



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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December 18, 2015

1. Deadline: Special District Reporting Form
 2. Update: Volunteer Fire Relief Association Working Group
 3. Available: Draft Guide and Reporting Format for Fire Relief Associations
 4. Avoiding Pitfalls: Local Government Compensation Limit
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1. Deadline: Special District Reporting Form

Special District Financial Reporting Form and Financial Statements are due December 31 for districts whose fiscal year ended June 30, 2015. The reporting form can be found at:

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

2. Update: Volunteer Fire Relief Association Working Group

The Volunteer Fire Relief Association Working Group met on December 16. The Group adopted language 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 Group also agreed to seek a legislative correction to clarify that relief association service credit cannot be awarded for the same hours of service for which a firefighter is already receiving pension credit through the Public Employees Retirement Association. Both proposals will be included in the Working Group bill that will be introduced during the 2016 Legislative Session.

The Group continued its discussion on a proposal to permit, subject to municipal and relief association approval, individuals who solely perform volunteer emergency medical services with the volunteer fire department to be eligible for membership in the affiliated volunteer fire relief association and to be eligible for benefits from the association on the same basis as individuals performing volunteer firefighting duties.

The Working Group will be scheduling an additional meeting in January 2016. Notice of the January meeting will be provided in an upcoming E-Update.

Working Group materials are available on the OSA website at:

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

3. Available: Draft Guide and Reporting Format for Fire Relief Associations

During the 2015 Legislative Session, attestation requirements were changed for volunteer fire relief associations with assets and liabilities of less than \$500,000. The new requirements become effective for financial statements prepared for calendar year 2015 and thereafter.

Under the new requirements, the relief association's annual financial reporting form will need to be attested to by a certified public accountant using an Agreed-Upon Procedures Engagement developed by the OSA that provides the minimum procedures to follow during the Engagement and a reporting format.

In addition to submitting the report to the OSA, the CPA must sign the relief association's annual financial reporting form. The report and signed reporting form are due to the OSA annually by March 31.

Draft copies of the Agreed-Upon Procedures guide and reporting format are available for review and comment at <http://www.auditor.state.mn.us/default.aspx?page=20151209.000>.

Please contact Rose Hennessy Allen at (651) 296-5985 or at rose.hennessy-allen@osa.state.mn.us with any questions, comments, or suggestions for our consideration.

4. Avoiding Pitfalls: Local Government Compensation Limit

Minnesota law sets a compensation limit for local government employees. The limit is adjusted each year based on the Consumer Price Index. For recent years:

- Effective January 1, 2012, the limit was \$157,181.
- Effective January 1, 2013, the limit was \$160,639.
- Effective January 1, 2014, the limit was \$162,245.
- Effective January 1, 2015, the limit is \$165,003.
- Effective January 1, 2016, the limit will be \$165,333.

The compensation limit applies to cities, counties, towns, and metropolitan or regional agencies, but not to school districts. Hospitals, clinics, and health maintenance organizations owned by governmental units are also not subject to the limit.

Detailed information on the compensation limit is available on the Minnesota Management & Budget website at:

http://mn.gov/mmb/employee-relations/compensation/laws/local_gov/comp-limits/LgCompLimitsByYear.jsp.

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