



State Auditor
Julie Blaha

OFFICE OF THE STATE AUDITOR

E-Update

February 5, 2021



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1. Message from Auditor Blaha

This week I would like to draw your attention to item number seven. The 2020 revenue thresholds for audit requirements and agreed-upon procedures have just been released. Full details may be found below or by following this link:

<https://www.auditor.state.mn.us/default.aspx?page=20160130.000>

I hope you all stay safe and warm over the next few days. As always, if you leave your home, remember to grab your mask!

2. Available: 2020 Annual Financial Reporting Forms

The 2020 Annual Financial Reporting Form (Reporting Form) is now available through the State Auditors Form Entry System (SAFES) at: <https://www.auditor.state.mn.us/SAFES/Default/Login>.

Instructions on completing the Reporting Form can be found at:
<https://www.auditor.state.mn.us/default.aspx?page=20130724.003>.

CTAS Users are now also able to submit the State Auditor Data File and Financial Statements right from CTAS. Instructions can be found at:
<https://www.auditor.state.mn.us/other/ctas/docs/YearEndReportingInstructions.pdf>.

For local government entities reporting on a cash basis of accounting, the Reporting Form (CTAS: State Auditor Data File) and Financial Statements or Audit are due by March 31, 2021. For entities reporting on a GAAP basis of accounting, the Reporting Form and Audit are due by June 30, 2021.

3. Reminder: 2020 Law Enforcement Agency Asset Forfeiture Reporting

Please remember to report all forfeitures that were completed in 2020 to the Office of the State Auditor by **February 5, 2021**.

Reporting must be done using the online reporting tool available in the State Auditor's Form Entry System (SAFES) at: <https://www.auditor.state.mn.us/safes/>.

If your agency had no forfeitures completed in 2020, you will still need to login to SAFES and select the button labeled "I have no forfeitures in 2020 to report for this entity," by February 5, 2021.

Please send any questions GID.OSA@osa.state.mn.us or call 651-297-3682.

4. Reminder: Lobbying Costs Reporting Form

The 2020 lobbying costs reporting forms are available for both local governments and local government associations. The forms are due **February 12, 2021**. The forms can be found at:

<https://www.auditor.state.mn.us/SAFES/Default/Login>

Instructions for the forms can be found at:

<https://www.auditor.state.mn.us/default.aspx?page=20130724.003>

5. TIF: Distribution of Delinquent Taxes After Decertification

After a TIF district is decertified, any payments of delinquent taxes should not be distributed by the county auditor as tax increment, except under certain conditions. To learn more, please visit: <https://www.auditor.state.mn.us/default.aspx?page=DistDelqTaxAftDcert>. If you have any questions, please contact us at TIF@osa.state.mn.us.

6. Released: Fire Relief Association Reporting Forms

The 2020 Financial and Investment Reporting Entry (FIRE-20) Form and 2021 Schedule (SC-21) Form for volunteer fire relief associations are available for completion. Reporting forms are accessible through the State Auditor's Form Entry System (SAFES) at:

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

Detailed instructions for completing the forms can be found under the "Current Form Instructions" heading, on the OSA website at:

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

An informational document that explains how to access, submit, and electronically sign the forms can be found on the OSA website at:

https://www.auditor.state.mn.us/forms/pen/ReportingForms/pensionrf_checklist.pdf

7. Released: 2020 Revenue Thresholds for Audit Requirements

Cities - A city with a population over 2,500 must have an annual audit performed.

Cities with Combined Clerk/Treasurers - A city with a population of 2,500 or less and a combined clerk/treasurer must have an annual audit for 2020 if its annual revenue is more than \$233,000. A city with a combined clerk/treasurer and annual revenue of \$233,000 or less must have an Agreed-Upon Procedures engagement once every five years.

Towns - A town with a population over 2,500 and 2020 annual revenue of \$1,040,000 or more must have an annual audit.

Towns with Combined Clerk/Treasurers - A town with a combined clerk/treasurer must have an annual audit for 2020 if its annual revenue was more than \$233,000. A town with a combined clerk/treasurer and annual revenue of \$233,000 or less must have an Agreed-Upon Procedures engagement once every five years.

Special Districts - A special district must have an annual audit for 2020 if its annual revenue was more than \$233,000. A special district with annual revenue of \$233,000 or less must have an Agreed-Upon Procedures engagement once every five years.

The Office of the State Auditor has developed minimum procedures and a reporting format for Agreed-Upon Procedures engagements of cities and towns that have combined the offices of clerk and treasurer, and special districts, with annual revenues less than the audit threshold. The minimum procedures and reporting format for Agreed-Upon Procedures engagements can be found on the OSA website at:

<https://www.auditor.state.mn.us/default.aspx?page=20111222.001>

8. Avoiding Pitfalls: Salary Adjustments

When considering salary adjustments as a way to economize, local officials need to consider statutes that may prescribe how salaries of certain officials need to be set. Statutes vary for different local units of government and for different officials.

This Avoiding Pitfall is available on our website here:

<https://www.auditor.state.mn.us/default.aspx?page=20090724.009>

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