report – 2020 County Summary Budget Data Together with 2019 Revised Summary Budget Data

Earlier this week, the Office of the State Auditor (OSA) released the annual Minnesota County Budgets Report: 2020 County Summary Budget Data Together with 2019 Revised Summary Budget Data. This publication presents 2019 (revised) and 2020 budget data for Minnesota counties. The data reflects unaudited budgeted revenues and expenditures reported by counties to the OSA as required by Minn. Stat. § 6.745, subd. 2.

The data in this report is best used as a tool to help review budgeting decisions for the years 2019 and 2020. The budget represents a plan, reported by the county, for the coming year. The data reported does not represent all county revenues and expenditures.

Counties report budget data only for funds for which an annual budget is adopted. Counties with funds where annual budgets are not adopted would have more revenues and expenditures than reported in this report. Also, the revenues and expenses of county public service enterprises are not included. The inclusion of enterprise funds would significantly alter the revenue and expenditure trends of counties. Because of the limitations of budget data, as it is a plan, the OSA recommends using the financial information provided in our publication, Minnesota County Finances, which are the actual audited revenues and expenditures.

To view the complete scope of the report go to: https://www.auditor.state.mn.us/default.aspx?page=20200520.000.

5. Avoiding Pitfalls: Alcohol and Spouse/Family Expenses

The Office of the State Auditor has long maintained that the purchase of alcohol at public expense does not serve a public purpose. In addition, the expenditure of public funds for the expenses of a spouse or family member of a public officer or employee does not serve a public purpose.

This Avoiding Pitfall is available on our website at: https://www.auditor.state.mn.us/default.aspx?page=20110107.000

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to signup@osa.state.mn.us.

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