

AUDIT OF THE STATEMENT OF FINANCIAL AFFAIRS
OF THE GENERAL ASSEMBLY OF THE
COMMONWEALTH OF PENNSYLVANIA

The Legislative Audit Advisory Commission
of the Commonwealth of Pennsylvania
Fiscal Year Ended June 30, 2013
With Report of Independent Auditors

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs

Fiscal Year Ended June 30, 2013

Contents

Report of Independent Auditors	1
Statement of Financial Affairs of the General Assembly	3
Notes to the Financial Statement	8
Supplementary Schedule	
Schedule of Disbursements by Category.....	16

REPORT OF INDEPENDENT AUDITORS

The Legislative Audit Advisory Commission of the
Commonwealth of Pennsylvania

Report on the Financial Statement

We have audited the accompanying statement of financial affairs of the General Assembly of the Commonwealth of Pennsylvania (General Assembly) for the year ended June 30, 2013, and the related notes (the financial statement).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the budgetary basis of accounting described in Note 1; this includes determining that the budgetary basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity'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 presentation of the financial statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the appropriations, disbursements, commitments and available balances of the General Assembly for the year ended June 30, 2013, in accordance with the budgetary basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The supplementary information included in the schedule of disbursements by category is presented for purposes of additional analysis and is not a required part of the financial statement. The supplementary information included in the schedule of disbursements by category is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information included in the schedule of disbursements by category is fairly stated in all material respects, in relation to the financial statement as a whole.

Mitchell & Titus, LLP

February 28, 2014

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs of the General Assembly

Fiscal Year Ended June 30, 2013

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
Senate						
Chief Clerk:						
W. Russell Faber	Salaries of 50 Senators	\$ 7,034,000	\$ 2,468,928	\$ 6,956,713	\$ 235,451	\$ 2,310,764
	Salaries of service employees	10,300,000	3,797,759	10,598,465	295,449	3,203,845
	Salaries and wages of employees of the Chief Clerk	2,540,000	2,578,559	2,424,812	10,669	2,683,078
	Incidental expenses	2,671,000	3,385,148	844,450	186,969	5,024,729
	Senators' expenses	1,238,000	1,857,825	821,694	100,620	2,173,511
	Postage for Chief Clerk and Legislative Journal	-	183,351	183,351	-	-
	Legislative printing and expenses	6,717,000	19,207,608	6,380,994	5,475,352	14,068,262
President:						
Jim Cawley	Salaries of employees of the President of the Senate	300,000	153,990	309,652	9,093	135,245
Floor Leader (R):						
Dominic Pileggi	Caucus operations (R)	31,512,000	8,272,239	30,833,636	944,912	8,005,691
	Committee and contingent expenses (R)	-	232,196	(29,808)	9,247	252,757
Floor Leader (D):						
Jay Costa	Caucus operations (D)	28,288,000	10,896,724	27,862,943	786,538	10,535,243
	Committee and contingent expenses (D)	-	106,656	(210,857)	14,072	303,441
Chairman – Appropriations Committee (R):						
Jake Corman	Committee on Appropriations (R)	1,249,000	554,641	1,018,446	18,031	767,164
Chairman – Appropriations Committee (D):						
Vincent Hughes	Committee on Appropriations (D)	1,249,000	504,141	982,466	79,643	691,032
Senate total		93,098,000	54,199,765	88,976,957	8,166,046	50,154,762

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2013

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
House of Representatives						
Chief Clerk:						
Anthony F. Barbush	Salaries of Representatives	\$ 26,984,000	\$ 2,100,482	\$ 26,972,370	\$ 279,592	\$ 1,832,520
	Salaries of Bipartisan Management Committee, Chief Clerk and Comptroller	14,048,000	4,816,472	12,255,517	151,333	6,457,622
	Mileage of Representatives, officers and employees	352,000	150,783	492,523	46,387	(36,127)
	Postage for Chief Clerk and Legislative Journal	2,645,000	3,988,231	2,177,170	23,152	4,432,909
	Contingent expenses	553,000	1,520,618	174,667	267	1,898,684
	Incidental expenses	4,800,000	561,716	4,374,101	451,312	536,303
	Representatives' expenses	4,026,000	3,930,429	5,471,196	151,816	2,333,417
	Legislative printing and expenses	10,108,000	5,614,796	10,980,724	9,127,724	(4,385,652)
	National Legislative Conference	484,000	1,304,077	1,311,557	-	476,520
Speaker:						
Samuel H. Smith	Salaries of Speaker's office	1,714,000	1,791,389	346,800	3,258	3,155,331
	Contingent expenses	20,000	47,622	1,794	-	65,828
Floor Leader (R):						
Mike Turzai	Special Leadership Account (R)	5,725,000	12,087,945	2,182,220	26,561	15,604,164
	Caucus operations (R)	51,500,000	6,682,745	51,627,574	694,135	5,861,036
	Information technology (R)	-	4,543,018	3,283,976	-	1,259,042
	Contingent expenses	7,000	25,119	5,896	-	26,223
Floor Leader (D):						
Frank Dermody	Special Leadership Account (D)	5,725,000	16,011,993	6,963,305	55,693	14,717,995
	Caucus operations (D)	44,000,000	4,721,276	44,998,633	820,884	2,901,759
	Information technology (D)	-	5,135,121	(108,488)	487,886	4,755,723
	Contingent expenses	7,000	47,174	359	-	53,815
Chairman – Appropriations Committee (R):						
William F. Adolph, Jr.	Committee on Appropriations (R)	3,052,000	6,770,428	4,603,293	64,184	5,154,951
	Contingent expenses	6,000	59,931	3,009	-	62,922

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2013

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
House of Representatives (continued)						
Chairman – Appropriations Committee (D): Joseph Markosek	Committee on Appropriations (D) Contingent expenses	\$ 3,052,000 6,000	\$ 3,338,800 10,644	\$ 1,971,540 4,254	\$ 15,837 -	\$ 4,403,423 12,390
Whip (R): Stan Saylor	Contingent expenses	6,000	14,085	5,783	-	14,302
Whip (D): Michael Hanna	Contingent expenses	6,000	17,480	3,180	-	20,300
Caucus Chairman (R): Sandra Major	Contingent expenses	3,000	13,681	1,897	-	14,784
Caucus Chairman (D): Dan Frankel	Contingent expenses	3,000	1,178	3,798	-	380
Caucus Secretary (R): Mike Vereb	Contingent expenses	3,000	3,416	2,093	-	4,323
Caucus Secretary (D): Jennifer Mann (1) Ronald Waters (2)	Contingent expenses	3,000	5,810	2,730	-	6,080
Chairman – Policy Committee (R): Dave Reed	Contingent expenses	2,000	2,443	431	-	4,012
Chairman – Policy Committee (D): P. Michael Sturla	Contingent expenses	2,000	2,704	1,906	-	2,798
Caucus Administrator (R): Richard Stevenson	Contingent expenses	2,000	3,090	-	-	5,090
Caucus Administrator (D): Ron Buxton (1) Neal Goodman (2)	Contingent expenses	2,000	10,965	(4)	-	12,969

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2013

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
House of Representatives (continued)						
Staff Administrator (R): Anthony Aliano	Contingent expenses	\$ 20,000	\$ 56,546	\$ 6,715	\$ -	\$ 69,831
Staff Administrator (D): Susan Schwab (1) Mary-Jo Mullen (2)	Contingent expenses	20,000	76,947	21,749	-	75,198
House of Representatives total		178,886,000	85,469,154	180,144,268	12,400,021	71,810,865
Legislative service agencies and miscellaneous appropriations						
Legislative Reference Bureau:						
Robert W. Zech, Director (1)	Salaries, wages and expenses	8,365,000	2,027,583	7,094,625	100,459	3,197,499
Vincent C. DeLiberato, Jr., Acting Director (2)	Contingent expenses	-	107,528	8,493	-	99,035
	Printing of Pennsylvania Bulletin and Pennsylvania Code	803,000	307,928	807,694	-	303,234
	New drafting system	-	1,834,053	168,000	-	1,666,053
Legislative Budget and Finance Committee:						
Vacant, Chairman (1)	Salaries, wages and expenses	1,775,000	643,749	1,429,167	26,864	962,718
Robert B. Mensch , Chairman (2)						
Philip R. Durgin, Executive Director						
Legislative Data Processing Committee:						
Dominic Pileggi, Chairman	Salaries, wages and expenses	17,369,000	11,426,720	12,750,433	849,473	15,195,814
Kathy Sullivan, Executive Director						
Joint State Government Commission:						
Florindo J. Fabrizio, Chairman	Salaries, wages and expenses	1,416,000	353,999	1,203,643	42,620	523,736
Glenn Pasewicz., Executive Director						
Local Government Commission:						
Robert D. Robbins, Chairman (1)	Salaries, wages, and expenses	1,074,000	311,291	946,626	166,405	272,260
John H. Eichelberger, Jr., Chairman (2)	Local government codes	89,000	54,921	52,512	-	91,409
Michael P. Gasbarre, Executive Director						
Legislative Air and Water Pollution Control Commission:						
Scott E. Hutchinson, Chairman	Salaries, wages and expenses	510,000	143,625	373,413	13,201	267,011
Craig D. Brooks, Executive Director						
Legislative Audit Advisory Commission:						
Gordon R. Denlinger, Chairman	Salaries, wages and expenses	245,000	61,250	150,000	-	156,250
Legislative Office for Research Liaison:						
Anthony F. Barbush, Chief Clerk of the House of Representatives	Miscellaneous expenses	-	1,959	1,959	-	-

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2013

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
Legislative service agencies and miscellaneous appropriations (continued)						
Independent Regulatory Review Commission:						
David Sumner, Executive Director	Salaries, wages and expenses	\$ 1,850,000	\$ 539,217	\$ 1,480,694	\$ 98,271	\$ 810,252
Capitol Preservation Committee:						
Paul I. Clymer, Chairman	Capitol Renovation Committee	710,000	406,754	622,003	16,630	478,121
David Craig, Executive Director	Restoration of the Capitol	1,850,000	1,992,187	1,123,029	52,973	2,666,185
Independent Fiscal Office						
Matthew Knittel, Director	Salaries, wages and expenses	1,675,000	1,187,892	1,175,737	54,487	1,632,668
Mark Ryan, Deputy Director						
Pennsylvania Legislative Reapportionment Commission:						
W. Russell Faber, Chief Clerk of the Senate	Miscellaneous expenses	1,200,000	609,940	829,323	674	979,943
Commonwealth Mail Processing Center:						
W. Russell Faber, Chief Clerk of the Senate	Salaries, wages and expenses	2,894,000	1,471,761	1,845,778	226,083	2,293,900
Legislative service agencies and miscellaneous appropriations total		41,825,000	23,482,357	32,063,129	1,648,140	31,596,088
Total		<u>\$ 313,809,000</u>	<u>\$ 163,151,276</u>	<u>\$ 301,184,354</u>	<u>\$ 22,214,207</u>	<u>\$ 153,561,715</u>

(1) Beginning of the fiscal year
(2) End of the fiscal year

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement

Fiscal Year Ended June 30, 2013

1. Basis of Presentation

The General Assembly of the Commonwealth of Pennsylvania prepares its financial statement on the budgetary basis of accounting, which is essentially a cash basis modified for appropriations and certain commitments as discussed in Note 8. Accordingly, the accompanying financial statement is not intended to present changes in net assets in conformity with accounting principles generally accepted in the United States.

At the state level, the government of the Commonwealth of Pennsylvania consists of three separate branches: the executive, the legislative, and the judicial branches. The legislative branch is comprised of the Senate, House of Representatives and various legislative service agencies, bureaus, committees and commissions. The financial activity presented in this financial statement is also included within the Commonwealth of Pennsylvania's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, prepared in accordance with accounting principles generally accepted in the United States applicable to governments.

2. Appropriations

Act 9-A of 2012 (2012 General Appropriations Act), effective July 1, 2012, specifies the amounts of monies appropriated to the various legislative departments and agencies of the General Assembly for the payment of the salaries, wages, and other costs and expenses incurred in the conduct of their activities, and for the purposes set forth in the Act, or other acts, for the fiscal year ended June 30, 2013. The Act provides that the monies so appropriated are to be used for the payment of costs and expenses incurred during the fiscal year ended June 30, 2013, and for payment of those costs and expenses remaining unpaid at the close of the preceding fiscal year. The Act also provides that the monies so appropriated shall be continuing appropriations.

3. Disbursements

The monies appropriated to the legislative departments and agencies of the General Assembly are disbursed by two methods.

Disbursements are made primarily by using the voucher transmittal method under which the department or agency must prepare and submit to the State Treasury a voucher transmittal form requesting payment to the payees shown and in the amounts listed on the transmittal. The department or agency sends the voucher transmittal to the State Treasury to prepare the checks payable to the payees listed.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2013

3. Disbursements (continued)

The remaining disbursements are made by using the advance appropriation method. Under this method, the department or agency requests the State Treasury to prepare a check payable to an officer or an employee of the department or agency in an amount specified on an advancement transmittal form submitted to the State Treasury. The checks are deposited in, and the bills are paid from, a checking account opened in a commercial bank by the officer or employee. Under this method, the legislative department or agency obtains the funds appropriated to it prior to the payment of the costs and expenses incurred. The Act mentioned in Note 2 generally provides that any department or agency that receives monies under an advance appropriation must maintain in its files an accounting of the disbursement of such funds, together with supporting documents. The advance appropriation method is used for the following disbursements:

Senate

Incidental expenses

House of Representatives

Special Leadership Account (R) and (D)

Committee on Appropriations (R) and (D)

Contingent expenses

Legislative Reference Bureau

Contingent expenses

Capitol Preservation Committee

Capitol Renovation Committee

Current-year budgetary disbursements as presented in the statement of financial affairs of the General Assembly have been adjusted by immaterial amounts for changes in the above-noted advancement account cash balances at the end of the fiscal year, which are maintained in conventional checking accounts.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2013

4. Operating Rules and Policies

The financial affairs of the General Assembly and the related service agencies comprise primarily the receipts and disbursements of monies appropriated to them in the annual appropriations acts and amendments thereto. In the appropriations acts, the descriptions of the purposes for which the monies are appropriated vary from specific to very general. As a result, the General Assembly and the related service agencies have supplemented the appropriations acts with rules and manuals containing more specific detail about the purposes for which appropriated monies could be disbursed and descriptions of the type and manner of documentation of such disbursements.

The Accounting and Operations Manual of the General Assembly contains the standards applicable to various legislative service agencies, bureaus, committees and commissions and was adopted by the Rules Committees of both the Senate and House of Representatives. House Rule 14 and the Accounting and Operations Manual of the House of Representatives (including Bipartisan Management Committee policies) and Senate Financial Operating Rules (including Committee on Management Operations policies) were adopted by the members of the respective Chamber of both the Senate and the House of Representatives. These rules and policies incorporate applicable statutory provisions and set forth the purposes for which appropriated funds can be expended. They also contain standards of documentation for disbursements and descriptions of the record-keeping procedures to be used in preparing and maintaining an accounting record of the disbursement of the appropriated funds.

5. Available from Prior Year(s)

The General Appropriations Acts of 1977-2012 and amendments thereto provide that appropriations to the various legislative departments and agencies of the General Assembly are continuing appropriations. Therefore, appropriations unexpended at the end of an appropriation period are available in the subsequent appropriation period.

6. Appropriation Transfers

There were various Appropriation Transfers during the fiscal year ended June 30, 2013. Act 9-A of 2012 (2012 General Appropriations Act) allowed the Bipartisan Management Committee of the House of Representatives and the Committee on Management Operations of the Senate to transfer funds between appropriations made in this Act or any other fiscal year for the House of Representatives and Senate, respectively, remaining unexpended and unencumbered as of the effective date of this Act as each committee deemed necessary. Such power to transfer appropriations was limited to the fiscal year ended June 30, 2013.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2013

6. Appropriation Transfers (continued)

All appropriation transfers that occurred during the fiscal year ended June 30, 2013, are recorded as a disbursement in the “Disbursed” amount for the respective transferring appropriation, and as a reduction of disbursements in the “Disbursed” amount for the respective appropriation to which the funds were transferred, except as indicated below.

The “available from prior years(s)” balances have been increased (decreased) to reflect the following transfers in accordance with Section 2109 of Act 9-A of 2012, Expenditure Symbol Notification Numbers 12-109 and 12-112.

Appropriation Name	Increasing (Decreasing)
LSAs:	
North Office Building Restoration	\$ (128,787)
Council of State Government	(93,634)
Local Government Commission	(51,006)
Local Government Codes	(11,000)
Legislative Reapportionment Commission	(2,670,508)
Joint Legislative Air and Water Pollution Control Committee	(169,409)
Independent Regulatory Review Commission	(91,793)
Legislative Reference Bureau – Salaries and Expenses	(2,224,013)
Printing of PA Bulletin and PA Code	(701,000)
Flag Conservation	(10,893)
Legislative Budget and Finance Committee	(3,062,922)
Legislative Data Processing	3,691,256
Joint State Government Commission	324,600
Legislative Audit Advisory Commission	61,250
Capitol Preservation Committee	140,685
Capitol Restoration	1,014,014
Net decrease	<u>\$ (3,983,160)</u>

Additionally, in accordance with Section 2109 of Act 9-A of 2012, Expenditure Symbol Notification Number 12-109 affected (increased) 2012 General Appropriation Act amounts for certain LSAs, which are reflected in the “Total Appropriation” amounts in the financial statement.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2013

7. Other Available Funds

In addition to the appropriations using the advancement method of disbursement, the Senate and the House of Representatives also maintain conventional checking accounts for the payment of certain member and employee benefits. Funds are disbursed from various appropriations for deposit into these accounts and payment of the benefit expenses.

The following table summarizes the activity for each account for the fiscal year ended June 30, 2013:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30, 2013
Senate Benefits Account	\$ 3,638,571	\$ 95,850	\$ 3,734,421
House Benefits Account	4,142,941	(327,535)	3,815,406

The net current-year activity represents the difference between deposits from other appropriations and health insurance rebates received and disbursements made for benefits. The funds available from prior year and at June 30, 2013, for the Senate Benefits Account and House Benefits Account, represent the respective ending balances in the conventional checking accounts. These funds are available for payment of benefits but are not reflected in the statement of financial affairs. The disbursements from the appropriations for deposit in these accounts are reflected in the "Disbursed" amount for the respective appropriations in the statement of financial affairs.

The House Benefits Account had made disbursements of \$285,334 for benefit costs incurred as of June 30, 2013, for which payment was made subsequent to June 30, 2013. The Senate Benefits Account did not incur benefit costs as of June 30, 2013, for which payment was made subsequent to June 30, 2013.

In addition to the above mentioned benefits accounts, the Senate, House and LSAs have other funds available that are not included in the statement of financial affairs. These restricted receipt accounts are used to account for the receipt of Local Services and Earned Income Taxes for the Senate, House and LSAs to make quarterly disbursements to appropriate local tax collectors.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2013

7. Other Available Funds (continued)

The following table summarizes the activity for each account for the fiscal year ended June 30, 2013:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30, 2013
Senate:			
Local Services Tax	\$ 10,681	\$ 123	\$ 10,804
Earned Income Tax	44,072	4,345	48,417
Total Restricted Receipt Accounts	54,753	4,468	59,221
House:			
Local Services Tax	23,879	(1,284)	22,595
Earned Income Tax	88,533	53	88,586
Total Restricted Receipt Accounts	112,412	(1,231)	111,181
LSAs:			
Earned Income Tax – Legislative Reference Bureau	15,339	1,340	16,679
Earned Income Tax – Local Government Commission	2,311	(66)	2,245
Earned Income Tax – Capitol Preservation Committee	1,552	(60)	1,492
Earned Income Tax – Independent Fiscal Office	1,879	1,395	3,274
Earned Income Tax – Joint State Government Commission	2,496	205	2,701
Earned Income Tax – Legislative Budget & Finance Committee	2,994	188	3,182
Earned Income Tax – Legislative Data Processing Committee	6,969	(282)	6,687
Earned Income Tax – Legislative Air and Water Pollution Control Commission	627	351	978
Earned Income Tax – Independent Regulatory Review Commission	3,525	(38)	3,487
Total Restricted Receipt Accounts	37,692	3,033	40,725

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2013

7. Other Available Funds (continued)

The net current-year activity represents the difference between Local Services and Earned Income Tax restricted receipts and quarterly disbursements made to local tax collectors.

The Senate and House Local Services and Earned Income Tax Accounts have made disbursements to local tax collectors of \$10,804 and \$111,276, respectively, for taxes collected as of June 30, 2013, for which payment was made subsequent to June 30, 2013.

Two related service agencies also have funds available that are not included in the statement of financial affairs. These agencies are the Legislative Reference Bureau and the Capitol Preservation Committee. Each maintains a restricted receipts account, which is used to account for monies received from sources other than the state treasury.

The following table summarizes the activity for each account for the fiscal year ended June 30, 2013:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30, 2013
Legislative Reference Bureau Pennsylvania Consolidated Statutes Restricted Receipts Account	\$ 1,134,386	\$ (1,090,409)	\$ 43,977
Capitol Preservation Committee Capitol Restoration Trust Fund Restricted Receipts Account	429,191	(7,154)	422,037

The net current-year activity for the Pennsylvania Consolidated Statutes Restricted Receipts Account represents net activity of receipts and disbursements from the publication of pamphlet laws and consolidated statutes. The net current-year activity for the Capitol Restoration Trust Fund Restricted Receipts Account represents contributions from the general public and disbursements for flags, flag preservation laboratory expenses and other items of historical significance that are subject to Committee approval.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2013

8. Appropriation Commitments

The General Appropriations Acts of 1977-2012 and amendments thereto provide that appropriations to the various legislative departments and agencies of the General Assembly are continuing appropriations. Therefore, appropriations unexpended at the end of an appropriation period are available in the subsequent appropriation period. However, various commitments relate to the continuing appropriation balance. The General Assembly reports invoices payable, accrued payroll and lease commitment amounts; however, certain other commitments such as other post-employment retirement benefits and future compensated leave payout amounts are not included in the reported commitment amounts.

The following is a summary of the commitments presented in the statement of financial affairs at June 30, 2013:

	Senate	House	LSAs	Total
Commitments:				
Invoices payable	\$ 2,909,364	\$ 1,844,981	\$ 1,408,659	\$ 6,163,004
Accrued payroll	358,851	933,980	42,886	1,335,717
Lease commitments	4,897,831	9,621,060	196,595	14,715,486
Total	<u>\$ 8,166,046</u>	<u>\$ 12,400,021</u>	<u>\$ 1,648,140</u>	<u>\$ 22,214,207</u>

Invoices Payable

Invoices payable represents liabilities incurred during the fiscal year, but paid by the Pennsylvania Treasury subsequent to year end, for goods and services received and assets acquired from vendors.

Accrued Payroll

Accrued payroll relates to wages the General Assembly owes its employees for work performed.

Lease Commitments

Lease commitments are regular payments over a specified number of years under long-term contracts entered into by the General Assembly for the use of various assets.

The commitment amounts reported in the statement of financial affairs are included for the purpose of showing certain budgetary basis commitments and are not intended to present financial position or changes in financial position in conformity with accounting principles generally accepted in the United States.

Supplementary Schedule

General Assembly of the Commonwealth of Pennsylvania

Schedule of Disbursements by Category

Fiscal Year Ended June 30, 2013

Announcements	\$ 34,172
Education	132,059
Fixed assets	6,691,494
Insurance	112,189
Leases	10,934,087
Miscellaneous/other	(949,195)
Payroll/benefits	249,080,695
Postage	3,026,160
Printing	948,411
Publications	1,004,347
Renovations/preservations	1,229,666
Repairs/maintenance	4,377,658
Services	12,244,903
Supplies	4,516,993
Transportation	4,333,205
Travel	2,525,405
Utilities	942,105
	<u>\$ 301,184,354</u>