



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

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publication of the Office  
of the State Auditor*

**December 27, 2013**

1. Updated: Reporting Requirements Calendar For Relief Associations
2. Released: TIF Newsletter
3. Avoiding Pitfalls: Fire Relief Association Audit Requirements - Part II

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### **1. Updated: Reporting Requirements Calendar For Relief Associations**

The updated Key Reporting Requirements calendar is now available on the OSA website. The calendar lists each reporting form that volunteer fire relief associations must submit to the OSA and reporting requirements for some other State agencies. Links to the forms and their applicable due dates are also provided.

The calendar can be found under the heading "Resources for Completing Forms" at:

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

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### **2. Released: TIF Newsletter**

The December **TIF Newsletter** has been released. The Newsletter contains information on elements of a balanced TIF Plan budget and a reminder for consultants and non-authority employees to annually reset their access to the State Auditor's Form Entry System (SAFES). The Newsletter also includes information on a new series of online training videos produced by the OSA TIF Division.

To view the complete Newsletter, go to:

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

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### **3. Avoiding Pitfalls: Fire Relief Association Audit Requirements - Part II**

Two important documents which a fire relief association with assets or liabilities of at least \$500,000 must annually submit to the Office of the State Auditor are: 1) an audited financial

statement and 2) a separate financial reporting form, countersigned by the municipal clerk or clerk-treasurer. The financial reporting form must also be presented to the city council and maintained in the relief association's office for public inspection. The relevant statute is [Minn. Stat. § 69.051](#).

The audited financial statement must comply with generally accepted accounting principles (GAAP), which require that a Management's Discussion and Analysis (MD&A) be included in a relief association's audited financial statement. If the MD&A is not included in the audited financial statement, the omission should be noted in the Independent Auditor's Report. To meet the requirements of GAAP, there are three options for presenting the General Fund:

- 1) Consolidate the General Fund with the Special Fund, depending upon its materiality;
- 2) Show the General Fund separately with the adjustments from modified to full accrual basis financial statements; or
- 3) Show the General Fund separately as a fiduciary fund, in the same manner as the Special Fund.

The Minnesota Legal Compliance Audit Guide for Political Subdivisions includes a legal compliance checklist for auditors of fire relief association financial statements. The Audit Guide is available at:

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

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