



OFFICE OF THE STATE AUDITOR

E-Update

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

**State Auditor
Rebecca Otto**

January 16, 2009

1. Released: Minnesota City Finances Report
2. Released: Tax Increment Financing (TIF) Legislative Report
3. Released: Large Public Pension Plan Investment Report
4. Conference: Reducing Energy Costs in Local Government
5. Avoiding Pitfalls: Uncashed Checks

1. Released: Minnesota City Finances Report

The Office of the State Auditor this week released the 2007 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 2007 and examines long-term trends as well. To view the complete report, which includes an Executive Summary and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20090114.001>.

2. Released: Tax Increment Financing (TIF) Legislative Report

This week the Office of the State Auditor released the Tax Increment Financing (TIF) Legislative Report. The report summarizes the data received from approximately 2,097 unaudited TIF reports for the year ended December 31, 2007, and provides a summary of the violations cited in the limited-scope audits concluded by the Office of the State Auditor in 2008. To view the complete report, which includes an Executive Summary and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20090114.002>.

3. Released: Large Public Pension Plan Investment Report

The Office of the State Auditor has released the Large Public Pension Plan Investment Report. The report reviews the investment performance of Minnesota's large public pension plans for the 2007 calendar year. These pension plans, plus the State Board of Investment (SBI), held nearly \$54 billion in assets as of December 31, 2007, and represent the retirement savings of hundreds of thousands of public employees. To view the complete report, which includes an Executive Summary and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20090113.008>.

4. Conference: Reducing Energy Costs in Local Government

Local government officials, staff and citizens from around the state will be meeting in St. Cloud next Thursday, January 22nd, for the Conference on Reducing Energy Costs in Local Government. The conference will feature presentations, panels, breakout sessions and exhibitors with information and ideas on reducing energy costs. State Auditor Rebecca Otto will be giving a presentation on the Office of State Auditor's Best Practices Review, Reducing Energy Costs In Local Government.

For more information on the conference, go to:

<http://www.nextstep.state.mn.us/energyconference.cfm>

To see the Best Practices Review, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20080702.001>.

5. Avoiding Pitfalls: Uncashed Checks

Political subdivisions sometimes issue checks that are never cashed or are returned as undeliverable. Under Minnesota's Unclaimed Property Laws, uncashed and returned checks must generally be reported to the Minnesota Department of Commerce after three years. Here is a link to a Department of Commerce publication where this process is explained:

http://www.state.mn.us/mn/externalDocs/Commerce/holders_Report_Information_032503014211_BigBook.pdf.

Additional information about unclaimed property can be found on the Department of Commerce's website at:

<http://www.state.mn.us/portal/mn/jsp/content.do?id=-536881373&agency=Commerce>.

The Office of the State Auditor recommends that political subdivisions adopt a policy to provide guidance to the person responsible for preparing the entity's bank reconciliations. We recommend that the policy provide:

- A reasonable time period that a check should be outstanding before follow-up is required;
- The type of follow-up required;
- A time period and procedures for obtaining approval to write off outstanding checks; and
- Guidance on tracking unclaimed property for compliance with Minnesota's Unclaimed Property Laws.

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