

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, 2010
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs

Fiscal Year Ended June 30, 2010

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PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report of Independent Auditors

The Legislative Audit Advisory Commission of the
Commonwealth of Pennsylvania

We have audited the accompanying statement of financial affairs of the General Assembly of the Commonwealth of Pennsylvania (General Assembly) for the fiscal year ended June 30, 2010 (financial statement). This financial statement is the responsibility of the General Assembly's management. Our responsibility is to express an opinion on this 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 of material misstatement. We were not engaged to perform an audit of the General Assembly's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Assembly's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The statement of financial affairs of the General Assembly presents a summary of the financial transactions of the General Assembly incurred in the conduct of its financial affairs, on the budgetary basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States, as described in Note 1, and does not present transactions that would be included in financial statements presented on the accrual basis of accounting, as contemplated by accounting principles generally accepted in the United States. Accordingly, the accompanying statement is not intended to present financial position or changes in financial position in conformity with accounting principles generally accepted in the United States.

In our opinion, the statement referred to above presents fairly, in all material respects, the appropriations, disbursements, commitments and available balances of the General Assembly for the fiscal year ended June 30, 2010, on the basis of accounting as described in Note 1.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Our audit was conducted for the purpose of forming an opinion on the statement of financial affairs taken as a whole. The schedule of disbursements by category is presented for purposes of additional analysis and is not a required part of the statement of financial affairs. Such information has been subjected to the auditing procedures applied in our audit of the statement of financial affairs and, in our opinion, is fairly stated in all material respects in relation to the statement of financial affairs taken as whole.

December __, 2010

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly

Fiscal Year Ended June 30, 2010

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	\$ 5,626,000	\$ 2,952,027	\$ 6,059,615	\$ 47,444	\$ 2,470,968
	Salaries of service employees	8,970,000	3,387,641	8,369,960	104,412	3,883,269
	Salaries and wages of employees of the Chief Clerk	2,750,000	1,572,498	2,274,431	4,202	2,043,865
	Incidental expenses	2,993,000	4,055,490	3,679,815	131,178	3,237,497
	Senators' expenses	1,250,000	2,403,552	906,081	75,663	2,671,808
	Postage for Chief Clerk and Legislative Journal	1,050,000	2,212,812	878,547	25,687	2,358,578
	Legislative printing and expenses	7,500,000	35,140,422	9,012,212	6,205,361	27,422,849
	Legislative printing and national flags for residents	-	32,427	12,649	-	19,778
President: Joseph B. Scarnati, III	Salaries of employees of the President of the Senate	303,000	108,847	13,841	-	398,006
	Contingent expenses	-	878	341	-	537
Floor Leader (D): Robert J. Mellow	Computer services (D)	2,000,000	466,734	1,647,988	145,338	673,408
	Caucus operations (D)	28,716,500	23,426,701	27,063,923	435,318	24,643,960
	Committee and contingent expenses (D)	-	619,231	155,830	16,518	446,883
Floor Leader (R): Dominic Pileggi	Computer services (R)	2,000,000	417,932	2,328,538	202,558	(13,164)
	Caucus operations (R)	28,716,500	13,171,001	35,226,135	542,906	6,118,460
	Committee and contingent expenses (R)	-	558,178	136,291	10,404	411,483
Chairman - Appropriations Committee (D): Jay Costa	Committee on Appropriations (D)	100,000	37,601	24,518	-	113,083
Chairman - Appropriations Committee (R): Jake Corman	Committee on Appropriations (R)	100,000	42,249	25,254	805	116,190
President Pro Tempore: Joseph B. Scarnati, III	Contingent expenses	-	26,345	19,209	881	6,255
		92,075,000	90,632,566	97,835,178	7,948,675	76,923,713

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2010

House of Representatives Chief Clerk: Roger Nick Anthony F. Barbush (2)	Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
		Salaries of Representatives	\$ 17,834,000	\$ 2,480,134	\$ 18,140,462	\$ 330,263	\$ 1,843,409
		Salaries of Bipartisan Management Committee, Chief Clerk and Comptroller	11,412,000	1,788,921	10,801,985	289,286	2,109,650
		Mileage of Representatives, officers and employees	356,000	88,939	331,983	32,559	80,397
		Postage for Chief Clerk and Legislative Journal	2,672,000	1,890,395	1,714,695	27,043	2,820,657
		Contingent expenses	560,000	980,674	520,215	4,589	1,015,870
		Incidental expenses	7,879,000	3,168,243	7,864,380	420,397	2,762,466
		Representatives' expenses	4,572,000	3,890,281	3,121,762	122,396	5,218,123
		Information technology (D)	6,564,000	5,370,022	3,871,963	231,361	7,830,698
		Information technology (R)	6,564,000	4,708,369	2,521,088	111,431	8,639,850
		Legislative printing and expenses	15,766,000	3,091,687	16,628,159	10,170,233	(7,940,705)
		National Legislative Conference	489,000	721,908	655,725	66,183	489,000
		School for new members	-	15,000	-	-	15,000
		Pennsylvania and national flags for residents	-	32,764	32,764	-	-
		Salaries of Speaker's office	1,731,000	1,667,316	914,909	20,436	2,462,971
		Contingent expenses	20,000	5,175	9,574	-	15,601
		Special Leadership Account (D)	10,328,000	14,409,598	10,887,621	92,352	13,757,625
		Legislative Management Committee (D)	19,370,000	13,793,238	26,726,536	484,819	5,951,883
		Salaries of House employees (D)	18,964,000	1,319,912	17,578,535	799,390	1,905,987
		Contingent expenses	7,000	29,715	1,450	-	35,265
		Special Leadership Account (R)	10,328,000	12,198,942	5,466,607	46,958	17,013,377
		Legislative Management Committee (R)	19,370,000	5,141,260	22,438,734	580,518	1,492,008
		Salaries of House employees (R)	18,964,000	4,799,062	20,306,080	438,316	3,018,666
		Contingent expenses	7,000	13,134	518	-	19,616

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2010

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): Dwight Evans	Committee on Appropriations (D) Contingent expenses	\$ 5,103,000 6,000	\$ 17,341,494 3,012	\$ 10,589,455 4,012	\$ 9,314 -	\$ 11,845,725 5,000
Chairman – Appropriations Committee (R): Mario J. Civera, Jr. (1) William F. Adolph, Jr. (2) Whip (D): H. William Deweese (1) Frank Dermody (2) Whip (R): Mike Turzai	Committee on Appropriations (R) Contingent expenses Contingent expenses Contingent expenses Contingent expenses	5,103,000 6,000 6,000 6,000	12,412,840 44,432	9,315,231 82 1,706	25,152 -	8,175,457 50,350 10,673
Caucus Chairman (D): Mark B. Cohen Caucus Chairman (R): Sandra Major Caucus Secretary (D): Jennifer Mann	Contingent expenses Contingent expenses Contingent expenses Contingent expenses	6,000 6,000 3,000 3,000 3,000	8,045	1,908 2,587 163 2,079	- -	12,137 3,066 9,703 8,196
Caucus Secretary (R): Jerry Stern Chairman – Policy Committee (D): P. Michael Sturfa	Contingent expenses Contingent expenses	3,000 2,000	5,286 3,285	932 2,997	- -	7,354 2,288
Chairman – Policy Committee (R): Stan Saylor	Contingent expenses	2,000	2,491	3,266	-	1,225
Caucus Administrator (D): Ron Buxton	Contingent expenses	2,000	4,969	5	-	6,964
Caucus Administrator (R): Merle H. Phillips	Contingent expenses	2,000	991	2,668	-	323

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2010

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 (D):						
Patti Glasser	Contingent expenses	\$ 20,000	\$ 44,249	\$ 4,910	\$ -	\$ 59,339
Staff Administrator (R):	Contingent expenses	20,000	94,972	11,089	-	103,883
Anthony Aliano		184,047,000	111,593,928	190,478,835	14,302,996	90,859,097
Legislative service agencies and miscellaneous appropriations						
Legislative Reference Bureau:						
Robert W. Zech, Director	Salaries, wages and expenses	6,767,000	7,150,052	8,308,044	46,502	5,562,506
	Contingent expenses	18,000	83,344	9,096	-	92,248
	Printing of Pennsylvania Bulletin and Pennsylvania Code	708,000	466,862	5,295	-	1,169,567
	New drafting system	-	4,257,560	860,000	-	3,397,560
Legislative Budget and Finance Committee:						
John R. Pippy, Chairman	Salaries, wages and expenses	1,775,000	3,240,502	1,678,793	105,817	3,230,892
Philip R. Durgin, Executive Director	Salaries, wages and expenses	2,819,000	3,293,245	4,767,531	237,301	1,107,413
Legislative Data Processing Committee:						
Dominic Pileggi, Chairman	Salaries, wages and expenses	1,416,000	686,309	1,929,066	184,859	(11,616)
Kathy Sullivan, Executive Director	Salaries, wages and expenses	1,074,000	448,044	1,244,105	374,579	(96,640)
Joint State Government Commission:	Local government codes	22,000	88,727	2,677	-	108,050
Florindo J. Fabrizio, Chairman	Salaries, wages and expenses	393,000	485,750	446,420	26,329	406,001
David L. Hostetter, Executive Director (1)	Salaries, wages and expenses	165,000	167,894	262,500	-	70,394
David S. John, Jr, Executive Director (2)	Miscellaneous expenses	583,000	109,846	692,818	10,219	(10,191)
Local Government Commission:						
Robert D. Robbins, Chairman	Salaries, wages and expenses	1,416,000	686,309	1,929,066	184,859	(11,616)
Michael P. Gasbarre, Executive Director	Salaries, wages and expenses	1,074,000	448,044	1,244,105	374,579	(96,640)
Legislative Air and Water Pollution Control Commission:	Local government codes	22,000	88,727	2,677	-	108,050
Scott E. Hutchinson, Chairman	Salaries, wages and expenses	393,000	485,750	446,420	26,329	406,001
Craig D. Brooks, Executive Director	Salaries, wages and expenses	165,000	167,894	262,500	-	70,394
Legislative Audit Advisory Commission:						
Josh Shapiro, Chairman	Miscellaneous expenses	583,000	109,846	692,818	10,219	(10,191)
James R. Roebuck, Jr. Chairman	Salaries, wages and expenses	1,416,000	686,309	1,929,066	184,859	(11,616)
Dr. Michael King, Executive Director (1)	Salaries, wages and expenses	1,074,000	448,044	1,244,105	374,579	(96,640)
Guy WR Jensen, Deputy Executive Director (2)	Local government codes	22,000	88,727	2,677	-	108,050
Independent Regulatory Review Commission:						

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania
 Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2010

Legislative Department or Agency	Purpose of Appropriation			Available From Prior Year(\$)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
	Total Appropriation						
Kim Kaufman, Executive Director	1,697,000	928,188	2,122,581	88,513	414,094		

Salaries, wages and expenses

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)

Fiscal Year Ended June 30, 2010

Legislative Department or Agency	Purpose of Appropriation			Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance (Deficit) After Commitments
	Total	Appropriation	Year(s)					
Legislative service agencies and miscellaneous appropriations (continued)								
Capitol Preservation Committee:								
Paul I. Clymer, Chairman	\$ 418,000	\$	662,831	\$	758,334	\$	9,073	\$ 313,424
David Craig, Executive Director	1,925,000		7,599,038		4,202,671		629,920	4,691,447
	-		128,787		-		-	128,787
	-		-		-		-	-
	-		-		-		-	-
	-		199,793		101,378		1,172	97,243
Council of State Government/Eastern Regional Conference --								
Annual Meeting and Regional Policy Forum:								
W. Russell Faber, Chief Clerk of the Senate								
Anthony F. Barbush, Chief Clerk of the House of Representatives	49,000		638,538		642,904		-	44,634
Pennsylvania Legislative Policy Database:								
W. Russell Faber, Chief Clerk of the Senate								
Anthony F. Barbush, Chief Clerk of the House of Representatives	-		217,000		178,053		12,364	26,583
Commonwealth Mail Processing Center:								
W. Russell Faber, Chief Clerk of the Senate								
	1,037,000		456,778		1,433,065		11,637	29,076
	20,866,000		31,309,088		29,665,331		1,738,285	20,771,472
	\$ 296,988,000		\$ 233,535,582		\$ 317,979,344		\$ 23,989,956	\$ 188,554,282

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

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement

June 30, 2010

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 9. 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.

2. Appropriations

Act 10-A of 2009 (2009 General Appropriations Act), which became effective July 1, 2009, 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, 2010. 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, 2010, 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 includes all necessary bills, invoices, or other supporting documents with the voucher transmittal to enable the State Treasury to approve the request for payment and prepare the checks payable to the payees listed.

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

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

3. Disbursements (continued)

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 voucher timing differences (i.e., processed prior to the fiscal year-end, but paid subsequent to the fiscal year-end) and changes in leadership advancement account cash balances at the end of the fiscal year, which are maintained in conventional checking accounts.

4. The Accounting and Operations Manual of the General Assembly, Senate Financial Operating Rules and the Accounting and Operations Manual of the House of Representatives

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

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

4. The Accounting and Operations Manual of the General Assembly, Senate Financial Operating Rules and the Accounting and Operations Manual of the House of Representatives (continued)

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 was adopted by the rules committees of both the Senate and the House of Representatives. The Accounting and Operations Manual of the General Assembly incorporates applicable statutory provisions and sets forth the purposes for which appropriated funds can be expended. It also contains 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. For fiscal years ended through June 30, 1979, the Accounting and Operations Manual of the General Assembly was amended as necessary to reflect changes in applicable aspects of the annual appropriations acts, other acts and the rules of both the Senate and the House of Representatives.

The Senate Financial Operating Rules governing disbursements, adopted in June 1979 and updated periodically, had the effect of superseding the provisions of the Accounting and Operations Manual of the General Assembly. Accordingly, the Senate Financial Operating Rules became the primary standard governing the Senate's financial affairs and by which compliance must be determined during the independent auditors' post-disbursement audit examination. The House of Representatives adopted an amended Accounting and Operations Manual of the House of Representatives on January 5, 2001, from which date the corresponding standards for the conduct and examination of the financial affairs of the House of Representatives are provided by the Accounting and Operations Manual of the House of Representatives, as amended. The corresponding standards for the conduct and examination of the financial affairs of the various legislative service agencies, bureaus, committees and commissions continue to be provided by the Accounting and Operations Manual of the General Assembly, as amended.

5. Available from Prior Year(s)

The General Appropriations Acts of 1977-2008 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.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

6. Appropriation Transfers

Act 38-A of 2008 (2008 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, 2010.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

6. Appropriation Transfers (continued)

All appropriation transfers that occurred during the fiscal year ended June 30, 2010, 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.

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, 2010:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30 2010
Senate Benefits Account	\$ 470,258	\$ 1,106,802	\$ 1,577,060
House Benefits Account	5,037,426	(4,231,248)	806,178

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, 2010, 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 \$155,818 for benefit costs incurred as of June 30, 2010, for which payment was made subsequent to June 30, 2010. The Senate Benefits Account had no benefit costs incurred as of June 30, 2010.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

7. Other Available Funds (continued)

In addition to the above mentioned benefits accounts, the Senate and House have other funds available that are not included in the statement of financial affairs. On March 7, 2008, Expenditure Symbol Notification Number 08-020 established a Local Services Tax appropriation for both the Senate and House. These restricted receipt accounts are used to account for the receipt of Local Services Taxes for the Senate and the House to make quarterly disbursements to appropriate local tax collectors.

The following table summarizes the activity for each account for the fiscal year ended June 30, 2010:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30 2010
Senate:			
Local Services Tax:			
Restricted Receipt Account	\$ 10,650	\$ 1,143	\$ 11,793
House:			
Local Services Tax:			
Restricted Receipt Account	25,717	(458)	25,259

The net current-year activity represents the difference between Local Services Tax receipts from other appropriations and quarterly disbursements made to local tax collectors.

The Senate and House Local Services Tax Accounts have made disbursements to local tax collectors of \$11,775 and \$20,045, respectively, for taxes collected as of June 30, 2010, for which payment was made subsequent to June 30, 2010.

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.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

7. Other Available Funds (continued)

The following table summarizes the activity for each account for the fiscal year ended June 30, 2010:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30 2010
Legislative Reference Bureau Pennsylvania Consolidated Statutes Restricted Receipts Account	\$ 1,058,896	\$ 31,829	\$ 1,090,725
Capitol Preservation Committee Capitol Restoration Trust Fund Restricted Receipts Account	314,948	58,723	373,671

The net current-year activity for the Pennsylvania Consolidated Statutes Restricted Receipts Account represents net activity of receipts and disbursements from the sale and purchase 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.

8. Appropriation Commitments

The General Appropriations Acts of 1977-2008 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.

Beginning in fiscal year ended June 30, 2007, the General Assembly began presenting certain commitment amounts to enhance the presentation of the statement of financial affairs and provide a better analysis of uncommitted funds available at the end of the fiscal year. Certain other commitments such as other post-employment retirement benefits and future compensated leave payout amounts are not included in the reported commitment amounts.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

8. Appropriation Commitments (continued)

The following is a summary of the commitments presented in the statement of financial affairs at June 30, 2010.

	<u>Senate</u>	<u>House</u>	<u>LSAs</u>	<u>Total</u>
Commitments:				
Accounts payable	\$ 2,227,491	\$ 4,264,158	\$ 1,163,148	\$ 7,654,797
Accrued payroll	-	328,330	134,514	462,844
Lease commitments	5,721,184	9,710,508	440,624	15,872,316
Total	<u>\$ 7,948,675</u>	<u>\$ 14,302,996</u>	<u>\$ 1,738,286</u>	<u>\$ 23,989,957</u>

Accounts Payable

Accounts payable represents amounts the General Assembly owes to vendors for goods and services received and assets acquired.

Accrued Payroll

Accrued payroll represents 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.

9. Contingencies

During the fiscal year ended June 30, 2007, the Attorney General's Office initiated an investigation into the propriety of supplemental payroll (bonus) payments made to certain General Assembly employees during the 2006-2007 fiscal year and other activities of certain employees.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

9. Contingencies (continued)

This investigation is ongoing, and the impact of the investigation, if any, is not expected to have a material effect on the statement of financial affairs of the General Assembly for the fiscal year ended June 30, 2010.

10. Subsequent Event

Supplemental Schedule

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

General Assembly of the Commonwealth of Pennsylvania

Schedule of Disbursements by Category

	<u>Year Ended</u> <u>June 30, 2010</u>
Announcements	\$
Education	
Fixed Assets	
Insurance	
Leases	
Miscellaneous/Other	
Payroll/Benefits	
Postage	
Printing	
Publications	
Renovations/Preservations	
Repairs/Maintenance	
Services	
Supplies	
Transportation	
Travel	
Utilities	
	<hr/> <hr/>
	\$