



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*

October 23, 2015

1. Available: Registration for OSA Annual Training
2. Released: Municipal Liquor Store Report
3. Meeting: Volunteer Fire Relief Association Working Group
4. Pension: Special Fund Deposit Errors
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### **1. Available: Registration for OSA Annual Training**

Registration for the Office of the State Auditor Annual Training is now open. The training will be held on Wednesday, November 18, at the Hampton Inn Minneapolis - St. Paul North. Topics covered will include legal compliance and a GASB update. The conference will also include a discussion of the new federal uniform guidance.

For details and a link to the online registration, please go to:

<http://www.auditor.state.mn.us/default.aspx?page=2015OSATraining>.

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### **2. Released: Municipal Liquor Store Report**

The Office of the State Auditor has released the 2014 Analysis of Municipal Liquor Store Operations. The report provides comparative data on municipal liquor operations, which are owned and operated by Minnesota cities. To view the complete report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20151020.000>.

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### **3. Meeting: Volunteer Fire Relief Association Working Group**

The Volunteer Fire Relief Association Working Group met on October 21. The Group discussed a proposal to require the fire chief to annually certify service credit for each firefighter to an officer of the relief association and to the municipal clerk. The certification will provide relief associations with information they need to properly award service credit for pension purposes and will remain on file as a public record.

The Group also discussed seeking a legislative correction to clarify that relief association service credit cannot be awarded for periods of fulltime firefighting service during which a firefighter is already receiving pension credit through the Public Employees Retirement Association's Police and Fire Plan.

The Working Group will continue its discussions on both topics at its next meeting. The Group will meet on Tuesday, November 10, from 11:00 a.m. to 1:00 p.m. at our 525 Park Street office in Saint Paul. Meetings are open to the public. Working Group materials are available on the OSA website at:

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

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#### **4. Pension: Special Fund Deposit Errors**

Special fund assets may be disbursed only for purposes expressly authorized under Minnesota law. The special fund may be used to pay benefits, such as service pensions, disability benefits, and survivor benefits, and certain fees and other expenses specifically authorized by law.

Funds erroneously deposited into a relief association's special fund cannot be taken out of the special fund unless the association obtains specific written authorization from the Office of the State Auditor (OSA). The OSA has authority, after a relief association has presented evidence that the deposit error occurred in good faith, to order the transfer of an amount equal to the funds deposited in error from the special fund to the appropriate fund or account.

If a relief association discovers that funds have been deposited into the special fund in error, please contact the OSA right away. Funds cannot be transferred from the special fund unless and until a relief association obtains written authority from the OSA.

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#### **5. Avoiding Pitfalls: Confirm Decertification Dates of TIF Districts**

After a municipality approves the establishment of a TIF district, the district is certified and its estimated decertification date is recorded by the county. The decertification date is adjusted if the year the district receives its first increment is different than originally estimated.

It is important that a development authority and its county confirm that there is agreement on a TIF district's decertification date. If the authority receives tax increment after the decertification date, it must return the increment to the county for redistribution. If the county's recorded decertification date is earlier than the date used by the development

authority, the authority may not be able to cover its bonded debt obligations or its contractual obligations.

If tax increment is received in error, the county auditor has the authority to correct the error through the Correction of Errors provision in the TIF Act. For more information on correcting TIF errors, see our Statement of Position available at:

<http://www.auditor.state.mn.us/default.aspx?page=20110519.004>.

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