*We'll get you there.*

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# Minnesota Legislative Coordinating Commission (LCC)

24 Month Period Ending June 30, 2023

# Agenda

- Required Communications
- Audit Results
- Financial Results
- Other Items

# Required Communications

- Audit provides reasonable, but not *absolute* assurance.
- Significant accounting estimates
  - The most sensitive estimate affecting the financial statements were:
    - Management's estimate of the proportionate share of Minnesota State Retirement System State Employees Retirement net pension liability and related deferred inflows and outflows of resources.
    - Management's estimate of the other post employment benefits liability.

# Required Communications (Continued)

- Accounting policies
  - GASB Statement No. 87, Leases was implemented. The Commission did not have any applicable leases. Therefore, this standard did not have an effect on the current fiscal period financial statements.
  - GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) was implemented. The Commission did not have any applicable SBITAs. Therefore, this standard did not have an effect on the current fiscal period financial statements.
- Uncorrected misstatements
  - None
- Corrected misstatements
  - None

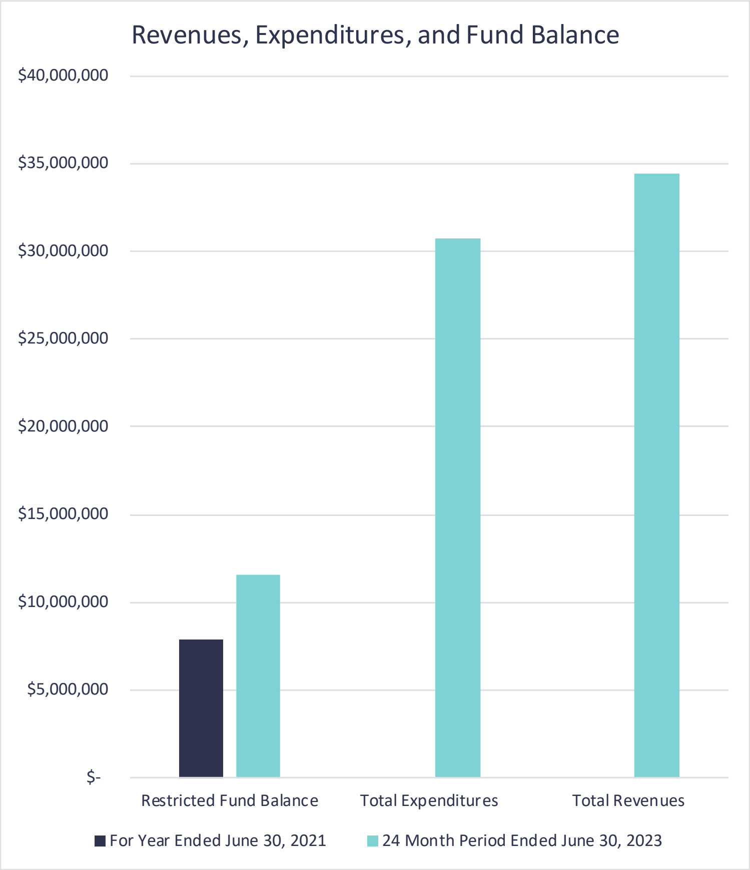
# Required Communications (Continued)

- Difficulties performing the audit
  - None
- Disagreements with management
  - None

# Audit Results

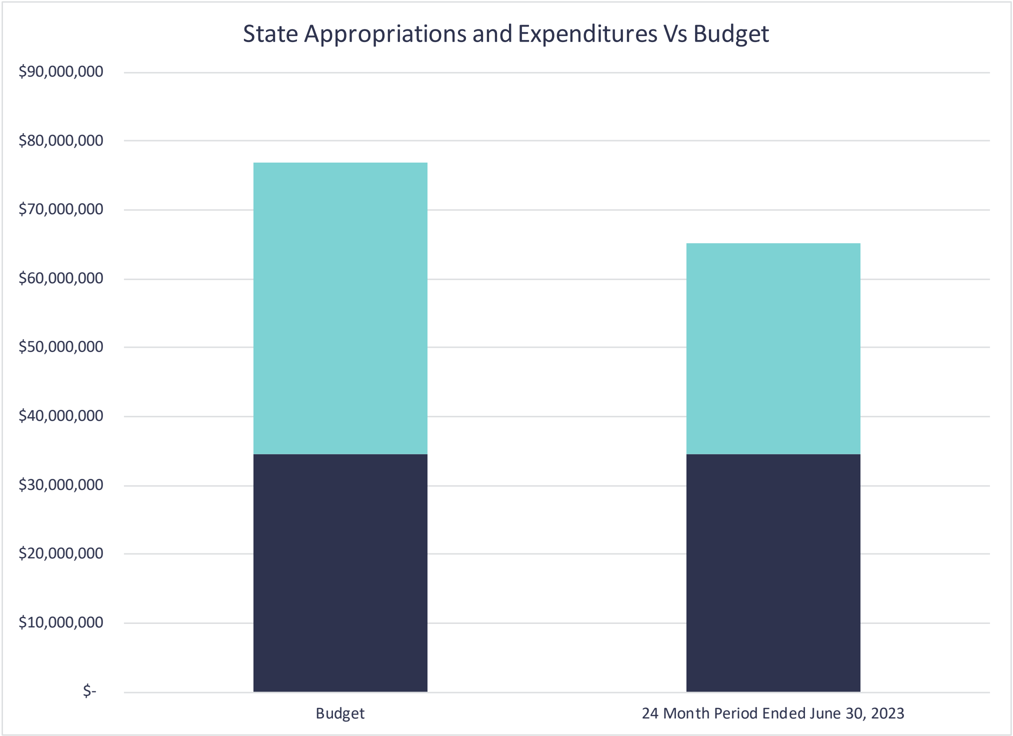
- Audit Opinion
  - The LCC has an unmodified (clean) opinion for the 24 month period ended June 30, 2023 financial statement audit.
- Material Weaknesses
  - None
- Significant Deficiencies
  - None

# General Fund Financial Results

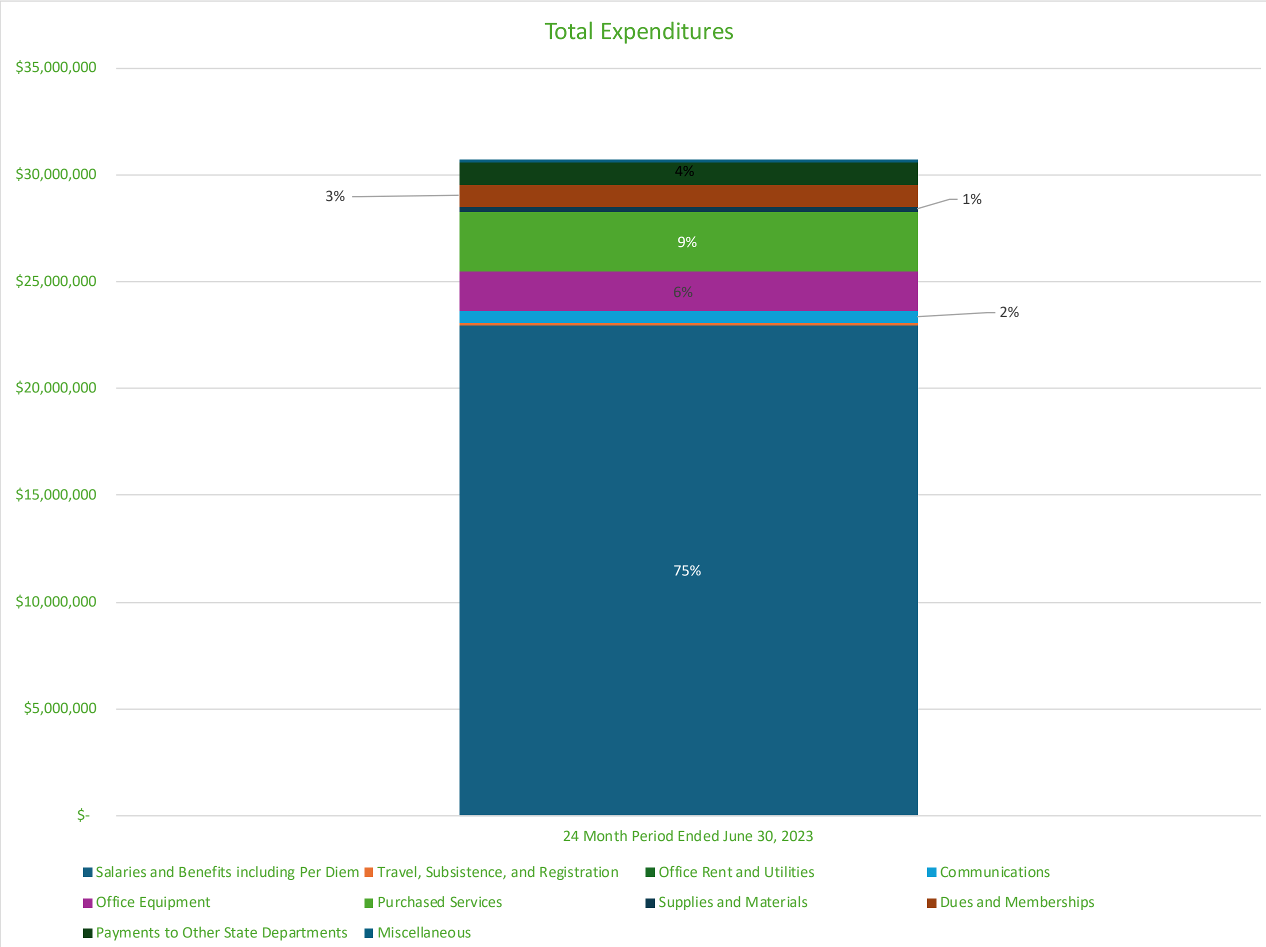



- Restricted Fund Balances as a % of Total Expenditures:
  - 6/30/2023: 38%
  - 6/30/2022: 56%

# General Fund Financial Results



# General Fund Financial Results



# Upcoming Accounting Standard Changes

- Statement No. 100 – Accounting Changes and Error Corrections
  - 24 Month Period Ended June 30, 2025
  - Aims to enhance the consistency of financial reporting of accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information.
- Statement No. 101 – Compensated Absences
  - 24 Month Period Ended June 30, 2025
  - Will make calculation of liability of sick, comp time, and various other forms of compensated absences more like the previous calculation of the vacation liability.
  - Could result in an increase in the liability recorded.
- Fixed Asset Capitalization of Grouped Assets Implementation Guidance Change
  - 24 Month Period Ended June 30, 2025

# Upcoming Accounting Standard Changes

- Statement No. 102 – Certain Risk Disclosures
  - 24 Month Period Ended June 30, 2025
  - The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.
- Statement No. 103 – Financial Reporting Model Improvements
  - 24 Month Period Ended June 30, 2027
  - Areas impacted include the MD&A, Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, and Budgetary Comparison Information.
- Statement No. 104 – Disclosure of Certain Capital Assets
  - 24 Month Period Ended June 30, 2027
  - Will impact the presentation in the footnotes of certain capital assets

*Thank you to all for helping to get this audit completed timely and for allowing us to serve you!*

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