



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*

March 4, 2011

1. Released: City Finances Report
2. Released: Fire Relief Association Financial and Investment Report
3. Update: Third Certification for 2010 Fire State Aid
4. Released: Pension Newsletter & TIF Newsletter
5. Avoiding Pitfalls: Accountants' Obligation to Report Evidence of Misconduct

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

The Office of the State Auditor this week released the City Finances Report, a comprehensive report on revenues, expenditures and debt for Minnesota's cities. The report summarizes cities' financial operations for calendar year 2009 and also examines long-term trends. To view the complete Report, which includes an Executive Summary, graphs and tables, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20110302.001>.

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### **2. Released: Fire Relief Association Financial and Investment Report**

The State Auditor has released the Financial and Investment Report of Volunteer Fire Relief Associations for the year ended December 31, 2009. The report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota's volunteer fire relief associations and includes investment information on three salaried police relief associations and one salaried fire relief association. To view the complete report, which includes tables and graphs, go to:

[http://www.auditor.state.mn.us/Reports/pen/2009/vfra/vfra\\_09\\_report.pdf](http://www.auditor.state.mn.us/Reports/pen/2009/vfra/vfra_09_report.pdf).

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### **3. Update: Third Certification for 2010 Fire State Aid**

The Office of the State Auditor is pleased to announce that 66 volunteer fire relief associations and other pension entities were certified as eligible for receipt of their 2010 fire state aid for the third round of aid disbursements. State aid will be disbursed on or about March 15 for those relief associations certified as eligible for the third round of state aid payments. All but one volunteer fire relief association has now been certified for its 2010 state aid.

The final certification deadline for 2010 aid is June 1, 2011. A listing of the fire state aid amounts is available on our website at:

<http://www.auditor.state.mn.us/forms/pen/pensionFireAid10.pdf>.

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#### **4. Released: Pension Newsletter & TIF Newsletter**

##### **Pension Newsletter**

The February **Pension Newsletter** has been released. It provides information about municipal contributions and answers frequently asked questions about contribution requirements. The Newsletter also provides reminders about audit requirements and links to online training opportunities. The Newsletter can be viewed at:

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

##### **TIF Newsletter**

The March **TIF Newsletter** has been released. The Newsletter contains questions and answers about the TIF Jobs Program and a reporting reminder on county TIF information. To view the complete Newsletter, go to:

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

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#### **5. Avoiding Pitfalls: Accountants' Obligation to Report Evidence of Misconduct**

Public accountants performing an audit of a political subdivision or a local public pension plan must report to the Office of the State Auditor ("OSA") the discovery of evidence during the audit that points to nonfeasance, misfeasance, or malfeasance on the part of an officer or employee of the entity being audited. The reporting obligation includes an audit of a county; city; town; school district; metropolitan or regional agency; public corporation; local public pension plans; volunteer fire relief association; watershed district; sanitary district; regional public library district; park district; economic development authority; and housing and redevelopment authorities.

The report must be made "promptly" to both the OSA and the appropriate county attorney. "Prompt" reporting should be done prior to the routine filing of the public entity's audit with the OSA. Especially in cases where evidence of fraud is discovered, the OSA may be able to

assist with auditing or investigative services. The accountant is also required to provide the OSA and the county attorney with a copy of the completed audit report.

This mandatory reporting requirement is found in [Minn. Stat. § 6.67](#). More information on the mandatory reporting requirement can be viewed on our website at:

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

If you have questions about whether a report should be made, contact Nancy Bode at 651-297-5853 or [Nancy.Bode@state.mn.us](mailto:Nancy.Bode@state.mn.us).

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If you are interested in signing up to receive an e-mail version of the E-Update regularly, [click here](#).

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