

Legislative Audit Advisory Commission of the
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

We are pleased to present this report related to our audit of the financial statement of General Assembly of the Commonwealth of Pennsylvania (“General Assembly”) as of and for the year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the General Assembly’s financial reporting process.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process:

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our engagement letter dated March 7, 2023. The audit of the financial statement does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We issued a separate communication regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following identifies the qualitative aspects of significant accounting practices, including accounting policies, accounting estimates and financial statement disclosures which you may wish to monitor as part of your oversight responsibilities of the financial reporting process:

Preferability of Accounting Policies and Practices

Under the budgetary basis of accounting, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

Adoption of, or Change in, Accounting Policies

Management and the Members of the Commission have the ultimate oversight responsibility for the appropriateness of the accounting policies used by the General Assembly. The significant accounting policies used by the General Assembly are described in Note 1 to the financial statements.

The application of existing policies was not changed during the year. We did not discuss with management any alternative treatments within the budgetary basis for accounting policies and practices related to material items during the current audit period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant or unusual transactions.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgements. The process used by management encompasses its knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit.

Estimates significant to the financial statements relate to commitments, including pension obligation.

Management's estimate of these items is based on current and historical information available to management and, in some instances, involved actuarial calculations. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statement was the disclosure relating to commitments, including pension obligation. The financial statement disclosures are objective, consistent and clear.

Supplementary Information

With respect to the supplementary information, accompanying the financial statement we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine the information complies with the budgetary basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statement or to the financial statement itself.

Audit Adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Observations About the Audit Process

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statement.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting, or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management relating to the performance of the audit.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA independence rules. For Boyer & Ritter LLC (B&R) to fulfill its professional responsibility to maintain and monitor independence, it is essential that management, the members of the Legislative Audit Advisory Commission and B&R each play an important role.

Our Responsibilities

- AICPA Rules require independence both of mind and in appearance when providing audit and other attestation services. B&R is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of the engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The General Assembly's Responsibilities

- Timely inform B&R, before the effective date of transactions or other business changes, of the following:
 - New affiliates, directors, or officers.
 - Changes in the organizational structure or the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, component units, jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the General Assembly and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with B&R.
- Not entering into arrangements of nonadult services resulting in B&R being involved in making management decisions on behalf of the General Assembly.
- Not entering into relationships resulting in close family members of B&R covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the General Assembly.

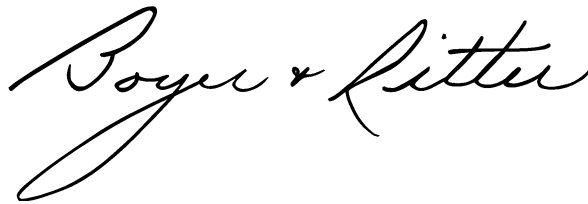
Significant Written Communications Between Management and Our Firm

We have requested certain representations from management that are included in the management representation letter dated December 6, 2023.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Legislative Audit Advisory Commission of the Commonwealth of Pennsylvania.

This report is intended solely for the information and use of the Members of the Legislative Audit Advisory Commission and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Boyer & Ritter". The signature is written in a cursive, flowing style. The "B" is large and loops around the "o", and the "R" is also large and loops around the "i". The "&" is written in a simple, stylized form. The "t" and "t" are also stylized, with the second "t" having a long horizontal stroke that extends to the right.

Camp Hill, Pennsylvania
December 6, 2023