

### The Legislative Audit Advisory Commission of the Commonwealth of Pennsylvania

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

### Statement of Financial Affairs

Fiscal Year Ended June 30, 2007

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### 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 for the fiscal year ended June 30, 2007. 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, 2007, on the basis of accounting as described in Note 1.

Ernst + Young LLP

March 20, 2008

### Statement of Financial Affairs of the General Assembly

Fiscal Year Ended June 30, 2007

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Appropriation Balance Total (Deficit) After Commitments Commitments	App.	Appropriation Balance (Deficit) After Commitments
Senate Chief Clerk:							
W. Russell Faber		\$ 5,700,000 \$		5,359,741	\$ 71,455	<del>69</del>	2,957,028
	Salaries of service employees Salaries and wages of employees of the	9,000,000	3,045,951	9,016,344	297,993		2,731,614
	Chief Clerk	6,000,000	1,800,003	6,062,256	128,346		1,609,401
	Incidental expenses	3,226,000	2,149,544	2,433,208	265,869		2,676,467
	Senators' expenses	1,329,000	1,597,918	969,347	124,737		1,832,834
	Postage for Chief Clerk and Legislative				•		•
	Journal	1,465,000	1,086,583	1,177,344	73,674		1,300,565
	Legislative printing and expenses	16,400,000	31,076,119	9,169,973	4,519,240	٧٠١	33,786,906
	Pennsylvania and national flags for						
	residents	24,000	40,632	25,176	4,430		35,026
President:							
Catherine Baker Knoll	Salaries of employees of the President of the Senate	340,000	43,210	341,891	13,212		28,107
Floor Leader (R):	Contingent expenses	2,000	428	5,409	98		(67)
David J. Brightbill (1)	Leadership operations (R)	l	4,845,836	3,427,137	69,374		1,349,325
Dominic Pileggi (2)	Legislative Management Committee (R)	-	643,249	643,249			
	Computer services (R)	5,350,000	815,454	4,247,431	541,209		1,376,814
	Caucus operations (R)	19,250,000	2,186,966	19,724,817	879,400		832,749
	Committee and confingent expenses (K) Contingent expenses	929,000 -	211,67/ 19,841	205,550 19,841	18,217		316,910 -

# Statement of Financial Affairs of the General Assembly (continued)

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance Total (Deficit) After Commitments Commitments
Senate (continued) Floor Leader (D): Robert J. Mellow	Caucus Operations (D) \$\{\colon\text{committee} and contingent expenses (D)}\$ Contingent expenses	\$ 19,250,000 \$ 329,000	7,766,789 \$ 266,473	19,062,933 195,039 5,883	\$ 679,862 23,244	\$ 7,273,994 377,190 14.264
Chairman – Appropriations Committee (R): Noah W. Wenger (1) Gibson E. Armstrong (2)	Committee on Appropriations (R) Contingent expenses	4,900,000	10,154,875	3,716,901 22,729	83,316	11,254,658
Chauman – Appropriations Communes (D). Vincent J. Fumo (1) Gerald J. LaValle (2)	Committee on Appropriations (D) Computer services (D) Contingent expenses	4,900,000 5,350,000 -	1,739,694 4,912,366 19,367	4,280,179 4,571,726 198	76,927 319,165	2,282,588 5,371,475
President Pro Tempore: Robert C. Jubelirer (1) Joseph B. Scarnati, III (2) Chairman – Caucus (R):	Contingent expenses	20,000	16,184	19,785	1,476	14,923
Joe Conti (1) Michael L. Waugh (2) Chairman – Caucus (D):	Contingent expenses	l	138	138	l	I
Jay Costa, Jr. Caucus Secretary (R):	Contingent expenses	l	7,551	1,031	114	6,406
Robert D. Robbins Caucus Secretary (D):	Contingent expenses	1	2,699	2,699	ļ	1
Gerald J. Lavelle (1) Vincent J. Hughes (2)	Contingent expenses	1	8,075	1,043	1,585	5,447

Fiscal Year Ended June 30, 2007

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Appropriation Balance Total (Deficit) After Commitments Commitments	Appropriation Balance (Deficit) After Commitments
Senate (continued) Chairman – Policy Committee (R): Joseph B. Scarnati, III (1)						
Jake Corman (2) Chairman – Policy Committee (D):	Contingent expenses	<del>\$9</del>	1,482 \$	1,482	] <del>69</del>	! <b>↔</b>
Richard A. Kasunic Caucus Administrator (R): Mary Jo White (1)	Contingent expenses	l	5,091	I	l	5,091
Terry L. Punt (2)	Contingent expenses		1,165	1,165	1	I
House of Representatives		103,167,000	77,196,460	94,711,645	8,192,931	77,458,884
Chief Clerk:						
Roger Nick	Salaries of Representatives Salaries of Bipartisan Management Committee Chief Clerk and	19,222,000	3,602,154	20,854,608	14,109	\$1,955,437
	Comptroller	12,814,000	2,399,024	12,674,689	442,923	2,095,412
	Mulcage of Kepresentatives, officers, and employees  Postage for Chief Clerk and Legislative	400,000	18,337	347,764	39,905	30,668
	Journal Contingent expenses	3,000,000 643.000	856,829	1,388,070 529,207	21,943	2,446,816
	Incidental expenses Representatives' expenses	8,845,000	1,535,606	8,354,121	902,851	1,123,634
	Information technology	13,000,000	4,337,488	12,913,262	3,465,466	958,760
	Legislative printing and expenses National Legislative Conference	527,000	5,130,168 621,934	16,330,316 128,149	13,136,306	(11,02/,654) 1,019,234

Fiscal Year Ended June 30, 2007

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Appropriation Balance Total (Deficit) After Commitments Commitments	Appropriation Balance (Deficit) After Commitments
House of Representatives (continued) Chief Clerk (continued): Roger Nick (continued)	School for new members Pennsylvania and national flags for residents	\$ 15,000 \$	50,754 \$	40,590	<b>l</b> ∣	\$ 25,164
Speaker: John M. Perzel (1) Dennis M. O'Brien (2)	Salaries of Speaker's office Contingent expenses	897,000	6,000,258	5,575,561	58,413	1,263,284
Floor Leader (K): Samuel H. Smith	Special Leadership Account (R) Legislative Management Committee (R) Salaries of House employees (R) Contingent expenses	16,000,000 21,657,000 16,225,000 7,000	31,244,812 1,304,404 2,878,502 4,312	7,675,423 20,189,056 17,042,044 10,927	876,038 748,482	33,569,389 1,896,310 1,312,976 385
Floor Leader (D): H. William DeWeesc	Special Leadership Account (D) Legislative Management Committee (D) Salaries of House employees (D) Contingent expenses	13,329,000 20,657,000 20,225,000 7,000	21,151,576 9,393,188 9,649,613 16,689	11,671,286 15,783,276 25,509,633 2,137	643,216 1,061,217	22,809,290 13,623,696 3,303,763 21,552
Chairman – Appropriations Committee (R): Brett Feese (1) Mario J. Civera, Jr. (2) Chairman – Appropriations Committee (D):	Committee on Appropriations (R) Contingent expenses	5,730,000	3,947,055 30,001	2,552,082 1,030	55,525	, 7,069,448 34,971
Dwight Evans	Committee on Appropriations (D) Contingent expenses	5,730,000	11,079,064 1,084	3,068,732 3,550	80,721	13,659,611 3,534

Fiscal Year Ended June 30, 2007

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Appropriation Balance Total (Deficit) After Commitments Commitments	Appropriation Balance (Deficit) After s Commitments	riation nce After ments
House of Representatives (continued) Whip (R):							
David G. Argall Whip (D): Michael P. Veon (1)	Contingent expenses	\$ 000'9	1,347	\$ 4,578	 <b>⊹</b>	€4	2,769
Keith R. McCall (2) Caucus Chairman (R): Elinor Z. Taylor (1)	Contingent expenses	6,000	1,135	4,927	J		2,208
Sandra Major (2) Caucus Chairman (D):	Contingent expenses	3,000	068	635	I		3,255
Mark B. Cohen Caucus Secretary (R): Raymond Bunt Jr. (1)	Contingent expenses	3,000	91	1,698			1,393
Jerry Stern (2) Caucus Secretary (D): Kevin Blaum (1)	Contingent expenses	3,000	321	2,308	l		1,013
Frank Dermody (2) Chairman – Policy Committee (R): Mario I Civera Ir (1)	Contingent expenses	3,000	4,942	3,835	I		4,107
Mike Turzai (2) Chairman – Policy Committee (D):	Contingent expenses	2,000	22	(296)	-		2,989
Todd A. Eachus (2) Caucus Administrator (R):	Contingent expenses	2,000	5,855	4,250	l		3,605
Merle H. Phillips	Contingent expenses	2,000	4,785	1,657	I		5,128

### 0705-0835430-PH

## General Assembly of the Commonwealth of Pennsylvania

Fiscal Year Ended June 30, 2007

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Appropriation Balance Total (Deficit) After Commitments Commitments	Appropriation Balance (Deficit) After Commitments
House of Representatives (continued) Caucus Administrator (D): Fred Belardi (1) Dan A. Surra (2) Staff Administrator (R): Brian J. Preski (1)	Contingent expenses	\$ 2,000 \$	481	\$ 1,164	I <del>S9</del>	\$ 1,317
Anthony Aliano (2)	Contingent expenses	20,000	129,682	12,447		137,235
Scott V. Brubaker	Contingent expenses	20,000	77,377	58,554		38,823
Legislative service agencies and miscellaneous appropriations Legislative Reference Bureau:		1,3,3,20,000	11,316,060	160,213,682	21,774,651	105,447,553
Robert W. Zech, Director	Salaries, wages, and expenses Contingent expenses Printing of Pennsylvania Bulletin and	7,598,000 20,000	5,792,464 59,295	6,675,634 12,292	83,379	\$6,631,451 67,003
	Pennsylvania Code New drafting system	795,000	688,441	850,182 1,630,419	360,360	272,899 6,369,581
Legislative Budget and Finance Committee: Robert M. Tomlinson, Chairman (1) John R. Pippy, Chairman (2) Philip R. Durgin, Executive Director Legislative Data Processing Committee: Lynn B. Herman, Chairman (1) Vincant I Firms Acting Chairman (2)	Salaries, wages, and expenses	2,250,000	3,237,724	1,998,052	179,966	3,309,706
Kathy Sullivan, Executive Director	Salaries, wages, and expenses	3,751,000	2,954,226	3,535,884	22,486	3,146,856

Fiscal Year Ended June 30, 2007

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Total Commitments	Appropriation Balance Total (Deficit) After Commitments Commitments
Legislative service agencies and miscellaneous appropriations (continued) Joint State Government Commission: Roger A. Madigan, Chairman						
David L. Hostetter, Executive Director Local Government Commission:	Salaries, wages, and expenses	\$ 1,795,000 \$	1,415,246 \$	1,968,852	\$ 190,502 \$	\$ 1,050,892
Robert D. Robbins, Chairman	Salaries, wages, and expenses	1,159,000	431,525	1,212,678	648,428	(270,581)
Michael F. Gasoarre, Executive Director Legislative Air and Water Pollution Control Commission:	Local government codes	78,000	145,327	23,538	I	149,789
Scott E. Hutchinson, Chairman						
Craig D. Brooks, Executive Director Legislative Audit Advisory Commission:	Salaries, wages, and expenses	498,000	407,513	433,408	8,865	463,240
Vacant (1) Tohn A Moher Chairman (2)	Calorina wood or washing	170 000	050	102 040	000	0000
Legislative Office for Research Liaison: Teresa Forcier, Co-Chairman (1) James R. Roebuck, Jr., Co-Chairman (1)	odiancs, wages, and expenses	1,00,000	, 't	123,639	20,200	166,07
Dr. Michael King, Executive Director	Miscellaneous expenses	786,000	46,159	775,041	31,139	25,979
independent Kegulatory Kevlew Commission: Kim Kaufman, Executive Director	Salaries, wages, and expenses	2,050,000	1,391,296	2,103,982	45,279	1,292,035

# Statement of Financial Affairs of the General Assembly (continued)

I contribution Description	-	Total	Available From Prior	, ,	Total	Appropriation Balance (Deficit) After	riation ince ) After
registative Department of Agency	Furpose of Appropriation	Appropriation	Year(s)	Disbursed	Commitments Commitments	S Commi	tments
Legislative service agencies and miscellaneous appropriations (continued) Capitol Preservation Committee:							
Paul I. Clymer, Chairman	Capitol Renovation Committee	\$ 000,006 \$	458,954 \$		<del>6/3</del>	<del>6/3</del>	399,843
	Restoration of the Capitol Restoration of North Office Hearing	4,150,000	3,867,694	2,187,967	268,908		5,560,819
	Rooms	ı	140,751	ı		-	140,751
	Biographical Dictionary	197,000	1	197,000	1		: I
	Rare Books Conservation	400,000	1	400,000	1		1
	Flag Conservation	000'09	1	(100,684)	2,147		158.537
Capitol Centennial Commission:	•	•					
W. Russell Faber, Chief Clerk of the Senate Centennial of the Capitol	Centennial of the Capitol	250,000	480,367	401,536	1	3,	328.831
Legislative Reapportionment Commission: W. Russell Faber. Chief Clerk of the Senate							`
Roger Nick, Chief Clerk of the House of							
Representatives	Salaries, wages, and expenses	1	33,112	l	1		33,112
Council of State Government's Convention:							
Roger Nick, Chief Clerk of the House of							
Representatives	Miscellaneous expenses	I	181,568	1	l	==	181,568

# Statement of Financial Affairs of the General Assembly (continued)

Legislative Department or Agency	Purpose of Appropriation	Total Appropriation	Available From Prior Year(s)	Disbursed	Appropriation Balance Total (Deficit) After Commitments Commitments	Appropriation Balance (Deficit) After Commitments
Legislative service agencies and miscellancous appropriations (continued) Council of State Government/Eastern						
Regional Conference - Annual Meeting and Regional Policy Forum:						
W. Russell Faber, Chief Clerk of the						
Roger Nick, Chief Clerk of the House of						
Representatives	Miscellaneous expenses	\$ 200,000 \$	45,928	\$ 5.184	69	\$ 240.744
Pennsylvania Legislative Policy Database: W. Russell Faber, Chief Clerk of the Senate	•					
Roger Nick, Chief Clerk of the House of						
Representatives	Miscellaneous expenses	220,000	160,000	380,000	I	***************************************
Commonwealth Mail Processing Center: W. Russell Faber, Chief Clerk of the Senate Miscellar	Miscellaneous expenses	1,300,000	323,870	1,548,488	90.345	(14.963)
		36,585,000	22,308,510	27,296,292	1,988,135	29,609,083
		\$ 333,272,000	\$ 217,423,056	\$ 308,223,819	\$ 333,272,000 \$ 217,423,056 \$ 308,223,819 \$ 31,955,717 \$ 210,515,520	\$ 210,515,520

Beginning of the fiscal year.
 End of the fiscal year.

### Notes to the Financial Statement

June 30, 2007

### 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 2-A of 2006 (2006 General Appropriations Act), which became effective July 1, 2006, 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, 2007. 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, 2007, 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 payment of the costs and expenses incurred. The Act mentioned in Note 2 generally provides that

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### Notes to the Financial Statement (continued)

### 3. Disbursements (continued)

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

Legislative Management Committee (R) and (D) 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 appropriated monies could be disbursed and descriptions of the type and manner of documentation of such disbursements.

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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)

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 standards 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 1977-2005 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.

### Notes to the Financial Statement (continued)

### 6. Appropriation Adjustments

Act 1-A of 2005 (2005 General Appropriations Act) was the original bill enacting legislative appropriations for the 2005-2006 appropriation year. On July 5, 2006, Expenditure Symbol Notification Number 06-072 adjusted the original 2005 General Appropriations Act as follows:

Purpose of Appropriation	Increasing Adjustment
Senate:	
Legislative Printing and Expenses	\$ 2,000,000

The "available from prior years(s)" balances have been increased to reflect the above appropriation adjustment as a result of Expenditure Symbol Notification Number 06-072.

### 7. Appropriation Transfers

Act 2-A of 2006 (2006 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, 2007.

All appropriation transfers that occurred during the fiscal year ended June 30, 2007, 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.

### 8. 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.

### Notes to the Financial Statement (continued)

### 8. Other Available Funds (continued)

The following table summarizes the activity for each account for the fiscal year ended June 30, 2007:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30 2007
Senate Benefits Account	\$ 840,050	\$ (402,297)	\$ 437,753
House Benefits Account	1,906,287	3,229,098	5,135,386

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, 2007, 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 Senate and House Benefits Accounts have made disbursements of \$283,901 and \$216,189, respectively, for benefit costs incurred as of June 30, 2007, for which payment was made subsequent to June 30, 2007.

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.

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### Notes to the Financial Statement (continued)

### 8. Other Available Funds (continued)

The following table summarizes the activity for each account for the fiscal year ended June 30, 2007:

	Funds Available from Prior Year	Net Current- Year Activity	Funds Available at June 30 2007
Legislative Reference Bureau Pennsylvania Consolidated Statutes Restricted Receipts Account	\$ 964,463	\$ 30,228	\$ 994,691
Capitol Preservation Committee Capitol Restoration Trust Fund Restricted Receipts Account	186,527	(2,647)	183,880

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.

### 9. Appropriation Commitments

The General Appropriations Acts of 1977-2006 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.

### Notes to the Financial Statement (continued)

### 9. Appropriation Commitments (continued)

The following is a summary of the commitments presented in the statement of financial affairs at June 30, 2007.

	Senate	House	LSAs	Total
Commitments:				
Accounts payable	\$ 3,212,470	\$ 6,207,169	\$ 1,040,244	\$ 10,459,883
Accrued payroll	1,330,133	2,721,786	72,602	4,124,521
Lease commitments	3,650,328	12,845,696	875,289	17,371,313
Total	\$ 8,192,931	\$ 21,774,651	\$ 1,988,135	\$ 31,955,717

### **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.

### 10. 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 fiscal year and other activities of certain employees.

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, 2007.