

Management Letter

Legislative Coordinating Commission
St. Paul, Minnesota

For the Year Ended
June 30, 2015

Legislative Coordinating Commission
St. Paul, Minnesota

We have audited the financial statements of the governmental activities and the major fund of the Legislative Coordinating Commission (the Commission), of the State of Minnesota, for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 15, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting of the Commission. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control over financial reporting. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed test of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions. We noted no instances of noncompliance with Government auditing standards.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. The requirements of GASB 63 and 65 were adopted for the year ended June 30, 2015. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statement in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was the allocation of other postemployment benefits payable.

- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rate.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representations letter dated January 21, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

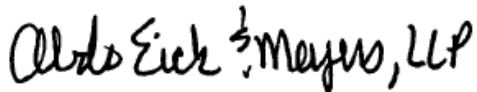
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

* * * * *

This communication is intended solely for the information and use of the Legislative Coordinating Commission, management, and the State of Minnesota and is not intended to be and should not be used by anyone other than these specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
January 21, 2016

Financial Statements

Legislative Coordinating Commission

St. Paul, Minnesota

For the Year Ended

June 30, 2015

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LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2015

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LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
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INTRODUCTORY SECTION

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2015

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LEGISLATIVE COORDINATING COMMISSION
ST PAUL, MINNESOTA
ORGANIZATION
FOR THE YEAR ENDED JUNE 30, 2015

LEGISLATIVE COORDINATING COMMISSION

<u>Name</u>		<u>Title</u>
Kurt Daudt	House of Representatives	Chair
Lyndon Carlson	House of Representatives	Member
Joe Hoppe	House of Representatives	Member
Jennifer Loon	House of Representatives	Member
Joyce Peppin	House of Representatives	Member
Sandy Pappas	Senate	Vice Chair
Tom Bakk	Senate	Member
Gary Dahms	Senate	Member
Chris Eaton	Senate	Member
David Hann	Senate	Member
James Metzen	Senate	Member

ADMINISTRATION

Greg Hubinger	Director
Diane Henry-Wangenstein	Assistant Director
Denise Jobe	Fiscal Service Specialist
Annë Shaw	Fiscal Service Specialist

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FINANCIAL SECTION

**LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA**

**FOR THE YEAR ENDED
JUNE 30, 2015**

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INDEPENDENT AUDITOR'S REPORT

Legislative Coordinating Commission
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the Legislative Coordinating Commission (the Commission), of the State of Minnesota (the State), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission as of June 30, 2015, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1A, the financial statements of the Commission, are intended to present the financial position, the changes in financial position of only that portion of the General fund of the State that is attributable to the transactions of the Commission. They do not purport to, and do not, present fairly the financial position of the State as of June 30, 2015, the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 13 and the schedule of funding progress on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

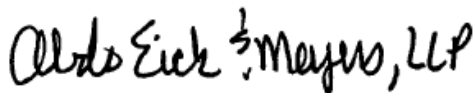
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2016, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
January 21, 2016

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Management's Discussion and Analysis

As management of the Legislative Coordinating Commission (the Commission), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the Commission exceeded its liabilities at the close of the most recent fiscal year by \$4,692,896.
- The Commission's total net position increased by \$303,578.
- As of the close of the 2015 fiscal year-end, the Commission's governmental funds reported ending fund balances of \$5,824,648.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial statement notes explain some of the information in the financial statements and provide more detailed data. Also, this discussion and analysis contains other supplemental information in addition to the basic financial statements themselves.

Figure 1 illustrates how the required parts of this annual report are arranged and relate to one another.

Figure 1
Required Components of the
Commission's Annual Financial Report

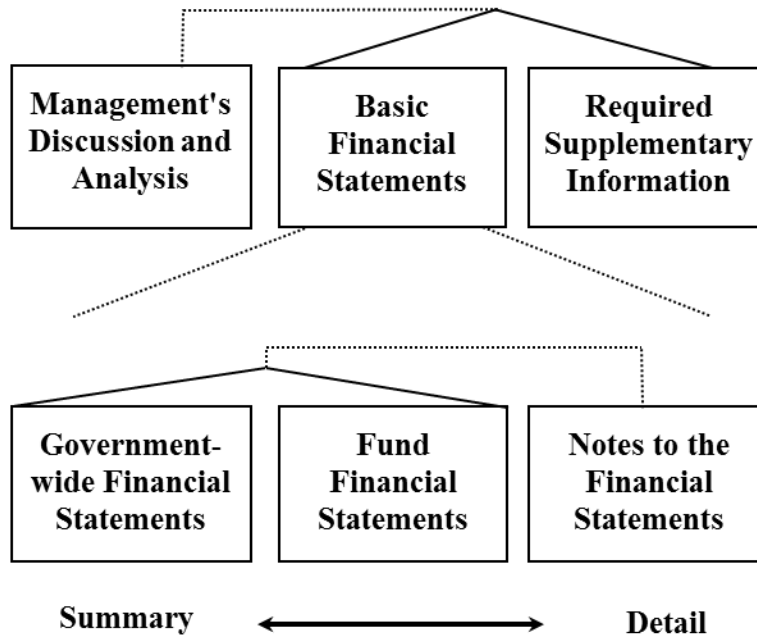


Figure 2 summarizes the major features of the Commission’s financial statements. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Financial Statements Governmental Funds
	Scope	Entire government
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-wide financial statements. Government-wide financial statements provide a general overview of the Commission’s operations in a manner similar to a private sector business. These statements consist of the statement of net position and the statement of activities, and are prepared using an accrual basis of accounting.

The *statement of net position* presents the Commission’s assets and liabilities; the difference between the two is net position. Over time, an increase or decrease in net position can serve as an indicator as to whether the Commission’s financial position is improving or deteriorating.

The *statement of activities* presents information showing how the Commission’s net position have changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements start on page 20 of this report.

Fund financial statements. Fund financial statements use the modified accrual basis of accounting and a financial resources measurement focus. They provide a detailed short-term view of the Commission’s finances that assist in determining whether there will be adequate financial resources available to meet the current needs of the Commission. These statements consist of the *Balance Sheet*, and the *Statement of Revenues, Expenditures and Changes in Fund Balance*.

Because fund financial statement information does not encompass the long-term focus of the government-wide financial statements, a reconciliation schedule called the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities* is provided. By doing so, readers may better understand the long-term impact of the State’s and Commission’s short term financing decisions.

Also, the Commission adopts an annual budget using the same accounting method as fund financial statements. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 24 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand financial statements. The notes to the financial statements start on page 27 of this report.

Financial Analysis

Fiscal year 2014 is the first year of the State's two-year budget cycle. During this even-year session, the legislature meets for approximately four months and considers bonding for statewide capital improvement projects and policy issues that were not addressed in the previous year.

During the second fiscal year of every two-year biennium, the legislature meets for approximately five months. During this odd-year session, which begins in January following the general election, the legislature sets the State budget for the next two fiscal years.

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. As of June 30, 2015, the Commission's assets exceed its liabilities by \$4,692,896

Legislative Coordinating Commission's Summary of Net Position

	Governmental Activities		
	2015	2014	Increase (Decrease)
Assets			
Current and other assets	<u>\$ 6,501,654</u>	<u>\$ 6,147,256</u>	<u>\$ 354,398</u>
Liabilities			
Long-term liabilities outstanding	464,512	444,034	20,478
Other liabilities	<u>1,344,246</u>	<u>1,313,904</u>	<u>30,342</u>
Total liabilities	<u>1,808,758</u>	<u>1,757,938</u>	<u>50,820</u>
Net position			
Unrestricted	<u>\$ 4,692,896</u>	<u>\$ 4,389,318</u>	<u>\$ 303,578</u>

The Commission's net position increased \$303,578 during the 2015 fiscal year. The main reason for the increase is due to total revenues exceeding total expenditures during the most recent fiscal year.

Key elements of the \$303,578 increase in net position are as follows:

Legislative Coordinating Commission's Changes in Net Position

	Governmental Activities		
	2015	2014	Increase (Decrease)
Revenues			
Intergovernmental revenue			
State appropriation	\$ 11,380,000	\$ 11,563,000	\$ (183,000)
Appropriation from grant revenue	445,962	234,949	211,013
Energy assessments	239,972	239,999	(27)
Miscellaneous	48,797	213	48,584
Total revenues	12,114,731	12,038,161	76,570
Expenses			
General government			
Salaries and benefits	8,316,855	7,445,296	871,559
Travel, per diem, subsistence and registration	76,785	85,493	(8,708)
Office equipment	320,895	19,712	301,183
Communications	18,924	219,513	(200,589)
Purchased services	2,378,498	1,585,207	793,291
Supplies and materials	231,645	306,417	(74,772)
Miscellaneous	467,551	436,298	31,253
Total expenses	11,811,153	10,097,936	1,713,217
Excess of revenues over expenditures	303,578	1,940,225	(1,636,647)
Other financing sources (uses)			
Transfer in	1,020,627	17,332	1,003,295
Transfer out	(1,020,627)	(17,332)	(1,003,295)
Total other financing sources (uses)	-	-	-
Change in net position	303,578	1,940,225	(1,636,647)
Net position, July 1	4,389,318	2,449,093	1,940,225
Net position, June 30	<u>\$ 4,692,896</u>	<u>\$ 4,389,318</u>	<u>\$ 303,578</u>

- The Commission's budgeted appropriation decreased \$183,000 as compared to fiscal year 2014.
- Overall, 2015 expenditures increased by \$1,713,217 compared to 2014. The increase was mainly in salaries and benefits, which increased \$871,559.

Starting on page 48 there are comparisons of budget to actual expenditures.

Budgetary Highlights

The Commission's budget for the 2014-2015 biennium is determined during the latter part of the previous biennium. See Note 2 for narrative of the budget process.

The Commission's budgeted appropriation was decreased from fiscal year 2014 to fiscal year 2015 by \$183,000.

The Commission's general carry forward balance increased from fiscal year 2014 to fiscal year 2015 by \$1,026,109.

Overall, actual expenditures were under budgeted by 22 percent. All categories of expenses had expenditures below budgeted levels. The largest favorable variances included the following:

- Salaries and benefits were under budget by \$816,786 primarily due to delays in filling vacant positions and projects budgeted that did not take place.
- Purchased services were \$1,641,334 under budget due to changes in capital equipment need from expectations and projects budget that did not take place.

Starting on page 48 there are comparisons of budget expenditures to actual expenditures.

Debt Administration

Additional information on the Commission's long-term debt can be found in Note 3B on page 31 of this report.

Legislative Coordinating Commission's Outstanding Debt

	Governmental Activities		
	2015	2014	Increase (Decrease)
Other post-employment benefits payable	\$ 79,000	\$ 61,000	\$ 18,000
Compensated absences	1,052,752	1,102,191	(49,439)
Total	<u>\$ 1,131,752</u>	<u>\$ 1,163,191</u>	<u>\$ (31,439)</u>

The Commission's total debt decreased \$31,439 compared to 2014.

Next Year's Funding and Budget

The Legislative Coordinating Commission general fund appropriation for fiscal year 2016 is \$16,775,000. The increase is for resources to maintain and improve technology services for the Office of the Revisor of Statutes, additional funds for the operations of the Office of the Legislative Auditor, and statutory requirements for supporting the Legislative Commission on Data Practices.

Requests for Information

This financial report is designed to provide an overview of the Commission finances and to demonstrate the Commission's accountability for the money it receives.

Questions about information in this report or requests for additional financial information should be addressed to Diane Henry-Wangenstein, Assistant Director, Legislative Coordinating Commission, 72 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2015

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

Unliquidated appropriation \$ 6,501,654

LIABILITIES

Accounts payable 432,490

Wages and salaries payable 244,516

Compensated absences payable - current 667,240

Noncurrent liabilities

Compensated absences payable 385,512

Other post-employment benefits payable 79,000

TOTAL LIABILITIES 1,808,758

NET POSITION

Unrestricted \$ 4,692,896

The notes to the financial statements are an integral part of this statement.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

REVENUES

Intergovernmental	
General appropriation	\$ 11,380,000
Appropriation from grant revenue	445,962
Energy assessments	239,972
Miscellaneous	<u>48,797</u>
TOTAL REVENUES	<u>12,114,731</u>

EXPENSES

Governmental activities	
General government	
Salaries and benefits including per diem	8,316,855
Travel, subsistence and registration	76,785
Communications	18,924
Office equipment	320,895
Purchased services	2,378,498
Supplies and materials	231,645
Miscellaneous	<u>467,551</u>
TOTAL EXPENSES	<u>11,811,153</u>

EXCESS OF REVENUES OVER EXPENDITURES	303,578
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OTHER FINANCING SOURCES (USES)

Transfer in	1,020,627
Transfer out to other agencies	<u>(1,020,627)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>

CHANGE IN NET POSITION	303,578
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NET POSITION, JULY 1	<u>4,389,318</u>
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NET POSITION, JUNE 30	<u><u>\$ 4,692,896</u></u>
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The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2015

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Governmental Funds</u>
ASSETS	
Unliquidated appropriation	<u>\$ 6,501,654</u>
LIABILITIES	
Accounts payable	\$ 432,490
Wages and salaries payable	<u>244,516</u>
TOTAL LIABILITIES	677,006
FUND BALANCES	
Unassigned	<u>5,824,648</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,501,654</u>
Total fund balances reported above	\$ 5,824,648
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	
Other post-employment benefits payable	(79,000)
Compensated absences payable	<u>(1,052,752)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 4,692,896</u>

The notes to the financial statements are an integral part of this statement.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Governmental Fund</u>
REVENUES	
Intergovernmental	
State appropriation	\$ 11,380,000
Appropriation from grant revenue	494,528
Energy assessment	239,972
Miscellaneous	<u>231</u>
TOTAL REVENUES	<u>12,114,731</u>
EXPENDITURES	
General government	
Salaries and benefits including per diem	8,348,294
Travel, subsistence and registration	76,785
Communications	18,924
Office equipment	320,895
Purchased services	2,378,498
Supplies and materials	231,645
Miscellaneous	<u>467,551</u>
TOTAL EXPENDITURES	<u>11,842,592</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>272,139</u>
OTHER FINANCING SOURCES (USES)	
Transfer in	1,020,627
Transfer out	<u>(1,020,627)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>
NET CHANGE IN FUND BALANCES	272,139
FUND BALANCES, JULY 1	<u>5,552,509</u>
FUND BALANCES, JUNE 30	<u><u>\$ 5,824,648</u></u>

Total net change in fund balances above \$ 272,139

Amounts reported for governmental activities in the statement of activities are different because

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Other post-employment benefits payable	(18,000)
Compensated absences	<u>49,439</u>

Changes in net position of governmental activities	<u><u>\$ 303,578</u></u>
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The notes to the financial statements are an integral part to this statement.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 11,380,000	\$ 11,380,000	\$ 11,380,000	\$ -
Appropriation from grant revenue	586,599	586,599	445,962	(140,637)
Energy assessments	250,000	250,000	239,972	(10,028)
Miscellaneous	-	-	48,797	48,797
	<u>12,216,599</u>	<u>12,216,599</u>	<u>12,114,731</u>	<u>(101,868)</u>
EXPENDITURES				
General government				
Salaries and benefits including per diem	9,165,080	9,165,080	8,348,294	816,786
Travel, subsistence and registration	267,015	267,015	76,785	190,230
Communications	55,425	55,425	18,924	36,501
Office equipment	401,478	401,478	320,895	80,583
Purchased services	4,019,832	4,019,832	2,378,498	1,641,334
Supplies and materials	388,642	388,642	231,645	156,997
Miscellaneous	916,266	916,266	467,551	448,715
	<u>15,213,738</u>	<u>15,213,738</u>	<u>11,842,592</u>	<u>3,371,146</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,997,139)</u>	<u>(2,997,139)</u>	<u>272,139</u>	<u>3,269,278</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	1,020,627	1,020,627
Transfer out	-	-	(1,020,627)	(1,020,627)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,997,139)</u>	<u>(2,997,139)</u>	<u>272,139</u>	<u>3,269,278</u>
FUND BALANCES, JULY 1	<u>5,552,509</u>	<u>5,552,509</u>	<u>5,552,509</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 2,555,370</u>	<u>\$ 2,555,370</u>	<u>\$ 5,824,648</u>	<u>\$ 3,269,278</u>

The notes to the financial statements are an integral part of this statement.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial reporting entity

The financial statements include the activities of the legislative commissions and joint agencies for which the Legislative Coordinating Commission (the Commission) has authority to act in matters concerning employment, compensation and budgets except for the Legislative Audit Commission. The activities of the Commission are a part of the State of Minnesota's (the State) General fund and appropriations for the Commission are made each biennium. The legislative commissions and joint agencies serve the purposes described below:

General Support - The Legislative Coordinating Commission was established in 1973. The Commission coordinates certain activities of the Senate and House of Representatives and serves as the umbrella organizations for joint legislative agencies and commissions. It determines the employee benefits for all legislative staff and health benefits for legislators. The Commission reviews budget requests and establishes staffing levels for all legislative commissions and joint agencies under its jurisdiction. The Commission also sets the compensation for all employees under its jurisdiction.

The President of the Senate and the Speaker of the House alternately serve as chair on an annual basis. The Commission provides staff support and or fiscal service support for the Compensation Council, the University of Minnesota Regent Candidate Advisory Council, the Minnesota State Colleges and Universities Board of Trustees Candidate Advisory Council, the Legislative Commission on Planning and Fiscal Policy, the Subcommittee on Employee Relations, the Great Lakes Commission, the Legislative Health Care Workforce Commission, the Legislative Permanent School Fund Commission, the Task Force on Medical Cannabis Therapeutic Research, and the Joint House-Senate Subcommittee on Claims. The LCC serves as the fiscal agent for the Legislature and pays the annual dues for two national associations that provide policy and administrative support: the Council of State Governments and the National Conference of State Legislatures. The Commission coordinates the provision of sign language interpreters and other accessibility needs for the legislature and serves as the first point of contact for itinerary arrangements for visiting international and state delegations seeking to discuss policy issues and learn more about Minnesota's legislative process.

Within the Commission, the Geographic Information/Technical Services Office develops and maintains spatial databases and produces legislative district maps, reports, and web applications. The Commission maintains the office of the Legislative Water Commission which reviews water policy reports and makes recommendations to the legislature. Also within the Commission, the Office on the Economic Status of Women studies and reports on all matters relating to the economic status of women in Minnesota and supports legislators' efforts to enact legislation that furthers the extent to which women can contribute to the state's economy.

Pensions and Retirement Commission - The Legislative Commission on Pensions and Retirement was established in 1955 to study and investigate on an ongoing basis the various public retirement systems applicable to nonfederal government employees in the state and to make recommendations to establish and maintain sound public employee pension legislation.

Minnesota Resources - The Legislative-Citizen Commission on Minnesota Resources advises the legislature on the allocations for certain dedicated funding sources (primarily the Environment and Natural Resources Trust Fund) for projects "for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources" – Minnesota Constitution, Article 11, Section 14 as amended November 3, 1998. The governing statute is M.S. 116P.

Lessard-Sams Outdoor Heritage Council - The Lessard-Sams Outdoor Heritage Council advises the Legislature on appropriations from the Outdoor Heritage Fund, a fund constitutionally dedicated to be spent "only to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife" – Minnesota Constitution, Article 11, Section 15. The governing statute is M.S. 97A.056.

General and Revisor's Carry Forward - Carry forward amounts in these funds result from under spending in the previous biennium. This may result from salary savings due to vacancies in funded positions or lower than expected program expenses. M.S. 16A.281 limits the use of these funds to three purposes: 1) for non-recurring expenditures in investments that enhance efficiency or improve effectiveness, 2) to pay expenses associated with sessions, interim activities, public hearings or other public outreach efforts and related activities or 3) to pay severance costs for involuntary terminations.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Energy Commission - The Legislative Energy Commission was established under M.S. 3.8851 to evaluate the energy policies of this state and the degree to which they promote an environmentally and economically sustainable energy future.

Public Info TV and Internet - The Legislative Coordinating Commission serves as the fiscal agent and assists with coordination for public information television, internet, intranet, and other transmission of legislative activities.

Legislative Reference Library - The Legislative Reference Library collects, indexes, publishes, and makes available public policy information both online and in the Library. The Library works closely with legislators and legislative staff to provide information services that support the legislative process. Executive agencies and the public are also served. Library staff track and acquire all reports mandated by the Legislature. In addition, state law requires that copies of the publications of Minnesota state government agencies, boards, and commissions, and a copy of all state-funded consultants' reports must be deposited with the Library. Rules of the House and Senate assign the director a custodial role of the floor and committee hearing recordings and the accompanying minutes and logs for public access. Library staff is nonpartisan and all information requests are confidential.

Revisor of Statutes - The Office of the Revisor of Statutes is a nonpartisan, professional joint legislative office providing drafting, editing, publication, and computer services to the Legislature, executive departments, and to the Governor and other constitutional officers. Drafting services are provided on a confidential basis and consist primarily of bills and administrative rules. The Office also prepares amendments, including House floor amendments, committee reports, engrossments, side-by-side bill comparisons, and conference committee reports. Under the direction of the House and Senate, the Office enrolls bills and presents them to the Governor. Publications produced by the Office include: Laws of Minnesota, Minnesota Statutes, Minnesota Rules, and other miscellaneous publications of legislative and public interest. The computer system designed and maintained by the Office is used by legislative staff to draft, edit and publish legislative materials, including electronic publication on the Legislature's website.

Health Care Access - The Health Care Access Commission was established for the purpose of providing recommendations on health care access. The Commission was repealed under M.L. 2011, 1st Special Session, Chapter 9, Article 6, Section 97.

Mississippi River Parkway Commission - The Mississippi River Parkway Commission of Minnesota was established in 1963. It is part of the 10-state National Mississippi River Parkway Commission which works collectively to preserve, promote, and enhance the scenic, historic, and recreational resources of the Mississippi River and to develop the national, scenic, and historic parkway known as the Great River Road. In Minnesota, the Great River Road runs 575 miles through the heart of the state, adjacent to the Mississippi River, beginning at the river's headwaters at Lake Itasca through Minnesota's north woods, lake country, Twin Cities, and into bluff country along the Minnesota-Wisconsin border before entering Iowa. For its historic, cultural, recreational and scenic qualities, the Federal Highway Administration selected the Minnesota Great River Road to be designated as a National Scenic Byway in 2000 - a distinguished honor bestowed upon the most treasured routes in America.

Charter School Law - The Commission received a grant recognizing the Minnesota Legislature's pioneering work in the development of charter schools. The funds have been used to recognize the role and success of existing charter schools, and to hold a national forum on the role of charter schools in improving public education.

Captioning and Accessibility Grant Program - Legislative Coordinating Commission was appropriated funds to facilitate the captioning of the live streaming of legislative sessions on the Legislature's website. The LCC works with the Technology Accessibility Advisory Committee to facilitate a grant program whereby state agencies can propose to receive grant funds to extend their accessibility to technology efforts within their own entity.

Legacy Website - The Legislative Coordinating Commission created and maintains Minnesota's Legacy website to help citizens monitor how dollars from the Legacy Amendment and the Environment and Natural Resources Trust Fund are being invested in the state (<http://www.legacy.leg.mn>).

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the Commission.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The Commission has no program revenues.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Commission funds are disbursed by Minnesota Management and Budget.

The Commission is funded by an appropriation from the General fund of the State. The unspent portion of the appropriation is carried forward indefinitely in accordance with the Laws of Minnesota. The cumulative amount of the unspent portion of the appropriations is included in the balance sheet. A portion of the unspent appropriations are reserved for encumbrances as described in Note 3B.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, liabilities and net position/fund balance

Compensated absences

Permanent employees accrue vacation and sick leave according to State administrative guidelines set forth in the Legislative Plan for Employees Benefits and Policies. Temporary full-time employees accrue sick leave after six months of service. Members and other temporary employees do not accrue vacation, sick leave or compensation time. Upon termination of employment, employees are compensated for their earned but unused vacation (generally, up to 275 hours) and a percentage of their sick leave depending upon length of State service and the nature of their termination (voluntary or involuntary). In the fund financial statements, the cost of these benefits is recognized when payments are made to the employees.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2015 are determined on the basis of current salary rates and include salary related payments.

Fund balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items or inventories.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by Minnesota statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by the government through formal of the highest level of decision making authority.

Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.

Unassigned - The residual classification for the General fund.

The Commission considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Commission would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Net position

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net position is displayed in two components:

- a. Restricted net position - Consist of net position balances restricted when there are limitations imposed on their use through external restriction imposed by creditors, grantors, laws or regulation of other governments.
- b. Unrestricted net position - All other net position balances that do not meet the definition of "restricted".

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first, and then restricted resources as they are needed.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2: STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Budget and budgetary accounting

The State of Minnesota operated on a biennial budget. Every other year the legislative commissions and joint agencies prepare their budget requests and submit them to the Legislative Coordinating Commission. Budgets are approved by the Commission and included in the omnibus state government finance bill. The bill must be approved by the House and Senate and signed into law by the Governor. Budgets for each appropriation awarded to the Commission are prepared by the Commission and submitted to the Minnesota Management and Budget Agency and set up in the state's accounting system.

The budget is prepared in accordance with generally accepted accounting principles. Budgetary control is at the appropriation level. Unexpended appropriations from the first year (year ended June 30, 2014) of the biennium are carried over and are available for operations in the second year (year ended June 30, 2015) of the biennium.

The Commission's expenditures are classified according to the State administrative guidelines. Commission funds are disbursed by the Minnesota Management and Budget Agency.

Note 3: DETAIL ON ACCOUNTS

A. Transfers

During the year, there were transfers between the various sub-funds within the Commission.

The total transfer out of \$1,020,627 shown on the government-wide statements is the net amount of transfers to other state agencies.

B. Long term debt

Changes in long-term liabilities

During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One year
Other post-employment benefits payable	\$ 61,000	\$ 48,000	\$ (30,000)	\$ 79,000	\$ -
Compensated absences	1,102,191	669,718	(719,157)	1,052,752	667,240
Government-type activities long-term liabilities	<u>\$ 1,163,191</u>	<u>\$ 717,718</u>	<u>\$ (749,157)</u>	<u>\$ 1,131,752</u>	<u>\$ 667,240</u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 4: PENSION PLANS

The Commission is involved in three pension programs as follows:

Unclassified Retirement Plan - All permanent staff are covered by the Unclassified Retirement Plan, a defined contribution plan that is administrated by the Minnesota State Retirement System (MSRS). Approximately 85 percent of the Legislative Coordinating Commission total staff is permanent staff. As defined in Minnesota Statutes Chapter 352, employees contribute five percent of their salaries and the Commission contributes six percent of the salaries to the plan. The Commission and employee's contribution were \$332,643 and \$277,203 for the year ending June 30, 2015.

Deferred Contribution Plan - All permanent staff can elect to participate in the Deferred Contribution Plan, a defined contribution plan that is also administrated by the Minnesota State Retirement System (MSRS). Approximately 81 percent of the Commission total permanent staff elected to participate in the plan for the year ending June 30, 2015. As defined in the Minnesota Statutes Chapter 352, employees can elect to have a cash match by the Commission up to a defined amount or covert their accumulated vacation at a defined rate. For the year ending June 30, 2015, the commission did not contribute to the Deferred Contribution Plan due to freeze on employer contributions by legislature leadership. The employee's contribution was \$448,148 for the year ending June 30, 2015.

MSRS issues a publicly available financial report that includes financial statements are required supplementary information. The report may be obtained by writing to MSRS, 60 Empire Drive, Suite 300, Saint Paul, MN 55103-3000.

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan description

Other postemployment benefits (OPEB) are available to state employees and their dependents through a single-employer defined benefit health care plan, as allowed by Minnesota Statutes, Section 43A.27, Subdivision 3 and Minnesota Statutes 471.61, Subdivision 2a, and required under the terms of selected employment contracts. All pre-age 65 state retirees with at least five years of allowable pension service who are entitled at the time of retirement to receive an annuity under the state retirement program are eligible to participate in the state's health and dental insurance plan until age 65. Retirees not eligible for an employer subsidy must pay 100 percent of the premiums to continue receiving coverage. These employees are allowed to stay in the active employee risk pool with the same premium rate and are, therefore, subsidized by the insurance premium rates for active state employees, resulting in an implicit rate subsidy. As of July 1, 2014, there were approximately 2,900 retirees participating in the state's insurance plan under this provision. The number of retirees participating from the Commission was unknown.

B. Funding policy

The contribution requirements of plan members and the state are established and may be amended by the state legislature or through selected employment contracts, which are negotiated every other year. The required contribution is based on projected pay-as-you-go basis. For fiscal year ended June 30, 2014, the state contributed \$35,398,000 to the plan. Plan members receiving benefits through the implicit rate subsidy contributed \$23,585,000 through their average required contribution of \$475 per month for retiree-only coverage and \$1,397 for retiree-family coverage. Amounts contributed by Commission employees only are not available.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED

C. Annual OPEB cost and net OPEB obligation

The state's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a thirty year amortization period using a 4.10 percent discount rate. For year ending June 30, 2015, the ARC is \$48,000.

The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission's net OPEB obligation:

Annual required contribution	\$ 48,000
Interest on net OPEB obligation	3,000
Adjustment to annual required contribution	(3,000)
Annual OPEB cost (expense)	48,000
Contributions made	(30,000)
Increase in net OPEB obligation	18,000
Net OPEB obligation, July 1	61,000
Net OPEB obligation, June 30	\$ 79,000

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding fiscal years were as follows:

Year Ending	Three Year Trend Information		
	Annual OPEB Cost	Percentage Annual OPEB Contributed	Net OPEB Obligation
06/30/15	\$ 48,000	62.5 %	\$ 79,000
06/30/14	41,000	80.5	61,000
06/30/13	40,000	115.0	54,000

D. Funded status and funding progress

As of July 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$513,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the State of Minnesota Postretirement Medical Plan) was \$2,260,171,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 25.41 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED

E. Actuarial methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

In the July 1, 2014 actuarial valuation, the Entry Age Normal Cost method was used. The actuarial assumptions include a 4.10 percent investment rate of return, which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments. The initial healthcare trend rate was 6.80 percent, reduced by decrements to an ultimate rate of 4.00 percent after approximately twenty years. The unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar amount over an open basis. The remaining amortization period at June 30, 2014, was 30 years.

Note 6: RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; to theft of, damage to, or destruction of assets; to errors or omissions; and to the employer obligations. The State manages these risks through the Risk Management Fund (internal service fund), a self-insurance fund, and other self-insurance mechanisms. All health plans are self-insured. The Commission is not required to contribute to the Risk Management Fund.

Statutory provisions prohibit the State from insuring property against loss. The Commissioner of the Department of Administration may authorize the purchase of insurance on State properties should it be deemed necessary and appropriate to protect buildings and contents. All losses of State property are self-insured, covered by programs of the Risk Management Fund or covered by insurance policies purchased by the Risk Management Fund on behalf of State agencies.

Tort claims

Tort claims against the Commission are limited by statute to \$300,000 per person for property damage or bodily injury and \$1,000,000 per occurrence. These risks are not covered through insurance. The Commission is responsible to pay for the cost of claims from its operating budget of various funds. The legislature also makes an annual Tort Claim Appropriation to cover claims that would unduly impair agency operations. Agencies not able to cover claims through these two avenues must seek additional appropriations from the legislature.

Workers' compensation

The State, as a self-insured employer, assumes all risks for workers' compensation related claims and is required by State law to be a member of the Workers' Compensation Reinsurance Association (WCRA). The Commission remits premiums to the State. Settled claims have not exceeded coverage in any of the past three years.

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 6: RISK MANAGEMENT - CONTINUED

State Employee Group Insurance Program

The Minnesota State Legislature created an employee insurance trust fund administered by the State Employee Group Insurance Program (SEGIP) to provide eligible employees and other eligible persons with life insurance and hospital, medical and dental benefits coverage through provider organizations. The insurance trust fund is not associated with any other public risk pools. The fund type used to account for SEGIP fiscal activities is an internal service fund dedicated solely for the purpose of this program. A contingency reserve is maintained within the trust fund to increase the controls over medical plan provisions and other insurance costs for the purpose of moderating premium and claim fluctuations, and to assume all inherent risk associated with the self-funded insurance programs, which would also include losses to the fund.

SEGIP provides benefits coverage to employees by contracting with carriers through a network of providers throughout the State. Settlement information for the last three available fiscal years is as follows; SEGIP had settlements of \$2,096,216, \$2,973,157 and \$213,319 greater than coverage for the fiscal years ended June 30, 2012, June 30, 2013 and June 30, 2014.

In January 2000, the fund became fully self-insured for medical coverage and assumes all liability for medical claims. The self-funded programs within the fund establish claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not paid, and of claims that have been incurred but not reported. These estimates are agreed to by the insurance carriers and the State and are reviewed for accuracy and reasonableness. The estimates are based on claim experience and claim lag timetables provided by the carriers and do not include additional estimates for subrogation, salvage or unallocated claim adjustments.

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REQUIRED SUPPLEMENTARY INFORMATION

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2015

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Schedule of funding progress and employer contributions

The following schedules present trend information about the amounts contributed to the postemployment healthcare benefit plan by the Commission:

Schedule of funding progress for the postemployment benefit plan

Actuarial Valuation Date	Required Supplementary Information					Covered Payroll	UAAL as a Percentage of Covered Payroll
	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio			
7/1/2014	\$ -	\$ 513,000	\$ 513,000	- %	\$ 7,341,069	7.0 %	
7/1/2012	-	478,000	478,000	-	6,507,645	7.3	
7/1/2010	-	687,000	687,000	-	5,435,522	12.6	

The standard requires a schedule of funding progress for the three most recent valuations to describe factors that significantly affect the trends in the amounts reported. Valuations are required every three years for plans with fewer than 200 members. As 2010 was the first year a valuation was completed for the Commission, there are three valuations disclosed above.

Schedule of employer contributions

Year Ending June 30,	Annual Required Contribution	Percentage Contributed
2015	\$ 48,000	63.0 %
2014	41,000	80.0
2013	40,000	115.0

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2015

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - CONTINUED ON THE FOLLOWING PAGES
JUNE 30, 2015

	<u>General Support</u>	<u>Pensions and Retirement</u>	<u>Minnesota Resources</u>	<u>Lessard-Sams Outdoor Heritage Council</u>	<u>General Carry forward</u>
ASSETS					
Unliquidated appropriation	<u>\$ 326,812</u>	<u>\$ 32,787</u>	<u>\$ 569,808</u>	<u>\$ 795,317</u>	<u>\$ 2,170,572</u>
LIABILITIES					
Accounts payable	\$ 7,428	\$ 35,711	\$ 11,505	\$ 12,602	\$ 18,736
Wages and salaries payable	<u>32,787</u>	<u>5,100</u>	<u>15,622</u>	<u>9,144</u>	<u>-</u>
TOTAL LIABILITIES	40,215	40,811	27,127	21,746	18,736
FUND BALANCES					
Unassigned	<u>286,597</u>	<u>(8,024)</u>	<u>542,681</u>	<u>773,571</u>	<u>2,151,836</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 326,812</u>	<u>\$ 32,787</u>	<u>\$ 569,808</u>	<u>\$ 795,317</u>	<u>\$ 2,170,572</u>

<u>Energy Commission</u>	<u>Public Info TV & Internet</u>	<u>Legislative Reference Library</u>	<u>Revisor's Carry forward</u>	<u>Revisor of Statutes</u>	<u>Health Care Access</u>	<u>Mississippi River Parkway Commission</u>
<u>\$ 415,940</u>	<u>\$ 229,842</u>	<u>\$ 125,856</u>	<u>\$ 615,841</u>	<u>\$ 563,495</u>	<u>\$ 254,284</u>	<u>\$ 75,492</u>
\$ 1,756	\$ -	\$ 29,988	\$ 195,637	\$ 42,048	\$ -	\$ 75,492
<u>4,458</u>	<u>-</u>	<u>36,518</u>	<u>-</u>	<u>140,887</u>	<u>-</u>	<u>-</u>
6,214	-	66,506	195,637	182,935	-	75,492
<u>409,726</u>	<u>229,842</u>	<u>59,350</u>	<u>420,204</u>	<u>380,560</u>	<u>254,284</u>	<u>-</u>
<u>\$ 415,940</u>	<u>\$ 229,842</u>	<u>\$ 125,856</u>	<u>\$ 615,841</u>	<u>\$ 563,495</u>	<u>\$ 254,284</u>	<u>\$ 75,492</u>

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LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - CONTINUED
JUNE 30, 2015

	Charter School Law	Captioning Program	Accessibility Grant Program	Legacy Website	Total
ASSETS					
Unliquidated appropriation	\$ 45,097	\$ 63,228	\$ 186,742	\$ 30,541	\$ 6,501,654
LIABILITIES					
Accounts payable	\$ -	\$ 1,342	\$ -	\$ 245	\$ 432,490
Wages and salaries payable	-	-	-	-	244,516
TOTAL LIABILITIES	-	1,342	-	245	677,006
FUND BALANCES					
Unassigned	45,097	61,886	186,742	30,296	5,824,648
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 45,097</u>	<u>\$ 63,228</u>	<u>\$ 186,742</u>	<u>\$ 30,541</u>	<u>\$ 6,501,654</u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - CONTINUED ON THE FOLLOWING PAGES
FOR THE YEAR ENDED JUNE 30, 2015

	General Support	Pensions and Retirement	Minnesota Resources	Lessard-Sams Outdoor Heritage Council	General Carry forward
REVENUES					
Intergovernmental					
State appropriation	\$ 1,774,000	\$ 511,000	\$ 595,000	\$ 570,000	\$ -
Appropriation from grant revenue	475	-	-	-	48,566
Energy assessment	-	-	-	-	-
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	<u>1,774,475</u>	<u>511,000</u>	<u>595,000</u>	<u>570,000</u>	<u>48,566</u>
EXPENDITURES					
General government					
Salaries and benefits including per diem	967,411	414,080	427,663	417,190	2,786
Travel, subsistence and registration	24,246	574	17,413	15,846	545
Communications	2,013	392	542	807	-
Office equipment	11,287	-	3,241	3,741	4,464
Purchased services	45,128	117,171	3,967	87,933	25,049
Supplies and materials	7,596	1,148	3,090	3,778	-
Miscellaneous	412,724	-	1,346	115	10,240
TOTAL EXPENDITURES	<u>1,470,405</u>	<u>533,365</u>	<u>457,262</u>	<u>529,410</u>	<u>43,084</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>304,070</u>	<u>(22,365)</u>	<u>137,738</u>	<u>40,590</u>	<u>5,482</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	-	1,020,627
Transfer out	(1,020,627)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,020,627)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,020,627</u>
NET CHANGE IN FUND BALANCES	(716,557)	(22,365)	137,738	40,590	1,026,109
FUND BALANCES, JULY 1	<u>1,003,154</u>	<u>14,341</u>	<u>404,943</u>	<u>732,981</u>	<u>1,125,727</u>
FUND BALANCES, JUNE 30	<u>\$ 286,597</u>	<u>\$ (8,024)</u>	<u>\$ 542,681</u>	<u>\$ 773,571</u>	<u>\$ 2,151,836</u>

<u>Energy Commission</u>	<u>Public Info TV & Internet</u>	<u>Legislative Reference Library</u>	<u>Revisor's Carry forward</u>	<u>Revisor of Statutes</u>	<u>Health Care Access</u>	<u>Mississippi River Parkway Commission</u>
\$ -	\$ 487,000	\$ 1,388,000	\$ -	\$ 5,660,000	\$ 128,000	\$ 63,000
-	-	-	-	-	-	445,487
239,972	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>239,972</u>	<u>487,000</u>	<u>1,388,000</u>	<u>-</u>	<u>5,660,000</u>	<u>128,000</u>	<u>508,487</u>
106,798	-	1,234,588	-	4,774,918	330	2,530
7,013	-	150	-	2,116	-	8,882
111	-	1,984	-	10,633	-	510
-	42,978	61,082	151,862	34,173	-	-
366	448,783	85,707	359,128	699,387	-	389,403
747	-	64,875	-	55,155	-	95,160
876	-	365	3,490	13,447	-	24,948
<u>115,911</u>	<u>491,761</u>	<u>1,448,751</u>	<u>514,480</u>	<u>5,589,829</u>	<u>330</u>	<u>521,433</u>
<u>124,061</u>	<u>(4,761)</u>	<u>(60,751)</u>	<u>(514,480)</u>	<u>70,171</u>	<u>127,670</u>	<u>(12,946)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
124,061	(4,761)	(60,751)	(514,480)	70,171	127,670	(12,946)
<u>285,665</u>	<u>234,603</u>	<u>120,101</u>	<u>934,684</u>	<u>310,389</u>	<u>126,614</u>	<u>12,946</u>
<u>\$ 409,726</u>	<u>\$ 229,842</u>	<u>\$ 59,350</u>	<u>\$ 420,204</u>	<u>\$ 380,560</u>	<u>\$ 254,284</u>	<u>\$ -</u>

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LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015

	Charter School Law	Captioning Program	Accessibility Grant Program	Legacy Website	Total
REVENUES					
Intergovernmental					
State appropriation	\$ -	\$ 100,000	\$ 50,000	\$ 54,000	\$ 11,380,000
Appropriation from grant revenue	-	-	-	-	494,528
Energy assessment	-	-	-	-	239,972
Miscellaneous	231	-	-	-	231
	<u>231</u>	<u>100,000</u>	<u>50,000</u>	<u>54,000</u>	<u>12,114,731</u>
EXPENDITURES					
General government					
Salaries and benefits including per diem	-	-	-	-	8,348,294
Travel, subsistence and registration	-	-	-	-	76,785
Communications	-	1,932	-	-	18,924
Office equipment	-	8,067	-	-	320,895
Purchased services	-	72,078	-	44,398	2,378,498
Supplies and materials	-	96	-	-	231,645
Miscellaneous	-	-	-	-	467,551
	<u>-</u>	<u>82,173</u>	<u>-</u>	<u>44,398</u>	<u>11,842,592</u>
	<u>231</u>	<u>17,827</u>	<u>50,000</u>	<u>9,602</u>	<u>272,139</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	-	1,020,627
Transfer out	-	-	-	-	(1,020,627)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	231	17,827	50,000	9,602	272,139
FUND BALANCES, JULY 1	44,866	44,059	136,742	20,694	5,552,509
FUND BALANCES, JUNE 30	<u>\$ 45,097</u>	<u>\$ 61,886</u>	<u>\$ 186,742</u>	<u>\$ 30,296</u>	<u>\$ 5,824,648</u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
GENERAL SUPPORT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 1,774,000	\$ 1,774,000	\$ 1,774,000	\$ -
Appropriation from grant revenue	475	475	475	-
TOTAL REVENUES	<u>1,774,475</u>	<u>1,774,475</u>	<u>1,774,475</u>	<u>-</u>
EXPENDITURES				
General government				
Salaries and benefits including per diem	1,085,644	1,085,644	967,411	118,233
Travel, subsistence and registration	81,886	81,886	24,246	57,640
Communications	3,635	3,635	2,013	1,622
Office equipment	11,107	11,107	11,287	(180)
Purchased services	67,641	67,641	45,128	22,513
Supplies and materials	12,836	12,836	7,596	5,240
Miscellaneous	460,882	460,882	412,724	48,158
TOTAL EXPENDITURES	<u>1,723,631</u>	<u>1,723,631</u>	<u>1,470,405</u>	<u>253,226</u>
EXCESS OF REVENUES OVER EXPENDITURES	50,844	50,844	304,070	253,226
OTHER FINANCING USES				
Transfer out	-	-	(1,020,627)	(1,020,627)
NET CHANGE IN FUND BALANCES	50,844	50,844	(716,557)	(767,401)
FUND BALANCES, JULY 1	<u>1,003,154</u>	<u>1,003,154</u>	<u>1,003,154</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 1,053,998</u>	<u>\$ 1,053,998</u>	<u>\$ 286,597</u>	<u>\$ (767,401)</u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
PENSIONS AND RETIREMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 511,000	\$ 511,000	\$ 511,000	\$ -
EXPENDITURES				
General government				
Salaries and benefits including per diem	407,492	407,492	414,080	(6,588)
Travel, subsistence and registration	4,000	4,000	574	3,426
Communications	1,700	1,700	392	1,308
Purchased services	117,600	117,600	117,171	429
Supplies and materials	3,550	3,550	1,148	2,402
TOTAL EXPENDITURES	534,342	534,342	533,365	977
NET CHANGE IN FUND BALANCES	(23,342)	(23,342)	(22,365)	977
FUND BALANCES, JULY 1	14,341	14,341	14,341	-
FUND BALANCES, JUNE 30	\$ (9,001)	\$ (9,001)	\$ (8,024)	\$ 977

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
MINNESOTA RESOURCES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 595,000	\$ 595,000	\$ 595,000	\$ -
EXPENDITURES				
General government				
Salaries and benefits including per diem	457,603	457,603	427,663	29,940
Travel, subsistence and registration	23,651	23,651	17,413	6,238
Communications	3,000	3,000	542	2,458
Office equipment	7,000	7,000	3,241	3,759
Purchased services	115,000	115,000	3,967	111,033
Supplies and materials	3,000	3,000	3,090	(90)
Miscellaneous	190,689	190,689	1,346	189,343
TOTAL EXPENDITURES	799,943	799,943	457,262	342,681
NET CHANGE IN FUND BALANCES	(204,943)	(204,943)	137,738	342,681
FUND BALANCES, JULY 1	404,943	404,943	404,943	-
FUND BALANCES, JUNE 30	\$ 200,000	\$ 200,000	\$ 542,681	\$ 342,681

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
LESSARD-SAMS OUTDOOR HERITAGE COUNCIL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 570,000	\$ 570,000	\$ 570,000	\$ -
EXPENDITURES				
General government				
Salaries and benefits including per diem	719,316	719,316	417,190	302,126
Travel, subsistence and registration	72,842	72,842	15,846	56,996
Communications	10,926	10,926	807	10,119
Office equipment	3,642	3,642	3,741	(99)
Purchased services	429,203	429,203	87,933	341,270
Supplies and materials	12,747	12,747	3,778	8,969
Miscellaneous	9,105	9,105	115	8,990
TOTAL EXPENDITURES	1,257,781	1,257,781	529,410	728,371
NET CHANGE IN FUND BALANCES	(687,781)	(687,781)	40,590	728,371
FUND BALANCES, JULY 1	732,981	732,981	732,981	-
FUND BALANCES, JUNE 30	\$ 45,200	\$ 45,200	\$ 773,571	\$ 728,371

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
GENERAL CARRY FORWARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Appropriation from grant revenue	\$ -	\$ -	\$ 48,566	\$ -
EXPENDITURES				
General government				
Salaries and benefits including per diem	225,000	225,000	2,786	222,214
Travel, subsistence and registration	35,000	35,000	545	34,455
Office equipment	75,000	75,000	4,464	70,536
Purchased services	300,000	300,000	25,049	274,951
Supplies and materials	5,000	5,000	-	5,000
Miscellaneous	186,027	186,027	10,240	175,787
TOTAL EXPENDITURES	826,027	826,027	43,084	782,943
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(826,027)	(826,027)	5,482	831,509
OTHER FINANCING SOURCES				
Transfer in	-	-	1,020,627	1,020,627
NET CHANGE IN FUND BALANCES	(826,027)	(826,027)	1,026,109	1,852,136
FUND BALANCES, JULY 1	1,125,727	1,125,727	1,125,727	-
FUND BALANCES, JUNE 30	\$ 299,700	\$ 299,700	\$ 2,151,836	\$ 1,852,136

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
ENERGY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Energy assessment	\$ 250,000	\$ 250,000	\$ 239,972	\$ (10,028)
EXPENDITURES				
General government				
Salaries and benefits including per diem	122,004	122,004	106,798	15,206
Travel, subsistence and registration	18,336	18,336	7,013	11,323
Communications	64	64	111	(47)
Purchased services	71,992	71,992	366	71,626
Supplies and materials	1,167	1,167	747	420
Miscellaneous	8,063	8,063	876	7,187
TOTAL EXPENDITURES	221,626	221,626	115,911	105,715
NET CHANGE IN FUND BALANCES	28,374	28,374	124,061	95,687
FUND BALANCES, JULY 1	285,665	285,665	285,665	-
FUND BALANCES, JUNE 30	\$ 314,039	\$ 314,039	\$ 409,726	\$ 95,687

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
PUBLIC INFO TV & INTERNET
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 487,000	\$ 487,000	\$ 487,000	\$ -
EXPENDITURES				
General government				
Office equipment	-	-	42,978	(42,978)
Purchased services	721,603	721,603	448,783	272,820
TOTAL EXPENDITURES	721,603	721,603	491,761	229,842
NET CHANGE IN FUND BALANCES	(234,603)	(234,603)	(4,761)	229,842
FUND BALANCES, JULY 1	234,603	234,603	234,603	-
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ 229,842	\$ 229,842

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
LEGISLATIVE REFERENCE LIBRARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 1,388,000	\$ 1,388,000	\$ 1,388,000	\$ -
EXPENDITURES				
General government				
Salaries and benefits including per diem	1,267,000	1,267,000	1,234,588	32,412
Travel, subsistence and registration	1,800	1,800	150	1,650
Communications	3,100	3,100	1,984	1,116
Office equipment	33,000	33,000	61,082	(28,082)
Purchased services	94,400	94,400	85,707	8,693
Supplies and materials	131,485	131,485	64,875	66,610
Miscellaneous	5,000	5,000	365	4,635
TOTAL EXPENDITURES	1,535,785	1,535,785	1,448,751	87,034
NET CHANGE IN FUND BALANCES	(147,785)	(147,785)	(60,751)	87,034
FUND BALANCES, JULY 1	120,101	120,101	120,101	-
FUND BALANCES, JUNE 30	\$ (27,684)	\$ (27,684)	\$ 59,350	\$ 87,034

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
REVISOR'S CARRY FORWARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
General government				
Travel, subsistence and registration	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Communications	10,000	10,000	-	10,000
Office equipment	50,000	50,000	151,862	(101,862)
Purchased services	416,684	416,684	359,128	57,556
Supplies and materials	35,000	35,000	-	35,000
Miscellaneous	15,000	15,000	3,490	11,510
TOTAL EXPENDITURES	<u>534,684</u>	<u>534,684</u>	<u>514,480</u>	<u>20,204</u>
NET CHANGE IN FUND BALANCES	(534,684)	(534,684)	(514,480)	20,204
FUND BALANCES, JULY 1	<u>934,684</u>	<u>934,684</u>	<u>934,684</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u><u>\$ 400,000</u></u>	<u><u>\$ 400,000</u></u>	<u><u>\$ 420,204</u></u>	<u><u>\$ 20,204</u></u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
REVISOR OF STATUTES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 5,660,000	\$ 5,660,000	\$ 5,660,000	\$ -
EXPENDITURES				
General government				
Salaries and benefits including per diem	4,874,661	4,874,661	4,774,918	99,743
Travel, subsistence and registration	6,500	6,500	2,116	4,384
Communications	20,000	20,000	10,633	9,367
Office equipment	201,729	201,729	34,173	167,556
Purchased services	857,000	857,000	699,387	157,613
Supplies and materials	67,500	67,500	55,155	12,345
Miscellaneous	25,000	25,000	13,447	11,553
TOTAL EXPENDITURES	6,052,390	6,052,390	5,589,829	462,561
NET CHANGE IN FUND BALANCES	(392,390)	(392,390)	70,171	462,561
FUND BALANCES, JULY 1	310,389	310,389	310,389	-
FUND BALANCES, JUNE 30	\$ (82,001)	\$ (82,001)	\$ 380,560	\$ 462,561

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
HEALTH CARE ACCESS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 128,000	\$ 128,000	\$ 128,000	\$ -
EXPENDITURES				
General government				
Salaries and benefits including per diem	330	330	330	-
NET CHANGE IN FUND BALANCES	127,670	127,670	127,670	-
FUND BALANCES, JULY 1	126,614	126,614	126,614	-
FUND BALANCES, JUNE 30	<u>\$ 254,284</u>	<u>\$ 254,284</u>	<u>\$ 254,284</u>	<u>\$ -</u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
MISSISSIPPI RIVER PARKWAY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 63,000	\$ 63,000	\$ 63,000	\$ -
Appropriation from grant revenue	541,047	541,047	445,487	(95,560)
TOTAL REVENUES	604,047	604,047	508,487	(95,560)
EXPENDITURES				
General government				
Salaries and benefits	6,030	6,030	2,530	3,500
Travel, subsistence and registration	15,000	15,000	8,882	6,118
Communications	1,000	1,000	510	490
Purchased services	464,606	464,606	389,403	75,203
Supplies and materials	113,857	113,857	95,160	18,697
Miscellaneous	16,500	16,500	24,948	(8,448)
TOTAL EXPENDITURES	616,993	616,993	521,433	95,560
NET CHANGE IN FUND BALANCES	(12,946)	(12,946)	(12,946)	-
FUND BALANCES, JULY 1	12,946	12,946	12,946	-
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ -	\$ -

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
CHARTER SCHOOL LAW
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 45,077	\$ 45,077	\$ -	\$ (45,077)
Miscellaneous	-	-	231	231
TOTAL REVENUES	45,077	45,077	231	(44,846)
EXPENDITURES				
General government				
Purchased services	45,077	45,077	-	45,077
NET CHANGE IN FUND BALANCES	-	-	231	231
FUND BALANCES, JULY 1	44,866	44,866	44,866	-
FUND BALANCES, JUNE 30	\$ 44,866	\$ 44,866	\$ 45,097	\$ 231

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
CAPTIONING PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
EXPENDITURES				
General government				
Communications	2,000	2,000	1,932	68
Office equipment	20,000	20,000	8,067	11,933
Purchased services	207,221	207,221	72,078	135,143
Supplies and materials	2,500	2,500	96	2,404
TOTAL EXPENDITURES	231,721	231,721	82,173	149,548
NET CHANGE IN FUND BALANCES	(131,721)	(131,721)	17,827	149,548
FUND BALANCES, JULY 1	44,059	44,059	44,059	-
FUND BALANCES, JUNE 30	<u>\$ (87,662)</u>	<u>\$ (87,662)</u>	<u>\$ 61,886</u>	<u>\$ 149,548</u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
ACCESSIBILITY GRANT PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
EXPENDITURES				
General government				
Purchased services	37,111	37,111	-	37,111
NET CHANGE IN FUND BALANCES	12,889	12,889	50,000	37,111
FUND BALANCES, JULY 1	136,742	136,742	136,742	-
FUND BALANCES, JUNE 30	<u>\$ 149,631</u>	<u>\$ 149,631</u>	<u>\$ 186,742</u>	<u>\$ 37,111</u>

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA
LEGACY WEBSITE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
State appropriation	\$ 54,000	\$ 54,000	\$ 54,000	\$ -
EXPENDITURES				
General government				
Purchased services	74,694	74,694	44,398	30,296
NET CHANGE IN FUND BALANCE	(20,694)	(20,694)	9,602	30,296
FUND BALANCES, JULY 1	20,694	20,694	20,694	-
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ 30,296	\$ 30,296

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OTHER REQUIRED REPORT

LEGISLATIVE COORDINATING COMMISSION
ST. PAUL, MINNESOTA

FOR THE YEAR ENDED
JUNE 30, 2015



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Legislative Coordinating Commission
St. Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Legislative Coordinating Commission (the Commission), of the State of Minnesota, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP

Minneapolis, Minnesota

January 21, 2016