



State Auditor  
Rebecca Otto

## OFFICE OF THE STATE AUDITOR

# *E-Update*

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

April 10, 2015

1. Released: County Finances Report
2. Released: City Summary Budget Report
3. Released: CTAS Version 8.2
4. Reminder: Broker Certification Form for Public Pension Plans
5. Avoiding Pitfalls: Obtaining Loans or Lines of Credit

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

State Auditor Rebecca Otto has released the Minnesota County Finances Report, which summarizes, through data tables and charts, the financial operations of Minnesota counties for calendar year 2013. The report also examines long-term trends.

To view the complete report, which includes an Executive Summary, graphs, and tables go to:

<https://www.auditor.state.mn.us/default.aspx?page=20150331.002>.

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### **2. Released: City Summary Budget Report**

The OSA has released the City Summary Budget Report. The report includes 2015 budget data together with 2014 revised budget data.

Budgets are simply plans for the coming year. The 2014 budgets were adopted by city councils in November and December of 2013. The 2015 budgets were adopted by city councils in November and December of 2014.

To view the complete report, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20150407.002>.

### **3. Released: CTAS Version 8.2**

The OSA has released the latest update to CTAS - Version 8.2. If you have already purchased CTAS Version 8, Version 8.2.0 can be downloaded from the State Auditor's Form Entry System (SAFES) at:

<https://www.auditor.state.mn.us/safes>.

Resources for getting started with Version 8.2 can be found under the “CTAS Version 8” heading at:

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

Cities and towns that would like to order a copy of CTAS Version 8 can still do so. A link to the order form can be found by clicking on the link above.

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### **4. Reminder: Broker Certification Form for Public Pension Plans**

Volunteer fire relief associations and other local public pension plans using the services of a broker must complete a uniform Broker Certification Form that is provided by the OSA. The Broker Certification Form must be completed before a public pension plan (which includes relief associations) may enter into a business arrangement with a broker, and must be completed annually thereafter. A copy of each completed form should be submitted to the OSA with the pension plan’s annual reporting forms.

If any portion of the pension plan’s assets are held by a security broker or its agent, the security broker or its agent must acknowledge in writing annually that sufficient insurance has been obtained from the Securities Investor Protection Corporation (SIPC), supplemented by additional insurance, if necessary, to cover the full amount of the pension plan’s assets held by the security broker or its agent.

The Broker Certification Form for volunteer fire relief associations is available on the Pension Forms page of our website, under “Current Forms.” The Pension Forms page can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20070105.001>.

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### **5. 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. *See, e.g., Minn. Stat. § 465.71.*

School districts, with certain limitations, have specific statutory authority to obtain a line of credit from a financial institution. *See e.g., [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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