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<https://www.osa.state.mn.us/>

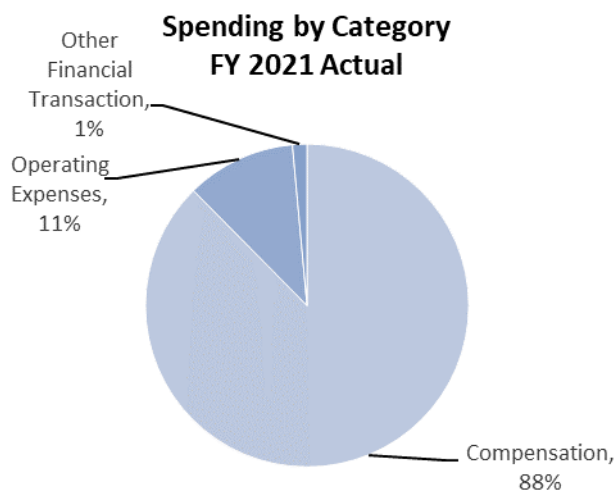
### AT A GLANCE

- Oversees the finances of approximately 3,300 local units of government.
- Issues approximately 85 local government financial and compliance audit reports annually as well as the State's single audit for Minnesota Management and Budget and various agreed-upon procedures reports.
- Reviews approximately 440 single audit reports in a typical year and approximately 700 single audit reports annually due to COVID and recovery-related funding.
- Investigates allegations of unlawful use of public funds and property.
- Conducts continual outreach and provides educational resources to state and local elected officials, local government finance professionals, and the public.
- Reviews investment and financial reporting and compliance of approximately 600 local public pension plans.
- Reviews expenditures and compliance of approximately 1,650 tax increment financing (TIF) districts.
- Maintains financial reporting database on local government entities.
- Supports service by the State Auditor on six state boards and Executive Council and provides senior management to the Office.
- Publishes educational resources and provides ongoing training opportunities on local government finance and legal compliance issues.

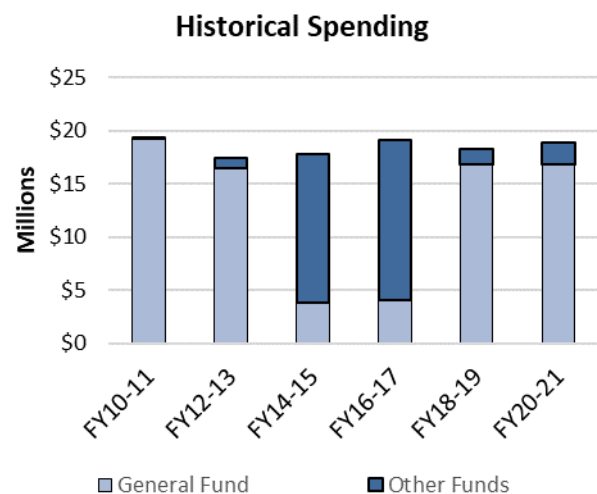
### PURPOSE

The mission of the Office of the State Auditor (OSA) is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

### BUDGET



Source: Budget Planning & Analysis System (BPAS)



FY 14 – 17 the Audit Practice Division funds were moved the State Auditor's Enterprise Fund

Source: Budget Planning & Analysis System (BPAS)

The OSA is organized into seven divisions: Audit Practice, Government Information (GID), Legal/Special Investigations (SI), Operations (OPM), Pension, Tax Increment Financing (TIF), and Constitution. There are approximately 70 employees in six offices. We are primarily funded by a general fund appropriation, with the TIF Division being funded by a statutory appropriation. Audit fees collected by the Audit Practice Division for auditing services are deposited in the general fund as non-dedicated receipts.

### **STRATEGIES**

The OSA oversees over \$40 billion in annual local government finances by auditing local government financial statements and reviewing documents, data, reports, and reported complaints. The financial information collected from local governments is analyzed and serves as the basis of the statutory reports we issue.

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Primary statutory citations regarding the State Auditor's office are in Chapter 6 of Minnesota Statutes (<https://www.revisor.mn.gov/statutes/cite/6>).

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
<u><b>Expenditures by Fund</b></u>								
1000 - General	8,481	8,946	8,682	15,422	12,093	12,099	14,965	14,254
2000 - Restrict Misc Special Revenue	747	834	823	916	957	986	957	986
<b>Total</b>	<b>9,228</b>	<b>9,780</b>	<b>9,505</b>	<b>16,338</b>	<b>13,050</b>	<b>13,085</b>	<b>15,922</b>	<b>15,240</b>
Biennial Change				6,835		292		5,319
Biennial % Change				36		1		21
Enacted Budget Change from Base								5,027
Enacted Budget % Change from Base								19

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
<b>1000 - General</b>								
Balance Forward In		1,857		3,339				
Direct Appropriation	10,338	10,604	12,021	12,083	12,093	12,099	14,965	14,254
Transfers In	100	35	20	31				
Transfers Out	100	35	20	31				
Cancellations	0	3,515	0					
Balance Forward Out	1,857		3,339					
<b>Expenditures</b>	<b>8,481</b>	<b>8,946</b>	<b>8,682</b>	<b>15,422</b>	<b>12,093</b>	<b>12,099</b>	<b>14,965</b>	<b>14,254</b>
Biennial Change in Expenditures				6,677		88		5,115
Biennial % Change in Expenditures				38		0		21
Enacted Budget Change from Base								5,027
Enacted Budget % Change from Base								21

**2000 - Restrict Misc Special Revenue**

Balance Forward In	3,088	3,129	3,250	3,269	3,100	2,892	3,100	2,892
Receipts	43	34	40	47	49	54	49	54
Transfers In	745	921	803	700	700	700	700	700
Balance Forward Out	3,129	3,250	3,269	3,100	2,892	2,660	2,892	2,660
<b>Expenditures</b>	<b>747</b>	<b>834</b>	<b>823</b>	<b>916</b>	<b>957</b>	<b>986</b>	<b>957</b>	<b>986</b>
Biennial Change in Expenditures				158		204		204
Biennial % Change in Expenditures				10		12		12
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
<b>FY2023 Appropriations</b>	<b>12,083</b>	<b>12,083</b>	<b>12,083</b>	<b>24,166</b>
<b>Base Adjustments</b>				
Current Law Base Change		10	16	26
<b>Forecast Base</b>	<b>12,083</b>	<b>12,093</b>	<b>12,099</b>	<b>24,192</b>
<b>Change Items</b>				
Operating Adjustment		572	937	1,509
Administrative Support		395	409	804
Technology Staffing		251	260	511
Electronic Auditing Tools		80	60	140
Township Specialist		113	116	229
Legal/Special Investigations Staffing		361	373	734
City and Township Accounting System Upgrade		500		500
Reporting and Other Compliance Dashboard		600		600
<b>Total Enacted Budget</b>	<b>12,083</b>	<b>14,965</b>	<b>14,254</b>	<b>29,219</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
<b>Planned Spending</b>	<b>916</b>	<b>957</b>	<b>986</b>	<b>1,943</b>
<b>Forecast Base</b>	<b>916</b>	<b>957</b>	<b>986</b>	<b>1,943</b>
<b>Total Enacted Budget</b>	<b>916</b>	<b>957</b>	<b>986</b>	<b>1,943</b>
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
<b>Forecast Revenues</b>	<b>47</b>	<b>49</b>	<b>54</b>	<b>103</b>
<b>Total Enacted Budget</b>	<b>47</b>	<b>49</b>	<b>54</b>	<b>103</b>
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				
<b>Forecast Revenues</b>	<b>6,500</b>	<b>6,500</b>	<b>6,500</b>	<b>13,000</b>
<b>Change Items</b>				
Operating Adjustment		290	576	866
<b>Total Enacted Budget</b>	<b>6,500</b>	<b>6,790</b>	<b>7,076</b>	<b>13,866</b>

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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**Operating Adjustment**

This funding will be dedicated primarily to salaries and benefits and will allow the Office of the State Auditor (OSA) to retain its current staff by allowing for increases in compensation.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>282</b>	<b>361</b>	<b>643</b>	<b>367</b>	<b>372</b>	<b>739</b>
Revenues	0	290	576	866	584	589	1,173
Expenditures	0	572	937	1,509	951	961	1,912

**Administrative Support**

This funding will be used to fill four administrative support positions and one accounting clerk position at OSA. These new positions will provide support across OSA's work.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>395</b>	<b>409</b>	<b>804</b>	<b>409</b>	<b>409</b>	<b>818</b>
Expenditures	0	395	409	804	409	409	818

**Technology Staffing**

This funding will allow OSA to hire a chief information officer and a new computer/network administrator. This positions will improve OSA's ability to address growing technology needs.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>251</b>	<b>260</b>	<b>511</b>	<b>260</b>	<b>260</b>	<b>520</b>
Expenditures	0	251	260	511	260	260	520

**Electronic Auditing Tools**

This funding will allow for the purchase of electronic auditing tools for OSA's Audit Practice Division. The costs include and annual subscription fees and initial training on a data analysis tool and a project and staff scheduling tool.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>80</b>	<b>60</b>	<b>140</b>	<b>60</b>	<b>60</b>	<b>120</b>
Expenditures	0	80	60	140	60	60	120

**Township Specialist**

This funding will allow OSA to hire a township specialist in the Government Information Division. This position will help townships resolve issues with the use of the Small Cities and Towns Accounting System (CTAS) software. This position will also assist townships with accounting questions and reporting issues.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>113</b>	<b>116</b>	<b>229</b>	<b>116</b>	<b>116</b>	<b>232</b>
Expenditures	0	113	116	229	116	116	232

**Legal/Special Investigations Staffing**

This funding will allow OSA to fill one paralegal position and two special investigator positions in its Legal/Special Investigations Division, allowing that division to be more efficient in performing its work and to address more issues.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>361</b>	<b>373</b>	<b>734</b>	<b>373</b>	<b>373</b>	<b>746</b>
Expenditures	0	361	373	734	373	373	746

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
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City and Township Accounting System Upgrade

This funding will allow OSA to assist local governments in using the Small City and Town Accounting System, including encrypting sensitive data in the program, fixing programming issues in the software code, adding requested features to the program, and providing grants to those town and small city governments.

1000 - General Fund Cost (Savings)	0	500	0	500	0	0	0
Expenditures	0	500	0	500	0	0	0

Reporting and Other Compliance Dashboard

This funding will provide resources for the OSA to improve regulatory and reporting compliance using a dashboard on its website. The dashboard will allow the public and local government officials to see the status of a local government’s reporting.

1000 - General Fund Cost (Savings)	0	600	0	600	0	0	0
Expenditures	0	600	0	600	0	0	0