



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

*The official online news  
publication of the Office  
of the State Auditor*

February 1, 2019

1. Released: Pension Newsletter
  2. Released: TIF Newsletter
  3. Delayed: 2018 Revenue Thresholds for Audit Requirements
  4. Deadline: Supplemental Benefit Reimbursement Form
  5. Avoiding Pitfalls: TIF Interfund Loans
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### **1. Released: Pension Newsletter**

The January **Pension Newsletter** has been released. The Newsletter provides information about a new law that went into effect on January 1 that requires the fire chief to annually certify service credit information for each volunteer firefighter. The Newsletter also provides a link to the fire state aid work group report that was submitted to the Legislative Commission on Pensions and Retirement. The report summarizes the group's review of how fire state aid is allocated and makes recommendations for legislation that would allow, if passed into law and if certain conditions are met, municipalities to retain a portion of the fire state aid to pay employer contributions to the Public Employees Retirement Association on behalf of their career firefighters.

The complete Newsletter can be accessed at:

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

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### **2. Released: TIF Newsletter**

The January **TIF Newsletter** has been released. The Newsletter contains information on updated statements of positions (SOPs) and on authorization for consultants to access SAFES. To view the complete Newsletter, go to:

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

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### **3. Delayed: 2018 Revenue Thresholds for Audit Requirements**

On about this date each year, the OSA typically is able to calculate and publish the revenue thresholds for certain local government audit requirements for the preceding year. This year, however, due to the recent partial federal shutdown, the U.S. Department of Commerce's release of the 2018 annual implicit price deflator for state and local expenditures has been delayed, which will delay our ability to calculate and publish the thresholds.

The U.S. Department of Commerce usually releases the annual implicit price deflator near the end of January. The annual price deflator is needed to calculate the new revenue thresholds. See Minn. Stat. §§ 6.756, 412.02, 412.591, 367.36, 471.697.

The OSA will monitor the situation and provide notice of the 2018 revenue thresholds for audit requirements in the E-Update as soon as possible.

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### **4. Deadline: Supplemental Benefit Reimbursement Form**

Relief associations seeking reimbursement of supplemental benefits paid during 2018 must submit the reimbursement form to the Department of Revenue (DOR) by February 15, 2019, to receive reimbursement in March 2019.

Relief associations must use the online Supplemental Benefit Reimbursement form that is available on the DOR website. The online form requires relief associations to provide their Minnesota Tax ID number. If a relief association does not know its ID number, it can be obtained by calling the DOR at (651) 282-5225 during business hours.

The reimbursement form and instructions are available on the DOR website at:

[http://www.revenue.state.mn.us/local\\_gov/prop\\_tax\\_admin/Pages/sbr.aspx](http://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/sbr.aspx)

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### **5. Avoiding Pitfalls: TIF Interfund Loans**

A development authority or a municipality may advance or loan money to a tax increment financing (TIF) district from its general fund or other authorized fund to finance expenditures. Loans and advances made after July 31, 2001, must be authorized by a resolution adopted by the entity having jurisdiction over the funds.

The terms and conditions for repayment, including the principal amount, the interest rate, and the maximum term of the loan must be in writing. Interfund loans must be reported in the TIF annual reporting form. The maximum interest rate allowed is the greater of the rates specified under Minnesota Statutes sections 270C.40 or 549.09, as of the date of the loan. For more information, including interest rates, see our statement of position at:

[http://www.auditor.state.mn.us/other/statements/tifinterfundloans\\_0709\\_statement.pdf](http://www.auditor.state.mn.us/other/statements/tifinterfundloans_0709_statement.pdf)

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