



State Auditor  
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# OFFICE OF THE STATE AUDITOR

## *E-Update*

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publication of the Office  
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August 28, 2009

1. Revised: Statement of Position
  2. Update: Fire Relief Association Working Group
  3. Released: TIF Newsletter
  4. Avoiding Pitfalls: Obtaining Loans or Lines of Credit
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### **1. Revised: Statement of Position**

The Statement of Position entitled Meeting Minutes has been revised to clarify that audio or video recordings are not a substitute for meeting minutes. To view the complete statement, go to:

[http://www.auditor.state.mn.us/other/Statements/meetingMinutes\\_0710\\_statement.pdf](http://www.auditor.state.mn.us/other/Statements/meetingMinutes_0710_statement.pdf).

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### **2. Update: Fire Relief Association Working Group**

The 2009-2010 Fire Relief Association Working Group held its first meeting on Thursday, August 20. Working Group members agreed upon a meeting schedule, purpose and process statements, and a slate of topics for consideration this year. The meeting agenda, topic list, and other materials can be found at:

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

The next meeting will be on Tuesday, September 22. If you have questions about the Working Group please contact Rose Hennessy Allen at (651) 296-5985 or at [Rose.Hennessy-Allen@state.mn.us](mailto:Rose.Hennessy-Allen@state.mn.us).

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### **3. Released: TIF Newsletter**

The August **TIF Newsletter** has been released. The newsletter contains information on TIF online surveys as well as updates on training sessions and on county correction of errors. To view the newsletter, go to:

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

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#### **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. School districts, with certain limitations, have specific statutory authority to obtain a line of credit from a financial institution, as per [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.

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