



# OFFICE OF THE STATE AUDITOR

## *E-Update*

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of the State Auditor*

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1. Implicit Rate Subsidy Guidance for Cities and Counties
  2. Avoiding Pitfalls – Bonds for Public Employees and Officers
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### **1. Implicit Rate Subsidy Guidance for Cities and Counties**

The Office of the State Auditor this month submitted articles to the Association of Minnesota Counties and League of Minnesota Cities' newsletters that provide guidance on the inclusion of "implicit rate subsidy" in the calculation of other post employment benefits (OPEB). We have been receiving inquiries from city and county officials about this issue and would like to share these articles as a reference.

Following are the links to the articles:

For Cities:

[http://www.auditor.state.mn.us/other/columns/mncities\\_0708\\_column.pdf](http://www.auditor.state.mn.us/other/columns/mncities_0708_column.pdf)

For Counties:

[http://www.auditor.state.mn.us/other/columns/mncounties\\_0708\\_column.pdf](http://www.auditor.state.mn.us/other/columns/mncounties_0708_column.pdf)

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### **2. Avoiding Pitfalls – Bonds for Public Employees and Officers**

Minnesota law requires fidelity or faithful performance bonds for certain local government positions. In order to minimize the risk of loss of public funds, public entities should review what positions require bonding and then make sure all required bonds are in place. Public entities should also consider whether bonds should be obtained for additional employees/officers.

Some of the positions that require bonds include:

Statutory city clerks and treasurers, or others as the city council may require (Minn. Stat. § 412.111)

Public officer or employee delegated the duties of city clerk (Minn. Stat. § 412.151)

Town clerks (Minn. Stat. § 367.10)

Town treasurers (Minn. Stat. § 367.15)

Relief association treasurers (Minn. Stat. § 69.051)

Port authority treasurers (Minn. Stat. § 469.051)

Economic development authority treasurers (Minn. Stat. § 469.096)

School district employees who receive district funds (Minn. Stat. § 123B.14)

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### **3. Office of the State Auditor at the Minnesota State Fair**

As in previous years, the Office of the State Auditor will have an informational booth in the Education Building on Cosgrove Street. Our booth will be staffed 9 a.m. to 9 p.m. Thursday, September 23 through Labor Day. Please feel free to stop by and visit!

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