

## **PUBLIC INDEBTEDNESS**

# LEGAL COMPLIANCE MANUAL

## PUBLIC INDEBTEDNESS

### Introduction

The power of a government unit to incur indebtedness is governed by statutory and home rule charter provisions. Statutory provisions vary depending on the type of government unit involved.

Each type of borrowing instrument may also be governed by different statutes. Therefore, it is essential that the auditor examine the specific statutes or charter provisions that are applicable to the particular borrowing transaction.

This questionnaire is intended only to highlight certain general provisions of the Minnesota statutes relating to indebtedness and is not intended to cover all questions that may be pertinent.

**Which of the following types of borrowing has the municipality been involved with during the past year? Please check all forms of borrowing that have either been issued or redeemed during the past year or which are currently outstanding at year-end.**

	<u>During the Year</u>	
	<u>Issued</u>	<u>Outstanding</u>
<u>LONG-TERM BORROWING:</u>		
General Obligation Bonds (Minn. Stat. ch. 475)	_____	_____
Revenue Bonds (Minn. Stat. ch. 475)	_____	_____
General Obligation Revenue Bonds (Minn. Stat. ch. 475)	_____	_____
Capital Notes Home Charter Cities (Minn. Stat. § 410.32)	_____	_____
County Capital Improvement Bonds (Minn. Stat. § 373.40)	_____	_____
<u>SHORT-TERM BORROWING:</u>		
Aid Anticipation Certificates (Minn. Stat. §§ 126C.52, 126C.53)	_____	_____
Tax Anticipation Certificates (Minn. Stat. §§ 126C.52, 126C.53, 412.261)	_____	_____
Orders Not Paid for Want of Funds (Minn. Stat. §§ 123B.12, 367.19, 412.271)	_____	_____
Farmers Home Administration Loan (Minn. Stat. § 465.73)	_____	_____
Temporary Improvement Bonds (Minn. Stat. § 429.091, subd. 5)	_____	_____
Emergency Certificates of Indebtedness (Minn. Stat. § 475.754)	_____	_____
Certificates of Indebtedness (Minn. Stat. §§ 412.301, 366.095, 123B.61)	_____	_____

	<u>During the Year</u>	
	<u>Issued</u>	<u>Outstanding</u>
Warrants Not Paid for Want of Funds (Minn. Stat. §§ 385.31, 385.32, 384.13, 385.05, 383A.50)	_____	_____
Reverse Repurchase Agreements/Securities Lending Agreements (Minn. Stat. § 118A.05)	_____	_____
Conditional Sales Contract/Contract for Deed (Minn. Stat. §§ 365.025, 412.221, 465.71)	_____	_____
Lease Purchase Agreements (Minn. Stat. § 465.71)	_____	_____

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<b>Part I. Answer the following questions with respect to all types of indebtedness that were issued during this fiscal year:</b>			
§ 475, et. seq.	A. Was council/board approval obtained for new debt issued during this fiscal year?	_____	_____	_____
§ 475.58, subd. 2	B. For funding or refunding obligations issued under Minn. Stat. § 475.58, subd. 2:			
	1. Was a listing of the debt to be funded or refunded prepared by the treasurer and recording officer and filed in the office of the recording officer?	_____	_____	_____
§ 475.58, subd. 2	2. Was the resolution, stating the amount of bonds to be issued and referring to the listing of debts to be funded or refunded, published in the legal newspaper once each week for two successive weeks?	_____	_____	_____
	Note: Refunding obligations may be authorized by Minn. Stat. § 475.67 for which the notice required here is not applicable.			
	C. Considering the issuance of the obligations, will the net debt (as defined in Minn. Stat. § 475.51, subd. 4) of the municipality not exceed the net debt limit as is applicable below:			
§ 475.53, subd. 1	1. For all municipalities, except school districts and cities of the first class, does the net debt not exceed two percent of the market value of taxable property in the municipality?	_____	_____	_____
§ 475.53, subd. 3	2. For cities of the first class, does the net debt not exceed two percent of the market value of all taxable property within the city?	_____	_____	_____
	a. If no, does the net debt not exceed three and two-thirds percent of the market value of all taxable property within the city and does the city charter allow this higher net debt limit?	_____	_____	_____
§ 475.53, subd. 4	3. For all school districts, except those located wholly or partially within a city of the first class, does the net debt not exceed 15 percent of the actual market value of all taxable property within the district? (Market value is the total value of the district as certified by the county auditor or, where applicable, this value divided by a ratio certified by the Commissioner of Revenue.)	_____	_____	_____
§ 475.53, subd. 5	4. For school districts located wholly or partially within a city of the first class:  a. When the aggregate of the outstanding obligations equals or exceeds .7 percent of the market value of the taxable property within the school district, have all obligations then issued had a term of two years or less?	_____	_____	_____

Minn. Stat. Section	<b>PUBLIC INDEBTEDNESS</b>	Yes	No	Workpaper Reference
	<b>Part I. Answer the following questions with respect to all types of indebtedness that were issued during this fiscal year: (Continued)</b>			
§ 475.58, subd. 1	D. Was the request to issue the obligations submitted for approval at an election?	_____	_____	_____
§ 475.58, subd. 4	1. If so, were the proceeds only spent: <ul style="list-style-type: none"> <li>a. (1) for the purposes stated in the ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties, premiums, and costs of issuance of the obligations; and</li> <li>b. were none of the proceeds spent for a different purpose or for an expansion of the original purpose without approval by a majority of the electors voting on the question of changing or expanding the purpose of the obligations?</li> </ul>	_____	_____	_____
§ 475.58, subd. 1	2. If not, was this issuance exempt from approval by the electors for one of the following reasons:  It represented an obligation characterized as: <ul style="list-style-type: none"> <li>a. any unpaid judgment against the municipality;</li> <li>b. refunding obligations;</li> <li>c. an improvement or improvement program, the obligation for which is payable wholly or partly from the proceeds of special assessments levied upon property specially benefitted by the improvement or by an improvement within the improvement program or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement or the improvement program is to be assessed against benefitted property or is to be paid from the proceeds of federal grant funds or a combination thereof, or is estimated to be received from such taxes within the district;</li> <li>d. an obligation which is payable wholly from the income of revenue producing conveniences;</li> <li>e. an obligation exempt from electoral approval by the terms of the home rule charter;</li> </ul>			

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<p><b>Part I. Answer the following questions with respect to all types of indebtedness that were issued during this fiscal year: (Continued)</b></p> <p>f. exempt under the provisions of a law which permits the issuance of obligations of a municipality without an election;</p> <p>g. an obligation to fund pension or retirement fund liabilities pursuant to Minn. Stat. § 475.52, subd. 6;</p> <p>h. issued under a capital improvement plan under Minn. Stat. § 373.40:</p> <p>(1) where the bonds were issued before July 1, 2003; and</p> <p>(2) where notice was published at least 14 but not more than 28 days before the county held a hearing for public comment on issuing the bonds under this section;</p> <p>i. obligations issued under Minn. Stat. §§ 469.1813 to 469.1815 (property tax abatement authority bonds), if the bonds are not used for a purpose prohibited under section 469.176, subdivision 4g, paragraph (b); or</p> <p>j. issued to fund youth ice facilities as provided in Minn. Stat. § 475.58, subd. 3 (expired December 31, 1998); or effective May 26, 1999, issued to refund existing debt of an indoor ice arena that is used predominantly for youth athletic activity under Minn. Stat. § 475.58, subd. 3a;</p> <p>k. issued for solid waste management purposes?</p> <p>Examples are:</p> <p>(1) for acquisition of betterment of solid waste facilities, closure, or postclosure;</p> <p>(2) contingency costs, related transmission facilities, or property or property rights for the facilities.</p> <p>E. If the issuance of obligations for the same purpose and in the same amount has previously been proposed to the electors and voted down, did this election take place at least 180 days after the first election?</p> <p>F. If this is the third request for the same purpose and in the same amount, did this election take place at least one year after the second election?</p>			
§ 475.58, subd. 3a				
§ 400.101		_____	_____	_____
§ 475.58, subd. 1a		_____	_____	_____
		_____	_____	_____

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
<p>§ 475.58, subd. 1</p> <p>§ 475.60, subds. 2 &amp; 3</p> <p>§ 475.60, subd. 2</p>	<p><b>Part I. Answer the following questions with respect to all types of indebtedness that were issued during this fiscal year: (Continued)</b></p> <p>G. Was the issuance of these obligations approved by a majority of the electors?</p> <p>H. Was the sale of these obligations in accordance with the public notice and public sale requirements of Minnesota statutes?</p> <p>1. If no, was the sale exempt from public sale due to any of the following reasons:</p> <ul style="list-style-type: none"> <li>a. issued under the provisions of a home rule charter, or under a law specifically authorizing a different method of sale or authorizing them to be issued in such a manner as the council/board may determine;</li> <li>b. obligations sold by the municipality in an amount not exceeding the total sum of \$1,200,000 in any 12-month period;</li> <li>c. except for those issued by a school board, obligations issued in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately;</li> <li>d. obligations sold to any board, department, or agency of the United States of America or the State of Minnesota, in accordance with the rules of the board, department, or agency;</li> <li>e. obligations issued to fund pension and retirement fund liabilities under Minn. Stat. § 475.52, subd. 6, obligations issued with tender options under Minn. Stat. § 475.54, subd. 5a, crossover refunding referred to in Minn. Stat. § 475.67, subd. 13, and any issue of obligations comprised in whole or in part of obligations bearing interest at a rate or rates which vary periodically referred to in Minn. Stat. § 475.56;</li> <li>f. obligations to be issued for a purpose, in a manner, and upon terms and conditions authorized by law, if the governing body of the municipality, on the advice of bond counsel or special tax counsel, determines that interest on the obligations cannot be represented to be excluded from gross income for purposes of federal income taxation;</li> <li>g. obligations issued in the form of an installment purchase contract, lease purchase agreement, or other similar agreement;</li> <li>h. obligations sold under a bond reinvestment program; or</li> </ul>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<p><b>Part I. Answer the following questions with respect to all types of indebtedness that were issued during this fiscal year: (Continued)</b></p> <p>i. obligations which the governing body determines shall be sold by private negotiation if the municipality has retained an independent financial advisor?</p> <p>§ 475.55, subd. 1 I. Were all obligations signed manually by one officer of the municipality or by a designated authenticating agent?</p> <p>§ 475.65 J. Did the treasurer account for the receipt and disbursement of the proceeds of the issue, for the use named in the resolution, in a separate fund or account in the official financial records of the agency?</p> <p>§ 475.61, subd. 2, &amp; § 475.62 K. Was the appropriate information reported to the county auditor for all new issues of indebtedness so that the county register could be updated? (Information to include: the purpose and date of the issue; the number, denomination, interest rate, and maturity date of each bond; place and time of payment of principal and interest; and the amount of the tax levied for the payment thereof.)</p> <p>§ 471.69 L. Limitation on Outstanding Warrants and Orders</p> <p>1. Did the school district, county, statutory city, or town <u>not</u> contract debt, or issue any warrant or order in anticipation of taxes levied or to be levied, in excess of:</p> <ul style="list-style-type: none"> <li>- the average amount actually received from tax collections for the last three years, plus</li> <li>- ten percent?</li> </ul> <p>This section does not apply to government entities wherein the mineral net tax capacity exceeds 25 percent of its net tax capacity. Nor does it apply to a school district in a city of the first class which constitutes a single school district.</p>			
	<p><b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year:</b></p>			
<p>§ 475.61, subd. 1</p>	<p>A. GENERAL OBLIGATION BONDS:</p> <p>1. Did the municipality, prior to delivery of the obligations, levy by resolution a direct general ad valorem tax upon all taxable property to be spread each year of the obligations?</p>			

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<p><b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year: (Continued)</b></p> <p>2. For all municipalities other than school districts, were the levies specified and such that if collected in full they, together with estimated collections of special assessments and other revenues pledged for payment of the obligations, will produce at least five percent in excess of the amount needed to meet the principal and interest payments on the obligations when due?</p> <p>3. For all school districts, were the levies specified and such that if collected in full they, together with estimated collection of other revenues pledged for the payment of the obligations, will produce between five percent and six percent in excess of the amount needed to meet the principal and interest payments on the obligations when due?</p>			
§ 410.32	<p>B. CAPITAL NOTES: (Applicable for home rule charter cities)</p> <p>1. Were the capital notes issued within applicable city debt limits?</p> <p>2. Were the notes issued for authorized purposes; i.e., to purchase public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment having an expected useful life at least as long as the term of the notes?</p> <p>3. Are the notes payable in not more than five years?</p> <p>4. Does the total principal amount of the notes issued in a fiscal year not exceed .03 percent of the market value of the taxable property in the city?</p> <p>5. Has a tax levy been made for the payment of the principal and interest on the notes in accordance with Minn. Stat. § 475.61, as in the case of bonds?</p> <p>6. Were the notes approved by an affirmative vote of two-thirds of the city council?</p>			
§ 373.01, subd. 3	<p>C. CAPITAL NOTES: (For counties)</p> <p>1. Were the capital notes issued within applicable county debt limits?</p> <p>2. Were the notes issued for "capital equipment;" i.e., public safety equipment, ambulance and other medical equipment, road construction or maintenance equipment, or data processing equipment having a useful life at least equal to the term of the notes?</p>			

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year: (Continued)</b>			
	3. Were the notes payable in five or less years?	_____	_____	_____
	4. Was a tax levy made, in accordance with Minn. Stat. § 475.61, for the payment of principal and interest on the notes?	_____	_____	_____
	5. Did the county board, by resolution, issue the notes?	_____	_____	_____
	D. AID ANTICIPATION CERTIFICATES: (This form of borrowing is available only to school districts)			
§ 126C.53	1. Was the approving resolution passed by a two-thirds vote of the board membership? (Two-thirds of a quorum is not sufficient.)	_____	_____	_____
§ 126C.54	2. Do the aid anticipation certificates mature no later than three months after the close of the school year in which the certificates were issued?	_____	_____	_____
	3. Do the aid anticipation certificates mature no later than the estimated date of receipt of the aids so anticipated?	_____	_____	_____
§ 126C.52, subd. 2	4. Was the amount borrowed not in excess of 75 percent of the aids receivable by the school district in the school year (from July 1 to June 30) as estimated and certified by the Commissioner of Children, Families and Learning?	_____	_____	_____
§§ 126C.52, 126C.53, & 126C.54	E. TAX ANTICIPATION CERTIFICATE: (Statutes relating to school districts only)			
	1. Was the approving resolution passed by a two-thirds vote of the board membership? (Two-thirds of a quorum is not sufficient.)	_____	_____	_____
	2. Do tax anticipation certificates mature no later than three months after the close of the calendar year in which the certificates were issued?	_____	_____	_____
	3. Do tax anticipation certificates mature no later than the estimated date of receipt in full of the taxes anticipated?	_____	_____	_____
	4. Is the aggregate amount borrowed not more than 75 percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached?	_____	_____	_____

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference	
§ 412.261	<b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year: (Continued)</b>				
	<b>F. TAX ANTICIPATION CERTIFICATES: (Statutes relating to statutory cities only)</b>				
	1. Does the total of all certificates issued against any fund for any year with interest thereon until maturity, together with all orders outstanding against the fund, not exceed the total current taxes for the fund uncollected at the time of issue plus the cash on hand in the fund?	_____	_____	_____	
	2. If certificates have been issued against the anticipated tax levy for any fund, have unpaid orders outstanding against the fund been redeemed from the proceeds of the certificates?	_____	_____	_____	
	3. Are the certificates negotiable, payable to the order of the payee, and do they have a definite due date?	_____	_____	_____	
	4. Are the certificates due and payable no later than the first day of April of the year following the year of issuance?	_____	_____	_____	
	5. Were the certificates sold for not less than par and accrued interest?	_____	_____	_____	
	6. Do the certificates bear interest within the allowable limits?	_____	_____	_____	
	7. Does each certificate state upon its face the fund for which the proceeds of the certificate shall be used, the total amount of the certificates issued against the fund, and the total amount embraced in the tax levy for that fund?	_____	_____	_____	
	8. Are the proceeds of the taxes assessed on account of the fund against which the certificates are issued and the full faith and credit of the city irrevocably pledged for the redemption of the certificates in the order of issuance against the fund?	_____	_____	_____	
	§ 412.271, subd. 3	<b>G. ORDERS NOT PAID FOR WANT OF FUNDS (For statutory cities):</b>			
	1. For statutory cities, are orders marked "not paid for want of funds" being paid by the treasurer in the order of their presentation?	_____	_____	_____	
	§ 367.19	<b>H. ORDERS: (For towns)</b>			
1. Were orders presented to the treasurer and registered in the order of their presentment?	_____	_____	_____		
2. Were orders paid in the order they were registered out of the first money that came into the treasurer's hands for that purpose?	_____	_____	_____		

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year: (Continued)</b>			
§ 465.73	I. FARMER'S HOME ADMINISTRATION MORTGAGE OR OTHER AGENCY OF THE USDA: (For town halls, fire halls, and fire equipment only, applicable to cities, counties, and towns)  1. Is the amount borrowed from FHA or other USDA agency within the \$250,000 statutory limit?	_____	_____	_____
§ 475.754	J. EMERGENCY CERTIFICATES OF INDEBTEDNESS: (For cities, counties, and towns)  1. Do the certificates of indebtedness mature within three years?  2. Do the certificates of indebtedness bear interest at a rate not in excess of the allowable rate?  3. Are the certificates and interest thereon payable from taxes levied within existing limitations or from other available revenue?	_____	_____	_____
§§ 412.301, 366.095, & 410.32	K. CERTIFICATES OF INDEBTEDNESS: (Statutory cities and towns) CAPITAL NOTES: (Statutory cities and home rule charter cities)  - Cities may issue capital notes (and statutory cities may issue certificates of indebtedness) to purchase public safety equipment, ambulance equipment, road construction or maintenance equipment, and other capital equipment having an expected useful life at least as long as the certificates or notes.  - Towns may issue certificates of indebtedness for any lawful purpose.  1. If such capital notes or certificates of indebtedness were issued:  a. Are the certificates or notes payable in not more than five years?  b. Was the issuance of the certificates or notes approved by the voters at an election?  If not, were the following criteria met:  (1) The amount of the certificates or notes to be issued does not exceed .25 percent of the market value of taxable property in the city or town; or	_____	_____	_____

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
§ 123B.61	<p><b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year: (Continued)</b></p> <p>(2) The council or town board resolution determining to issue these certificates or notes was published in the official newspaper, and no petition for an election was filed with the clerk before the expiration of a ten-day period?</p> <p>Published resolution required only if costs exceed .25 percent of market value of taxable property in the city or town.</p> <p>c. Was a tax levy made for the payment of the principal and interest on the certificates or notes?</p> <p>2. Home rule charter cities may also issue capital notes to purchase public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment having an expected useful life at least as long as the terms of the notes.</p> <p>If such capital notes were issued, were the following conditions set forth in Minn. Stat. § 410.32 met:</p> <p>a. Are the notes payable in not more than five years?</p> <p>b. Was the total principal amount of the capital notes issued in each fiscal year equal to or less than 0.03 percent of the market value of taxable property in the city for that year?</p> <p>c. Were the notes approved by an affirmative vote of two-thirds of the governing body of the city?</p> <p>d. Was a tax levy made for the payment of the principal and interest on the notes?</p>			
	<p>L. CERTIFICATES OF INDEBTEDNESS OR CAPITAL NOTES: (School district - purchase of certain equipment)</p> <p>1. Were the notes or certificates issued to:</p> <p>a. purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction or other capital equipment having an expected useful life at least as long as the terms of the certificates or notes; or</p> <p>b. purchase computer hardware and software, without regard to its expected useful life, together with application development services and training related to the use of the computer; or</p>			

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
§§ 365.025 & 412.221	<b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year: (Continued)</b>			
	c. (effective May 26, 1999) prepay special assessments?	_____	_____	_____
	2. Were the notes or certificates payable in five years or less or, if issued to prepay special assessments, were they payable in 20 years or less?	_____	_____	_____
	3. Was the sum of the tax levies under Minn. Stat. § 123B.61 and § 123B.62 for each year less than or equal to the district's total operating capital revenue for the year in which the initial debt service levies are certified?	_____	_____	_____
	4. Was the district's general education levy for each year reduced by the sum of (1) the amount of the tax levies for debt service certified for each year for payment of the principal and interest on the certificates or notes as required by Minn. Stat. § 475.61, and (2) any excess amount in the debt redemption fund used to retire certificates or notes issued after April 1, 1997, other than amounts used to pay capitalized interest?	_____	_____	_____
	5. If the district used an excess amount in the debt redemption fund to retire the certificates or notes, did the district report this amount to the Commissioner of Children, Families and Learning by July 15 of the following year?	_____	_____	_____
	6. If the district used an excess amount in the debt redemption fund to retire the certificates or notes, did the district have neither an outstanding capital loan under Minn. Stat. § 126C.69 nor an outstanding debt service loan under Minn. Stat. § 126C.68?	_____	_____	_____
	<b>M. CONTRACT FOR DEED/CONDITIONAL SALES CONTRACT: (Applicable to statutory cities and towns)</b>			
	1. Is the seller of the property confined to the remedy of recovery of the property in case of nonpayment of all or part of the purchase price?	_____	_____	_____
	2. Is the purchase payable over a period of time not to exceed five years?	_____	_____	_____
	3. Was the contract approved by the voters at an election? a. If not, was the issue exempt from election because of one of the following reasons: (1) the contract price of the property to be purchased does not exceed 0.24177 percent of the market value of the city or town; or	_____	_____	_____

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<p><b>Part II. Answer only the questions below that relate to the specific types of debt that were issued during the current fiscal year: (Continued)</b></p> <p>(2) the council or board resolution determining to purchase property by such a contract was published in the official newspaper, and no petition for an election was filed with the clerk before the expiration of a ten-day period?</p>			
§ 385.31	<p>N. WARRANTS: (For counties)</p> <p>1. If any warrants were presented for payment to the county treasurer when there were insufficient funds in the proper account to pay the warrants:</p> <p>a. Were warrants paid when sufficient funds became available in the order of their registration, and</p> <p>b. Were all warrants numbered and registered in the order of presentation?</p> <p>2. If warrants were presented when there were sufficient funds available for payment, did the county treasurer redeem the same and write:</p> <p>a. across the entire face of the warrant the word "redeemed,"</p> <p>b. the date of the redemption, and</p> <p>c. his or her official signature?</p>			
§§ 385.31 & 385.32	<p>3. If the county treasurer borrowed money from another fund to pay a warrant presented when there was insufficient money in the account upon which the warrant was drawn, was one of the following conditions met:</p> <p>a. The county had a market value of taxable property of not less than \$1,033,000,000, and the money was returned to the lending fund as soon as it became available in the borrowing fund; or</p> <p>b. The county had a market value of taxable property less than \$1,033,000,000, the treasurer obtained the approval of the county board and county auditor, and the money was returned to the lending fund as soon as it became available in the borrowing fund and, in any event, within six months.</p>			

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
	<b>Part III. Answer the following questions for each type of issue that was outstanding at some point during the fiscal year:</b>			
§ 475.61	<p>A. For all municipalities, except school districts, was the certified levy specified and such that it, together with estimated collections of special assessments and other revenues pledged for the payment of the obligations, will produce at least five percent in excess of the amount needed to meet the principal and interest payments when due?</p> <p>(For purposes of § 475.61, "municipality" means a city of any class, county, town, or school district. <u>See</u> Minn. Stat. § 475.51, subd. 2.)</p> <p>1. If not, did the council adopt a resolution levying another amount of such taxes?</p> <p>B. For all school districts, was the certified levy specified and such that it, together with estimated collections of other revenues pledged for the payment of the obligations, will produce between five percent and six percent in excess of the amount needed to meet the principal and interest payments when due?</p> <p>1. If not, did the board adopt a resolution levying another amount of such taxes?</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
§ 475.61, subd. 3	<p>C. For school districts, did the district report to the Commissioner of Children, Families and Learning the district's debt redemption fund balance as of June 30 of the prior year attributable to refunding of existing bonds; and</p> <p>1. Was an excess debt redemption fund balance reported by the commissioner to the county auditor for reduction in the levy; <u>or</u></p> <p>2. Did the school board, with the commissioner's approval, retain all or part of the excess balance?</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p>
§ 475.61, subd. 4	<p>D. Was the amount of any surplus remaining in the debt redemption fund of a school district when the obligations and interest thereon are paid used to reduce the general education levy or state aids?</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>
§ 471.70	<p>E. Has the principal accounting officer of the municipality reported, on or before February 1<sup>st</sup> of each year, to the auditor of each county in which the municipality is situated, the total amount of outstanding obligations and the purpose for which issued, as of December 31<sup>st</sup> of the preceding year?</p> <p>(For the purpose of § 471.70, "municipality" means a city, however organized; a school district, however organized; a town; or any other body corporate and politic created under Minnesota law. <u>See</u> Minn. Stat. § 471.70.)</p>	<p>_____</p>	<p>_____</p>	<p>_____</p>

Minn. Stat. Section	PUBLIC INDEBTEDNESS	Yes	No	Workpaper Reference
<b>Part IV. Audit Conclusion</b>				
<p>The auditor must state a conclusion--based on this questionnaire and any other audit procedures performed--whether the client has complied with the legal provisions reviewed relating to indebtedness.</p>				
<p>Conclusion: _____</p>				
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