



State Auditor  
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# OFFICE OF THE STATE AUDITOR

## *E-Update*

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

April 23, 2010

1. Released: County Budgets Report
2. Pension: Electronic Signature Feature
3. Released: New Statements of Position on TIF & Volunteer Relief Associations
4. Available: Forms 51 and 52
5. Released: Pension Newsletter
6. Avoiding Pitfalls: Asset Inventories

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### **1. Released: County Budgets Report**

The Office of the State Auditor has released the Minnesota County Budgets Report, which includes 2010 summary budget data together with 2009 revised summary budget data. This year a new feature in the tables includes the percent change from 2009 revised county budgets to 2010 county budgets. To view the complete report, go to:

[http://www.auditor.state.mn.us/Reports/gid/2010/co\\_Budget/coBudget\\_10\\_report.pdf](http://www.auditor.state.mn.us/Reports/gid/2010/co_Budget/coBudget_10_report.pdf)

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### **2. Pension: Electronic Signature Feature**

The Office of the State Auditor is pleased to announce an enhancement to the Pension Reporting Forms. Now the Forms can be signed electronically through the State Auditor's Form Entry System (SAFES). This eliminates the need for signature pages to be manually submitted.

Instructions for signing the Forms electronically, which include illustrations and answers to frequently-asked questions, are available at:

[http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf\\_elecsiginstr.pdf](http://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_elecsiginstr.pdf)

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### **3. Released: New Statements of Position on TIF & Volunteer Relief Associations**

#### **Interest Earnings for Deferred Members of Volunteer Fire Relief Associations**

The Statement of Position Interest Earnings for Deferred Members of Volunteer Relief Associations has been released. The Statement explains three decisions that must be made by volunteer relief associations if they elect in their bylaws to pay interest to their deferred members. To view the complete Statement, go to:

[http://www.auditor.state.mn.us/other/Statements/InterestEarningsforDeferredMembers\\_1004\\_statement.pdf](http://www.auditor.state.mn.us/other/Statements/InterestEarningsforDeferredMembers_1004_statement.pdf).

#### **TIF Pooling Restrictions and the Five-Year Rule**

The Statement of Position Pooling Restrictions and the Five-Year Rule has been released. The Statement describes how pooling restrictions and the five-year rule combine to minimize the amount of tax increment revenues (TIF) spent outside the TIF district in which the revenues were generated and to ensure that tax increment revenues are spent within a reasonable time.

The full Statement can be viewed at:

[http://www.auditor.state.mn.us/other/Statements/poolingrestrictionsand5yearrule\\_1004\\_statement.pdf](http://www.auditor.state.mn.us/other/Statements/poolingrestrictionsand5yearrule_1004_statement.pdf).

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### **4. Available: Forms 51 and 52**

Forms 51 (School Taxes Receivable for the year ending June 30, 2010) and 52 (School Tax Settlement Report for 2010) are now available. The Forms can be accessed at:

<http://www.auditor.state.mn.us/default.aspx?page=20050623.002>.

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### **5. Released: Pension Newsletter**

The April Pension Newsletter has been released. The newsletter includes information on the value of a member's accrued benefit in marriage dissolutions, electronic signatures for Pension Reporting Forms, a reminder to report evidence of misconduct, and a new recorded online training session. To view the Newsletter, go to:

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

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## 6. Avoiding Pitfalls: Asset Inventories

Each governmental entity should have an inventory of assets. In addition to complying with auditing standards, an inventory may help determine the extent of loss if a break-in occurs and may also help detect employee thefts.

To develop and maintain an asset inventory system, we recommend that public entities:

- Set a minimum dollar value for assets that will be included on the asset inventory list(s).
- Assign actual or historical costs to each item.
- Create an inventory of all assets above the minimum dollar amount.
- Assign the responsibility for knowing the location of each asset to a department head or official.
- Label each asset with identifying information, such as the name of the public entity and a unique asset number.
- Record the disposal of assets, and the acquiring of new assets.
- Keep your asset inventories current by conducting physical inventory inspections on a regular basis.

For “capital assets” as defined by GASB Statement 34:

- Identify and record capital asset information in your accounting system;
- Determine the useful life for various classes of assets to be used for depreciation purposes; and
- Create general ledger account codes to record capital asset transactions.

More information on inventories is found in “A Guide to Local Government Capital Assets,” at:

[http://www.osa.state.mn.us/other/GASBTools/capital\\_asset\\_guide.pdf](http://www.osa.state.mn.us/other/GASBTools/capital_asset_guide.pdf).

More information on GASB 34 can be found at:

<http://www.osa.state.mn.us/default.aspx?page=gasbimplementation>.

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