



**State Auditor
Rebecca Otto**

OFFICE OF THE STATE AUDITOR

E-Update

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

April 12, 2013

1. Released: County Summary Budget Report
2. Reminder: Relief Association Annual Business Renewal
3. Website: Avoiding Pitfalls Page
4. Avoiding Pitfalls: Collateralization

1. Released: County Summary Budget Report

The Office of the State Auditor has released the Minnesota County Summary Budget Report, which includes 2013 county budget data together with 2012 revised county budget data. The 2012 budgets are the budgets adopted by county boards in November and December of 2011. The 2013 budgets are the budgets adopted by county boards in November and December of 2012.

To view the complete Report, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20130412.000>.

2. Reminder: Relief Association Annual Business Renewal

Every volunteer fire relief association must annually register as a nonprofit corporation with the Minnesota Secretary of State's Office. If a relief association fails to register or to notify the Secretary of State of corporate name or address changes, the Secretary of State may reject the registration and dissolve the relief association's nonprofit corporation status.

A relief association can learn of its current registration status by going to the Secretary of State's website. Relief associations with a "renewal due date" displayed as 12/31/2013 must complete the registration before December 31, 2013, or face dissolution of the association's nonprofit corporation status. If the association has completed its registration for this calendar year, the renewal due date will be displayed as 12/31/2014.

The annual registration can be completed online at the Secretary of State's website at:

<http://mblsportal.sos.state.mn.us/>

3. Website: Avoiding Pitfalls Page

The OSA website has an Avoiding Pitfalls page which contains all past Avoiding Pitfalls featured in the E-Update. The Pitfalls are sorted by main topic.

To access this feature, click on the "For Local Officials" tab on the home page and scroll down to "Avoiding Pitfalls". You can also access this feature by clicking on the following link:

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

4. Avoiding Pitfalls: Collateralization

State law requires public entities to maintain proper collateralization of their accounts. Collateral provides protection for public funds in the event of a bank failure.

All public funds on deposit in a bank or credit union must be protected by deposit insurance, corporate surety bond or pledged collateral. Most financial institutions choose to pledge collateral for amounts not covered by federal deposit insurance. If the institution should fail, the governmental entity can then take the pledged securities to make up for any loss to its deposited funds.

For more information about the required collateral for public funds, see our Statement of Position entitled Deposits of Public Funds, which can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20110607.002>

The risk addressed by pledged collateral is identified by the Government Accounting Standards Board (GASB) as "custodial credit risk". Information on custodial credit risk related to investment policy is provided in our Statement of Position, Custodial Credit Risk: Investment Policy Considerations, found at:

<http://www.auditor.state.mn.us/default.aspx?page=20110607.001>

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.