

# **Minnesota Volunteer Fire Relief Association**

## **Working Group Meeting**

Office of the State Auditor  
Wednesday, October 22, 2014  
11 a.m. to 1 p.m.

- I. Call to Order**  
*Chair Auditor Otto.*
- II. Introductions**
- III. Review and Approval of Working Group Meeting Minutes**  
Exhibit A. Draft February 19, 2014 Meeting Minutes
- IV. Working Group Process Discussion**  
Exhibits B through E.
  - Working Group Meeting Schedule
  - Working Group Purpose Statement
  - Working Group Process
  - Working Group Membership List
- V. Discussion of Working Group Topic Suggestions**  
Exhibit F.
- VI. Review of Draft Language for Technical Changes**  
Exhibit G.
- VII. Discussion of Audit Threshold and Attestation Requirements**  
Exhibit H.
- VIII. Other Business**
  - Update on training and survey results
- IX. Next Meeting**  
Thursday, November 13, 2014  
11 a.m. to 1 p.m.  
Office of the State Auditor
- X. Adjournment**

Individuals with disabilities who need a reasonable accommodation to participate in this event, please contact Rose Hennessy Allen at (651) 296-5985 or (800) 627-3529 (TTY) by October 20, 2014.

# **Volunteer Fire Relief Association Working Group**

Office of the State Auditor  
Wednesday, February 19, 2014  
11 a.m. to 1 p.m.

## **Members Present**

Steve Donney, City of Harmony Mayor  
Bruce Duncan, Excelsior Fire Relief Association President (defined benefit lump sum plans)  
Dave Ganfield, Apple Valley Fire Relief Association Administrator (defined benefit monthly/lump sum combination plans)  
Bruce Hemstad, Bemidji Fire Relief Association Secretary (defined benefit lump sum plans)  
Dave Jaeger, Mahnomon Fire Relief Association Treasurer (defined benefit lump sum plans)  
Larry Martin, Legislative Commission on Pensions and Retirement Director  
Bruce Roed, Mentor Fire Relief Association Trustee (defined contribution plans)  
Nyle Zikmund, Minnesota State Fire Chiefs Association Representative (defined benefit monthly plans)

## **Members Excused**

Dennis Feller, City of Lakeville Finance Director  
Aaron Johnston, Coon Rapids Fire Relief Association Treasurer (defined contribution plans)  
Rebecca Otto, State Auditor  
Mark Rosenblum, Minnesota State Fire Department Association Representative (defined benefit lump sum plans)

## **Others Present**

Bill Braun, Woodbury Fire Relief Association Representative  
Aaron Dahl, Office of the State Auditor Pension Analyst  
Celeste Grant, Deputy State Auditor/General Counsel  
Rose Hennessy Allen, Office of the State Auditor Pension Director  
Jim Jensen, Office of the State Auditor Pension Analyst  
Mike Luger, Eden Prairie Fire Relief Association Representative  
Brian McKnight, Wells Fargo Advisors Representative  
Dan Retka, Spring Lake Park-Blaine-Mounds View Fire Relief Association Representative

The following motions were duly made, seconded and approved:

RESOLVED to approve the January 22, 2014, Working Group Meeting Minutes.

### **I. Call to Order**

Hennessy Allen called the meeting to order as Auditor Otto was unable to attend.

### **II. Review and Approval of Working Group Meeting Minutes**

The members reviewed the January 22, 2014, meeting minutes that had been provided in advance. Ganfield made a motion to approve the meeting minutes. Donney seconded the motion that then was adopted unanimously.

**III. Update on Status of Working Group Bill**

Hennessy Allen provided the Group with an update on the status of the bill. The Group discussed the question of whether the creation of independent nonprofit firefighting corporations should continue to be allowed. Roed indicated that as communities look to share fire services more joint powers entities and independent nonprofit firefighting corporations may be formed. Zikmund suggested forming a study group to consider and discuss this topic. Martin suggested the topic may be outside the purview of the Working Group, which generally focuses on relief association pension issues.

**IV. Continuation of Training Discussion**

The Group discussed how training should be offered to relief association trustees. It was agreed that an all-day Saturday conference in early 2015 would be positively received and probably well attended. The Group agreed that the Office of the State Auditor (OSA) should provide the training, with organizational support from the Group members. The Group discussed the possibility of the OSA providing one or two regional training sessions during the spring or summer of 2014, although it may be difficult for OSA staff to schedule sessions before their busy file-review season starts. The Group made a list of potential training topics and agreed that sessions should be recorded and be made available for viewing online. A planning meeting may be held during the summer to work on arrangements for the training conference.

**V. Other Business**

There was no other business.

**VI. Adjournment**

The meeting was adjourned shortly before 1:00.

**Exhibit B**  
**Working Group Meeting Schedule**

**Wednesday, October 22, 2014**

**Thursday, November 13, 2014**

**Tuesday, December 2, 2014**

**Monday, December 8, 2014**

**Date during January 2015 to be determined**

*State Auditor Rebecca Otto, Chair*  
Office of the State Auditor Conference Room  
11:00 a.m. to 1:00 p.m.

**Exhibit C**  
**Working Group Purpose Statement**

To identify and work through current and pressing relief association issues. We will do this by bringing together the major volunteer fire relief association stakeholders to develop relationships, facilitate communication, discuss relief association issues and make the Pension Process easier and more effective. The ultimate goal is to help volunteer fire relief association plans be successful.

## **Exhibit D**

# **Working Group Process**

- Identify and discuss topics and make recommendations to clarify state laws,\*
- Forward suggested statutory changes to the Legislative Commission on Pensions and Retirement, and
- Identify ways to simplify reporting forms, identify training needs and other issues.

\*Unanimous consent is required for all proposals to move forward, although proposals that receive only one dissenting vote may be revisited and reconsidered.

## **Working Group Membership List 2014/2015**

- 1. City Finance Manager**  
Dennis Feller, Finance Director  
City of Lakeville  
20195 Holyoke Avenue  
Lakeville, MN 55044  
(952) 985-4481  
[dfeller@lakevillemn.gov](mailto:dfeller@lakevillemn.gov)
  
- 2. Defined Contribution Plans**  
Aaron Johnston, Treasurer  
Coon Rapids Fire Relief Association  
2831 – 113<sup>th</sup> Avenue NW  
Coon Rapids, MN 55433  
(763) 767-6429  
[ajohnston@coonrapidsmn.gov](mailto:ajohnston@coonrapidsmn.gov)
  
- 3. Defined Benefit Lump Sum Plans**  
Kevin Wall, President  
Lower Saint Croix Valley Fire Relief Association  
P.O. Box 234  
Lake St. Croix Beach, MN 55043  
(651) 436-8870  
[wallkcw@gmail.com](mailto:wallkcw@gmail.com)
  
- 4. Legislative Commission on Pensions & Retirement**  
Lawrence A. Martin, Director  
55 State Office Building  
Saint Paul, MN 55155  
(651) 296-2750  
[lisa.dieslin@lcpr.leg.mn](mailto:lisa.dieslin@lcpr.leg.mn)

**5. Defined Benefit Lump Sum Plans**

Bruce Hemstad, Secretary  
Bemidji Fire Relief Association  
318 – 5<sup>th</sup> Street N.W.  
Bemidji, MN 56601  
(218) 766-0014  
[bruce.hemstad@gmail.com](mailto:bruce.hemstad@gmail.com)

**6. Minnesota State Fire Chiefs Association/Monthly Plans**

Nyle Zikmund, Chief  
Spring Lake Park, Blaine & Mounds View Fire Department  
1710 County Highway 10 NE  
Spring Lake Park, MN 55432  
(763) 786-4436  
[nzikmund@sbfmfire.com](mailto:nzikmund@sbfmfire.com)

**7. Defined Benefit Monthly/Lump Sum Combination Plans**

Dave Ganfield, President  
Apple Valley Fire Relief Association  
7100 – 147<sup>th</sup> Street West  
Apple Valley, MN 55124  
(612) 598-6369  
[dganfield@hotmail.com](mailto:dganfield@hotmail.com)

**8. Minnesota State Fire Department Association**

Mark Rosenblum, Member  
Golden Valley Fire Relief Association  
6325 Olympia Street  
Golden Valley, MN 55427  
(612) 597-2096  
[valleyfire25@yahoo.com](mailto:valleyfire25@yahoo.com)

**9. City Official**

Steve Donney, Mayor  
City of Harmony  
PO Box 175  
Harmony, MN 55939  
(507) 951-4320  
[stdonney2002@yahoo.com](mailto:stdonney2002@yahoo.com)



**10. Defined Benefit Lump Sum Plans**

Dave Jaeger, Vice President  
Mahnomen Fire Relief Association  
116 SW Roosevelt Street  
Mahnomen, MN 56557  
(218) 935-5668  
[jaegerd68@gmail.com](mailto:jaegerd68@gmail.com)

**11. Defined Contribution Plans**

Bruce Roed, Trustee  
Mentor Fire Relief Association  
14945 Maple Inn Road S.E.  
Mentor, MN 56736  
(320) 333-2817  
[bruce.roed@state.mn.us](mailto:bruce.roed@state.mn.us)

**12. State Auditor Rebecca Otto**

Suite 500  
525 Park Street  
Saint Paul, MN 55103  
(651) 296-2551  
[state.auditor@osa.state.mn.us](mailto:state.auditor@osa.state.mn.us)

# Volunteer Fire Relief Association Working Group

## 2014/2015 Potential Topic List

<u>Topic</u>	<u>Description</u>
Administrative Expenses (69.80)	1. Consider updating the list of authorized special fund administrative expenses to clarify that preparation of tax forms and all accounting fees (not just those paid to an auditor) are authorized.
Audit and Attestation (69.051, subs. 1 and 1a)	2. Discuss the new \$500,000 audit threshold and how it will affect the number of relief associations being audited. 3. Consider changing the language for relief associations below the audit threshold to require a Review and update the terminology to match accounting standards.
Investments (356A.06, subd. 7(e))	4. Discuss increasing the five-percent below-investment-grade bond limitation.
Maximum Benefit Levels (424A.02, subs. 3 and 3a)	5. Consider changing the statute regarding the penalty that is applied if a relief association pays a service pension using a benefit level greater than the applicable maximum. 6. Discuss the maximum benefit level calculation, whether it is an appropriate measure of the maximum benefit level a relief association can (or should) establish, and any better alternatives.
Membership	7. Define when membership in a relief association starts (e.g., upon employment with the fire department and meeting any requirements established locally). 8. Clarify that membership in a relief association is for volunteer firefighters and service credit is accrued only for service performed as a volunteer.
Municipal Ratification Requirements (424A.001, subd. 3 and 424A.02, subd. 10)	9. Review municipal approval requirements for relief associations affiliated with an independent nonprofit firefighting corporation. Based on the definition of "municipality" in 424A, it appears that each contracting municipality would be required to approve a bylaw change. Also, deferred interest rates established by the board must be approved by the "municipality." Perhaps change the definition of municipality to include independent nonprofit firefighting corporations. Some precedent - tort limits.
Plan Design	10. Clarify that only one volunteer fire relief association may be affiliated with a particular fire department. 11. Consider allowing a relief association to offer both a defined benefit plan and a defined contribution plan.
Return to Service (424A.01, subd. 6)	12. Clarify how installment payments should be handled for members who return to service and membership. 13. Considering allowing firefighters who return to service after being paid a service pension to have different (lower) vesting requirements than other relief association members. 14. Discuss allowing members who return to service to keep any interest that had been accrued during their period of deferral.
Rollovers (424A.015, subd. 4)	15. Consider allowing members of defined contribution plans to rollover their account balances to an IRA before reaching age 50.
Service Credit	16. Discuss ways to make portability between or among relief associations easier.

17. Discuss allowing benefit level changes to be made on a prospective basis so the change only applies to future years of service accrued by a member.
18. Discuss creating a tiered pension system so that those members who respond to fewer calls and complete fewer trainings receive a lesser pension amount.

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19. Consider allowing vesting percentages to be prorated monthly for fractional years of service.

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Vesting  
(424A.016, subd. 3 and 424A.02, subd. 2.)

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Technical Changes

1. Clarify that the authority to pay postretirement increase applies only to monthly benefit recipients in cases of a monthly/lump sum combination plan.
  2. Clarify the last sentence of 424A.02, subd. 12.
  3. Update fire state aid references in 424A to include both fire state aid and supplemental state aid.
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## Exhibit G Technical Changes

### Technical Change #1: Clarifying Postretirement Increases

#### 424A.02 DEFINED BENEFIT RELIEF ASSOCIATIONS; SERVICE PENSIONS.

**Subd. 9a. Postretirement increases.** Notwithstanding any provision of general or special law to the contrary, a defined benefit relief association paying a monthly service pension may provide a postretirement increase to retired members and ancillary benefit recipients of the relief association if (1) the relief association adopts an appropriate bylaw amendment; and (2) the bylaw amendment is approved by the municipality pursuant to subdivision 10 and section 424A.093, subdivision 6. The postretirement increase is applicable only to retired members and ancillary benefit recipients receiving a monthly service pension or monthly ancillary benefit as of the effective date of the bylaw amendment. The authority to provide a postretirement increase to retired members and ancillary benefit recipients of a relief association contained in this subdivision supersedes any prior special law authorization relating to the provision of postretirement increases.

### Technical Change #2: Clarifying Service Credit Transfers to a New Fire District

#### 424A.02 DEFINED BENEFIT RELIEF ASSOCIATIONS; SERVICE PENSIONS.

**Subd. 12. Transfer of service credit to new district.** Notwithstanding the requirements of subdivision 1 or any other law, a member of a fire department which is disbanded upon formation of a fire district to serve substantially the same geographic area, who serves as an active firefighter with the new district fire department, and is a member of the district firefighters' defined benefit relief association is entitled to a nonforfeitable service pension from the new relief association upon completion of a combined total of 20 years active service in the disbanded and the new departments. **The amount of the service pension is based upon years of service in the new department only and must be in an amount equal to the accrued liability for the appropriate years of service calculated in accordance with section 424A.092, subdivision 2.**

## **Technical Change #3: Updating State Aid References to Include Supplemental State Aid**

### **424A.016 DEFINED CONTRIBUTION VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION SPECIFIC REGULATION.**

**Subd. 4. Individual accounts.** (a) An individual account must be established for each firefighter who is a member of the relief association.

(b) To each individual active member account must be credited an equal share of:

(1) any amounts of fire state aid and supplemental state aid received by the relief association;

(2) any amounts of municipal contributions to the relief association raised from levies on real estate or from other available municipal revenue sources exclusive of fire state aid; and

(3) any amounts equal to the share of the assets of the special fund to the credit of:

(i) any former member who terminated active service with the fire department to which the relief association is associated before meeting the minimum service requirement provided for in subdivision 2, paragraph (b), and has not returned to active service with the fire department for a period no shorter than five years; or

(ii) any retired member who retired before obtaining a full nonforfeitable interest in the amounts credited to the individual member account under subdivision 2, paragraph (b), and any applicable provision of the bylaws of the relief association. In addition, any investment return on the assets of the special fund must be credited in proportion to the share of the assets of the special fund to the credit of each individual active member account. Administrative expenses of the relief association payable from the special fund may be deducted from individual accounts in a manner specified in the bylaws of the relief association.

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### **424A.02 DEFINED BENEFIT RELIEF ASSOCIATIONS; SERVICE PENSIONS.**

**Subd. 3. Flexible service pension maximums.** (a) Annually on or before August 1 as part of the certification of the financial requirements and minimum municipal obligation determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each defined benefit relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing includes any amounts of fire state aid and supplemental state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated under section 424A.092, subdivision 2; 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

**424A.05 RELIEF ASSOCIATION SPECIAL FUND.**

**Subd. 2. Special fund assets and revenues.** The special fund must be credited with all fire state aid and supplemental state aid moneys received under sections 69.011 to 69.051 and section 423A.022, all taxes levied by or other revenues received from the municipality under sections 424A.091 to 424A.096 or any applicable special law requiring municipal support for the relief association, any moneys or property donated, given, granted or devised by any person which is specified for use for the support of the special fund and any interest or investment return earned upon the assets of the special fund. The treasurer of the relief association is the custodian of the assets of the special fund and must be the recipient on behalf of the special fund of all revenues payable to the special fund. The treasurer shall maintain adequate records documenting any transaction involving the assets or the revenues of the special fund. These records and the bylaws of the relief association are public and must be open for inspection by any member of the relief association, any officer or employee of the state or of the municipality, or any member of the public, at reasonable times and places.

**424A.092 RELIEF ASSOCIATIONS PAYING LUMP-SUM SERVICE PENSIONS.**

**Subd. 3. Financial requirements of relief association; minimum obligation of municipality.**

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(d) The minimum obligation of the municipality with respect to the special fund is the financial requirements of the special fund reduced by the amount of any fire state aid and supplemental state aid payable under sections 69.011 to 69.051 and section 423A.022 reasonably anticipated to be received by the municipality for transmittal to the special fund during the following calendar year, an amount of interest on the assets of the special fund projected to the beginning of the following calendar year calculated at the rate of five percent per annum, and the amount of any contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year. ~~A-Reasonable~~ amounts of anticipated fire state aid and supplemental state aid is an are amounts that does not exceed the fire state aid and supplemental state aid actually received in the prior year multiplied by the factor 1.035.

**Subd. 6. Municipal ratification for plan amendments.** If the special fund of the relief association does not have a surplus over full funding under subdivision 3, paragraph (c), clause (5), and if the municipality is required to provide financial support to the special fund of the relief association under this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies is not effective until it is ratified by the governing body of the municipality in which the relief association is located and the officers of a relief

association shall not seek municipal ratification prior to preparing and certifying an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the amendment. If the special fund of the relief association has a surplus over full funding under subdivision 3, paragraph (c), clause (5), and if the municipality is not required to provide financial support to the special fund of the relief association under this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association which are effective without municipal ratification so long as this does not cause the amount of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the surplus over full funding reported in the prior year and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid and supplemental state aid to be received by the relief association as determined by the board of trustees following the preparation of an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the change. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification under this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund of the relief association under this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification is no longer effective without municipal ratification and any service pensions or retirement benefits payable after that date may be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.

#### **424A.093 RELIEF ASSOCIATIONS PAYING MONTHLY SERVICE PENSIONS.**

**Subd. 5. Minimum municipal obligation.** (a) The officers of the relief association shall determine the minimum obligation of the municipality with respect to the special fund of the relief association for the following calendar year on or before August 1 of each year in accordance with the requirements of this subdivision.

(b) The minimum obligation of the municipality with respect to the special fund is an amount equal to the financial requirements of the special fund of the relief association determined under subdivision 4, reduced by the estimated amount of any fire state aid and supplemental state aid payable under sections 69.011 to 69.051 and section 423A.022 reasonably anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following year and the amount of any anticipated contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year. ~~A Reasonable amounts of anticipated fire state aid and supplemental state aid is an~~ are amounts that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

...

**Subd. 6. Municipal ratification for plan amendments.** If the special fund of the relief association does not have a surplus over full funding under subdivision 4, and if the municipality is required to provide financial support to the special fund of the relief association under this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies is not effective until it is ratified by the governing body of the municipality in which the relief association is located. If the special fund of the relief association has a surplus over full funding under subdivision 4, and if the municipality is not required to provide financial support to the special fund of the relief association under this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association which are effective without municipal ratification so long as this does not cause the amount of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the surplus over full funding reported in the prior year and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid and supplemental state aid to be received by the relief association as determined by the board of trustees following the preparation of an updated actuarial valuation including the proposed change or an estimate of the expected actuarial impact of the proposed change prepared by the actuary of the relief association. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification pursuant to this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund of the relief association under this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification is no longer effective without municipal ratification and any service pensions or retirement benefits payable after that date may be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.



## **Exhibit H**

# **Audit Threshold and Attestation Requirements**

### **Topic:**

During the 2013 legislative session, the threshold which triggers the requirement for a relief association to be audited was changed. Now, only relief associations “with assets of at least \$500,000 or liabilities of at least \$500,000 in the prior year or in any previous year” are required to have an audit report. (Minn. Stat. § 69.051, subd. 1.) Previously, relief associations with assets or liabilities of at least \$200,000 were required to have an audit report.

Several items related to the audit threshold change have arisen that the Office of the State Auditor would like to bring to the Working Group’s attention:

- 1) Relief associations that fall below the \$500,000 threshold are required to have their financial reporting form attested to by an accountant. The level of review required by the accountant is not clearly defined in the statute and the terminology should be updated to match current accounting standards.
- 2) Relief associations that are not audited are filing their reporting forms with the Office of the State Auditor late.
- 3) The statute that requires accountants to report evidence of theft or other misconduct that is discovered during the course of auditing a relief association does not clearly apply to accountants who are performing an attestation rather than an audit.

### **Reporting Information:**

Relief associations with assets and liabilities that do not reach the audit threshold are required to have their financial reporting form attested to by an accountant. (Minn. Stat. § 69.051, subd. 1a.) The reporting forms and attestation are due to the Office of the State Auditor annually by March 31.

Relief associations with assets or liabilities above the audit threshold are required to submit their reporting forms and audit report to the Office of the State Auditor annually by June 30. After a relief association exceeds the new audit threshold, it maintains the audit requirement and the June 30 reporting deadline, even if the association’s assets and liabilities subsequently drop below the threshold.

### **Reporting Practice:**

The number of relief associations required to have an audit and the number of relief associations required to have an attestation for the past several reporting years are listed below. The 2013 reporting year is the first year that the new \$500,000 threshold is in effect.

Reporting Year	Attestation Only Required	Audit Required
2013	446	210
2012	202	482
2011	225	488
2010	225	492
2009	244	473
2008	247	470
2007	256	461
2006	287	428
2005	322	392

A summary of form submission trends for the 2012 and 2013 reporting years are provided below. The majority of relief associations that have the attestation requirement instead of being audited filed their annual reporting forms to the Office of the State Auditor late, with about 45 percent of the associations in both years filing at least two months late. In contrast, relief associations with the audit requirement were much more likely to file early or on time. Late reporting may result in a relief association's receipt of its fire state aid to be delayed, which in turn results in missed investment opportunities.

#### 2012 Reporting Year

Attestation Only Required		Audit Required	
Days Early/Late	Percent of Plans	Days Early/Late	Percent of Plans
At Least 30 Days Early	2%	At Least 30 Days Early	15%
0 to 30 Days Early	16%	0 to 30 Days Early	33%
1 to 30 Days Late	27%	1 to 30 Days Late	26%
31 to 60 Days Late	10%	31 to 60 Days Late	10%
61 to 90 Days Late	5%	61 to 90 Days Late	5%
At Least 91 Days Late	40%	At Least 91 Days Late	11%

#### 2013 Reporting Year

Attestation Only Required		Audit Required	
Days Early/Late	Percent of Plans	Days Early/Late	Percent of Plans
At Least 30 Days Early	0%	At Least 30 Days Early	20%
0 to 30 Days Early	26%	0 to 30 Days Early	42%
1 to 30 Days Late	18%	1 to 30 Days Late	14%
31 to 60 Days Late	12%	31 to 60 Days Late	14%
61 to 90 Days Late	9%	61 to 90 Days Late	5%
At Least 91 Days Late	35%	At Least 91 Days Late	5%

## **Statutes and Optional Changes:**

### **69.051 FINANCIAL REPORT, BOND, EXAMINATION.**

**Subdivision 1. Financial report and audit.** (a) The board of the Bloomington Fire Department Relief Association and each volunteer firefighters relief association as defined in section 424A.001, subdivision 4, with assets of at least \$500,000 or liabilities of at least \$500,000 in the prior year or in any previous year, according to the applicable actuarial valuation or according to the financial report if no valuation is required, shall prepare a financial report covering the special and general funds of the relief association for the preceding fiscal year, file the financial report, and submit financial statements.

(b) The financial report must contain financial statements and disclosures which present the true financial condition of the relief association and the results of relief association operations in conformity with generally accepted accounting principles and in compliance with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters relief association which is directly associated with a municipal fire department; or

(2) by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation and by the secretary of the independent nonprofit firefighting corporation; or

(3) by the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(c) The financial report must be retained in its office for public inspection and must be filed with the governing body of the government subdivision in which the associated fire department is located after the close of the fiscal year. One copy of the financial report must be furnished to the state auditor after the close of the fiscal year.

(d) Audited financial statements must be attested to by a certified public accountant or by the state auditor and must be filed with the state auditor within 180 days after the close of the fiscal year. The state auditor may accept this report in lieu of the report required in paragraph (c).

**Subd. 1a. Financial statement.** (a) The board of each volunteer firefighters relief association, as defined in section 424A.001, subdivision 4, that is not required to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show:

- (1) the sources and amounts of all money received;
- (2) all disbursements, accounts payable and accounts receivable;
- (3) the amount of money remaining in the treasury;
- (4) total assets, including a listing of all investments;

(5) the accrued liabilities; and

(6) all other items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement required under paragraph (a) must be reviewed pursuant to nationally recognized standards for accounting and review services ~~certified~~ by a certified public accountant or by the state auditor. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the review examination ~~shall give an opinion as to the condition of the special and general funds of the relief association,~~ and shall comment upon any exceptions to the report. The accountant must have at least five years of public accounting, auditing, or similar experience, and must not be an active, inactive, or retired member of the relief association or the fire department.

(c) The detailed statement required under paragraph (a) must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality; or

(2) where applicable, by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation and by the secretary of the independent nonprofit firefighting corporation; or

(3) by the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The volunteer firefighters' relief association board must file the detailed statement required under paragraph (a) in the relief association office for public inspection and present it to the governing body of the municipality within 45 days after the close of the fiscal year, and must submit a copy of the detailed statement to the state auditor within 90 days of the close of the fiscal year.

(e) A certified public accountant or auditor who performs the review under paragraph (b) is subject to the reporting requirements of section 6.67.