



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: Forfeiture Reporting
2. Reminder: Investment Business Recipient Disclosure Form
3. Avoiding Pitfalls: Fire Relief Association Audit Requirements - Part II

1. Deadline: Forfeiture Reporting

March 20th is the deadline for law enforcement agencies to report final disposition of property seized subject to forfeiture for the month of February. To report final disposition of forfeitures, please go to:

<https://www.auditor.state.mn.us/safes/>.

2. Reminder: Investment Business Recipient Disclosure Form

The chief administrative officer of a public pension plan, which includes any volunteer fire relief association, must annually complete an Investment Business Recipient Disclosure Form. The Form must be filed with the Executive Director of the Legislative Commission on Pensions and Retirement within 90 days after the close of the pension plan's fiscal year. For volunteer fire relief associations, the Form is due to the Legislative Commission on Pensions and Retirement by March 31.

The purpose of the Form is for pension plans to list all the recipients of investment business with respect to investments made by the plan. The Form can be accessed on the Pension Forms page of the OSA website under the Current Forms heading at:

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

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

Two important documents which fire relief associations with assets or liabilities of at least \$500,000 must annually submit to the Office of the State Auditor are: 1) audited financial statements 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. Fire relief associations should also comply with the Governmental Accounting Standards Board (GASB) Statement No. 67. The Legal Compliance Audit Guide is available at:

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

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