

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, 2014
With Report of Independent Auditors

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs

Fiscal Year Ended June 30, 2014

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	17

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, 2014, 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, 2014, 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

January 26, 2015

General Assembly of the Commonwealth of Pennsylvania

Statement of Financial Affairs of the General Assembly

Fiscal Year Ended June 30, 2014

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available from Prior Year(s)	Disbursed	Lapsed	Total Commitments	Appropriation Balance (Deficit) after Commitments
Senate							
Chief Clerk:							
W. Russell Faber (1)	Salaries of 50 Senators	\$ 7,292,000	\$ 2,696,215	\$ 7,157,374	\$ -	\$ 290,538	\$ 2,540,303
Donetta M. D'Innocenzo (2)	Salaries of service employees	10,810,000	3,849,294	10,814,771	-	409,716	3,434,807
	Salaries and wages of employees of the Chief Clerk	2,578,000	2,693,747	2,389,595	-	7,186	2,874,966
	Incidental expenses	2,711,000	5,611,698	2,216,832	500,000	198,855	5,407,011
	Senators' expenses	1,257,000	2,274,131	865,663	-	91,486	2,573,982
	Legislative printing and expenses	6,818,000	19,543,614	7,495,638	-	3,157,574	15,708,402
President:							
Jim Cawley	Salaries of employees of the President of the Senate	305,000	144,338	290,935	-	11,992	146,411
Floor Leader (R):							
Dominic Pileggi	Caucus operations (R)	31,356,070	8,950,603	30,347,356	-	1,070,714	8,888,603
	Committee and contingent expenses (R)	-	262,004	(293,626)	-	-	555,630
Floor Leader (D):							
Jay Costa	Caucus operations (D)	29,340,930	11,321,781	29,993,473	-	1,132,198	9,537,040
	Committee and contingent expenses (D)	-	317,513	(241,985)	-	-	559,498
Chairman – Appropriations Committee (R):							
Jake Corman	Committee on Appropriations (R)	1,267,500	785,195	1,368,301	-	1,004	683,390
Chairman – Appropriations Committee (D):							
Vincent J. Hughes	Committee on Appropriations (D)	1,267,500	770,675	1,184,265	-	16,061	837,849
Senate total		\$ 95,003,000	\$ 59,220,808	\$ 93,588,592	\$ 500,000	\$ 6,387,324	\$ 53,747,892

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)
Fiscal Year Ended June 30, 2014

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available from Prior Year(s)	Disbursed	Lapsed	Total Commitments	Appropriation Balance (Deficit) after Commitments
House of Representatives							
Chief Clerk:							
Anthony F. Barbush	Salaries of Representatives	\$ 27,389,000	\$ 2,112,112	\$ 26,926,146	\$ -	\$ -	\$ 2,574,966
	Salaries of Bipartisan Management Committee, Chief Clerk and Comptroller	14,259,000	6,608,955	15,341,592	48,704	129,353	5,348,306
	Mileage of Representatives, officers and employees	357,000	10,260	294,370	-	45,605	27,285
	Postage for Chief Clerk and Legislative Journal	2,685,000	4,456,061	4,732,108	50,000	9,324	2,349,629
	Contingent expenses	563,000	1,898,951	1,742,058	48,704	234	670,955
	Incidental expenses	4,872,000	987,615	2,798,812	-	358,332	2,702,471
	Representatives' expenses	4,086,000	2,485,233	2,996,100	-	154,787	3,420,346
	Legislative printing and expenses	10,260,000	4,742,072	11,127,491	-	9,403,661	(5,529,080)
	National Legislative Conference	491,000	476,520	28,935	452,592	-	485,993
Speaker:							
Samuel H. Smith	Salaries of Speaker's office	1,740,000	3,158,589	908	-	7,392	4,890,289
	Contingent expenses	20,000	65,828	4,058	-	-	81,770
Floor Leader (R):							
Mike Turzai	Special Leadership Account (R)	5,811,000	15,630,725	3,840,957	-	31,697	17,569,071
	Caucus operations (R)	52,892,000	7,095,171	53,086,150	-	524,570	6,376,451
	Information technology (R)	-	1,259,042	1,259,042	-	-	-
	Contingent expenses	7,000	26,223	5,331	-	-	27,892
Floor Leader (D):							
Frank Dermody	Special Leadership Account (D)	5,811,000	14,773,688	3,483,576	-	140,686	16,960,426
	Caucus operations (D)	45,056,000	4,182,643	44,700,255	-	535,738	4,002,650
	Information technology (D)	-	5,243,609	5,243,609	-	238,219	(238,219)
	Contingent expenses	7,000	53,815	2,163	-	-	58,652
Chairman – Appropriations Committee (R):							
William F. Adolph, Jr.	Committee on Appropriations (R)	3,098,000	5,219,135	3,261,875	-	88,429	4,966,831
	Contingent expenses	6,000	62,922	1,663	-	-	67,259

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)
Fiscal Year Ended June 30, 2014

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available from Prior Year(s)	Disbursed	Lapsed	Total Commitments	Appropriation Balance (Deficit) after Commitments
House of Representatives (continued)							
Chairman – Appropriations Committee (D):							
Joseph Markosek	Committee on Appropriations (D)	\$ 3,098,000	\$ 4,419,260	\$ 1,989,629	\$ -	\$ 73,948	\$ 5,453,683
	Contingent expenses	6,000	12,390	2,567	-	-	15,823
Whip (R):							
Stan Saylor	Contingent expenses	6,000	14,302	6,780	-	-	13,522
Whip (D):							
Michael Hanna	Contingent expenses	6,000	20,300	5,700	-	-	20,600
Caucus Chairman (R):							
Sandra Major	Contingent expenses	3,000	14,784	548	-	-	17,236
Caucus Chairman (D):							
Dan Frankel	Contingent expenses	3,000	380	2,898	-	-	482
Caucus Secretary (R):							
Mike Vereb	Contingent expenses	3,000	4,323	3,957	-	-	3,366
Caucus Secretary (D):							
Ronald Waters	Contingent expenses	3,000	6,080	4,627	-	-	4,453
Chairman – Policy Committee (R):							
Dave Reed	Contingent expenses	2,000	4,012	159	-	-	5,853
Chairman – Policy Committee (D):							
P. Michael Sturla	Contingent expenses	2,000	2,798	1,373	-	-	3,425
Caucus Administrator (R):							
Richard Stevenson	Contingent expenses	2,000	5,090	-	-	-	7,090
Caucus Administrator (D):							
Neal Goodman	Contingent expenses	2,000	12,969	1,177	-	-	13,792

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)
Fiscal Year Ended June 30, 2014

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available from Prior Year(s)	Disbursed	Lapsed	Total Commitments	Appropriation Balance (Deficit) after Commitments
House of Representatives (continued)							
Staff Administrator (R):							
Anthony Aliano	Contingent expenses	\$ 20,000	\$ 69,831	\$ 4,617	\$ -	\$ -	\$ 85,214
Staff Administrator (D):							
Mary-Jo Mullen	Contingent expenses	20,000	75,198	8,798	-	-	86,400
House of Representatives total		\$ 182,586,000	\$ 85,210,886	\$ 182,910,029	\$ 600,000	\$ 11,741,975	\$ 72,544,882
Legislative service agencies and miscellaneous appropriations							
Legislative Reference Bureau:							
Vincent C. DeLiberato, Jr., Director	Salaries, wages and expenses	\$ 8,365,000	\$ 3,297,958	\$ 6,883,891	\$ -	\$ 161,219	\$ 4,617,848
	Contingent expenses	-	99,035	10,863	-	-	88,172
	Printing of Pennsylvania Bulletin and Pennsylvania Code	803,000	303,234	735,000	-	-	371,234
	New drafting system	-	1,666,053	-	-	-	1,666,053
Legislative Budget and Finance Committee:							
Robert B. Mensch, Chairman	Salaries, wages and expenses	1,775,000	989,582	1,546,074	-	36,570	1,181,938
Philip R. Durgin, Executive Director							
Legislative Data Processing Committee:							
Dominic Pileggi, Chairman	Salaries, wages and expenses	17,369,000	16,045,287	17,195,293	400,000	911,820	14,907,174
Kathy Sullivan, Executive Director							
Joint State Government Commission:							
Florindo J. Fabrizio, Chairman	Salaries, wages and expenses	1,416,000	566,356	1,294,902	-	38,255	649,199
Glenn Pasewicz, Executive Director							
Local Government Commission:							
John H. Eichelberger, Jr., Chairman	Salaries, wages, and expenses	1,074,000	438,665	984,052	-	274,816	253,797
Michael P. Gasbarre, Executive Director	Local government codes	89,000	91,409	1,718	-	-	178,691
Legislative Air and Water Pollution Control Commission:							
Scott E. Hutchinson, Chairman	Salaries, wages and expenses	510,000	280,212	511,583	-	17,736	260,893
Craig D. Brooks, Executive Director (1)							
Tony M. Guerrieri (2)							
Legislative Audit Advisory Commission:							
Gordon R. Denlinger, Chairman (1)	Salaries, wages and expenses	245,000	156,250	211,800	-	-	189,450
Mark K. Keller, Chairman (2)							

General Assembly of the Commonwealth of Pennsylvania
Statement of Financial Affairs of the General Assembly (continued)
Fiscal Year Ended June 30, 2014

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available from Prior Year(s)	Disbursed	Lapsed	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	\$ 908,523	\$ 1,658,160	\$ -	\$ 52,979	\$ 1,047,384
Capitol Preservation Committee:							
Paul I. Clymer, Chairman	Capitol Renovation Committee	710,000	494,751	624,464	-	22,636	557,651
David Craig, Executive Director	Restoration of the Capitol	1,850,000	2,719,158	1,627,860	-	30,653	2,910,645
Independent Fiscal Office							
Matthew Knittel, Director	Salaries, wages and expenses	1,675,000	1,687,155	1,258,563	-	57,542	2,046,050
Mark Ryan, Deputy Director							
Pennsylvania Legislative Reapportionment Commission:							
W. Russell Faber, Chief Clerk of the Senate (1)	Miscellaneous expenses	700,000	580,617	5,063	-	-	1,275,554
Donetta M. D'Innocenzo, Chief Clerk of the Senate (2)							
Commonwealth Mail Processing Center:							
W. Russell Faber, Chief Clerk of the Senate (1)	Salaries, wages and expenses	2,894,000	2,519,983	2,420,846	-	50,569	2,942,568
Donetta M. D'Innocenzo, Chief Clerk of the Senate (2)							
Legislative service agencies and miscellaneous appropriations total		\$ 41,325,000	\$ 32,844,228	\$ 36,970,132	\$ 400,000	\$ 1,654,795	\$ 35,144,301
Total		\$ 318,914,000	\$ 177,275,922	\$ 313,468,753	\$ 1,500,000	\$ 19,784,094	\$ 161,437,075

- (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, 2014

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 position 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, 2014, prepared in accordance with accounting principles generally accepted in the United States applicable to governments.

2. Appropriations

Act 1-A of 2013 (2013 General Appropriations Act), effective July 1, 2013, 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, 2014. 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, 2014, 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, 2014

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.

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.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2014

4. Operating Rules and Policies (continued)

As a result, the General Assembly and the related service agencies have supplemented the appropriations acts with rules and manuals containing more specific details 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 1977-2013 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, 2014. Act 1-A of 2013 (2013 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, 2014.

All appropriation transfers that occurred during the fiscal year ended June 30, 2014, 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.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2014

6. Appropriation Transfers (continued)

The “available from prior years(s)” balances have been increased (decreased) to reflect the following transfers in accordance with certain sections of Act 1-A of 2013, and Expenditure Symbol Notification Numbers 13-021 and 13-108.

<u>Appropriation Name</u>	<u>Increasing (Decreasing)</u>
Senate:	
Salaries of 50 Senators	\$ 150,000
Salaries of service employees	350,000
Incidental expenses	400,000
House:	
Caucus operations (R)	540,000
Caucus operations (D)	460,000
LSA:	
Pennsylvania Legislative Reapportionment Commission	<u>(400,000)</u>
Net increase	<u>\$ 1,500,000</u>

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, 2014:

	<u>Funds Available from Prior Year</u>	<u>Net Current- Year Activity</u>	<u>Funds Available at June 30, 2014</u>
Senate Benefits Account	\$ 3,734,421	\$ 5,841,872	\$ 9,576,293
House Benefits Account	3,815,406	2,604,243	6,419,649

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2014

7. Other Available Funds (continued)

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 the prior year and at June 30, 2014, 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 \$164,215 for benefit costs incurred as of June 30, 2014, for which payment was made subsequent to June 30, 2014. The Senate Benefits Account did not incur benefit costs as of June 30, 2014, for which payment was made subsequent to June 30, 2014.

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, 2014

7. Other Available Funds (continued)

The following table summarizes the activity for each account for the fiscal year ended June 30, 2014:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30, 2014
Senate:			
Local Services Tax	\$ 10,804	\$ 28	\$ 10,832
Earned Income Tax	48,417	1,472	49,889
Total Restricted Receipt Accounts	59,221	1,500	60,721
House:			
Local Services Tax	22,595	36	22,631
Earned Income Tax	88,586	683	89,269
Total Restricted Receipt Accounts	111,181	719	111,900
LSAs:			
Earned Income Tax – Legislative Reference Bureau	16,679	(1,441)	15,238
Earned Income Tax – Local Government Commission	2,245	84	2,329
Earned Income Tax – Capitol Preservation Committee	1,492	(54)	1,438
Earned Income Tax – Independent Fiscal Office	3,274	(65)	3,209
Earned Income Tax – Joint State Government Commission	2,701	(50)	2,651
Earned Income Tax – Legislative Budget & Finance Committee	3,182	171	3,353
Earned Income Tax – Legislative Data Processing Committee	6,687	578	7,265
Earned Income Tax – Legislative Air and Water Pollution Control Commission	978	1,349	2,327
Earned Income Tax – Independent Regulatory Review Commission	3,487	30	3,517
Total Restricted Receipt Accounts	<u>\$ 40,725</u>	<u>\$ 602</u>	<u>\$ 41,327</u>

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2014

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, House, and Independent Fiscal Office Local Services and Earned Income Tax Accounts have made disbursements to local tax collectors of \$6, \$89,223, and \$3,209, respectively, for taxes collected as of June 30, 2014, for which payment was made subsequent to June 30, 2014.

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, 2014:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30, 2014
Legislative Reference Bureau Pennsylvania Consolidated Statutes Restricted Receipts Account	\$ 43,977	\$ 27,275	\$ 71,252
Capitol Preservation Committee Capitol Restoration Trust Fund Restricted Receipts Account	422,037	3,973	426,010

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, 2014

8. Appropriation Commitments

The General Appropriations Acts of 1977-2013 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, 2014:

	<u>Senate</u>	<u>House</u>	<u>LSAs</u>	<u>Total</u>
Commitments:				
Invoices payable	\$ 2,920,297	\$ 1,265,836	\$ 1,311,484	\$ 5,497,617
Accrued payroll	552,088	1,232,112	57,507	1,841,707
Lease commitments	2,914,939	9,244,027	285,804	12,444,770
Total	<u>\$ 6,387,324</u>	<u>\$ 11,741,975</u>	<u>\$ 1,654,795</u>	<u>\$ 19,784,094</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 the financial position or the changes in financial position in conformity with accounting principles generally accepted in the United States.

General Assembly of the Commonwealth of Pennsylvania

Notes to the Financial Statement (continued)

Fiscal Year Ended June 30, 2014

9. Lapses

In fiscal year ended June 30, 2014, the General Assembly lapsed \$1,500,000 of appropriations back to the Commonwealth's general fund.

Supplementary Schedule

General Assembly of the Commonwealth of Pennsylvania

Schedule of Disbursements by Category

Fiscal Year Ended June 30, 2014

Announcements	\$ 40,663
Education	123,221
Fixed assets	8,112,982
Insurance	386,195
Leases	13,649,954
Miscellaneous/other	228,195
Payroll/benefits	252,075,258
Postage	3,692,920
Printing	904,291
Publications	941,528
Renovations/preservations	1,405,740
Repairs/maintenance	2,946,246
Services	12,018,283
Supplies	9,029,656
Transportation	4,041,187
Travel	2,573,302
Utilities	1,299,132
	<u>\$313,468,753</u>