

# Minnesota Counties Computer Cooperative

St. Paul, Minnesota

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Financial Statements  
Auditor's Report  
For the Years Ended  
December 31, 2025 and 2024

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CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Minnesota Counties Computer Cooperative  
St. Paul, Minnesota

### **Opinion**

We have audited the accompanying financial statements of Minnesota Counties Computer Cooperative, which comprise the statement of net position as of December 31, 2025 and 2024, and the related statements of revenues, expenses and changes in net position, and statements of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Counties Computer Cooperative as of December 31, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minnesota Counties Computer Cooperative and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Counties Computer Cooperative's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Minnesota Counties Computer Cooperative 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Minnesota Counties Computer Cooperative 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule are presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied 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 methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise Minnesota Counties Computer Cooperative's basic financial statements. The schedule of general and administrative expenses is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 schedule of general and administrative expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Certified Public Accountants

Minneapolis, Minnesota  
April XX, 2026

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### USING THIS ANNUAL REPORT

This annual financial report consists of two parts: the Management's Discussion and Analysis and the basic financial statements including the independent auditor's report. This discussion and analysis of Minnesota Counties Computer Cooperative's financial performance provides a narrative overview of the financial activities for the fiscal year ending December 31, 2025. Please read it in conjunction with the financial statements, which begin on page 9.

Minnesota Counties Computer Cooperative (MnCCC) is a joint powers organization with membership in all 87 Minnesota counties. Members also include some agencies and cities. MnCCC manages its own budget and funds for sixteen different User Groups. The User Groups are as follows:

- Aumentum Property Tax
- Avenu (Neumo) Property Tax
- Computer Aided Mass Appraisal (CAMA)
- Child & Teen Checkups
- Community Health Services (CHS)
- Corrections
- County Attorney
- Finance & General Government (F&GG)
- HR & Payroll
- Human Services
- Integrated Financial System (IFS)
- Information Services Support Group (ISSG)
- Law Enforcement
- Property Information User Group (PIUG)
- Tax Court
- Tyler Technologies Property Tax

Two of the user groups will be phased out in 2026, both the Avenu (now Neumo) Tax and CAMA user groups. The counties participating in these two groups are moving to new CAMA and Tax systems. The User Groups use either an off-the-shelf software customized for Minnesota, or they own their own custom-developed software. Both types of User Groups have contracts with vendors for the maintenance and support of software programs. Contracted vendors invoice MnCCC directly. MnCCC then divides costs and bills members as specified by each User Group. MnCCC facilitates meetings, training sessions, and seminars for these User Groups.

MnCCC's administrative budget is recommended by the Board, then is reviewed and approved by the Membership at the Annual Conference in May. The MnCCC Board approves all expenditures. The Board also reviews and approves financial statements monthly. User Groups approve all User Group expenditures. MnCCC has a formal and active investment and cash management strategy in place. The purpose of which is to manage both short and long-term cash needs. This strategy's goal is to maintain the safety and security of the funds and obtain the best rate of return possible at the lowest risk. This strategy allows MnCCC to keep membership dues low by supplementing the administrative budget with interest revenue.

MnCCC currently maintains a positive fund balance. The net assets are an accumulation of prior years' excess revenue over expenses. In recent years, MnCCC has used some of the reserves for current operating expenses, which is a planned strategy. The investment strategy has proven to be an effective tool in providing funds to supplement the administrative budget.

#### FINANCIAL HIGHLIGHTS

- MnCCC surpassed the 2025 revenue budget by 15% (\$174K).
- MnCCC was under the 2025 budget on expenses by 6% (\$30K).
- Interest revenue contributed \$292K to the operating funds in 2025.
- MnCCC currently has four full-time staff.
- In 2026, MnCCC's long-time CFO retired and a new Finance Manager was hired. The new Finance Manager was hired in time to work alongside the retiring CFO to work on the audit.
- The RSVP calendaring system was upgraded again in 2025. This system sends automatic email reminders and RSVP confirmations of upcoming meetings back to attendees if they RSVP'd or not. It also distributes documents related to the meetings, such as agendas, minutes, financial reports, and other handouts. In 2025, MnCCC handled over 500 meetings and events through the RSVP system. The system sent out thousands of automatic and manual email announcements and reminders to the members. This continues to be a great time saver for the office.

#### REQUIRED FINANCIAL STATEMENTS

The financial statements are designed to provide the readers with an overall view of MnCCC's finances, in a manner similar to a private-sector business. The financial statements consist of the *statements of net position*, the *statements of revenues, expenses and changes in net assets*, and the *statements of cash flows*, which are prepared using the accrual basis of accounting. The financial statements can be found immediately following this discussion and analysis.

The *statement of net position* presents information on all of MnCCC's financial assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of MnCCC is improving or deteriorating. Other indicators of MnCCC's financial condition include the condition of its infrastructure and events and trends that affect future revenues and expenses.

The *statement of revenues, expenses, and changes in net assets* reports on the various activities and measures the success of MnCCC's operations over the past year. It can be used to determine whether MnCCC has successfully recovered all its costs through User fees and other charges, profitability, and credit worthiness.

The *statement of cash flows* reports on cash receipts, cash payments, and the net changes in cash resulting from operating, investing, and financing activities of MnCCC. The statement describes the sources of the cash received by MnCCC and the recipients of cash paid by MnCCC.

Additionally, the notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 12-24.

FINANCIAL ANALYSIS OF MINNESOTA COUNTIES COMPUTER COOPERATIVE

Statement of Net Position

As previously noted, net position may serve over time as a useful indicator of an organization’s financial position. However, other non-financial factors will also need to be considered such as changes in economic conditions, population growth, and new or changed government legislation. In the case of MnCCC, assets exceed liabilities by \$810,070 as of December 31, 2025, which compares to assets exceeded liabilities by \$636,312 as of December 31, 2024. If needed, the use of net assets is a planned strategy.

	December 31, 2025	December 31, 2024
	<u>Totals</u>	<u>Totals</u>
Current Assets:		
Cash and Cash Equivalents	\$ 1,077,636	\$ 800,701
Investments	4,797,905	4,661,304
Accounts Receivable	990,061	1,165,479
Prepaid Expense	<u>297,230</u>	<u>18,336</u>
Total Current Assets	7,162,832	6,645,820
Noncurrent Assets:		
Subscription Assets – Net	6,694,195	6,448,764
Capital Assets - Net	<u>112,365</u>	<u>141,781</u>
Total Assets	<u>\$ 13,969,392</u>	<u>\$ 13,236,365</u>
Current Liabilities:		
Accounts Payable	\$ 510,193	\$ 623,608
Accrued Expenses	174,809	149,243
Deferred Revenue/Enhancement Funds	4,254,589	3,956,769
Lease Liability	30,617	29,416
Subscription Liability	5,578,326	6,348,105
Member Deposits	<u>1,148,239</u>	<u>1,115,113</u>
Total Current Liabilities	11,696,773	12,222,254
Noncurrent Liabilities:		
Lease Liability	97,328	127,945
Subscription Liability	1,146,749	-
Net Pension Liability	<u>218,472</u>	<u>249,854</u>
Total Liabilities	13,159,322	12,600,053
Net Position – Unrestricted	<u>810,070</u>	<u>636,312</u>
Total Net Position and Liabilities	<u>\$ 13,969,392</u>	<u>\$ 13,236,365</u>

The Investments balance is comprised of brokerage service purchased certificates of deposit and money market funds. The maturity dates of these CD’s range from six (6) months to three (3) years. The Deferred Revenue and Member Deposit accounts represent monies presented in current and past years (on behalf of counties) to MnCCC and held in trust for the purpose of future software purchases and software program enhancement.

MnCCC uses a subsidiary income statement to account for all user group activities.

## FINANCIAL ANALYSIS (continued)

### Operating Activities

MnCCC charges membership dues annually and charges a nominal fee to attend the annual conference. The dues and fees collected are applied to MnCCC's administrative budget. The individual user groups have set up software contracts with vendors that include the cost of maintenance and support. Contracted vendors invoice MnCCC. MnCCC then divides the costs and bills the members as specified by each User Group. MnCCC also arranges meetings, training sessions, and seminars throughout the year.

	<u>2025 Actual</u>	<u>2025 Budget</u>	<u>2024 Actual</u>
Operating Revenues:			
Membership Dues	\$ 1,000,956	\$ 979,377	\$ 933,697
Annual Conference Fees	49,906	48,000	52,520
Miscellaneous Revenue – Group Software	717,085	700,000	551,273
Meeting, Seminar and			
Training Reimbursements	<u>184,062</u>	<u>-</u>	<u>214,703</u>
Total Operating Revenues	1,952,009	1,727,377	1,752,193
Operating Expenses:			
General and Administrative Expenses	<u>2,108,687</u>	<u>1,835,491</u>	<u>2,033,619</u>
Operating Loss	(156,678)	(108,114)	(281,426)
Other Revenue (Expense):			
Investment Income	299,054	140,000	350,834
Change in Net Pension Liability	<u>31,382</u>	<u>-</u>	<u>135,986</u>
Change in Net Position	<u>\$ 173,758</u>	<u>\$ 31,886</u>	<u>\$ 205,394</u>

User Group income and expenses of \$15,425,292 and \$15,493,540 in 2025 and 2024, respectively, has been excluded from the activity above since the income equal expenses. This reflects a decrease of \$68,248 in User Group income and expense activity between 2025 and 2024.

### Other Financial Information

- It is management's intention to hold all certificates of deposit to full maturity to avoid any potential early redemption penalties.
- The administrative budget is based on historical activity. The Board of Directors oversees this budget on a monthly basis. The budget, prepared by the Executive Director with input from the Chief Financial Officer and Board of Directors, is reviewed at the regional meetings each April/May and presented to the MnCCC membership at the Annual Conference each June for approval.
- For a copy of MnCCC's bylaws and more information, see our website at [www.mnccc.gov](http://www.mnccc.gov). The bylaws describe the governance, election of Board of Directors and hiring staff for MnCCC. The website also has pages that describe each of the User Group's activity. Agendas and minutes of meetings are posted on RSVP for all User Groups and sub-committees, as well as for the Board of Directors and membership.

CONTACTING MINNESOTA COUNTIES COMPUTER COOPERATIVE'S  
FINANCIAL MANAGEMENT

This report is designed to provide readers with a general overview of MnCCC's finances and to show MnCCC's accountability for the funds and assets it receives. If you have any questions about this report, or should you need additional financial information, contact:

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MINNESOTA COUNTIES COMPUTER COOPERATIVE  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2025 AND 2024

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current Assets:		
Cash - Operating	\$ 868,156	\$ 661,619
Money Market Funds	209,480	139,082
Total Cash and Cash Equivalents	<u>1,077,636</u>	<u>800,701</u>
Investments	4,797,905	4,661,304
Accounts Receivable	990,061	1,165,479
Prepaid Expense	297,230	18,336
Total Current Assets	<u>7,162,832</u>	<u>6,645,820</u>
Noncurrent Assets:		
Subscription Assets - Net	6,694,195	6,448,764
Capital Assets - Net	<u>112,365</u>	<u>141,781</u>
 TOTAL ASSETS	 <u>\$ 13,969,392</u>	 <u>\$ 13,236,365</u>
<u>LIABILITIES AND NET POSITION</u>		
Current Liabilities:		
Accounts Payable	\$ 510,193	\$ 623,608
Accrued Expenses	174,809	149,243
Deferred Revenue	4,254,589	3,956,769
Lease Liability	30,617	29,416
Subscription Liability	5,578,326	6,348,105
Member Deposits	1,148,239	1,115,113
Total Current Liabilities	<u>11,696,773</u>	<u>12,222,254</u>
Noncurrent Liabilities:		
Lease Liability	97,328	127,945
Subscription Liability	1,146,749	-
Net Pension Liability	218,472	249,854
Total Liabilities	<u>13,159,322</u>	<u>12,600,053</u>
Net Position - Unrestricted	<u>810,070</u>	<u>636,312</u>
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 13,969,392</u>	 <u>\$ 13,236,365</u>

The accompanying Notes to Financial Statements  
are an integral part of these statements.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
User Group Fees:		
Tax	\$ 5,826,598	\$ 6,919,964
Finance/General Government/Paymate MaxBack	2,532,365	2,568,614
Corrections	1,911,392	1,299,637
Community Health Services	1,301,376	1,423,002
IFS Modernization	1,215,126	1,124,676
Property Information	1,374,778	1,016,291
County Attorneys	559,970	573,303
CAMA	98,997	170,996
JAIMS	122,903	118,402
HRS Software	154,000	48,313
Marshall Swift	21,081	15,897
Tax Court	25,761	18,460
ISSG	280,945	195,985
	<u>15,425,292</u>	<u>15,493,540</u>
User Group Expenses:		
Tax	5,826,598	6,919,964
Finance/General Government/Paymate MaxBack	2,532,365	2,568,614
Corrections	1,911,392	1,299,637
Community Health Services	1,301,376	1,423,002
IFS Modernization	1,215,126	1,124,676
Property Information	1,374,778	1,016,291
County Attorneys	559,970	573,303
CAMA	98,997	170,996
JAIMS	122,903	118,402
HRS Software	154,000	48,313
Marshall Swift	21,081	15,897
Tax Court	25,761	18,460
ISSG	280,945	195,985
	<u>15,425,292</u>	<u>15,493,540</u>
Net User Group Activity	<u>-</u>	<u>-</u>
Other Operating Revenues:		
Membership Dues	1,000,956	933,697
Meeting, Seminar and Training Reimbursements	184,062	214,703
Annual Conference Fees	49,906	52,520
Miscellaneous Revenue - Group Software	717,085	551,273
	<u>1,952,009</u>	<u>1,752,193</u>
General and Administrative Expenses	<u>2,108,687</u>	<u>2,033,619</u>
Change in Net Position From Operations	(156,678)	(281,426)
Other Revenue (Expense):		
Investment Income (Loss)	299,054	350,834
Change in Net Pension Liability	31,382	135,986
	<u>330,436</u>	<u>486,820</u>
Changes in Net Position	173,758	205,394
Net Position - Beginning of Year	<u>636,312</u>	<u>430,918</u>
Net Position - End of Year	<u>\$ 810,070</u>	<u>\$ 636,312</u>

The accompanying Notes to Financial Statements  
are an integral part of these statements.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash Flows from Operating Activities:		
Revenues:		
User Group Fees	\$ 15,931,656	\$ 15,117,087
Membership Dues	1,000,956	933,697
Annual Conference Fees	49,906	52,520
Miscellaneous Revenue - Group Software	717,085	551,273
Meeting, Seminar and Training Reimbursements	184,062	214,703
Total Revenues	<u>17,883,665</u>	<u>16,869,280</u>
Expenses:		
User Group Costs	(15,538,707)	(15,864,539)
Payroll	(769,790)	(775,836)
Other General and Administrative	(1,431,270)	(736,254)
Total Expenses	<u>(17,739,767)</u>	<u>(17,376,629)</u>
Net Cash Provided (Used) by Operating Activities	143,898	(507,349)
Cash Flows from Investing Activities:		
Investment Income	289,746	270,882
Purchase of Investments	(2,477,293)	(3,967,519)
Proceeds from the Sale/Redemption of Investments	2,350,000	4,394,000
Net Cash Provided by Investing Activities	<u>162,453</u>	<u>697,363</u>
Cash Flows from Financing Activities:		
Lease Payments	(29,416)	(23,582)
Net Increase in Cash and Cash Equivalents	276,935	166,432
Cash and Cash Equivalents - Beginning of Year	800,701	634,269
Cash and Cash Equivalents - End of Year	<u>\$ 1,077,636</u>	<u>\$ 800,701</u>
Reconciliation of Change in Net Position from Operations to		
Net Cash Provided (Used) by Operating Activities:		
Change in Net Assets from Operations	\$ (156,678)	\$ (281,426)
Amortization	29,416	36,277
User Group Subscription Expense - Net	131,539	204,358
Adjustments to Reconcile the Operating Loss to		
Net Cash Flows from Operating Activities:		
Accounts Receivable	175,418	(123,746)
Prepaid Expense	(278,894)	242,429
Accounts Payable	(113,415)	(370,999)
Accrued Expenses	25,566	38,465
Deferred Revenue	297,820	(350,687)
Member Deposits	33,126	97,980
Net Cash Provided (Used) by Operating Activities	<u>\$ 143,898</u>	<u>\$ (507,349)</u>

The accompanying Notes to Financial Statements  
are an integral part of these statements.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

1. Summary of Significant Accounting Policies

Organizational Purpose and Reporting Entity

Minnesota Counties Computer Cooperative (MnCCC) is a joint powers organization formed under Minnesota State Statutes, Section 471.59. The purpose of MnCCC is to provide for the establishment, operation, and maintenance of data processing facilities, software and other information management systems for member counties in the State of Minnesota. All members are government entities within the State of Minnesota. Substantially all revenues and receivables are from members.

Financial Statement Presentation, Basis of Accounting and Measurement Focus

MnCCC's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) as applicable to enterprise fund. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing government accounting and financial reporting principles.

The term *basis of accounting* is used to determine when a transaction or event is recognized on MnCCC's operating statement. MnCCC uses the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though the actual receipt or payment may not occur until after the period ends.

The term *measurement focus* is used to denote what is being measured and reported in MnCCC's operating statement. MnCCC is accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether MnCCC is better or worse off economically as a result of events and transactions of the period.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, MnCCC considers all cash and money market funds as cash and cash equivalents.

Investments

Investments consist of certificates of deposit with original maturities of one year to five years. Investments are stated at market value. State statutes authorize MnCCC to invest in obligations in the U.S. Treasury, highly rated commercial paper, certain mutual funds, general obligations of the State of Minnesota and its municipalities, bankers' acceptances and guaranteed investment contracts subject to specific requirements.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are generally uncollateralized and MnCCC does not charge interest on accounts receivable balances. Allowance for credit losses on accounts receivable is determined based on historical experience, an assessment on economic conditions, and review of subsequent collections. MnCCC reviews accounts receivable balances on a periodic basis and writes off delinquent receivables to the allowance when they are considered uncollectible. No allowance for credit losses has been provided as accounts receivables are considered collectable.

Capital Assets

Capital assets are defined by MnCCC as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. MnCCC currently has no such capital assets.

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to the employees and the unpaid liability is included in the accrued expenses.

Deferred Revenue

Deferred revenue represents advance payments by members for software services to be performed in the future.

Member Deposits

Certain counties have made deposits for future purchases or development of computer software.

Pension

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

MnCCC determines if an arrangement is or contains a lease at inception. Leases are included in intangible capital assets and lease liabilities in the statement of net position. The intangible assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

1. Summary of Significant Accounting Policies (continued)

Revenues and Expenses

Revenues and expenses are distinguished between operating and non-operating items. Operating revenues generally result from providing services in connection with MnCCC's principal ongoing operations. The principal operating revenues are user group fees, membership dues and government grants.

Operating expenses include the costs associated with developing, maintaining and enhancing computer software for member counties and for administration of MnCCC. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Membership Dues

Membership dues are assessed annually and recognized as revenue in the year to which they apply.

Subscription-Based Information Technology Arrangements (SBITAs)

MnCCC recognizes a right-to-use subscription asset that is an intangible asset, and a corresponding subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. The amortization of the discount of the subscription liability is recorded as interest expense. The subscription asset is initially measured as the sum of the subscription liability, payments made to the SBITA vendor before commencement term, and capitalized implementation costs before the subscription term. The subscription asset is amortized over the term of the subscription.

User Group Fees

User group fees are charged to users of the software. The fees are recognized as revenue in the year the related costs are incurred.

Government Grants and Contracts

Government grants and contracts are recorded as revenue when the related costs are incurred. Amounts received after the costs have been incurred are recorded as receivables.

Income Taxes

MnCCC is exempt from income taxes under Minnesota State Statutes; accordingly, the financial statements do not reflect a provision for income taxes.

Reclassifications

Certain amounts in prior year comparative totals have been reclassified to conform with the presentation in the current year financial statements.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

MnCCC has evaluated the effect that subsequent events would have on the financial statements through April XX, 2026, which is the date financial statements were available to be issued.

2. Major Vendors

MnCCC contracts with vendors for software services as requested by the member counties. Approximately \$5.687 million and \$5.686 million were paid to two major vendors during the years ended December 31, 2025 and 2024, respectively.

3. Commitments and Contingencies

Amounts received from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the Federal government. Any disallowed grant costs may constitute a liability. The amount, if any, of costs which may be disallowed by the grantor agencies will be recognized in the year determined.

4. Capital Assets

The following is a summary of the changes in capital assets for the year ending:

	December 31, 2025			
	Beginning Of Year	Increases	Decreases	End of Year
Capital Assets being depreciated:				
Leased Office Space	\$ 283,562	\$ -	\$ -	\$ 283,562
Less: Accumulated Depreciation:				
Leased Office Space	141,781	29,416	-	171,197
Total	\$ 141,781	\$ (29,416)	\$ -	\$ 112,365
	December 31, 2024			
	Beginning Of Year	Increases	Decreases	End of Year
Capital Assets being depreciated:				
Leased Office Space	\$ 131,881	\$ 151,681	\$ -	\$ 283,562
Less: Accumulated Depreciation:				
Leased Office Space	105,504	36,277	-	141,781
Total	\$ 26,377	\$ 115,404	\$ -	\$ 141,781

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

5. Leases

MnCCC lease for office space that began January 1, 2020 for a term of five years and was extended for five years in 2025. Interest is computed at 4.0%. Annual requirements to amortize the long-term obligations and related interest are as follows:

<u>Due in the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 30,617	\$ 2,406	\$ 32,023
2027	31,840	1,830	33,670
2028	32,439	1,231	33,670
2029	33,049	621	33,670
	<u>\$ 127,945</u>	<u>\$ 6,088</u>	<u>\$ 134,033</u>

6. Subscription Assets

The following is a summary of the changes in subscription assets for the year ending:

	<u>December 31, 2025</u>			
	<u>Beginning Of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Subscription Assets	\$ 7,534,584	\$ 7,274,484	\$ (7,534,584)	\$ 7,274,484
Less:				
Accumulated Amortization	(1,085,820)	(7,029,053)	7,534,584	(580,289)
Total	<u>\$ 6,448,764</u>	<u>\$ 245,431</u>	<u>\$ -</u>	<u>\$ 6,694,195</u>
	<u>December 31, 2024</u>			
	<u>Beginning Of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Subscription Assets	\$ 10,544,423	\$ 5,980,854	\$ (8,990,693)	\$ 7,534,584
Less:				
Accumulated Amortization	(5,119,575)	(4,956,938)	8,990,693	(1,085,820)
Total	<u>\$ 5,424,848</u>	<u>\$ 1,023,916</u>	<u>\$ -</u>	<u>\$ 6,448,764</u>

Amortization expense of \$7,029,053 and \$4,956,938 is a part of the total user group expenses in the years ended December 31, 2025 and 2024.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

7. Subscription Liability

MnCCC has multiple SBITA's utilized by various User Groups. The average interest is discounted at 5.05%. Annual requirements to amortize the subscription liability and related interest are as follows:

<u>Due in the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,578,326	\$ 169,876	\$ 5,748,202
2027	612,499	58,644	671,143
2028	<u>534,250</u>	<u>26,813</u>	<u>561,063</u>
	<u>\$ 6,725,075</u>	<u>\$ 255,333</u>	<u>\$ 6,980,408</u>

8. Fair Value

Fair value is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. A three-tier hierarchy of inputs is used to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at December 31:

	<u>2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit	\$ 3,930,065	\$ -	\$ -	\$ 3,930,065
Money Market Fund	829,386	-	-	829,386
Total	<u>\$ 4,759,451</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,759,451</u>
	<u>2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit	\$ 3,830,071	\$ -	\$ -	\$ 3,830,071
Money Market Fund	795,093	-	-	795,093
Total	<u>\$ 4,625,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,625,164</u>

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

9. Bank Deposits and Investments

MnCCC's bank deposits are categorized below to give an indication of the custodial credit risk assumed at year-end. The difference between the bank balance and the carrying value is due to outstanding checks and/or deposits in transit.

The three categories of credit risk that could apply to MnCCC's bank balance:

- 1) Insured or collateralized with securities held by the pledging financial institution's trust department or agent in MnCCC's name. Deposits in each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for interest bearing accounts and \$250,000 for non-interest bearing accounts.
- 2) Collateralized with securities held by the pledging financial institution's trust department or agent in MnCCC's name.
- 3) Uninsured and uncollateralized deposits. This includes any bank balance that is collateralized with securities held by the pledging financial institution's trust department or agent, but not in MnCCC's name.

Balances held in each category were as follows as of:

	December 31,			
	2025		2024	
	Bank Balance	Carrying Amount	Bank Balance	Carrying Amount
Insured (FDIC)	\$ 459,480	\$ 459,480	\$ 389,082	\$ 389,082
Uninsured with Collateral	917,224	618,156	515,781	411,619
Total Deposits	\$ 1,376,704	\$ 1,077,636	\$ 904,863	\$ 800,701

MnCCC's investments have been classified into the following three categories of credit risk:

- 1) Insured, registered or securities held by MnCCC or its agent in MnCCC's name. All of MnCCC's investments are part of this category.
- 2) Uninsured and unregistered, with securities held by the counterparty or its trust department or agent in MnCCC's name.
- 3) Uninsured and unregistered, with securities held by the counterparty or its trust department or agent but not in MnCCC's name.

Investments were comprised of the following as of:

	December 31,			
	2025		2024	
	Cost	Market	Cost	Market
Certificates of Deposit	\$ 3,923,000	\$ 3,930,065	\$ 3,830,000	\$ 3,830,071
Money Market Fund	829,386	829,386	795,093	795,093
Interest Receivable	38,454	38,454	36,140	36,140
Total Investments	\$ 4,790,840	\$ 4,797,905	\$ 4,661,233	\$ 4,661,304

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

10. Deferred Revenue

Deferred revenue consisted of the following as of:

	December 31,	
	2025	2024
Software Support and Development:		
Beta Testing	\$ 54,150	\$ 60,150
Enhancement:		
Community Health Services	1,015,115	863,514
Tax	1,080,807	1,273,042
Tax Data File Changes	523,750	523,750
Finance/General Government/Paymate	288,246	194,161
Corrections	245,073	27,587
Human Services	152,500	-
CAMA	101,024	101,024
PIUG	90,206	101,269
ISSG	58,497	64,841
PR/HR Users Group	44,518	53,006
JAIMS	29,759	29,759
	3,629,495	3,231,953
Payments Received for Following Year	570,944	664,666
	\$ 4,254,589	\$ 3,956,769

11. Risk Management

MnCCC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; healthcare of employees; and natural disasters. MnCCC has purchased insurance coverage from the Minnesota Counties Insurance Trust (MCIT) to cover these risks. Insurance settlements have not exceeded insurance coverage in any of the past two years. There were no significant reductions in coverage compared to the prior year.

MCIT is self-sustaining and MnCCC pays annual premiums to cover current and future losses. MCIT carries reinsurance against catastrophic property losses and workers' compensation claims over \$700,000. Should liabilities of MCIT exceed assets, MCIT may assess MnCCC in a method and amount to be determined by MCIT.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

12. Defined Benefit Pension Plan

**Plan Description:**

MnCCC participates in the General Employees Plan cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plan provisions are established and administered in accordance with *Minnesota Statutes*, Chapters 353, 353D, 353E, 353G, and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**Benefits Provided:**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

GEP requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2025 annual increase was 1.25 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

12. Defined Benefit Pension Plan (continued)

**Contributions:**

*Minnesota Statutes* Chapter 353, 353E, 353G, and 356 set sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in calendar year 2025 and MnCCC was required to contribute 7.50% for Coordinated Plan members in calendar year 2025. MnCCC contributions to the General Employees Fund for the years ended December 31, 2025 and 2024, were \$44,781 and \$44,361, respectively. MnCCC's contributions were equal to the required contributions as set by state statute.

**Pension Costs:**

At December 31, 2025, MnCCC reported a liability of \$218,472 for its proportionate share of the General Employees Fund's net pension liability. MnCCC's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with MnCCC totaled \$5,152.

The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MnCCC's proportion of the net pension liability was based on the MnCCC's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2024 through June 30, 2025 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2025 the MnCCC's proportion share was 0.0066 percent which was a .0002 decrease from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025 MnCCC recognized pension expense of \$11,269 for its proportionate share of the General Employees Plan's pension expense. In addition, the MnCCC recognized an additional \$1,056 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

12. Defined Benefit Pension Plan (continued)

At December 31, 2025, MnCCC reported its proportionate share of the GEP's deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 20,816	\$ 89,932
Changes in Actuarial Assumptions	5,264	50,270
Changes in Proportion	16,164	13,071
Differences between projected and actual investment earnings	-	-
GEP contributions paid subsequent to the measurement date	22,238	-
	<u>\$ 64,482</u>	<u>\$ 15,0273</u>

The \$64,482 reported as deferred outflows of resources related to pensions resulting from MnCCC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>In the Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2026	\$ 21,494
2027	21,494
2028	21,494
	<u>\$ 64,482</u>

**Long-term Expected Return on Investment:**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	33.5%	5.10%
International Stocks	16.5%	5.30%
Fixed Income	25%	0.75%
Private Markets	25%	5.90%

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

12. Defined Benefit Pension Plan (continued)

**Actuarial Methods and Assumptions:**

The total pension liability in the June 30, 2025 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7.0% is within that range.

Inflation assumed to be 2.25% for the General Employees Plan.

Benefit Increases after retirement are assumed to be 1.5% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 11.5% after one year of service to 3.0% after 27 years of service.

Mortality rates for General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study in the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and become effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2025 AND 2024

12. Defined Benefit Pension Plan (continued)

**Discount Rate:**

The discount rate used to measure the total pension liability in 2025 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Pension Liability Sensitivity:**

The following presents MnCCC's proportionate share of the net pension liability for the plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the MnCCC's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis		
<u>Net Pension Liability (Asset) at Different Discount Rates</u>		
1% Lower	6.00%	\$ 530,634
Current Discount Rate	7.00%	\$ 218,472
1% Higher	8.00%	\$ (34,762)

**Pension Plan Fiduciary Net Position:**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

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ADDITIONAL INFORMATION

MINNESOTA COUNTIES COMPUTER COOPERATIVE  
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE YEARS ENDING DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Personnel Costs	\$ 769,790	\$ 775,836
Group Software Subscription	709,978	557,310
Meeting Expenses	269,314	290,039
User Group Subscription Expense - Net	131,539	204,358
Office Expense	63,150	55,283
Internet/Website	47,755	18,163
Amortization	29,416	36,277
Insurance	19,924	23,683
Legal	14,049	17,651
Special Event	12,855	10,606
Audit	10,323	9,863
Travel	5,847	9,462
Telephone	4,852	4,401
Printing and Copying	4,192	3,086
Accounting	4,070	2,946
Equipment	3,778	5,600
Interest	2,960	4,023
Seminars	2,888	2,325
Conference Calls	2,007	2,707
	<u>2,108,687</u>	<u>2,033,619</u>
Total General and Administrative Expenses	<u>\$ 2,108,687</u>	<u>\$ 2,033,619</u>

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MINNESOTA COUNTIES COMPUTER COOPERATIVE  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Operating Revenues:				
Membership Dues	\$ 979,377	\$ 979,377	\$ 1,000,956	\$ 21,579
Annual Conference Fees	48,000	48,000	49,906	1,906
Miscellaneous Revenue - Group Software	715,000	715,000	717,085	2,085
Meeting Expenses Billed Back	-	-	184,062	184,062
Total Operating Revenues	1,742,377	1,742,377	1,952,009	209,632
Operating Expenses:				
Personnel Costs	804,131	804,131	769,790	(34,341)
Group Software Subscription	700,000	700,000	709,978	9,978
Meeting Expenses	90,000	90,000	269,314	179,314
Office Expense	71,800	71,800	63,150	(8,650)
Occupancy	35,000	35,000	-	(35,000)
User Group Subscription Expense - Net	-	-	131,539	131,539
Amortization	-	-	29,416	29,416
Legal	30,000	30,000	14,049	(15,951)
Internet/Website	35,000	35,000	47,755	12,755
Audit	10,000	10,000	10,323	323
Insurance	24,000	24,000	19,924	(4,076)
Equipment	20,000	20,000	3,778	(16,222)
Printing and Copying	4,060	4,060	4,192	132
Travel	9,500	9,500	5,847	(3,653)
Special Event	-	-	12,855	12,855
Conference Calls	-	-	2,007	2,007
Telephone	5,000	5,000	4,852	(148)
Interest	-	-	2,960	2,960
Accounting	3,000	3,000	4,070	1,070
Seminars	4,000	4,000	2,888	(1,112)
Tuition	5,000	5,000	-	(5,000)
Total Operating Expenses	1,850,491	1,850,491	2,108,687	258,196
Change in Net Position From Operations	(108,114)	(108,114)	(156,678)	(48,564)
Other Revenue (Expense):				
Investment Income	140,000	140,000	299,054	159,054
Change in Net Pension Liability	-	-	31,382	31,382
Change in Net Position	\$ 31,886	\$ 31,886	\$ 173,758	\$ 141,872

Explanation of Differences between Budgetary Revenues and Expenses  
and GAAP Revenues and Expenses:

Actual Amounts (Budgetary Basis) Operating Revenues from Budgetary Comparison Schedule	\$ 1,952,009
None	-
Total Operating Revenues reported on the Statement of Revenues and Expenses and Changes in Net Position	\$ 1,952,009
Actual Amounts (Budgetary Basis) Operating Expenses from Budgetary Comparison Schedule	\$ 2,108,687
None	-
Total Operating Expenses Reported on the Statement of Revenues See the Auditor's Report.	\$ 2,108,687