Office of the State Auditor Overview

State Government Finance and Veterans Affairs Committee February 13, 2013



Rebecca Otto
State Auditor

Mission

The Office of the State Auditor provides oversight for over \$20 billion in spending per year by over 3,300 local governments



"Show Me the Money"



- We are the only entity that collects, reviews and maintains long-term comparable financial data on over 3,300 units of local government
 - Data used by taxpayers, legislature, governor, media, researchers, State agencies, and more
 - Transparency and accountability for taxpayers



3

Show Me the Money Show Me the Money Minnesota Office of the State Auditor Rebecca Division Rebecca Division Welcome Welcome Welcome Welcome The Mark State Auditor Office of the State Auditor Rebecca Division The Mark State Auditor The Mark State Auditor Welcome The Mark State Auditor The Mark State A

"Show Me the Money"





Minnesota Office of the State Auditor



about Our Office Latest News Reports & Data: For Local Officials Auditing Investigations Forms Contact Us

Comparison Tools

The tools listed below will oliow you to search for revenue and expendature data for towns, cities, and counties. The information available includes revenue and expendature categories with their total amounts, per capita amounts, sed ranking. The tools also allow you to compare information for the same entity for two different years, or to compare one entity to a similar type of entity.

- . Town Financial Data Search and Companson
- · City Financial Data Search and Comparison
- · County Financial Data Search and Comparison

School District Data is available on the Minnesota Department of Education Web site.

Privacy Policy | Accessibility Information | OPER Office of the Javanton Store Access

Places and Glossary of Categories for Search Tool (pdf. 17k)

SPECIAL NOTE ABOUT "RANK": The "tank" is of the per capital amount. A rank of one means the highest dollar amount. Rankings are broken up between cities above 2500 in population (arge cities) and olives below 2500 in population (small cities). Further, rankings are only done among cities that have expenditures for a given category. For example, if there are 117 large cites that have "Sanitation" expenditures, then the rank would be "X" of 117.

N/A - In the ranking column this means there was no rank because there were no expenditures in this category. N/A in other categories means the data is unavailable, or does not apply.

Select a City and Year:

Hermanlown (Saint Loui - 2010 - Ge

₩ 2010 ₩ Ge

Entity: Hermantown County: Saint Louis Year: 2010 Population: 9,414

Description	Amount	Per Capita	Rank
Taxable Tax Capacity	59,681,459	\$1,028.41	82 of 225
Net Tax Levy	\$3,242,611	\$344.46	125 of 225
Revenues			
Property Taxes	\$3,072,665	\$326.38	138 of 225
Franchise Taxes	\$47,099	\$5.00	154 of 179
Gambling Taxes	\$0	\$6.00	N/A
Gravei Taxes		\$0.00	NA S
Hotel/Ivictel Taxes	\$8	50.00	N/A
Sales Taxes	\$1,117,325	\$118.69	5 of 24
Tax Increment	50	\$5.00	N/A
Julo Taxos	\$4,236,989	\$450.07	97 of 225
Special Assessments	\$772,153	\$82.02	59 of 222
Licenses and Pennits	\$280,336	\$29.78	48 of 225
Federal Grants	2G0,952	\$6.47	199 of 165
State Grants	\$1,033,856	\$109.82	122 of 225
Local Grants	\$5	\$0.00	N/A
Total Intergovernmental Revenues	\$1,094,808	5116 30	125 of 225
Charges for Services	5282,967	\$30 86	192 of 225
Fines and Forishs	257,371	\$6.09	122 of 218
Interest Earnings	\$148,486	\$15.77	104 of 223
All Other Revenues	\$51,276	\$5.45	203 of 225
Total Revenues	\$6,924,385	\$735.54	166 of 225
Total Benoving	\$3,556,000	\$420.12	37 of 148

"Follow the Money"



- We receive reports on alleged misuse/theft of public funds:
 - > 609.456 reporting
 - Local officials must report evidence of theft or misuse of public funds
 - > 6.67 reporting
 - Private CPA firms auditing local governments are required to report evidence of theft or misuse of public funds
 - > Taxpayers report alleged theft or misuse of public funds



7

"Follow the Money"



- We serve as a deterrent to theft/misuse of public funds by:
 - > Conducting investigations
 - Assisting law enforcement/others with investigations
 - Training/educating local officials to prevent/detect fraud
 - Referring cases to County Attorneys for possible criminal proceedings





"Follow the Money"



Table of Contents

Introduction......1

Summary of Special Investigations Resulting in Criminal Charges......

- St. Paul Public Schools Independent School District # 625 (Restitution of \$86,678.62) (pg. 3).
- · Aitkin County Planning and Zoning Department (Charges pending) (pg. 3).
- Norman County East Independent School District # 2215 (Restitution amount yet to be determined) (pg. 3).
- . City of Henning (Restitution of \$18,460.66) (pg. 4).
- Koochiching Economic Development Authority (KEDA) (Civil judgment of \$341,742.40) (pg. 4).
- Winnebage Firemen's Relief Association (Restitution of \$2,987.00) (pg. 4).

.

Give us the Money?



- We certify eligible cities for State local government aid
- > Accountability to State: aid received if requirements are met
 - > Audit
 - > Reporting requirement
- > Important source of revenue for many cities





Give us the Money?



- We certify Volunteer Fire Relief Associations for fire state aid
- > Accountability to State: aid received if requirements are met
 - > Audit
 - > Reporting requirement, compliance
- > Safeguard pensions, provide transparency
- Support our cost-effective volunteer statewide firefighting system



11

Community Development



- Tax Increment Financing (TIF) is a tool created to help local development occur
 - Housing, economic development, redevelopment, and much more
- We oversee the use of TIF to help ensure that:
 - > It's used in compliance with state law
 - Districts are decertified in a timely manner and taxable value is returned to property tax base
 - > Any excess increments collected are returned to property tax stream



"Audit the Money"



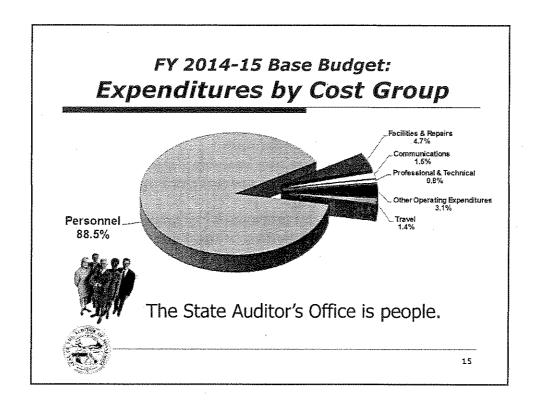
- We conduct annual financial and compliance audits, including the Single Audit
- We audit local governments receiving large amounts of State revenue to protect the State's and taxpayers' interests
 - Audited financial statements are used by taxpayers, bond holders, rating agencies, and more
 - Single Audits are used by federal and State departments for consideration when awarding grants and funds to local governments

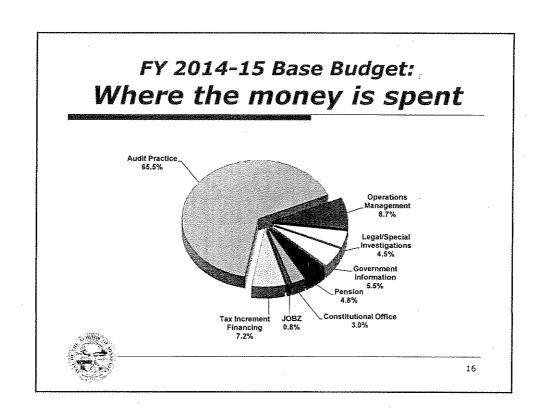


13

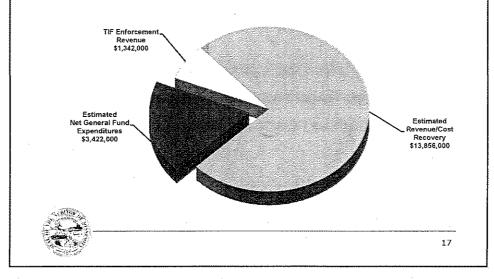
Budget







FY 2014-15 Base Budget: Over 80% recovered by fees/reimbursements



FY 2014-15 Base Budget

			2014-15
•	FY 2014	FY 2015	Biennium
Base Budget by Division			
Audit Practice	6,097	6,097	12,194
Legal/Special Investigations	404	435	839
Government Information	517	510	1,027
Pension	441	450	891
Operations Management	842	769	1,611
Constitutional Office	258	298	556
JOBZ	78	78	156
Total Direct General Fund Appropriation	8,637	8,637	17,274
Performance Measurement Statutory Appropriation	2	2	4
Tax Increment Financing Statutory Appropriation	650	692	1,342
Total General Fund Appropriation	9,289	9,331	18,620

.

Proposed FY 2014-15 Change Items

- Transfer of JOBZ and Dairy Council Oversight
- > CTAS user fees and special account
- > Enterprise Fund for Audit Division
- > Staff Retention (not included in Governor's budget)



19

Proposed FY 2014-15 Change Item Not Being Pursued

> Pension software purchase

