



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: OPEB Trust Investment Reporting Form
2. Available: Agreed-Upon Procedures Guide and Report for Relief Associations
3. Avoiding Pitfalls: Contractors' Performance and Payment Bonds

1. Deadline: OPEB Trust Investment Reporting Form

The investment reporting form for OPEB trusts is due from trust administrators on October 25. The reporting form is available for completion on the OSA's State Auditor's Form Entry System (SAFES) at:

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

2. Available: Agreed-Upon Procedures Guide and Report for Relief Associations

The 2017 Agreed-Upon Procedures Guide and Sample Independent Accountant's Report are now available on the OSA website in both MS Word and PDF versions at:

<http://www.auditor.state.mn.us/default.aspx?page=20151209.000>.

The guide and report are to be used by certified public accountants who are performing an attestation of a volunteer fire relief association for the 2017 calendar year.

A relief association with assets and liabilities of less than \$500,000 and that has not exceeded this threshold in a prior year is required to have its annual financial reporting form attested to by a certified public accountant in accordance with agreed-upon procedures prescribed by the Office of the State Auditor. Changes were made to the 2017 procedures to reflect the new clarity standards for attestation engagements.

3. Avoiding Pitfalls: Contractors' Performance and Payment Bonds

When public entities enter into contracts greater than \$100,000, they must obtain a performance bond and a payment bond from the contractor. This requirement, with a few exceptions, applies to contracts for “the doing of any public work.”

The performance bond helps ensure that the work will be completed according to the terms of the contract. The payment bond helps ensure that subcontractors, and people who provide labor and materials, are paid.

The bonds must be equal to or greater than the contract price. If the contract price increases after the bonds are provided, the public entity should consider obtaining additional bonds.

The statutes requiring these bonds are contained in the Public Contractors’ Performance and Payment Bond Act found in [Minnesota Statutes sections 574.26 to 574.32](#). For additional information on contractors’ bonds, see our Statement of Position, Contract Change-Orders and Contractor’s Bonds, found at:

<http://www.auditor.state.mn.us/default.aspx?page=20110531.007>.

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